Decision No. R25-0615

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF COLORADO

PROCEEDING NO. 25AL-0059E

IN THE MATTER OF ADVICE LETTER NO. 1977 - ELECTRIC FILED BY PUBLIC SERVICE COMPANY OF COLORADO TO REVISE ITS COLORADO P.U.C. NO. 8 - ELECTRIC TARIFF TO IMPLEMENT PRO RATA INTERCONNECTION COST SHARING FOR QUALIFIED COMMUNITY SOLAR GARDEN PROJECTS PURSUANT TO SENATE BILL 24-207, TO BECOME EFFECTIVE MARCH 2, 2025.

RECOMMENDED DECISION GRANTING JOINT MOTION TO UNANIMOUS COMPREHENSIVE SETTLEMENT AGREEMENT

Issued Date: August 27, 2025

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I. STATEMENT

A. Background

1. On January 30, 2025, Public Service Company of Colorado ("Public Service" or the "Company") filed Advice Letter No. 1977-Electric with a modified tariff sheet that initiated this proceeding ("Advice Letter"). Public Service also filed the direct testimony of R. Neil Cowan supporting the Advice Letter.

2. On February 18, 2025 and February 20, 2025, Trial Staff of the Colorado Public Utilities Commission ("Staff"), and Colorado Solar and Storage Association ("COSSA"), the Solar Energy Industries Association ("SEIA"), and the Coalition for Community Solar Access ("CCSA") (collectively, "the Joint Solar Parties"), filed protests to the Advice Letter, respectively. Both Protests asked the Commission to set the matter for hearing and suspend the effective date of the tariff sheet filed with the Advice Letter. In their Protest, the Joint Solar Parties also requested that this proceeding be consolidated with Proceeding No. 24A-0547E in which the Commission is considering Public Service's proposed 2025-2029 Distribution System Plan ("DSP") ("Motion to Consolidate"). The Joint Solar Parties stated that they had conferred with Public Service regarding the consolidation request and Public Service stated that it did not have a position at the time, but reserved the right to take a position and respond to the motion in the future. The Joint Solar Parties also stated that they were unable to "connect" with Staff regarding Staff's position on the Motion to Consolidate. Neither Public Service nor Staff have filed a response to the Motion to Consolidate.

3. On February 28, 2025, the Commission issued Decision No. C25-0148 that set for hearing the tariff sheet filed with Advice Letter No. 1977 (which suspended its effective date for 120 days through June 30, 2025); established an intervention period through March 28, 2025; and referred the proceeding to an Administrative Law Judge ("ALJ"). The proceeding was subsequently assigned to the undersigned ALJ.

4. On March 24, 2025 and April 9, 2025, the Joint Solar Parties and SunShare, LLC ("SunShare") filed a Motion to Intervene and a Motion for Leave to Intervene, respectively (collectively, "Motions to Intervene").

5. On March 24, 2025, Staff filed a Notice of Intervention.

6. On April 11, 2025, the ALJ issued Decision No. R25-0284-I that granted the Motions to Intervene, denied the Motion to Consolidate, scheduled a remote prehearing conference for April 23, 2025, required the parties to confer regarding a procedural schedule, and for Public Service to file a report of conferral by noon on April 21, 2025.

7. On April 17, 2025, Public Service filed the Conferral Report in which it reported that the parties had agreed to a procedural schedule ("Consensus Schedule").

8. On April 22, 2025, the ALJ issued Decision No. R25-0309-I that, in part, accepted the Consensus Schedule, vacated the remote prehearing conference, and further extended the suspension of the effective date of the tariff sheet filed with the Advice Letter.

9. On May 14, 2025, the Joint Solar Parties filed a Joint Motion to Modify Procedural Schedule ("Joint Motion") requesting to modify the Consensus Schedule as follows:

Event	**Deadline**	**New Deadline**
Answer Testimony	May 19, 2025	May 27, 2025
Rebuttal/Cross-Answer Testimony	June 16, 2025	June 20, 2025

Event	Deadline	New Deadline
Stipulations Settlement Agreement(s) Corrections Prehearing Motions Witness List Cross-Examination Matrix	June 27, 2025	Same
Evidentiary Hearing	July 1, 2025	Same
Statements of Position	July 30, 2025	Same

As support for the Joint Motion, the Joint Solar Parties state that the parties were engaged in settlement negotiations and it would be more efficient to allow more time for those discussions to take place before the intervening parties are required to file answer testimony. The Joint Solar Parties state that the Joint Motion is unopposed.

