

BEFORE THE PUBLIC SERVICE COMMISSION OF WYOMING

IN THE MATTER OF THE AMENDED)
APPLICATION OF FRANNIE DEEVER)
UTILITIES FOR AUTHORITY TO PASS ON) Docket No. 30007-149-GP-22
AN INCREASE IN THE WHOLESALE COST) (Record No. 17055)
OF NATURAL GAS OF \$1.5380 PER MCF)

NOTICE AND ORDER
(Issued August 10, 2022)

This matter is before the Wyoming Public Service Commission (Commission) upon the Amended Application (Application) of Frannie Deaver Utilities (FDU or the Company) for authority to revise its Commodity Balancing Account (CBA) tariff to pass on a net wholesale gas cost increase of \$1.5380 per Mcf.

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

1. FDU 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. The Company provides natural gas utility service to approximately 250 customers in and around the towns of Frannie and Deaver, Wyoming.

2. On May 12, 2022, FDU filed its quarterly CBA application requesting authority to pass on a net wholesale gas cost increase. On June 10, 2022, the Company amended its application. On June 15, 2022, the Company submitted a revision to the amended application. As revised, the Amended Application requested authority to pass on a net wholesale gas cost increase of \$1.5380 per Mcf, effective for usage on and after July 1, 2022. The change is due to an increase in the purchased gas costs of \$1.6545 per Mcf, offset slightly by an increase in the CBA amortization credit of \$ 0.1165 per Mcf, as reflected in Table 1, below. The current total gas rate of \$7.7485 per Mcf will increase to \$9.2865 per Mcf.

3. On June 10, 2022, the Commission issued a Suspension Order, pursuant to Wyo. Stat. §37-3-106-(c), suspending the effectiveness of the Application for the initial statutory period.

4. The proposed increase of \$1.5380 per Mcf will affect approximately 250 natural gas customers. For the typical residential customer, this results in a monthly increase of \$3.13 or 10.17%, before taxes, based on a monthly usage of 2.03 Mcf for July 1 through September 30, 2022. The proposed increase results in a projected dollar-for-dollar increase in the Company's revenues of approximately \$5,275.34.

5. FDU's current and proposed Total Gas Rates for Residential customers, in dollars per Mcf, are:

Table 1: Current and Proposed Total Gas Rate Comparison, Residential			
Rate Component	Current ¹ (\$/Mcf)	Proposed (\$/Mcf)	Difference (\$/Mcf)
Purchased Gas Cost	4.3673	6.0218	1.6545
CBA Amortization	(0.2222)	(0.3387)	(0.1165)
Total Purchased Gas Cost	4.1451	5.6831	1.538
Non-Commodity Rate	3.6034	3.6034	0.0000
Total Gas Rate	7.7485	9.2865	1.538

The Company calculates the proposed CBA surcharge adjustment by dividing the \$13,597 over-collected balance by the projected 2022 annual sales volume of 40,150 Mcf, resulting in a proposed Balancing Account credit of \$0.3387 per Mcf.

6. Pursuant to Commission Rule Chapter 3, Section 26(a), a public utility may file an application to pass on, to its customers, 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 allocates increases or decreases to all retail rate classes and contract customers on an equal or proportionate basis. The Commission may consider a special proportionate class allocation if requested.

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

7. The Commission previously authorized FDU to establish a CBA 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.

8. FDU's amended application came before the Commission pursuant to due notice at its Open Meeting on June 21, 2022. Garret Frescoln, Vice President, appeared on behalf of the Company. He presented the amended application and the components of the proposed increase, generally describing the information set forth in paragraphs 2 and 5 above. Commission Staff recommended the Commission approve the amended application.

¹ Docket No. 30007-148-GP-22, *Notice and Order*, May 3, 2022.

9. Based on the amended application, the representations of Mr. Frescoln, and the recommendations of Commission Staff, the Commission finds and concludes that FDU's amended application conforms to the requirements of Commission Rule Chapter 3, Section 26, and the Company's previously authorized use of a commodity balancing account. The Commission approves the pass-on rate changes effective for service rendered on and after July 1, 2022, 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 for authority to pass on a net wholesale gas cost increase of \$1.5380 per Mcf, effective for usage on and after July 1, 2022. The proposed increase is attributable to an increase of \$1.6545 per Mcf in wholesale purchased gas costs and an increase of \$0.1165 per Mcf in the amortization credit based on an over-collected balance as of March 2022. The current rate of \$7.7485 per Mcf will increase to \$9.2865 per Mcf. This approval is subject to notice, protest, intervention, refund, change, additional investigation, opportunity for hearing, and further order of the Commission.

A typical residential customer using 2.03 Mcf per month for July 1 through September 30, 2022, may expect a monthly gas bill increase of \$3.13, or 10.17%, before taxes. Actual bills will vary with usage.

The Application is available for inspection at the Company's office in Frannie, or at the Commission's office in Cheyenne during regular business hours or online at: <https://dms.wyo.gov/external/publicusers.aspx>. (Enter Record No. 17055.)

Anyone desiring to file a statement, intervention, protest, or request for hearing in this matter must file in writing with the Commission on or before September 9, 2022. A proposed intervention or request for hearing must set forth the grounds, the position and interest of the petitioner in this proceeding. Please mention Docket No. 30007-149-GP-22 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. Communications-impaired persons may also contact the Commission by accessing Wyoming Relay at 711.

Dated: August 10, 2022.

IT IS THEREFORE ORDERED:

1. Pursuant to Open Meeting action taken on June 21, 2022, the amended application of Frannie Deaver Utilities for authority to pass on a net wholesale gas cost increase of \$1.5380

per Mcf is approved, effective for usage on and after July 1, 2022, is hereby approved, subject to notice, protest, intervention, refund, change, additional investigation, opportunity for hearing, and such other orders as the Commission may deem appropriate.

2. Frannie Deaver Utilities shall provide notice of this rate increase to its customers through its regular monthly statements. Frannie Deaver Utilities shall submit an affidavit to the Commission that it provided notice to each individual customer. 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 August 10, 2022.



PUBLIC SERVICE COMMISSION OF WYOMING

Ch. B. Petrie

CHRISTOPHER B. PETRIE, Chairman

Michael M. Robinson

MICHAEL M. ROBINSON, Deputy Chairman

Mary A. Throne

MARY A. THRONE, Commissioner

(SEAL)

Attest:

Wesley G. Neuman

WESLEY G. NEUMAN, Assistant Secretary

CERTIFICATE OF SERVICE

I hereby certify that on August 10, 2022, a copy of the Commission's *Notice and Order* was sent via electronic mail or hand delivery to the following:

Garret Frescoln
Vice President
Frannie Deaver Utilities
111 4th Street, P. O. Box 22
Frannie, WY 82423
fduldc@gmail.com

Jozy Kline

Jozy Kline, Paralegal