

Decision No. C22-0841-I

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF COLORADO

PROCEEDING NO. 22A-0382ST

IN THE MATTER OF THE APPLICATION OF PUBLIC SERVICE COMPANY OF
COLORADO FOR APPROVAL OF ITS STEAM REGULATORY AND RESOURCE PLAN.

**INTERIM DECISION SETTING 90-DAY RESPONSE TIME
TO PROVIDE ADDITIONAL INFORMATION.**

Mailed Date: December 29, 2022

Adopted Date: December 28, 2022

I. BY THE COMMISSION

A. Statement

1. On September 1, 2022, Public Service Company of Colorado (Public Service or Company) filed an Application for approval of its Regulatory and Resource Plan (Plan) (Application) concerning the investments in and operations of its district steam system through 2030.

2. Through this Decision, the Commission grants an additional 90 days for the completion of the scope of work for one or more studies of the technical feasibility and potential cost-effective application of heat pump and district geo-exchange technologies by current steam system customers.

B. Procedural Background

3. On September 1, 2022, Public Service filed its Application pursuant to Commission Rules of Practice and Procedure 4 Code of Colorado Regulations (CCR) 723-1-1303 and CCR

723-8-8002 of the Commission's Rules Regulating Steam Utilities, and in compliance with the terms of a settlement agreement approved by Decisions R19-0591, C19-0734 and C22-0251 in the Company's most recent Steam Rate Case, Proceeding 19AL-0063ST.

4. As relevant here, that settlement agreement directed the Company to file a Regulatory and Resource Plan (Plan) for the steam business; and the results of an Engineering Study that includes an evaluation of each of the Company's individual customer's steam facilities and potential future conversion to another fuel source to be filed as part of the Plan. In addition to the Plan, the Company's filing includes the testimony and attachments of four witnesses.

5. On September 2, 2022, the Commission issued a notice of the Application.

6. On October 19, 2022, by Decision No. C22-0633-I, the Commission granted interventions by Staff of the Public Utilities Commission, the Colorado Energy Office, Colorado Energy Consumers and the City and County of Denver. In the Decision, the Commission required Public Service to work with the parties to attempt to achieve a consensus approach to developing information that will enable the Commission to determine whether air-source heat pumps, district geo-exchange, or other geothermal technologies (the "Additional Technologies") are viable alternatives for the steam system's customers. The Commission specified that within 45 days of the Decision's effective date, the Company was to either present a proposal for the study of the Additional Technologies in the context of its district steam system or explain why it believes they are not viable candidates for its customers at this time. The Commission also directed the Company to develop and present an additional analysis of steam rates through 2030 assuming a 7.5 percent annual reduction of steam sales.

7. On December 5, 2022, Public Service filed its "Additional Technologies Report," in which it describes constructive discussions with the parties on a variety of relevant topics, such

as the strategy and scope for additional studies, potential third-party funding sources for additional studies, criteria to consider whether alternative technologies are viable candidates for further study, and conceptual long-term visions for the steam system. The report states that the parties believe a flexible process is necessary to ensure that issues can be thoughtfully vetted and addressed in a consensus-based fashion to attempt to avoid unnecessary disagreements.

8. The Additional Technologies Report also states that the Company intends to file a subsequent report within 90 days, which will provide information on finalized scopes of work, cost, and timelines for formal studies of the viability of the additional technologies.

C. Findings and Conclusions

9. The Commission finds that Public Service and the parties have made substantial progress in thinking about the best approach to study the Additional Technologies, and that the public interest will be best served by granting the additional time needed to refine the scope of work and to identify one or more contractors to conduct the additional studies. We therefore grant an additional 90-day period within which the Company shall work with the parties to refine the scope of one or more studies of the Additional Technologies.

10. Following the Company's filing of the finalized scope of work for the additional study(ies), the Commission shall determine whether to close this Proceeding or hold it in abeyance pending completion of the study of the Additional Technologies.

II. ORDER**A. The Commission Orders That:**

1. Public Service shall continue working with the parties to this proceeding to finalize the scopes of work for one or more studies of the Additional Technologies. Public Service shall file the finalized scopes of work within 90 days of the effective date of this Decision.

2. At the time that it files the finalized scopes of work, Public Service shall also file an estimated cost for the study(ies) and a timeline for their completion.

3. This Decision is effective on its Mailed Date.

**B. ADOPTED IN COMMISSIONERS' WEEKLY MEETING
December 28, 2022**

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ATTEST: A TRUE COPY

G. Harris Adams,
Interim Director

THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO

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Commissioners