

BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF COLORADO

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| IN THE MATTER OF THE APPLICATION )  | APPLICATION NO. 33317       |
| OF TRANS-COLORADO PIPELINE )        |                             |
| COMPANY, FOR AN ORDER AUTHORIZING ) | ORDER OF THE COMMISSION     |
| IT TO EFFECT CERTAIN UPWARD )       | AUTHORIZING UPWARD REVISION |
| REVISIONS IN GAS RATES UPON LESS )  | OF GAS RATES                |
| THAN STATUTORY NOTICE. )            |                             |

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November 25, 1980  
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S T A T E M E N T

BY THE COMMISSION:

On November 17, 1980, Trans-Colorado Pipeline Company, Applicant herein, filed the within verified application. Said application seeks an order of the Commission authorizing the Applicant, without formal hearing and on less than statutory notice, to place into effect on November 28, 1980, tariffs resulting in an increase to its existing natural gas rates now on file with this Commission. Applicant states that its proposed increase in rates is to reflect its increased cost of gas purchased from its suppliers a number of wellhead producers and to pass on to Applicant's customers such increased costs to purchase natural gas for resale.

The proposed tariffs, which are attached to the application herein, affect Rocky Mountain Natural Gas Company, Inc., the Applicant's only customer.

FINDINGS OF FACT

1. Applicant operates for the purpose of supplying the public with natural gas for domestic, mechanical or public uses in its certificated areas within the State of Colorado.
2. Applicant obtains its natural gas supply at wholesale from a number of wellhead producers for Applicant's only customer, Rocky Mountain Natural Gas Company, Inc .
3. This Commission has no jurisdiction over the wholesale rates of wellhead producers, but it does expect Applicant to negotiate the lowest prices for supplies of natural gas that are consistent with provisions of the Natural Gas Policy Act of 1978 (Public Law 95-621) and applicable Federal Regulations or determinations made thereunder.
4. Applicant certifies that each producer, from whom gas is purchased under this application, has filed any necessary affidavits fulfilling filing requirements of Federal Energy Regulatory Commission (FERC) through the appropriate jurisdictional state of federal agency whose plan has been accepted for certifying eligibility by the FERC under the Natural Gas Policy Act governing the maximum price of gas.

5. During the month of October, 1980, Applicant's suppliers increased their wholesale rates to Applicant by approximately \$153,822, based upon volumes purchased by applicant for the month ended October 31, 1980.

6. The proposed tariffs accompanying this application, attached hereto as Appendix "A", will increase annual revenues by \$153,822, which is an increase of 2.78%.

7. If the increase herein is approved, Applicant's rate of return on rate base will be 11.32% and rate of return on equity will be 12.68%. Without the increase Applicant's rate of return on rate base would be 8.36% and its rate of return on equity would be 6.37%.

8. The increase in rates proposed by Applicant substantially will recover only Applicant's increased cost of gas.

9. The filing of this application was brought to the attention of Applicant's only customer by mail.

10. The proposed tariffs are just, reasonable and nondiscriminatory.

11. For each day on and after November 28, 1980, that Applicant's proposed tariffs are not in effect, Applicant will have to absorb an unrecovered gas cost increase of \$421.

#### CONCLUSIONS ON FINDINGS OF FACT

1. The Commission concludes that the instant application for authority to increase rates is being made pursuant to Title 40-3-104(2), CRS 1973, and Rule 18 1. A. of the Rules of Practice and Procedure before this Commission.

2. For any period of time on or after November 28, 1980, that Applicant is denied a pass-on of its increased costs, Applicant's annual rate of return would fall below its authorized reasonable rate of return and Applicant would have to absorb gas cost increases.

3. Good cause exists for the Commission to allow the proposed increases on less than 30 days' notice.

4. The proposed tariffs are lawful, and in the public interest, and should be authorized.

An appropriate Order will be entered.

#### O R D E R

#### THE COMMISSION ORDERS THAT:

1. Trans-Colorado Pipeline Company be, and hereby is, authorized to file on not less than one day's notice, the tariffs attached hereto as Appendix "A" and made a part hereof, which tariffs shall be effective for purchased gas cost billings made on or after the effective date thereof.

2. In the event it is determined by the Federal Energy Regulatory Commission that applicable rates pursuant to the Natural Gas Policy Act are less than those upon which the increase herein authorized in ordering paragraph 1 are based Trans-Colorado Pipeline Company, shall forthwith notify the Commission in writing of said facts and shall file appropriate tariffs to reduce those rates to its customers and/or shall file with the Commission within thirty (30) days after receipt of any refund from its wellhead suppliers an application for an order of the Commission for disposition of the total amount of said refund received by it.

This Order shall be effective forthwith.

DONE IN OPEN MEETING the 25th day November, 1980

THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF COLORADO

Edythe S. Miller  
Daniel E. Innes  
Commissioners

COMMISSIONER L. DUANE WOODARD ABSENT