

Decision No. C14-0151

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF COLORADO

PROCEEDING NO. 13AL-0685G

IN THE MATTER OF ADVICE LETTER NO. 839 FILED BY PUBLIC SERVICE COMPANY OF COLORADO TO MAKE CHANGES TO THE SERVICE LATERAL EXTENSION AND DISTRIBUTION MAIN EXTENSION POLICY IN PUC NO. 6 TO BECOME EFFECTIVE JULY 14, 2013.

PROCEEDING NO. 13AL-0695E

IN THE MATTER OF ADVICE LETTER NO. 1641 FILED BY PUBLIC SERVICE COMPANY OF COLORADO TO RENAME AND REVISE THE SERVICE CONNECTION AND DISTRIBUTION LINE EXTENSION POLICY TO BECOME EFFECTIVE JULY 18, 2013.

DECISION ADDRESSING EXCEPTIONS

Mailed Date: February 7, 2014
Adopted Date: February 5, 2014

I. BY THE COMMISSION

A. Statement

1. This matter comes before the Commission for consideration of exceptions to Decision No. R13-1555 filed by Public Service Company of Colorado (Public Service or the Company) on December 20, 2013 and Coal Creek Village Development, Inc. (CCVD) on January 7, 2014.

2. On June 13, 2013, Public Service filed Advice Letter No. 839-Gas with revised tariff sheets containing the terms and conditions of the Company's service lateral extension and distribution main extension policy for natural gas service. That filing commenced Proceeding No. 13AL-0685G.

3. On June 17, 2013, Public Service filed Advice Letter No. 1641-Electric containing revised tariff sheets containing the terms and conditions of the Company's service connection and distribution line extension policy for electric service. That filing commenced Proceeding No. 13AL-0695E.

4. By Decision No. C13-0857, issued July 12, 2013, the Commission set the proposed tariffs filed under Advice Letter No. 839-Gas for hearing before an Administrative Law Judge (ALJ) and suspended the effective date of the proposed natural gas service extension policy tariffs.

5. By Decision No. C13-0881, issued July 16, 2013, the Commission set the proposed tariffs filed under Advice Letter No. 1641-Electric for hearing before an ALJ and suspended the effective date of the proposed electric service extension policy tariffs.

6. By Decision No. R13-1068-I, issued August 28, 2013, Proceeding Nos. 13AL-0685G and 13AL-0695E were consolidated.

7. ALJ Paul C. Gomez approved Public Service's proposed changes to its gas and electric tariffs for line extensions by Decision No. R13-1555, issued December 18, 2013. The ALJ noted that revisions agreed to by the Company during the course of the proceeding addressed most of the opposition to its initial proposals.

8. Being fully advised, we grant the exceptions filed by Public Service, with modifications, and deny the exceptions filed by CCVD, as discussed below.

B. CCVD Exceptions

1. Discussion

9. In its exceptions, CCVD requests that the Commission require Public Service: (1) to explain in its tariff how it derives gross embedded investment per customer for the purpose

of determining construction payments and refunds; and (2) to update its calculation of gross embedded investment per customer, implying that the current calculations are outdated because they are based on cost information from 2010.

10. CCVD states that it made multiple requests regarding Public Service's method of calculating the gross embedded investment per customer and had been unsuccessful in receiving a coherent response from the Company. CCVD argues that since Public Service relies upon the calculation of the gross embedded investment per customer for the purpose of determining construction payments and construction payment refunds, this value should be clearly described and explained in the Company's tariff pages.

11. With respect to cost information, CCVD requests that the Commission require Public Service to provide updated cost information in support of a new calculation of gross embedded investment per customer so that, going forward, developers will be relying upon the most current cost information possible.

12. In response, Public Service argues that the gross embedded investment per customer calculation is derived from the Company's cost of service studies in Phase II rate cases where the methods and results are specifically spelled out in great detail. Public Service also states that average gross embedded cost is re-calculated according to an approved cost allocation in a Phase II rate case and, accordingly, the only time its construction allowance award amounts are updated is immediately following a Phase II rate case.

