



July 20, 2022

Mr. Thomas Golden, Executive Director  
Nebraska Public Service Commission  
300 The Atrium, 1200 N Street  
Lincoln, NE 68508

**RE: NorthWestern comments in docket NG-113-PI-241**

Dear Mr. Golden:

With this letter, NorthWestern Corporation, doing business as NorthWestern Energy (“NorthWestern”), is filing with the Nebraska Public Service Commission (the “Commission”) its comments regarding customer requested relocation and removal of services.

Please contact us with questions or if you need additional information.

Sincerely,

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## Comments of NorthWestern Corporation d/b/a NorthWestern Energy

NG-113-PI-241 Public Workshop  
Wednesday, July 27, 2022 – 9:00 a.m.

NorthWestern Comments dated July 20, 2022

NorthWestern Corporation d/b/a NorthWestern Energy submits the following response to the Commission's request for comments.

**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?**

No. NorthWestern does not have a tariff mechanism in place to assess costs to customers who request the removal or relocation of natural gas facilities.

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

NorthWestern addresses customer requests to relocate natural gas facilities similarly to how it reviews new construction costs. Any new load added as a result of a service relocation is credited against the cost to relocate the service. Any costs not supported by additional revenue are the responsibility of the requesting customer.

The costs of traditional removal requests are included as part of utility service costs. However, in order to accommodate a customer's request to remove multiple services by a deadline date, NorthWestern may need to hire temporary contractors. This additional cost should be borne by the requesting party.

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

NorthWestern reviewed its records for the past three years.

- Average service retirements per year: 86
- Average relocations per year: 83

**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. When a customer requests to have its service relocated, it is usually for the sole benefit of that customer. In those instances, other customers should not have to share in that cost.

Standard removals are recovered as a part of customer base rates. However, as discussed in No. 2 above, accommodating a request for multiple removals by a deadline date may require the hiring of temporary contractors. These additional costs should be borne by the requesting party and should not be passed on to other customers that do not benefit from the removals.

**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?**

NorthWestern proposes that cost recovery for customer-initiated relocations be structured on a case-by-case basis with cost analysis similar to new service installations. This would permit jurisdictional utilities to continue to apply any new load revenue against the cost to relocate. Any remaining cost should then be the responsibility of the requesting customer. Jurisdictional utilities and other customers should not be expected to absorb costs for services that are of no benefit to them or to the system as a whole.

Costs associated with standard removals are recovered through base rates. These costs should continue to be recovered through base rates, as is NorthWestern's current practice. Customer requests for a large number of removals by a deadline certain that cause additional costs that are of no benefit to other customers or the system as a whole should be borne by that requesting customer.

**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.**

Attached for consideration is proposed tariff language in Exhibit A.

**NEBRASKA PUBLIC SERVICE COMMISSION  
NATURAL GAS RATE SCHEDULE  
for  
NORTHWESTERN CORPORATION d/b/a NORTHWESTERN ENERGY**

	Section No. <u>4</u>
<u>2<sup>nd</sup> Revised</u>	Sheet No. <u>8</u>
Canceling <u>1<sup>st</sup> Revised</u>	Sheet No. <u>8</u>

(continued)

Installation of gas service lines are scheduled by the Company for completion during the regular construction season. The Company may make a charge for added cost of the construction of a gas service line if the installation is required other than during the regular construction season.

The Company will not install Gas Services and Mains until the surface has been graded to within six inches of a permanent established elevation.

**Economic Feasibility:** For determining contributions on pipeline projects, annual revenue will be determined by multiplying projected volumes by the projected tariff delivery rate. The annual non-PGA, non-surcharge revenues will be reduced by the annual projected Operating, Maintenance, and Property Tax expenses. The resulting net margin will be divided by the result of the current allowed return on rate base, grossed up for taxes, to determine the level of investment the load will support. Any project costs over and above the determined level of investment may be collected from the customer.

CUSTOMER REQUESTED SERVICE LINE MOVES AND RETIREMENTS

If a Customer requests a change in the location or retirement of a utility service, the Company may charge the Customer for the cost of relocating or retiring the service.

BILLING DAY AND CURTAILMENT OF GAS

The billing day for the purpose of determining the amount of gas used will be from 9:00 a.m. CCT (Central Clock Time) one day until 9:00 a.m. CCT the next day. The Company shall have the right to curtail or limit the Customer's use of gas during any billing day to the Contract Demand then in effect when demand by firm and higher priority interruptible natural gas purchasers exceeds available pipeline supply. Curtailment of interruptible gas will commence at 9:00 a.m. CCT at the start of a new billing day. Under normal circumstances, notice of curtailment of interruptible gas will be given to Customer by 3:00 p.m. CCT, prior to the beginning of the gas day in which curtailment is to begin. However, in cases of emergency (to be determined solely by the Company) any notice prior to 9:00 a.m. CCT is deemed to place the curtailment in effect at 9:00 a.m. CCT, and such curtailment shall continue in effect until the Company notifies Customer that the curtailment is released. In cases of emergency when notice of curtailment cannot reasonably be given immediately prior to a new billing day, Customer will cooperate with the Company by curtailing its use of interruptible gas as soon as possible after notice of curtailment by Company. Proper notice of curtailment will be deemed to have been given when any person or persons authorized to receive curtailment orders on behalf of Customer has been notified by telephone or in person by a representative of Company.

The Company will endeavor to give the Customer as much notice as possible with respect to curtailment of service. Customer agrees to provide and maintain complete standby facilities and have available at all times sufficient standby fuel to maintain continuous plant operations during complete curtailment in the delivery of natural gas.

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**Date Filed:**

**Effective Date:**

**Issued By: Jeffrey Decker, Regulatory Department**

**Phone (605) 353-8315**

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