

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO

* * *

IN THE MATTER OF THE APPLICATION OF)
THE PUEBLO GAS AND FUEL COMPANY FOR)
A CERTIFICATE OF CONVENIENCE AND NE-)
CESSITY TO CONSTRUCT A GAS DISTRIBUTI-)
TION MAIN TO THE TOWN OF BOONE, PUEBLO)
COUNTY, COLORADO, TO EXERCISE GAS)
FRANCHISE RIGHTS THEREIN, TO PURCHASE,)
DISTRIBUTE AND SELL NATURAL GAS IN)
THE AREA ADJACENT THERETO AND ALONG)
THE DISTRIBUTION MAIN TO BE CONSTRUCT-)
ED TO SAID TOWN; AND TO CONSTRUCT)
GAS DISTRIBUTION MAINS AND/OR LAT-)
TERALS TO AND GAS DISTRIBUTION SYS-)
TEMS IN THE UNINCORPORATED COMMUN-)
ITIES OF AVONDALE AND NORTH AVONDALE,)
BOTH IN PUEBLO COUNTY, COLORADO, AND)
TO PURCHASE, DISTRIBUTE AND SELL)
NATURAL GAS THEREIN, IN THE AREAS)
ADJACENT THERETO AND ALONG THE DISTRI-)
BUTION MAIN AND/OR LATERALS TO BE CON-)
STRUCTED THERETO.)
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APPLICATION NO. 16913-AMENDED

August 30, 1962

Appearances: Lee, Bryans, Kelly & Stans-
field, Esqs., Denver,
Colorado, by
Donald D. Cawelti, Esq.,
Denver, Colorado, for
Applicant;
E. R. Thompson, Denver,
Colorado, and
J. M. McNulty, Denver, Colo-
rado, for the Staff of
the Commission.

S T A T E M E N T

By the Commission:

The Pueblo Gas and Fuel Company filed an application with this Commission, seeking a certificate of public convenience and necessity authorizing the construction of a gas distribution main to and a gas distribution system in the Town of Boone, Pueblo County, Colorado, authorizing the exercise of franchise rights for the distribution and sale of gas, either natural, artificial or mixed, in said Town, and for a certificate of public convenience and necessity for

the distribution and sale of gas in the area adjacent thereto and along the gas distribution main to the Town, and to construct gas distribution mains and/or laterals to and gas distribution systems in the unincorporated communities of Avondal and North Avondale, both in Pueblo County, and to distribute and sell natural gas therein and in the areas adjacent thereto and along such distribution mains and/or laterals to be constructed thereto.

The matter was set for hearing after due notice to all interested parties, on August 21, 1962, at ten o'clock A. M., in the Hearing Room of the Commission, 532 State Services Building, Denver, Colorado.

Applicant is a corporation, organized and existing under and by virtue of the laws of the State of Colorado, and is a public utility operating company subject to the jurisdiction of this Commission, engaged primarily in the purchase, distribution and sale of natural gas in the City of Pueblo, Colorado, and in other nearby areas in Pueblo County.

Applicant showed that on November 7, 1961, the Board of Trustees of the Town of Boone duly passed and adopted Ordinance No. 44, granting a franchise for the service of gas in the Town, a copy of which franchise ordinance was attached to the application as Exhibit A and is entitled as follows:

AN ORDINANCE GRANTING A FRANCHISE BY THE TOWN OF BOONE, PUEBLO COUNTY, COLORADO, TO THE PUEBLO GAS AND FUEL COMPANY, ITS SUCCESSORS AND ASSIGNS, TO LOCATE, BUILD, CONSTRUCT, ACQUIRE, PURCHASE, EXTEND, MAINTAIN AND OPERATE INTO, WITHIN AND THROUGH THE TOWN OF BOONE, A PLANT OR PLANTS, AND WORKS FOR THE PURCHASE, MANUFACTURE, TRANSMISSION AND DISTRIBUTION OF GAS, EITHER NATURAL, ARTIFICIAL OR MIXED, AND TO FURNISH, SELL AND DISTRIBUTE SAID GAS TO THE TOWN OF BOONE AND THE INHABITANTS THEREOF, FOR HEATING, COOKING, OR OTHER PURPOSES, BY MEANS OF PIPES, MAINS, OR OTHERWISE, OVER, UNDER, ALONG, ACROSS AND THROUGH ANY AND ALL STREETS, ALLEYS, VIADUCTS, BRIDGES, ROADS, LANES, AND OTHER PUBLIC WAYS AND PLACES IN SAID TOWN OF BOONE, AND FIXING THE TERMS AND CONDITIONS THEREOF.

The term of said franchise is for a period of twenty-five years.

Attached to the franchise is a copy of the Certificate of Introduction,

Passage and Signature by the Mayor of said franchise, a copy of the Certificate of the Recording thereof, and a copy of the acceptance of the franchise by applicant, all of which were certified as true and correct copies.

Witness for Applicant, H. M. Edmonds, testified that Applicant will obtain its supply of natural gas for distribution and sale in the Town of Boone and along the gas distribution main to said Town, including the unincorporated communities of Avondale and North Avondale, by means of a gas main extension from the Devine Compressor Station of the Colorado Interstate Gas Company. Gas distribution service will also be made available in Avondale and North Avondale and along the distribution main to the Town of Boone.

