

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

IN THE MATTER OF THE COMMISSION,) APPLICATION NO. NG-118
ON ITS OWN MOTION, SEEKING TO)
OPEN A DOCKET TO REVIEW)
PROPOSED CLEANUP AND UPDATES TO)
TITLE 291, CHAPTER 9, NATURAL GAS)
AND OIL PIPELINE RULES AND)
REGULATIONS

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

I. INTRODUCTION

On December 7, 2023, 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 reviewing proposed cleanup and updates to the Nebraska Administrative Procedures Act, Title 291, Chapter 9, Natural Gas and Oil Pipeline Rules and Regulations. The Commission seeks to modernize and update procedures, correct typographical errors, clarify and reorganize various sections, and conduct an overall cleanup of Section 001 through Section 022 of its Rules. The Commission initiated this proceeding pursuant to *Neb. Rev. Stats. §§ 66-1804 and 66-1805*.

Pursuant to the Commission’s Order, the Commission solicited written comments on its proposed changes to the rules. The Commission will hold a workshop on Wednesday, February 8, 2023, from 1:30 p.m. to 4:00 p.m. to discuss the Commission’s first half of the rules. Pursuant to the Commission’s Order, Black Hills Nebraska Gas, LLC (“BH Nebraska Gas”) hereby submits comments in response to the Commission’s 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

Black Hills Energy appreciates the Commission’s action in this proceeding to review and update the Natural Gas and Oil Pipeline rules and regulations. Upon initial review of the Commission’s changes to the rules in the first half of the Chapter 9 rules and regulations, Black Hills Energy agrees that the Commission’s proposed changes are appropriate and do not raise any concern. The comments provided by Black Hills Energy herein focus on the changes proposed by the Commission wherein Black Hills Energy seeks further clarification or provides suggested language changes. Black Hills Energy reserves the right to supplement its written comments or to reevaluate its submitted comments upon further review and discussion of the proposed rule changes throughout this proceeding.

Rule 001 – General

Black Hills Energy agrees and supports the changes proposed by the Commission to Rule 001 of Chapter 9.

One potential clarification to Rule 001.01C, Agricultural Ratepayer could be to state that a jurisdictional utility may adopt firm or interruptible rates for Agricultural Ratepayers. Currently, Black Hills Energy only provides one Agricultural rate, which is lower than a Commercial Firm rate, and subject to interruption. However, with the growing number of livestock production, including chicken barns, the Commission could consider clarifying that more than one type of

Agricultural service level (firm or interruptible) is authorized under the State Natural Gas Regulation Act and permitted under the Commission’s regulations.

Rule 002 – Minimum Safety Standards For Pipelines

Black Hills Energy agrees and supports the changes proposed by the Commission to Rule 002 of Chapter 9.

Rule 003 – Disputed Between Jurisdictional Utilities and Metropolitan Utilities District

Black Hills Energy agrees and supports the changes proposed by the Commission to Rule 003 of Chapter 9.

Rule 004 – General Rate Filings

Black Hills Energy agrees and supports the changes proposed by the Commission to Rule 004 of Chapter 9.

However, Black Hills Energy would propose that the Commission consider changing the term “Parties” as used throughout that rule to the term “Jurisdictional Utility.” Currently, as Black Hills Energy, understands the statues and regulations, the General Rate Filings would only apply to a Jurisdictional Utility. In addition, the term “Parties” is not defined under Commission Chapter 9 and may lead to possible confusion as to what entities qualify under that term. The term “Jurisdictional Utility” is also consistent with Neb. Rev. Stat. § 66-1838 and the provisions set forth in the State Natural Gas Regulation Act for general rate filings.

In addition, under Rule 004.01C, the Commission could consider changing the term “Applicant” to “Jurisdictional Utility” for the reasons explained above.

Under Rule 004.05A, the Commission proposes to add the term “short-term” debt to the requirements of a general rate filing. Black Hills Energy suggests that the terms “long-term” and “short-term” be deleted and leave the requirement to provide a listing of all debt. Alternatively, the Commission may want to consider defining the terms to clarify the distinction of short-term and long-term debt (i.e., what period of time applies to “short-term” debt).

Under Rule 004.11, the Commission has proposed revisions to its “Notice of Assessment” rule. Black Hills Energy does not oppose any of the proposed changes under this rule; however, Black Hills Energy would suggest that the Commission either (a) add a provision for the Commission to also provide the Notice of Assessment electronically or (b) add a provision permitting a Jurisdictional Utility to waive the Notice of Assessment via the United States mail when the Notice of Assessment is provided in a mutually agreeable electronic format.

Rule 005 – Rate Principles

Black Hills Energy agrees and supports the changes proposed by the Commission to Rule 005 of Chapter 9.

Black Hills Energy does seek clarification as to the Commission’s Rule 005.06I related to consideration of “acquisition adjustments” on a case-by-case basis. Black Hills Energy assumes that this definition is derived from prior Commission orders related to that issue, but wants to confirm the basis for the addition. Black Hills Energy supports the rule as it provides an opportunity for the Commission to consider recovery of an acquisition adjustment if the facts and circumstances warrant recovery of part or all of the acquisition adjustment.

Rule 006 – Confidential Information

Black Hills Energy agrees and supports the changes proposed by the Commission to Rule 006 of Chapter 9.

Under Rule 006.01, the term “party” is used to as the term for indicating who is required to comply with the confidentiality obligation. Black Hills Energy suggests that the Commission consider capitalizing the term and clarifying that the Commission is referring to a “Party” to a Commission proceeding.

Rule 007 – Minimum Safety Standards For Pipelines

Black Hills Energy agrees and supports the changes proposed by the Commission to Rule 007 of Chapter 9.

Rule 008 – Minimum Safety Standards For Pipelines

Black Hills Energy agrees and supports the changes proposed by the Commission to Rule 008 of Chapter 9. However, Black Hills Energy would propose to also delete the requirement to file a hard copy of the proposed tariff. Black Hills Energy believes that having electronic copies of a tariff available at the Commission or upon request from Black Hills Energy can adequately and efficiently provide the information and access customer may need to consider the proposed tariffs. In addition, Black Hills Energy’s website provides a copy of approved tariff provisions that can be accessed and are available to on a 24-hour basis. Alternatively, if a hard copy is required, perhaps it could be provided within five (5) business days after filing the electronic version of the tariff.

Rule 009 – Minimum Safety Standards For Pipelines

Black Hills Energy agrees and supports the changes proposed by the Commission to Rule 009 of Chapter 9.

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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