

Decision No. R25-0212-I

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF COLORADO

PROCEEDING NO. 25A-0050SG

IN THE MATTER OF THE APPLICATION OF COLORADO NATURAL GAS, INC. FOR AN ORDER AUTHORIZING A STOCK PLEDGE, DEBT REFINANCE AND CORPORATE REORGANIZATION PURSUANT TO SECTION 40-1-104, C.R.S. AND SECTION 40-5-105, C.R.S.

**INTERIM DECISION
EXTENDING THE TIME FOR A COMMISSION
DECISION, AND ADOPTING PROCEDURAL SCHEDULE**

Issued Date: March 25, 2025

I. STATEMENT

1. On January 21, 2025, Colorado Natural Gas, Inc. ("CNG" or the "Company") filed an application for an order authorizing a stock pledge, debt refinance, and corporate reorganization pursuant to §§ 40-1-104 and 40-5-105, C.R.S. ("Application"). CNG states in the Application that its parent intends to refinance its debt in the second quarter of 2025. The proposed refinancing is meant to extend debt maturities and to take advantage of lower interest rates. However, to accomplish the refinancing, corporate restructuring is required.

2. CNG explains that, in 2019 in Proceeding No. 19A-0070SG, the Commission approved CNG's application for both the formation of Summit LDC, LLC ("Summit LDC") as a subsidiary of Summit Utilities, Inc. ("Summit") and the pledge of CNG's stock to Summit LDC to be used as collateral for debt. After Commission approval of that previous application, CNG's debt was extinguished with an equity infusion and CNG's capital structure became 100 percent equity.

3. Through its instant Application, CNG seeks to accomplish a proposed refinancing upon Summit LDC becoming a wholly owned subsidiary of Summit Utilities Holdings, LLC (“SUH”), another wholly owned subsidiary of Summit created in 2022. Summit LDC will pledge its capital stock in CNG to SUH, and Summit LDC will become a wholly owned subsidiary of SUH. The pledge will be used to secure long-term debt through the issuance of private placement notes and will retire the existing credit facility that was approved by the Commission in Proceeding No. 22A-0153SG.

4. According to the Application, the term of the new private placement(s) will range between 5 and 30 years. Summit LDC will also seek a credit rating by one or more rating agencies to improve the pricing of the debt. SUH will further execute a new Master Credit Facility which will be secured by SUH's equity interest in Summit LDC. CNG explains that the new structure will result in reduced transaction and administrative costs associated with managing multiple credit facilities. Summit LDC also intends to reduce its cost of debt by proactively reducing credit spreads, which are likely to be of benefit to customers in the context of the upcoming rate case that the Company has committed to file in 2026 in Proceeding No. 24A-0500G.

5. CNG states in its Application that the proposed changes "will not significantly change the Company's financial status." CNG goes on to state that the benefits of the proposed refinancing will not be offset by any adverse factors. For instance, the Company would not pledge any of its utility plant assets in support of Summit LDC 's proposed financing and there would be no change in the Company's operations or personnel. CNG further concludes that the refinancing will not diminish the Commission's ability to establish an appropriate capital structure in the Company's next rate case.

6. CNG requested that this matter be resolved by the Commission "as close as possible" within 30 days as provided for in § 40-1-104(5), C.R.S., for financing. CNG also states in its Application: "The Company recognizes that Section 40-1-104(5), C.R.S. applies to financing requests, not reorganizations, but because the financing arrangement depends on the reorganization, it requests approval of both the reorganization and financing within the statutory 30-days for financings."

7. On January 30, 2025, by Decision No. C25-0067-I the Commission gave notice of the Application and set an intervention period.

8. On February 6, 2025, the Utility Consumer Advocate ("UCA") filed its Notice of Intervention as a Matter of Right, request for hearing and Entry of Appearance. UCA listed several issues that they believe require review

9. On February 21, 2025, Trial Staff of the Public Utility Commission ("Trial Staff") filed its Notice of Intervention as of Right, Entry of Appearance and Notice Pursuant to rule 1007(a) and Rule 1401, and Request for Hearing.

II. PARTIES TO THE PROCEEDING

A. Intervention by Right

10. UCA filed a timely notice of intervention. In their filings, they outline several issues they plan to address in this Proceeding and request a hearing.

11. Staff filed a timely notice of intervention. In their filings, they outline several issues they plan to address in this Proceeding and request a hearing

12. Pursuant to Rule 4 CCR 723-1-1401(b) of the Commission's Rules of Practice and Procedure, no decision is required in response to appropriately filed notices of intervention by

right. The notices of intervention of right are acknowledged. UCA and Staff are parties to this Proceeding.

III. TIME TO ISSUE A FINAL COMMISSION DECISION

13. Under § 40-6-109.5(1), C.R.S., when a party files testimony with an application, the Commission must issue a final decision within 120 days after the application is deemed complete, unless the Commission finds that additional time is necessary, in which case, this deadline may be extended by an additional 130-days. If the Commission does not decide that an application is complete within 15 days of the application's notice period's expiration and otherwise does not find that the application is not complete or that more information is necessary, the application is automatically deemed complete.

