

BEFORE THE PUBLIC SERVICE COMMISSION OF WYOMING

IN THE MATTER OF THE APPLICATION OF)
CHEYENNE LIGHT, FUEL AND POWER COMPANY)
FOR AUTHORITY TO PASS ON A GAS COST) DOCKET NO. 30005-GP-01-82
ADJUSTMENT INCREASE OF \$3.5097/ DTH)
) (RECORD NO. 6377)
)
)

NOTICE AND ORDER

(Issued January 31, 2001)

This matter is before the Public Service Commission of Wyoming (Commission) upon the out-of-period application of Cheyenne Light, Fuel & Power Company (Cheyenne Light or the Company) for authority to pass on a net wholesale natural gas cost increase of \$16,575,313 per annum, or approximately \$3.5097 per decatherm (Dth), through its Gas Cost Adjustment (GCA), effective February 1, 2001.

The Commission, having reviewed the application, its files concerning Cheyenne Light, applicable Wyoming utility law, and being otherwise fully advised in the premises, hereby FINDS and CONCLUDES:

1. Cheyenne Light is a public utility as defined, by W.S. § 37-1-101(a)(vi), and, as such, is subject to the Commission's jurisdiction pursuant to W.S. § 37-2-112.
2. On January 12, 2001, Cheyenne Light filed its out-of-period application for authority to implement changes in its Gas Cost Adjustment (GCA), citing continued high natural gas costs anticipated by the Company for the period February 1, 2001, through January 31, 2002, as well as an increased balance of under collected costs for prior commodity purchases. The application further stated that the proposed adjustment reflects higher natural gas prices than those included in the Company's last annual GCA application, effective October 1, 2000. As a result of the recent dramatic increase in natural gas prices, and the anticipation that natural gas prices will remain high over an extended period of time in the future, Cheyenne Light anticipates increases in market-dependent contracts with the Company's natural gas producers/suppliers. A more detailed description of Cheyenne Light's gas cost forecast is contained in the application and attachments.
3. The application also states that the proposed GCA calculation includes a credit of \$528,639, which is a refund from Cheyenne Light's wholesale gas suppliers and interest thereon through January 31, 2001. The refund stems from a settlement resulting from litigation related to the federal Natural Gas Policy Act of 1978 and Kansas *ad valorem* taxes.
4. The application also proposes a change to Cheyenne Light's GCA Tariff Sheet No. 37B, to correct a parenthetical expression "\$0.001" to "\$0.0001" in order to conform to the written text, "one-tenth of a mill." The full text of the proposed change, showing the old expression in strikeout format and the proposed correction in underline format, is:

The Projected Gas Cost Adjustment will be calculated to the nearest one-tenth of a mill ~~(\$0.001)~~ (\$0.0001) per Dth.
5. The table below shows the current and proposed rates, by tariff, and illustrates the increase sought in each case:

Summary of Gas Cost Adjustment - Effective February 1, 2001

Effectuated Tariff	Oct. 1,2000 Cost (\$/Dth)	February 1,2001 Cost (\$/Dth)	Net Change (\$/Dth)
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RG*	4.6547	8.1644	3.5097
CG	4.6547	8.1644	3.5097
IG	4.3596	7.8693	3.5097
SCS-1	4.3596	7.8693	3.5097
SCS-2	4.3596	7.8693	3.5097
TF - Firm Supply Reservation	4.8820	4.8820	0
TF - Back up Supply	4.3596	7.8693	3.5097
TF - Authorized Overrun	4.3596	7.8693	3.5097
TI - On Peak Demand	6.9902	6.9902	0
TI - Back up Supply	4.3596	7.8693	3.5097
CNG	4.3596	7.8693	3.5097

* The proposed pass on will increase an average residential customer's monthly natural gas costs by approximately \$49.14 based on a winter monthly usage of about 14 decatherms.

