

BEFORE THE PUBLIC SERVICE COMMISSION OF WYOMING

IN THE MATTER OF THE APPLICATION OF)
SOURCEGAS DISTRIBUTION LLC)
(TORRINGTON DIVISION) FOR AUTHORITY)
TO PASS ON THROUGH ITS COMMODITY)
BALANCING ACCOUNT A DECREASE OF)
\$0.0693 PER THERM TO ITS PASS ON RATE)
[REGULATED RATE] CUSTOMERS)

Docket No. 30022-240-GP-14
(Record No. 14019)

NOTICE AND ORDER
(Issued November 24, 2014)

This matter is before the Wyoming Public Service Commission (Commission) upon the application of SourceGas Distribution LLC (SGD) for authority to pass on a wholesale natural gas cost decrease through its Commodity Balancing Account (CBA), and a *Petition for Confidential Treatment of Exhibit D (Petition)*. The Commission, having reviewed the application and *Petition*, its files regarding SGD, applicable Wyoming utility law, and otherwise being fully advised in the premises, FINDS and CONCLUDES:

1. SGD is a public utility as defined by W.S. § 37-1-101(a)(vi)(D), subject to the Commission's jurisdiction pursuant to W.S. § 37-2-112.
2. On October 31, 2014, SGD applied to pass-on a decrease of \$0.0693 per therm, effective on and after December 1, 2014, to its Torrington Division Pass-On Rate [Regulated Rate] customers. The proposed pass-on rate is attributable to: [i] a projected decrease of \$0.0354 per therm in the wholesale cost of gas, [ii] a decrease of \$0.0335 per therm in the CBA surcharge, and [iii] a decrease of \$0.0004 per therm in the Working Gas Storage Adjustment. On the same date, SGD also filed its *Petition*. On November 4, 2014, the Commission suspended SGD's application for the initial statutory period pursuant to W.S. § 37-3-106.
3. The proposed and current Total Purchased Gas Costs and Total Volumetric Retail Rate for Small General Service (SGS) customers, stated in dollars per therm, are as follows:

Total Gas Cost (SGS), including Residential Customers

	Current (/therm)	Proposed (/therm)	Change (/therm)	Change (%)
Wholesale Gas Cost	\$0.5401	\$0.5047	(\$0.0354)	(6.6%)
Amortize CBA	\$0.0460	\$0.0125	(\$0.0335)	(72.8%)
Total Purchased Gas Cost	\$0.5861	\$0.5172	(\$0.0689)	(11.8%)
Working Gas Storage Adjustment	\$0.0028	\$0.0024	(\$0.0004)	(14.3%)
Distribution Use Per Customer Adjustment	(\$0.0054)	(\$0.0054)	\$0.0000	0.0%
Distribution Charge	\$0.1274	\$0.1274	\$0.0000	0.0%
Transportation Rate Adjustment	\$0.0174	\$0.0174	\$0.0000	0.0%
Total Volumetric Rate	\$0.7283	\$0.6590	(\$0.0693)	(9.5%)

4. A public utility may apply to pass on to its customers in rates, known commodity or commodity-related cost increases or decreases, if the application complies with the substantive and procedural requirements of §§ 249 and 250 of the Commission's rules, and the Commission determines:

- Allowing recovery of the costs is in the public interest and is for prudently incurred wholesale utility commodity cost increases or decreases not under the Commission's jurisdiction or costs deemed appropriate by the Commission in accordance with the Rules.
- The pass-on includes only actual or projected increases in commodity or commodity-related costs and will not result in the utility's normalized rate of return on rate base exceeding that last authorized by the Commission, or the pass-on will not result in the utility's annual earnings exceeding that last authorized by the Commission.
- The pass-on is allocated to all retail rate classes and contract customers on an equal or proportional basis, unless an exception is granted by the Commission in accordance with the Rules and in the public interest.
- All pass-on rates are filed as a cumulative rate rider or surcharge separate from base rates.
- The pass-on costs are the most reasonable option practically available to the utility for safe, adequate and reliable service to retail customers, as more fully detailed in the Rules.
- There are provisions for the payment of interest on over-collected balances in the Commodity Balancing Account, and if the utility has requested the charging of interest on any under-collected balances in the Commodity Balancing Account, the utility has demonstrated the charging of interest on under-collected balances is in the public interest.
- The application contains supporting documentation as required by the Rules.

