

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO

* * *

IN THE MATTER OF THE APPLICATION OF)
 ROCKY MOUNTAIN NATURAL GAS COMPANY,)
 INC., 420 CAPITOL LIFE CENTER, 1600)
 SHERMAN STREET, DENVER, COLORADO,)
 FOR A CERTIFICATE OF PUBLIC CONVENIENCE)
 AND NECESSITY TO CONSTRUCT A LATERAL)
 TRANSMISSION LINE FROM ITS EXISTING)
 LINE IN GARFIELD COUNTY, COLORADO, TO)
 THE TOWNS OF GYPSUM AND EAGLE, EAGLE)
 COUNTY, COLORADO, AND FOR A CERTI-)
 FICATE OF PUBLIC CONVENIENCE AND)
 NECESSITY TO EXERCISE FRANCHISE)
 RIGHTS IN THE TOWNS OF GYPSUM AND)
 EAGLE, EAGLE COUNTY, COLORADO, FOR)
 THE PURCHASE, DISTRIBUTION AND SALE)
 OF GAS, EITHER NATURAL, ARTIFICIAL)
 OR MIXED IN SAID TOWNS AND ADJACENT)
 AREAS AND FOR THE PURCHASE, DISTRI-)
 BUTION AND SALE OF GAS, EITHER)
 NATURAL, ARTIFICIAL OR MIXED, IN THE)
 AREAS ADJACENT TO THE LATERAL TRANS-)
 MISSION LINE.)

APPLICATION NO. 22433

 March 15, 1967

Appearances: Wynn M. Bennett, Jr., Esq., Denver,
 Colorado, for Rocky Mountain
 Natural Gas Company, Inc. ;
 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:

On February 10, 1967, Rocky Mountain Natural Gas Company, Inc., by its attorney, Wynn M. Bennett, Jr., filed with this Commission an application to construct a 28.4 mile 3 1/2 inch o.d. natural gas lateral line over Cottonwood Pass from a point on the applicant's existing six inch main transmission line in the vicinity of Catherine Store near Carbondale, Garfield County, Colorado, to the Towns of Gypsum and Eagle, Colorado, and gas distribution systems in the Towns of Gypsum and Eagle, Colorado, all in Eagle County, Colorado. Applicant proposes to construct

these facilities and to serve these towns, as well as prospective customers along the routes of the lateral transmission line.

This matter was set for hearing by the Commission on Thursday, March 9, 1967, at 10:00 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 March 9, 1967. Testimony at the hearing revealed that applicant applied for and obtained a franchise to render gas service, either natural, artificial or mixed, as follows:

- (a) Town of Gypsum, Ordinance No. 77, 1966, passed on July 5, 1966.

ORDINANCE NO. 77

"AN ORDINANCE GRANTING A FRANCHISE BY THE TOWN OF GYPSUM TO THE ROCKY MOUNTAIN NATURAL GAS COMPANY, INC., A COLORADO CORPORATION, ITS SUCCESSORS AND ASSIGNS, TO LOCATE, BUILD, CONSTRUCT, ACQUIRE, PURCHASE, EXTEND, MAINTAIN AND OPERATE INTO, WITHIN AND THROUGH THE TOWN OF GYPSUM, EAGLE 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 TOWN OF GYPSUM, 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 TOWN OF GYPSUM, AND FIXING THE TERMS AND CONDITIONS THEREOF."

- (b) Town of Eagle, Ordinance No. 123, 1966, passed on September 6, 1966.

ORDINANCE NO. 123

"AN ORDINANCE GRANTING A FRANCHISE BY THE TOWN OF EAGLE TO THE ROCKY MOUNTAIN NATURAL GAS COMPANY, INC., A COLORADO CORPORATION, ITS SUCCESSORS AND ASSIGNS, TO LOCATE, BUILD, CONSTRUCT, ACQUIRE, PURCHASE, EXTEND, MAINTAIN AND OPERATE INTO, WITHIN AND THROUGH THE TOWN OF EAGLE, EAGLE 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 TOWN OF EAGLE, 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 TOWN OF EAGLE, AND FIXING THE TERMS AND CONDITIONS THEREOF."

The evidence shows that the foregoing franchise granted by Gypsum, Colorado, was accepted by the applicant on the 11th day of July, 1966, and the foregoing franchise granted by Eagle, Colorado, was accepted by the applicant on September 13, 1966. The period of the above franchises are for twenty-five years from the date of passage and approval and both provide a Two Per Cent tax for gas sold in the towns, excluding therefrom revenues received from the sale of industrial gas and for gas sold to the towns and after an adjustment for uncollectible accounts. Applicant estimated the potential gas customers within the Town of Gypsum to be approximately 75 residential and 10 commercial for the year 1967 and 80 residential and 15 commercial by the year 1970, as well as some additional customers living in the environs adjacent to the town and along the proposed lateral. Applicant estimates the potential gas customers within the Town of Eagle to be approximately 195 residential and 20 commercial for the year 1967, and 210 residential and 30 commercial by the year 1970, together with some additional customers living in the environs adjacent to the town and along the proposed lateral. The estimated cost of the lateral transmission line, together with the distribution systems in the Towns of Gypsum and Eagle, was \$236,875.00. 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 supply natural gas from its six inch transmission line located near Carbondale, Colorado, which is connected through a gathering system to gas wells located in the vicinity of Collbran, Colorado, under contract to the applicant, as well as from gas wells located near Wolf Creek, Garfield County, Colorado, also under contract to the applicant. The evidence showed that there are adequate reserves attributable to gas wells under contract to the applicant to meet the gas requirements of this area for a period of in excess of twenty-five years. The evidence also shows that there is

