

BEFORE THE PUBLIC SERVICE COMMISSION OF WYOMING

IN THE MATTER OF THE APPLICATION OF)
BLACK HILLS WYOMING GAS, LLC D/B/A) DOCKET NO. 30026-13-GP-19
BLACK HILLS ENERGY (GILLETTE) (RECORD NO. 15378)
DIVISION) FOR AUTHORITY TO PASS ON)
THROUGH ITS COMMODITY BALANCING)
ACCOUNT A DECREASE OF \$0.0459 PER)
THERM TO ITS PASS ON RATE)
[REGULATED RATE] OPTION CUSTOMERS)

NOTICE AND ORDER
(Issued December 17, 2019)

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) to pass on through its Commodity Balancing Account (CBA) a natural gas cost decrease to its Pass-On Rate [Regulated Rate] customers in the Gillette Division, and upon the Company's *Petition for Confidential Treatment of Exhibits 4 and 6 (Petition)*, pursuant to Commission Rule Chapter 2, Section 30.

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

1. BHWG is a public utility as defined by Wyo. Stat. § 37-1-101(a)(vi)(D), subject to the Commission's jurisdiction pursuant to Wyo. Stat. § 37-2-112.
2. On October 31, 2019, BHWG filed its Application to pass on to its Pass-On Rate [Regulated Rate] customers in the Gillette Division, a net decrease of \$0.0459 per therm, effective December 1, 2019. The proposed decrease is attributable to a projected wholesale commodity cost decrease of \$0.0160 per therm and a decrease in the CBA surcharge of \$0.0299 per therm.
3. On November 7, 2019, 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.
4. The proposed increase will affect approximately 4,211 customers in Gillette, Newcastle, Moorcroft, Upton and Wright who specifically chose or defaulted to the Pass-On Rate [Regulated Rate] Option in the Choice Gas Program. For Small General Service Pass-On Rate [Regulated Rate] Option residential customers, the proposed decrease will result in an average monthly gas bill decrease of approximately \$6.87, before taxes, for customers using a monthly average of 149.7 therms during the rate-effective period of December 2019 through February 2020. Actual bills will vary with usage. The Company estimates the proposed pass-on results in a projected dollar-for-dollar decrease of approximately \$63,901 in the Company's December 2019 through February 2020 revenues, but does not change the Company's authorized rate of return.
5. BHWG's current and proposed Total Commodity Cost and Total Volumetric Rate for Small General Service Pass-On Rate [Regulated Rate] Option customers, stated in dollars per therm, are as follows:

Table 1: Current & Proposed Total Volumetric Rate Comparison, Small General Service

Description	Current (\$/therm)¹	Proposed (\$/therm)	Dollar Change (\$/therm)
Purchased Gas Cost	\$0.3278	\$0.3568	(\$0.0160)
Amortize Commodity Balancing Account (CBA)	\$0.0479	\$0.0180	\$0.0299
Total Purchased Gas Cost	\$0.4207	\$0.3748	(\$0.0459)
Distribution Charge	\$0.1274	\$0.1274	\$0.0000
Gas Delivery Cost Adjustment (GDCA)	\$0.0000	\$0.0000	\$0.0000
Distribution Use Per Customer Adjustment (DUPCA)	(\$0.0045)	(\$0.0045)	\$0.0000
Total Volumetric Rate	\$0.5436	\$0.4977	(\$0.0459)

6. Pursuant to Commission Rule Chapter 3, Section 26(a), a public utility may file an application to pass on to its customers in rates, known or projected commodity or commodity-related cost increases or decreases if the application complies with the substantive and procedural requirements of the Commission's Rules and the Commission determines:

a. The evidence shows recovery of the costs is in the public interest and the pass-on includes only prudent commodity or commodity-related cost increases or decreases not under the Commission's jurisdiction.

b. The costs included in the application are the most reasonable option available to the utility for safe, adequate and reliable service.

c. The pass-on allocates increases or decreases to all retail rate classes and contract customers on an equal or proportionate basis. The Commission may consider special proportionate class allocation if requested.

d. The application contains supporting documentation as required by the Commission's Rules.

7. Pursuant to Commission Rule Chapter 3, Section 26(b), a utility may file an application to establish a CBA tariff mechanism to account for the difference between commodity or commodity-related revenues collected, based on projected wholesale costs, and the actual, prudent commodity or commodity-related expenditures the utility incurred. The utility may apply to the Commission for approval to include other costs and revenues in the CBA. Interest shall be paid on over-collected balances. Interest may be collected on under-collected balances upon a showing that it is in the public interest. Interest shall be computed at the Commission Authorized Interest Rate.

