

BEFORE THE PUBLIC SERVICE COMMISSION OF WYOMING

IN THE MATTER OF THE AMENDED)
APPLICATION OF FRANNIE DEEVER UTILITIES)
FOR AUTHORITY TO PASS ON AN INCREASE OF)
ITS NATURAL GAS COST OF \$0.4247 PER MCF)
TO ITS CUSTOMERS)

Docket No. 30007-131-GP-18
(Record No. 15009)

NOTICE AND ORDER
(Issued October 10, 2018)

This matter is before the Wyoming Public Service Commission (Commission) upon the Amended Application of Frannie Deaver Utilities (Frannie Deaver or Company) for authority to revise its Commodity Balancing Account (CBA) tariff and pass on a net increase in the total purchased gas cost in the amount of \$0.4247 per Mcf, effective July 1 through September 30, 2018.

The Commission, having reviewed the Amended Application, its files regarding Frannie Deaver, applicable Wyoming utility law, and otherwise being fully advised in the premises, FINDS and CONCLUDES:

1. Frannie Deaver is a public utility as defined by Wyo. Stat. § 37-1-101(a)(vi)(D), subject to the Commission's jurisdiction pursuant to Wyo. Stat. § 37-2-112.
2. On May 30, 2018, Frannie Deaver filed its initial Application. On June 6, 2018, Frannie Deaver filed an Amended Application for authority to adjust its CBA tariff to pass on to its customers a net increase in delivered gas costs in the amount of \$0.4247 per Mcf, effective July 1, 2018. The proposed increase is attributable to an increase of \$0.3010 per Mcf in the purchased gas cost and a decrease of \$0.1237 per Mcf in the CBA Amortization credit, based on an over-collected balance of \$4,366 through March 2018.
3. On June 6, 2018, the Commission issued its *Suspension Order* pursuant to Wyo. Stat. § 37-3-106(c), suspending the effectiveness of the Application for the initial statutory period.
4. The proposed pass-on increase of \$0.4247 per Mcf will affect approximately 239 retail gas customers. For residential customers, the proposed increase results in an average monthly bill increase of approximately \$1.23 or 3.86%, before taxes, using a monthly average of 2.9 Mcf for July 1 through September 30, 2018. The proposed increase will result in a projected dollar-for-dollar increase in the Company's July 1 through September 30, 2018, revenues of approximately \$1,635.
5. The Company's current and proposed Total Purchased Gas Cost and Total Gas Rate for Residential customers, stated in dollars per Mcf, are as follows:

Table: Current and Proposed Total Gas Rate Comparison, Residential			
Rate Component	Current ¹ (\$/Mcf)	Proposed (\$/Mcf)	Difference (\$/Mcf)
Purchased Gas Cost	2.4582	2.7592	0.3010
CBA Amortization	(0.2385)	(0.1148)	0.1237
Total Purchased Gas Cost	2.2197	2.6444	0.4247
Non-Commodity Rate	3.6034	3.6034	0.0000
Total Volumetric Cost	5.8231	6.2478	0.4247

The proposed CBA Amortization adjustment includes only gas commodity purchase costs and the CBA surcharge account. The proposed retail rate increase is calculated on a dollar-for-dollar basis and, therefore, will not affect Frannie Deaver's operating revenues or its authorized operating ratio.

6. Pursuant to Commission Rule Chapter 3, Section 26(a), a public utility may file an application to pass on to its customers in rates, known or projected commodity or commodity-related cost increases or decreases if the application complies with the substantive and procedural requirements of the Rules and the Commission determines:

a. The evidence shows recovery of the costs is in the public interest and the pass-on includes only prudent commodity or commodity-related cost increases or decreases not under the Commission's jurisdiction.

b. The costs included in the application are the most reasonable option available to the utility for safe, adequate and reliable service.

c. The pass-on increase or decrease is allocated to all retail rate classes and contract customers on an equal or proportionate basis. The Commission may consider special proportionate class allocation if requested.

d. The application contains supporting documentation as required by the Rules.

7. Pursuant to Commission Rule Chapter 3, Section 26(b), a utility may file an application to establish a CBA tariff mechanism to account for the difference between commodity or commodity-related revenues collected, based on projected wholesale costs, and the actual, prudent commodity or commodity-related expenditures the utility incurred. The utility may apply to the Commission for approval to include other costs and revenues in the CBA. Interest shall be paid on over-collected balances. Interest may be collected on under-collected balances upon a showing that it is in the public interest. Interest shall be computed at the Commission Authorized Interest Rate.

