

Decision No. C03-1211

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF COLORADO

DOCKET NO. 03L-444G

IN THE MATTER OF THE APPLICATION OF COMFURT GAS, INC., FOR AN ORDER
AUTHORIZING IT TO EFFECT CERTAIN REVISIONS IN GAS RATES UPON LESS THAN
STATUTORY NOTICE.

**COMMISSION ORDER AUTHORIZING
UPWARD REVISIONS OF GAS RATES**

Mailed Date: October 29, 2003

Adopted Date: October 29, 2003

I. BY THE COMMISSION

A. Statement

1. On October 10, 2003, ComFurT Gas, Inc. (Applicant), filed a verified application. Applicant seeks a Commission order authorizing it, without formal hearing and on less-than-statutory notice, to place into effect on November 1, 2003, tariffs resulting in an increase to its existing natural gas rates now on file with the Commission.

2. The proposed tariffs are attached to the application, and affect Applicant's customers in, and in the vicinity of, Buena Vista, Colorado.

3. This application for authority to increase rates is made under § 40-3-104(2), C.R.S., and Rule 41(e)(1), *Commission's Rules of Practice and Procedure, 4 Code of Colorado Regulations* (CCR) 723-1.

B. Findings of Fact and Conclusions

4. 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 natural gas for domestic, mechanical, or public uses in and around Buena Vista, Colorado.

5. 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 (Public Law 95-621), and applicable federal regulations or determinations made under applicable federal regulations. Applicant has entered into a fixed price gas commodity contract effective August 1, 2003 with Utility Resource Services. By application Docket No. 03L-324G Applicant received authority from the Commission to implement changes in gas costs in Decision No. C03-0891. By this application, Applicant proposes to reflect a reduction in upstream pipeline transportation costs and to amortize previous under-recovery in gas costs.

6. The Commission's Gas Cost Adjustment (GCA) Rules require that Applicant revise its GCA rates to be effective on November 1 of each year. *See* 4 CCR 723-8-2.2. The instant filing is intended to comply with this requirement.

7. The purpose of the upward revision of Applicant's gas rates is to reflect a change in the level of natural gas pipeline transportation costs and an increase in the level of natural gas costs charged Applicant based on rates to be in effect November 1, 2003, applied to normalized purchase and sales volumes during the test period of 12 months ended June 30, 2003, and to adjust for previous under-recovery of gas costs.

8. The effect of the revisions is an annualized increase of \$3,562 to Applicant's customers in Buena Vista, Colorado.

9. The proposed tariffs, attached as Appendix A, will increase total annual revenues by \$3,562, which is an increase of 0.15 percent.

10. For the test period covered by this filing (12 months ending June 30, 2003), Applicant's last authorized rate of return on rate base was 10.50 percent and its last authorized rate of return on equity was 10.50 percent. Without the GCA rate revision to pass on increased gas cost, Applicant's rate of return on rate base would be 6.59 percent and its rate of return on equity would be 5.29 percent. If this increase is approved, Applicant's rate of return on rate base will be 7.02 percent and its rate of return on equity will be 5.64 percent. Although Applicant is not allowed to earn a return on any GCA costs, Applicant has shown good cause for expedited pass-through of increases in GCA costs in light of the significant impact of these costs on its financial integrity.

11. Applicant shall arrange for notice of publication of the proposed rate in conformance with Rule 41(e) of the Commission's Rules of Practice and Procedure, 4 CCR 723-1 within three days after the filing of this application. The filing of this application has been or will be brought to the attention of Applicant's affected customers by publication in *Chaffee County Times*, a newspaper of general circulation in the areas affected.

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

13. Good cause exists for the Commission to allow the proposed increases on less-than-statutory notice.

II. ORDER

A. The Commission Orders That:

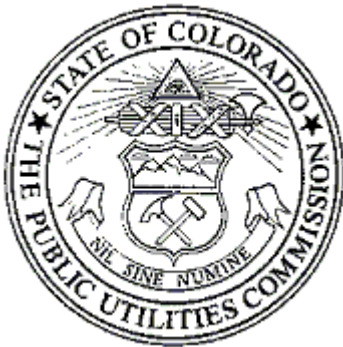
1. The application filed by ComFurT Gas, Inc., for authority to change tariffs on less-than-statutory notice is granted.

2. ComFurT Gas, Inc., is authorized to file, on not less than one day's notice, the amended tariffs attached as Appendix A and made a part of this Order. These tariffs shall be effective for actual gas sales on or after their effective date on November 1, 2003.

3. This Order is effective on its Mailed Date.

**B. ADOPTED IN COMMISSIONERS' WEEKLY MEETING
October 29, 2003.**

(SEAL)



THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO

GREGORY E. SOPKIN

POLLY PAGE

JIM DYER

Commissioners

ATTEST: A TRUE COPY

Bruce N. Smith
Director