

original

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO

* * *

IN THE MATTER OF THE APPLICATION OF)
ROCKY MOUNTAIN NATURAL GAS COMPANY,)
INC., SUITE 300, ROSS BUILDING, 1726)
CHAMPA STREET, DENVER, COLORADO, FOR)
A CERTIFICATE OF PUBLIC CONVENIENCE)
AND NECESSITY TO EXERCISE FRANCHISE)
RIGHTS IN THE CITY OF ASPEN, COUNTY)
OF PITKIN, COLORADO, FOR THE PUR-)
CHASE, DISTRIBUTION, AND SALE OF GAS,)
EITHER NATURAL, ARTIFICIAL, OR MIXED,)
IN SAID CITY OF ASPEN, AND FOR THE)
PURCHASE, DISTRIBUTION, AND SALE OF)
GAS IN THE AREA ADJACENT TO SAID)
CITY.)

APPLICATION NO. 18469

July 21, 1961

Appearances: Grant E. McGee, Esq., Denver,
Colorado, and
Wynn M. Bennett, Jr., Esq.,
Denver, Colorado, for Rocky
Mountain Natural Gas Company,
Inc.;
Lee, Bryans, Kelly & Stansfield,
Esqs., Denver, Colorado, by
Bryant O'Donnell, Esq., for
Public Service Company, as its
interest may appear;
E. R. Thompson, Denver, Colorado,
and
J. M. McNulty, Denver, Colorado,
for the Staff of the Commission.

S T A T E M E N T

By the Commission:

On April 17, 1961, the Rocky Mountain Natural Gas Company, Inc., by its attorneys, filed with this Commission applications to render natural gas service to serve certain cities and towns located in Garfield, Mesa, and Pitkin Counties in Western Colorado. Applicant proposes to construct a natural gas transmission system from the vicinity of Collbran in Mesa County across the White River National Forest to the vicinity of Carbondale in Garfield County, and thence

to the vicinities of Glenwood Springs, in Garfield County, and Aspen, in Pitkin County, and to serve said City of Aspen and the following cities and towns set out below, as well as prospective customers located along the route of the transmission and gathering lines. These Applications, together with a Securities Application, were heard on a joint record, but for purposes of convenience a separate Order will issue for the exercise of franchise rights in the various cities and towns.

Application No. 18467 - Carbondale

Application No. 18468 - Basalt

Application No. 18469 - Aspen

Application No. 18470 - Glenwood Springs

Application No. 18471 - Transmission Line

Application No. 18592 - Securities

These matters were all set for hearing by the Commission on Monday, July 10, 1961, at 9:30 o'clock A. M., in the Commission's Hearing Room, 532 State Services Building, Denver, Colorado, after due notice to all interested parties. The hearings were concluded on July 10 and on said date were taken under advisement by the Commission.

Rocky Mountain Natural Gas Company, Inc., is a Colorado corporation, duly organized and existing under the laws of the State of Colorado, with authority to do business in said State and its Articles of Incorporation have heretofore been filed with this Commission. Applicant is a public utility as defined in Chapter 115-1-3, Colorado Revised Statutes, 1953, and distributes natural gas at retail in various cities and towns throughout the State of Colorado. The address and principal office of applicant is Suite 300, Ross Building, 1726 Champa Street, Denver 2, Colorado.

Testimony at the hearing revealed that applicant applied for and obtained a franchise to render gas service, either natural,

artificial or mixed, within the City of Aspen in Pitkin County, on June 29, 1961.

ORDINANCE NO. 5
(Series of 1961)

AN ORDINANCE GRANTING A FRANCHISE BY THE CITY OF ASPEN, COLORADO, TO THE ROCKY MOUNTAIN NATURAL GAS COMPANY, INCORPORATED, A COLORADO CORPORATION, ITS SUCCESSORS AND ASSIGNS, TO LOCATE, BUILD, CONSTRUCT, ACQUIRE, PURCHASE, EXTEND, MAINTAIN AND OPERATE INTO, WITHIN AND THROUGH THE CITY OF ASPEN, PITKIN COUNTY, COLORADO, A PLANT OR PLANTS, AND WORKS FOR THE PURCHASE, MANUFACTURE, TRANSMISSION AND DISTRIBUTION OF GAS, EITHER NATURAL, ARTIFICIAL, OR MIXED, AND TO FURNISH, SELL AND DISTRIBUTE SAID GAS TO THE CITY OF ASPEN AND THE INHABITANTS THEREOF, FOR HEATING, COOKING OR OTHER PURPOSES BY MEANS OF PIPES, MAINS, OR OTHERWISE, OVER, UNDER, ALONG, ACROSS AND THROUGH ANY AND ALL STREETS, ALLEYS, VIADUCTS, BRIDGES, ROADS, LANES, AND OTHER PUBLIC WAYS AND PLACES IN SAID CITY OF ASPEN, AND FIXING THE TERMS AND CONDITIONS THEREOF.