10. On May 20, 2025, the ALJ issued Decision No. R25-0384-I that granted the Joint Motion.

11. On May 27, 2025, Staff, the Joint Solar Parties, and SunShare filed answer testimony.

12. On June 20, 2025, Public Service filed rebuttal testimony.

13. On June 27, 2025, Public Service filed an Unopposed Motion for a Variance from the Deadline to File the Cross-Examination Matrix and Settlement Agreement on June 27, 2025, to Vacate the Evidentiary Hearing and Deadline for Statements of Position, and to Extend Settlement-Related Deadlines, and Request For Waiver Of Response Time ("Unopposed Motion").

14. On June 30, 2025, the ALJ received an email from counsel for Public Service and copying counsel for all other parties stating that the parties had reached a unanimous and comprehensive settlement in principle.

15. Later on June 30, 2025, the ALJ issued Decision No. R25-0492-I that granted the Unopposed Motion, vacated the remote evidentiary hearing, and set a deadline of July 11, 2025 for the parties to file the settlement agreement, a motion to approve the settlement agreement, and testimony or affidavits supporting the settlement agreement.

16. On July 11, 2025, the parties filed a Joint Motion to Approve Unanimous Comprehensive Settlement Agreement ("Joint Motion"), to which they attached the Unanimous Comprehensive Settlement Agreement ("Settlement Agreement"), the Settlement Testimony of Public Service witness R. Neil Cowan, and affidavits from a witness for each other party merely stating that each party supports the Settlement Agreement, and believes that the Settlement Agreement is in the public interest for the reasons stated in Mr. Cowan's settlement testimony.

II. PRE-SETTLEMENT POSITIONS AND SETTLEMENT AGREEMENT

A. Advice Letter and Direct Testimony

17. In the Advice Letter and Mr. Cowan's Direct Testimony, Public Service stated that the purpose of this proceeding is to update Public Service's Colorado P.U.C. No. 8 – Electric tariff ("Electric Tariff") to comply with § 40-2-127.2(7)(b), C.R.S., which was enacted into law through Senate Bill 24-207. Section 40-2-107.2(1)(c), C.R.S., defines a "community solar facility"[1] as a facility:

> (I) Owned by a subscriber organization that generates electricity by means of a ***solar photovoltaic device***;
>
> (II) Through which a subscriber to the facility receives a community ***solar*** bill credit for the electricity generated in proportion to the subscriber's share of the facility's kilowatt-hour output;
>
> (III) That constitutes "retail distributed generation" as described in section 40-2-124; and

[1] § 40-2-107.2(7)(b), C.R.S.

> (IV) That is allocated inclusive community ***solar*** capacity on or after January 1, 2026.[2]

Section 40-2-127.2(7)(b), C.R.S., requires Public Service to file tariff updates to implement pro rata interconnection cost-sharing mechanisms for system upgrades whereby a community solar facility only pays the facility's proportional share of newly created hosting capacity associated with the facility. Toward that end, Public Service proposed updates to its policy on the Interconnection of Distributed Energy Resources within its Electric Tariff to provide for pro rata sharing of interconnection costs for community solar facilities that require an upgrade of a distribution substation (Sheet No. R253).

18. Specifically, Public Service proposed that a community solar developer would pay the Company the pro rata cost per megawatt share of the distribution substation upgrade, which would include only voltage supervisory reclosing ("VSR") and ground fault over-voltage protection ("3VO"), and specifically excluded new or upgraded substation transformers. The remainder of the interconnection costs associated with such community solar facilities would be subject to Public Service's standard interconnection policies that would otherwise apply.[3]

19. Further, to the extent that the initial developer's pro rata share of the additional capacity enabled by the distribution substation interconnection upgrade was less than 90 percent, community solar projects that utilize the same distribution substation interconnection upgrade within five years of the execution date of the first interconnection agreement associated with the substation upgrade would also be charged their respective pro rata share based on the cost per megawatt of the distribution substation upgrade utilized by the additional community solar

