

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO

* * *

IN THE MATTER OF THE JOINT)
APPLICATION OF UNITED POWER, INC.,)
AND PUBLIC SERVICE COMPANY OF)
COLORADO TO TRANSFER CERTIFICATES)
OF PUBLIC CONVENIENCE AND NECESSITY)
FOR THE PURCHASE, TRANSMISSION,)
DISTRIBUTION, AND SALE OF)
ELECTRICITY FOR PORTIONS OF ADAMS)
AND WELD COUNTIES, COLORADO, AND)
FOR CERTIFICATES OF PUBLIC)
CONVENIENCE AND NECESSITY TO UNITED)
POWER, INC., FOR THE SAME PURPOSES)
TO EXERCISE FRANCHISE RIGHTS IN THE)
CITY OF COMMERCE CITY, ADAMS)
COUNTY; THE CITY OF FT. LUPTON,)
WELD COUNTY; THE TOWN OF HUDSON,)
WELD COUNTY, AND THE TOWN OF)
KEENESBURG, WELD COUNTY, ALL IN THE)
STATE OF COLORADO.)

DOCKET NO. 90A-488EF

COMMISSION DECISION GRANTING
APPLICATION TO TRANSFER
CERTIFICATES OF PUBLIC
CONVENIENCE AND NECESSITY, AND
FOR CERTIFICATES OF PUBLIC
CONVENIENCE AND NECESSITY TO
EXERCISE FRANCHISE RIGHTS FOR
THE PURCHASE, TRANSMISSION,
DISTRIBUTION, AND SALE OF
ELECTRICITY IN COMMERCE CITY,
FORT LUPTON, HUDSON, AND
KEENESBURG, COLORADO

September 26, 1990

STATEMENT

BY THE COMMISSION:

On August 9, 1990, United Power, Inc. (United), formerly operating under the name of Union Rural Electric Association, Inc., and Public Service Company of Colorado (Public Service) filed a joint application to transfer certificates of public convenience and necessity for the purchase, transmission, distribution, and sale of electricity for portions of Adams and Weld Counties, Colorado from Public Service to United and for certificates of public convenience and necessity to United for the same purposes to exercise franchise rights in the City of Commerce City, Adams County; the City of Ft. Lupton, Weld County; the Town of Hudson, Weld County; and the Town of Keenesburg, Weld County, all within the State of Colorado. Also on August 9, 1990, United and Public Service filed a petition for waiver of Rule 22(c) of the Commission's Rules of Practice and Procedure which provides that no pleading shall be more than 30 pages in length, including attachments, unless otherwise ordered by the Commission on the grounds that they cannot comply with the requirements of 55(c) of the Commission's Rules of Practice and Procedure

which require that an Applicant shall submit copies of various documents in an application such as has been filed in this instance. The petition for waiver of Rule 22(c) of the Commission's Rules of Practice and Procedure will be granted.

Thirty-day notice of the application was given to all interested persons, firms, and corporations on August 14, 1990. In addition, United and Public Service gave newspaper notice of that aspect of the application dealing with the exercise of franchise rights in accordance with Rule 55(d) of the Commission's Rules of Practice and Procedure. No motions or petition to intervene in opposition to the application have been received by the Commission, and the application is noncontested and unopposed. Accordingly, the Commission may determine the application, without hearing, in accordance with § 40-6-109(5), C.R.S.

On August 27, 1990, United and Public Service submitted, as an additional exhibit, the publishers affidavit of the newspaper notice to exercise franchise rights by United in which newspaper notice appeared in The Rocky Mountain News on August 10, 1990. On September 13, 1990, United and Public Service submitted corrected Exhibits C and H.

FINDINGS OF FACT

1. United is a cooperative corporation organized and existing under Colorado with its principle office located in Brighton, Colorado. Public Service is a Colorado corporation with its principle office in Denver, Colorado.

