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July 19, 2022

Ret. Colonel Thomas Golden
Executive Director
Nebraska Public Service Commission
1200 N Street, Suite 300
Lincoln, NE 68508

Re: *Black Hills Nebraska Gas, LLC d/b/a Black Hills Energy
Comment Regarding Customer Requests for Voluntary Removal or
Relocation of Natural Gas Facilities
Docket NG-113/PI-241*

Dear Ret. Col. Golden:

Black Hills Energy hereby transmits its Comments regarding customer requests for Voluntary Removal or Relocation of Natural Gas Facilities under Docket NG-113/PI-241.

Please contact me at (402) 221-2635 if you have any questions or need additional information.

Respectfully submitted,

Douglas J. Law

Douglas J. Law #19436
Associate General Counsel

DJL:ce

Attachment

cc: Tyler Frost
Robert Amdor
Shelly Reichert
Service List
Nicole Mulcahy

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

IN THE MATTER OF THE COMMISSION,) APPLICATION NO. NG-113/PI-241
ON ITS OWN MOTION, SEEKING TO)
INVESTIGATE WHETHER)
JURISDICTIONAL UTILITIES SHOULD)
ADD A TARIFF PROVISION)
ADDRESSING CUSTOMER REQUESTS)
FOR VOLUNTARY REMOVAL OR)
RELOCATION OF NATURAL GAS)
FACILITIES.)

COMMENTS OF
BLACK HILLS NEBRASKA GAS, LLC
D/B/A BLACK HILLS ENERGY

I. INTRODUCTION

On May 24, 2022, the Nebraska Public Service Commission (“Commission”), on its own motion, issued an order opening an investigation in the above-captioned docket for the purpose of gathering information regarding, and reviewing the policies and practices related to addressing customer requests for voluntary removal or relocation of natural gas facilities within the State of Nebraska. The Commission initiated its investigation in this proceeding pursuant to *Neb. Rev. Stats. §§ 66-1804(1) and (2)*.

Pursuant to the Commission’s Order, the Commission solicited written comments on a range of topics primarily related to the removal and/or relocation of natural gas facilities. Thereafter, the Commission will hold a workshop on July 27, 2022 from 9:00 a.m. to 12:00 p.m. to discuss those topics. The Commission has asked for comments to be filed at least one week prior to this workshop.

Pursuant to the Commission’s Order, Black Hills Nebraska Gas, LLC (“BH Nebraska Gas”) hereby submits comments and evidence in response to the Commission’s investigation in this proceeding.

BH Nebraska Gas operates within the State of Nebraska as a Jurisdictional Utility pursuant to the State Natural Gas Regulation Act. (“Act”) *Neb. Rev. Stats. §§ 66-1801, et. seq.* BH Nebraska Gas conducts business in Nebraska as “Black Hills Energy.”

BH Nebraska Gas provides the comments set forth below.

II. SCOPE OF COMMENTS

The comments provided herein focus on the existing mechanisms in place to assess costs to customers who voluntarily request removal and/or relocation of natural gas facilities.

1. **Is there a current mechanism in place for jurisdictional utilities to assess costs to customers who voluntarily request the removal and/or relocation of natural gas facilities?**

Yes, BH Nebraska Gas has general tariff language on Sheet No. 36 and Sheet No. 135 which discusses Facilities Relocation/Miscellaneous Service Work. Sheet No. 135 states the costs that would result from customer requested work is “All costs including labor and materials”. Sheet No. 36 goes on to say, “The Company may assess a charge, pursuant to the Schedule of Rates and Other Charges, at the Company’s current standard hourly service charge for all work performed.” See Comment Exhibit A.

2. **If the answer to #1 is no, how does the utility handle the costs of removals and relocations requested by customers?**

Not applicable. The answer to #1 is “yes”.

3. **How often does a customer voluntarily request a jurisdictional utility to remove or relocate their natural gas facilities?**

Although we track the reason and costs for customer work, we also lump in similar requests for removal, relocation and other work – including abandonment. The actual numbers requested by customers are unknown without detail review of individual cases. We retrieved a list of all cases as follows:

<u>Classification</u>	<u>Total of All Cases for the period of March 2022 to June 2022</u>
Replace or Retire Gas Service	554
Gas Meter Removal	93
Gas Cut Service – Remove Meter	1

4. Would a tariff provision allowing the cost of voluntary removals or relocations of natural gas facilities to be recovered directly from the requesting customers be beneficial to the system and customers of the utilities?

