

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

IN RE:

In the Matter of the Commission, on its own motion, seeking to review policies and practices relating to the administration of customer choice programs for natural gas service offered within the State of Nebraska

Application No. NG-102 / PI-225

COMMENTS OF BLACK HILLS ENERGY SERVICES COMPANY

Summary

COMES NOW, Black Hills Energy Services Company ("BHES") by and through undersigned counsel, and submits the following comments in response to the Nebraska Public Service Commission's ("Commission") August 6, 2019, Order Opening Docket Requesting Written Comments and Notice of Assessment ("Order") regarding review of policies and practices relating to the administration of customer choice programs for natural gas service offered within the State of Nebraska.

BHES is a non-regulated competitive natural gas supplier in the Choice Gas Programs of both Nebraska and Wyoming. BHES appreciates the Commission and Commission Staff's efforts in reviewing the choice program's rules and procedures. These comments primarily focus on the seven areas outlined in the Order. BHES does not waive any rights or positions that may not be contained in these comments. BHES reserves the right to change its positions contained in these comments in the future. BHES would appreciate the opportunity to comment in the future on any significant proposals that be presented by other stakeholders through written comments or at the September 25, 2019, Commission workshop.

Comments

1. Customer Education

- a. How can utilities, CNGPs, and the Commission better educate customers about the Choice program? What should the goal of customer education be?**

In general, BHES is a big proponent of educating customers on both how the Choice Gas program operates and the types of products and services offered by Choice Gas suppliers. BHES supports cost-effective education measures with the goal of better educating the customer on:

- i. The Choice Gas program's rules, processes, and procedures.
- ii. The supplier's pricing, products, and services.
- iii. The Commission's role in reviewing and enforcing the Choice Gas program.

When there is open and transparent information on the above matters, it leads to less customer confusion and frustration. Ultimately, with better education, it should lead to a better overall customer experience which, in turn, should lead to a reduction of complaints for the utility and the Commission. BHES educates customers on matters concerning pricing, products, and services through its website, mailings, and through personal interaction with customers via telephone or at in-person meet-and-greets.

- b. What should the role of each entity be in administering and setting out information regarding the Choice program?**

BHES believes that the suppliers are responsible for educating customers on the products and services that each supplier is offering. This would include the pricing and the details on how each product works. The role of

educating the customers on the rules, processes, and procedures should lie with the utility as the Choice Gas administrator. BHES is willing to include educational information regarding the rules, processes, and procedures on its website if requested by the utility. However, BHES does not believe it should be required to take on cost-inducing measures to deliver educational information to customers regarding rules, processes, and procedures as that is a function that should be borne by the utility. BHES is willing to work with the Commission and other stakeholders to explore other low-cost education methods.

2. Code of Conduct

a. Is the current Code of Conduct set forth in the utility's tariff and in the Commission regulations sufficient to provide a fairly administered program that benefits both customers and marketers?

BHES does believe that, in general, the utility's tariff and the Commission regulations do administer a fair program that benefits both customers and marketers. However, BHES would like to see a more transparent investigation process from the utility when issues or concerns are brought to the attention of the utility. For example, if BHES becomes aware of a potential marketing violation from another supplier and it brings that potential violation to the attention of the utility, how is that complaint reviewed and enforced? BHES would appreciate a more transparent process which clearly identifies the investigative steps that were performed and ends with the formal findings of the investigation and what disciplinary steps were taken, if any, and why. These formal findings should be

available for review for both the entity that brought the complaint and the complainant.

- b. Should any modifications be made to the tariff and/or regulations? If so, please provide proposed language.**

BHES has no suggested modifications at this time.

3. Annual Reports

- a. Is the information currently provided in annual reports sufficient to provide a fairly administered program that benefits both customers and marketers?**

BHES believes that the current Choice Gas program is fairly administered and BHES is unaware of any additional information that is necessary to be included in annual reports at this time.

- b. Should the reports include more information, less information, or more specific information, details, and specifics? Please provide specific suggestions and sample language or edits.**

As described in Section 3(a), BHES is unaware of any additional information that should be included in annual reports at this time. However, should the Commission, or any other party to this Docket, recommend the inclusion of additional information in annual reports, BHES would appreciate the opportunity to review and comment further.

