

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF COLORADO

PROCEEDING NO. 23L-0510G

IN THE MATTER OF THE VERIFIED APPLICATION OF DURANGO MOUNTAIN UTILITIES, LLC FOR AN ORDER AUTHORIZING CERTAIN GAS COST ADJUSTMENTS TO ITS RATES ON LESS THAN STATUTORY NOTICE AND FOR CERTAIN WAIVERS.

**COMMISSION DECISION AUTHORIZING
REVISIONS OF GAS RATES**

Mailed Date: October 26, 2023
Adopted Date: October 25, 2023

I. BY THE COMMISSION

A. Statements

1. On October 16, 2023 Durango Mountain Utilities, LLC (DMU, Company, or Applicant) filed a Verified Application. DMU seeks a Commission decision authorizing it, without a formal hearing and on less-than-statutory notice, to place into effect on November 1, 2023, tariffs resulting in a decrease to its existing propane gas rate on file with the Commission; and that the Commission grant certain waivers from the *Rules Regulating Gas Utilities and Pipeline Operators*, 4 *Code of Colorado Regulations* (CCR) 723-4. The Application contains all of the materials required by the applicable Commission Rules and therefore is deemed complete.

2. The proposed tariff is attached to the application and affects the Applicant's customers in its service area.

3. DMU acknowledges that it has read and agrees to abide by the provisions of Rules 4002(b)(IV) through (VI) and Rules 4002(b)(XI)(A) through (C) 4 CCR 723-4.

4. This Application for authority to add a new tariff or change an existing tariff is made pursuant to 40-3-104 C.R.S., and Rule 4109(b)(II).

B. Findings of Fact

5. The Applicant is an operating public utility subject to the jurisdiction of this Commission and is engaged in, *inter alia*, the purchase, distribution, transportation, and sale of propane gas for domestic, mechanical, or public uses in its rate area in the State of Colorado.

6. Commission Decision No. C14-0439 issued April 29, 2014 in Proceeding No. 14AL-0127G requires that DMU request a revision to its Gas Cost Adjustment (GCA) rates to be effective on November 1 of each year. The instant filing is intended to comply with this requirement.

7. The effect of the above revisions is to lower the current commodity charge to ratepayers to \$1.66/gallon from \$1.72/gallon to be in effect November 1, 2023 through October 31, 2023.

8. The proposed tariffs, attached in this decision as Appendix A, will have a slight increase to annual revenues despite a rate decrease. However, this increase is due to a forecasted increase in Demand.

9. Pursuant to Rule 1003, *Rules of Practice and Procedure*, 4 CCR 723-1, in the Application DMU requests waivers from: (1) Rules 4604(f) and (g) concerning the presentation of GCA exhibits Nos. 5 and 6, respectively; (2) Rule 4604(d); Rule 4604 (I); and (3) Rules 4604(h)(IV) and 4002(d) concerning certain notice requirements. DMU also requests waivers through December 31, 2025 from: Rules 4605 through 4608 concerning Gas Purchase Plans and Gas Purchase Reports; (2) Rule 4412 concerning Gas Service Low Income Program; and

(3) Rule 4202(a) to allow for the conversion of propane gas metered in standard cubic feet to gallons for billing purposes.

10. Pursuant to Rule 1003, *Rules of Practice and Procedure*, 4 CCR 723-1, in the Application, DMU requests waivers from (1) Rules 4604(f) and (g) concerning the presentation of GCA Exhibit Nos. 5 and 6, respectively; Rule 4604(d); Rule 4604(I); and (2) Rules 4604(h)(IV) and 4002(d) concerning certain notice requirements.

11. Rule 4604(f) and (g) of the Commission Rules require the utility to provide forecasted gas transportation demand and gas cost allocations. Since DMU does not provide gas transportation, and has only one rate class, the requested waiver is reasonable and within the public interest.

12. Rule 4604(d) requires the utility to provide month-by-month information detailing in Account No. 191, including the interest on under- or over-recovery. The Company's revenues and deferred amounts are small and thus the interest calculation is *de minimis*.

13. Rules 4604(h)(IV) and 4002(d) of the Commission's Rules concern notice requirements. DMU states their customers have primary residences outside of the Durango area and thus publication of the notice is not required as DMU uses a secondary service to directly mail notice to each of their customers.

14. Rules 4605 through 4608 of the Commission's Rules concern Gas Purchase Plans and Gas Purchase Reports. The Company states it serves a limited service territory and its prices are limited to a discrete number of available suppliers through over-the-road delivery only. The over-the-road suppliers in turn only forecast their pricing over one-year periods. DMU does not have access to gas markets.

15. Rule 4412 of the Commission's Rules concern the implementation of a Gas Low Income Program. The Company states the vast majority of their customers receive gas service to a second home and estimates that less than three percent of their customers use their home as a primary residence. DMU states it has not seen evidence that such a program is necessary within their service territory. To the Company's knowledge, their customers have not received LEAP or other assistance from Colorado agencies that support emergency assistance for low-income customers.

16. The Commission finds good cause to allow the proposed tariff on less-than-statutory notice and shall grant the requested waivers.

II. ORDER

A. The Commission Orders That:

1. The verified application filed by Durango Mountain Utilities, LLC (DMU) is deemed complete.

2. The Application filed by DMU for authority to change its tariffs on less-than-statutory notice is granted.

3. The request by DMU for a waiver of Rules 4002(d); Rule 4604(f), (g) and (h)(IV); Rule 4604(d); 4605-4608, 4412, and 4202(a) of 4 *Code of Colorado Regulations* 723-4, is granted.

4. DMU is authorized to file, on not less than two days' notice, the tariff as attached as Appendix A and made a part of this Decision. The tariff shall be effective for actual gas sales on or after the effective Date of November 1, 2023.

5. The 20-day time period provided by 40-6-114, C.R.S., to file an application for rehearing, reargument, or reconsideration shall begin on the first day after the effective date of this Decision.

6. This Decision is effective on its Mailed Date.

B. ADOPTED IN COMMISSIONERS' WEEKLY MEETING

OCTOBER 25, 2023.

(S E A L)



ATTEST: A TRUE COPY

Rebecca E. White,
Director

THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO

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MEGAN M. GILMAN

TOM PLANT

Commissioners