

BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF COLORADO

\* \* \*

IN THE MATTER OF THE APPLICATION OF  
THE PUEBLO GAS AND FUEL COMPANY FOR  
A CERTIFICATE OF CONVENIENCE AND  
NECESSITY TO CONSTRUCT A GAS DISTRI-  
BUTION SYSTEM IN, AND TO PURCHASE,  
DISTRIBUTE AND SELL GAS, EITHER NATU-  
RAL, ARTIFICIAL, LIQUIFIED PETROLEUM  
OR MIXED, IN AN UNINCORPORATED AREA  
IN PUEBLO COUNTY, COLORADO.

APPLICATION NO. 20630

-----  
September 22, 1964  
-----

Appearances: Lee, Bryans, Kelly & Stansfield,  
Esqs., by D. D. Cawelti, Esq.,  
Denver, Colorado, for the Pueblo  
Gas and Fuel Company;  
J. M. McNulty, Denver, Colorado,  
and  
E. R. Thompson, Denver, Colorado,  
for the Commission.

S T A T E M E N T

By the Commission:

By the instant application, The Pueblo Gas and Fuel Company,  
hereinafter called the Applicant, seeks a certificate of public con-  
venience and necessity to purchase, distribute and sell gas, either  
natural, artificial, liquified petroleum or mixed, in the unincor-  
porated subdivision of Colorado City, Units 1, 2, and 3, Pueblo County,  
Colorado, and in the areas adjacent thereto.

The matter was set for hearing and was heard, after due  
notice to all interested parties, on August 27, 1964, at the Hearing  
Room of the Commission, 532 State Services Building, Denver, Colorado.  
At the conclusion of the hearing, the Commission took the matter under  
advisement. No one appeared at the hearing in opposition to the author-  
ity sought to be granted by the instant application.

Applicant is a corporation organized and existing under and by virtue of the laws of the State of Colorado, and is a public utility operating company subject to the jurisdiction of this Commission, engaged in the distribution and sale of natural gas at retail to domestic, commercial and industrial consumers in the City of Pueblo, Colorado, and in the areas adjacent thereto. A certified copy of Applicant's Certificate of Incorporation, together with all amendments thereto, has heretofore been filed with this Commission.

Testimony presented by Applicant at the hearing disclosed that Applicant proposes to construct and operate a gas distribution system in the unincorporated subdivision of Colorado City, Units 1, 2 and 3, in Township 24 South, Range 67 West of the 6th P. M., Pueblo County, Colorado, and to engage in the business of distributing and selling gas at retail to domestic, commercial and industrial consumers in said community and in the areas adjacent thereto, all as more particularly shown on the map marked "Exhibit A," attached to the application and incorporated herein by reference. The distribution system proposed to be constructed initially will be in Unit No. 2 of said subdivision as shown on the map marked "Exhibit B" attached to the application and incorporated herein by reference and extensions therefrom will be under Applicant's Service Connection and Main Extension Policy. Applicant plans to initially distribute and sell propane gas, and later to convert to natural gas in the event that the growth of the area should make such a change economically feasible.

There is no other public utility company engaged in rendering natural gas service in the subdivision for which authority is applied for by the instant application, or in adjacent areas.

A witness for Applicant, Mr. J. P. Dresen, Vice President and General Manager of Pueblo Gas and Fuel Company, testified that Colorado City, Units 1, 2 and 3, is subdivided for 2,000 residence sites and will also include a lodge, large motel, restaurant, Developer's administrative

offices, a shopping center and schools. 17 residences and a duplex are presently built in the area. The witness testified that the gas to be served initially would have a minimum monthly average heating value of 9,000 Btu per gallon.

Mr. Duane A. McMartin, the Pueblo Manager of the Colorado City Development Company, which is the developer of the area, testified that the Colorado City development was planned to ultimately encompass 10,000 to 12,000 homes.

Mr. H. M. Edmonds, Rate Engineer of Public Service Company of Colorado, Applicant's parent company, testified that the propane gas would initially be provided at rates which were introduced as "Exhibit D" at the hearing and which are hereby made a part hereof by reference. Said schedule sets forth a residential rate of  $12\frac{1}{2}\text{¢}$  per gallon for all gas used and a commercial rate of  $12\text{¢}$  per gallon for the first 1,000 gallons used per month and  $11\frac{1}{2}\text{¢}$  per gallon for usage of over 1,000 gallons per month. The minimum will be \$1.45 per month.

It was estimated that Applicant's capital investment in its initial storage and distribution system in Colorado City would be \$16,000 and that an \$80,930.00 investment would be made within the first five years. The latter figure will be used as the basis for a charge for the issuance of the certificate sought herein, but will not be binding upon the Commission in any subsequent investigation where valuation may be an issue.

The Commission has reviewed the instant application and the evidence presented by Applicant in support thereof. The Commission is of the opinion that the authority herein sought should be granted.

#### F I N D I N G S

##### THE COMMISSION FINDS:

That the Commission has jurisdiction of Applicant herein, The Pueblo Gas and Fuel Company, and of the subject matter involved in the instant application.

That the Commission is fully advised in the premises.

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

That the public convenience and necessity require, and will require, the purchase, distribution, and sale of gas by The Pueblo Gas and Fuel Company in the unincorporated subdivision of Colorado City, Units 1, 2 and 3, Pueblo County, Colorado, and in the areas adjacent thereto.

#### O R D E R

##### THE COMMISSION ORDERS:


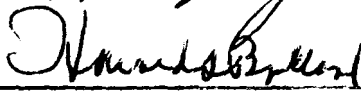

That the public convenience and necessity require, and will require, the purchase, distribution and sale of gas by The Pueblo Gas and Fuel Company in the unincorporated subdivision of Colorado City, Unites 1, 2 and 3, Pueblo County, Colorado, and in the areas adjacent thereto, and this Order shall be taken, deemed and held to be a certificate of public convenience and necessity therefor.

That The Pueblo Gas and Fuel Company shall install, operate, and maintain its gas system and supply service in the areas heretofore designated in accordance with its applicable rules and regulations now on file with this Commission and in accordance with schedules of gas rates and classifications to be filed, or as the same may be changed according to law and the rules and regulations of this Commission. Extensions will be made in accordance with Applicant's Gas Service and Main Extension Policy on file or as hereafter changed according to law and the rules and regulations of this Commission.

That The Pueblo Gas and Fuel Company shall continue to maintain its books and accounts in accordance with the Uniform System of Accounts, and shall continue to keep its practices as to the testing of meters, customers' deposits and operations, records of meters and complaints in accordance with the Commission's requirements.

This Order shall become effective forthwith.

THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF COLORADO

  
\_\_\_\_\_  
  
\_\_\_\_\_  
  
\_\_\_\_\_  
Commissioners.

Dated at Denver, Colorado,  
this 22nd day of September, 1964.

mls