

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF COLORADO

PROCEEDING NO. 24AL-0307E

IN THE MATTER OF ADVICE LETTER NO. 1954 - ELECTRIC FILED BY PUBLIC SERVICE COMPANY OF COLORADO TO REVISE ITS COLORADO P.U.C. NO. 8 - ELECTRIC TARIFF TO IMPLEMENT THE CLEAN ENERGY PLAN REVENUE ("CEPR") RATE ADJUSTMENT MECHANISM TO INCREASE CHARGES FOR ELECTRIC SERVICE, TO BECOME EFFECTIVE JANUARY 1, 2025.

**COMMISSION DECISION
SUSPENDING EFFECTIVE DATE OF TARIFF SHEETS,
ESTABLISHING NOTICE AND INTERVENTION PERIOD,
SETTING RESPONSE TIME TO MOTION,
AND REFERRING MATTER TO AN
ADMINISTRATIVE LAW JUDGE**

Issued Date: August 5, 2024

Adopted Date: July 31, 2024

IMPORTANT NOTICE: ANY PERSON DESIRING TO PARTICIPATE ONLY BY MAKING A STATEMENT MAY DO SO BY SUBMITTING A WRITTEN COMMENT THROUGH <https://puc.colorado.gov/> INDICATING PROCEEDING NO. 24AL-0307E. IF YOU DESIRE TO ASK QUESTIONS OF A WITNESS OR OTHERWISE PARTICIPATE AS A PARTY IN THIS MATTER, YOU MUST REQUEST PERMISSION FROM THE COMMISSION TO BE AN INTERVENOR (EVEN IF YOU HAVE ALREADY FILED AN OBJECTION). ANYONE DESIRING TO INTERVENE MUST CAREFULLY FOLLOW THE LAW AND COMMISSION RULES FOR BECOMING AN INTERVENOR. FOR FURTHER INFORMATION ON HOW TO INTERVENE, CALL (303) 894-2070 (PUC EXTERNAL AFFAIRS OFFICE).

I. BY THE COMMISSION

A. Statement

1. On July 11, 2024, Public Service Company of Colorado ("Public Service" or the "Company") filed Advice Letter No. 1954 - Electric ("AL 1954") with tariff sheets to implement a rate adjustment mechanism called the Clean Energy Plan Revenue ("CEPR"). The CEPR is

intended to recover certain costs incurred through the implementation of Public Service's Clean Energy Plan ("CEP") approved, with modifications, in Proceeding No. 21A-0141E ("ERP/CEP Proceeding").

2. By this Decision, the Commission sets for hearing the tariff sheets filed under AL 1954 and suspends their effective date to May 1, 2025.

3. A pleading to intervene in this matter may be filed by any person, firm, or corporation desiring to be a party and fully participate in this Proceeding no later than September 6, 2024.

4. We refer this matter to an Administrative Law Judge ("ALJ").

B. Discussion

5. Public Service filed AL 1954 to comply with the Commission's decisions rendered in the ERP/CEP Proceeding. The proposed CEPR is intended to recover the costs of eligible "CEP activities." Public Service provides a methodology for identifying such CEP activities from the Commission-approved "Alternative Portfolio" of new utility resources and for assigning their associated costs to the revenues of the CEPR. Public Service states that it previewed this methodology in its 120-Day Report filed in the ERP/CEP Proceeding.

6. Public Service specifically requests approval of a CEPR rate of 1.25 percent for effect on January 1, 2025. The Company likewise seeks approval of the proposed CEPR methodology and the proposed CEPR Tracker where costs and collections are matched and interest is applied.

7. Public Service further requests that: (1) the generation-related costs of a particular new utility resource (*i.e.*, Bid 0149) and the capital costs of converting the Company's Pawnee

generation facility from coal to natural gas be approved as CEP activities recovered by the CEPR; (2) additional CEP activities may be identified using the Company's same CEPR methodology in the Just Transition Solicitation ("JTS"), subject to further adjudication in a separate forthcoming proceeding; and (3) the implementation of the CEPR Tracker through at least the end of 2030, when the positive balance will be applied to undepreciated coal plant balances and future decommission costs or the negative balance will be added to the Company's base rates in the implementation of an electric rate case after that date.