[2] § 40-2-107.2(1)(c), C.R.S. (emphasis added).
[3] Hearing Exhibit 101 at p. 8:12-22 (Direct Testimony of R. Neil Cowan).

project.[4] This pro rata cost sharing policy would apply to qualifying community solar gardens that execute interconnection agreements on or after January 1, 2026.[5]

20. Public Service's spending under this pro rata interconnection cost sharing mechanism would be capped at $5 million per calendar year. If the annual pro rata interconnection cost sharing cap were reached, Public Service would charge developers for the full extent of the distribution system upgrade costs necessary to interconnect community solar facilities to the Company's electric system from that point through the end of the calendar year.[6] Public Service would seek recovery from ratepayers of the amounts it expended through this program through the Grid Modernization Adjustment Clause ("GMAC"), which was created by Senate Bill 24-218 and codified at § 40-2-132.5.[7]

B. Answer Testimony

1. Staff

21. In its Answer Testimony, Staff argued that the annual cap on Public Service's pro rata interconnection costs that later would be recovered from ratepayers should be $3 million. If Public Service can later employ data from the initial phase of the program to justify a higher cap, Staff will consider it. Alternatively, Staff recommended allowing any funds within the $3 million cap that are unused during a calendar year to rollover to the next calendar year with an absolute cap (including rollover(s)) of $5 million.[8]

22. Staff recommended that cost recovery through the GMAC not be approved in this proceeding. The implementation of the GMAC starting January 1, 2026 was authorized by the

[4] *Id*. at p. 9:11-19.
[5] *Id*. at p. 11:3-8.
[6] *Id*. at p. 11:15-12:11.
[7] *Id*. at p. 10:1-11:14.
[8] Hearing Exhibit 400 at p. 25:17-26:9 (Answer Testimony of Nardos Ghebregziabher).

General Assembly in Senate Bill 24-218, which directed the Commission to establish the GMAC (including its details) in Public Service's then-next Distribution System Plan ("DSP").[9] Public Service's DSP in which the Commission must do so is Proceeding No. 24A-0547E, which is pending.[10] Staff argues that ordering Public Service to recover its pro rata interconnection costs approved in this proceeding through the GMAC would be premature, and would improperly limit the discretion of the Commission to define the parameters of the GMAC in the pending DSP proceeding.[11] Staff recommends that recovery of interconnection costs not be addressed in this proceeding.[12] Instead,

> The question of how PSCo should recover the pro rata share of upgrade costs that are not covered by CSG developers should be deferred until after the conclusion of the DSP, at which point PSCo can either 1) request GMAC recovery through one of the annual update advice letters required by the SB24-218 if doing so would be appropriate under the DSP decision, or 2) seek to recover its expenses through some other mechanism, such as a rate case.[13]

23. Finally, Staff recommended increasing the period for contributions from developers that utilize the substation upgrades from the proposed five years to ten years. Staff argued that this change would increase the likelihood that the amount for substation upgrades caused by the building of CSGs recovered from ratepayers will be minimized.

2. Joint Solar Parties

24. The Joint Solar Parties proposed four changes to Sheet No. R253 filed by Public Service with its Advice Letter. First, they requested that the costs eligible for the cost sharing mechanism not be limited to 3VO and VSR. Instead, all costs for interconnection upgrades that

[9] *Id*. at p. 19:13-17.
[10] *Id*. at p. 5:15-19.
[11] *Id*. at p. 16:15-19.
[12] *Id*. at p. 20:9-10.
[13] *Id*. at p. 20:10-16.

take place within the boundary of the distribution substation fence should be eligible for the cost sharing mechanism.[14] The Joint Solar Parties state that the restrictions proposed by Public Service are inconsistent with § 40-2-127.2(7)(b), C.R.S.[15] Removing them will minimize the likelihood that a substation will become a "dead zone" because otherwise it is very unlikely that a single developer will foot the entire bill for the highest-cost upgrades such as transformers and switchgear.[16]

