

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF COLORADO

PROCEEDING NO. 25D-0328G

IN THE MATTER OF PETITION OF ROCKY MOUNTAIN NATURAL GAS LLC FOR A DECLARATORY ORDER TO CLARIFY WHETHER A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY IS REQUIRED FOR REPLACEMENT OF COMPRESSOR, FOR SHORTENED RESPONSE TIME, AND FOR AN EXPEDITED DECISION.

**RECOMMENDED DECISION GRANTING PETITION
FOR DECLARATORY ORDER**

Issued Date: November 13, 2025

I. PROCEDURAL BACKGROUND

1. On August 4, 2025, Rocky Mountain Natural Gas LLC (“RMNG” or “the Company”) filed its Petition for Declaratory Order Determining Whether a Certificate of Public Convenience and Necessity is Required for Replacement of Compressor, for Shortened Response Time, and for an Expedited Decision (“Petition”). In the Petition, RMNG requests that the Commission issue a declaratory order confirming that a Certificate of Public Convenience and Necessity (“CPCN”) is not required for RMNG to replace two aging compressors at its Crystal River Compressor Station with a single new compressor of equivalent function. RMNG also sought a shortened response time and expedited decision.

2. On August 6, 2025, the Colorado Public Utilities Commission (“Commission”) issued Decision No. C25-0579-I accepting the Petition, establishing a 14-day intervention period, and referring the matter to an Administrative Law Judge (“ALJ”) for disposition.

3. On August 20, 2025, Trial Staff of the Commission (“Staff”) filed a Notice of Intervention as of Right (“Staff’s Intervention”). Staff stated that while it does not oppose the legal conclusion that a CPCN is not required under existing rules, it believes it is appropriate for the Commission to expressly affirm whether equivalent compressor replacements of this type fall within the ordinary course of business.

4. On August 26, 2025, by Decision No. R25-0614-I, the undersigned ALJ granted additional time for Public Service Company of Colorado (“Public Service”) to determine whether it would intervene, citing notice concerns. On September 5, 2025, Public Service filed notice that it would not intervene.

5. On October 10, 2025, RMNG and Staff submitted their Conferral Report (“Conferral Report”) stating that the Petition is unopposed and that no hearing or further briefing is necessary.

II. THE RECORD

6. No evidentiary hearing is required in this proceeding. The Petition presents a legal question, and the material facts are not in dispute. Accordingly, this Recommended Decision is issued pursuant to § 24-4-105(14), C.R.S., and Rule 1304(f) of the Rules of Practice and Procedure, 4 *Code of Colorado Regulations* (“CCR”) 723-1, based on the written record.

III. RELEVANT LAW

7. The Commission has constitutional and statutory authority to regulate public utilities in Colorado. Colo. Const. art. XXV; §§ 40-3-102 and 40-5-101, C.R.S. Section 40-5-101(1)(a)(III), C.R.S., provides that a public utility need not obtain a CPCN when extending or replacing existing facilities within its already-served territory when done in the ordinary course of business.

8. Section 40-5-101(1)(a), C.R.S., provides that a public utility “shall not begin the construction of a new facility, plant, or system or the extension of its facility, plant, or system” without first obtaining a CPCN, but expressly carves out three exceptions. As relevant here, no CPCN is required for “an extension within or to territory already served by the corporation, as is necessary in the ordinary course of its business.” § 40-5-101(1)(a)(III), C.R.S. The statute also preserves Commission authority to prevent interference with another utility’s facilities, § 40-5-101(1)(b), C.R.S., and separately requires compliance with local zoning for new construction or installation, § 40-5-101(3), C.R.S., neither of which is implicated by the undisputed record in this declaratory proceeding.

9. Rules 4102(a) and 4103(a) of the Rules Regulating Gas Utilities, 4 CCR 723-4, implement § 40-5-101, C.R.S., by requiring a CPCN when a utility constructs or modifies facilities outside the ordinary course of business or undertakes an extension or abandonment without equivalent replacement. Rules 4102(b) through 4102(d) establish capital-investment CPCN requirements that apply only to utilities serving full-service customers. Under Rule 4001(xx), a full-service customer is a customer receiving bundled gas sales service rather than transportation service. RMNG provides only intrastate gas transportation service and therefore has no full-service customers. Accordingly, the capital-investment CPCN requirements in Rules 4102(b) through 4102(d), including the threshold in Rule 4102(d) applicable to utilities with fewer than 50,000 full-service customers, do not apply here.¹

10. Rule 1304(f)(II) of the Rules of Practice and Procedure, 4 CCR 723-1, provides that “[t]he Commission may issue a declaratory order to terminate a controversy or to remove an

¹ Rules 4102(a)–(d) and 4001(xx) of the Rules Regulating Gas Utilities, 4 CCR 723-4; *see also* Petition at ¶¶ 8–11.

uncertainty affecting a petitioner with regard to any tariff, statutory provision, or Commission rule, regulation, or order.”