8. Public Service filed Direct Testimony in support of the AL 1954 filing.

9. The Company also filed a Motion for a Protective Order Affording Extraordinary Protection for Highly Confidential Information ("Motion for Extraordinary Protection") related to its AL 1954 filing on July 23, 2024.

10. On July 29, 2024, Trial Staff of the Colorado Public Utilities Commission ("Staff") filed a Protest Letter asking the Commission to suspend the tariff sheets and set the matter for hearing. Staff states that it necessary to examine:

- Whether Public Service should have sought a waiver from the Commission's decisions in the ERP/CEP Proceeding directing the Company to file an application presenting its methodology for defining and assigning costs related to additional CEP activities instead of an advice letter filing;
- Whether the proposed methodology for determining additional CEP activities: is consistent with the Company's proposal in its 120-Day Report, requires modification, and is just and reasonable and in the public interest;
- How to address or account for any future changes to the additional CEP activities or their associated costs or timing resulting from: substitution of designated back-up resources; additional resources approved through the upcoming JTS; modifications of cost or deliverability sought in other additional expected forthcoming filings from the Company; and any other additions, substitutions or modifications to the CEP portfolio of new utility resources;
- Whether the calculation of the proposed 1.25 percent rate impact is reasonable and consistent with other rate impact calculations performed by the Company; and

- Whether the proposed treatment of Renewable Energy Standard Adjustment (“RESA”) funds is reasonable.

C. Conclusions and Findings

11. Pursuant to § 40-6-111(1), C.R.S., the Commission may suspend tariff sheets for 120 days. Based on our review of the filing and the protest submitted by Staff, we find good cause to suspend the tariff sheets submitted with AL 1954 for 120 days through May 1, 2025, and to set the matter for hearing.¹ We agree with Staff that a hearing process is necessary for the Commission to properly review the complex CEPR methodology and to render a decision on the additional approvals requested by Public Service.

12. A pleading to intervene may be filed by any person, firm, or corporation desiring to be a party and fully participate in this Proceeding, as ordered below. The filing of any other document protesting the tariff sheets shall not allow participation as an intervenor in this matter.

13. Responses to the Motion for Extraordinary Protection are due September 6, 2024.

14. We refer this matter to an ALJ.

II. ORDER

A. The Commission Orders That:

1. The proposed January 1, 2025, effective date of the tariff sheets filed with Advice Letter No. 1954 - Electric, filed by Public Service Company Colorado (“Public Service”) on July 11, 2024, is suspended until May 1, 2025, or until further order of the Commission.

2. Any person, firm, or corporation, including any who have previously filed a document protesting the proposed tariff pages, who desire to intervene and participate as a party in this Proceeding shall file a motion to intervene with the Commission no later than

¹ Under § 40-6-111(1)(b), C.R.S., the Commission may by separate order extend the suspension period for an additional 130 days, for a total of 250 days, through September 8, 2025.

September 6, 2024, and shall serve a copy of the notice or motion on Public Service’s attorney of record.

3. Responses to the Motion for a Protective Order Affording Extraordinary Protection for Highly Confidential Information filed by Public Service on July 23, 2024, shall be filed no later than September 6, 2024.

4. The matter is referred to an Administrative Law Judge (“ALJ”). The ALJ shall set a hearing date, rule on interventions, and establish other procedures by separate decision(s).

5. This Decision is effective on its Issued Date.

**B. ADOPTED IN COMMISSIONERS’ WEEKLY MEETING
July 31, 2024.**

(S E A L)



ATTEST: A TRUE COPY

Rebecca E. White

Rebecca E. White,
Director

THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO

ERIC BLANK

MEGAN M. GILMAN

TOM PLANT

Commissioners