

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO

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IN THE MATTER OF THE PROPOSED)	DOCKET NO. 94R-254E
RULES REGARDING LINE EXTENSION)	
POLICIES OF ELECTRIC UTILITIES,)	RECOMMENDED DECISION OF
RULE 31, 4 CCR 723-3.)	ADMINISTRATIVE LAW JUDGE
)	ARTHUR G. STALIWE

Mailed Date: October 14, 1994

Appearances: C. Chandler Lippitt, Esq.,
Denver, Colorado, on behalf
of Public Service Company
of Colorado;

Steven H. Denman, Esq., Denver,
Colorado, on behalf of WestPlains
Energy;

Deborah S. Waldbaum, Assistant
Attorney General, on behalf
of the Office of Consumer
Counsel; and

Marcus Roper, Colorado Office
of Energy Conservation.

STATEMENT

By notice of proposed rulemaking issued May 31, 1994, this agency proposed modifying current Rule 31, Rules Regulating the Service of Electric Utilities, to emphasize the provision of a photovoltaic system cost comparison for those seeking conventional electric distribution line extensions. In the notice the Commission set the matter for hearing on July 5, 1994, which date was later changed to August 2, 1994.

On August 2, 1994, written comments were provided by Public Service Company of Colorado and the Colorado Office of Energy Conservation, with oral comments added by WestPlains and the Office of Consumer Counsel.

The gravamen of the comments provided by the Office of Consumer Counsel and WestPlains Energy (WestPlains) is that they do not necessarily endorse any change in the existing rule, since the existing rule would provide for a broader range of options for the provision of electricity, to include hydro power and wind

power as possible alternatives. In the alternative, WestPlains, Public Service Company of Colorado, and the Office of Consumer Counsel support the proposed rule as set forth in the notice.

Marcus Roper is the renewable energy coordinator for the Office of Energy Conservation, with a degree in engineering physics, and completion of all class work for a masters degree in civil engineering. As part of his work experience, Mr. Roper has designed and built photovoltaic systems before joining the Office of Energy Conservation. The gravamen of Mr. Roper's remarks is that the proposed value of 1,000 used to determine whether a line extension applicant gets a free photovoltaic evaluation is too high, *i.e.*, a ratio or value of 1,000 sends misleading messages to electric customers, implying a cost effectiveness at that level that may not be there. Accordingly, based upon his actual experience in the design and installation of photovoltaic systems, Mr. Roper suggests that the proposed value of 1,000 be reduced to a value of 550, a target which compels potential photovoltaic customers to implement up front significant electric energy conservation measures if they wish to avoid paying for the photovoltaic evaluation. It is Mr. Roper's position that in the absence of the implementation of significant energy conservation measures as more fully set forth in his comments, no customer will realize a cost-effective photovoltaic system (even at the value of 1,000), and thus should not burden other ratepayers with a free photovoltaic evaluation.

The compelling evidence of record is that the proposed value of 1,000 as set forth in Appendix A to Rule 31 is too high, and that figure should be reduced to 550 in order to provide customers with a more realistic evaluation of what is needed to reach cost-effective photovoltaic production of electricity, while also protecting existing ratepayers of electric utilities from having to pay for ineffective comparisons at ratios between the values of 551 and 1,000.

ORDER

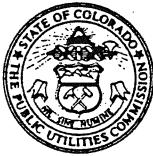
THE COMMISSION ORDERS THAT:

1. The attached Appendix A to this Order is hereby adopted as the new Rule 31, Rules Regarding the Service of Electric Utilities, 4 CCR 723-3, as if more fully set forth herein.
2. This Recommended Decision shall be effective on the day it becomes the Decision of the Commission, if that is the case, and is entered as of the date above.
3. As provided by § 40-6-109, C.R.S., copies of this Recommended Decision shall be served upon the parties, who may file exceptions to it.