2. In paragraph 5 of its application, United and Public Service have stated:

5. Pursuant to §§ 40-5-101, 102, and 103, and 105, C.R.S., the parties seek authority for the transfer, assignment, and issuance of certificates of public convenience and necessity, as well as approval of their agreements, as follows:

a. Transfer by United to Public Service of that part of United's exclusive electric service area previously in Adams County and now the City and County of Denver, Colorado, certificated to it in Commission Decision No. 63322, more particularly described in Exhibit A attached to the application.

- b. Transfer by United to Public Service of all of United's rights to serve existing customers in Area E, as defined in Decision No. 63322, except for those parts of Area E included within the service area being transferred to United by Public Service pursuant to subparagraph 5. c. below or within the service area of Poudre Valley Rural Electric Association, Inc.
- c. Transfer by Public Service To United of that part of Public Service's certificate exclusive service area for electric service in Adams and Weld Counties, Colorado, more particularly described in Exhibit C attached to the application, which transfer includes the City of Ft. Lupton, the Towns of Hudson and Keenesburg, that part of the City of Commerce City lying north of the line described is attached as Exhibit B, and any rights of Public Service to serve customers in that part of said Area E lying within Exhibit C. The City of Brighton is presently excluded from the transfer.
- d. Included in the transfer described in subparagraph 5. c. above are the following electric franchises and certificates of public convenience and necessity to exercise these franchise rights:
 - i. That part of the City of Commerce City's electric franchise granted by its Ordinance No. 765, approved June 10, 1986, lying north of the line described in Exhibit B, for which the certificate to exercise electric franchise rights was granted to Public Service by Commission Decision No. C86-1601 and which has been assigned by Public Service to United subject to the City's and this Commission's approval as shown in Exhibit D, attached to the application.

Public Service will continue to provide gas to Commerce City pursuant to said franchise and Commission Decision No. C86-1601.

- ii. City of Ft. Lupton's electric franchise, granted by its Ordinance No. 586, approved August 26, 1987, for which the certificate to exercise franchise rights was granted to Public Service by Commission Decision No. C87-1604 and which has been assigned by Public Service to United with the City's consent as shown in Exhibit E attached to the application, subject to this Commission's approval. Public Service will continue to provide gas service to Ft. Lupton pursuant to said franchise and Commission Decision No. C87-1604.
- iii. The Town of Hudson's Franchise, granted by its Ordinance No. 83-7, approved December 14, 1983, as amended by Ordinance No. 89-1, adopted May 24, 1989, for which the certificate to exercise franchise rights was granted to Public Service by Commission Decision No. C84-537 and which has been assigned by Public Service to United with the Town's consent as shown by Exhibit F attached to the application, subject to this Commission's approval.
- iv. The Town of Keenesburg's franchise, granted by its Ordinance No. 107, approved March 12, 1984, as amended by Ordinance No. 119, approved June 12, 1989, for which the certificate to exercise franchise rights was granted to Public Service by Commission Decision No. C84-876 and which has been assigned by Public Service to United with the Town's consent as shown by Exhibit G attached

hereto, subject to this Commission's approval.

- e. The transfer of the electric franchise from the City of Brighton is not included in this application because the issue of Brighton's approval is currently pending before the Brighton City Council and it would be premature to include that franchise at this time. If approval is obtained, a separate application will be filed by these Applicants.

A map showing the territories currently certificated to each and the territory to be transferred is attached as Exhibit H. The parties' request that the above transfers be authorized by this Commission pursuant to § 40-5-105, C.R.S., that certificates of public convenience and necessity be issued to each to provide exclusive electric service within the areas being transferred pursuant to § 40-5-101, C.R.S., and that United be granted certificates of public convenience and necessity to exercise the franchise rights described above pursuant to §§ 40-5-102 and 103, C.R.S. The parties also request that the terms of their agreements hereafter described and attached to this application as Exhibits I and J be approved.