25. Second, the Joint Solar Parties advocated for an investment cap of $20 million from 2026 to 2029, "which is the equivalent of $5 million per year from 2026 to 2029."[17] Under this proposal, if the $20 million fund was depleted in 2027, there would be no funding for the cost sharing mechanism from that point to the end of 2029. The Joint Solar Parties contend that this proposal reflects the 'lumpiness' of grid infrastructure investments," meaning that "interconnection investments [tend] to occur in blocks."[18]

26. Third, the Joint Solar Parties proposed that a "mobilization threshold" be added to the tariff so that construction on upgrades would not commence until at least 25 percent of the total upgrade cost is committed through one or more interconnection agreements. The Joint Solar Parties proposed that the pro rata contributions be refundable until the mobilization threshold is reached, and any funds received post-mobilization threshold would remain refundable until construction begins. The Joint Solar Parties also request that Public Service be required to provide

[14] Hearing Exhibit 200 at pp. 5:15-22, 11:4-19 (Answer Testimony of Samantha Weaver).
[15] *Id*. at p. 10:12-18.
[16] *Id*. at p. 11:4-16.
[17] *Id*. at p. 6:1-3.
[18] *Id*. at p. 15:12-20.

20-days notice before: (a) pro rata payments become nonrefundable due to reaching the mobilization threshold: and (b) construction begins.[19]

27. Fourth, the Joint Solar Parties stated that the time period within which cost sharing reimbursements to the original developers be extended from 5 to 10 years following execution of the project's first interconnection agreement or "until the remaining, unreimbursed balance owed falls below $100,000, whichever occurs first."[20] This will further incentivize solar developers to pursue expend significant capital on substation upgrades to support their projects.

28. In addition, the Joint Solar Parties requested that Public Service be required to "publish public details on the nature, timing, location, and cost of interconnection upgrades funded through the cost sharing mechanism on its website."[21] Solar developers will then have a resource to find locations where available hosting capacity exists. Such publication "facilitates more efficient project development, increases the likelihood that additional private capital will cover any outstanding interconnection costs, and reduces the risk of upgrade costs ultimately being recovered in Public Service's base rates."[22]

29. Finally, the Joint Solar Parties recommended that the projects qualifying for this cost-sharing mechanism not be limited to community solar projects. While they acknowledged that § 40-2-107.2(7)(b), C.R.S. "directed cost sharing specifically for community solar,"[23] the Joint Solar Parties contended that "the statute in no way precludes the application of interconnection cost saving to other similar projects."[24] The Joint Solar Parties concluded that the program should

[19] *Id*. at p. 16:1-17.
[20] *Id*. at p. 17:9-11.
[21] *Id*. at p. 16:18-20.
[22] *Id*. at p. 17:3-6.
[23] *Id*. at p. 17:18-19.
[24] *Id*. at p. 17:19-20.

apply to any "front-of-the-meter, distribution-interconnected resources"[25] because "expanding the scope of eligible projects would increase the likelihood that distribution upgrades paid for through the pro rata cost-sharing mechanism are fully funded by private capital and not distribution ratepayers."[26]

3. SunShare

30. SunShare recommended that the Commission require Public Service to allow pay-as-you-go option for developers that demonstrate a reasonably adequate assurance of their creditworthiness, or, in the alternative, accept a surety bond to further guarantee payments consistent with the pay-as-you-go mechanism.[27] Requiring developers to pay the entire expected amount of the upgrade up front when the project may not commence for a significant period entails interest expenses and opportunity costs that deprive the developers from using what are typically significant capital outlays for other development projects.[28]

C. Rebuttal Testimony

31. In its rebuttal testimony, Public Service proposed further modifications to Sheet No. R253 filed with the Advice Letter. First, Public Service echoed Staff's recommendation that the annual cap on Company-funded investment be lowered to $3 million. Public Service proposed that unused amounts would rollover to the following calendar year up to a maximum cap of $5 million.[29]

32. Second, Public Service proposed that the pro rata cost sharing program apply to "any distribution upgrade needed to support the interconnection of a CSG that occurs in the

[25] *Id*. at p. 17:16-19.
[26] *Id*. at p. 18:7-9.
[27] Hearing Exhibit 300 at p. 15:6-11 (Answer Testimony of Salina Derichsweiler); Hearing Exhibit 300 at p. 21:6-10 (Answer Testimony of Jason Fromberg).
[28] Hearing Exhibit 300 at p. 11:17-12:4; Hearing Exhibit 301 at p. 17:18-18:2.
[29] Hearing Exhibit 102 at pp. 14:21-15:2 (Rebuttal Testimony of R. Neil Cowan).