Yes, the tariff provision is on Sheet No. 36 and Sheet No. 135. BH Nebraska would consider enhancing it to clarify that customer removal or abandonment is one of the included cost items.

5. If the answer to #4 is yes, how should the cost recovery be structured? Should the cost be determined on a case-by-case basis similar to installations, or by a flat fee? Should the cost be assessed entirely to customers, or should a portion of the costs be absorbed by the jurisdictional utility?

Tariff Sheet No. 135 is applied and the cost determined on a case-by-case basis for “All costs including labor and materials”. Sheet No. 36 goes on to say, “The Company may assess a charge, pursuant to the Schedule of Rates and Other Charges, at the Company’s current standard hourly service charge for all work performed.”

6. Is there any other information the Commission and other interested parties should consider in their review of this issue? If so, please provide an explanation and supporting documentation.

BH Nebraska does not have specific recommendations at this time. However, Comment Exhibit 2 is a copy of the Black Hills/Iowa Gas Utility Company, LLC d/b/a Black Hills Energy tariff sheets that contain language similar to the language found in Black Hills Energy’s Nebraska Tariff. We provide this information as additional

possible tariff language that could be considered if the Commission determines that additional tariff language is appropriate or necessary.

III. CONCLUSION

WHEREFORE, for the reasons stated above, BH Nebraska Gas respectfully submits the comments provided herein.

Respectfully,

By: */s/ Douglas J. Law*

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Attorney
Black Hills Nebraska Gas, LLC
d/b/a Black Hills Energy

Dated: July 19, 2022

BH NEBRASKA GAS COMMENT EXHIBITS

Exhibit No. 1 – BH Nebraska Gas Tariff Sheet Nos. 36 and 135
Exhibit No. 2 – BH Iowa Gas Tariff Sheet Nos. 49 and 66

RULES AND REGULATIONS – NATURAL GAS SERVICE
GENERAL SERVICE

METERS AND REGULATORS

Company shall furnish meters and meter connections at no extra cost to Customer. Meters and meter connections are to be set and maintained at the Customer's property line; however, in some cases it will be more feasible to set meters on Customer's property, this to be decided by the Company. New installations must be outdoors, unless deemed necessary to be indoors according to Company standards. The meter and meter connections are the property of the Company, and may be removed when the service is terminated for any cause. All yard lines, interior piping, valves, fittings, and appliances on the premises of the Customer shall be furnished by the Customer and are subject to the approval of the Company and the municipal authorities which have jurisdiction.

Electronic Flow Measurement (EFM) devices may be installed at the Customer's expense when requested by the Customer or where the Company does not have reasonable access to the Customer's meter due to fences, landscaping, potentially menacing animals or for other reasons outside the Company's control. In instances where the Company installs an EFM device, the Customer will enter into a suitable Facilities Agreement with the Company providing for payment of the all-inclusive cost of acquiring and installing the device as well as other ongoing monthly fees.

Customer may install, operate and maintain, at its own expense, check measuring equipment as it shall desire, provided that check meters and equipment shall be installed so as not to interfere with the operation of Company's meters at or near the Point of Delivery. Company shall have access to check measuring equipment at all reasonable hours but the reading, calibrating and adjusting thereof and changing of charts shall be done only by Customer.

RELOCATION OF FACILITIES

Notwithstanding any provision contained within this Tariff, the Customer will bear the cost of relocating facilities used in the provision of gas service which are located downstream of the Service Line when made at the Customer's request or when necessary to comply with applicable legal requirements or to mitigate potential or existing safety hazards to property or personnel. The Company may assess a charge, pursuant to the Schedule of Rates and Other Charges, at the Company's current standard hourly service charge for all work performed.

