

Decision No. C21-0307

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF COLORADO

PROCEEDING NO. 21A-0145G

IN THE MATTER OF THE APPLICATION OF PUBLIC SERVICE COMPANY OF
COLORADO FOR APPROVAL OF ITS 2020 GAS DEMAND-SIDE MANAGEMENT
BONUS.

**DECISION GRANTING APPLICATION FOR
APPROVAL OF THE 2020 GAS
DEMAND-SIDE MANAGEMENT BONUS**

Mailed Date: May 21, 2021

Adopted Date: May 19, 2021

I. BY THE COMMISSION

A. Statement

1. On April 1, 2021, pursuant to Colorado Public Utilities Commission (Commission) Rules 1303 and 1403, 4 *Code of Colorado Regulations* (CCR) 723-1 of the Rules of Practice and Procedure, and Rules 4752(b), 4752(c), 4754(f) through (j) and 4760, 4 CCR 723-4 of the Rules Regulating Gas Utilities, Public Service Company of Colorado (Public Service or the Company) filed an application seeking Commission approval for its 2020 Gas Demand-Side Management Bonus (Gas DSM Bonus), which includes an Acknowledgement of Lost Revenues (ALR).

2. Pursuant to § 40-3.2-103(2)(a), C.R.S., the Commission shall “[a]dopt DSM program expenditure targets equal to at least one-half of one percent of a natural gas utility’s revenues from its full service customers in the year prior to setting such targets[.]” Further, pursuant to Rule 4753(h)(I), “the utility’s annual expenditure target for DSM programs shall be, at a minimum, two percent of a natural gas utility’s base rate revenues, (exclusive of commodity

costs), from its sales customers in the 12-month calendar period prior to setting the targets, or one-half of one percent of total revenues from its sales customers in the 12-month calendar period prior to setting the targets, whichever is greater[.]”

3. Pursuant to Rule 4754(g)(II), “[a]s a threshold matter, the utility must expend at least the minimum amount set forth in subparagraph 4753 (h)(I), in order to earn a bonus.” As stated in Public Service’s application, “the Company’s actual gas DSM portfolio expenditures totaled \$14,221,453, which is significantly more than the statutory minimum gas DSM expenditure target of \$7.6 million, which was calculated pursuant to the formula contained within §40-3.2-103(2)(a), C.R.S.[.]”

4. The calculation methodology of the Gas DSM Bonus is governed by Rule 4754(g)(III)-(IV). For 2020, the Company has calculated a Gas DSM Bonus in the amount of \$3,555,363. Additionally, the calculation methodology of an Acknowledgement of Lost Revenues is governed by Rule 4754(g)(I). For 2020, the Company has calculated an ALR in the amount of \$893,946. Public Service seeks Commission approval of a total award of \$4,449,309 for 2020.

II. DISCUSSION

5. In Proceeding No. 18A-0606EG, by Recommended Decision Nos. R19-0229 issued March 8, 2019, and R19-0229-E issued March 19, 2019, the Commission approved the Company’s 2019 through 2020 DSM Plan, with a natural gas energy efficiency target of 681,120 dekatherms (Dth) for 2020. To achieve these savings, a total budget of \$14,867,096 was approved.

6. In 2020, the Company exceeded the Commission-approved gas DSM savings goal by 6.8 percent (achieving 727,480 Dth in gas savings) by expending 95.7 percent of its

Commission-approved budget, or \$14,221,453. Overall, the Company's 2020 DSM Plan year was cost-effective, leading to a Modified Total Resource Cost test value of 1.83 and resulting in net economic benefits totaling \$31,437,618.¹ Pursuant to Rule 4754(i), "[t]he maximum bonus is 20 percent of net economic benefits or 25 percent of expenditures, whichever is less." In this case, the bonus of \$3,555,363 represents 25 percent of expenditures for 2020.

7. Pursuant to the Commission rules outlined above and based on the Company's gas DSM achievements in 2020, Public Service is eligible to receive its requested total award of \$4,449,309.

8. The Commission's Staff has reviewed the accuracy of the calculation of the award and its adherence to the Commission's gas DSM rules.

III. ORDER

A. The Commission Orders That:

1. Public Service Company of Colorado's application for approval of its 2020 gas demand-side management bonus filed April 1, 2021, totaling \$4,449,309, is granted, consistent with the above.

2. This Decision only approves the amount of the bonus. Collection of the bonus over a 12-month period through the Gas Demand-Side Management Cost Adjustment, to be effective July 1, 2021, is the subject of Advice Letter No. 982-Gas in Proceeding No. 21AL-0144G, which will be before the Commission in a future Commissioners' Weekly Meeting prior to July 1.

¹ The Company's 2020 DSM achievements are detailed in its 2020 Annual Demand-Side Management Status Report, filed in Proceeding No. 18A-0606EG.

3. The 20-day period provided for in § 40-6-114, C.R.S., within which to file applications for rehearing, reargument, or reconsideration begins on the first day following the effective date of this Decision.

4. This Decision is effective upon its Mailed Date.

**B. ADOPTED IN COMMISSIONERS' WEEKLY MEETING
May 19, 2021.**

(S E A L)



ATTEST: A TRUE COPY

Doug Dean,
Director

THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO

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JOHN GAVAN

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Commissioners