

BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF COLORADO

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| IN THE MATTER OF THE APPLICATION OF )  |                                |
| NORTHERN NATURAL GAS COMPANY FOR A )   | APPLICATION NO. 25465          |
| CERTIFICATE OF PUBLIC CONVENIENCE )    |                                |
| AND NECESSITY AUTHORIZING THE EXER- )  | RECOMMENDED DECISION AND ORDER |
| CISE OF GAS FRANCHISE RIGHTS GRANTED ) | BY                             |
| BY THE TOWN OF CASTLE ROCK, DOUGLAS )  | COMMISSIONER EDWIN R. LUNDBORG |
| COUNTY, COLORADO. )                    |                                |

March 20, 1972

Appearances: Phillips, Gresham & Stifler, Esqs.,  
by John A. Phillips, Esq.,  
Colorado Springs, Colorado,  
for Applicant;  
C. J. Miller, Denver, Colorado,  
of the Staff of the Commission.

S T A T E M E N T

The above-entitled application of Northern Natural Gas Company (hereinafter referred to as Applicant) was filed with the Commission on January 26, 1972, pursuant to Section 115-5-1, Colorado Revised Statutes, 1963, as amended. By the instant application, the Applicant seeks an order from this Commission for a certificate of public convenience and necessity to exercise certain franchise rights in the Town of Castle Rock, County of Douglas, State of Colorado -- as more specifically set forth in said application.

Upon filing, the Commission assigned Docket No. 25465 to the herein application.

After due and proper notice, the Commission set the instant application for hearing on Thursday, March 16, 1972, at 10 a.m. in the Hearing Room of the Commission, 500 Columbine Building, 1845 Sherman Street, Denver, Colorado, at which time and place the application was heard by Commissioner Edwin R. Lundborg to whom the matter was duly assigned pursuant to law.

No written protests to the application have been filed with the Commission and -- in addition -- no one appeared at the hearing in opposition to the granting of the instant application.

Executed copies of the following exhibits were admitted into evidence:

Exhibit A - Ordinance No. 10:03 entitled --

"An Ordinance of the Town of Castle Rock, Douglas County, Colorado, granting to Northern Natural Gas Company, a corporation, operating as PEOPLES NATURAL GAS Division, its lessees, successors and assigns, a non-exclusive authority for a period of 10 years to erect, maintain and operate a gas plant and/or gas system and any and all necessary mains, pipes, services and other appliances thereunto appertaining in, upon, over, across and along the streets, alleys, bridges and public places of the Town of Castle Rock, Colorado, for the transmission, distribution and sale of natural gas for lighting, heating, industrial and all other uses and purposes in said Town and prescribing the terms and conditions under which said Company is to operate, and repealing Ordinance No. 137 of said Town as amended."

Exhibit B - Publisher's Affidavit

Exhibit C - Town of Castle Rock, Colorado

Minutes of a regular meeting of the Governing Body of the Town of Castle Rock, Colorado, held at the regular meeting place of the Governing Body on November 4, 1971.

Exhibit D - Acceptance by Northern Natural Gas Company, a corporation operating as PEOPLES NATURAL GAS Division, of franchise granted by the Town of Castle Rock, Douglas County, Colorado, by Ordinance No. 10:03.

Official notice was taken of the following documents on file with the Commission, to-wit: Annual Report of the Applicant for the calendar year 1970, and its Articles of Incorporation.

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

Pursuant to the provisions of Section 115-6-9 (2), CRS 1963, as amended, I, Commissioner Edwin R. Lundborg, transmit herewith to the Commission the record and exhibits of the herein instant proceeding, together with a written recommended decision which contains my findings of fact and conclusions thereon and my recommended order or requirement.

## FINDINGS OF FACT

After due and careful consideration of the entire record in this proceeding, the following is found as fact:

1. That Northern Natural Gas Company, the Applicant herein, is a Delaware corporation organized and existing under and by virtue of the laws of the State of Delaware, and is authorized to do business in the State of Colorado.
2. That Applicant is a public utility as defined in Chapter 115-1-3, Colorado Revised Statutes, 1963, as amended, and that the subject matter of the instant proceeding is within the jurisdiction of the Commission.
3. That a certified copy of Applicant's Certificate of Incorporation -- together with all Amendments thereto -- is on file with the Commission.
4. That Applicant owns a natural gas distribution system in the Town of Castle Rock, County of Douglas, State of Colorado, from which it sells gas to customers in said Town who are connected to its distribution system.
5. That Applicant and predecessor companies have been furnishing natural gas service to the Town of Castle Rock, Colorado, since the year 1951, and the subject franchise will authorize a continuation of such service.
6. That Applicant secures natural gas for sale in the Town of Castle Rock by purchase from various suppliers.
7. That Applicant maintains an office with adequate system operating personnel in Town of Castle Rock.
8. That Applicant operates its pipeline and distribution system in conformity with the Federal Minimum Safety Requirements for the transportation of natural gas by pipeline, as amended, and as adopted by the State of Colorado.
9. That on November 4, 1971, the Town of Castle Rock, County of Douglas, State of Colorado, acting by and through its Governing Body, duly passed, adopted, and approved Ordinance No. 10:03 granting to Applicant a gas franchise entitled as follows:

"An Ordinance of the Town of Castle Rock, Douglas County, Colorado, granting to Northern Natural Gas Company, a corporation, operating as PEOPLES NATURAL GAS Division, its lessees, successors and assigns, a non-exclusive authority for a period of 10 years to erect, maintain and operate a gas plant and/or gas system and any and all necessary mains, pipes, services and other appliances thereunto appertaining in, upon, over, across and along the streets, alleys, bridges and public places of the Town of Castle Rock, Colorado, for the transmission, distribution and sale of natural gas for lighting, heating, industrial and all other uses and purposed in said Town and prescribing the terms and conditions under which said Company is to operate, and repealing Ordinance No. 137 of said Town as amended."

A copy of said franchise, together with copies of supporting documents, is attached and made a part of the instant application.

10. That said franchise is for a period of 10 years from the effective date of the ordinance, and provides for monthly payments to the Town of Castle Rock of a franchise consideration of 3% of monthly gross receipts from the sale of natural gas to domestic and commercial customers who pay for such gas purchases under applicable rate schedules.

11. That no other public utility is engaged in the business of distributing natural gas in the Town of Castle Rock, State of Colorado. Applicant serves approximately 850 customers in the Town of Castle Rock. The population of the Town -- as of January 1, 1972 -- was 2,254.

12. That Applicant is financially, physically, and otherwise capable and qualified to provide gas service to the inhabitants of the Town of Castle Rock, State of Colorado.

13. That public convenience and necessity requires and will require the exercise by the Northern Natural Gas Company of the franchise rights granted in and by said Ordinance No. 10:03 of the Town of Castle Rock, State of Colorado, for the transmission, distribution, and sale of gas in the Town of Castle Rock, State of Colorado.



### CONCLUSIONS ON FINDINGS OF FACT

From the above and foregoing findings, I conclude that the public convenience and necessity requires and will require the authorization as herein sought by the Applicant.

An appropriate recommended order will be entered.

### RECOMMENDED ORDER

1. Northern Natural Gas Company be, and hereby is, granted authority to exercise franchise rights granted to said company by Franchise Ordinance No. 10:03 of the Town of Castle Rock, County of Douglas, State of Colorado, in accordance with the terms of said Franchise Ordinance and this Order shall be taken, deemed, and held to be a CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY therefor.

2. Applicant shall construct, operate, and maintain a gas distribution system within and through the Town of Castle Rock, State of Colorado, to furnish, sell, and distribute gas to the inhabitants of the Town of Castle Rock, State of Colorado, in accordance with its schedules of rates, classifications, rules, and regulations now on file with this Commission, or as the same may be changed according to law and the rules and regulations of this Commission.

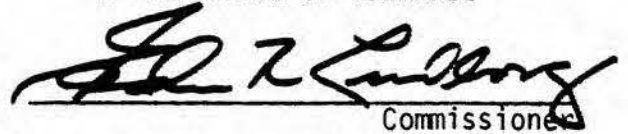
3. Applicant shall continue its public utility operations in accordance with all rules, regulations, and requirements of the Commission with respect to all gas utilities as now exist or as the same may hereafter be amended or changed pursuant to law.

4. Applicant shall maintain its books and records in accordance with the Uniform System of Accounts prescribed by the Commission, and that its operating practices shall be in conformance with the Commission's Rules and Regulations Governing Service of Gas Utilities.

5. Jurisdiction is retained by the Commission to make such further order or orders as may be necessary or proper.

6. That, in the absence of timely filing of exceptions or a stay by the Commission on its own motion, this Recommended Order shall become the Decision of the Commission and shall become effective twenty-one (21) days from the date hereof.

THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF COLORADO

  
Commissioner

Dated at Denver, Colorado  
this 20th day of March, 1972.  
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