boundary of a distribution medium-voltage substation fence, including 3VO, VSR, new or upgraded substation transformers, and switchgear."[30]

33. Third, Public Service proposed (a) a 50 percent mobilization threshold for VSR and 3VO investments; and (b) an 85 percent mobilization threshold for all other categories of distribution substation upgrades. The applicable mobilization threshold must be met before construction of a Company-funded interconnection investment would commence.

34. Fourth, Public Service proposed to provide a minimum of 30 days' written notice of the pro rata payments becoming non-refundable due to the mobilization threshold being attained, and would allow developers to withdraw and obtain refunds during the notice period. If the refund caused the mobilization threshold no longer to be met, construction would be delayed until it was.[31]

35. Fifth, Public Service proposed to allow a developer to fund costs beyond their share of the pro-rated cost up to the mobilization threshold of the interconnection infrastructure in lieu of waiting for the mobilization threshold to be reached through other developer contributions. The developer would then be eligible to be reimbursed the pro-rata contributions of future developers who use the infrastructure paid for by the original developer during the reimbursement period (addressed below).

36. Sixth, Public Service proposed that the period during which developer(s) can be reimbursed would be seven years, or until the remaining unreimbursed project costs fall below $100,000, whichever is earlier.[32] The period would commence with the execution of the initial

[30] *Id*. at p. 15:7-12.
[31] *Id*. at p. 15:13-26.
[32] *Id*. at p. 15:28-34.

developer's interconnection agreement. The seven-year reimbursement period would apply to all projects, not just ones initially funded by a single developer.[33]

37. Seventh, Public Service proposed to publicly post no less frequently than a quarterly basis information on distribution substation upgrades funded through the pro rata cost sharing mechanism, including mobilization percentage, the applicable reimbursement period, and the amount of available distribution hosting capacity under the DER planning limit. The purpose of this publication would be to facilitate developer coordination and minimize developer investment in capacity that the developer does not use.[34]

38. Eighth, Public Service proposed to recover its investments in such projects through either the GMAC or the Renewable Energy Standard Adjustment ("RESA").[35]

39. Finally, Public Service proposed for this "program" to expire in four years, and Public Service would "bring forward its recommendations on the future direction of the program in an appropriate application or advice letter proceeding by February 28, 2029, either as a standalone filing or as part of another related proceeding."[36]

D. Settlement Agreement

40. All of the parties in this proceeding entered into the Settlement Agreement. The parties agreed to Public Service's the following proposals put forward in Public Service's rebuttal testimony: (a) the pro rata cost sharing program will apply to any distribution upgrade needed to support the interconnection of an eligible project that occurs in the boundary of a distribution medium-voltage substation fence, including 3VO, VSR, new or upgraded substation transformers, and switchgear (Public Service's second proposal listed above); (b) Public Service

[33] *Id*. at p. 15:38-41.
[34] *Id*. at p. 16:5-11.
[35] *Id*. at p. 16:12-17.
[36] *Id*. at p. 16:20-23.

would provide a minimum 30 days' written notice of the pro rata payments becoming non-refundable due to the mobilization threshold being attained (Public Service's fourth proposal); (c) a developer may elect to fund costs beyond its share of the pro-rated cost up to the mobilization threshold of the interconnection infrastructure in lieu of waiting for the mobilization threshold to be reached (Public Service's fifth proposal); (d) Public Service will publicly post no less frequently than a quarterly basis information on distribution substation upgrades funded through the pro rata cost sharing mechanism (Public Service's seventh proposal);[37] and (e) the duration of the pro rata cost sharing program will be four years with Public Service filing an application or advice letter by February 28, 2029 (Public Service's ninth proposal).[38]

