

original

(Decision No. 56987)

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO

* * *

IN THE MATTER OF THE APPLICATION OF)
SAN LUIS VALLEY RURAL ELECTRIC CO-)
OPERATIVE, INC., MONTE VISTA, COLO-)
RADO, FOR A CERTIFICATE OF PUBLIC)
CONVENIENCE AND NECESSITY TO EXER-)
CISE THE RIGHTS AND PRIVILEGES)
GRANTED TO IT BY THE TOWN OF CREEDE,)
COLORADO.)
-----)

APPLICATION NO. 18595

August 7, 1961

Appearances: Moses & DeSouchet, Esqs.,
Alamosa, Colorado, by
William O. DeSouchet, Jr.,
Esq., for Applicant;
Paul M. Brown, Denver,
Colorado, for the Staff
of the Commission.

S T A T E M E N T

By the Commission:

This is an application of San Luis Valley Rural Electric Cooperative, Inc., (San Luis Valley) Monte Vista, Colorado, for a certificate of public convenience and necessity to exercise franchise rights in the City of Creede, (a Town), Mineral County, Colorado, for the construction, operation and maintenance of an electrical distribution system and for the sale of electric energy in said Town.

The matter was set for hearing, after due notice to all interested parties, on July 25, 1961, at ten o'clock A. M., in the District Court Room, Court House, Alamosa, Colorado. At said time and place the Commission called the above-entitled application for hearing, and it was heard. At the conclusion of the hearing, the matter was taken under advisement.

No one appeared at the hearing in opposition to the authority sought to be granted by this application.

Applicant is a non-profit cooperative corporation organized and existing under and by virtue of the laws of the State of Colorado. By enactment of House Bill No. 245 of the 43rd General Assembly of the State of Colorado and effective April 23, 1961, amending Chapter 115-1-3, CRS 1953, Applicant is a public utility and subject to the jurisdiction of this Commission. It is engaged primarily in the purchase, generation, transmission, distribution and sale of electric energy in the Counties of Conejos, Mineral, Alamosa, Costilla, Rio Grande, and Saguache, in the State of Colorado, and also in the State of New Mexico in counties contiguous to any of said counties in the State of Colorado. The jurisdiction of this Commission is over Applicant's operations within the State of Colorado.

Witness for Applicant, Mr. Ray W. Villyard, its General Manager, identified Exhibit A as Applicant's Articles of Incorporation, as amended to date, certified by the Secretary of State for the State of Colorado. Witness also identified Exhibit B as Ordinance No. 159 of the City of Creede (A Town), Colorado, as follows:

AN ORDINANCE GRANTING A FRANCHISE BY THE CITY OF CREEDE, A TOWN, MINERAL COUNTY, COLORADO, TO SAN LUIS VALLEY RURAL ELECTRIC COOPERATIVE, INC., ITS SUCCESSORS AND ASSIGNS, TO LOCATE, BUILD, CONSTRUCT, ACQUIRE, PURCHASE, MAINTAIN AND OPERATE INTO, WITHIN AND THROUGH THE CITY OF CREEDE, A TOWN, A PLANT OR PLANTS, SUBSTATION, AND WORKS, FOR THE PURCHASE, GENERATION, TRANSMISSION AND DISTRIBUTION OF ELECTRICAL ENERGY, AND TO FURNISH, SELL AND DISTRIBUTE SAID ELECTRICAL ENERGY TO THE CITY OF CREEDE, A TOWN, AND THE INHABITANTS THEREOF, FOR LIGHT, HEAT, AND POWER OR OTHER PURPOSES BY MEANS OF CONDUITS, CABLES, POLES AND WIRES STRUNG THEREON, OR OTHERWISE, ON, OVER, UNDER, ALONG, ACROSS AND THROUGH ALL STREETS, ALLEYS, VIADUCTS, BRIDGES, ROADS, LANES, AND OTHER PUBLIC WAYS AND PLACES IN SAID CITY OF CREEDE, A TOWN, AND FIXING THE TERMS AND CONDITIONS THEREOF,

and also including certificates of proper publication, introduction and passage and execution of said Ordinance by the Town Mayor.

Exhibit C is a copy of a Resolution duly adopted by the Board of Directors of San Luis Valley, accepting Ordinance No. 159.

The term of the franchise is for twenty-five years from its effective date and the Ordinance also provides for the payment of a franchise tax in the amount of 2% of the sales within the Town limits of the City of Creede, excluding from such sales the sale of electrical energy to the Town itself.

