

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF COLORADO

PROCEEDING NO. 14A-0918G

IN THE MATTER OF THE APPLICATION OF SOURCEGAS DISTRIBUTION, LLC FOR APPROVAL TO REFUND A CREDIT RECEIVED FROM TALLGRASS INTERSTATE GAS TRANSMISSION, LLC IN THE AMOUNT OF \$1,254.57 TO THE NORTH EASTERN RATE AREA GCA DEFERRED BALANCE.

**DECISION GRANTING APPLICATION
APPROVING PROPOSED REFUND, AND
GRANTING WAIVER OF RULES**

Mailed Date: October 9, 2014

Adopted Date: October 8, 2014

I. BY THE COMMISSION

A. Statement

1. On September 5, 2014, SourceGas Distribution LLC (SourceGas or Applicant) filed an Application for a Commission decision approving a refund of a credit received from Tallgrass Interstate Gas Transmission, LLC (TIGT), along with interest calculated in accordance with Commission rules.

2. On September 9, 2014, SourceGas filed an amendment to its Application to correct the omission of the first line on page 2 and correct a rounding error in the calculation of the interest calculation and a typographical error.

3. In its Application, SourceGas also requests that the Commission waive Commission Rule 4 *Code of Colorado Regulations* (CCR) 723-1-1206(g), Rules of Practice and Procedure, and Rules Regulating Gas Utilities and Pipeline Operators, 4 CCR 723-4-4410(c) and (d).

4. The Commission gave notice of the Application to all interested persons, firms, and corporations on September 5, 2014. SourceGas noticed this Application by publication in *The Holyoke Enterprise* and *The Julesburg Advocate*, on September 11, 2014, and in *The Akron News-Reporter*, on September 10, 2014, newspapers circulated within areas that would be impacted by the Application. No protests or motions to intervene in opposition have been filed in connection with this Application for a proposed refund. Accordingly, because the Application is uncontested, it may be decided without hearing in accordance with § 40-6-109(5), C.R.S., and Rule 1403 of the Commission's Rules of Practice and Procedure, 4 CCR 723-1.

5. The Applicant is an operating public utility subject to the jurisdiction of this Commission and is engaged in, *inter alia*, the purchase, transmission, distribution, transportation, and resale of natural gas in various certificated areas within the State of Colorado.

6. By delegated letter order issued in Docket No. RP10-1069-000 on February 26, 2013 (FERC Delegated Letter Order), the Federal Energy Regulatory Commission (FERC) accepted for filing, TIGT's Annual Imbalance Revenue Crediting Report stating that TIGT credited \$197,095 to its shippers, which represents net imbalance revenues. Of the \$197,095 credited to shippers, TIGT credited \$1,252.32 to SourceGas for service to customers in its North Eastern Gas Cost Adjustment (GCA) rate area.

7. SourceGas is seeking to refund the TIGT credit to customers in its North Eastern GCA rate area. Simple interest was accrued on the total amount of the refund based upon the Commission approved 2014 deposit interest rate of 0.34 percent. The total amount of the TIGT refund for the North Eastern GCA rate area is \$1,254.57 ($\$1,252.32 \times 0.34 \text{ percent} = (\$4.26/365 \text{ days per year} = .01167\% \times 193 \text{ days} = \$2.25)$). See Rule 4410(b)(III), 4 CCR 723-4.

8. SourceGas proposes to credit the subject refund through a credit to North Eastern's GCA deferred balance in the amount of \$1,254.57. *See* Rule 4410(b)(III). In this instance, where the refund amount is relatively small, the administrative burden of tracking the receipt of the refund credit by customers outweighs the overall benefit of the refund itself. Further, the type of refund (net imbalance revenues) is connected to types of expenses included in the Applicant's GCA. Therefore, SourceGas is proposing to credit the refund in the proposed manner. SourceGas proposes to credit the refund amount to North Eastern's GCA deferred balance as soon as reasonably possible after Commission approval of the refund plan, but in no event more than 60 days following the date of the Application. *See* Rule 4410(b)(IV).

9. For the reasons stated herein, SourceGas respectfully requests, pursuant to Rule 1003, 4 CCR-1, that the Commission grant a one-time full waiver of Rules 4410(c) and (d), which state generally that a utility shall pay 90 percent of undistributed balances, plus associated interest, to the Energy Assistance organization within four months after the refund is deemed undistributed. With respect to the above-requested waiver, SourceGas respectfully states that the administrative burden of tracking by customer the receipt of the credit amount received from TIGT outweighs the overall benefit of the refund itself. Therefore, SourceGas is proposing to credit the full amount of the TIGT refund of \$1,254.57 to North Eastern's GCA deferred balance.

10. In accordance with Rule 4410(b)(VIII), 4 CCR 723-4, the Applicant will submit an affidavit establishing that the \$1,254.57 has been credited to North Eastern's GCA deferred balance.

11. The Application contains all of the information required under Rules 4 CCR 723-4-4002 and 4410.

12. We find SourceGas' request to waive Rule 1206(g), which requires an applicant to provide newspaper notice within three days of the filing of the Application, is reasonable to the extent that not granting the Application would harm SourceGas' customers.

13. SourceGas' request to waive Rules 4010(c) and 4410(d), the requirement to pay 90 percent of undistributed balance, plus associated interest, to the Energy Assistance organization is reasonable.

14. We find SourceGas' Application to authorize refunding the TIGT credit to the deferred account for the North Eastern GCA rate area is in the public interest and is therefore granted.

II. ORDER

A. The Commission Orders That:

1. The amended Application of SourceGas Distribution LLC (SourceGas) for approval to refund a credit received from Tallgrass Interstate Gas Transmission, LLC is deemed complete and is granted.

2. SourceGas is authorized to provide the refund to its customers in accordance with the discussion above.

3. We find good cause has been shown to grant the requested waivers of Rules 4 *Code of Colorado Regulations* 723-1-1206(g), and 723-4-4410(c) and (d) per the above discussion.

4. SourceGas will submit an affidavit establishing that the amount of \$1,254.57 has been credited to North Eastern's Gas Cost Adjustment deferred balance.

5. 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.

6. This Decision is effective upon its Mailed Date.

**B. ADOPTED IN COMMISSIONERS' WEEKLY MEETING
October 8, 2014.**

(S E A L)



ATTEST: A TRUE COPY

A handwritten signature in cursive script that reads "Doug Dean".

Doug Dean,
Director

THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO

JOSHUA B. EPEL

PAMELA J. PATTON

GLENN A. VAAD

Commissioners