

Decision No. C22-0659

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF COLORADO

PROCEEDING NO. 22L-0440G

IN THE MATTER OF THE VERIFIED APPLICATION OF BLACK HILLS COLORADO GAS, INC. D/B/A BLACK HILLS ENERGY FOR AUTHORITY TO REVISE ITS GAS COST ADJUSTMENT TO BE EFFECTIVE NOVEMBER 1, 2022, ON LESS THAN STATUTORY NOTICE AND MOTION FOR PARTIAL VARIANCE FROM RULE 4604(D).

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

Mailed Date: October 26, 2022
Adopted Date: October 26, 2022

I. BY THE COMMISSION

A. Statement

1. On October 14, 2022, Black Hills Natural Gas (Black Hills or Applicant), filed a verified application seeking a Commission order authorizing it, without formal hearing and on less-than-statutory notice, to place into effect on November 1, 2022, tariffs resulting in an increase in all four rate Divisions to its current natural gas rates now on file with the Commission. We find that the application contains all the information required by the Commission's Rules and is therefore complete.

2. The proposed tariffs are attached to the application and would affect Applicant's customers in the following Gas Cost Adjustment (GCA) Regions: Central, North/Southwest, Western Slope with storage, Western Slope without storage.

3. Black Hills acknowledges that it has read and agrees to abide by the provisions of Rules 4002(b)(IV) through (VI) and Rules 4002(b)(XI)(A) through (C) of the Rules Regulating Gas Utilities and Pipeline Operators, 4 *Code of Colorado Regulations* (CCR) 723-4.

4. This application for authority to increase rates is made pursuant to § 40-3-104(2), C.R.S., and Rule 4109(b)(II), 4 CCR 723-4.

B. Findings of Fact and Conclusions

5. Applicant is an operating public utility subject to the jurisdiction of this Commission and it is engaged in the distribution and resale of natural gas for domestic, mechanical, or public uses in and around the communities of Central, Western Slope, and the communities served by the North/Southwest Division.

6. 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 and applicable federal regulations or determinations made pursuant to applicable federal regulations.

7. The Commission's Gas Cost Adjustment (GCA) Rules at 4 CCR 723-4-4602(a) require that Black Hills revise its GCA rates at least once per year to be effective on November 1 of each year. The instant filing is intended to comply with this requirement.

8. The purposes of the revision of Applicant's gas rates are: (1) to effectuate an increase in the level of natural gas costs charged to Applicant based on prices to be in effect November 1, 2021, through October 31, 2022, applied to normalized forecasted purchase and sales volumes during the same test period; (2) to reflect costs for upstream pipeline services anticipated to be charged to Applicant by interconnecting pipelines for the same period; and (3) to adjust for

previous under or over recovered gas cost balance in Applicant's Deferred Gas Cost Account as of August 31, 2022. (4) Adjust the deferred accounting period from June 2021 to June 2022 to June 2021 through August 31 2022. (5) Adjust the Fuel Reimbursement Quantities applicable to all distribution transportations service from .35% to 1.32% as calculated under the Fuel, Lost and Unaccounted for Gas in the company's tariff. (6) Black Hills shall file an interim GCA effective February 1, 2023.

9. The revisions amount to an annualized revenue increase of \$29,804,624. The central region sees an increase of \$16,606,418. The North/Southwest sees an increase of \$2,131,866. Western Slope customers without storage see an increase of \$7,517,286. Western Slope customers with storage see an increase of \$3,549,035.

10. Black Hills acknowledges its obligation under Rule 4604 to publish notice of the subject filing within three days after the filing of this application. Pursuant to Rule 1206(f)(I), Rules of Practice and Procedure, 4 CCR 723-1, the filing of this application has been or will be brought to the attention of Applicant's affected customers by publication in *The Denver Post*, a newspaper of general circulation in the areas affected.

11. The Commission finds good cause to allow the proposed revision on less-than-statutory notice.

II. ORDER

A. The Commission Orders That:

1. The Application filed by Black Hills on October 14, 2022, for authority to change tariffs on less-than-statutory notice is deemed complete.

2. The Application filed by Black Hills for authority to change tariffs on less-than-statutory notice is granted, consistent with the discussion above.

3. Black Hills is authorized to file on not less than two days' notice the tariffs attached as Appendix A and made a part of this Decision, in a separate new advice letter and tariff proceeding. These tariffs shall be effective for actual gas sales on or after their effective date of November 1, 2022.

4. The 20-day time period provided by § 40-6-114, C.R.S., to file an application for rehearing, reargument, or reconsideration shall begin on the first day after the effective date of this Decision.

5. This Decision is effective on its Mailed Date.

**B. ADOPTED IN COMMISSIONERS' WEEKLY MEETING
October 26, 2022.**

(S E A L)



ATTEST: A TRUE COPY

Doug Dean,
Director

THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO

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JOHN GAVAN

MEGAN M. GILMAN

Commissioners