Exhibit E through Exhibit K is a schedule of rates to be applied to users of electric service within the Town. These rates are identical to the rates being applied throughout the entire service area of San Luis Valley. San Luis Valley does not now have a copy of its tariff on file with this Commission but will, according to witness's testimony, file a complete tariff in the near future.

Exhibit L is a Feasibility Study based on the addition of the Town of Creede to the rest of the system of San Luis Valley, indicating that the addition of service to the Town will not become a burden on the present users of service.

Prior to this time, Creede has received its electric service from two diesel engines owned and operated by the municipality. These engines, as well as the distribution system of Creede, are antiquated and subject to frequent breakdowns. Negotiations between the Town and San Luis Valley for a supply of electric service began in January, 1961. Over 90% of the users of electric service in the Town signed a petition to San Luis, requesting it to supply electric service to the Town and its inhabitants. This action of the petitioners is also concurred in by the Town Board. San Luis Valley will not purchase any part of the generating facilities or the distribution system of the Town unless the purchase of minor parts of the distribution system might prove to be practicable during the construction by San Luis Valley of a complete new distribution system in the Town.

Presently, San Luis Valley serves in excess of 3,200 consumers over 1,400 miles of distribution lines. The estimated population of the Town of Creede is 350. The number of consumers

to be connected by the proposed construction is 244. The initial cost of construction, plus the additional expenditures to be made during the life of the franchise, is estimated to be \$54,000.00. This amount will be used as the basis for the fee to be charged for the issuance of the certificate sought herein, but it will not be binding upon the Commission in any subsequent investigation where valuation may be an issue.

Heretofore, San Luis Valley has served non-members as well as members, and this it proposes to continue to do and at the same time making no distinction as between members and non-members.

The maximum demand experienced on the system for 1960 was 13,000 kilowatts. It receives its power supply from the Tri-State Generating and Transmission Cooperative, which cooperative in turn obtains its power supply from the Bureau of Reclamation. According to existing agreements, adequate power is available for present needs plus future growth.

The Commission has reviewed this application and evidence presented herein by Applicant in support thereof, and believes the public convenience and necessity requires, and will continue to require, San Luis Valley to exercise the franchise rights granted by the City of Creede (a Town).

F I N D I N G S

THE COMMISSION FINDS:

That San Luis Valley is a public utility pursuant to Chapter 115-1-3, CRS 1953, as amended by act of the 43rd General Assembly of the State of Colorado, and effective April 21, 1961.

That the Commission has jurisdiction of the Applicant herein and of the subject matter of this application.

That the Commission is fully advised in the premises.

That the foregoing Statement should be made a part hereof by reference.

That public convenience and necessity require, and will continue to require Applicant to exercise the franchise rights

granted by the City of Creede (a Town), Mineral County, Colorado, for the purchase, transmission, distribution and sale of electricity in said Town, and the authority sought herein should be granted.

That San Luis Valley should file its complete tariff under which service is rendered to its consumers and the public.

O R D E R

THE COMMISSION ORDERS:

That public convenience and necessity require, and will require, San Luis Valley to exercise the franchise rights granted in and by Ordinance No 159 of the City of Creede (a Town), Colorado, identified herein as Exhibit B, for the purchase, transmission, distribution and sale of electric energy in the Town, and this Order shall be taken, deemed, and held to be a certificate of public convenience and necessity therefor.

That San Luis Valley shall, within sixty (60) days from the date hereof, file its complete tariff, including its rates, rules, regulations and extension policies for the supply of electric service to its members and consumers as now in effect, set forth in Exhibits E-K, both inclusive.

That San Luis Valley shall install, operate and maintain its electric distribution system and supply electric service in the above designated area in accordance with its tariff, above ordered to be filed with this Commission, and as the same may be amended or changed by law or the rules of this Commission.

That San Luis Valley shall maintain its books and accounts in accordance with the Uniform System of Accounts and shall continue to keep its practices in accordance with the Rules Regulating the Service of Gas and Electric Utilities, as prescribed by this Commission, now in effect and as they may hereafter be amended.

That this Order shall become effective forthwith.

THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO

Joseph F. Pyro
Joseph C. Horton
Henry E. Zalkow
Commissioner

Dated at Denver, Colorado,
this 7th day of August, 1961.
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