

Decision No. C20-0584-I

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF COLORADO

PROCEEDING NO. 20AL-0328E

IN THE MATTER OF ADVICE LETTER NO. 1830 FILED BY PUBLIC SERVICE COMPANY OF COLORADO IN COMPLIANCE WITH DECISION NO. C20-0505 IN PROCEEDING NO. 19AL-0268E TO INCREASE THE GENERAL RATE SCHEDULE ADJUSTMENT (GRSA) TO BECOME EFFECTIVE AUGUST 10, 2020.

**DECISION SETTING MATTER FOR HEARING BEFORE
THE COMMISSION *EN BANC*, AND SUSPENDING
EFFECTIVE DATE OF TARIFFS**

Mailed Date: August 7, 2020
Adopted Date: August 7, 2020

I. BY THE COMMISSION

A. Statement

1. This Decision sets for hearing before the Commission *en banc*, the tariffs filed by Public Service Company of Colorado (Public Service or Company) with Advice Letter No. 1830-Electric filed on August 5, 2020 and suspends their effective date for 120 days pursuant to the provisions of § 40-6-111(1), C.R.S.

2. As described below, we will set procedures in order for the Company to provide information on the legal theories and regulatory standards it relies upon to determine it is eligible to back bill \$4,907,433 for the period February 25, 2020 through August 9, 2020.

B. Discussion

3. On May 20, 2019, Public Service filed Advice Letter No. 1797-Electric with supporting attachments and pre-filed testimony as a Phase I electric rate case proceeding. That filing was enumerated as Proceeding No. 19AL-0268E. Public Service initially sought a total increase in its base rate revenues of approximately \$408 million or 26.4 percent. The manner in

which the increase was sought with over half of the increase resulting from transfers from three riders created a complex proceeding.

4. After the evidentiary hearing, the Commission issued Decision No. C19-0096 on February 11, 2020 in which the Commission established a base rate revenue deficiency of \$286.4 million. The Commission directed the Company to file an advice letter compliance filing to modify the tariff sheets in its Colorado PUC No. 8 tariff consistent with the findings, conclusions, and directives in Decision No. C19-0096. Public Service was further directed to file the compliance tariff sheets in compliance with all applicable rules. In calculating the proposed effective date for the new tariff filing, the Company was directed that the date the filing was received at the commission was not to be included in the notice period and the entire notice period must expire prior to the effective date. Further, the Company was directed that the advice letter and tariff must comply in all substantive respects to Decision No. C19-0096 in order to be filed as a compliance filing on shortened notice.

5. Subsequently, several intervenors, as well as Public Service filed applications for rehearing, reargument or reconsideration (RRR) of Decision No. C19-0096. Based on the arguments raised by the parties on RRR, by Decision No. C20-0505, issued July 14, 2020, the Commission made several findings which modified Decision No. C19-0096. Notably, the Commission granted Public Service's RRR to reconsider disallowance of the investment costs to replace the finishing superheater (FSH) for the Comanche 3 generating station. The Commission allowed the Company to recover the \$11.7 million investment in the replacement FSH at Comanche 3 through rates.

6. In Decision No. C20-0505, the Commission directed Public Service to determine whether the findings, conclusions, and directives in that Decision cause a material change in the

rates the Company calculated in accordance with Decision No. C20-0096 and put into effect on February 25, 2020 through Advice Letter No. 1818. If those changes in calculated rates was material, the Commission directed the Company to submit, no later than 30 days after the Mailed Date of Decision No. C20-0505, a compliance advice letter filing in accordance with Decision No. C20-0096 as modified by this Decision on not less than two business days' notice.¹

7. On August 5, 2020, Public Service filed Advice Letter No. 1830-Electric. The Company indicates that the accompanying tariff sheets indicate the change required as a result of the Commission's Decision No. C20-0505. According to the Company, the proposed change is to place into effect on August 10, 2020 the rates and tariff approved in the Company's Phase I Electric Rate Review in Proceeding No. 19AL-0268E pursuant to Commission Decision No. C20-0096 as modified by Commission Decision No. C20-0505.

