

**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF COLORADO**

DOCKET NO. 03L-324G

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IN THE MATTER OF THE APPLICATION OF COMFURT GAS, INC., FOR AN ORDER  
AUTHORIZING IT TO EFFECT CERTAIN REVISIONS IN GAS RATES UPON LESS THAN  
STATUTORY NOTICE.

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**COMMISSION ORDER AUTHORIZING  
UPWARD REVISIONS OF GAS RATES**

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Mailed Date: August 11, 2003

Adopted Date: August 8, 2003

**I. BY THE COMMISSION:**

**A. Statement**

1. On July 25, 2003, ComFurT Gas, Inc. (Applicant), filed a verified application. Applicant seeks a Commission order authorizing it, without formal hearing and on less-than-statutory notice, to place into effect on August 21, 2003, tariffs resulting in an increase to its existing natural gas rates now on file with the Commission.

2. The proposed tariffs are attached to the application, and affect Applicant's customers in, and in the vicinity of, Buena Vista, Colorado.

3. This application for authority to increase rates is made under § 40-3-104(2), C.R.S., and Rule 41(e)(1), *Commission's Rules of Practice and Procedure*, 4 *Code of Colorado Regulations* (CCR) 723-1.

**B. Findings of Fact and Conclusions**

4. Applicant is an operating public utility subject to the jurisdiction of this Commission and is engaged in *inter alia* the purchase, distribution, transportation, and sale of natural gas for domestic, mechanical, or public uses in and around Buena Vista, Colorado.

5. Applicant has entered into a fixed price gas commodity contract effective August 1, 2003 with Utility Resource Services. Applicant has that gas transported for delivery to its customers via Public Service Company of Colorado. The fixed price for the new gas commodity contract is \$4.874/Dth compared last year's \$3.17/Dth fixed price gas commodity contract with ePrime. Gas fixed prices have moved upward in the past few months because of numerous factors. The Commission expects Applicant 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 (Public Law 95-621), and applicable federal regulations or determinations made under applicable federal regulations.

6. The Commission's Gas Cost Adjustment (GCA) Rules require that Applicant revise its GCA cost adjustment rates to be effective on November 1 of each year. *See* 4 CCR 723-8-2.2. Rule 4 CCR 723-8-4.2 provides in pertinent part that if the projected gas costs, such as the cost of gas commodity or Upstream Services, changes from those used to calculate the currently effective Current Gas Cost, or if the utility's Deferred Gas Cost balance increases or decreases sufficiently, the utility may file an application to revise its currently effective GCA to reflect such changes, provided that the resulting change to the GCA equates to at least one cent (\$0.01) per Mcf or Dth. The recent increases in gas prices and gas price forecasts necessitate the instant interim GCA filing.

7. The purpose of the upward revision of Applicant's gas rates is to reflect an increase in the level of natural gas costs charged Applicant based on rates to be in effect August 21, 2003, applied to normalized purchase and sales volumes during the test period of 12 months ended June 30, 2003.

8. The effect of the revisions is an increase of \$583,903 to Applicant's customers in Buena Vista, Colorado.

9. The proposed tariffs, attached as Appendix A, will increase total annual revenues by \$583,903, which is an increase of 31.89 percent.

10. Applicant's last authorized rate of return on rate base was 10.50 percent and its last authorized rate of return on equity was 10.50 percent. If this increase is approved, Applicant's rate of return on rate base will be 7.02 percent and its rate of return on equity will be 5.64 percent. Without the increase Applicant's rate of return on rate base would be (83.17) percent and its rate of return on equity would be (66.78) percent.

11. The filing of this application was brought to the attention of Applicant's affected customers by publication in the *Chaffee County Times*, a newspaper in the area affected.

12. The proposed increase in rates will substantially recover only Applicant's increased cost of gas.

13. Good cause exists for the Commission to allow the proposed increases on less-than-statutory notice.

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

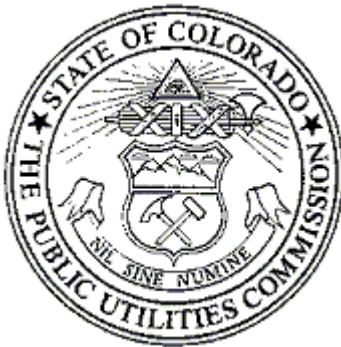
1. The application filed by ComFurT Gas, Inc., for authority to change tariffs on less-than-statutory notice is granted.

2. ComFurT Gas, Inc., is authorized to file, on not less than one day's notice, the amended tariffs attached as Appendix A and made a part of this Order. These tariffs shall be effective for actual gas sales on or after their effective date on August 21, 2003.

3. This Order is effective on its Mailed Date.

**B. ADOPTED IN COMMISSIONERS' WEEKLY MEETING  
August 8, 2003.**

(S E A L)



ATTEST: A TRUE COPY

Bruce N. Smith  
Director

THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF COLORADO

GREGORY E. SOPKIN

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Commissioners