3. The public convenience and necessity require the granting of the joint application of United and Public Service as the proposed transfers are in the public interest and will be beneficial to the customers of United and Public Service, respectively, and all other persons who may be affected by the transfer for the following reasons:

6. Public convenience and necessity require the granting of this joint application as the proposed transfers are in the public interest and will be beneficial to the customers of each party and all other persons who may be affected by the transfer for the following reasons (evidence will be presented at any hearing to establish these facts):

- a. United and Public Service entered into an agreement on April 20, 1964, which provided for respective service areas of each enabling the parties to more efficiently render electric service in the public interest. The 1964 agreement was approved by Decision No. 63322, subject to this Commission's ongoing jurisdiction.
- b. Subsequent to the issuance of Commission Decision No. 63322, the parties have had ongoing disputes concerning service territories, the most recent being Case No. 37131 which resulted in the issuance by this Commission of Decision No. C87-950, as modified by Decision Nos. C87-1035 and C87-1159.
- c. To resolve the ongoing disputes in the public interest, United and Public Service entered into the April 6, 1987, Agreement (Exhibit I), conditioned upon this Commission's approval, in which the parties resolved their differences by agreement rather than expensive and time-consuming litigation. Upon certain conditions which have now been met, said agreement provides that United transfer to Public Service a part of its exclusive service territory in its Area C, as defined in Commission Decision No. 63322, south and east of the new Denver Airport's north and west boundaries, together with an area adjacent thereto for industrial and commercial development and United's rights to serve existing customers within those parts of Area E, as defined in Decision No. 63322, not being transferred to United. In exchange, Public Service is to transfer to United that part of its exclusive service territory known as the Platte Valley District generally located between United's present service Areas B and C, including the Cities and Towns of Brighton, Ft. Lupton, Hudson, and Keenesburg. The transfers include certain distribution facilities of each in place at negotiated values not

exceeding book values in order to minimize adverse rate impact upon consumers.

- d. To carry out the 1987 agreement (Exhibit I), the parties entered into the February 23, 1990, Implementation Agreement (Exhibit J), conditioned upon this Commission's approval, which defines the service territories and distribution facilities to be transferred, the compensation to be paid, and other matters, all of which are consistent with this Application.
- e. The territory to be transferred to Public Service adjoins its existing territory. The territory to be transferred to United adjoins and lies between United's existing territories B and C as defined in Decision No. 63322. The transfers will establish firm territorial boundaries for the exclusive service areas of each, without duplication of intermingling of facilities, for the efficient provision of electric service in accordance with the doctrine of regulated monopoly of the State of Colorado.
- f. Because of the close proximity of the facilities of each, the parties can take over service with minimal cost and virtually no duplication.
- g. The affected customers in the Platte Valley District to be served by United will receive service equivalent to that provided by Public Service at a lower cost. The affected customers to be served by Public Service at a lower cost. The affected customers to be served by Public Service will receive service equivalent to that provided by United at a lower cost.

- b. Public Service's rules and regulations for providing that service are set forth in its tariffs known as Colorado PUC No. 6--Electric on file with this Commission. United's rules and regulations are set forth in Exhibit K. The rules and regulations of each are essentially the same except that United has a more liberal line extension policy.
- c. The costs of service to be rendered by Public Service in the area to be transferred to it (described in Exhibit A) are set forth in its tariffs. Those costs are approximately ten percent less than United's rates which would be effective on the date of the proposed transfer as set forth in Exhibit R.
- d. The costs of service to be rendered by United in the area to be transferred to it (described in Exhibit C) are set forth in Exhibit K, which costs are approximately six percent less than the current cost of Public Service's rates.

12. With respect to the franchises being assigned, certified copies of the franchise ordinances, proof of their publication, and adoption or acceptance by Public Service are on file with this Commission in Application Nos. 37951 (Commerce City), 38669 (Ft. Lupton), 36223 (Hudson), and 36395 (Keenesburg).

13. A certified copy of the resolution of the Town of Hudson approving the assignment is attached to the application as Exhibit S. Certified copies of the ordinances of Ft. Lupton and Keenesburg approving the assignments are attached to the application as Exhibits T and U, respectively.