14. The Commission did not deem the Application complete or determine that the Application is not complete or that more information is necessary. The Application was automatically deemed complete on March 8, 2025. Because the Company filed testimony with its Application, the Commission must issue a final decision by July 7, 2025, to meet the statutory deadline.

15. This does not allow enough time for the parties to develop the record and to conduct discovery; to hold an evidentiary hearing; for a recommended decision to issue; for the parties to file exceptions; and for the Commission to address exceptions and issue a final decision. For these reasons, the ALJ finds that additional time is necessary, and therefore extends the statutory deadline for a final Commission decision by 130 days, as allowed by § 40-6-109.5(1), C.R.S. The resulting deadline for a final Commission decision to issue is November 13, 2025.

IV. PROCEDURAL SCHEDULE FOR REMOTE HEARING

16. Through informal communications the Parties proposed the following procedural schedule:

Event	Date
Answer Testimony	May 22, 2025
Rebuttal/Cross Answer Testimony	July 7, 2025
Corrections to Pre-filed Testimony	July 11, 2025
Settlement & Settlement Testimony	July 15, 2025
Witness Matrix	July 17, 2025
Hearing	July 22 & July 23, 2025
Statements of Position	August 8, 2025

17. The proposed procedural schedule and discovery procedures are acceptable and shall be adopted.

18. The discovery procedures contained in Commission Rule 1405 shall govern this proceeding.

19. The hearing shall be held remotely.

V. REMOTE EVIDENTIARY HEARING

20. A hearing in the above captioned proceeding shall be scheduled for July 22 & July 23, 2025, at 9:00 a.m. as a remote hearing. At the remote hearing, the parties may call witnesses, present evidence, and make arguments in support of their position. Evidence includes documentary exhibits, testimony, and other tangible items that a party wishes the ALJ to consider in reaching a decision as to the allegations in this case.

21. Attachment A to this Decision provides the information addressing how to use the Zoom platform for remotely participating in the remote hearing. Attachment B outlines procedures and requirements for marking and formatting exhibits to facilitate the efficient and smooth electronic evidence presentations at the remote hearing. It is extremely important that the parties carefully review and follow all requirements in this Decision and Attachments A and B.

22. To minimize the potential that the video-conference part of the hearing may be disrupted by non-participants, the link, meeting ID code, and passcode to attend the hearing will be provided to the participants by email before the hearing, and the participants will be prohibited from distributing that information to anyone not participating in the hearing.

A. Unified Numbering System for Hearing Exhibits

23. The Public Utilities Commission Administrative Hearings Section uses box.com to receive and manage exhibits that are first presented in this type of hybrid evidentiary hearing.

24. As such, it is essential that the parties ensure they are able to access and use box.com prior to the evidentiary hearing. To this end, the parties will be provided box.com links and instructions to: (a) upload exhibits for use during the hearing; and (b) download exhibits once they are presented during the hearing.

25. Each party must (a) pre-mark all hearing exhibits with a hearing exhibit number within their assigned number block before uploading the exhibits to the party's designated box.com folder; (b) sequentially page-number each page of exhibits longer than two pages, with the first page number as page 1, regardless of content, before uploading the exhibits to the party's designated box.com folder; and (c) upload all pre-marked exhibits into each party's respective designated box.com folder prior to the presenting them during the hearing.

26. Attachment B outlines procedures and requirements for marking and formatting exhibits aimed at facilitating efficient and smooth electronic evidence presentations at the remote hearing. It is very important that the parties carefully review and follow all requirements in this Decision and Attachments A and B.

27. To efficiently organize the numbering and preparation of exhibits for the hearing, the parties shall use a unified numbering system for all hearing exhibits. Blocks of hearing exhibit numbers are assigned as follows:

- CNG is assigned hearing exhibit numbers 100 to 299;
- UCA is assigned hearing exhibit numbers 300 to 399;
- Staff is assigned hearing exhibit numbers 400 to 499.

VI. ORDER

It is Ordered That:

1. Consistent with the above discussion, the deadline for a final Commission decision to issue in this Proceeding is extended by 130 days to November 13, 2025, per 40-6-109.5(1), C.R.S.

2. The Utility Consumer Advocate and the Colorado Public Utilities Commission Trial Staff are acknowledged as parties as of right in this Proceeding.

3. The procedural schedule as stated contained above is adopted.

4. A remote hearing is scheduled as follows:

DATE: July 22 & 23, 2025

TIME: 9:00 a.m.

PLACE: By video conference: using the Zoom web conferencing platform at a link to be provided to the participants by email.

5. The parties and witnesses may not distribute the Zoom link and access code to anyone not participating in the remote hearing.

6. All participants in the hearing must comply with the requirements in Attachments A and B to this Decision, which are incorporated herein and, in the discussion above.

7. All evidence must be presented electronically. Each party is responsible for ensuring that they and their respective witnesses: (a) have access to all pre-filed exhibits; and (b) can download and view documents available from box.com during the hearing.

8. The Parties shall be held to the advisements in this Decision.

9. This Decision is effective immediately.

(S E A L)



THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO

ROBERT I. GARVEY

Administrative Law Judge

ATTEST: A TRUE COPY

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

Rebecca E. White,
Director