

Beginning Oct. 1, SourceGas will charge higher rates for natural gas service in Nebraska.

The company has applied to the Nebraska Public Service Commission for a rate increase. State law permits “interim rates” to be charged to customers while the Commission evaluates a rate proposal. Depending on the outcome of the case, interim rates may be credited back to customers.

The Commission will hold a hearing on SourceGas’ proposal beginning Dec. 14 at the Commission’s offices in Lincoln. The purpose of the hearing is for the company, Public Advocate and other parties to present evidence to the Commission regarding the rate proposal.

SourceGas is seeking to increase its customer charge and distribution charges, the rates regulated by the Commission. Currently, the monthly customer charge for residential service is \$10.44. Under the proposal, it would increase to \$15.44, or nearly 48%.

Small commercial customers presently pay a monthly customer charge of \$12.44, which would become \$17.44, or up 40%. For large commercial customers, the current rate of \$22.44 would rise to \$110.44, or nearly a 400% hike.

Distribution charges are based upon the number of therms used by a customer in the billing cycle. Rates for the “first tier” of consumption, which is 20 therms for residential customers, would increase from \$0.35 to \$0.50 per therm. For commercial customers, first tier rates apply as follows: small commercial—first 40 therms; large commercial—first 80 therms. Rates for the second tier of consumption would decrease by 0.0002 per therm.

Customers will notice that bills are prorated. Because the rate change takes effect at the first of the month, customers may have some usage that occurred prior to the rate change, billed at prior rates.

Commissioner Jerry Vap of McCook said, “The Commission has insisted natural gas companies prorate bills in fairness to customers. Though multiple lines of charges may seem complex, customers get the benefit of lower rates as long as possible.”

Customers are represented by the Public Advocate, an attorney with experience in natural gas matters. Lincoln lawyer Roger Cox was first appointed to the office in 2003, and has advocated on behalf of customers in all rate cases in front of the Commission.

Commissioner Rod Johnson of Sutton explained, “Our decision must be based upon evidence and the law. It’s our job to ensure that any rate charged to customers is fair and reasonable.”

The Commission expects to hold local town hall meetings in several communities in SourceGas’ service area, including Holdrege, McCook, Scottsbluff and Wood River. Dates and any additional locations will be announced.