

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the matter of the Application of) Docket No. NG-0078.2
Sourcegas Distribution LLC for an Order)
Authorizing it to Put Into Effect a System)
Safety and Integrity Rider Tariff and a)
System Safety and Integrity Rider Charge)

PETITION FOR FORMAL INTERVENTION

COMES NOW Public Alliance for Community Energy (hereinafter referred to as “ACE”), a Nebraska Interlocal Agency created pursuant to Neb Rev. Stat. §§ 13-801 to 13-827, and submits this Petition for Formal Intervention with comments pursuant to the Rules of Commission Procedure, Title 291, Commission Rule 015.01. In support of this Petition, ACE respectfully states as follows:

1. ACE is a natural gas supplier in the Choice Gas program in Nebraska. ACE is a municipally owned organization, headquartered in Lincoln, NE, comprised of 72 member communities and one public power district that have joined together to provide a competitively priced, reliable supply of natural gas.
2. The Nebraska Public Service Commission has granted to ACE a certificate to be a Competitive Natural Gas Provider under the State Natural Gas Regulation Act, Neb. Rev. Stat. §§ 66-1801 to 66-1864.
3. ACE is owned and controlled by its member communities. The ACE Board of Directors is composed of representatives from ACE communities. ACE provides competitively priced natural gas to approximately 18,000 homes and businesses in Nebraska.
4. SourceGas Distribution, LLC’s filing under NG-0078.2 will have a direct financial impact on ACE due to the inability for ACE to recoup the additional SSIR charge

which is part of the guaranteed monthly rate paid by customers on fixed monthly bill..

This will have a substantial financial impact on end-use customers. Said filing also indirectly impacts ACE member communities and the Nebraska Choice Gas Program, in which ACE is a supplier.

5. ACE's interests cannot be adequately represented by any other party to this proceeding. ACE's formal intervention and participation in this proceeding is in the public interest. ACE supports the Commission initiating proceedings in this docket to investigate the necessity of the requested adjustments to the System Safety and Integrity Rider Tariff and System Safety and Integrity Rider Charge.

Comments:

1. ACE respectfully requests that the Nebraska Public Service Commission hold in abeyance this filing in lieu of the Black Hills acquisition of SourceGas now on file and being considered by the Commission. In the alternative, ACE requests that the Commission hold a hearing to review this significant surcharge –coined a “rider” charge applied to residential, small and large commercial services that far exceed any normal surcharge capped at 50 cents by the Nebraska Legislature in Neb. Rev. Stat 66-1866 (6)(a).

(6)(a) The monthly infrastructure system replacement cost recovery charge rate shall be allocated among the jurisdictional utility's classes of customers in the same manner as costs for the same type of facilities were allocated among classes of customers in the jurisdictional utility's most recent general rate proceeding. An infrastructure system replacement cost recovery charge rate shall be assessed to customers as a monthly fixed charge and not based on volumetric consumption. Such monthly charge shall not increase more than fifty cents per residential customer over the base rates in effect at the time of the initial filing for any infrastructure system replacement cost recovery charge rate schedules. Thereafter, each subsequent filing shall not increase the monthly charge by more than fifty cents per residential customer over that charge in existence at the time of the most

recent application for any infrastructure system replacement cost recovery charge rate schedules.

2. As the Nebraska Public Advocate and ACE argued in prior dockets (NG-0078), these surcharges and riders should have followed the infrastructure surcharge process established by the legislature and need to be capped. These charges are not authorized by the legislature and exceed SourceGas's authority to implement them without a rate hearing.
3. The requested new SSIR charges represent increases of 303% for resident customers, 301% for small commercial customers, and 296% for large commercial customers, over the current SSIR charges. In addition to imposing these new charges on end-use customers, these new charges represent an estimated additional cost to suppliers in the Nebraska Choice Gas Program of an estimated \$27,000 per month¹, charges which these suppliers cannot recoup due to Choice Gas Fixed Monthly Bill agreements which were implemented before these charges were known. Some of these agreements will expire May 31, 2016, but many of them will continue through May 31, 2017. ACE noted this issue of unknown and unanticipated charges which place an undue burden on suppliers in its intervention in the May 2014 SSIR filing made by SourceGas. The proposed surcharge that SourceGas has proposed appears confiscatory, unfair, unreasonable and not in the public interest.

WHEREFORE, ACE respectfully requests that the Nebraska Public Service Commission grant ACE status as a formal intervener in this proceeding, and as such, that ACE be allowed to

¹ Based on customer pricing option selections in the March 2015 SourceGas Master Customer File.

participate in this matter as provided in the Rules of Commission Procedure, Title 291,
Commission Rule 015.

Date: October 9, 2015.

Respectfully submitted,
PUBLIC ALLIANCE FOR COMMUNITY ENERGY
a Nebraska Interlocal Agency



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CERTIFICATE OF SERVICE

On this 9th day of October, 2015, a true and correct copy of the foregoing Petition was mailed by electronic mail and United States Mail, First Class, postage prepaid to:

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