

Decision No. C14-1346-I

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF COLORADO

PROCEEDING NO. 13A-0046G

IN THE MATTER OF THE APPLICATION OF ROCKY MOUNTAIN NATURAL GAS LLC FOR AN ORDER AUTHORIZING IT TO PUT INTO EFFECT A SYSTEM SAFETY AND INTEGRITY RIDER.

PROCEEDING NO. 13AL-0067G

IN THE MATTER OF THE ADVICE LETTER NO. 77 FILED BY ROCKY MOUNTAIN NATURAL GAS LLC TO RESTRUCTURE AND UNBUNDLE ITS SERVICE AND TO REPLACE TARIFF NO. 3 IN ITS ENTIRETY TO BECOME EFFECTIVE MARCH 4 2013.

PROCEEDING NO. 13AL-0143G

IN THE MATTER OF THE ADVICE LETTER NO. 261 OF SOURCEGAS DISTRIBUTION LLC TO REVISE ITS COLORADO SCHEDULE OF RATES FOR NATURAL GAS SERVICE AVAILABLE IN THE ENTIRE TERRITORY SERVED BY THE COMPANY, WITH TARIFF SHEETS FOR PUC NO. 7, TO BECOME EFFECTIVE MAY 1, 2013.

**INTERIM DECISION REFERRING MATTER
TO AN ADMINISTRATIVE LAW JUDGE**

Mailed Date: November 7, 2014

Adopted Date: November 5, 2014

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A. It Is Ordered That:4

B. ADOPTED IN COMMISSIONERS’ WEEKLY MEETING November 5, 2014.5

I. BY THE COMMISSION

A. Statement

1. On October 6, 2014, A M Gas Transfer Corporation (A M) filed a Motion to Enforce Stipulation (Motion) seeking a Commission decision that requires SourceGas Distribution, LLC (SourceGas or Company) to establish new Gas Cost Adjustment (GCA) rates that assign storage costs on a zoned basis, such that only customers in the zones that use storage pay the associated costs. In response to the Motion, SourceGas argues that it has fulfilled its obligations under the Stipulation and Agreement (Stipulation) approved in these consolidated proceedings, because the Company filed an advice letter with a new GCA with zonal rates for storage costs in Proceeding No. 14AL-0285G.

2. By this Decision, we refer the dispute to an Administrative Law Judge (ALJ).

B. Background

3. The procedural history of the consolidated proceeding is explained in detail in Decision No. R14-0114. By that decision, issued on January 31, 2014, the assigned ALJ approved the Stipulation without modification. Decision No. R14-0114 became the decision of the Commission on February 20, 2014.

4. Section II. G. 3 of the Stipulation addresses the filing of a new GCA tariff where storage costs are allocated on a zoned basis:

A M Gas requested that Rocky Mountain's storage costs incurred by SourceGas Distribution be allocated to sales customers through SourceGas Distribution's GCA mechanism on a zoned basis such that only those customers who benefit from storage will pay rates that include the cost of

storage. SourceGas Distribution agrees to file an advice letter or application within 30 days after the Commission has approved this Amended Stipulation by which SourceGas Distribution will propose that its GCA mechanism allocate such storage costs on a zoned basis. In addition to SourceGas Distribution, the remaining Settling Parties agree to this resolution and to support such advice letter or application in concept. No Settling Party shall be prejudiced by signing this Amended Stipulation as to any position taken on the specific proposals in such an advice letter or application, as the total effects of the change concerning the allocation of storage costs are unknown at the time of the filing of this Amended Stipulation.

C. Motion to Enforce Stipulation

5. In the Motion, A M explains that SourceGas filed Advice Letter No. 269 with new GCA storage rates on March 20, 2014 in Proceeding No. 14AL-0258G. A M states that it did not intervene in that proceeding and explains that SourceGas later withdrew the advice letter in response to objections of the Staff of the Colorado Public Utilities Commission. A M asserts that SourceGas has not refiled an advice letter and that it refuses to do so.

6. According to A M, SourceGas was required, pursuant to the terms of the approved Stipulation, to file the advice letter and to prosecute that advice letter through a Commission decision. A M argues that reading the Stipulation to require merely the filing of an advice letter without prosecuting it to conclusion would render the Stipulation meaningless as to Section II. G. 3.

7. SourceGas responds that it fully supported its filing in Proceeding No. 14AL-0258G with a thoroughly analyzed “pathing study” and corresponding rate allocations. SourceGas argues that its only requirement under Section II.G.3 was to file the advice letter and that the Stipulation did not require the Company to prosecute it.

8. SourceGas further notes that the Stipulation expressly states that no party is prejudiced as to any position taken on the specific proposals in such an advice letter filing.

SourceGas argues that A M's position is contrary to the Stipulation and collaterally attacks the Commission's decision approving the Stipulation and resolving the issue raised in the rate proceeding.

D. Conclusions and Findings

9. We find the Motion and the response filed by SourceGas may present an ambiguity that cannot be resolved by a reading of the language in Stipulation. We therefore refer the matter to an ALJ to determine the intent of the Stipulation and whether A M has waived any of its rights.

II. ORDER

A. It Is Ordered That:

1. The Motion to Enforce Stipulation filed on October 6, 2014 by A M Gas Transfer Corporation is referred to an Administrative Law Judge for a recommended decision.

2. This Decision is effective on its Mailed Date.

**B. ADOPTED IN COMMISSIONERS' WEEKLY MEETING
November 5, 2014.**

(S E A L)



ATTEST: A TRUE COPY



Doug Dean,
Director

THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO

JOSHUA B. EPEL

PAMELA J. PATTON

GLENN A. VAAD

Commissioners