8. Public Service states that it placed rates into effect on February 25, 2020, pursuant to filing directives set forth in Decision No. C20-0096, through Advice Letter No. 1818 – Electric. However, Decision No. C20-0505 changed several issues affecting the final Revenue Requirement as a result of RRRs filed by parties to Proceeding No. 19AL-0268E directing specific changes and filing requirements.

9. Public Service states that consistent with Decision No. C20-0505, the Company determined the findings, conclusions, and directives in Decision No. C20-0505 are material and conferred with Trial Staff of the Commission as directed by the Commission. The Company states it is making its Advice Letter compliance filing on not less than two business days' notice. Public Service represents that the Advice Letter compliance filing includes a modified General Rate Schedule Adjustment (GRSA) and General Rate Schedule Adjustment-Energy (GRSA-E)

¹ See, Decision No. C20-0096 at ¶¶ 109, 110 and Ordering Paragraph No. 11.

calculated as directed by Decision No. C20-0505. The Company represents that the full base rate revenue change as a result of Decision No. C20-0505 is \$12,112,920. The derivation of the net base rate revenue increase as a result of Decision No. C20-0505 is identified in the Advice Letter in the table on page 2.

10. However, the Company goes on to represent that in addition to the net base rate revenue increase of \$12,112,920, the Company now estimates it has under-collected \$4,907,443 for the period February 25, 2020 through August 9, 2020. According to Public Service this back bill period captures the date rates went into effect pursuant to Decision No. C20-0096 and the date when final rates are requested to become effective of August 10, 2020 as modified by Decision No. C20-0505. The Company represents the approximate \$4.9 million back bill amount has been calculated utilizing actual billing determinants for the months of February through June and estimated billing determinants for the months of July and August. The Company states the GRSA and GRSA-E rates will include the back bill amount beginning August 10, 2020 and continuing through December 31, 2020, at which time the back bill will automatically terminate.

11. Public Service acknowledges that it is unusual to include the back bill in the GRSA and GRSA-E and therefore proposes to true-up the amount collected to recover the back bill in its second quarter 2020¹ Electric Commodity Adjustment which it will file on or before March 15, 2021

12. We have significant concerns with Public Service's proposal to back bill for amounts it claims were incurred during the period February 25, 2020 through August 9, 2020. We are not aware of a similar compliance filing before this Commission by any utility under Commission jurisdiction. We certainly did not expect the Company to include this back billing

into its compliance filing and the Company provides no legal or regulatory justification for the back billing.

13. We therefore find good cause to invoke our authority under § 40-6-111(1), C.R.S. to suspend the effective date of the tariffs attached to Advice Letter No. 1830-Electric for 120 days to further investigate the appropriateness of this filing. Pursuant to § 40-6-111(1), C.R.S., the initial 120-day suspension period for the tariff pages submitted with Advice Letter No. 1830-Electric shall extend through December 8, 2020. We will determine at a later date what form of hearing we wish to conduct in order to resolve our concerns.

II. ORDER

A. It Is Ordered That:

1. The proposed effective date of August 10, 2020, of the tariff pages filed by Public Service Company of Colorado with Advice Letter No. 1830-Electric in Proceeding No. 20AL-0328E is suspended for 120 days until December 8, 2020, or until further order of the Commission.

2. The Commission shall hear this matter *en banc*.

3. Further directives from the Commission will determine the form of any hearing and the issues to be resolved.

4. This Decision is effective on its Mailed Date.

**B. ADOPTED IN COMMISSIONERS' DELIBERATIONS MEETING
August 7, 2020.**

(S E A L)



ATTEST: A TRUE COPY



Doug Dean,
Director

THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO

JEFFREY P. ACKERMANN

JOHN GAVAN

MEGAN GILMAN

Commissioners