41. The parties further agreed to the following seven terms.

42. First, the pro rata cost sharing program will apply to any "front of the meter, distribution-interconnected renewable energy resources ('FTM Distributed Energy Resources') that have executed interconnection agreements with the Company on or after January 1, 2026 and elect to participate in the pro-rata cost sharing program."[39] Public Service's compliance advice letter filed in this proceeding will initially limit program eligibility to "community solar gardens" as defined in Commission Rule 3877(a). Public Service will then file within 30 days after the Commission's final decision in this proceeding a separate advice letter that will initiate a separate proceeding seeking to extend eligibility of the pro rate cost sharing program to FTM Distributed Energy Resources. Any interested person or entity will then be able to protest the follow-on advice letter.[40]

[37] To the list of items that would be included in each publication proposed by Public Service in its rebuttal testimony, the parties added: (a) the prorated cost per MW of each upgrade; and (b) the amount of the overall $10 million investment cap available at the time of update

[38] Joint Motion to Approve Settlement Agreement, Attach A at pp. 3, 4, 5, 6-7.

[39] *Id*. at p. 3.

[40] *Id*. at pp. 3, 6-7.

43. Second, the parties agree on a mobilization threshold of 50 percent of the overall upgrade cost (instead of separate thresholds applicable to different categories of cost).[41]

44. Third, the period during which developers can be reimbursed for other developers using the infrastructure paid for by other developers is ten years from the execution of the initial developer's interconnection agreement.[42]

45. Fourth, the cap on Public Service investment will be $10 million over the four years of the program. The amount of Public Service investment under this program, and thus the amount of cap-room left, will be recalculated on at least a quarterly basis, the cap will be reviewed by the Settling Parties on an annual basis, and Public Service will provide "an accounting of actual system costs on completion of project close out, and provide adjustments to the FTM Distributed Energy Resource developer and to the cap as appropriate."[43]

46. Fifth, Public Service may recover the costs of Company-funded investment associated with this program through the RESA.

> In the event that future developments ultimately preclude continued cost recovery through the RESA, the Settling Parties agree that the Company may track and defer the revenue requirements associated with Company-funded investment though this program, including a return at the Company's Commission-approved weighted average cost of capital, and bring such costs forward for recovery through a Phase I electric rate case as such investments are placed into service. Under the deferral approach, the Company would continue to track and account for developer pro rata cost sharing contributions throughout applicable developer reimbursement periods so that the revenue requirements recovered can be appropriately adjusted to account for such contributions.[44]

[41] *Id*. at pp. 3-4.
[42] *Id*. at p. 4.
[43] *Id*. at p. 5.
[44] *Id*. at pp. 5-6.

In addition, the parties agreed that Public Service can request cost recovery through the GMAC in a future proceeding and the intervenors can oppose such a request.[45]

47. Sixth, the parties agreed that the period during which developer(s) can be reimbursed is ten years, or until the remaining unreimbursed project costs fall below $100,000, whichever is earlier.[46] The period would commence with the execution of the initial developer's interconnection agreement. The seven-year reimbursement period would apply to all projects, not just ones initially funded by a single developer.[47]

48. Seventh, the parties agree that, if SunShare or the Joint Solar Parties advocate for alternative payment options for the payment of interconnection costs within the pending proceeding addressing Public Service's Renewable Energy Standard Plan (Proceeding No. 25A-0194E), they will not object on venue grounds.[48]

49. Attached to Mr. Cowan's settlement testimony is Attachment RNC-4 which further revises Sheet No. R253 to reflect the terms and provisions of the Settlement Agreement.

III. ANALYSIS

A. Burden of Proof

50. Except as otherwise provided by statute, the Administrative Procedure Act imposes the burden of proof in administrative adjudicatory proceedings upon "the proponent of an order."[49] The parties filed the Joint Motion and, as a result, bear the burden of proof.[50] The parties must establish by a preponderance of the evidence that the Settlement Agreement is just and reasonable

[45] *Id*. at p. 6.
[46] *Id*. at p. 15:28-34.
[47] *Id*. at p. 15:38-41.
[48] *Id*. at p. 7.
[49] § 24-4-105(7), C.R.S.
[50] Section 24-4-105(7), C.R.S.; § 13-25-127(1), C.R.S.; Rule 1500 of the Rules of Practice and Procedure, 4 CCR 723-1.

and in the public interest. The Commission has an independent duty to determine matters that are within the public interest.[51]

B. Modified Procedure

51. The Application, as modified by the Settlement Agreement executed by all of the parties in this proceeding, is uncontested. Moreover, the parties agree that a hearing is unnecessary. Finally, the Application and Settlement Agreement are supported by sworn testimony and attachments that verify sufficient facts to support the Application and Settlement Agreement. Accordingly, pursuant to § 40-6-109(5), C.R.S. and Commission Rule 1403,[52] the Application, as modified by the Settlement Agreement, will be considered under the modified procedure, without a formal hearing.

