

Decision No. C25-0579-I

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF COLORADO

PROCEEDING NO. 25D-0328G

IN THE MATTER OF PETITION OF ROCKY MOUNTAIN NATURAL GAS LLC FOR A DECLARATORY ORDER TO CLARIFY WHETHER A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY IS REQUIRED FOR REPLACEMENT OF COMPRESSOR, FOR SHORTENED RESPONSE TIME, AND FOR AN EXPEDITED DECISION.

**INTERIM COMMISSION DECISION ACCEPTING
PETITION FOR DECLARATORY ORDER, ISSUING
NOTICE, ESTABLISHING 14-DAY INTERVENTION
PERIOD, AND REFERRING MATTER TO AN
ADMINISTRATIVE LAW JUDGE**

Issued Date: August 6, 2025

Adopted Date: August 6, 2025

TO THE PARTIES IN THIS MATTER AND ALL INTERESTED PERSONS, FIRMS, OR CORPORATIONS:

I. BY THE COMMISSION

A. Statement

1. By this Decision the Commission accepts and issues notice of the Petition for Declaratory Order Determining Whether a Certificate of Public Convenience and Necessity is Required for Replacement of Compressor (“Petition”) filed by Rocky Mountain Natural Gas LLC (“RMNG” or “the Company”) on August 4, 2025. The Petition requests a declaratory order from the Commission clarifying that a certificate of public convenience and necessity (“CPCN”) is not required for RMNG to replace two compressors located at the Crystal River Compressor Station Site in Garfield County, Colorado, with one new compressor (the “Replacement Compressor”).

2. Through the Petition, RMNG asserts that no CPCN is required for this project because the new compressor is an equivalent replacement, rather than an expansion of facilities, and therefore is considered ordinary course of business. RMNG explains it only filed the Petition because of Paragraph 56 of the Settlement Agreement reached in prior Proceeding No. 17AL-0654G, where RMNG had agreed to file either an application for a CPCN or a petition for a declaratory order that a CPCN is not necessary for its construction of future compressors, unless and until the Commission promulgates rules or establishes a definitive policy regarding whether and under what circumstances a CPCN is required under § 40-5-101, C.R.S., for a gas utility to construct a new compressor. If the Commission determines a CPCN is necessary, RMNG requests that the Commission waive Rule 4102(d), 4 *Code of Colorado Regulations* (“CCR”) 723-4, pursuant to Rules 1003(a) and (b), 4 CCR 723-1, with respect to the Replacement Compressor. Further, RMNG asserts time is of the essence and therefore requests the Commission set a shortened 14-day response time to the Petition and rule expeditiously on its merits.

3. By this Decision, the Commission accepts the Petition, issues notice of the Petition, and establishes a 14-day notice and intervention period. Interventions shall be due by **5:00 p.m. on August 20, 2025**. The Commission refers this matter to an Administrative Law Judge (“ALJ”) for disposition.

B. Discussion

4. In the Petition, RMNG states the Crystal River Compressor Station Site is owned and operated by RMNG and is located in Garfield County, Colorado, about four miles west of Carbondale. RMNG states the site has three functions. First, to compress natural gas to facilitate its transportation through transmission lines and inject the compressed gas into Wolf Creek

Storage Field (“Wolf Creek”) during injection season (April to October). Second, to provide mainline compression operations to facilitate deliveries of natural gas to various RMNG town border stations in the Roaring Fork and Eagle Valleys for subsequent delivery by Black Hills Colorado Gas, Inc. (“BHCG”) to end-use customers on BHCG’s distribution system in such towns as Carbondale, Basalt, Snowmass Village, and Aspen. And third, to withdraw gas from Wolf Creek for subsequent transportation to customers through RMNG’s transmission pipelines.

5. RMNG states there are four compressors at this site: Units 818, 827, 852, and 853 (formally known as 846 until 2024 engine replacement). RMNG proposes to replace Units 818 and 827 with one larger compressor that will provide the same throughput as Unit 853. RMNG states Units 818 and 827 were installed in the years 1989 to 1990 and are dual-purposed for mainline compression and storage injection. RMNG explains, due to their age, obsolescence, and recurring outages, it has become increasingly difficult to obtain replacement parts, such as piston rings, pistons, and heads. RMNG further asserts these units are no longer functional and that, to maintain safe and reliable service, the compressors need to be replaced. RMNG states the Replacement Compressor is a Waukesha P9394GSI S5 engine with an Arial KBK/4 compressor and is identical to existing Unit 853, after altitude derating/emission control devices. RMNG states the Replacement Compressor will provide redundancy for critical pressure needs to the Roaring Fork Valley and the communities in Pitkin County.

6. RMNG anticipates installing the Replacement Compressor in 2025 for a cost of approximately \$2.5 million and 2026 for a cost of approximately \$8 million. RMNG states the replacement of Units 817 and 827 with one larger compressor providing the same throughput as Unit 853 is an equivalent replacement and not an expansion of facility and is thus undertaken by RMNG in the ordinary course of business.

7. RMNG explains it files this Petition in compliance with the Settlement Agreement in Proceeding No. 17A-0654G, where it agreed to file either an application for a CPCN or a petition for declaratory order that a CPCN is not necessary for its construction of future compressors. RMNG thus requests a declaratory order clarifying that a CPCN is not required for this Replacement Compressor.

