

**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF COLORADO**

DOCKET NO. 04A-249FG

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IN THE MATTER OF THE APPLICATION OF KINDER MORGAN, INC. FOR A  
CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY AUTHORIZING THE  
EXERCISE OF FRANCHISE RIGHTS GRANTED BY THE TOWN OF OVID, COLORADO  
AND CITY OF HOLYOKE, COLORADO.

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**DECISION GRANTING APPLICATION  
TO EXERCISE FRANCHISE RIGHTS**

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Mailed Date: June 10, 2004

Adopted Date: June 8, 2004

**I. BY THE COMMISSION**

**A. Statement, Findings, and Conclusions**

1. On May 18, 2004, Kinder Morgan, Inc. (KMI), filed an application seeking a Commission order granting it a Certificate of Public Convenience and Necessity (CPCN) to exercise franchise rights in the Town of Ovid, Colorado and the City of Holyoke, Colorado.

2. The Commission noticed the application on May 21, 2004 to all interested persons, firms, and corporations. Additionally, KMI caused a notice of application to be published in *The Denver Post* on May 20, 2004. No petition to intervene or notice of intervention has been filed, and thus the application is uncontested. Accordingly, the application will be determined without a hearing pursuant to § 40-6-109(5), C.R.S., and Rule 24 of the Commission's Rules of Practice and Procedure, 4 *Code of Colorado Regulations* 723-1.

3. KMI, a Kansas corporation, is a public utility under the provisions of the laws of the State of Colorado and is a natural gas company engaged in the purchase, transmission, and

general resale of natural gas to industrial, commercial, and residential customers in various areas in the State of Colorado.

4. KMI requests that the Commission issue an order granting to it a CPCN to exercise franchise rights granted by the Town of Ovid. Pursuant to Ordinance No. 172, adopted September 10, 2002, the Town of Ovid granted KMI a 25-year franchise to provide natural gas service in the Town. Section 1 of the franchise agreement declares that the agreement is to remain in effect for a period of 25 years from the effective date. The Town of Ovid adopted the agreement on September 10, 2002, and KMI accepted the agreement on May 3, 2004. Accordingly, the agreement would expire on May 3, 2029.

5. As consideration for the franchise rights granted, KMI is to pay to the Ovid Town Treasurer (annually) an amount equal to 2 percent of the annual gross receipts derived from the sales of gas delivered (by KMI) to residential customers within the Town of Ovid.

6. KMI also requests that the Commission issue an order granting to it a CPCN to exercise franchise rights granted by the City of Holyoke. Pursuant to Ordinance No. 2-2003, adopted June 17, 2003, the City of Holyoke, granted KMI a 20-year franchise to provide natural gas service in the City. Section 1 of the franchise agreement declares that the agreement is to remain in effect for a period of 20 years from and after June 17, 2003. KMI formally acknowledged acceptance of the agreement on December 8, 2003. Accordingly, the agreement will expire on June 17, 2023.

7. As consideration for the franchise rights granted, KMI is to pay to the City of Holyoke \$0.0140/ccf (100 cubic feet) for gas delivered to residential and commercial customers within said municipality on KMI's (grantee) distribution system.

8. KMI's gas tariff, currently on file with the Commission, will be used for service under this application.

9. KMI has the financial ability and is qualified and competent to conduct the utility operations sought under its application. Accordingly, KMI requests that the financial statements submitted as part of the verified application be accepted in lieu of a feasibility study.

10. The Commission finds that the application is in the public interest and should be granted.

## **II. ORDER**

### **A. The Commission Orders That:**

1. The application by Kinder Morgan, Inc., for a certificate of public convenience and necessity to exercise franchise rights in the Town of Ovid, Colorado is deemed complete and granted. This franchise agreement is scheduled to expire May 3, 2029.

2. The application by Kinder Morgan, Inc., for a certificate of public convenience and necessity to exercise franchise rights in the City of Holyoke, Colorado is deemed complete and granted. This franchise agreement is scheduled to expire June 17, 2023.

3. Kinder Morgan, Inc.'s request to accept the submitted financial statements in lieu of a feasibility study as permitted by Rule 4 *Code of Colorado Regulations* 723-1-55(c)(5), is granted.

4. This Order is effective on its Mailed Date.

**B. ADOPTED IN COMMISSIONERS' WEEKLY MEETING  
June 8, 2004.**

THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF COLORADO

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\_\_\_\_\_Commissioners