

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF COLORADO

PROCEEDING NO. 23AL-0243E

IN THE MATTER OF ADVICE LETTER NO. 1923 - ELECTRIC FILED BY PUBLIC SERVICE COMPANY OF COLORADO TO REVISE ITS COLORADO P.U.C. NO. 8 - ELECTRIC TARIFF TO PLACE INTO EFFECT REVISED BASE RATES AND OTHER AFFECTED CHARGES FOR ALL ELECTRIC RATE SCHEDULES BY ELIMINATING THE GENERAL RATE SCHEDULE ADJUSTMENT (GRSA) AND GENERAL RATE SCHEDULE ADJUSTMENT - ENERGY (GRSA-E) AS WILL BE ESTABLISHED BY THE COMMISSION IN PROCEEDING NO. 22AL-0530E, TO INITIATE TIME-DIFFERENTIATED GENERATION AND TRANSMISSION DEMAND CHARGES FOR SECONDARY GENERAL SERVICE (SCHEDULE SG) AND SECONDARY GENERAL CRITICAL PEAK PRICING SERVICE (SCHEDULE SG-CPP), TO INTRODUCE NEW ELECTRIC VEHICLE RATE OPTIONS FOR CUSTOMERS TAKING SERVICE AT THE PRIMARY DISTRIBUTION LEVEL, TO ADJUST THE PRIMARY GENERAL CRITICAL PEAK PRICING AND SECONDARY PHOTOVOLTAIC TIME-OF-USE SERVICE SECTION TIME-DIFFERENTIATED DEMAND CHARGES, TO MAKE SEVERAL ADMINISTRATIVE REVISIONS, AND TO RECEIVE APPROVAL OF DEFERRED ACCOUNTING TREATMENT FOR RATE CASE EXPENSES, TO BECOME EFFECTIVE JUNE 15, 2023.

**INTERIM COMMISSION DECISION
ESTABLISHING PROCEDURAL SCHEDULE,
GRANTING MOTION FOR VARIANCE FROM
DECISION NO. C23-0483-I, AND FURTHER SUSPENDING
THE EFFECTIVE DATE OF THE TARIFFS**

Mailed Date: August 24, 2023

Adopted Date: August 16, 2023

I. BY THE COMMISSION

A. Statement

1. On May 15, 2023, Public Service filed Advice Letter No. 1923-Electric (AL-1923) with tariff sheets setting forth its base rates for retail electric utility service. Through this Phase II proceeding, Public Service proposes to eliminate the General Rate Schedule

Adjustment (GRSA) and General Rate Schedule Adjustment – Energy (GRSA-E) to be set by the Commission in the Company’s current 2022 Phase I Rate Case (Proceeding No. 22AL-0530E) and establish new base rates and other affected charges in the Company’s Electric Tariff.

2. By Decision No. C23-0373, issued on June 5, 2023, the Commission set for hearing and suspended the effective date of the tariff sheets filed with AL 1923 for 120 days pursuant to § 40-6-111(1), C.R.S.

3. By Decision No. C23-0471-I, issued on July 24, 2023, the Commission established the parties to this Proceeding and directed Public Service to confer with the intervenors on a proposed procedural schedule.

4. By Decision No. C23-0483-I, issued on July 26, 2023, the Commission directed Public Service to file Supplemental Direct Testimony addressing the on-peak, off-peak, and shoulder periods for its time-of-use (TOU) rates.

5. By this Decision, the Commission adopts the procedural schedule proposed by the parties and grants the Motion for Variance from Decision No. C23-0483-I (TOU Variance Motion) filed by Public Service on August 4, 2023, thereby modifying the directives related to the Company’s required Supplemental Direct Testimony.

B. Proposed Procedural Schedule and TOU Variance Motion

6. On August 4, 2023, in accordance with Decision No. C23-0471-I, Public Service filed an unopposed Joint Motion for Approval of Consensus Procedural Schedule and Provisions for Discovery (Procedural Schedule Motion).

