Decision No. C24-0824

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF COLORADO

PROCEEDING NO. 24M-0493G

IN THE MATTER OF THE COMMISSION'S INVESTIGATION INTO THE COSTS OF PUBLIC SERVICE COMPANY OF COLORADO'S GAS UTILITY INFRASTRUCTURE PURSUANT TO SENATE BILL 23-291.

COMMISSION DECISION OPENING PROCEEDING AND DESIGNATING HEARING COMMISSIONER

Issued Date: November 14, 2024
Adopted Date: November 6, 2024

I. BY THE COMMISSION

A. Statement

1. The Commission opens this Proceeding to implement certain provisions in Senate Bill ("SB") 23-291 related to the investigation of cost causation on the natural gas utility system. One purpose of this Proceeding is to facilitate the investigation the Commission must complete pursuant to SB 23-291 related to whether and how residential development and other development in certain geographic areas drive natural gas infrastructure costs for any natural gas utility that serves more than five hundred thousand customers in the state, particularly with regard to the impact that the development has on nonparticipating income-qualified customers.

2. In accordance with SB 23-291, the Commission will identify and study the cost causation of residential development and other development on Public Service Company of Colorado's ("Public Service" or the "Company") gas utility operations pursuant to § 40-3-121, C.R.S.

3. Additional guidance on the scope and parameters of this Proceeding will be forthcoming in a future decision.

4. Also by this Decision, the Commission designates Commissioner Megan M. Gilman as Hearing Commissioner, pursuant to § 40-6-101(2), C.R.S.

B. Discussion

5. SB 23-291 became effective on August 7, 2023, the day following the expiration of the 90-day period after final adjournment of the Colorado General Assembly.

6. Section 40-3-121, C.R.S., requires the Commission to identify specific, new large infrastructure investments to study, and, for each investment identified, determine the extent to which new residential development or other development by a geographic area is disproportionately necessitating that investment. Further, the Proceeding must include a cost-benefit analysis of growth in new residential development and other development to both the natural gas utility customers for whom the infrastructure investment is being made and nonparticipating retail and wholesale natural gas utility customers, particularly those nonparticipating customers who are income-qualified customers. The Commission must also determine whether alternative infrastructure, service investments, or other utility actions could mitigate impacts on nonparticipating or income-qualified customers and identify the up-front and service life annualized costs and benefits of alternatives to new large infrastructure projects.

7. SB-291 also requires the Commission to solicit public comment and hold a hearing on the information it gathers. The proceeding opened by this order will provide a venue for Commission to receive comments from the public and for the Hearing Commissioner to convene a public hearing.

C. Findings and Conclusions

8. We conclude that opening this administrative Proceeding will enable the Commission to accomplish the foregoing statutory provisions enacted by SB 23-291 regarding natural gas system cost causation.

9. Additional guidance on the scope and parameters of this Proceeding will be forthcoming in a future decision.

10. We designate Commissioner Megan M. Gilman as Hearing Commissioner, pursuant to § 40-6-101(2), C.R.S.

II. ORDER

A. The Commission Orders That:

1. Consistent with the discussion above, the Commission opens this miscellaneous proceeding for the purpose examine whether and how residential development or other development drives natural gas infrastructure costs for Public Service Company of Colorado in accordance with Senate Bill 23-291.

2. This proceeding shall serve as a platform for completing the statutorily-required investigation required in § 40-3-121, C.R.S.

3. This proceeding is designated as an administrative proceeding under 4 *Code of Colorado Regulations* 723-1-1004(b).

4. Pursuant to § 40-6-101(2), C.R.S., Commissioner Megan M. Gilman is designated as the Hearing Commissioner.

5. This Decision is effective upon its Issued Date.

B. ADOPTED IN COMMISSIONERS' WEEKLY MEETING November 6, 2024.

(S E A L)

THE PUBLIC UTILITIES COMMISSION OF THE STATE OF COLORADO

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MEGAN M. GILMAN

TOM PLANT

Commissioners

ATTEST: A TRUE COPY

Rebecca E. White,
Director