The period of the franchise is for a period of twenty-five years and provides a 2% tax for gas sold in said city, excluding therefrom revenues received from the sale of industrial gas and for gas sold to the city and after an adjustment for uncollectible accounts. Applicant accepted the above franchise by letter June 30, 1961. The population of Aspen according to the 1960 census was 1,011. Applicant estimated the potential gas customers within the city limits of Aspen to be approximately 558 and a total potential in the Aspen area of 858. The estimated cost of construction in Aspen and the surrounding area amounted to \$179,715. The fee for the issuance of the certificate sought herein will be based upon this figure, but will not be binding upon the Commission should the subject of rates or valuation be at issue in the future.

Applicant proposes to purchase natural gas at the wellhead from certain wells in the vicinity of Collbran, Colorado, and to gather and transport said gas for sale in Aspen and other communities from which it has obtained franchises. Application No. 18471, pre-

viously referred to herein, sets forth in detail this phase of the project and reference is made herein to said application for a fuller explanation. Applicant submitted as Exhibit No. 25 the rates which it proposes to use in rendering gas service in Aspen and surrounding area for which the certificate herein is granted. All gas will be odorized prior to sale to customers.

Mr. William Beyer, a member of the Aspen City Council and an operator of a motel and ski lodge, testified that there was a need for natural gas in Aspen and in the area adjacent thereto. He presently uses propane gas for heating in his establishment and natural gas at the rates quoted by the Company would be cheaper and he plans to use natural gas as soon as it is available.

Mr. W. V. N. Jones, a property owner in Aspen, who also operates a motel and ski lodge, testified that he presently uses propane gas for fuel and that he was anxious to obtain natural gas since it would represent a considerable savings in his operations. He also believed that the community needed natural gas and the majority of the people would have a savings in their fuel bills since about 70% use L. P. gas with the remainder using oil and some coal. Those using L. P. gas and oil would definitely have considerable savings and there might even be a savings to the coal user - depending on the efficiency of combustion. A house-to-house survey by an employee of the Company confirmed the belief of the Company that prospective customers in Aspen would readily convert to natural gas as soon as it is available.

Applicant is presently operating as a gas utility and is familiar with the Commission's requirements regarding the uniform system of accounts to be maintained by gas utilities for the filing of annual reports and the rules regulating gas service promulgated by this Commission.

F I N D I N G S

THE COMMISSION FINDS:

That the above Statement be made a part of these Findings by reference.

That the Commission has jurisdiction of Rocky Mountain Natural Gas Company, Inc., and of the subject of the instant application.

That the Commission is fully advised in the premises.

That public convenience and necessity require the approval of the construction, installation, maintenance and operation of the necessary gas transmission and distribution lines to serve the City of Aspen and the area adjacent to said City.

That public convenience and necessity require the exercise by applicant herein of the rights and privileges granted to applicant by the City Council of the City of Aspen, Colorado, in and by Ordinance No. 5, Series of 1961.

That public health and safety require the installation of suitable equipment to odorize all gas in applicant's transmission and distribution systems prior to sale of gas to its customers.

That at least fifteen days before gas is sold to any of the prospective customers under the certificate to be granted herein, applicant should file with this Commission its proposed rates, rules and regulations as set forth in Exhibit No. 25 as introduced at the hearing herein and made a part hereof by reference.

O R D E R

THE COMMISSION ORDERS:

That public convenience and necessity require the approval of the construction, installation, maintenance and operation of the necessary gas transmission and distribution lines to serve the City of Aspen, Pitkin County, Colorado, and the exercise by applicant

herein of the rights and privileges granted to applicant in and by Ordinance No. 5, dated June 29, 1961, for gas service in said City and for the supplying of gas service in the area adjacent to said City and this Order shall be taken, deemed and held to be a certificate of public convenience and necessity therefor.

That applicant shall install suitable equipment to odorize the gas in its transmission and distribution lines prior to sale to customers.

That at least fifteen days before gas is sold to any prospective customers under the certificate granted herein applicant shall file with this Commission its proposed rates, rules and regulations as set forth on Exhibit No. 25, introduced at the hearing herein and made a part hereof by reference.

That applicant shall commence construction of a gas transmission and distribution system authorized herein as soon as possible, and shall complete the initial phase as planned in Aspen and the area contiguous thereto within eighteen months from the date of this Order, or this certificate shall become null and void.

That the Company shall continue to maintain its books and accounts in accordance with the Uniform System of Accounts as prescribed by this Commission.

That the Applicant shall otherwise and at all times comply with the rules and regulations of this Commission.

This Order shall become effective as of the day and date hereof.

THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO

Joseph F. Negro
Ralph C. Norton
Henry L. Zaslavsky
Commissioners.

Dated at Denver, Colorado,
this 21st day of July, 1961.

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