- a. ~~IF NO EXCEPTIONS ARE FILED WITHIN 20 DAYS AFTER SERVICE OR WITHIN ANY EXTENDED PERIOD OF TIME AUTHORIZED, OR UNLESS THE DECISION IS STAYED BY THE COMMISSION UPON ITS OWN MOTION, THE RECOMMENDED DECISION SHALL BECOME THE DECISION OF THE COMMISSION AND SUBJECT TO THE PROVISIONS OF § 40-6-114, C.R.S.~~
- b. IF A PARTY SEEKS TO AMEND, MODIFY, ANNUL, OR REVERSE BASIC FINDINGS OF FACT IN ITS EXCEPTIONS, THAT PARTY MUST REQUEST AND PAY FOR A TRANSCRIPT TO BE FILED, OR THE PARTIES MAY STIPULATE TO PORTIONS OF THE TRANSCRIPT ACCORDING TO THE PROCEDURE STATED IN § 40-6-113, C.R.S. IF NO TRANSCRIPT OR STIPULATION IS FILED, THE COMMISSION IS BOUND BY THE FACTS SET OUT BY THE ADMINISTRATIVE LAW JUDGE AND THE PARTIES CANNOT CHALLENGE THESE FACTS. THIS WILL LIMIT WHAT THE COMMISSION CAN REVIEW IF EXCEPTIONS ARE FILED.

4. If exceptions to this Decision are filed, they shall not exceed 30 pages in length, unless the Commission for good cause shown permits this limit to be exceeded.

(S E A L)



THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO

ARTHUR G. STALIWE

Administrative Law Judge

254E.AGS

RULE 31. Service Connection and Distribution Line Extension

31.1 Each electric utility shall file with the Commission its specific provision for the making of service connections and distribution line extensions. No electric utility shall make or refuse to make any connection or extension except as permitted by this Rule or by tariffs currently effective and on file with the Commission, and which are open to public inspection at each office of the utility where applications for service are received. Each utility's specific provisions shall:

31.1.1 Set forth the service connection and distribution line extension requirements to be observed by the utility;

31.1.2 Be just and reasonable with respect to the impact upon existing customers through rates and service;

31.1.3 Provide for service connections and distribution line extensions by customer class and the appropriate terms and conditions under which such connections and extensions will be made;

31.1.4 Obligate the utility to provide service connection information to a customer, upon request, necessary to allow the customer's facility(s) to be connected to the utility's system;

31.1.5 Obligate the utility to exercise due diligence with respect to providing an estimate to the customer of the anticipated cost of the connection and/or extension;

31.1.6 Set forth a policy equitably allowing future customers to share costs incurred by the initial or existing customers served by such connection and/or extension, including a refund of customer connection and/or extension payments when appropriate;

Appendix A
Notice of Proposed Rulemaking
Re: 4 CCR 723-3, Rule 31
Decision No. R94-1331
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31.1.7 Describe specific customer categories within each customer class such as permanent, indeterminate and temporary; and

31.1.8 Consider the implications of such provisions on energy efficiency and conservation; and

~~31.1.9 Require the utility to provide information or an evaluation of alternative energy sources relating to the proposed extension. (For example, the utility may refer the customer to industry vendors or provide an evaluation similar to that set forth on appendix A attached hereto.)"~~

31.1.9 Require the utility to provide information or evaluation of photovoltaic energy sources relating to the proposed extension, as more fully set forth in this rule's Appendix A

RULE 31 - APPENDIX A. — PHOTOVOLTAIC COST EVALUATION

RULES AND REGULATIONS

ELECTRIC SERVICE

SERVICE CONNECTION AND DISTRIBUTION LINE EXTENSION POLICY

PHOTOVOLTAIC COST COMPARISON

Bona Fide applicants, when requesting of the utility a cost estimate of a distribution line extension, shall receive a photovoltaic system cost comparison, upon meeting the following conditions: (1) provide the utility with load data (estimated monthly kilowatt-hour usage) as requested by the utility to conduct the comparison; and (2) the applicant's peak demand is estimated to be less than 25 kw.

In performing the comparison analysis, the utility will consider line extension distance, overhead/underground construction, terrain, other variable construction costs, and the probability of additions to the line extension within the life of the open extension period.

For applicants whose ratio of estimated monthly kilowatt-hour usage divided by line extension mileage is less than or equal to five hundred fifty (550), (i.e. Kwh/Mileage is \leq 550), the utility will provide the photovoltaic system cost comparison at no cost to the applicant. Above a ratio of 550 the applicant shall bear the cost of the comparison, not the utility.

~~1. Applicants, when requesting of the utility a cost estimate of a distribution line extension, shall receive a photovoltaic system cost evaluation, upon meeting the following conditions:~~