

# SECRETARY'S RECORD, PUBLIC SERVICE COMMISSION

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BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the ) Application No. NG-111/PI-237  
Commission, on its own motion, )  
seeking to investigate the )  
effect of the February 2021 )  
cold weather event upon the ) ORDER DENYING MOTION FOR  
cost of gas supply purchased by ) RECONSIDERATION  
Nebraska gas utilities. )  
)  
Black Hills Nebraska Gas, LLC ) Docket No. NG-111.1  
)  
) Entered: June 29, 2021

BY THE COMMISSION:

On March 2, 2021, the Nebraska Public Service Commission ("Commission"), on its own motion, opened the above-captioned docket. This docket was opened for the purpose of gathering information regarding and formulating a response to the effect of the February 2021 cold weather event upon the cost of gas supply purchased by Nebraska gas utilities subject to the Commission's jurisdiction under the State Natural Gas Regulation Act, Neb. Rev. Stat. §§ 66-1801 - 66-1868. A Petition for Formal Intervention was filed by the Nebraska Public Advocate on March 4, 2021 and granted on March 5, 2021.

On May 25, 2021, the Commission entered an order approving Black Hills' proposal submitted in this docket for recovery of costs incurred due to the February 2021 cold weather event. On June 3, 2021, Black Hills submitted a Motion for Clarification and Reconsideration. The Commission subsequently issued an order nunc pro tunc on June 8, 2021, correcting a clerical error in its May 25 order, as requested in the Motion for Clarification. The Commission now reviews the Motion for Reconsideration ("Motion").

In its Motion, Black Hills seeks reconsideration of the Commission's requirement stated in its May 25 order that "[s]hould there be any cost savings realized by Black Hills due to the switching of interruptible customers to firm rates, such cost savings must be used to offset the costs of gas purchases made between February 13-18, 2021."<sup>1</sup> Black Hills states that such

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<sup>1</sup> Commission Docket No. NG-111.1, In the Matter of the Commission, on its own motion, seeking to investigate the effect of the February 2021 cold weather event upon the cost of gas supply purchased by Nebraska gas utilities: Black Hills Nebraska Gas, LLC, *Order Approving Recovery Plan* (May 25, 2021) ("May 25 Order").

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savings are "speculative at this point in time, difficult or impossible to track, and otherwise improper confiscation of Company revenues to the GCA."<sup>2</sup> The Public Advocate did not file a response to this Motion.

In the May 25 Order, the Commission stated that "all reasonable measures must be taken to ensure that the mechanism proposed by Black Hills will not result in any costs being passed on to customers which are not a direct result of the February 2021 cold weather event."<sup>3</sup> This statement was included in the May 25 Order for the purpose of ensuring that the cold weather cost recovery mechanism, just like the GCA, will purely be a pass-through mechanism of gas costs to consumers. In no event should consumers be obligated to pay costs or fees as a result of this docket other than the actual cost of purchased gas. The Commission wishes to ensure that even though the costs incurred by the February cold weather event were extraordinary, and corresponding extraordinary measures have been taken by the Commission and Black Hills in response, consumers will only be asked to pay the actual cost of gas purchased for their use. Therefore, there can be no cost savings or future incremental revenues realized by Black Hills as a result of the February cold weather event.

To the extent that Black Hills seeks clarification of the Commission's May 25 Order and the term "cost savings," that term refers to actual cost savings directly attributable to the switching of an interruptible customer to firm service due exclusively as a result of the cold weather event. This does not include incremental cost savings from future conversions. This is consistent with the recommendation by the Public Advocate in his Review.<sup>4</sup> The Commission recognizes that Black Hills stated in its Response to the Public Advocate's Review that there are no such profits to be realized.<sup>5</sup> If this is indeed the case, the Commission's order that any such cost savings must be applied to against the costs incurred in the February cold weather event will not require any administrative effort on Black Hills' part. The Commission finds its previous order a reasonable safeguard to protect the consumer and the integrity of the recovery mechanism previously approved in this docket. This Motion is therefore overruled.

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<sup>2</sup> Motion at 4.

<sup>3</sup> May 25 Order at 3.

<sup>4</sup> Public Advocate's Review of February 2021 Cold Weather Event Cost Recovery Proposal, dated May 6, 2021 ("Review"), at 13.

<sup>5</sup> Black Hills' Response to Public Advocate's Review, dated May 13, 2021 ("Response"), at 3-4.

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O R D E R

IT IS THEREFORE ORDERED that the Motion for Reconsideration filed in this matter by Black Hills Nebraska Gas is hereby overruled.

IT IS FURTHER ORDERED that the implementation of the proposal approved in this docket shall proceed as previously ordered.

ENTERED AND MADE EFFECTIVE at Lincoln, Nebraska, this 29th day of June, 2021.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

*Rod Johnson*  
*Crystal Broadie*  
*Mary Kidder*  
*Tim Schram*

*Don Waters*

Chair

ATTEST:

*Michael S. Hyl*

Executive Director