8. Citing § 40-5-101, C.R.S., RMNG states utilities are not required to seek a CPCN if: (1) the extension is within any city and county, city, or town within which the utility has already lawfully commenced operations; (2) the extension is into territory contiguous to the utility's facility, line, plant, or system and not served by another utility providing the same service; or (3) the extension is necessary in the ordinary course of the utility's business. RMNG maintains that, in this situation, it is not seeking to construct a new facility, plant, or system; rather, it is seeking to replace compressors in the ordinary course of business due to their age, obsolescence, and recurring outages.

9. Citing Rule 4102, 4 CCR 723-1, RMNG asserts that none of the Commission's rules requiring a CPCN would apply in this circumstance. RMNG states Rule 4102(a), which requires a CPCN for approval of construction and operation of a facility, or an extension or expansion of a facility, which is not in the ordinary course of business, is not applicable since this Replacement Compressor is ordinary course of business. RMNG states Rule 4102(d), which requires a utility with less than 50,000 full-service customers, to apply for a CPCN where the total utility capital investment is greater than \$5 million in 2020 dollars, is not applicable since RMNG does not have full-service customers. RMNG states Rule 4103(a), which requires a CPCN in order to extend, to restrict, to curtail, or to abandon or to discontinue without equivalent replacement of any service, service area, or facility not in the ordinary course of

business, is not applicable since RMNG intends to replace Units 818 and 827 with an equivalent replacement in the ordinary course of business.

10. RMNG submits there is an actual controversy, or the need to remove an uncertainty, regarding whether under Colorado law, applicable rules, and the circumstances here, a CPCN is required for this Replacement Compressor. RMNG states, while the Commission may not have yet opined on this issue, by granting the declaratory relief requested in the Petition, the Commission will terminate the controversy and afford relief from the uncertainty, insecurity, or controversy giving rise to the proceeding. RMNG maintains, while it has provided factual background in the Petition for context, the issue raised in this Petition is purely a question of law that can be decided as such. RMNG states the legal issue raised by this Petition is ripe for adjudication and is squarely before the Commission to decide in this Petition.

11. RMNG states time is of the essence so that it may move forward with the replacement as planned. Accordingly, RMNG requests the Commission shorten response time to the Petition and resolve the controversy on an expedited basis.

C. Findings and Conclusions

12. The Commission may entertain a petition for declaratory order to terminate a controversy or remove an uncertainty regarding any tariff, statute, or Commission rule, regulation, or order. Rule 1304(i)(II), 4 CCR 723-1. If a petition meets those requirements, the Commission then, as an initial procedural determination, exercises its discretion to accept or dismiss the petition. If it accepts the petition, then it issues notice of the petition and establishes a notice and intervention period.

13. We find that evaluating the questions presented in the Petition will remove uncertainty as to whether a CPCN is required for this Replacement Compressor. We therefore

accept the Petition and issue notice of the Petition to interested persons, firms, and corporations by service of this Decision. Given RMNG's stated interest in resolving this matter expeditiously so that it may proceed with the replacement, we find good cause to establish a shortened notice and intervention period of 14 days.

14. The Commission refers this matter to an ALJ for disposition including the establishment of a procedural schedule and any filing dates for further briefing. We request the ALJ take into consideration RMNG's request to rule expeditiously on the merits of the Petition.

15. The Petition is available for public inspection by accessing the Commission's E-Filings System under Proceeding No. 25D-0328G at Colorado.gov/dora/puc. **This Decision is the Notice that RMNG's Petition regarding the need for a CPCN for the Replacement Compressor at the Crystal River Compressor Station Site in Garfield County, Colorado, has been filed with the Commission.**

16. This Decision establishes a 14-day notice and intervention period for the Petition. The notice period shall extend through and include **5:00 p.m. on August 20, 2025**. The intervention period will run concurrent with the notice period. Interventions shall be due by **5:00 p.m. on August 20, 2025**.

II. ORDER

A. It Is Ordered That:

1. The Petition for Declaratory Order Determining Whether a Certificate of Public Convenience and Necessity is Required for Replacement of Compressor ("Petition") filed by Rocky Mountain Natural Gas LLC, on August 4, 2025, is accepted.

2. Service of this Decision will provide notice of the Petition to all interested persons, firms, and corporations.

3. The notice period for the Petition shall extend through and include **5:00 p.m. on August 20, 2025.**

4. Any person desiring to intervene or participate as a party in this Proceeding shall file a petition for leave to intervene or, pursuant to the Commission's Rules of Practice and Procedure, other appropriate pleadings to become a party by **5:00 p.m. on August 20, 2025.**

5. Alternatively, persons who do not wish to intervene or become a party, but desire to file comments, may send written comments on or before **5:00 p.m. on August 20, 2025,** addressed to the Public Utilities Commission, 1560 Broadway, Suite 250, Denver, Colorado 80202, or through the Commission's E- Filings System under Proceeding No. 25D-0328G at Colorado.gov/dora/puc.

6. The Commission refers the matter to an Administrative Law Judge for disposition.

7. This Decision is effective upon its Issued Date.

**B. ADOPTED IN COMMISSIONERS' WEEKLY MEETING
August 6, 2025.**

(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