8. Frannie Deaver's Amended Application came before the Commission for consideration pursuant to due notice at its Open Meeting on June 28, 2018. Garrett Frescoln, Vice President, participated via telephone on behalf of Frannie Deaver. Mr. Frescoln provided a

¹ Docket No. 30007-130-GP-18, *Notice and Order*, April 3, 2018.

summary of the Amended Application and components of the proposed total purchased gas cost increase, generally describing the information set forth in paragraphs 2 and 5 above. Commission Staff recommended the Commission approve the Amended Application.

9. Based on the Amended Application, representations by Mr. Frescoln, and the recommendations of Commission Staff, the Commission finds and concludes that Frannie Deaver's Amended Application conforms to the requirements of Commission Rule Chapter 3, Section 26, and the Company is authorized to use a balancing account as granted in previous dockets. The Commission further finds and concludes the pass-on rate changes should be effective for service rendered on and after July 1, 2018, subject to notice, protest, intervention, refund, change, further investigation, opportunity for hearing, and further order of the Commission.

10. The Commission directs that public notice in this matter be in the following form:

PUBLIC NOTICE

The Wyoming Public Service Commission (Commission) approved the Amended Application of Frannie Deaver Utilities (Frannie Deaver or Company) for authority to revise its Commodity Balancing Account (CBA) tariff and pass on a net increase in the total purchased gas cost in the amount of \$0.4247 per Mcf, to be effective for the three-month period of July 1 through September 30, 2018. The proposed increase is attributable to an increase of \$0.3010 per Mcf in the purchased gas cost and a decrease of \$0.1237 per Mcf in the CBA Amortization credit, based on an over-collected balance of \$4,366 through March 2018. The Commission's approval of Frannie Deaver's Amended Application is subject to notice, protest, intervention, refund, change, further investigation, opportunity for hearing, and further order of the Commission.

The average residential customer using a monthly average of 2.9 Mcf for July 1 through September 30, 2018, may expect a monthly gas bill increase of approximately \$1.23, or about 3.86%, before taxes. Actual bills will vary with usage.

The proposed retail rate increase will result in a projected dollar-for-dollar increase in the Company's July 1 through September 30, 2018, revenues of approximately \$1,635. The increase does not change the Company's authorized rate of return.

Commission Rule Chapter 3, Section 26 allows a utility to pass on to its customers known or projected commodity cost increases or decreases on a dollar-for-dollar basis, subject to public notice, opportunity for hearing and refund.

Frannie Deaver's Amended Application is on file at the Commission's offices, located at 2515 Warren Avenue, Suite 300, Cheyenne, Wyoming, and at the Company's offices located in Frannie, Wyoming. The Amended Application is available for inspection by any interested person during regular business hours or online at: <http://psc.state.wy.us/>.

Anyone desiring to file a statement, intervention petition, protest or request for a public hearing in this matter must file in writing with the Commission on or before November 9, 2018. A proposed intervention or request for hearing must set forth the grounds under which they are made and the position and interest of the petitioner in this proceeding. Please mention Docket No. 30007-131-GP-18 (Record No. 15009) in your communications.

If you wish 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.

Dated: October 10, 2018.

IT IS THEREFORE ORDERED:

1. Pursuant to Open Meeting action taken on June 28, 2018, the Amended Application of Frannie Deaver Utilities for authority to pass on a net increase in the total purchased gas cost in the amount of \$0.4247 per Mcf is approved, effective July 1 through September 30, 2018, subject to notice, protest, intervention, refund, change, further investigation, opportunity for hearing, and such other orders as the Commission may deem appropriate.

2. Frannie Deaver Utilities is directed to provide notice of this increase in rates to its customers through its regular monthly statements. Frannie Deaver Utilities shall submit an affidavit to the Commission that notice was individually provided to its customers. Frannie Deaver Utilities may utilize the above Public Notice in lieu of this *Notice and Order* in providing the required notice.

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

MADE and ENTERED at Cheyenne, Wyoming, on October 10, 2018.

PUBLIC SERVICE COMMISSION OF WYOMING



WILLIAM F. RUSSELL, Chairman



KARA BRIGHTON FORNSTROM, Deputy Chair



Attest:



STEVE MINK, Assistant Secretary