14. The approval of the partial assignment of the described part of the Commerce City electric franchise has not yet been granted by Commerce City. United and Public Service anticipate that such approval will be granted but it may be after this application has been determined. United and Public Service request that the Commission, pursuant to § 40-5-103(2), C.R.S., enter an order that it will issue the requested certificate approving the transfers and authorizing United to exercise those franchise rights after United and Public Service have obtained the approval of the City of Commerce City. This request is reasonable and will be granted.

15. The approximate number of customers to be served by United and the approximate total population of each City or Town is as follows:

City or Town	Customers to be Served	Total Population
a. Commerce City	2	17,280
b. Ft. Lupton	2,072	5,358
c. Hudson	404	918
d. Keenesburg	348	601

16. A copy of the Notice to Exercise Franchise Rights published in accordance with Rule 55(d) of the Commission's Rules of Practice and Procedure is attached to the application as Exhibit V.

17. The approval of United's transfer by the United States of America, acting through the Rural Electrification Administration, is anticipated and will be submitted as a late filed exhibit. A similar approval by the National Utilities Cooperative Finance Corporation is anticipated and will be likewise submitted.

18. If the authority is granted, the Applicants will file any further necessary tariffs with this Commission and will operate in accordance with all of the applicable Commission Rules and Regulations.

CONCLUSIONS ON FINDINGS OF FACT

Premises considered, the Commission finds that the joint application is in the public interest and should be granted in accordance with this decision and order.

THEREFORE THE COMMISSION ORDERS THAT:

1. The joint application of United Power, Inc., and Public Service Company of Colorado, to transfer certificates of public convenience and necessity for the purchase, transmission, distribution, and sale of electricity for portions of Adams and Weld Counties, Colorado and for certificates of public convenience and necessity to United Power, Inc., for the same purposes to exercise franchise rights in the City of Commerce City, Adams County; the City of Ft. Lupton, Weld County; the Town of Hudson, Weld County; and the Town of Keenesburg, Weld County, Colorado, is granted in accordance with this Decision and Order.

2. United Power, Inc., is authorized to transfer to Public Service Company of Colorado the exclusive electric service area in Adams County and the City and County of Denver described in Appendix A, appended to this Decision and Order and Public Service Company of Colorado is authorized to provide exclusive electric service therein, and this Decision and Order shall be a certificate of public convenience and necessity therefor.

3. United Power, Inc., is authorized to transfer to Public Service Company of Colorado all rights of United Power, Inc., to serve its existing customers in Area E, as defined in Decision No. 63322, dated July 20, 1964, except for those parts of said Area E being transferred to United Power, Inc., by Public Service Company of Colorado described in corrected Exhibit C, attached to the application herein or within the service area of Poudre Valley Rural Electric Association, Inc.

4. Public Service Company of Colorado is authorized to transfer to United Power, Inc., that part of the exclusive service area of Public Service Company of Colorado described in corrected Exhibit C attached to the application, including the City of Ft. Lupton, the Towns of Hudson and Keenesburg, and that part of the City of Commerce City lying north of the line described in Exhibit B, attached to the application, and any rights of Public Service Company of Colorado to serve customers in that part of said Area E lying within the service area described in Exhibit C, and United Power, Inc., is authorized to provide exclusive service therein and this Decision and Order shall be a certificate of public convenience and necessity therefor.

5. The assignment by Public Service Company of Colorado to United Power, Inc., of the franchises of Public Service Company of Colorado from the Cities of Ft. Lupton, Hudson, and Keenesburg is approved and United Power, Inc., is authorized to provide an exclusive electric service under such franchise agreements, pursuant to §§ 40-5-102 and 103, C.R.S., and this Decision and Order shall be a certificate of public convenience and necessity therefor.