7. Public Service states in the Procedural Schedule Motion that it convened discussions among the parties and “worked through proposed filing deadlines and certain

discovery provisions.” Public Service reports that the parties reached consensus on a proposed procedural schedule and provisions for discovery.

8. The proposed procedural schedule includes the following filing deadlines and hearing dates:

- Answer Testimony would be filed no later than October 20, 2023.
- Rebuttal and Cross Answer Testimony would be filed no later than November 17, 2023.
- Settlement Agreements and Stipulations with Supporting Testimony would be filed no later than November 27, 2023.
- Corrections to pre-filed testimonies and a witness matrix and an exhibit list for the hearing would be filed no later than November 29, 2023.
- The evidentiary hearing would take place from December 11-15, 2023, and from December 18-19, 2023.

9. Public Service further states in the Procedural Schedule Motion that the parties agree that discovery would be conducted pursuant to Rule 1405 of the Commission’s Rules of Practice and Procedure, 4 *Code of Colorado Regulations* (CCR) 723-1. Public Service also states that the parties request a remote evidentiary hearing, to the extent it is acceptable to the Commission.

10. In AL-1923, Public Service explains that once a final decision in the Company’s Phase I rate case is reached and the base rate revenue requirement is determined in Proceeding No. 22AL-0530E, Company will update the class cost of service study and rate design to incorporate the approved Phase I revenue requirements and billing determinants, in accordance with the procedural schedule to be determined in this case. Therefore, in addition to the filing dates described above, Public Service proposes to file Supplemental Testimony to accomplish that update no later than September 29, 2023.

11. Public Service also explains in the Procedural Schedule Motion that it would be prepared to file separate Supplemental Direct Testimony on or before September 1, 2023, addressing the requirements of Decision No. C23-0483-I, assuming that the Commission grants a partial, one-time variance from paragraph 17 of that decision as requested in the Company's TOU Variance Motion.

12. Decision No. C23-0483-I requires Public Service to file Supplemental Direct Testimony describing results from an analysis intended to support a determination whether modified on-peak, off-peak, and shoulder TOU periods would better reflect the long-term needs of the system and motivate more appropriate customer behavior. The Commission directed the Company to use its Encompass model to conduct this analysis. Specifically, paragraph 17 of the decision states:

We direct Public Service to use the Encompass model—the model used for bid evaluation and selection purposes in the Company's ongoing ERP Proceeding—to quantify the benefits and costs of decreasing demand in a phased manner in the peak day in 2030 from 7 p.m. to 10 p.m. by a reasonable approximation of 400 MW and increasing demand by reasonable approximately of 200 MW from 1 p.m. to 4 p.m. and by 200 MW after 10 p.m.

13. In the TOU Variance Motion, which is also unopposed, Public Service states that the Company intends to provide in Supplemental Direct Testimony some of the additional information required by Decision No. C23-0483-I, including data regarding the summer and winter peak loads of each year between 2024 and 2030 and analyses of the top 100 hours of each of those years. Public Service also states that it is prepared to quantify some of the costs and benefits of shifting demand during the peak day in 2030, though the analysis would occur through a spreadsheet-based model rather than a full Encompass analysis.

14. Public Service also explains that a full study of the effects the modeled load shift on the reserve margin and the effective load carrying capability (ELCC) of renewable generation would be needed to accurately quantify the benefits and costs, including the impacts to winter months, as required by paragraph 17 of Decision No. C23-0483-I. The Company states, for example, that the resource adequacy benefit of incremental storage resources likely would diminish over the 7 p.m. to 10 p.m. period because there would be less load to serve. Public Service concludes that these considerations are necessary when quantifying the costs and benefits of the analysis required by the Commission, and none would be correctly captured through a simple load shift in the existing Encompass model.

15. Public Service adds that it would need to hire a consultant, assemble the inputs, have the consultant conduct the required study or studies, and review the results. Public Service estimates it would take approximately one month to contract the consultant, one month to finalize assumptions with input from interested parties, two months to perform the reserve margin and ELCC study and to validate the results. The Company states that it would take another month to update the Encompass model and to quantify the benefits and costs, and one month to develop testimony bringing the total time to approximately six months. Public Service estimates that consulting costs likely would be in the tens of thousands of dollars.