6. Pursuant to Sections 249 and 250 of the Commission's Rules, a utility may pass on to its customers known or prospective wholesale commodity cost increases or decreases under the following circumstances, subject to public notice, opportunity for hearing and refund:

- a. The pass on is for wholesale commodity cost changes which are not under the Commission's jurisdiction.
- b. The pass on does not increase a utility's rate of return and the utility is earning at or below its last authorized rate of return.
- c. The pass on is applied to all rate classes in an equal or proportional manner.
- d. The pass on charges are filed as a separate, cumulative rate rider.
- e. There are provisions for interest on over collections.
- f. The utility provides documentation that the commodity costs are the most economical option reasonably available.

7. Cheyenne Light's application generally [i] conforms to the above-referenced requirements, and [ii] constitutes a compliance with the authorized use of Cheyenne Light's balancing account as established by the Commission for Cheyenne Light in previous dockets.

8. Cheyenne Light's application is on file with the Commission at its offices in Cheyenne, Wyoming, and at the Company's offices also located in Cheyenne, Wyoming, and may be inspected there by any interested person during regular business hours.

9. Anyone desiring to intervene as a party, file a statement, representation, protest or request for hearing in this matter must do so, in writing, on or before March 1, 2001.

10. If you wish to intervene in this matter or to request a public hearing which you will attend, 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 1-800-877-9965. Please mention the docket number in your communications. Please contact us as soon as possible to help us serve you better.

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

PUBLIC NOTICE

Cheyenne Light, Fuel & Power Company (Cheyenne Light) has filed with the Public Service Commission (PSC) for authority to pass on a net wholesale gas cost increase of

\$16,575,313 per annum, or approximately \$3.5097 per decatherm (Dth), through its Gas Cost Adjustment (GCA), effective February 1, 2001.

On January 12, 2001, Cheyenne Light filed its out-of-period application for authority to implement changes in its Gas Cost Adjustment (GCA), citing continued high natural gas costs anticipated by the Company for the period February 1, 2001, through January 31, 2002, as well as an increased balance of under collected costs for prior commodity purchases. The application further stated that the proposed adjustment reflects higher natural gas prices than those included in the Company's last annual GCA application, effective October 1, 2000. As a result of the recent dramatic increase in natural gas prices, and the anticipation that natural gas prices will remain high over an extended period of time in the future, Cheyenne Light anticipates increases in market-dependent contracts with the Company's natural gas producers/suppliers. A more detailed description of Cheyenne Light's gas cost forecast is contained in the application and attachments.

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You may review Cheyenne Light's application at the offices of the Commission or the offices of Cheyenne Light, both located in Cheyenne, Wyoming, during regular business hours.

To intervene, request a hearing, file a statement or to protest this application, you must file with the Commission, in writing, mentioning Docket No. 30005-GP-01-82, on or before March 1, 2001.

For more information, please contact the Commission at (307) 777-7427 in Cheyenne during regular business hours, or write the Commission at 2515 Warren Avenue Suite 300, Cheyenne, WY, 82002. Communications impaired persons may also contact the Commission by accessing Wyoming Relay at 1-800-877-9965. Please mention the docket number when you contact us. Please contact us as soon as possible to help us serve you better.

Dated January 31, 2001.

IT IS THEREFORE ORDERED THAT:

1. Pursuant to open meeting action taken on January 26, 2001, the application of Cheyenne Light, Fuel & Power Company for authority to pass on a net wholesale gas cost of \$16,575,313 per annum, or approximately \$3.5097 per decatherm (Dth), through its Gas Cost Adjustment (GCA), as more fully described hereinabove, and effective for service rendered on and after February 1, 2001, is hereby approved, subject to notice, protest, investigation, opportunity for hearing, change, refund or other such and further order as the Commission may deem appropriate.
2. The tariffs filed with this application are hereby accepted for filing.
3. This Notice and Order is effective immediately.

MADE and ENTERED at Cheyenne, Wyoming, this 31st day of January, 2001.

PUBLIC SERVICE COMMISSION OF WYOMING

STEVE ELLENBECKER, Chairman

STEVE FURTNEY, Deputy Chair

(SEAL)

ATTEST:

EDNA YOUNG, Assistant Secretary