A map of the proposed distribution main to the Town of Boone was introduced in evidence as Exhibit B, together with maps of the gas distribution systems in the Town of Boone and the unincorporated communities of Avondale and North Avondale as Exhibits C, D and E, respectively. It was estimated that the cost of such distribution system to be constructed during the first year will be approximately \$225,000 and that a total of \$263,000 will be expended during the first five years for the entire distribution system.

Gas will be supplied at the same rates as those presently on file with this Commission for Applicant's service in the Pueblo Area, which rates will be re-filed to apply in the Town of Boone and areas adjacent to the distribution main thereto.

Applicant has filed with the Commission a late-filed Exhibit showing, as of June 30, 1962, its Balance Sheet and a Statement of Income and Earned Surplus for the preceding twelve months. Applicant is a wholly-owned subsidiary of Public Service Company of Colorado. Testimony was received that construction costs for the financing of the distribution mains and systems and laterals sought in this application will be met from current cash on hand of the Applicant or by temporary advances from parent company Public Service Company of Colorado, pending permanent financing. Applicant adequately showed its financial ability.

Within the Town of Boone, it was testified that Applicant estimates approximately \$32,000 will be expended within the first year in the construction and installation of the gas distribution system therein and that during the life of the franchise the investment will be \$64,300. The total investment of \$263,000 for the project will be used as a basis for the fee for the issuance of the certificate, but will not be binding upon the Commission in any subsequent investigation where rates or valuation may be an issue.

Applicant estimates that approximately 91 customers will be served by the end of the first year in the Town of Boone and in the areas adjacent to the distribution line thereto, including Avondale and North Avondale, and approximately 365 customers will be served by the end of the fifth year of service. The official census in 1960 showed a population in the Town of Boone of 548. Applicant estimates the population of Avondale and North Avondale to be 100 and 660, respectively.

Applicant showed that an order of the Federal Power Commission had been entered on February 9, 1962, directing Colorado Interstate Gas Company to sell and deliver natural gas to applicant for the purposes set forth in this application under the terms of which Applicant is required to receive natural gas from Colorado Interstate Gas Company prior to December 1, 1962, and Applicant expects to have the gas distribution system completed prior to such date. All gas will be odorized at or near the Devine Compressor Station prior to sale to customers.

Applicant, by a subsequent filing with the Commission, amended its original application, and the hearing and order herein are on said application as amended.

F I N D I N G S

THE COMMISSION FINDS:

That the above and foregoing Statement is hereby made a part of these Findings, by reference.

That the Commission has jurisdiction of the Applicant herein, The Pueblo Gas and Fuel Company, and of the subject matter involved in the instant application.

That the Commission is fully advised in the premises.

That the public convenience and necessity require and will require the exercise by The Pueblo Gas and Fuel Company of the franchise rights granted in and by Ordinance No. 44 of the Town of Boone dated November 7, 1961, for the distribution and sale of gas, either natural, artificial, or mixed, in said Town, and that the public convenience and necessity require and will require the distribution of natural gas by the Applicant in said Town and in the areas adjacent thereto and along the gas distribution main thereto, including the unincorporated areas of Avondale and North Avondale.

O R D E R

THE COMMISSION ORDERS:

That the public convenience and necessity require and will require the exercise by The Pueblo Gas and Fuel Company of the franchise rights granted in and by Ordinance No. 44 of the Town of Boone dated November 7, 1961, for the distribution and sale of gas either natural, artificial, or mixed, in said Town and that the public convenience and necessity require and will require the distribution of natural gas by the Applicant in said Town and in the areas adjacent thereto and along the gas distribution main thereto, including the unincorporated areas of Avondale and North Avondale, and this Order shall be taken, deemed and held to be a certificate of public convenience and necessity therefor.

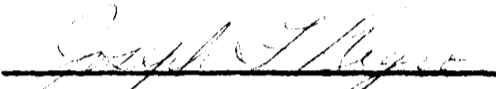
That The Pueblo Gas and Fuel Company shall install, operate and maintain its gas system and supply service in the areas heretofore designated in accordance with its schedules of gas rates, classifications, rules and regulations presently in effect in Applicant's Pueblo area, which will be re-filed to include the Town of Boone and areas adjacent to the distribution main thereto, or as the same may be changed according to law and the rules and regulations of this Com-

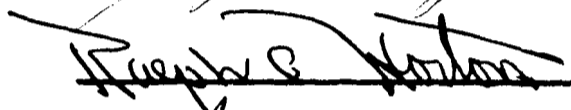
That the adoption of the figure of \$263,000 as the basis for setting the issuance fee for the certificate granted herein shall not preclude the Commission from adopting other and different valuation, should the question of rates or valuation be an issue in any subsequent proceeding.


That The Pueblo Gas and Fuel Company shall continue to maintain its books and accounts in accordance with the Uniform System of Accounts, and shall continue to keep its practices as to the testing of meters, customers' deposits and operations, records of meters and complaints in accordance with the Commission's requirements.

This Order shall become effective forthwith.

THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO







Commissioners.

Dated at Denver, Colorado,
this 30th day of August, 1962.

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