RATE SCHEDULES AND OTHER CHARGES
CHARGES FOR MISCELLANEOUS SERVICES

METER TEST CHARGE	Upon Customer's request to have a meter tested, Company may charge time and materials based on Company's determination of meter test history and billing inquiries.	\$40.00
FACILITIES RELOCATION/MISC SERVICE WORK	As set forth on Sheet 36, Relocation of Facilities, the Company may assess a charge for work performed at the Customer's request or when necessary to comply with applicable legal requirements or to mitigate potential or existing safety hazards to property or personnel.	All costs including labor and materials
SEASONAL DISCONNECTIONS	Seasonal disconnection charges shall not be permitted. The Company will charge a turn-on charge (reconnection charge) equal to those charged to any other customer receiving service.	Not permitted; Reconnection Charge will be assessed
DIVERSION FEES	<p>As set forth on Sheet 53, in addition to other statutory remedies or penalties that may be available, the Company will bill the Customer for Company labor and material costs for the damaged Company property.</p> <p><u>Labor:</u></p> <ol style="list-style-type: none"> 1. Field Representative service charge \$75.00 2. Field Representative service charge (If meter repaired, removed or replaced) \$125/hour 3. Customer Service/Billing Associate service charge \$125/hour <p><u>Materials:</u></p> <ol style="list-style-type: none"> 4. Lock \$25.00 5. Clamshell \$50.00 6. Stop cock \$35.00 7. Meter test \$40.00 8. Film/developing \$15.00 	

**RULES AND REGULATIONS - GAS
CHARGES TO BE PAID BY CUSTOMER**

ENERGY
CONSERVATION
STANDARDS
FOR NEW
STRUCTURES

The Company shall not provide gas service to any structure completed after April 1, 1984, unless the owner or builder of the structure has certified to the Company that the building conforms to the energy conservation requirements adopted under Iowa Administrative Code Section 661-16.801(103A) and 661-16.802(103A). If this compliance is already being certified to a state or local agency, a copy of that certification shall be provided to the Company. If no state or local agency is monitoring compliance with these energy conservation standards, the owner or builder shall certify that the structure complies with the standards by signing a form provided by the utility. No certification will be required for structures that are not heated or cooled by gas service or are not intended primarily for human occupancy.

CHARGES FOR
WORK
PERFORMED
ON
CUSTOMER'S
PREMISES

Except as set out in Nonchargeable Services below the Company will charge for all materials furnished and for all work done on the customer's premises.

Nonchargeable Services:

The Company will not charge for work done involving the following items:

- Change of meter or service line location when done at the election and choice of the Company.
- Maintenance repairs or replacements of Company-owned property on customer premises except when damage is due to negligence of or misuse by customer or his agents.
- Parts replaced in warranty where equipment was originally sold by Company.
- Leak calls or leak checks.
- Unlock of new accounts during normal working hours

Chargeable Services:

Work done by the Company for the customer for services other than those described above will be charged for based on rates set by the Company which are designed to recover all costs. The customer will be advised of the approximate charges for performing work, for his approval, prior to work being performed.

EXHIBIT

B

RULES AND REGULATIONS – GAS
EXTENSION OF GAS FACILITIES – IAC SEC. 19.3(10)

TEMPORARY OR LIMITED SERVICE	A non-residential Applicant, requesting greater than a basic extension, shall include at least a three (3) year commitment of gas service for annual usage greater than 50,000 therms. Service commitments less than these minimums, are considered temporary or limited. For gas service of a temporary or limited nature, Applicant shall be required to pay to Company as non-refundable Construction Charges as outlined in the Facilities Extension Agreement an amount equal to the estimated net cost of installing, owning and removing the Distribution Extension including non-salvageable materials. Applicant shall pay Company before Company's construction commences.
EXTENSION UPGRADES	Where a gas distribution Extension Upgrade is required to serve a non-residential customer's load requirements, the Facilities Extension Agreement between Company and Applicant shall apply the Estimated Construction Costs, Construction Allowance, and Construction Charges provisions contained in this extension policy to the Extension Upgrade.
RELOCATION OR CONVERSION REQUESTS	An Applicant desiring to have Company's existing facilities relocated may request Company to make such changes. If Company determines that such conversion or relocation can reasonably be made, Company will make such conversion or relocation on the following basis: The cost of removing and relocating such facilities, the related net cost of non-salvageable materials and the cost of any new facilities to be installed shall be paid by the Applicant as non-refundable Construction Charges as outlined in the Facilities Extension Agreement.
EXCESS FACILITIES REQUESTS	In those instances, for Non Residential Single Family Project Applications, where Company chooses to provide facilities at Applicant's request in variance with the normal gas construction standards, Applicant's shall be required to pay Company for the cost of such facilities, and to pay Company a Nonrefundable Construction Charge or a surcharge as outlined in the Facilities Extension Agreement. The charge is designed to recover the cost of insurance, replacement (or cost of removal), license and fees, taxes, operation and maintenance and appropriate allocable administrative and general expenses associated with such distribution facilities.