

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF COLORADO

PROCEEDING NO. 24A-0156G

IN THE MATTER OF THE APPLICATION FILED BY PUBLIC SERVICE COMPANY OF COLORADO FOR APPROVAL OF ITS 2023 GAS DEMAND-SIDE MANAGEMENT BONUS.

**COMMISSION DECISION GRANTING APPLICATION
FOR APPROVAL OF THE 2023 GAS DEMAND-SIDE
MANAGEMENT BONUS**

Mailed Date: June 14, 2024

Adopted Date: May 15, 2024

I. BY THE COMMISSION

A. Statement

1. On April 1, 2024, Public Service Company of Colorado (Public Service or Company) filed an Application with the Colorado Public Utilities Commission (Commission) for approval of its 2023 Gas Demand-Side Management Bonus (Gas DSM Bonus) and Acknowledgement of Lost Revenues (ALR), to become effective July 1, 2024, and reflected in the Company's Gas Demand Side Management Cost Adjustment (DSMCA-G).

B. Procedural History

2. The Application is filed pursuant to Commission Rules 4752(c), (d), and 4760, 4 *Code Colorado Regulation* (CCR) 723-4 of the Rules Regulating Gas Utilities. It is also aligned with Rules 1303 and 1403 of 4 CCR 723-1, which cover the Rules of Practice and Procedure.

3. As required by 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[.]” Public Service’s minimum gas DSM expenditure target was calculated to be \$7.6 million.

4. 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 \$23,614,178, which is significantly more than the statutory minimum gas DSM expenditure target.

5. The calculation methodology of the Gas DSM Bonus is governed by Rules 4754(g)(III)-(IV). For 2023, the Company has calculated a Gas DSM Bonus in the amount of \$5,134,323. Additionally, the calculation methodology of an Acknowledgement of Lost Revenues is governed by Rule 4754(g)(I). For 2023, the Company has calculated an ALR in the amount of \$2,819,344. Combined, Public Service seeks Commission approval of a total award amount of \$7,953,667 for 2023.

C. Discussion

6. In Proceeding No. 22A-0315EG, Decision No. C23-0381, the Commission approved the Company’s 2023 Gas DSM program and budget.¹ Overall, the Company’s Gas EE Portfolio yielded a 1.62 MTRC ratio,² indicating a total net benefit from expenditures.

7. Based on the Company’s 2023 Evaluation, Measurement, and Verification (EM&V) Report, the Company achieved verified net savings of 914,655 dekatherms (Dth) and

¹ In Proceeding No. 20A-0287EG, Decision No. R27-0081, the Commission set the Company’s Gas EE portfolio goals and targets for the following years.

² The Modified Total Resource Cost (MTRC) test measures the net costs of a demand-side management program as a resource option based on the total costs of the program, including both the participants’ and the utility’s costs.

delivered net economic benefits of \$34.1 million, achieving approximately 110 percent of the annual goal.

8. Given the Company has met the minimum threshold requirement of Rule 4753(h)(I) and has exceeded its Commission-approved DSM goals for 2023, Public Service is eligible to receive the requested total award of \$7,953,667.

9. The Commission Staff has reviewed the calculations of the award and confirmed their accuracy and adherence to the Commission's gas DSM rules.

II. ORDER

A. The Commission Orders That:

1. The Application filed by Public Service Company of Colorado on April 1, 2024, for approval of its 2023 Gas Demand-Side Management Bonus, including the Acknowledgement of Lost Revenues, totaling \$7,953,667, was deemed complete by operation of law on May 23, 2024, for purposes of § 40-6-109.5, C.R.S.

2. This Decision shall be reflected in Public Service Company of Colorado's Gas Demand-Side Management Cost Adjustment and will be effective July 1, 2024.

3. The 20-day period provided by § 40-6-114, C.R.S., to file an application for rehearing, reargument, or reconsideration shall begin on the first day after the effective date of this Decision.

4. This Decision is effective upon its Mailed Date.

**B. ADOPTED IN COMMISSIONERS' WEEKLY MEETING
May 15, 2024.**

(S E A L)



ATTEST: A TRUE COPY

A handwritten signature in cursive script that reads "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