IV. FINDINGS, DISCUSSION, AND CONCLUSIONS

11. The Crystal River Compressor Station in Garfield County supports gas transport to RMNG’s transmission system and to downstream distribution systems serving multiple communities in the Roaring Fork and Eagle Valleys, including Carbondale, Basalt, and Aspen.²

12. Two compressors at the facility, Units 818 and 827, were installed in 1989-1990 and have become difficult to maintain due to age and lack of replacement parts.³

13. RMNG proposes to replace both units with one compressor identical in function and capability to existing Unit 853. The replacement will not expand system capacity or extend service territory.⁴

14. The Company filed the Petition pursuant to a settlement approved in Proceeding No. 17A-0654G requiring RMNG to seek either a CPCN or a declaratory order before constructing new compressor units.⁵

15. No party disputes the relevant facts, and no party contends that granting the requested relief will adversely impact customers or system reliability.⁶

16. Section 40-5-101(1)(a)(III), C.R.S., provides that a CPCN is not required for extensions or replacements conducted “in the ordinary course of business.”

17. Rules 4102(a) and 4103(a), 4 CCR 723-4, require a CPCN when construction is outside the ordinary course of business or results in new or expanded utility infrastructure or

² Petition at p. 2.

³ *Id.* at p. 3.

⁴ *Id.* at pp. 3-4.

⁵ *Id.* at p. 4.

⁶ *See* Conferral Report at p. 1.

changes in service levels. The record supports that the proposed replacement is an equivalent replacement of existing compressor equipment and does not increase system capacity or expand service.

18. The Petition presents a legal question appropriate for declaratory resolution under Rule 1304(f), 4 CCR 723-1. RMNG's obligation under the settlement approved in Proceeding No. 17A-0654G to seek a CPCN or declaratory relief for future compressor replacements created uncertainty regarding whether a CPCN is required for this project. Decision No. C25-0579-I acknowledged that uncertainty and referred the Petition for consideration under Rule 1304(f). Granting the Petition resolves that uncertainty..

19. RMNG provides intrastate gas transportation service and does not serve full-service customers, as that term is defined in Rule 4001(xx) to mean customers receiving bundled gas sales service. Accordingly, the capital-investment thresholds in Rule 4102(d), 4 CCR 723-4, do not apply to RMNG.

20. Staff does not oppose the Petition and does not dispute that a CPCN is not required for the proposed compressor replacement. As reflected in the Conferral Report, there are no disputed material facts, and no evidentiary hearing is necessary.⁷

21. The Petition meets the standard for declaratory relief under Rule 1304(f) of the Rules of Practice and Procedure, 4 CCR 723-1, because granting it will remove the existing uncertainty affecting RMNG regarding whether a CPCN is required for the proposed compressor replacement project.

⁷ See Staff's Intervention at p. 2.

22. RMNG's proposed replacement of Compressor Units 818 and 827 with a single equivalent unit is undertaken in the ordinary course of business under § 40-5-101(1)(a)(III), C.R.S. Accordingly, a CPCN is not required.

23. This Recommended Decision is limited to the specific project described in the Petition and does not determine how similar projects should be evaluated in other Commission proceeding.

V. TRANSMITTAL OF THE RECORD

24. In accordance with § 40-6-109, C.R.S., the ALJ now transmits to the Commission the record and exhibits in this proceeding and recommends that the Commission enter the following order.

VI. ORDER

A. The Commission Orders That:

1. The Petition for Declaratory Order Determining Whether a Certificate of Public Convenience and Necessity is Required for Replacement of Compressor, for Shortened Response Time, and for an Expedited Decision ("Petition") filed by Rocky Mountain Natural Gas LLC ("RMNG") on August 4, 2025, is granted as to the request for declaratory relief. The requests for shortened response time and expedited decision are denied as moot.

2. No Certificate of Public Convenience and Necessity is required for RMNG's proposed replacement of Compressor Units 818 and 827 at the Crystal River Compressor Station, as described in the Petition.

3. Proceeding No. 25D-0328G is closed.

4. As provided by § 40-6-109, C.R.S., copies of this Recommended Decision shall be served upon the parties, who may file exceptions to it.

- a. If no exceptions are filed within 20 days after service or within any extended period of time authorized, or unless the decision is stayed by the Commission upon its own motion, the recommended decision shall become the decision of the Commission and subject to the provisions of § 40-6-114, C.R.S.
- b. If a party seeks to amend, modify, annul, or reverse basic findings of fact in its exceptions, that party must request and pay for a transcript to be filed, or the parties may stipulate to portions of the transcript according to the procedure stated in § 40-6-113, C.R.S. If no transcript or stipulation is filed, the Commission is bound by the facts set out by the administrative law judge and the parties cannot challenge these facts. This will limit what the Commission can review if exceptions are filed.

5. If exceptions to this Decision are filed, they shall not exceed 30 pages in length, unless the Commission for good cause shown permits this limit to be exceeded.



ATTEST: A TRUE COPY

THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO

AVIV SEGEV

Administrative Law Judge

Rebecca E. White,
Director