

Decision No. C23-0367

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF COLORADO

PROCEEDING NO. 23L-0249G

IN THE MATTER OF THE APPLICATION OF COLORADO NATURAL GAS, INC. FOR AN ORDER AUTHORIZING IT TO PUT INTO EFFECT GAS RATE ADJUSTMENTS TO ITS EXTRAORDINARY GAS COST RECOVERY RIDER ON LESS THAN STATUTORY NOTICE.

**COMMISSION DECISION AUTHORIZING REVISIONS OF
EXTRAORDINARY GAS COST RECOVERY RIDER**

Mailed Date: May 30, 2023

Adopted Date: May 24, 2023

I. BY THE COMMISSION

A. Statement

1. On May 17, 2023, Colorado Natural Gas, Inc. (CNG or Applicant) filed a verified application to update its Extraordinary Gas Cost Recovery Rider (EGCRR) rates. CNG seeks a Commission order authorizing it, without a formal hearing and on less-than-statutory notice, to place into effect on June 1, 2023, a tariff resulting in an overall decrease to its existing EGCRR rates on file with the Commission for three or its four Gas Cost Adjustment (GCA) rate areas and an overall increase to its EGCRR for one of its GCA rate areas.

2. The proposed tariff is attached to the application and affects the Applicant's customers in all four of its Colorado GCA zones. The proposed modifications are an increase for the Eastern rate division and a decrease for the Cripple Creek, Bailey/South Park, and Pueblo West rate divisions.

3. CNG acknowledges that it has read and agrees to abide by the provisions of Rules 4002(b)(IV) through (VI) and Rules 4002(b)(XI)(A) through (C) of the Rules Regulating Gas Utilities and Pipeline Operators, 4 *Code of Colorado Regulations* (CCR) 723-4.

B. Background

4. Applicant is an operating public utility subject to the jurisdiction of this Commission and it is engaged in the distribution and resale of natural gas for domestic, mechanical, or public uses in and around the communities of Bailey, Cripple Creek, Pueblo West, and the communities served by the Eastern Colorado Division.

5. As part of the Stipulation and Settlement Agreement (Stipulation) in Proceeding No. 21A-0188G, the Applicant agreed to review the EGCR and determine if a true-up was required after 12 months. The Applicant conducted this analysis and determined that a true-up is required. The proposed EGCR true-up would result in a rate increase for customers in its Eastern rate district, while customers in its Cripple Creek, Bailey/South Park, and Pueblo West districts would see a rate decrease. The EGCR applies to customers who are subject to the Gas Cost Adjustment, except for Low-Income Energy Assistance Program (LEAP) and Percentage of Income Payment Program (PIPP) customers who are exempt from paying the rate.

6. Given that the Settlement and Stipulation Agreement in Proceeding No. 21A-0188G provides that the EGCR costs will be recovered over a total of 24 months (ending March 31, 2024), the Applicant seeks approval for EGCR rates to become effective on June 1, 2023. Delaying implementation of the reconciled rates beyond June 1, 2023, would shorten the period/billing units over which the adjusted rates could be collected, thereby increasing the rates for the Eastern service territory, as compared to the rates proposed to be effective on June 1, 2023.

7. Pursuant to the Stipulation in Proceeding No. 21A-0188G, any remaining over or under collection of the net gas costs to be recovered through the EGCR, will be put into Account 191, and flowed through the normal operation of the GCA following the end of the applicable EGCR recovery period.

8. The Applicant proposes to increase the EGCR rate for the Eastern rate area by approximately 55percent resulting in a rate increase of around 11 to 13 percent depending on the rate class.

9. The Applicant proposes to decrease the EGCR rate for the other rate areas. The EGCR rate decrease ranges from 4 percent for Bailey/South Park to 17 percent for Pueblo West. The resulting bill impacts range from a 0.22 percent to 1.29 percent decrease depending on the area and rate class.

10. As part of the true-up process, the Applicant states that it discovered it had erroneously billed LEAP and PIPP customers for the EGCR rider which is inconsistent with the provisions of the Stipulation in Proceeding No. 21A-0188G. Approximately 800 customers were affected and billed a total of approximately \$75,000. Pursuant to Rule 4402 of the Commission's rules regulating gas utilities, 4 CCR 723-4-4402, the Applicant is notifying and refunding all customers affected by this error and redirecting the amounts owed to the correct customers.

C. Findings and Conclusions

11. The Commission concludes that the Applicant's proposed rate modifications are reasonably calculated to recover the remaining allowed costs from Winter Storm Uri in February of 2021.

12. The Commission further concludes that it is appropriate for rates to become effective as soon as possible on June 1, 2023, in order to spread the remaining costs over the longest possible period consistent with the Stipulation in Proceeding No. 21A-0188G.

13. The Commission is disappointed that the Applicant has erroneously been charging LEAP and PIPP customers the EGCR and encourages the Applicant to diligently monitor the implementation of new programs, rates, to riders to ensure accuracy.

II. ORDER

A. The Commission Orders That:

1. The Application filed by Colorado Natural Gas, Inc. on May 17, 2023, for authority to change rates on less than statutory notice is deemed complete.

2. CNG is authorized to file on not less than two days' notice the tariffs attached as Appendix A and made a part of this Decision, in a separate new advice letter and tariff proceeding. These tariffs shall be effective for actual gas sales on or after their effective date of June 1, 2023.

3. The 20-day time period provided by § 40-6-114, C.R.S., to file an application for rehearing, reargument, or reconsideration shall begin on the first day after the effective date of this Decision.

4. This Decision is effective on its Mailed Date.

**B. ADOPTED IN COMMISSIONERS' WEEKLY MEETING
May 24, 2023.**

(S E A L)



ATTEST: A TRUE COPY

A handwritten signature in cursive script that reads "Rebecca E. White".

Rebecca E. White,
Director

THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO

ERIC BLANK

MEGAN M. GILMAN

TOM PLANT

Commissioners