

Decision No. C23-0373

**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF COLORADO**

PROCEEDING NO. 23AL-0243E

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IN THE MATTER OF ADVICE LETTER NO. 1923 - ELECTRIC FILED BY PUBLIC SERVICE COMPANY OF COLORADO TO REVISE ITS COLORADO P.U.C. NO. 8 - ELECTRIC TARIFF TO PLACE INTO EFFECT REVISED BASE RATES AND OTHER AFFECTED CHARGES FOR ALL ELECTRIC RATE SCHEDULES BY ELIMINATING THE GENERAL RATE SCHEDULE ADJUSTMENT (GRSA) AND GENERAL RATE SCHEDULE ADJUSTMENT - ENERGY (GRSA-E) AS WILL BE ESTABLISHED BY THE COMMISSION IN PROCEEDING NO. 22AL-0530E, TO INITIATE TIME-DIFFERENTIATED GENERATION AND TRANSMISSION DEMAND CHARGES FOR SECONDARY GENERAL SERVICE (SCHEDULE SG) AND SECONDARY GENERAL CRITICAL PEAK PRICING SERVICE (SCHEDULE SG-CPP), TO INTRODUCE NEW ELECTRIC VEHICLE RATE OPTIONS FOR CUSTOMERS TAKING SERVICE AT THE PRIMARY DISTRIBUTION LEVEL, TO ADJUST THE PRIMARY GENERAL CRITICAL PEAK PRICING AND SECONDARY PHOTOVOLTAIC TIME-OF-USE SERVICE SECTION TIME-DIFFERENTIATED DEMAND CHARGES, TO MAKE SEVERAL ADMINISTRATIVE REVISIONS, AND TO RECEIVE APPROVAL OF DEFERRED ACCOUNTING TREATMENT FOR RATE CASE EXPENSES, TO BECOME EFFECTIVE JUNE 15, 2023.

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**COMMISSION DECISION  
SUSPENDING EFFECTIVE DATE OF TARIFF SHEETS,  
AND ESTABLISHING NOTICE AND  
INTERVENTION PERIOD**

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Mailed Date: June 5, 2023  
Adopted Date: May 31, 2023

**IMPORTANT NOTICE:** ANY PERSON DESIRING TO PARTICIPATE ONLY BY MAKING A STATEMENT MAY DO SO BY SUBMITTING A WRITTEN COMMENT THROUGH <https://puc.colorado.gov/> INDICATING PROCEEDING NO. 23AL-0243E. IF YOU DESIRE TO ASK QUESTIONS OF A WITNESS OR OTHERWISE PARTICIPATE AS A PARTY IN THIS MATTER, YOU MUST REQUEST PERMISSION FROM THE COMMISSION TO BE AN INTERVENOR (EVEN IF YOU HAVE ALREADY FILED AN OBJECTION). ANYONE DESIRING TO INTERVENE MUST CAREFULLY FOLLOW THE LAW AND COMMISSION RULES FOR BECOMING AN INTERVENOR. FOR FURTHER INFORMATION ON HOW TO INTERVENE, CALL (303) 894-2070 (PUC EXTERNAL AFFAIRS OFFICE).

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**I. BY THE COMMISSION**

**A. Statement**

1. This Decision sets for hearing the tariffs filed by Public Service Company of Colorado (Public Service or Company) with Advice Letter No. 1923-Electric (AL-1923) and suspends their effective date to October 13, 2023.

2. A pleading to intervene in this matter may be filed by any person, firm, or corporation desiring to be a party and fully participate in this Proceeding no later than June 30, 2023.

3. The Commission will establish additional procedures for this matter by separate decisions.

**B. Discussion**

4. On May 15, 2023, Public Service filed AL-1923 with tariff sheets setting forth its base rates for retail electric utility service. Through this Phase II proceeding, Public Service proposes to eliminate the General Rate Schedule Adjustment (GRSA) and General Rate Schedule Adjustment – Energy (GRSA-E) to be set by the Commission in the Company’s current 2022 Phase I Rate Case (Proceeding No. 22AL-0530E) and establish new base rates and other affected charges in the Company’s Electric Tariff.

5. In Proceeding No. 21AL-0317E, the Commission authorized the Public Service to file a Phase II rate case prior to the conclusion of the Company’s 2022 Phase I rate case.<sup>1</sup> Public Service witness Jeffrey Knighten states that Public Service filed this Phase II rate case so that the

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<sup>1</sup> Proceeding No. 21AL-0317E, Decision No. C22-0724

final rate design in this proceeding can incorporate test year revenue requirement and billing determinants of the 2022 Phase I rate case and better allocate stakeholder resources between the Phase I and Phase II proceedings. The proposed Class Cost of Service Study (CCOSS) in this Phase II rate case reallocates among Public Service's major customer classes the \$2,464,335,525 revenue requirement proposed in the Company's 2022 Phase I rate case.

6. On May 18, 2023, Public Service filed an Amended AL-1923 and accompanying tariff sheet correcting the issue day and proposed effective date of the General Rate Schedule Adjustment (GRSA) tariff.

7. The effective date of the tariff sheets filed with AL-1923 is June 15, 2023. However, Public Service notes that if the Commission suspends the tariffs for a full 250-days as allowed by statute and sets them for hearing, the effective date would be February 20, 2024.