2. Findings and Conclusions

13. We deny CCVD's exceptions. We disagree that the Company's tariffs should include all the information requested by CCVD. As a general matter, a utility's tariff sheets are not intended to explain all the details of rate design and the underlying calculations. The Commission approves the rates and requires the rates to be set forth in the tariff.

In addition, the regulatory filings in the Company's Phase II rate cases provide the details for calculating the gross embedded investment per customer and these filings are available for consultation as needed. We also find that Public Service's explanations offered through testimony in this proceeding have sufficed in providing CCVD the information it seeks here.

14. We also agree with Public Service regarding the timing for updates to the calculation of gross embedded investment per customer. The 2010 cost information cited by CCVD corresponds to the Company's most recent Phase II rate cases. Gross embedded investment per customer will again be updated when Public Service completes its next Phase II rate cases.

C. Public Service Exceptions

1. Discussion

15. In its exceptions, Public Service requests that revised tariffs go into effect on February 3, 2014 instead of January 1, 2014 as directed by the ALJ in Decision No. R13-1555. The Company further requests clarification that the changes ordered to the proposed electric tariffs (in paragraphs 79-82 of Decision No. R13-1555) also be made to the newly approved gas tariffs to ensure consistency.

2. Findings and Conclusions

16. With respect to the timing of a compliance tariff filing, we recognize that the deadline set forth in Decision No. R13-1555 and in Public Service's exceptions are no longer feasible. We therefore grant Public Service's exceptions and modify the compliance tariff filing requirements. No later than 30 days following the effective date of this Decision, Public Service shall file revised tariff sheets consistent with this Decision on not less than two business days' notice.

17. We further agree with Public Service that the tariff changes approved by Decision No. R13-1555 should apply to both electric and gas tariffs. We therefore clarify that the changes ordered by Decision No. R13-1555 to the proposed electric tariffs shall also apply to the Company's gas tariffs as approved by that decision.

I. ORDER

A. The Commission Orders That:

1. The exceptions to Decision No. R13-1555 filed by Public Service Company of Colorado (Public Service) on December 20, 2013 are granted, with modifications, consistent with the discussion above.

2. The exceptions to Decision No. R13-1555 filed by Coal Creek Village Development, Inc. on January 7, 2014 are denied.

3. The tariff sheets filed by Public Service under Advice Letter No. 839-Gas, as corrected in Hearing Exhibit No. 4 – Exhibit No. TLN-22 and as amended by Decision No. R13-1555, are approved.

4. The tariff sheets filed by Public Service under Advice Letter No. 839-Gas are permanently suspended.

5. The tariff sheets filed by Public Service under Advice Letter No. 1641-Electric, as corrected in Hearing Exhibit No. 4 – Exhibit No. TLN-21 and as amended by Decision No. R13-1555, are approved.

6. The tariff sheets filed by Public Service under Advice Letter No. 1641-Electric are permanently suspended.

7. No later than 30 days following the effective date of this Decision, Public Service shall file, on not less than two business days' notice, tariffs consistent with this Decision.

The advice letter and tariff shall be filed as a new advice letter proceeding and shall comply with all applicable rules. In calculating the proposed effective date, the date the filing is received at the Commission is not included in the notice period and the entire notice period must expire prior to the effective date. The advice letter and tariff must comply in all substantive respects to this Decision in order to be filed as a compliance filing on shortened notice.

8. The 20-day time 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.

9. This Decision is effective on its Mailed Date.

**B. ADOPTED IN COMMISSIONERS' WEEKLY MEETING
February 5, 2014.**

(S E A L)



ATTEST: A TRUE COPY

Doug Dean,
Director

THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO

JOSHUA B. EPEL

PAMELA J. PATTON

GLENN A. VAAD

Commissioners