

Decision No. C23-324-I

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF COLORADO

PROCEEDING NO. 23D-0162E

IN THE MATTER OF PUBLIC SERVICE COMPANY OF COLORADO'S VERIFIED
PETITION FOR DECLARATORY RULING REGARDING TREATMENT OF REVENUE
DECOUPLING ADJUSTMENT PILOT ("RDA PILOT") BALANCES.

**INTERIM COMMISSION DECISION
GRANTING PROCEDURAL MOTION AND
ESTABLISHING BRIEFING SCHEDULE**

Mailed Date: May 16, 2023

Adopted Date: May 10, 2023

I. BY THE COMMISSION

A. Statement

1. On March 31, 2023, Public Service Company of Colorado (Public Service or the Company) filed a Petition for Declaratory Order (Petition) seeking a determination from the Commission regarding the proper treatment of deferred balances associated with the Company's Revenue Decoupling Adjustment (RDA) Pilot and specifically the treatment of the \$49.9 million in a Residential RDA Deferral created in 2021.

2. Public Service filed a motion with the Petition (Procedural Motion). Public Service argues that the resolution of the Residential RDA Deferral is an issue of significant public interest and that the resolution of this matter is time sensitive, requiring that the Commission hear this matter *en banc*. Public Service further requests the establishment of a shortened intervention period for the Petition and of a briefing schedule in which the Company submits its initial brief, intervenors then submit reply briefs within 31 calendar days, and the Company submits its reply

brief within 18 calendar days. Public Service argues that the petition can be decided based on written pleadings and that an evidentiary hearing is not necessary. However, if the Commission decides to hold a hearing, the Company requests that the hearing take place after parties submit their briefs.

3. By Decision No. C23-0245-I, issued on April 17, 2023, the Commission accepted the Petition and established a period for notice, interventions, and responses to the Procedural Motion.

4. By this Decision, we establish the parties to this Proceeding, grant the Procedural Motion, and adopt a briefing schedule regarding the Petition.

B. Background

5. Public Service's RDA Pilot, ultimately approved after the Company's 2019 Electric Rate Case in Proceeding No. 19AL-0268E, is a four-year pilot that began on April 1, 2020, and is planned to continue through December 31, 2023. The RDA Pilot applies only to the Company's Residential and Small Commercial customers.

6. The approved RDA mechanism for each of those two rate classes calculates the difference between a baseline of fixed cost recovery authorized by the Commission and actual fixed costs recovered in base rates, the difference being the Decoupling Amount or Lost Fixed Cost Recovery (LFCR). Over or under recovery of fixed costs is translated into a surcharge or credit for Residential and Small Commercial customers, as applicable (*i.e.*, the RDA Rate).

7. Public Service explains in the Petition that, pursuant to the RDA Pilot, the LFCR is calculated on a calendar-year basis for calendar years 2021, 2022 and 2023 and on a nine-month basis for the year 2020. The period over which LFCR is measured is the "Current Year" under the

RDA Pilot Tariff. The RDA Rate is implemented in the year subsequent to the Current Year. The period during which a particular RDA Rate is in place is the Recovery Period under the RDA Pilot Tariff.

8. The subject of the declaratory order sought by the Petition is the proper implementation of the “soft cap” on the Residential RDA Rate and the RDA Deferral for the 2021 Current Year. Specifically, the symmetrical three percent “soft cap” on the annual decoupling adjustment has caused certain amounts exceeding the cap to be carried forward and, according to the Petition, requires a determination of the proper treatment of deferred balances remaining after two years.

C. Discussion

9. In accordance with Decision No. C23-0245-I, Staff of the Colorado Public Utilities Commission (Staff) and the Colorado Office of the Utility Consumer Advocate (UCA) each timely filed notices of intervention by right.

10. Staff states that there are no issues of disputed fact that require an evidentiary hearing and thus agrees with Public service that the issues can be addressed through briefing and a declaratory order from the Commission. Staff further supports the Company’s proposed briefing schedule as set forth in the Procedural Motion.

11. UCA likewise supports the Company’s request that this matter be heard *en banc* and the expedited procedural briefing schedule as provided in the Procedural Motion. UCA also explains that a hearing is unnecessary because the resolution of this issue may be accomplished solely through the filing of appropriate briefs.

12. No other intervention pleadings were submitted.

D. Findings and Conclusions

13. Pursuant to Rule 4 *Code of Colorado Regulations* 723-1-1401(b) of the Commission's Rules of Practice and Procedure, no decision is required in response to appropriately filed notices of intervention by right. The notices of intervention of right are accepted. Staff and UCA are parties to this Proceeding.

14. We find good cause to grant Public Service's Procedural Motion. We will hear this matter *en banc* and adopt the briefing schedule set forth in the motion.

II. ORDER**A. It Is Ordered That:**

1. The Motion for Consideration *En Banc* and Expedited Procedural Schedule filed by Public Service Company of Colorado (Public Service) on March 31, 2023, is granted, consistent with the discussion above.

2. Consistent with the discussion above, the following are parties to this Proceeding: Public Service, Staff of the Colorado Public Utilities Commission, and the Colorado Office of Utility Consumer Advocate.

3. Parties to this Proceeding shall adhere to the following briefing schedule: Public Service's initial brief shall be filed no later than September 1, 2023; response briefs shall be filed no later than October 2, 2023; and Public Service's reply brief shall be filed no later than October 20, 2023.

4. This Decision is effective upon its Mailed Date.

**B. ADOPTED IN COMMISSIONERS' DELIBERATIONS MEETING
May 10, 2023.**

(S E A L)



ATTEST: A TRUE COPY

Rebecca E. White,
Director

THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO

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Commissioners