8. Although this filing will generate the same annual revenue as originally proposed in the 2022 Phase I rate case, the bill impacts will differ by type of customer. The impact of eliminating the Company's GRSAs will result in an increase in average monthly Residential bills of 0.8 percent and a decrease in average monthly Small Commercial bills of 4.7 percent.

9. Public Service filed the direct testimony and attachments of Jeffrey Knighten, Derek Klingeman, and Steven Wishart in support of AL-1923.

10. In Proceeding No. 20AL-0432E, the Commission directed Public Service to file an alternative to the four coincident-peak average and excess demand (4CP-AED) CCOSS methodology historically used, so that there would be more consistent allocation generation asset treatment across all electric generation and storage assets.<sup>2</sup> Accordingly, in this filing the Company

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<sup>2</sup> Proceeding No. 20AL-0432E, Decision No. C21-0536

proposes implementation of Probability of Dispatch – Peak Hours (POD-PH) allocation methodology. Public Service states that this method allocates costs based on which generating units are expected to be running during the top 1,000 load hours of the year, the base rate costs of those units, and the share of load in each of those hours of each customer class.

11. In Proceeding No. 20AL-0432E, the Commission also directed Public Service to review demand charges for Secondary General (SG) customers, consider increasing the demand threshold above 50 kW for Small Commercial customers, and analyze Time of Use (TOU) time periods.<sup>3</sup> The Company thus proposes in this Proceeding a number of a number of changes and adjustments to its Electric Tariff, including adding time-differentiated generation and transmission demand charges for Secondary General service (Schedule SG) and Secondary General Critical Peak Pricing service (Schedule SG-CPP). The Company also proposes adding Primary Voltage Time-of-Use- Electric Vehicle (Schedule P-EV) and Primary Electric Vehicle Critical Peak Pricing (Schedule P-EV-CPP) for customers taking service at the Primary distribution level.

12. The Primary General Critical Peak Pricing and Secondary Photovoltaic Time-of-Use Service Section B time-differentiated demand charges are proposed to be based on demand measured between 2 p.m. and 7 p.m. on non-holiday weekdays, consistent with the Company's other time-differentiated demand calculations.

13. The Company proposes to maintain 1) the existing 50kW demand threshold for Schedule C and Schedule C-TOU customers, 2) the existing TOU energy periods for all rate schedules, and 3) the Economic Development Rate discounts in Schedule EDR.

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<sup>3</sup> *Ibid.*

14. AL-1923 also addresses recovery of lost revenue associated with Integrated Volt-Var Optimization (IVVO)-related energy reductions. If the test year proposed in the Phase I rate case is approved, Public Service will terminate recovery of lost revenue associated with IVVO-related energy reductions, consistent with the 2016 AGIS Settlement.<sup>4</sup> However, if any other test year is approved, Public Service will determine the IVVO reductions associated with the billing determinants in that test year and amend the IVVO lost revenue recovery consistent with the AGIS Settlement.

15. Through AL-1923, Public Service also requests deferred accounting for an estimated \$606,000 in rate case expenses.

16. On May 24, 2023, the Colorado Office of the Utility Consumer Advocate (UCA) filed a Letter of Protest. UCA questions 1) whether the POD-PH allocation methodology will result in just and reasonable rates, 2) whether average demand should be included in the production cost allocation process, 3) whether the Stratification Allocation Method is an appropriate allocation method, and 4) the extent to which rate moderation or mitigation is necessary.

### **C. Conclusions and Findings**

17. We find good cause to suspend the tariff sheets submitted with AL-1923 for 120-days through October 13, 2023, and set the matter for hearing pursuant to § 40-6-111(1), C.R.S.

18. Section 40-6-111(1), C.R.S., also provides that the Commission may, in its discretion, by a separate decision, suspend the effective date of the tariff page(s) for an additional 130-days. Thus, the Commission has the power and authority to suspend the effective date of the

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<sup>4</sup> Unopposed Comprehensive Settlement Agreement in Proceeding No. 16A-0588E

tariff pages for a maximum of 250-days. If the Commission further suspends the effective date of the tariff pages for an additional 130-days, and if no new tariffs are established by the Commission before the end of the suspension period, the tariff pages filed by Public Service may become effective.

19. A pleading to intervene may be filed by any person, firm, or corporation desiring to be a party and fully participate in this proceeding, as ordered below. The filing of any other document protesting the tariff sheets shall not allow participation as an intervenor in this matter.

20. Further procedures for this matter will be addressed by separate decisions.

## **II. ORDER**

### **A. The Commission Orders That:**

1. The proposed June 15, 2023 effective date of the tariff sheets filed with Advice Letter No. 1923-Electric filed by Public Service Company of Colorado (Public Service) on May 15, 2023, is suspended until October 13, 2023, or until further order of the Commission.

2. Any person, firm, or corporation, including any who have previously filed a document protesting the proposed tariff pages, who desire to intervene and participate as a party in this proceeding shall file a motion to intervene with the Commission no later than June 30, 2023 and shall serve a copy of the notice or motion on Public Service's attorney of record.

3. The Commission will establish additional procedures for these consolidated matters by separate decision.

4. This Decision is effective on its Mailed Date.

**B. ADOPTED IN COMMISSIONERS' WEEKLY MEETING  
May 31, 2023.**

(S E A L)



ATTEST: A TRUE COPY

A handwritten signature in cursive script that reads 'Rebecca E. White'.

Rebecca E. White,  
Director

THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF COLORADO

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MEGAN M. GILMAN

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TOM PLANT

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Commissioners