

Decision No. C23-0315

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF COLORADO

PROCEEDING NO. 23A-0156G

IN THE MATTER OF THE APPLICATION OF PUBLIC SERVICE COMPANY OF COLORADO FOR APPROVAL OF ITS 2022 DEMAND-SIDE MANAGEMENT PLAN GAS DSM BONUS.

**COMMISSION DECISION GRANTING
APPLICATION FOR APPROVAL OF THE 2022 GAS
DEMAND-SIDE MANAGEMENT BONUS**

Mailed Date: May 12, 2023

Adopted Date: May 10, 2023

I. BY THE COMMISSION

A. Statement

1. On March 31, 2023, pursuant to Colorado Public Utilities Commission (Commission) Rules 1303 and 1403, 4 *Code of Colorado Regulations* (CCR) 723-1 of the Rules of Practice and Procedure, and Rules 4752(b), 4752(c), 4754(f) through (j) and 4760, 4 CCR 723-4 of the Rules Regulating Gas Utilities, Public Service Company of Colorado (Public Service or the Company) filed an application seeking Commission approval for its 2022 Gas Demand-Side Management Bonus (Gas DSM Bonus) and an Acknowledgement of Lost Revenues (ALR).

2. Pursuant to Rule 4753(h)(I), “the utility’s annual expenditure target for DSM programs shall be, at a minimum, two percent of a natural gas utility’s base rate revenues, (exclusive of commodity costs), from its sales customers in the 12-month calendar period prior to setting the targets, or one-half of one percent of total revenues from its sales customers in the

12-month calendar period prior to setting the targets, whichever is greater[.]” For Public Service, this minimum expenditure target is \$8,490,995.¹

3. Pursuant to Rule 4754(g)(II), “[a]s a threshold matter, the utility must expend at least the minimum amount set forth in subparagraph 4753 (h)(I), in order to earn a bonus.” As stated in Public Service’s application, “the Company’s actual gas DSM portfolio expenditures totaled \$18,633,357, which is significantly more than the statutory minimum gas DSM expenditure target[.]”

4. The calculation methodology of the Gas DSM Bonus is governed by Rules 4754(g)(III)-(IV). For 2022, the Company has calculated a Gas DSM Bonus in the amount of \$4,624,639. Additionally, the calculation methodology of an Acknowledgement of Lost Revenues is governed by Rule 4754(g)(I). For 2022, the Company has calculated an ALR in the amount of \$1,747,041. Overall, Public Service seeks Commission approval of a total award of \$6,371,680 for 2022.

II. DISCUSSION

5. In Proceeding No. 20A-0287EG, by Recommended Decision No. R21-0081 issued February 12, 2021, the Commission approved the Company’s 2021 through 2022 DSM Plan. In 2022, the Company exceeded the Commission-approved gas DSM savings goal by 5 percent (achieving 841,127 Dth in gas savings) by expending \$18,633,357, which is slightly above the approved 2022 gas DSM budget. Expenditures above a gas utility’s approved budget

¹ We note that this \$8.5 million minimum expenditure target corrects the value of \$7.6 million stated in the Company’s application. See Proceeding No. 20A-0287EG, Direct Testimony of Company witness White, 25:15-23.

are permitted pursuant to Rule 4753(k), which states that “[a] utility may spend more than the annual expenditure target established by the Commission up to 25 percent over the target, without being required to submit a proposed DSM plan amendment.” Overall, the Company’s 2022 DSM Plan year was cost-effective, leading to a modified Total Resource Cost test value of 2.10 and resulting in net economic benefits totaling \$41,019,593.²

6. Since the Company has met the minimum threshold requirement of Rule 4753(h)(I) and has exceeded its Commission-approved DSM goals for 2022, Public Service is eligible to receive its requested total award of \$6,371,680.

7. Pursuant to Rule 4754(i), “[t]he maximum bonus is 20 percent of net economic benefits or 25 percent of expenditures, whichever is less.” In this case, the Gas DSM Bonus represents 25 percent of the expenditures for 2022.

8. The Commission’s Staff has reviewed the accuracy of the calculation of the award and its adherence to the Commission’s gas DSM rules.

III. ORDER

A. The Commission Orders That:

1. Public Service Company of Colorado’s application for approval of its 2022 gas demand-side management bonus, totaling \$6,371,680, is deemed complete and granted, consistent with the above.

2. This Decision only approves the amount of the bonus requested. Collection of the bonus over a 12-month period through the Gas Demand-Side Management Cost Adjustment, to

² The Company’s 2022 DSM achievements are detailed in its 2022 Annual Demand-Side Management Status Report, filed in Proceeding No. 20A-0287EG.

be effective July 1, 2023, is the subject of Advice Letter No. 1014 – Gas in Proceeding No. 23AL-0161G, which will be before the Commission in a future Commissioners’ Weekly Meeting prior to July 1.

3. The 20-day period provided for in § 40-6-114, C.R.S., within which to file applications for rehearing, reargument, or reconsideration begins on the first day following the effective date of this Decision.

4. This Decision is effective upon its Mailed Date.

**B. ADOPTED IN COMMISSIONERS’ WEEKLY MEETING
May 10, 2023.**

(S E A L)



ATTEST: A TRUE COPY

Rebecca E. White

Rebecca E. White,
Director

THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO

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MEGAN M. GILMAN

TOM PLANT

Commissioners