additional development of gas reserves in the area from which applicant presently has gas wells contracted. The applicant proposes to supply natural gas to the customers in the Towns of Gypsum and Eagle and environs and to customers adjacent to the lateral transmission line under Rate Schedule D-1, D-2, D-3 and D-4 presently on file with this Commission for its Western Division.

Applicant proposes to use welded, prewrapped steel pipe, in accordance with the present safety rules of this Commission and has advised the Commission that before any plastic pipe would be used in this project that it would apply to the Commission for the right to use plastic pipe.

All gas will be odorized prior to sale to customers.

Mr. Robert C. Shelton, a resident of and Mayor of the Town of Eagle, appeared at the hearing and testified that there was a need for natural gas in Eagle and surrounding area, and that in his opinion there was a market for natural gas in the area; that it would compete with other fuels in the area, and that it would be beneficial to the community. Mr. Ernest S. Walcher, a resident of and the Mayor of the Town of Gypsum, appeared at the hearing and testified that there was a need for natural gas in Gypsum and surrounding area, and that in his opinion there was a definite market for natural gas in the community and that it would be a benefit to the community. Both mayors testified that they had talked to residents of their respective communities and they had indicated a desire and need for natural gas in the communities. Both mayors also identified the respective franchises issued by the two communities and advised that they had been passed and accepted by the applicant. It was evident from testimony in the record that gas service is needed and would be a great convenience to the inhabitants of the Towns of Gypsum and Eagle and the environs.

Testimony by company officials reflected that applicant proposes to finance the present project from current cash flow and if

necessary, from short term debt and that the applicant should have no difficulty in financing the project in such manner and this should have no adverse effect on rendering proper service to communities presently being served by applicant.

Applicant is presently operating as a gas utility and is familiar with the Commission's requirements regarding uniform system of accounts to be maintained by gas utilities for the filing of annual reports and 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 the Articles of Incorporation of the Applicant are on file with the Commission.

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 Towns of Gypsum and Eagle, and the areas adjacent to said towns and adjacent to said lateral transmission line.

That public convenience and necessity require the exercise by applicant herein of the rights and privileges granted to applicant by the Board of Trustees of the Town of Gypsum by Ordinance No. 77, 1966, and by the Board of Trustees of the Town of Eagle by Ordinance No. 123, 1966.

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 sale of gas pursuant to this application should be made

under Rate Schedule D-1, D-2, D-3 and D-4 of applicant's rate schedule now on file with this Commission for its Western Division, or as the same may be changed according to law and the rules and regulations of the Commission.

O R D E R

THE COMMISSION ORDERS:

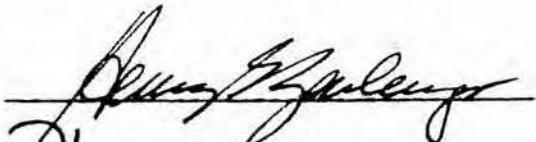
That public convenience and necessity require the approval of the construction, installation and maintenance and operation of the necessary gas transmission and distribution lines to serve the Towns of Gypsum and Eagle, Eagle County, Colorado, and the exercise by applicant herein of the rights and privileges granted to applicant in and by Ordinance No. 77, 1966, of the Town of Gypsum, and Ordinance No. 123, 1966, of the Town of Eagle, for gas service in said towns and for the supplying of gas service in the areas adjacent to said towns and in the areas adjacent to its lateral transmission line from the vicinity of Catherine Store, Carbondale, Colorado, to said Towns of Gypsum and Eagle, Colorado, and this order shall be taken, ~~deemed~~ and held to be a Certificate of Public Convenience and Necessity therefor. Applicant shall install suitable equipment, odorize the gas in its transmission and distribution lines prior to sale to customers. Applicant shall obtain permission from the Commission before utilizing plastic pipe in its proposed distribution lines. That sale of gas shall be made pursuant to applicant's Rate Schedule D-1, D-2, D-3 and D-4 of applicant now on file with this Commission for its Western Division, or as the same may be changed according to law and the rules and regulations of the Commission.

The applicant shall commence construction of the gas lateral transmission line and the distribution systems authorized herein as soon as possible and shall complete the same as soon as reasonably possible.

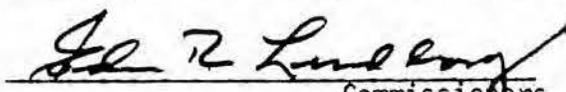
That applicant shall continue to keep its books and accounts in accordance with the uniform system of accounts as prescribed by this Commission. That the applicant shall otherwise and at all times comply with the rules and regulations of this Commission.

This order shall become effective forthwith.

THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO







Commissioners

Dated at Denver, Colorado,
this 15th day of March, 1967.
1s