

Decision No. C23-0241-I

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF COLORADO

PROCEEDING NO. 23M-0092G

IN THE MATTER OF THE COMMISSION'S GENERAL INVESTIGATION INTO COLORADO NATURAL GAS UTILITIES' DESIGN DAY AND PEAK DEMAND PARAMETERS.

**INTERIM COMMISSION DECISION SEEKING
ADDITIONAL INFORMATION FROM COLORADO GAS
UTILITIES RELATED TO DESIGN DAY AND PEAK
PARAMETERS FOLLOWING THE MARCH 28, 2023
COMMISSIONERS' INFORMATION MEETING.**

Mailed Date: April 10, 2023
Adopted Date: March 29, 2023

I. BY THE COMMISSION

A. Statement

1. By Decision No. C23-0144 mailed February 28, 2023, the Commission opened Proceeding No. 23M-0092G to serve as a repository for materials relating to the Commission's general investigation into the design day and peak demand parameters utilized by Colorado natural gas utilities.

2. The Commission held an initial Commissioners' Information Meeting (CIM) on this topic to solicit information from subject matter experts on March 28, 2023, at 1:00 p.m. This meeting sought to achieve the goal of improving transparency and Commission understanding around the natural gas utility infrastructure capacity planning, modeling, and projection processes prior to the gas infrastructure plans (GIPs) that will be filed starting in May of 2023. To continue

towards this goal, the Commission is now requesting that the utilities respond to additional questions arising from the discussion at the initial CIM.

B. Findings and Conclusions

3. Both Senate Bill 21-264 and House Bill 21-1238 required the Public Utilities Commission (PUC) to adopt new rules and amend existing rules in the Commission's Rules Regulating Gas Utilities found at 4 *Code of Colorado Regulations* (CCR) 723-4. The Commission adopted final rules regarding gas infrastructure planning (GIP) at 4 CCR 723-4550 through 4555 by Decision No. C22-0760 in Proceeding No. 21R-0449G. These rules require comprehensive planning for regulated gas utilities that continue Colorado's leadership in the growth of clean energy. Commission Rule 4 CCR 724-4-4552 requires each utility to file a GIP every two years. To better prepare both the Commission and the utilities for these future filings, the March 28, 2023 CIM was designed to promote a deeper understanding of current and historic gas infrastructure capacity planning methods and modeling approaches.

4. The Commission requests that Public Service Company of Colorado (Public Service), Black Hills Colorado Gas, Inc., d/b/a Black Hills Energy and Black Hills Colorado Electric, LLC d/b/a Black Hills Energy (collectively, Black Hills), Atmos Energy Corporation (Atmos), and Colorado Natural Gas, Inc. (CNG), respond to the following additional set of questions through written comments filed in this proceeding:

- a) Thoroughly describe the process for determining peak design capacity for segments of the LDC system. Starting with one example weather condition from an identified location on the LDC system, explain how the Company derives peak hour information from weather and peak day data, including any technical support for the calculation methodology used.
- b) Provide a visual graphical or mathematical presentation of typical and peak day capacity curves which allow the Commission to understand the influence of time of day on capacity needs. The presentation should show

actual data from system metering points under the prescribed weather conditions and the capacity for all 24 hours of the day. Within the presentation of capacity curve throughout the day, differentiate the amount capacity throughout each hour of the day dedicated to transportation customers vs retail customers and within the retail customer category, separate by rate class such that the portion of the total capacity need at given times of day attributable to different customer classes is apparent.

- c) Provide a summary of temperatures or heating degree day figures used to calculate peak demand conditions throughout different geographic regions within a utility's service territory in map form to show the locations in which specific weather conditions are applied. Identify if the extreme weather event being modeled is based on a real event experienced in a certain timeframe or if it is based on an aggregate of modeled weather data.
- d) Provide additional information on capabilities of typical retail customer meters for remote readings, granularity of intervals being reported, duration of storage meter data within the meter between reads, and accuracy of meter data. In situations where a utility has multiple meter types for retail customers, please indicate the relative percentage of customers on each meter type and, to the extent the information can be compiled in a timely manner, the geographical distribution of different metering types (*e.g.*, if a certain meter type is predominantly in rural areas or specifically in certain towns).
- e) Provide the typical or average modeling assumptions used for capacity requirements to service for an average new home compared to the average capacity requirement utilized for existing homes on the company's gas system. Provide information in a narrative regarding how far in advance utilities typically plan for growth and within what lead time they typically identify capacity concerns. Include details about how upcoming capacity concerns identified and what internal processes are run to identify upcoming capacity concerns.
- f) Detail what end uses (*e.g.*, space heating, car charging) are differentiated in Company capacity projections, in terms of their relative contributions to the peak capacity need, and how the quantification of those different end uses is understood or checked by the Company.
- g) Provide: (1) the number of locations of metering points at which actual gas flow information is available and their relative locations on the Company's system; (2) information on the interval and processes used internally to compare actual gas flow to projected gas flows at these metering points; and (3) provide comparisons between actual and modeled gas flows from each of the metering points based on a variety of conditions at those locations Conditions should include at least one

average temperature/demand situation in addition to both extremes of high and low temperatures, including as close to peak demand conditions as was experienced, for each of the past five years.

- h) Provide any additional information available about actual historical gas distribution vs modeling at monitoring points on systems.
- i) Please describe any modifications the Company is making to projections of capacity need based on the potential impacts of both the SB 21-264 clean heat legislation and increased tax credit and policies under Infrastructure Investment and Jobs Act of 2021 (IIJA) and the Inflation Reduction Act of 2022, (IRA) – especially those focused on electrification of existing homes. Describe what information is being relied upon to impact the Company’s perspective on the impact on capacity modeling.
- j) How are changes to building codes and the potential for outright gas bans in building codes for new construction affecting the Company’s projections of peak demand on sections of the system impacted by such policies?

II. ORDER

A. The Commission Orders That:

1. The Commission requests that Public Service Company of Colorado, Black Hills Colorado Gas, Inc., d/b/a Black Hills Energy and Black Hills Colorado Electric, LLC d/b/a Black Hills Energy, Atmos Energy Corporation, and Colorado Natural Gas, Inc., respond to the questions contained in this decision by May 1, 2023.

2. Whether additional reporting or information is requested, including through presentation at an additional Commissioners Information Meeting, may be considered and directed through future order.

3. This Decision is effective upon its Mailed Date.

**B. ADOPTED IN COMMISSIONERS' WEEKLY MEETING
March 29, 2023.**

(S E A L)



ATTEST: A TRUE COPY

A handwritten signature in black ink, appearing to read "G. Harris Adams".

G. Harris Adams,
Interim Director

THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO

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Commissioners