Decision No. C21-0676

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF COLORADO

DOCKET NO. 21M-0506G

IN THE MATTER ESTABLISHING THE INTEREST RATE ON CUSTOMER DEPOSITS TO BE PAID BY JURISDICTIONAL GAS UTILITIES FOR CALENDAR YEAR 2022.

DECISION SETTING THE INTEREST RATE FOR 2022

Mailed Date: November 2, 2021
Adopted Date: October 27, 2021

I. BY THE COMMISSION

A. Statement

1. Pursuant to Rule 4403 of the Commission's Rules Regulating Gas Utilities, 4 *Code of Colorado Regulations* (CCR) 723-4, a jurisdictional gas utility may require a new or existing customer to pay a deposit if billing records are available and records indicate recent or substantial delinquencies. Payment of the deposit shall not relieve the customer of the obligation to pay current bills when due.

2. When a jurisdictional gas utility accepts the deposit, it is obligated to pay simple interest on the amount paid at a percentage rate calculated by the Commission Staff in the manner described in Rule 4403(n)(II), 4 CCR 723-4.

3. Provisions of Rule 4403(n)(II), 4 CCR 723-4, require the Commission Staff to calculate the customer deposit interest rate using a 12-month average of rates as published in the Federal Reserve Bulletin of the United States Treasury constant maturities for the period of October 1 through September 30 of the immediately preceding year. This newly calculated simple interest per annum rate is compared to the existing customer deposit rate; if the difference

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is 25 basis points or more, then the new rate is to be used beginning January 1 of the following year. This provision is applicable as the existing rate for calendar year 2021 is set at 0.74 percent, and the newly calculated rate for 2022 is 0.08 percent. Accordingly, the newly calculated simple interest per annum rate for gas utilities accepting customer deposits is greater than the 25 basis point differential threshold, and a new rate for 2022 is necessary. Thus, the interest rate on customer deposits for the year 2022 will be at 0.08 percent.

4. If necessary, a utility shall file a new advice letter and tariff on not less than two business days' notice. The advice letter and tariff shall be filed as a new advice letter proceeding and shall comply with all applicable rules. In calculating the proposed effective date, the date the filing is received at the Commission is not included in the notice period and the entire notice period must expire prior to the effective date. The advice letter and tariff must comply in all substantive respects to this Decision in order to be filed as a compliance filing on shortened notice.

II. <u>ORDER</u>

A. The Commission Orders That:

1. The simple interest rate on deposits to be paid by jurisdictional gas utilities for the calendar year 2022 shall decrease to 0.08 percent.

2. To the extent necessary, utilities shall modify their tariffs to comply with this Decision. The compliance filing will be filed as a new advice letter filing and will not be filed in the Proceeding number of this Decision. An advice letter and tariff change may not be required.

3. Pursuant to Rule 4976 of the Commission's Rules Regulating Gas Utilities, 4 *Code of Colorado Regulations* (CCR) 723-4, utilities failing to file the required compliance filing could be subject to up to a $500 fine.

4. Additional information concerning required action is set forth in the accompanying notice. If you have any questions, please contact Sandi Kahl, Financial Analyst, at 303-894-2873 or Sandi.Kahl@state.co.us.

5. This Decision is effective upon its Mailed Date.

B. ADOPTED IN COMMISSIONERS' WEEKLY MEETING October 27, 2021.

THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO

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Commissioners