Decision No. C19-0856

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF COLORADO

PROCEEDING NO. 19L-0555G

IN THE MATTER OF THE APPLICATION OF COLORADO NATURAL GAS, INC., FOR AN ORDER AUTHORIZING IT AND TO PUT INTO EFFECT CERTAIN GAS RATE ADJUSTMENTS TO ITS GAS COST RECOVERY RATES ON LESS THAN STATUTORY NOTICE.

COMMISSION DECISION AUTHORIZING DOWNWARD REVISIONS OF GAS RATES

Mailed Date: October 25, 2019
Adopted Date: October 23, 2019

I. BY THE COMMISSION

A. Statement

1. On October 15, 2019, Colorado Natural Gas, Inc. (CNG or Applicant), filed a verified application seeking a Commission order authorizing it, without formal hearing and on less-than-statutory notice, to place into effect on November 1, 2019, tariffs resulting in a decrease for the Bailey, Pueblo West, Eastern Colorado, and Cripple Creek Rate Divisions to its current natural gas rates now on file with the Commission. We find that the application contains all of the information required by the Commission's Rules and is therefore complete.

2. The proposed tariffs are attached to the application and would affect Applicant's customers in, and in the vicinity of, Bailey, Cripple Creek, and Pueblo West, Colorado; and the customers served by the Eastern Colorado Division of CNG.

3. CNG 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) of the Rules Regulating Gas Utilities and Pipeline Operators, 4 *Code of Colorado Regulations* (CCR) 723-4.

4. This application for authority to increase rates is made pursuant to § 40-3-104(2), C.R.S., and Rule 4109(b)(II), 4 CCR 723-4.

B. Findings of Fact and Conclusions

5. Applicant is an operating public utility subject to the jurisdiction of this Commission and it is engaged in the distribution and resale of natural gas for domestic, mechanical, or public uses in and around the communities of Bailey, Cripple Creek, Pueblo West, and the communities served by the Eastern Colorado Division.

6. CNG's natural gas requirements for its four separate service areas are met through firm gas sales agreements, and a separate deferred account is maintained for each area. Supplies needed to serve CNG's Bailey area are transported for delivery to CNG's system via Public Service Company of Colorado's (PSCo) system. CNG's Pueblo West service area is supplied by PSCo and Colorado Interstate Gas (CIG). Supplies needed to serve CNG's Cripple Creek Service area are transported for delivery to CNG's system via Black Hills Colorado Gas, Inc. (BH/CO) and CIG. CNG's natural gas requirement for the Eastern Colorado Division is transported to CNG's system via CIG. Pipeline delivery services provided by PSCo and BH/CO are subject to the jurisdiction of this Commission.

7. The Commission expects Applicant to negotiate the lowest price for supplies of natural gas that are consistent with the provisions of the Natural Gas Policy Act of 1978, 15 U.S.C. §§ 3301-3432 and applicable federal regulations or determinations made pursuant to applicable federal regulations.

8. The Commission's Gas Cost Adjustment (GCA) Rules at 4 CCR 723-4-4602(a) require that CNG revise its GCA rates to be effective on November 1 of each year. The instant filing is intended to comply with this requirement.

9. The purposes of the downward revision of Applicant's gas rates are: (1) to effectuate a decrease in the level of natural gas costs charged to Applicant based on prices to be in effect November 1, 2019, through October 31, 2020, applied to normalized forecasted purchase and sales volumes during the same test period; (2) to reflect costs for upstream pipeline services anticipated to be charged to Applicant by interconnecting pipelines for the same period; and (3) to adjust for previous under or over recovered gas cost balance in Applicant's Deferred Gas Cost Account No. 191 as of June 30, 2019.

10. The revisions amount to an annualized revenue decrease of $613,663. The changes are a decrease of $226,753 for Bailey, a decrease of $$232,870 for Pueblo West, a decrease of $100,718 for Cripple Creek, and a decrease of $37,537 for Eastern Colorado Division certificated areas, respectively.

11. The proposed tariffs, attached as Appendix A, will decrease annual revenues by $597,877, which is a decrease of 2.22 percent.

12. CNG acknowledges its obligation under Rule 4604 to publish notice of the subject filing within three days after the filing of this application. Pursuant to Rule 1206(f)(I), Rules of Practice and Procedure, 4 CCR 723-1, the filing of this application has been or will be brought to the attention of Applicant's affected customers by publication in *The Denver Post*, a newspaper of general circulation in the areas affected.

13. The Commission finds good cause to allow the proposed decrease on less-than-statutory notice.

II. ORDER

A. The Commission Orders That:

1. The Application filed by Colorado Natural Gas, Inc. (CNG) on October 15, 2019, for authority to change tariffs on less-than-statutory notice, is deemed complete.

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

3. CNG is authorized to file on not less than two days' notice the tariffs attached as Appendix A and made a part of this Decision. These tariffs shall be effective for actual gas sales on or after their effective date of November 1, 2019.

4. 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.

5. This Decision is effective on its Mailed Date.

B. ADOPTED IN COMMISSIONERS' WEEKLY MEETING October 23, 2019.

(S E A L)

ATTEST: A TRUE COPY

Doug Dean,
Director

THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO

JEFFREY P. ACKERMANN

JOHN GAVAN

Commissioners

COMMISSIONER FRANCES A. KONCILJA
ABSENT.