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January 18, 2024

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

Dear Col. Golden,

The Nebraska Public Advocate hereby submits its comments on the proposed Rules and Regulation #210. Please contact me at 402-432-1706 if you have any questions.

Sincerely,

Chris Dibbern, Public Advocate

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

IN THE MATTER OF THE COMMISSION,)
ON ITS OWN MOTION, SEEKING TO)
AMEND TITLE 291, CHAPTER 9, NATURAL) Rule and Regulation No. 210
GAS AND OIL PIPELINE, TO UPDATE,)
MODERNIZE, CORRECT ERRORS, AND)
REORGANIZE THE CHAPTER.)

COMMENTS OF
THE PUBLIC ADVOCATE

The following are Chris Dibbern, the Nebraska Public Advocate, comments regarding the draft rules and regulations of Natural gas issues submitted on or about January 19, 2024.

General Themes

Overall, striking LB790 throughout the rule and regulation is a sound idea. Once a bill is inserted into statute form it is a better idea to address this final form and no longer the bill referral. Recall that every statute has a bill reference on the bottom of its section for historical reference if needed.

In the Definitions section, insert: Unless otherwise defined in the Law in Nebraska Statutes 66-1801-1848.

On Page 1, 00101.F, why not use Neb. Rev. Stat. 66-1848 (1) rather than Administrative Code Title 291.

On Page 3, strike Reissue 1997.

On Page 4, Code of Federal Register (C.F.R.) spell out once and then use C.F.R. as amended from time to time throughout. CFR or C.F.R.

Overall striking “investor owned” utilities and jurisdiction throughout the rules is a good idea. The definition under utilities and jurisdiction utilities is controlling and simplified the sentence.

Throughout the draft document there are spacing or formatting problems that have broken the words into two parts. For example:

Pg. 5, "infor-mation" should be "information" - Remove hyphen.

Pg. 30, “competi-tive”, “con-tact”, and “Util-ity” – Remove hyphens.

Pg. 33, “dis-connect” – Remove hyphen.

Pg. 35, “availabil-ity” - Remove hyphen. The formatting on this page, specifically spacing, is inconsistent with the main format of the document.

Pg. 38, “Commis-sion”, “state-ments”, and “nego-tiate” - Remove hyphens.

Pg 44, "Com-mission - Remove hyphen. Spacing is inconsistent compared to the rest of the document.

Pg. 7, The word "Person" is capitalized but is not a defined term and should not be capitalized in the sentence. Later in the rule it is not capitalized.

Pg 9, Appeals go directly to the Court of Appeals rather than District Court.. We understand this was based on statutory change in legislation. It would be helpful to footnote the statutory reference. On page 9 and throughout Page 14 - in lieu of PDF format would you insert the word "readable" format.

Pg 4, Supplier is a common generic term in Natural Gas, and it might be clearer if listed as Choice Supplier with CNGP.

The natural gas industry was traditionally composed of three segments using the term supplier.

- A. The production and gathering from oil and natural gas fields, i.e., production suppliers.
- B. The transmission or delivery by long distance pipelines, and i.e., transmission and pipeline supplier/shipper
- C. The distribution in cities, towns, and rural area, i.e., retail supplier

Thus, the term Choice Supplier gives rise to a cleaner definition of what supplier is in reference to definition #1. (1. Footnote: Principle and Public Utilities. Bonbright. Public Utility Reports.)

Pg. 10, In existing rules the sentence "applicant is not required to provide in its filing documents cited in curriculum vitae." Suggest a comma after the word "filing" to reflect that those documents in someone's resume do not have to be included. (See pg. 15)

Pg. 10, It may be cleaner to keep the term "general rate filing" to include any rate filing increases or decreasing rates. Does this include riders? Any chance this is a filing with a decrease? The old rule implies only increases in rates, the new language, general rate filing is a better term.

Pg. 11, It is an excellent and helpful idea to ask for a redlined version of the current tariff showing the proposal rates.

Pg. 12, It is customary and helpful to include a listing of all debt, not just long-term debt.

Pgs. 13-14, Cost of service models are discussed as a yardstick to which rates may be judged as reasonable or in the public interest. However, this rule recognizes that a cost-of-service model may not be the only single yardstick; yet understanding that prices should track all identifiable costs and allowable expenses associated with the product and return on invested capital.

Pg. 14, in 004.11 We would recommend the stricken language be kept in the paragraph about any applications, or complaints for which the Commission deems needs reviewed. This language gives the Commission authority and seems to be helpful to the ratepayer.

Pg. 19, New language regarding prudence in any construction work is helpful and necessary in tracking project costs.

Pg 20, Are Natural Gas regulated utilities self-insured? Noted in 005.06R.

Pg. 21, Regarding rate area maps, how are the unserved areas marked? On Page 21, calling the redacted filing Public seems confusing.

Pg. 23, Providing a copy of its tariff available on the website is an innovative idea. It makes everything easier for the ratepayer and the utility.

Pg. 28, Dealing with CNGP's, the minimum capitalization of \$200,000 may be arbitrary. CNGP's own suppliers will require credit assurance in some form. For example, a bank letter of credit might be required by CNGP's wholesale supplier. However, \$200,000 might be the minimum threshold to make sure the Choice suppliers have some financial stability.

Also on page 28, in 011.02H, it might be helpful to mention as to what date the financial capability was required.

Pg. 34, The passage of law to add physicians' assistants or advanced practice registered nurse's certification helped with classification of immediate and serious health hazards. The use of the term "Filed" in 013.06 suggests something formal. We think it should be "provided" to the utility.

Pg. 35, Requires a notice by United States Mail? Could those notices be sent electronically?

Pg. 42, Just a comment on meter testing for accuracy. The meter is the cash register for the company and any minor error can potentially be a critical issue for both the customer and the utility. Fraud on the meter is a crime that harms all ratepayers. Meters reading fast or slow can be a large problem for the ratepayer or utility. We suggest you add for nonpayment of a bill "with the utility", for clarification. It is not required but we are curious if the utility gets to pull credit reports? Generally the lookback can be expensive to the ratepayer and utility. Allowing some of the charge to be recovered in a rate case might be acceptable.

Pg. 43, Excellent addition of 017.08C3, this section allows re-establishment or hook-ups with partial payments of deposits. The deposit is a barrier to service for a ratepayer and allowing partial payments can be immensely helpful. Does the utility ever notify the Commission of the number of ratepayers who are turned away without deposits? Deposits in general are a burden for new ratepayers.

The section on rate base is interesting with many states having original costs as the method of rate-base valuation vs. fair rates. Original costs measured by actual costs paid by the utility adjusted for depreciation are easy, definite, and widely used, however, scholars warn that original costs can be inaccurate in periods of pronounced inflation. Since 2024 may be such a period, this section could be compared to how NARUC manages fair value and original cost. #2 (2. Footnote Principles of Public Utility rates, pg. 229-230, Bonbright, Public Utilities, Repal Inc.)

Pg 45, is Administering utility a defined term? Should it be capitalized?

I look forward to the workshop on the proposed rules and regulations. In general, it is necessary to update the Rule and Regulations regarding Natural Gas service in Nebraska and these proposed rules are extremely helpful.

Sincerely,

Chris Dibbern
PUBLIC ADVOCATE

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