6. The partial assignment by Public Service Company of Colorado to United Power, Inc., of its franchise for the provision of electric service in that part of the City of Commerce City lying north of the line described in Exhibit B, attached to the application herein, is approved conditioned upon the approval of the City of Commerce City on or before 12 months from the effective date of this Decision and Order, and upon said approval by the City of Commerce City the Commission will issue a certificate of public convenience and necessity therefor.

7. The agreements of United Power, Inc., and Public Service Company of Colorado dated April 6, 1987, (which is Exhibit I to the application), and February 23, 1990, (which is Exhibit J to the application), and all the terms thereof, is amendments to the April 20, 1964, agreement between the same which had previously been approved in Decision No. 63322, dated July 20, 1964, as amended by Decision No. C87-950, dated July 8, 1987, and as further modified by Decision No. C87-1035, dated July 24, 1987, and C87-1159, dated August 19, 1987, is approved provided, however, that such approval does not apply to the City of Brighton as accepted from corrected Exhibit C attached to this application.

8. United Power, Inc., and Public Service Company of Colorado, respectively, shall file with the Commission, within 60 days after the approval of the City of Commerce City franchise, a detailed description of their electric service territories incorporating the territorial effects of this Decision and Order.

This Order is effective immediately.

DONE IN OPEN MEETING September 26, 1990.

THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO

Ronald L. Leh
Larry J. Nakarado
Commissioners

CHAIRMAN ARNOLD H. COOK
NOT PARTICIPATING

JEA:srs:2782J:jkm

BEFORE THE PUBLIC UTILITIES COMMISSION
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TO EXERCISE FRANCHISE RIGHTS IN THE)
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WELD COUNTY, AND THE TOWN OF)
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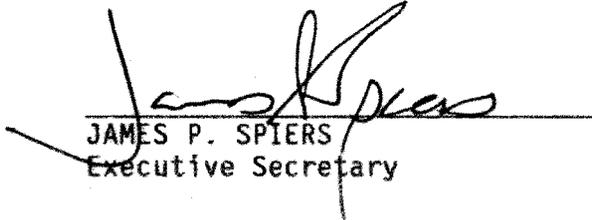
DOCKET NO. 90A-488EF

ERRATA NOTICE

Decision No. C90-1317
(Issued September 26, 1990)

The attached legal description is the Appendix A that was inadvertently omitted.

THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO



JAMES P. SPIERS
Executive Secretary

Dated at Denver, Colorado, this
27th day of February, 1991.

LEGAL DESCRIPTION OF THAT PART OF UNITED POWER'S AREA C BEING TRADED
TO PSCO INCLUDING THE NEW DENVER AIRPORT

TRADE BOUNDARY DESCRIPTION

A description of a tract of land located in portions of T2S,R64W, T3S,R64W, T2S,R65W, T3S,R65W, T2S,R66W and T3S,R66W of the 6th P.M., Adams County and the City and County of Denver, Colorado, being more particularly described as follows;

Commencing at a point on the north line of Section 32,T2S,R66W from which the NE corner of said Section 32 bears easterly a distance of 30 feet; thence easterly along the north line of said Section 32 a distance of 30 feet to the NW corner of Section 33,T2S,R66W, said corner being a point on the annexation boundary description set forth on the Annexation Plat I showing the territory annexed on May 17, 1988 by the City and County of Denver according to the Intergovernmental Agreement on Annexation between the County of Adams and the City and County of Denver; thence following said annexation boundary along the north line of said Section 33; thence along the north line of said Section 33 $N89^{\circ}42'50''E$ a distance of 5299.89 feet to the northeast corner of said Section 33 as monumented by a No. 5 rebar; thence along the north line of the NW1/4 of Section 34,T2S,R66W, $N89^{\circ}19'20''E$ a distance of 2653.08 feet to the N1/4 corner of said Section 34 as monumented by a pipe with block cap; thence along the north line of the NE1/4 of said Section 34, $N89^{\circ}18'51''E$ a distance of 53.01 feet; thence departing from said north line, $N00^{\circ}00'00''E$ a distance of 1315.25 feet to a point in the SE1/4 of Section 27,T2S,R66W; thence thru Sections 27,26 and 25, T2S,R66W, $N90^{\circ}00'00''E$ a total distance of 8800.00 feet to a point in the SE1/4 of said Section 25; thence thru Sections 25,24,13