C. Analysis

52. Based upon substantial evidence in the record as a whole, the ALJ finds and concludes that the Settlement Agreement is just and reasonable and not contrary to the public interest. The ALJ shall approve the Settlement Agreement without material modification and grant the Joint Motion.

53. The ALJ notes that the question of whether expanding eligibility for the pro rata cost sharing program to include FTM Distributed Energy Resources is consistent with § 40-2-107.2, C.R.S. is not at issue in this proceeding. As noted, Public Service's compliance advice letter and tariff sheet will limit program eligibility to "community solar gardens" as defined in Commission Rule 3877(a). Thereafter, Public Service will file a new advice letter with tariff sheets seeking to expand the program to include FTM Distributed Energy Resources. The new

[51] *See Caldwell v. Public Utilities Commission*, 692 P.2d 1085, 1089 (Colo. 1984).
[52] 4 CCR 723-1.

advice letter with tariff sheets will initiate a new proceeding in which any party – including the intervenors in this proceeding – can intervene and dispute, among other things, whether so expanding the pro rata cost sharing program is consistent with § 40-2-107.2, C.R.S. or otherwise permissible.[53] This is significant because earlier in the proceeding the Joint Solar Parties acknowledged that the quoted statute "directed cost sharing specifically for community solar,"[54] and Public Service stated that expanding the projects eligible for the pro rata cost sharing program to include any "front-of-the-meter distributed interconnected renewable energy generation project . . . is inconsistent with the requirements of SB 24-207,"[55] which codified the pro rata cost sharing program.

54. Because it is not at issue in this proceeding, the ALJ passes no judgment on whether expanding the pro rata cost sharing program to include FTM Distributed Energy Resources is consistent with § 40-2-107.2, C.R.S. or otherwise permissible. The ALJ urges the Commission to review that very question when Public Service files its follow-on advice letter and tariff sheets seeking to so expand the program.

55. For the foregoing reasons, the Joint Motion is granted.

IV. RECOMMENDED DECISION

56. In accordance with § 40-6-109, C.R.S., it is recommended that the Commission enter the following Order.

[53] *See* Settlement Agreement at pp. 8-9 ("each Settling Party expressly reserves the right to advocate positions different from those stated in this Settlement Agreement in any proceeding other than one necessary to obtain approval of, or to implement or enforce, this Settlement Agreement or its terms and conditions.") (¶ 18).

[54] Hearing Exhibit 200 at p. 17:18-19 (Answer Testimony of Ms. Weaver). *But see id*. at p.17:19-20 (arguing that "the statutory language in no way precludes the application of interconnection cost sharing to other similar projects.").

[55] Hearing Exhibit 102 at pp. 18:12-19:2 (Rebuttal Testimony of Mr. Cowan). .

V. ORDER

A. The Commission Orders That:

1. For the reasons stated above, the Joint Motion to Approve Unanimous Comprehensive Settlement Agreement and Request for Waiver of Response Time filed on July 11, 2025 is granted.

2. The Settlement Agreement is approved, consistent with the discussion above. The Settlement Agreement is attached to this Decision as Appendix A.

3. The tariff sheet filed by Public Service Company of Colorado ("Public Service") with Advice Letter No. 1977-Electric is permanently suspended.

4. Public Service shall file, on not less than five days' notice to the Commission, an advice letter compliance filing to modify the tariff sheet consistent with the terms of the Settlement Agreement and specifically in the form of Attachment RNC-4 to the settlement testimony filed by Public Service on July 11, 2025. Public Service shall file the compliance tariff sheet in a separate proceeding. The advice letter and tariff sheets 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.

5. Proceeding No. 25AL-0059E is closed.

6. 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.

7. 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 within 20 days after service, 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.

8. 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

Rebecca E. White,
Director