

Decision No. C02-610

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF COLORADO

DOCKET NO. 02M-284EG

IN THE MATTER OF THE APPLICATION OF PUBLIC SERVICE COMPANY OF COLORADO FOR AN ORDER APPROVING A PROPOSED ALTERNATIVE MANNER OF NOTICE WITH RESPECT TO ELECTRIC, GAS AND STEAM RATE CHANGES TO BE FILED ON OR ABOUT MAY 31, 2002.

**ORDER CONDITIONALLY GRANTING APPLICATION FOR
ALTERNATIVE MANNER OF NOTICE**

Mailed Date: May 24, 2002

Adopted Date: May 22, 2002

I. BY THE COMMISSION

Statement, Findings, and Conclusions

1. On May 17, 2002, Public Service Company of Colorado ("Public Service" or "Company") filed its Application for Approval of Alternative Manner of Notice and Request for Waiver of Response Time. The application points out that Public Service plans to file on May 31, 2002 a general rate case to change its electric, natural gas, and steam service rates and tariffs. The application also notes that the Company is required to give notice of these proposed tariff changes to its customers in accordance with one of the methods specified in § 40-3-104(1)(c)(I)(A-C), C.R.S. However, § 40-3-104(1)(c)(I)(D) provides that the Commission, upon application by the Company, may approve a different notice to customers. The application

now requests that we approve a method of notice different from that otherwise required in § 40-3-104(1)(c)(I).

2. Public Service states that, given the intended date of filing of the proposed tariff changes and in light of the proposed effective date of the new tariffs (*i.e.*, July 1, 2002), the only possible method for public notice is that specified in § 40-3-104(1)(c)(I)(B). This would require a direct mailing to each of the Company's 1.6 million customers. According to the application, that method of customer notice would cost approximately \$440,000 more than the alternative method suggested in the application.

3. In the application Public Service proposes to give customer notice of the new tariffs by (a) publishing notice in the legal classified sections of the *The Denver Post* and *The Denver Rocky Mountain News* within five days of the filing; (b) issuing a press release on the date of filing and posting that release on its website; and (c) including a bill insert in its customers regular bill for the first complete billing cycle beginning or about June 26, 2002.

4. The application also requests permission not to use the language contained in Form V of the Commission's Rules of Practice and Procedures, 4 CCR 723-1. Form V provides, in part, that customers desiring to file a written objection to proposed tariffs and anyone desiring to receive notice of any

hearing shall file written objections or requests for notice with the Commission at least 10 days before the proposed effective date of such tariffs. The Company points out that it would not be possible to comply with these provisions given the time constraints of the proposed effective date (July 1) and the times in which the bill inserts would be sent to customers.

5. Public Service suggests that the alternative notice is satisfactory, even though most customers would receive the bill insert after the proposed effective date of the new tariffs, in light of other publicity of the rate filing and because the Commission will likely suspend the proposed tariffs and set them for hearing. The Company concludes that "the statutory objective of allowing for public participation during the notice period will be adequately satisfied."

6. We deny the request for alternative notice as filed in the application. Public Service itself notes that the new rate and tariff proposals will be significant. As such, it is important that notice of these proposals be designed to adequately notify members of the public of those filings. A bill insert is an acceptable method of customer notice (see § 40-3-104(1)(c)(I)(C), but such an insert must be timely. Given a proposed effective date for the new tariffs of July 1, the Company's proposal (*i.e.* sending bill inserts in the billing cycle *beginning* on June 26) is unacceptable. Even if the

proposed tariffs are suspended, members of the public will be confused by the notice. In particular, public notice and information of the Company's filing will state that the proposed effective date of the new tariffs is July 1, a date already past by the time the bill insert was received by the vast majority of the public.

7. If the Company is unwilling to use one of those methods specified in the § 40-3-104(1)(c)(I)(A-C), we approve an alternative method of notice consistent with the discussion here. Public Service may use its proposed newspaper publication and a bill insert starting with the June 26, 2002 billing cycle, but only if it extends the proposed effective date of the new tariffs to August 5, 2002.¹ A proposed effective date of the new tariffs of August 5, would allow sufficient time for preparation and distribution of an acceptable bill insert notice, and would provide customers with timely notice (via the bill insert) before the proposed effective date of the new tariffs. With the change in the proposed effective date of the tariffs, the Company's modifications to Form V are largely unnecessary. The public notice in the bill insert shall advise customers that written objections or requests for notice of hearing shall be filed with the Commission by August 5, 2002.

¹ The time for filing of the new rate case, May 31, 2002, is *not* extended by this order.

II. ORDER

A. The Commission Orders That:

1. The Application for Approval of Alternative Manner of Notice and Request for Waiver of Response Time by Public Service Company of Colorado is granted only to the extent consistent with the above discussion.

2. Public Service Company should be prepared to verify that it has met the notice requirement provisions established in C.R.S. §40-3-104.

3. This Order is effective on its Mailed Date.

**B. ADOPTED IN COMMISSIONERS' MEETING
May 22, 2002.**

(S E A L)



ATTEST: A TRUE COPY

Bruce N. Smith
Director

THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO

RAYMOND L. GIFFORD

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JIM DYER

Commissioners