

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO

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IN THE MATTER OF THE APPLICATION OF
GREELEY GAS COMPANY, 1500 GRANT STREET,
DENVER, COLORADO, FOR A CERTIFICATE OF
PUBLIC CONVENIENCE AND NECESSITY TO EX-
ERCISE FRANCHISE RIGHTS IN THE TOWNS OF
STEAMBOAT SPRINGS AND HAYDEN, ROUTT
COUNTY, COLORADO, FOR THE PURCHASE,
MANUFACTURE, DISTRIBUTION AND SALE OF
GAS, EITHER NATURAL, ARTIFICIAL OR
MIXED IN SAID TOWNS AND AREAS ADJACENT
THERE TO: AND TO DISTRIBUTE AND SELL
GAS ALONG THE ROUTE OF THE PROPOSED
TRANSMISSION PIPELINE TO BE CONSTRUCTED
TO SUPPLY THE GAS REQUIREMENTS OF SAID
TOWNS AND AREAS.

APPLICATION NO. 21955

May 24, 1966

Appearances: Lee, Bryans, Kelly & Stansfield, Esqs.,
Denver, Colorado, by Donald D. Cawelti,
Esq. for Applicant;
George B. Rice, Esq., Denver, Colorado,
for Colorado Liquefied Petroleum
Gas Association;
J. M. McNulty, Denver, Colorado,
and
E. R. Thompson, Denver, Colorado,
of the Staff of the Commission.

S T A T E M E N T

BY THE COMMISSION:

Greeley Gas Company filed an application with this Commission seeking a certificate of public convenience and necessity authorizing it to exercise the franchise rights granted to it by the Towns of Steamboat Springs and Hayden, Routt County, Colorado, for the purchase, manufacture, distribution and sale of gas, either natural, artificial or mixed in said towns; to purchase, distribute and sell such gas in areas adjacent thereto, and in areas, including the community of Milner, along the route of the proposed transmission pipeline to be constructed in Routt and Moffat Counties, Colorado to supply the gas requirements of the inhabitants of said towns and areas.

A map of the area proposed to be served showing the projected transmission line of Western Slope Gas Company, Applicant's supplier, was introduced into evidence as Exhibit F.

The matter was set for hearing after due notice to all interested parties, on May 17, 1966, at 10:00 a. m., in the Hearing Room of the Commission, 532 State Services Building, Denver, Colorado. No protests were filed in writing with the Commission prior to the date of hearing by any party. Mr. George Rice, attorney at law, appeared during the course of the hearing and requested permission to make a statement on behalf of the Colorado Liquefied Petroleum Gas Association. Such statement was to the effect that the Association was opposed to the granting of any authority to the Applicant for propane gas service under a certificate of public convenience and necessity in the towns and communities which were the subject matter of the application.

At the conclusion of the hearing the matter was taken under advisement.

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 purchase, distribution and sale of natural gas in various communities and areas within the State of Colorado. A certified copy of Applicant's Certificate of Incorporation, with all amendments to date, has heretofore been filed with this Commission.

The Applicant showed by its witness Earl W. Cochran, Assistant Vice President and Assistant Treasurer of Applicant, that Applicant had been granted a franchise by the Board of Trustees of the Town of Steamboat Springs, being Ordinance No. 349 of the Town of Steamboat Springs, Routt County, Colorado, dated June 11, 1965 and entitled:

"AN ORDINANCE GRANTING A FRANCHISE BY THE TOWN OF STEAMBOAT SPRINGS, ROUTT COUNTY, COLORADO, TO GREELEY GAS COMPANY, ITS SUCCESSORS AND ASSIGNS, TO LOCATE, BUILD, CONSTRUCT, ACQUIRE, PURCHASE, EXTEND, MAINTAIN AND OPERATE INTO, WITHIN AND THROUGH THE TOWN OF STEAMBOAT SPRINGS, A SYSTEM, FOR THE PURCHASE, STORAGE, MANUFACTURE, TRANSMISSION AND DISTRIBUTION OF GAS, EITHER NATURAL, ARTIFICIAL OR MIXED, AND TO FURNISH, SELL AND DISTRIBUTE SAID GAS TO THE TOWN OF STEAMBOAT SPRINGS AND THE INHABITANTS THEREOF, FOR HEATING, COOKING, OR OTHER PURPOSES, BY MEANS OF PIPES, MAINS, OR OTHERWISE, OVER, UNDER, ALONG, ACROSS AND THROUGH ALL STREETS, ALLEYS, VIADUCTS, BRIDGES, ROADS, LANES, AND OTHER PUBLIC WAYS AND PLACES IN SAID TOWN OF STEAMBOAT SPRINGS, AND FIXING THE TERMS AND CONDITIONS THEREOF."

A conformed copy of said Ordinance was introduced into evidence as Exhibit A.

Applicant further showed that it had been granted a franchise by the Board of Trustees of the Town of Hayden, being Ordinance No. 138 of the Town of Hayden, Routt County, Colorado, dated December 2, 1964 and entitled:

"AN ORDINANCE GRANTING A FRANCHISE BY THE TOWN OF HAYDEN, ROUTT COUNTY, COLORADO, TO GREELEY GAS COMPANY, ITS SUCCESSORS AND ASSIGNS, TO LOCATE, BUILD, CONSTRUCT, ACQUIRE, PURCHASE, EXTEND, MAINTAIN AND OPERATE INTO, WITHIN AND THROUGH THE TOWN OF HAYDEN, A SYSTEM, FOR THE PURCHASE, STORAGE, MANUFACTURE, TRANSMISSION AND DISTRIBUTION OF GAS, EITHER NATURAL, ARTIFICIAL OR MIXED, AND TO FURNISH, SELL AND DISTRIBUTE SAID GAS TO THE TOWN OF HAYDEN AND THE INHABITANTS THEREOF, FOR HEATING, COOKING, OR OTHER PURPOSES, BY MEANS OF PIPES, MAINS, OR OTHERWISE, OVER, UNDER, ALONG, ACROSS AND THROUGH ALL STREETS, ALLEYS, VIADUCTS, BRIDGES, ROADS, LANES, AND OTHER PUBLIC WAYS AND PLACES IN SAID TOWNS OF HAYDEN, AND FIXING THE TERMS AND CONDITIONS THEREOF."

