

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF COLORADO

PROCEEDING NO. 25A-0353G

IN THE MATTER OF THE VERIFIED APPLICATION OF DURANGO MOUNTAIN UTILITIES, LLC, FOR AN ORDER APPROVING TRANSFER OF A CONTROLLING INTEREST IN A PUBLIC UTILITY, TO CREATE LIENS AND REPLACEMENT SECURITIES, MOTION FOR SHORTENED NOTICE PERIOD, MOTION FOR EXPEDITED RULING, AND FOR CERTAIN WAIVERS.

**COMMISSION DECISION GRANTING MOTIONS AND
GRANTING AMENDED APPLICATION**

Issued Date: October 9, 2025

Adopted Date: October 1, 2025

I. BY THE COMMISSION

A. Statement

1. By this Decision, the Commission grants the Motion for Leave to File a Restrictive Amendment to the Verified Application and Motion for a Decision on Merits Pursuant to Rule 4105(g) Without a Hearing filed on September 24, 2025, by Durango Mountain Utilities, LLC (“DMU”). More importantly, this Decision grants the Verified Application as amended (“Application”).

B. Discussion, Findings, and Conclusions

2. DMU filed its initial application on August 26, 2025. Two days later, DMU requested an extended intervention timeline so that it could work with Commission Trial Staff to resolve any concerns the initial application may have raised. The Commission extended the intervention timeline and continued the 30-day statutory deadline for this Proceeding.

3. In the initial application, DMU requested waivers of certain rules that require it to file with the initial application an audited balance sheet and a statement showing certain entries under the Uniform System of Accounts. We grant these waivers as they have not precluded Trial Staff or the Commission from reviewing the Application.

4. On September 24, 2025, DMU filed an amendment to its initial application, indicating that it had worked with Trial Staff to develop provisions that were mutually agreed to by the utility and Trial Staff. The provisions include a number of safeguards for ratepayers and agreements that increase transparency and provide for future rate review. DMU also filed a motion to amend its initial application. We reviewed the motion to amend the initial application and now grant the motion for the reasons set forth by DMU.

5. Having the full picture before us we now turn to the substance of the Application.

6. DMU is a small propane utility that serves the Durango ski resort and some of the surrounding real estate. In this Application, DMU is seeking approval for its proposed change in ownership, to secure new financing by encumbering the utility, and to acquire new financing to pay off its existing loan.

7. This application arises from two changes — first, the owners of the three businesses are creating a holding company that consolidates the resort, its real estate business, and the utility under one corporate umbrella. According to the Application and testimony filed with it, this change in ownership and control is not expected to change the operation of the utility. The second piece of the Application is financial: DMU has found new financing that is 3 percent cheaper than its existing debt. So, the requests to secure new financing and encumber the utility arise from the new financing opportunity.

8. Trial Staff did not intervene in this Proceeding but as mentioned above it did review the Application and negotiated a number of amendments. Summarized, they are agreements to: (1) avoid cross-subsidies from the utility to the other businesses; (2) maintain certain data and give Trial Staff access to it upon request; (3) hold the utility customers harmless from increased costs in the other businesses; (4) not pledge DMU equity or assets for debt taken on by or for the other businesses; (5) not to transfer any DMU assets to the other businesses without PUC approval; (6) hold itself open to Trial Staff audit; (7) file an updated CAAM and cost study by June 1, 2026; (8) work with Trial Staff to improve its Annual Report to provide more useful data; (9) work with Trial Staff to modify its tariffs and rates and if there is disagreement then to file a rate case no later than June 1, 2028; and (10) include in its new loan agreement that any transfer of control of the utility must be approved by the Commission.

9. In our view, the addition of a holding company does not appear to introduce material risk or any operational changes to the utility, particularly in light of the amendments that Trial Staff and DMU negotiated. As well, the refinancing does not result in a change to the utility's overall encumbrance, but does lower its cost of debt significantly. Given that this Application is uncontested, that the transactions do not appear to materially increase risk to ratepayers but do lower borrowing costs for the utility, and that DMU has agreed to further transparency and regulatory engagement, we find granting the Application is in the public interest and therefore grant the Application.

10. Finally, because Trial Staff was able to review the Application, it remains uncontested, and we see no need, we grant the motion to decide this Application without a hearing.

II. ORDER**A. The Commission Orders That:**

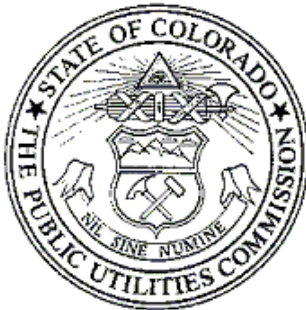
1. Motion for Leave to File a Restrictive Amendment to the Verified Application and Motion for a Decision on Merits Pursuant to Rule 4105(g) Without a Hearing filed on September 24, 2025 by Durango Mountain Utilities, LLC are granted.

2. The Verified Application filed on August 26, 2025, as amended on September 24, 2025, by Durango Mountain Utilities, LLC, is granted.

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

**B. ADOPTED IN COMMISSIONERS' WEEKLY MEETING
October 1, 2025.**

(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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Commissioners