Decision No. C11-1191

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF COLORADO

DOCKET NO. 11M-896G

IN THE MATTER ESTABLISHING THE INTEREST RATE ON CUSTOMER DEPOSITS TO BE PAID BY JURISDICTIONAL GAS UTILITIES FOR CALENDAR YEAR 2012.

ORDER SETTING THE INTEREST RATE FOR 2012

Mailed Date: November 10, 2011
Adopted Date: November 2, 2011

I. BY THE COMMISSION

A. Statement

1. Pursuant to Rule 4403 of the Commission's Rules Regulating Gas Utilities and Pipeline Operators, 4 *Code of Colorado Regulations* 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. The 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).

3. Provisions of Rule 4403(n)(II) require the Commission's Staff to calculate the customer deposit interest rate pursuant to a 12-month average of rates quoted in the Federal Reserve Bulletin United States Treasury constant maturities for the period October 1 through September 30 of the preceding year. This newly calculated simple interest per annum rate is compared to the existing customer deposit rate. If the difference 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 2011 and is 0.34 percent, and the newly calculated rate for 2012 is 0.22 percent. Accordingly, the newly calculated simple interest per annum rate for gas utilities accepting customer deposits is within the 25 basis point differential threshold and a new rate for 2012 is not necessary. Thus, the interest rate on customer deposits for the year 2012 will remain at 0.34 percent.

II. ORDER

A. The Commission Orders That:

1. The simple interest rate on deposits to be paid by jurisdictional gas utilities for the calendar year 2012 shall be 0.34 percent.

2. To the extent necessary, utilities shall modify their tariffs to comply with this Order.

3. Pursuant to Rule 4976 of the Commission's Rules Regulating Gas Utilities and Pipeline Operators, 4 *Code of Colorado Regulations* 723-4, utilities failing to file the required compliance filing could be subject to a fine of up to $500.00.

4. An advice letter and tariff change may not be required.

5. If you have any questions or need additional information concerning the attached notice, please contact Michelle Franca, Financial Analyst, at 303-894-2828 or Michelle.Franca@dora.state.co.us.

6. This Order is effective upon its Mailed Date.

B. ADOPTED IN COMMISSIONERS' WEEKLY MEETING November 2, 2011.

(S E A L)

ATTEST: A TRUE COPY

Doug Dean,
Director

THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO

JOSHUA B. EPEL

JAMES K. TARPEY

MATT BAKER

Commissioners

Department of Regulatory Agencies

John W. Hickenlooper
Governor
Barbara J. Kelley
Executive Director

Public Utilities Commission
Joshua B. Epel, Chairman
James K. Tarpey, Commissioner
Matt Baker, Commissioner
Doug Dean, Director

November 10, 2011

MAY REQUIRE COMPANY ACTION

To: ALL TELECOMMUNICATIONS, ENERGY AND WATER PUBLIC UTILITIES IN THE STATE OF COLORADO AND OTHER RELATED ENTITIES

RE: Interest Rate to be paid on Customer deposits for the year 2012.

Many public utilities offering telephone, energy and water services to residential and commercial customers in the State of Colorado have provisions in their tariffs that allow the utility to require customers to maintain a deposit with the utility to ensure payment of services. If the utility requires such deposits, it is required to pay simple interest on those customer deposits as prescribed by Commission rules.

For calendar year 2011, the rate was 0.34%.
For calendar year 2012 the rate will remain 0.34%.
(The basis point differential is less than 25 points)

Jurisdictional utilities are reminded that it might be necessary to file a compliance advice letter to amend their tariffs. If it is necessary to file a tariff change, the Commission expects the filing on or before December 30, 2011 with an effective date of January 1, 2012. Filing this compliance letter during the month of November would be greatly appreciated.

Failure to file the required compliance on or before December 30, 2011 will be viewed as an intentional violation of Commission fining Rules 2895, 3976, 4976, or 5420 and the company could be subject to a fine of up to $500.00.

For additional information and to facilitate any tariff changes, the Commission entered the corresponding Decisions.

Electric Utilities	Decision No. C11-1190
Gas Utilities	Decision No. C11-1191
Water Utilities	Decision No. C11-1193
Telecommunication Providers	Decision No. C11-1192

Please reference the respective Commission Decision Number on the tariffs accompanying your advice letter. The advice letter filing is a compliance filing.

Please submit your advice letter as a NEW Advice Letter filing. DO NOT file your advice letter in the docket associated with the above listed decisions.

If you have any questions regarding the applicability of the interest rate on deposits, the manner in which the rate is calculated, or any other issues relating to this web posting, please contact Michelle Franca, Financial Analyst, at 303-894-2828 or Michelle.Franca@dora.state.co.us.

Sincerely,

Doug Dean
Director