A conformed copy of said Ordinance was introduced into evidence as Exhibit B.

Attached to each of the above Ordinances were authenticating affidavits, certificates of introduction and passage, and acceptances by the Applicant. The term of each of the franchises is 25 years and the franchise payment provided therein is 1% of the gas revenues derived by Applicant in the respective towns, excluding revenues received from the sale of industrial gas and the sale of gas to the

towns themselves. Evidence was introduced that the estimate of the present population for the Town of Steamboat Springs was 2100, and for the Town of Hayden was 800. It was shown that Applicant anticipated potential customers of 700 in Steamboat Springs and 250 customers in Hayden. Applicant showed that it had surveyed potential customers and had received signed applications from 330.

Maps of the proposed gas distribution systems in the towns were introduced as Exhibit E, page 1, for Steamboat Springs, and Exhibit E, page 2, for Hayden.

Applicant estimated that the cost for constructing the gas facilities in the Town of Steamboat Springs would be between \$110,000 and \$150,000, and between \$60,000 and \$75,000 in Hayden over the 25 year term of the franchises. In addition to said towns, Applicant proposes to construct a gas distribution system in the unincorporated community of Milner situated between Hayden and Steamboat Springs.

A feasible study of the proposed project was introduced into evidence as Exhibit G, showing that Applicant anticipated the total initial investment to be \$98,300, and that by the end of the third full year of operation, Applicant would be realizing a return in the black on the project. Initial losses were anticipated during the remainder of 1966 and in 1967.

A copy of Applicant's 1965 annual report containing a statement of Applicant's financial condition as of December 31, 1965 was introduced into evidence as Exhibit D. Investment in the facilities to be constructed under this application will be made from internal funds of Applicant.

Applicant proposes to render gas service to said towns, community and area under rates, terms and conditions set forth in Exhibit H admitted into evidence.

Exhibit C admitted into evidence was Applicant's contract with Western Slope Gas Company for the supply of natural gas to be

served under this application. Applicant anticipates that if this application is granted its various gas distribution systems will be completed by September 1, 1966.

The estimates regarding investment by Applicant set forth above, will be used as the basis for the fee for the issuance of the certificate, but will not be binding upon the Commission in any subsequent investigation where valuation may be an issue.

F I N D I N G S

THE COMMISSION FINDS:

That the above and foregoing Statement is hereby made a part of these Findings by reference.

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

That the Commission is fully advised in the premises.

That the public convenience and necessity require and will require the construction by Greeley Gas Company of gas facilities in the Towns of Steamboat Springs and Hayden, and the Community of Milner, all in Routt County, Colorado.

That the public convenience and necessity require and will require the exercise by Greeley Gas Company of the franchise rights granted to Applicant by Ordinance No. 349 of the Town of Steamboat Springs, Routt County, Colorado, and by Ordinance No. 138 of the Town of Hayden, Routt County, Colorado, as more fully set forth in the foregoing Statement, and received in evidence as Exhibit A and B respectively.

O R D E R

THE COMMISSION ORDERS:

That Greeley Gas Company is hereby authorized to construct gas distribution facilities in the Towns of Steamboat Springs and Hayden,

and the Community of Milner, Routt County, Colorado, and to exercise franchise rights granted it in said towns to distribute and sell gas, either natural, artificial or mixed, therein and to purchase, manufacture, distribute and sell said gas in said towns and areas adjacent thereto and to distribute and sell said gas along the route of the proposed transmission pipeline to be constructed to supply the gas requirements of said towns and areas, and this Order shall be taken, deemed and held to be a certificate of public convenience and necessity therefor.

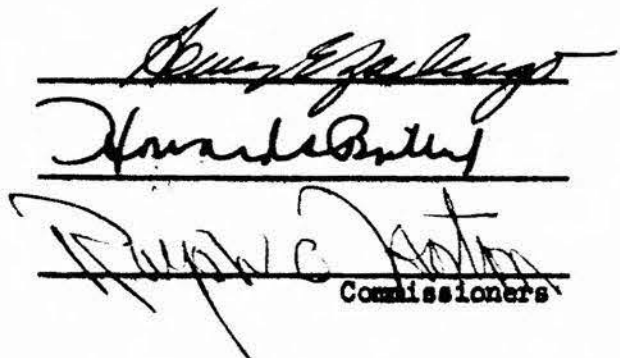
That Greeley Gas Company shall install, operate and maintain its gas systems and supply service in the towns and areas heretofore designated in accordance with schedules of gas rates, classifications, rules and regulations to be applicable to the towns and areas to be lawfully placed in effect with this Commission, or as the same may be changed according to law and the rules and regulations of this Commission.

That Greeley Gas Company shall odorize all gas prior to sale to its customers.

That Greeley Gas 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.

That this Order shall become effective forthwith.

THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO


Commissioners

Dated at Denver, Colorado,
this 24th day of May, 1966.
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