5. The application and *Petition* were considered by the Commission pursuant to due notice at its regular open meeting on November 20, 2014. Jerrad Hammer, Senior Manager, Regulatory, and Eric Nelsen, Counsel, participated in person for SGD. Hammer provided a summary of the application and described the components of the proposed wholesale gas cost decrease, generally describing the information set forth in paragraphs 2 and 3 above. Staff recommended approval of the application and accompanying *Petition*.

6. Based on the application and representations by SGD, and the analysis and recommendations of the Staff, the Commission finds SGD's pass-on decrease should be approved, effective for usage on and after December 1, 2014, subject to public notice, protest, opportunity for hearing, refund and such further modification and order as deemed appropriate by the Commission. The Commission also concludes that SGD's *Petition* complies with § 120 of the Commission's Rules, and should be granted.

7. Public notice shall be in the following form:

PUBLIC NOTICE

The Wyoming Public Service Commission (Commission) has given SourceGas Distribution LLC (SGD or the Company) authority to pass on to its Pass-On Rate [Regulated Rate] customers in

the Torrington Division a retail gas rate decrease of \$0.0693 per therm, effective on and after December 1, 2014. This approval is subject to notice, protest, investigation, opportunity for hearing, change, refund and such other orders as the Commission may deem appropriate.

The proposed pass-on rate decrease is attributable to: [i] a projected decrease of \$0.0354 per therm in the wholesale cost of gas, [ii] a decrease of \$0.0335 per therm in the CBA surcharge, and [iii] a decrease of \$0.0004 per therm in the Working Gas Storage Adjustment.

The average Small General Service customer using approximately 70 therms per month may expect a monthly gas bill decrease of approximately \$4.86, or about 7.4%, before taxes. Actual bills will vary with usage.

Commission Rule §§ 249 and 250 allow a utility to pass on to its customers known or prospective wholesale commodity cost increases or decreases on a dollar-for-dollar basis and subject to public notice, opportunity for hearing and refund.

SGD's application is on file at the Commission's offices in Cheyenne, Wyoming, and at the Company's Wyoming business offices, and may be inspected by any interested person during regular business hours.

Anyone desiring to file an intervention petition, request for a public hearing, statement, public comment or protest in this matter must file in writing with the Commission on or before December 23, 2014. The petition shall set forth the grounds for the proposed intervention or request for hearing and the position and interest of the petitioner in this proceeding.

If you want to intervene in this matter or request a public hearing that you will attend, or want to make a statement, a protest or a public comment, and you require reasonable accommodation for a disability, please contact the Commission at (307) 777-7427, or write to the Commission at 2515 Warren Avenue, Suite 300, Cheyenne, Wyoming 82002, to make arrangements. Communications impaired persons may also contact the Commission by accessing Wyoming Relay at 711. Please mention Docket No. 30022-240-GP-14 in your communications.

Dated: November 24, 2014.

IT IS THEREFORE ORDERED:

1. Pursuant to open meeting action taken on November 20, 2014, the application of SourceGas Distribution LLC for authority to pass on through its Commodity Balancing Account a net wholesale gas cost decrease of \$0.0693 per therm to its Pass-On Rate [Regulated Rate] customers in the Torrington Division, effective for usage on and after December 1, 2014, is approved, subject to notice, protest, intervention, refund, opportunity for hearing, and such other orders as the Commission may deem appropriate.

2. SourceGas Distribution LLC's *Petition for Confidential Treatment of Exhibit D*, is granted.

3. This *Notice and Order* is effective immediately.

MADE and ENTERED at Cheyenne, Wyoming, on November 24, 2014.

PUBLIC SERVICE COMMISSION OF WYOMING

ALAN B. MINIER, Chairman

WILLIAM F. RUSSELL, Deputy Chairman

KARA BRIGHTON, Commissioner

(SEAL)
Attest:

JOHN S. BURBRIDGE, Assistant Secretary