

BEFORE THE PUBLIC SERVICE COMMISSION OF WYOMING

IN THE MATTER OF THE APPLICATION OF)
BLACK HILLS WYOMING GAS, LLC d/b/a) DOCKET NO. 30026-57-GT-22
BLACK HILLS ENERGY FOR AUTHORITY) (RECORD NO. 17030)
TO DECREASE THE ENERGY EFFICIENCY)
SURCHARGE FOR RESIDENTIAL)
CUSTOMERS BY \$0.0034 PER THERM AND)
INCREASE IT BY \$0.0006 PER THERM FOR)
NON-RESIDENTIAL CUSTOMERS)

ORDER
(Issued September 19, 2022)

This matter is before the Wyoming Public Service Commission (Commission) upon the Application of Black Hills Wyoming Gas, LLC, d/b/a Black Hills Energy (BHWG or the Company), for authority to decrease the Energy Efficiency (EE) Surcharge for residential customers by \$0.0034 per therm and increase it by \$0.0006 per therm for non-residential customers. The proposed changes reflect the forecasted costs for June 1, 2022, through May 31, 2023, and the EE balancing account as of February 28, 2022.

The Commission, having reviewed the Application, its files regarding BHWG, applicable Wyoming law, and otherwise fully advised in the premises, FINDS and CONCLUDES:

1. BHWG is a public utility as defined in Wyo. Stat. § 37-1-101(a)(vi)(D), subject to the Commission’s jurisdiction pursuant to Wyo. Stat. § 37-2-112.
2. On March 31, 2022, BHWG filed its Application to revise its EE Surcharge rates with a requested effective date of June 1, 2022. The Company maintains the EE program to encourage residential and commercial customers to purchase and install energy-efficient products and appliances. Qualifying appliances and/or measures are eligible for rebates.
3. On April 30, 2022, the Commission issued its *Notice of Application*, which provided an intervention deadline of May 20, 2022. The Notice appeared in newspapers in the Company’s service area once a week for two consecutive weeks. The Commission received no comments or petitions to intervene.
4. On April 27, 2022, the Commission issued its *Suspension Order* pursuant to Wyo. Stat. § 37-3-106(c), suspending the effectiveness of the Application for the initial statutory period.
5. The EE Surcharge rate is a cost recovery mechanism that consists of three components: (i) program cost rates, (ii) margin recovery adjustment rates, and (iii) balancing account rates. Table 1 provides the overall proposed EE rate changes and their impacts.

Table 1: Summary of Overall EE Rate Changes

Customer Class	Current EE Rate (\$/therm)	Proposed EE Rate (\$/therm)	Change (\$/therm)	Average Monthly Use (therms)	Average EE Billing	Average Change to Typical Monthly Billing
RGS	\$0.0036	\$0.0002	(\$0.0034)	63	\$0.01	(\$0.21)
SGS	\$0.0010	\$0.0016	\$0.0006	144	\$0.23	\$0.09
MGS	\$0.0010	\$0.0016	\$0.0006	839	\$1.34	\$0.50
LGS	\$0.0010	\$0.0016	\$0.0006	5,622	\$9.00	\$3.37

RGS = Residential General Service, SGS = Small General Service, MGS = Medium General Service, LGS = Large General Service

6. The Company calculates its margin recovery adjustment rates by first multiplying its calculated deemed savings by the margin recovery adjustment amount¹ and then dividing the margin recovery adjustment amount by the forecasted sales units to determine the margin recovery adjustment rate. Table 2 illustrates the margin recovery adjustment rate.

Table 2: Margin Recovery and Rates

	Margin Recovery Adjustment Amount	Forecast Sales Units (therms)	Margin Recovery Adjustment Rates
Residential	\$20,371	95,495,475	\$0.0002
Non-Residential	\$11,841	97,103,770	\$0.0001

7. The Company proposes to update the balancing account rates using balances as of February 28, 2022. BHWG has over-recovered \$243,579 in its balancing account. Table 3 shows the balancing account, including interest, and balancing account rates.

Table 3: Balancing Account and Rates

	Balancing Account as of 2/28/21	Forecast Sales Units (therms)	Balancing Account Rates
Residential	\$(336,793)	95,495,475	(\$0.0035)
Non-Residential	\$ 93,215	97,103,770	\$0.0010

8. The Company also provided its EE annual program status report. BHWG's overall program results for 2021 fell short of the savings goals. The program achieved participation goals in some areas, while falling short in others.

9. BHWG's Application came before the Commission for consideration pursuant to due notice at its Open Meeting on May 31, 2022. Kyra Coyle, Director of Regulatory and Finance, appeared for BHWG, presenting the Application and providing information consistent with

¹ The Margin Recovery Adjustment Amount is calculated by multiplying the Calculated Deemed Savings (See Ex. 1, Schedule 1, Line 7) by the Margin Recovery Rate. BHWG's Tariff Sheet No. 30.1 states the approved Margin Recovery Rate.

paragraphs 2 through 8 above. Further, Ms. Coyle stated that the 2022 program year will address those portions of the program that have failed to meet expectations.

10. Based on the Application, representations by Ms. Coyle and the recommendation of Commission Staff, the Commission finds and concludes that BHWG's Application is in the public interest and should be approved, effective for use on and after June 1, 2022.

IT IS THEREFORE ORDERED:

1. Pursuant to Open Meeting action taken on May 31, 2022, the Application of Black Hills Wyoming Gas, LLC d/b/a Black Hills Energy for authority to decrease the Energy Efficiency (EE) Surcharge for residential customers by \$0.0034 per therm and increase it by \$0.0006 per therm for non-residential customers, effective June 1, 2022, is approved.

2. This *Order* is effective immediately.

MADE and ENTERED at Cheyenne, Wyoming, September 19, 2022.



(SEAL)

Attest:

DYLAN C. FREEMAN, Assistant Secretary

PUBLIC SERVICE COMMISSION OF WYOMING

CHRISTOPHER B. PETRIE, Chairman

MICHAEL M. ROBINSON, Deputy Chairman

MARY A. THRONE, Commissioner

CERTIFICATE OF SERVICE

I hereby certify that on Sept. 19, 2022, a copy of the Commission's *Order* was sent via electronic mail or hand delivery to the following:

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