16. Public Service also states that, because its resource planning team currently is working to prepare the 120-Day Report in the ongoing Electric Resource Plan, Proceeding No. 21A-0141E, along with other work demands, the Company would not be able to begin the development of appropriate modeling inputs needed to complete the analysis until mid-September, at the earliest.

17. In lieu of the analysis contemplated in Decision No. C23-0483-I, Public Service proposes in the TOU Variance Motion to quantify the costs and benefits of shifting demand during the 2030 peak day using a spreadsheet model. This spreadsheet model would decrease the load shape by up to 400 MW during the evening shoulder period and increase the load up to 200 MW in the afternoon shoulder and late evening without increasing the overall peak load. The load shape would change up to 400 MW and 200 MW, respectively, on the peak day and change “in a phased manner” a commensurate amount on other weekdays, including winter days, to determine benefits and costs of the load shift. The benefit and cost calculations would use marginal energy and capacity costs from Proceeding No. 21A-0141E. While the proposed spreadsheet analysis would not quantify the impact on the reserve margin and ELCC of the load shape change, according to Public Service, the spreadsheet analysis would largely capture the spirit of the request by the Commission.

18. In the TOU Variance Motion, Public Service states that the City of Boulder (Boulder), a party to the Proceeding, does not oppose the Commission’s granting of the motion. However, Boulder requests that the Commission require Public Service to perform the Encompass-based analysis as set forth in Decision No. C23-0483-I as soon as possible and to file it in this proceeding. In the alternative, Boulder requests that the Commission order the same or a similar modelling in another proceeding at the next reasonable opportunity.

19. Public Service states that it opposes Boulder’s requests and offers that if the Commission is going to consider Boulder’s proposal, the Company asks that issue be addressed separately from the motion so the proceeding can go forward in a timely manner and also give the Company and other parties an opportunity to respond.

C. Findings and Conclusions

20. We find good cause to grant the TOU Variance Motion. We do not want to interrupt or delay the current modeling effort in Proceeding No. 21A-0141E and find the proposal to present a spreadsheet analysis as described by Public Service to be acceptable.

21. We decline, at this time, to take up Boulder's request that the Commission direct Public Service to file the Encompass-based modeling and results in this Proceeding or in another proceeding.

22. We also find good cause to grant the Procedural Schedule Motion.

23. Because both motions are unopposed, we waive remaining response times to the motions.

24. Pursuant to § 40-6-111(1), C.R.S., the Commission may, on its own motion, suspend tariff sheets an additional 130 days past an initial suspension of 120 days. The additional suspension of 130 days, to February 20, 2024, is appropriate in light of the adopted procedural schedule.

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

1. The tariff sheets filed with Advice Letter No. 1923-Electric are suspended an additional 130 days, to February 20, 2024.

2. The Motion for Variance from Decision No. C23-0483-I filed by Public Service Company of Colorado (Public Service) on August 4, 2023 is granted, consistent with the discussion above. Response time to the motion is waived.

3. The Joint Motion for Approval of Consensus Procedural Schedule and Provisions for Discovery filed by Public Service on August 4, 2023 is granted, consistent with the discussion above. Response time to the motion is waived.

4. An evidentiary hearing is scheduled as follows:

DATE: December 11-15, 2023 and December 18-19, 2023

TIME: 9:00 a.m. until 5:00 p.m. on December 11, 12, 14, 15, 18, and 19
1:00 p.m. until 5:00 p.m. on December 13

PLACE: Commission Hearing Room A

5. Procedures for the hearing, including provisions for in-person, remote (video conference), or hybrid participation, and the scheduling of one or more public comment hearings will be addressed by separate future decisions.

6. This Decision is effective upon its Mailed Date.

**B. ADOPTED IN COMMISSIONERS' WEEKLY MEETING
August 16, 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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MEGAN M. GILMAN

TOM PLANT

Commissioners