

Decision No. C23-0254-I

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF COLORADO

PROCEEDING NO. 23D-0162E

IN THE MATTER OF PUBLIC SERVICE COMPANY OF COLORADO'S VERIFIED PETITION FOR DECLARATORY RULING REGARDING TREATMENT OF REVENUE DECOUPLING ADJUSTMENT PILOT ("RDA PILOT") BALANCES.

**INTERIM COMMISSION DECISION ACCEPTING
PETITION FOR DECLARATORY ORDER,
ISSUING NOTICE, AND ESTABLISHING AN
INTERVENTION PERIOD AND RESPONSE TIME TO
PRODECURAL MOTION**

Mailed Date: April 17, 2023

Adopted Date: April 12, 2023

TO THE PARTIES IN THIS MATTER AND ALL INTERESTED PERSONS, FIRMS,
OR CORPORATIONS:

I. BY THE COMMISSION

A. Statement

1. By this Decision the Commission accepts and issues notice of the Petition for Declaratory Order (Petition) filed by Public Service Company of Colorado (Public Service or the Company) on March 31, 2023. The Petition seeks a determination from the Commission regarding the proper treatment of deferred balances associated with the Company's Revenue Decoupling Adjustment (RDA) Pilot and specifically the treatment of the \$49.9 million in a Residential RDA Deferral created in 2021.

2. Public Service filed a motion with the Petition (Procedural Motion). Public Service argues that the resolution of the Residential RDA Deferral is an issue of significant public interest

and that the resolution of this matter is time sensitive, requiring that the Commission hear this matter *en banc*. Public Service further requests the establishment of a shortened intervention period for the Petition and of a briefing schedule in which the Company submits its initial brief, intervenors then submit reply briefs within 31 calendar days, and the Company submits its reply brief within 18 calendar days. Public Service argues that the petition can be decided based on written pleadings and that an evidentiary hearing is not necessary. However, if the Commission decides to hold a hearing, the Company requests that the hearing take place after parties submit their briefs.

3. This Decision accepts the Petition and establishes a period for notice, interventions, and responses to the Procedural Motion.

B. Background

4. Public Service's RDA Pilot, ultimately approved after the Company's 2019 Electric Rate Case in Proceeding No. 19AL-0268E, is a four-year pilot that began on April 1, 2020 and is planned to continue through December 31, 2023. The RDA Pilot applies only to the Company's Residential and Small Commercial customers.

5. The approved RDA mechanism for each of those two rate classes calculates the difference between a baseline of fixed cost recovery authorized by the Commission and actual fixed costs recovered in base rates, the difference being the Decoupling Amount or Lost Fixed Cost Recovery (LFCR). Over or under recovery of fixed costs is translated into a surcharge or credit for Residential and Small Commercial customers, as applicable (*i.e.*, the RDA Rate).

6. Public Service explains in the Petition that, pursuant to the RDA Pilot, the LFCR is calculated on a calendar-year basis for calendar years 2021, 2022 and 2023 and on a nine-month

basis for the year 2020. The period over which LFCR is measured is the Current Year under the RDA Pilot Tariff. The RDA Rate is implemented in the year subsequent to the Current Year. The period during which a particular RDA Rate is in place is the Recovery Period under the RDA Pilot Tariff.

7. The subject of the declaratory order sought by the Petition is the proper implementation of the “soft cap” on the Residential RDA Rate and the RDA Deferral for the 2021 Current Year. Specifically, the symmetrical three percent “soft cap” on the annual decoupling adjustment has caused certain amounts exceeding the cap to be carried forward and, according to the Petition, requires a determination of the proper treatment of deferred balances remaining after two years.

C. Findings and Conclusions

8. The Commission may entertain a petition for declaratory order to terminate a controversy or remove an uncertainty regarding any tariff, statute, or Commission rule, regulation, or order. Rule 4 *Code of Colorado Regulations* 723-1-1304(f). If a petition meets those requirements, we then exercise our discretion to accept or dismiss the petition.

9. We find that it is necessary to determine the proper treatment of the \$49.9 million in a Residential RDA Deferral created in 2021. Therefore, we accept Public Service’s Petition and issue notice of the Petition to interested persons, firms, and corporations by service of this Decision.

10. The Petition is available for public inspection by accessing the Commission’s E-Filing system under the above proceeding number at [Colorado.gov/dora/puc](https://colorado.gov/dora/puc). **This Decision is the notice that Public Service’s Petition seeking a determination regarding the proper**

treatment of deferred balances associated with the Company's Revenue Decoupling Adjustment (RDA) Pilot has been filed with the Commission.

11. The Commission notice period for the Petition shall extend from the mailed date of this Decision through **5:00 p.m. on April 28, 2023**. The intervention will run concurrent with the notice period. Responses to intervention pleadings shall be filed no later than **5:00 p.m. on May 5, 2023**.

12. Prospective parties to this Proceeding shall include in their intervention pleading any response to Public Service's Procedural Motion. We will rule on the Procedural Motion by separate decision.

II. ORDER

A. It Is Ordered That:

1. The Petition for Declaratory Order (Petition) filed by Public Service Company of Colorado on March 31, 2023, is accepted.

2. Service of this Decision will provide notice of the Petition to all interested persons, firms, and corporations.

3. The notice period for the Petition shall extend through and include **5:00 p.m. on April 28, 2023**.

4. Any person desiring to intervene or participate as a party in this proceeding shall file a petition for leave to intervene or, pursuant to the Commission's Rules of Practice and Procedure, other appropriate pleadings to become a party by **5:00 p.m. on April 28, 2023**. Intervention pleadings shall include any response to the Motion for Consideration *En Banc* and Expedited Procedural Schedule filed by Public Service on March 31, 2023.

5. Alternatively, persons who do not wish to intervene or become a party, but desire to file comments, may send written comments addressed to the Public Utilities Commission, 1560 Broadway, Suite 250, Denver, Colorado 80202, or through the Commission’s E-Filing system under Proceeding No. 23D-0162E at Colorado.gov/dora/puc.

6. Responses to intervention pleadings shall be filed no later than **5:00 p.m. on May 5, 2023.**

7. This Decision is effective upon its Mailed Date.

**B. ADOPTED IN COMMISSIONERS’ WEEKLY MEETING
April 12, 2023.**

(S E A L)



ATTEST: A TRUE COPY

G. Harris Adams,
Interim Director

THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO

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MEGAN M. GILMAN

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Commissioners