4. Marketing Period

- a. Is the current length and timing of the residential marketing period appropriate?**

BHES believes that the current four-month marketing period is appropriate because it provides a time balance which allows suppliers an appropriate time period to educate customers about their products and services while

preventing a year-round marketing “barrage” on customers. BHES understands that the four-month marketing period may be viewed as excessive by some customers, but BHES believes that this can be better alleviated through an updated marketing list. BHES recommends that the utility send out on a daily basis an updated marketing list to suppliers. The updated list would remove customers who have signed up with their preferred supplier. This benefits all parties, as follows: 1) it benefits the customer by stopping further marketing calls and mailings; 2) it benefits the suppliers by reducing the amount of calls and mailings that need to be sent out, which saves time and money for the suppliers; and 3) it benefits the utility and the Commission by reducing complaints from customers who are still being marketed even after signing with a supplier. If the utility is able to demonstrate that it cannot provide an updated marketing list, BHES would be willing to have further discussions about a reduction in the marketing period.

b. Would customers benefit from having a longer or shorter marketing period? If so, when should the marketing period begin and end?

BHES reiterates its comments from Section 4(a) above.

5. Delegation Agreements

a. How do Delegation Agreements benefit customers?

The Delegation Agreement is a contract between the customer and the supplier. BHES believes that both parties benefit from having a written contract that clearly specifies the length of time, price, product and services, and general terms and conditions of the customer’s and supplier’s

participation in the Choice Gas program. BHES would like to see the Delegation Agreement updated to clearly identify the Supplier, the price, and the service selected. As described in Section 4(a) above, once the Delegation Agreement is signed and delivered to the utility, the customer should be removed from the marketing list to prevent future marketing activities.

b. Are Delegation Agreements appropriate to be used for each class of customer: residential, commercial, and agricultural? If not, why not?

Yes, if Delegation Agreements are appropriately used as described in Section 5(a) above, they should be used for each class of customer.

c. Should suppliers be required to send confirmation letter to any customer that signs a Delegation Agreement? If so, when should that confirmation letter be sent, and what information should it include?

As described in Section 5(a) above, Delegation Agreements are a contract between the customer and the supplier. Pricing and service descriptions should be included in the Delegation Agreements. This would eliminate the need to send follow-up confirmation letters.

6. Customer Selection

a. Once a customer makes a selection or signs a Delegation Agreement, are suppliers notified to remove that customer from further marketing? If so, how, and how quickly does this occur? If not, why not?

Currently, when a customer signs a Delegation Agreement prior to April 1st, the customer is not removed from the marketing list. Only after April 1st, when the active selection period begins, do the suppliers receive updated customer marketing lists. BHES supports updating the customer marketing

list prior to the beginning of the active selection period as recommended in Section 4(a) above.

- b. Do customers have an expectation that once they make a selection or sign a Delegation Agreement, they will no longer be solicited? Is this currently occurring, and if not, how can it be accomplished?**

BHES does believe that in most cases, customers expect solicitation to cease once the customer makes his or her supplier selection. Unfortunately, suppliers are not receiving real time marketing information with updated customer lists. This results in marketing to customers, even after they have made their supplier selection. BHES reiterates its recommendation in Section 4(a) as the best method to alleviate this problem.

7. Other Information

BHES has no additional information to include for the Commission's consideration at this time.

BHES appreciates the opportunity to provide these comments concerning the review of policies and practices relating to the administration of customer choice programs in Nebraska. BHES urges the Commission to further refine the customer choice program as suggested herein. BHES will be pleased to participate in any further proceedings the Commission may wish to conduct on this review of the customer choice program.

Dated this 13th day of September, 2019.

Respectfully submitted,

Black Hills Energy Services Company

/s/ Adam P. Buhrman

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CERTIFICATE OF SERVICE

13th I hereby certify that I have caused to be served a copy of the foregoing this day of September, 2019, in accordance with the procedure established for this proceedings.



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