

Decision No. C23-0334-I

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF COLORADO

PROCEEDING NO. 23V-0241G

IN THE MATTER OF THE PETITION OF PUBLIC SERVICE COMPANY OF COLORADO
FOR A FULL PERMANENT VARIANCE FROM THE REQUIREMENTS THAT IT FILE A
GAS PERFORMANCE INCENTIVE MECHANISM APPLICATION.

**INTERIM COMMISSION DECISION
DENYING REQUEST FOR SHORTENED 5 DAY NOTICE
AND INTERVENTION PERIOD AND ESTABLISHING
10 DAY NOTICE AND INTERVENTION PERIOD**

Mailed Date: May 18, 2023
Adopted Date: May 17, 2023

I. BY THE COMMISSION

A. Statement

1. On May 15, 2023, Public Service Company of Colorado (Public Service or Company) filed its Petition for a Full Permanent Variance from Gas Utility Rules 4602(g) and 4607 and Request for Shortened Notice and Intervention Period (Petition). Public Service seeks the variance from the rules, which require it to file a Gas Performance Incentive mechanism (GPIM) in order to establish a gas cost benchmark using market indices and apply a risk sharing mechanism.

2. The GPIM is an incentive mechanism that shares the risk of gas commodity costs between the utility and its customers. As part of its filing, Public Service is to include in its application, a list of specific information, including a GPIM benchmark for commodity gas purchases, GPIM commodity gas volumes and costs, upstream supply costs, the methodology for

calculating a risk sharing amount, and a backcasting analysis based on a minimum of the most recent three years of historical data.

3. The date for Public Service to file its first GPIM application is June 13, 2023. Consequently, Public Service seeks a permanent variance to the requirement for a GPIM due to the passage of Senate Bill (SB) 23-291, which adds § 40-3-120, C.R.S., that requires investor-owned gas utilities to file, no later than November 1, 2023, a gas price risk management plan that includes proposals for leveling or reducing the volatility of fuel costs that are recovered pursuant to the utility's gas cost adjustment filings. Under the statute, the plan is to include "a maximum per-month fuel cost that accounts for price fluctuations based on seasonality and can be automatically recovered through the gas cost adjustment mechanism, and may include other elements such as physical hedging, financial hedging, fuel storage, or long-term contracting.

4. Public Service believes that it will have to evaluate and present several elements that are redundant or that overlap the requirements of the GPIM application in complying with the new statutory requirements. As such, the Company's Petition seeks a full and permanent variance from the requirements of GCA Rules 4 *Code of Colorado Regulations* 723-4-4602(g) and 4607 of the Commission's Rules Regulating Gas Utilities, requiring it to file its first GPIM application by June 13, 2023.

5. In addition, Public Service requests that the Commission immediately issue its notice of the filing of the Petition and requests shortened notice and intervention periods to five days after the mailed date of the Commission's notice of the filing of the Petition.

6. This matter comes before the Commission for a determination whether to grant the Company's request for shortened notice and intervention period. Because Public Service seeks a permanent waiver of its requirement to file for approval of a GRPIM application, we find that

sufficient notice of the Petition should be provided. Potential intervenors should be given ample opportunity to review the Company's request and intervene in this proceeding. Therefore, we find that Public Service's Petition will be denied. Instead, we set a ten-day notice and intervention period in this matter. This will provide adequate opportunity for parties to make appropriate filings while allowing enough time for the Commission to make a final determination on the proposed permanent variance prior to the required June 13, 2023, under Rule 4602(g). In the event that consideration of this Petition appears to exceed the June 13, 2023 deadline, Public Service may seek a waiver of that deadline until the matter can be finally decided.

II. ORDER

A. The Commission Orders That:

1. The request by Public Service Company of Colorado to shorten the notice and intervention period to its Petition for a Full Permanent Variance from Gas Utility Rules 4602(g) and 4607 (Petition) to five days after the mailed date of the Commission's notice is denied.
2. The Commission shall shorten the notice and intervention period of the Petition to 10 days from the date notice of the Petition is issued.
3. The Commission shall issue notice of the Petition no less than one day after the effective date of this Decision.

4. This Decision is effective upon its Mailed Date.

**B. ADOPTED IN COMMISSIONERS' WEEKLY MEETING
May 17, 2023.**

(S E A L)



ATTEST: A TRUE COPY

Rebecca E. White,
Director

THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO

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MEGAN M. GILMAN

TOM PLANT

Commissioners