8. BHWG's Application and *Petition* came before the Commission for consideration pursuant to due notice at its Open Meeting on November 27, 2019. James Elliott, Manager of Regulatory, appeared for BHWG. Mr. Elliott provided a summary of the Application and the components of the proposed decrease, generally describing the information set forth in paragraphs 2, 4 and 5 of this *Notice and Order*. Commission Staff recommended the Commission approve the Application and grant the *Petition*.

¹ Docket No. 30026-5-GP-19 (Record No. 15324), *Notice and Order*, September 6, 2019.

9. Based on the Application, representations by Mr. Elliott and the recommendations of Commission Staff, the Commission finds and concludes that BHWG's Application conforms to the requirements of Commission Rule Chapter 3, Section 26, and the Commission authorizes the Company to use a balancing account as granted in previous dockets. The Commission further finds and concludes the pass-on rate changes are effective for service rendered on and after December 1, 2019, subject to notice, protest, intervention, refund, change, further investigation, opportunity for hearing and further order of the Commission. The Commission grants, for good cause shown, the Company's *Petition*, and finds the *Petition* complies with Commission Rule Chapter 2, Section 30.

10. Public notice shall be in the following form:

PUBLIC NOTICE

The Wyoming Public Service Commission (Commission) approved the Application of Black Hills Wyoming Gas, LLC d/b/a Black Hills Energy f/k/a Black Hills Gas Distribution, LLC (BHWG or the Company) to pass on to its Pass-On Rate [Regulated Rate] Option customers in the Gillette Division a net decrease of \$0.0459 per therm, effective on and after December 1, 2019. The Commission's approval is subject to notice, protest, intervention, refund, change, further investigation, opportunity for hearing and further order of the Commission.

The average BHWG Small General Service Pass-On Rate [Regulated Rate] Option residential customer using an average of 149.47 therms per month may expect a monthly gas bill decrease of approximately \$6.87, before taxes, during the rate-effective period of December 2019 through February 2020. Actual bills will vary with usage.

The proposed retail rate decrease results in a projected dollar-for-dollar decrease of approximately \$63,901 in the Company's December 2019 through February 2020 total revenues, using projected sales volumes. The decrease does not change the Company's authorized rate of return.

Commission Rule Chapter 3, Section 26 allows a utility to pass on to its customers known or projected commodity cost increases or decreases on a dollar-for-dollar basis, subject to public notice, opportunity for hearing and refund.

BHWG's Application is on file at the Commission's offices, located in Cheyenne, Wyoming, and at the BHWG's Wyoming business office. The Application is available for inspection by any interested person during regular business hours or online at: <http://psc.state.wy.us/>.

Anyone desiring to file a statement, intervention petition, protest or request for a public hearing in this matter must file in writing with the Commission on or before January 17, 2020. A proposed intervention or request for hearing must set forth the grounds under which they are made and the position and interest of the petitioner in this proceeding.

If you wish to intervene in this matter or request a public hearing that you will attend, or want to make a statement, a protest or a public comment, and you require reasonable accommodation for a disability, please contact the Commission at (307) 777-7427, or write to the Commission at 2515 Warren Avenue, Suite 300, Cheyenne, Wyoming 82002, to make arrangements. Communications-impaired persons may also contact the Commission by accessing Wyoming Relay at 711. Please mention Docket No. 30026-13-GP-19 (Record No. 15378) in your communications.

Dated: December 17, 2019.

IT IS THEREFORE ORDERED:

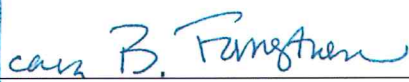
1. Pursuant to Open Meeting action taken on November 27, 2019, the Application of Black Hills Wyoming Gas, LLC d/b/a Black Hills Energy for authority to pass on a decrease of \$0.0459 per therm through its Commodity Balancing Account to its Pass-On Rate [Regulated Rate] Option customers in the Gillette Division, is approved, effective for usage on and after December 1, 2019, subject to notice, protest, intervention, refund, change, further investigation, opportunity for hearing, and such other orders as the Commission may deem appropriate.

2. Black Hills Energy's *Petition for Confidential Treatment of Exhibits 4 and 6* is granted.

3. This *Notice and Order* is effective immediately.

MADE and ENTERED at Cheyenne, Wyoming, on December 17, 2019.

PUBLIC SERVICE COMMISSION OF WYOMING



KARA B. FORNSTROM, Chairman

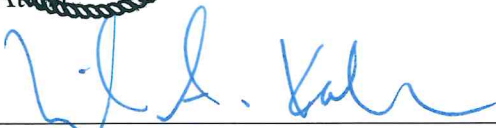


MARY A. ATHONE, Deputy Chairman



MICHAEL M. ROBINSON, Commissioner





MICHAEL A. KOLLKER, Assistant Secretary