

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

PROCEEDING NO. 24A-0142G

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IN THE MATTER OF THE APPLICATION OF BLACK HILLS COLORADO GAS, INC.  
D/B/A BLACK HILLS ENERGY FOR AN ORDER APPROVING AN EXTENSION TO THE  
COMPANY'S GAS HEDGING PROGRAM TO EXTEND THROUGH JUNE 30, 2026.

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**RECOMMENDED DECISION  
ACKNOWLEDGING WITHDRAWALS OF  
INTERVENTION, GRANTING APPLICATION,  
AND CLOSING PROCEEDING**

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Mailed Date: August 16, 2024

**I. STATEMENT**

**A. Background**

1. On March 26, 2024, Black Hills Colorado Gas, Inc. (“Black Hills” or “Applicant”) filed its Verified Application (“Application”) seeking a Commission order approving an extension to its gas hedging program through June 30, 2026.

2. On March 29, 2024, the Commission issued a Notice of Application Filed (“Notice”).

3. On April 26, 2024, the Utility Consumer Advocate (“UCA”) filed its Intervention by Right, Request for Hearing, and Entry of Appearance.

4. On May 8, 2024, Trial Staff of the Commission (“Staff”) filed its Unopposed Motion for Late-Filed Intervention, Entry of Appearance, Notice Pursuant to Rules 1007(a) and Rule 1401, and Request for Hearing (“Staff’s Motion for Late-Filed Intervention”).

5. On May 22, 2024, the Commission referred this matter to an Administrative Law Judge (“ALJ”) by minute entry. This Proceeding was subsequently assigned to the undersigned ALJ.

6. On May 24, 2024, Black Hills filed its Unopposed Motion to Extend Deadline to File Direct Testimony (“Black Hills’ Motion to Extend Deadline to File Direct Testimony”). Black Hills sought additional time beyond the deadline established in the Notice.

7. By Decision No. R24-0373-I, issued June 3, 2024, the undersigned ALJ granted Staff’s Motion for Late-Filed Intervention, granted Black Hills’ Motion to Extend Deadline to File Direct Testimony, and acknowledging UCA and Staff as intervening parties in this Proceeding.

8. On June 24, 2024, Black Hills filed the Direct Testimony of Jodi L. Culp with Attachments (“Black Hills’ Direct Testimony”) in support of the Application.

9. On July 12, 2024, the Notice of Withdrawal of Intervention as of Right by Trial Staff of the Commission (“Staff’s Withdrawal of Intervention”) was filed by Staff. Staff states that after reviewing the Application and Black Hills’ Direct Testimony, Staff agrees with the Applicant that the Commission should approve the Application and extend Black Hills’ gas hedging program through June 30, 2026.<sup>1</sup>

10. On July 12, 2024, UCA filed its Withdrawal of Intervention of the Office of the Utility Consumer Advocate (“UCA’s Withdrawal of Intervention”). Like Staff, UCA states that after reviewing the Application, direct testimony and attachments, it agrees with the Applicant

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<sup>1</sup> Staff’s Withdrawal of Intervention at 1.

that the Commission should approve the Application and extend the Company's gas hedging program through June 30, 2026.<sup>2</sup>

**B. Analysis**

11. Because the interventions of UCA and Staff have been withdrawn, the Application is unopposed and, pursuant to § 40-6-109(5), C.R.S., and Rule 1403 of the Rules of Practice and Procedure, 4 *Code of Colorado Regulations* 723-1, will be considered under the modified procedure, without a formal hearing.

12. Applicant is not requesting any changes to its gas hedging program, and the framework for its gas hedging program mirrors that which has been approved by the Commission through Decision No. R23-0340, mailed May 22, 2023, in Proceeding No. 22A-0547G. Black Hills explains that its gas hedging program uses call options, put options, and fixed-price futures contracts as hedging tools, subject to a budget.<sup>3</sup> Black Hills would continue to recover all hedging costs at or below the approved budget through its gas cost adjustment.<sup>4</sup>

13. The ALJ finds and concludes that Black Hills' proposal to extend its gas hedging program through June 30, 2026, as approved by Decision No. R23-0340 in Proceeding No. 22A-0547G, is reasonable and in the public interest.

14. Therefore, in accordance with § 40-6-109, C.R.S., the ALJ recommends that the Commission enter the following order.

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<sup>2</sup> UCA's Withdrawal of Intervention at 1.

<sup>3</sup> Application at 2 and Black Hills' Direct Testimony at 13-19.

<sup>4</sup> Application at 4 and Black Hills' Direct Testimony at 5, 23.

## II. ORDER

### A. The Commission Orders That:

1. The withdrawals intervention filed by Trial Staff of the Commission (“Staff”) and the Utility Consumer Advocate (“UCA”) are acknowledged.

2. UCA and Staff are dismissed from this Proceeding.

3. The Verified Application of Black Hills Colorado Gas, Inc. for an Order Approving an Extension to the Company’s Gas Hedging Program Through June 30, 2026, filed on March 26, 2024, is granted.

4. Proceeding No. 24A-0142G is closed.

5. This Recommended Decision shall be effective on the day it becomes the Decision of the Commission, if that is the case, and is entered as of the date above.

- a) If no exceptions are filed within 20 days after service or within any extended period of time authorized, or unless the decision is stayed by the Commission upon its own motion, the recommended decision shall become the decision of the Commission and subject to the provisions of § 40-6-114, C.R.S.
- b) If a party seeks to amend, modify, annul, or reverse basic findings of fact in its exceptions, that party must request and pay for a transcript to be filed, or the parties may stipulate to portions of the transcript according to the procedure stated in § 40-6-113, C.R.S. If no transcript or stipulation is filed, the Commission is bound by the facts set out by the administrative law judge and the parties cannot challenge these facts. This will limit what the Commission can review if exceptions are filed.

15. If exceptions to this Recommended Decision are filed, they shall not exceed 30 pages in length, unless the Commission for good cause shown permits this limit to be exceeded.

(S E A L)



ATTEST: A TRUE COPY

THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF COLORADO

AVIV SEGEV

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Administrative Law Judge

A handwritten signature in cursive script that reads "Rebecca E. White".

Rebecca E. White,  
Director