and 12, T2S,R66W, N00°00'00"E a total distance of 18560.00 feet to a point in the NW1/4 of said Section 12; thence thru Section 12,T2S,R66W and Section 7,T2S,R65W N90°00'00"E a total distance of 7600.00 feet to a point in the NE1/4 of Section 7,T2S,R65W; thence thru Sections 7 and 6,T2S,R65W, N00°00'00"E a total distance of 4000.00 feet to a point in the SE1/4 of said Section 6; thence thru Sections 6 and 5,T2S,R65W, N90°00'00"E a total distance of 3100.00 feet to a point in the SW1/4 of said Section 5; thence N00°00'00"E a distance of 2670.22 feet to a point on the north line of the NW1/4 of said Section 5; thence along the north line of said Section 5, N89°55'38"E a distance of 3500.00 feet; thence departing from said north line, S00°00'00"W a distance of 2583.18 feet to a point in the NE1/4 of said Section 5; thence thru Sections 5 and 4, T2S,R65W and along the east-west centerline of said Section 4, S89°42'10"E a distance of 5740.94 feet to the W1/4 corner of Section 3,T2S,R65W as monumented by a 1" pipe; thence along the east-west centerline of said Section 3, N89°46'02"E a distance of 5288.69 feet to the W1/4 corner of Section 2,T2S,R65W as monumented by a pipe with a block cap; thence along the north line of the SW1/4 of said Section 2, N89°55'49"E a distance of 2643.14 feet to the C1/4 corner of said Section 2; thence along the east line of the SW1/4 of said Section 2, S00°33'12"E a distance of 2641.52 feet to the S1/4 corner of said Section 2 as monumented by a brass cap LS No. 22578; thence along the south line of the SE1/4 of said Section 2, N89°53'23"E a distance of 2643.02 feet to the northwest corner of Section 12,T2S,R65W as monumented by a pipe with block cap; thence along the north line of said Section 12, S89°26'14"E a distance of 5283.48 feet to the northeast corner of said Section 12 as monumented by a brass cap LS No. 5768; thence along the north line of the NW1/4 of Section 7,T2S,R64W, N89°49'25"E a distance of 875.59 feet; thence departing from said annexation boundary description and continuing easterly along the north line of said Section 7 and the north lines of Sections 8 and 9,T2S,R64W to the NE corner of said Section 9, said corner being a point on the easterly territorial boundary line of United Power, Inc.'s Area C as described in P.U.C. Decision No. 63322; thence

following the territorial boundary as described in said P.U.C. Decision No. 63322 southerly along section lines to the NW corner of Section 22,T2S,R64W; thence easterly along section lines to the NE corner of said Section 22; thence southerly along section lines to the SE corner of Section 10,T3S,R64W; thence westerly along section lines to the SW corner of said Section 10; thence southerly along section lines to the SE corner of Section 28,T3S,R64W; thence westerly along section lines to the S1/4 corner of Section 25, T3S,R65W; thence northerly along 1/2 section lines to the E1/4 corner SW1/4 of said Section 25; thence westerly in a straight line to the W1/4 corner SW1/4 of said Section 25; thence northerly along section lines to the NW corner of said Section 25; thence westerly along section lines to the SW corner of Section 23,T3S,R65W; thence northerly along section lines to the SW corner of Section 11,T3S,R65W; thence westerly along section lines to the SW corner of Section 9,T3S,R66W; thence northerly along section lines to the NW corner of said Section 9; thence westerly along section lines to a point 30 feet west of the NW corner of said Section 9; thence northerly along a line parallel to and 30 feet west of the west section lines of said Section 9 and Section 4,T3S,R66W and Section 33,T2S,R66W to the Point of Commencement.

The above description contains 101 square miles, more or less.