

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF COLORADO

PROCEEDING NO. 19A-0352G

IN THE MATTER OF THE APPLICATION OF COLORADO NATURAL GAS, INC. FOR
APPROVAL OF A QUALITY OF SERVICE PLAN.

**INTERIM DECISION REFERRING APPLICATION,
ESTABLISHING PARTIES, AND REQUIRING
SUPPLEMENTAL DIRECT TESTIMONY**

Mailed Date: August 23, 2019

Adopted Date: August 21, 2019

I. BY THE COMMISSION

A. Statement

1. This Decision refers to an Administrative Law Judge (ALJ), the Application of Colorado Natural Gas, Inc. (CNG or Company) for Approval of a Quality of Service Plan (QSP) filed on June 20, 2019 (Application), establishes parties to the proceeding, and requires supplemental direct testimony, as discussed below.

B. Discussion, Findings, and Conclusions

2. As part of the Stipulation and Settlement Agreement (Settlement) in Proceeding No. 18AL-0305G, CNG, the Office of Consumer Counsel (OCC), and Trial Staff of the Commission (Staff) agreed to collaborate on a QSP, which CNG was to file within six months of the effective date of the final decision in Proceeding No. 18AL-0305G. The Settlement was approved through Decision No. R18-0972, issued November 1, 2018. After a brief extension of time was granted for CNG to make the agreed-to QSP filing, CNG initiated this proceeding by filing its QSP on June 20, 2019. Through its Application, CNG proposes “to capture and monitor

data”¹ in key areas. CNG notes that this is its “first QSP” and proposes a three-year period of data collection only, with “no associated goals, and no penalties or incentives.”²

3. The OCC and Staff, each of which was a party to the Settlement, timely filed notices of interventions as of right and each requests a hearing on the Application. No other potential parties request intervention. Therefore, the parties in this proceeding are CNG, Staff, and the OCC.

4. In its notice of intervention the OCC includes that, among its identified issues, it intends to consider whether a penalty is appropriate for measures in which CNG has available data during the proposed three-year period. For its part, Staff identifies CNG’s representation that this QSP is for reporting purposes only as a potential issue.

5. The approved Settlement requires a QSP filing. If the requirement was for reporting alone, the Settlement would have indicated as much. Therefore we require CNG to file additional supporting testimony to address enforcement mechanism(s) that could apply to its QSP. This supplemental direct testimony shall include, at a minimum, potential negative incentives³ that the Company proposes to ensure quality of service is maintained by the Company over the term of the QSP.

6. Each party must support its positions in this proceeding fully through testimony and evidence. Proposals regarding incentives, at a minimum, must demonstrate that the magnitude and proposed implementation of the incentive is at an adequate level to ensure CNG’s

¹ Application at p. 1.

² *Id.* at p. 2.

³ Enforcement mechanisms and negative incentives for QSP filings have traditionally been included as customer refund amounts or billing credits. Though this Decision requires CNG to propose a negative incentive at a minimum, we do not direct or dictate whether these or any other specific mechanisms or incentives should be used.

quality of service is maintained. If negative incentives would be incurred, the party proposing the incentive must demonstrate that the negative incentive is reasonable for the Company from a financial perspective. Parties are reminded that their respective positions, including settlement, if any is proposed, must be fully supported in this record.

7. Determination of the filing date for supplemental direct testimony addressing enforcement mechanisms, and including specifically testimony discussing application of negative incentives, are referred, along with all other matters in this proceeding, to an ALJ for a recommended decision.

II. ORDER

A. It Is Ordered That:

1. The Application of Colorado Natural Gas, Inc. for Approval of a Quality of Service Plan, filed on June 20, 2019, is referred to an Administrative Law Judge.

2. Colorado Natural Gas, Inc., shall file supplemental direct testimony, consistent with the discussion above.

3. Staff of the Colorado Public Utilities Commission is a party in this matter.

4. The Colorado Office of Consumer Counsel is a party in this matter.

5. This Decision is effective upon its Mailed Date.

**B. ADOPTED IN COMMISSIONERS' WEEKLY MEETING
August 21, 2019.**

(S E A L)



ATTEST: A TRUE COPY

Doug Dean,
Director

THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO

JEFFREY P. ACKERMANN

FRANCES A. KONCILJA

JOHN GAVAN

Commissioners