

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF COLORADO

PROCEEDING NO. 17AL-0771G

IN THE MATTER OF ADVICE LETTER NO. 919 – GAS FILED BY PUBLIC SERVICE COMPANY OF COLORADO TO INCREASE THE PIPELINE SYSTEM INTEGRITY ADJUSTMENT IN ITS P.U.C. NO. 6 – GAS TARIFF EFFECTIVE JANUARY 1, 2018.

**RECOMMENDED DECISION OF
ADMINISTRATIVE LAW JUDGE
CONOR F. FARLEY
ACKNOWLEDGING WITHDRAWAL OF
CHALLENGE AND VACATING PREHEARING
CONFERENCE AND ALL OTHER DEADLINES
RESULTING FROM THE CHALLENGE**

Mailed Date: August 20, 2019

I. STATEMENT

A. Background

1. On April 1, 2019, Public Service Company of Colorado (PSCo or Company) filed its 2018 Pipeline System Integrity Adjustment (PSIA) Annual Report.

2. On April 29, 2019, Staff of the Public Utilities Commission (Staff) filed a challenge to the projects and costs contained in the report. Staff’s concerns centered on two issues: (a) PSCo’s reclassification of \$13 million from Removal Work in Progress (RWIP) to Construction Work in Progress (CWIP) related to work on the West Main Replacement project that was performed in 2016; and (b) PSCo’s higher-than-projected Distribution Integrity Management Program (DIMP) capital expenditures.¹ As part of that challenge, Staff requested

¹ Notice of Resolution of Disputed Issues and Motion to Vacate Remaining Deadlines and Prehearing Conference (August Notice) filed on August 12, 2019.

that the Commission set the 2018 Annual PSIA Report for hearing in accordance with the procedures outlined in paragraphs 63 and 64 of Decision No. R14-0694.²

3. On May 21, 2019, the Commission issued Decision No. C19-0431 that referred this proceeding to an Administrative Law Judge (ALJ). The proceeding was subsequently assigned to the undersigned ALJ.

4. On June 6, 2019, the ALJ issued Decision No. R19-0473-I that scheduled a prehearing conference in this proceeding for 9:00 a.m. on June 20, 2019. The interim decision also directed the Company and Staff to confer in advance of the prehearing conference regarding a schedule for this proceeding and for Public Service to file a report of the results of the conferral on or before June 18, 2019.

5. On June 14, 2019, PSCo filed an Unopposed Motion to Vacate and Reschedule Prehearing Conference and Request for Waiver of Response Time (Unopposed Motion). In the Unopposed Motion, PSCo stated that it and Staff “are working collaboratively to resolve the issues identified by Staff” and that “vacating and rescheduling the prehearing conference for a later date is administratively efficient and supports judicial economy in that it will provide Staff and the Company more time to work together and resolve Staff’s concerns without the need for a hearing or the establishment of a procedural schedule.”³

6. On June 14, 2019, the ALJ issued Decision No. R19-0515-I that granted the Unopposed Motion and rescheduled the prehearing conference to July 18, 2019 at 9:00 a.m. The ALJ subsequently issued Decision No. R19-0523-I on June 17, 2019, that moved the start time of the conference to 10:00 a.m. on July 18, 2019.

² Decision No. R14-0694 was issued in Proceeding No. 13M-0915G on June 25, 2014.

³ Unopposed Motion at 3 (¶¶ 6 and 7).

7. On July 15, 2019, PSCo filed a Notice of Supplemental Filing in Support of 2018 PSIA Actuals Report Filed in April 2019 and Amended Attachment 7 to the Report (July Notice) and Attachments A and B thereto that revealed “the path through which PSIA capital expenditures become plant additions” and the “updated revenue requirement,” respectively.⁴ PSCo stated that it will provide a document containing the type of information in Attachment A in all “future PSIA Actuals Reports.”⁵ PSCo further stated that it had held “productive discussions” with Staff about Staff’s concerns and it

believes that the supplemental information included in this Notice and the Attachments to this Notice address Staff’s concerns, and the parties agree it is likely that no hearing will be necessary. . . . [PSCo] and Staff believe they will be able to make a filing resolving the issues no later than August 16, 2019.⁶

8. Also on July 15, 2019, the ALJ received an email from Staff’s attorney. The attorneys for PSCo were “cc’d” on the email. In the email, Staff’s attorney cited the July Notice and stated that both parties request the prehearing conference scheduled for July 18 be vacated and rescheduled for a date after August 16, 2019 to give the parties more time to resolve their differences.

9. By Decision No. R19-0605-I issued on July 17, 2019, the ALJ granted the parties’ request to vacate and reschedule the prehearing conference to August 22, 2019 at 10:00 a.m.

10. On August 12, 2019, the parties filed the August Notice cited above stating that PSCo’s additional disclosures identified in the July Notice, supplemental information provided by PSCo regarding the reclassification from RWIP to CWIP and PSCo’s higher-than-projected DIMP capital expenditures, and PSCo’s agreement to provide the additional information noted in

⁴ Notice at 3 (¶ 6), 4 (¶ 9).

⁵ *Id.* at 3 (¶ 6).

⁶ *Id.* at 4-5 (¶ 11).

the July Notice with future PSIA filings have resolved Staff's concerns stated in the challenge. The parties requested that all deadlines regarding Staff's challenge be vacated and further stated that Staff would file a withdrawal of its challenge.

11. On August 14, 2019, Staff filed a Notice of Withdrawal of Challenges to Projects and Costs Contained in PSCo's Annual Pipeline Safety and Integrity Adjustment Report (Staff's Notice). Staff stated that it is withdrawing its challenge based on the additional information supplied by PSCo and PSCo's agreements noted above, as well as PSCo's "representation . . . that it is foregoing the approximately \$50,000 in revenue that it discovered" through the review process.⁷

B. Analysis

12. Staff has stated good cause to withdraw its challenge to the projects and costs contained in the PSIA report. Accordingly, Staff's challenge is withdrawn and all remaining deadlines arising from Staff's challenge are vacated.

II. ORDER

A. The Commission Orders That:

1. Trial Staff of the Commission's (Staff) April 29, 2019 challenge to the projects and costs identified in the Pipeline Safety and Integrity Adjustment Annual Report filed by Public Service Company of Colorado on April 1, 2019 is withdrawn.

2. The Motion to Vacate Remaining Deadlines and Prehearing Conference filed by the parties on June 14, 2019 is granted.

⁷ Staff's Notice at 2.

3. The prehearing conference scheduled for 10:00 a.m. on August 22, 2019 is vacated. All other deadlines in this proceeding resulting from Staff's challenge are vacated.

4. 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.

5. 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.

6. 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

CONOR F. FARLEY

Administrative Law Judge

ATTEST: A TRUE COPY

A handwritten signature in cursive script that reads "Doug Dean".

Doug Dean,
Director