

Decision No. C24-0768

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF COLORADO

PROCEEDING NO. 24L-0445G

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

**COMMISSION DECISION DEEMING APPLICATION
COMPLETE AND GRANTING APPLICATION**

Issued Date: October 24, 2024

Adopted Date: October 23, 2024

I. BY THE COMMISSION

A. Statement

1. On October 15, 2024, Colorado Natural Gas Inc. (“CNG” or the “Company”) filed a Verified Application requesting a Commission order authorizing it, without a formal hearing and on less-than-statutory notice (“LSN”), to revise its Gas Cost Adjustment (“GCA”) tariff for its four GCA rate areas, effective November 1, 2024. By this Decision, the Commission deems the LSN application complete and grants the application.

2. The proposed tariffs are attached to the application and would affect the Company’s customers in the following GCA rate areas: Bailey, Cripple Creek, Pueblo West, and Eastern Colorado.

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.

4. This application for authority to increase rates is made pursuant to § 40-3-104(2), C.R.S., and Rule 4109(b)(II), 4 CCR 723-4.

B. Discussion and Findings

5. The Company 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.

6. CNG's natural gas requirements for its four separate service areas are met through firm gas sales agreements, and a separate deferred account is maintained for each area. Supplies needed to serve CNG's Bailey area are transported for delivery to CNG's system via Public Service Company of Colorado's ("PSCo") system. CNG's Pueblo West service area is supplied by PSCo and Colorado Interstate Gas ("CIG"). CNG's Cripple Creek Service area is supplied by Black Hills Colorado Gas, Inc. ("BHCG") and CIG. CNG's Eastern Colorado Division is supplied by CIG. Pipeline delivery services provided by PSCo and BHCG are subject to the jurisdiction of this Commission.

7. The Commission expects the Company 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 and applicable federal regulations or determinations made pursuant to applicable federal regulations.

8. The Commission's GCA Rules require that CNG revise its gas cost adjustment rate to be effective November 1 and April 1 of each year. The November 1 filing is the Company's "winter" GCA filing, and the April 1 filing is the "summer" GCA filing.

9. The purposes of the revision of CNG's gas rates are: (1) to effectuate an increase in the level of natural gas costs charged to the Company based on prices to be in effect November 1, 2024, through April 30, 2025, applied to normalized forecasted purchase and sales volumes during the same test period; (2) to reflect costs for upstream pipeline services anticipated to be charged to the Company by interconnecting pipelines for the same period; and (3) to adjust for previous under or over recovered gas cost balance in the Company's Deferred Gas Cost Account No. 191 as of June 30, 2024.

10. The cumulative effect of the GCA rate changes and the deferred account balance will result in a decrease in revenues in the Bailey division by \$415,110 or 3.93 percent, a decrease in revenues in Pueblo West by \$470,414 or 8.40 percent, an increase in revenues in Cripple Creek by \$100,743 or 3.35 percent, and an increase the revenue in Eastern Colorado by \$100,370 or 3.59 percent. This represents a total decrease of \$648,411 or 3.11 percent for all rate areas.

11. CNG acknowledges its obligation under Rule 4604 to publish notice of the subject filing within three days after the filing of this application. Pursuant to Rule 1206(f)(I), Rules of Practice and Procedure, 4 CCR 723-1, the filing of this application has been or will be brought to the attention of CNG's affected customers by publication in *The Denver Post*, a newspaper of general circulation in the areas affected.

12. The Commission finds good cause to allow the proposed revision on less-than-statutory notice.

II. ORDER

A. The Commission Orders That:

1. The Verified Application filed by Colorado Natural Gas, Inc. filed on October 15, 2024, for authority to change tariffs on less- than- statutory notice is deemed complete.

2. The Company is authorized to file, not less than two business days' notice, the Tariff Sheet setting forth the Gas Cost Adjustment attached to this Decision as Appendix A, to be effective on or after its effective date of November 1, 2024.

3. The 20-day period provided for in § 40-6-114, C.R.S., within which to file an Application for Rehearing, Reargument, or Reconsideration begins on the first day following the effective date of this Decision.

4. This Decision is effective immediately upon its Issued Date.

**B. ADOPTED IN COMMISSIONERS' WEEKLY MEETING
October 23, 2024.**

(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