

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

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IN THE MATTER OF THE APPLICATION OF)
PUBLIC SERVICE COMPANY OF)
COLORADO FOR AN ORDER APPROVING)
EXPENSES INCURRED FOR THE PERIOD)
JANUARY 2021 THROUGH DECEMBER 2021)
THAT ARE RECOVERED THROUGH THE) PROCEEDING NO. 22A-0345E
ELECTRIC COMMODITY ADJUSTMENT AND)
PURCHASED CAPACITY COSTS)
RECOVERED THROUGH THE PURCHASED)
CAPACITY COST ADJUSTMENT FOR THE)
SAME PERIOD AND APPROVING OF THE)
CALCULATION OF 2021 SHORT TERM)
SALES MARGINS)

UNOPPOSED COMPREHENSIVE SETTLEMENT AGREEMENT

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INTRODUCTION AND IDENTIFICATION OF PARTIES

This Unopposed Comprehensive Settlement Agreement (“Settlement Agreement” or “Agreement”) is filed on behalf of Public Service Company of Colorado (“Public Service” or the “Company”), Trial Staff of the Commission (“Staff”), and the Colorado Office of the Utility Consumer Advocate (“UCA”) (each a “Settling Party” and collectively the “Settling Parties”), pursuant to Rule 1408 of the Commission’s Rules of Practice and Procedure, 4 CCR 723-1.¹

This Settlement Agreement is intended to resolve all issues raised by the Settling Parties in this proceeding with respect to the Company’s Verified Application for approval of its Electric Commodity Adjustment (“ECA”) and Purchased Capacity Cost Adjustment (“PCCA”) costs for calendar year 2021 (“Application”).

SETTLEMENT AGREEMENT

The Settling Parties agree that the Commission should approve the Company’s Application, subject to the following modifications and conditions:

I. Rush Creek Wind Project Costs

1. The Settling Parties agree that the Company will make a one-time credit to customers of \$2 million, solely in recognition of impacts to 2021 wind production associated with construction-related considerations at the Rush Creek Wind Project facility.

a. The Settling Parties agree this adjustment is within the totality of this proceeding and does not institute a new performance metric or set of

¹ The Colorado Independent Energy Association (“CIEA”) is a party to this proceeding and has been in a monitoring role. Accordingly, CIEA takes no position on the Settlement Agreement but does not oppose it.

evaluation criteria for the evaluation of future Rush Creek Wind Project costs in other ECA annual prudence reviews. Rather, the Generation Performance Metric approved in Proceeding No. 16A-0117E remains the performance metric applicable to this project, consistent with Commission directives in Proceeding No. 16A-0117E.

- b. The Settling Parties agree that this credit shall be flowed back to customers through the first ECA quarterly filing following the approval of this Settlement Agreement by the Commission.

II. Cheyenne Ridge Wind Project Costs

2. The Settling Parties agree that no credits to customers or any disallowance should be ordered by the Commission for Cheyenne Ridge Wind Project performance in 2021.

III. Cabin Creek Upgrade Project

3. The Settling Parties agree that a holistic prudence review, as described in the Company's Direct Case, is appropriate for the Cabin Creek Upgrade Project ("Cabin Creek"), with no interim credit provided to customers ahead of the holistic prudence review.

- a. The Company agrees not to pursue any waiver or time-bar arguments in the holistic prudence review.
- b. Cabin Creek construction completion is currently projected to be December 31, 2023. The holistic prudence review will occur in a standalone application proceeding to be filed with a target date of May 1, 2024, and no later than July 1, 2024. If Cabin Creek construction is not complete by July

1, 2024, the Company will inform the Commission and file a request for a variance, and the Settling Parties reserve the right to file a protest to that variance request. If a variance is requested and granted, the holistic review will be filed within three months of Cabin Creek construction completion.

4. Notwithstanding the above, in the Company's first quarterly ECA filing for the first or third quarter of the year (e.g., Q3 2023 or Q1 2024) following final Commission approval of this Settlement Agreement, the Company will advance \$5 million in anticipated liquidated damages associated with the work and upgrade project at Cabin Creek, provided that these liquidated damages and the advancement of these liquidated damages to customers will be considered in the holistic prudence review and accounted for in the full adjudication of the case.

IV. Company-Owned Income-Qualified ("IQ") Community Solar Gardens ("CSGs")

5. The Settling Parties agree that the Company will make a one-time credit to customers of approximately \$178,485 associated with the performance of certain Company-owned IQ CSGs in 2021.

V. Titan Solar Facility Curtailment Costs

6. The Settling Parties agree that no credit will be provided to customers for Titan Solar Facility curtailment costs in 2021.

VI. Comanche 3 Reporting

7. The Settling Parties agree that the Company will provide monthly reports to the Settling Parties (due 10 days after the end of each month) documenting all unplanned outages at Comanche 3 greater than 24 hours in duration or where the availability factor goes below a threshold determined by the Company and Staff for a multi-day duration.

The reporting shall commence in the third month following final Commission approval of this Settlement Agreement, and shall continue for two years from the date of final Commission approval of this Settlement Agreement, with a conferral between the Company and the Settling Parties and an appropriate pleading to the Commission regarding whether such reporting should continue after the two-year period concludes.

- a. The pleading shall be filed in the Company's most current ECA/PCCA annual prudence review proceeding. The Settling Parties will have an opportunity to respond if there is not consensus as to whether such reporting shall continue, and in that case the Commission will determine whether this monthly reporting should continue beyond the initial two-year period.

VII. Daily System Supply Reports

8. The Settling Parties agree that the Company and Staff shall confer on potential changes to the daily supply reports currently provided to Staff by the Company to evaluate the cadence and content of such reports. The objective of any changes to the reports will be to increase usefulness to Staff while managing the burden on the Company in preparing the reports.

VIII. Additional Quarterly ECA Reporting

9. The Settling Parties agree that the Company will add detail to its quarterly ECA filings for the following (forecast and forecast-to-actuals): (1) wholesale sales (MWh); (2) market sales (from system generation) (MWh); and (3) short-term market purchase volumes (MWh). This more detailed reporting will commence with the

Company's first quarterly ECA filing following final Commission approval of this Settlement Agreement.

IX. Curtailment Reporting

10. The Settling Parties agree that the curtailment reporting issues raised by Staff in Answer Testimony will be discussed by participants in the curtailment stakeholder group to be convened pursuant to the Updated Non-Unanimous Partial Settlement Agreement in Proceeding No. 21A-0141E.

11. Moreover, in the Company's next ECA/PCCA annual prudence review or an electric resource planning proceeding, the Company commits to providing strategies for enhancing data regarding curtailment drivers and investment strategies to manage curtailments, for consideration by stakeholders and to inform future filings. This enhanced data regarding curtailment drivers and investment strategies can be informed, as appropriate, by discussion within the curtailment stakeholder group.

X. Additional Cheyenne Ridge Wind Project Reporting

12. The Settling Parties agree that the Company will add a table to its Customer Protection Mechanism Annual Reports filed in Proceeding No. 18A-0905E showing the facility's forecasted and actual production with a breakdown of the causes of generation losses (or overproduction), including the MWh allocated to each cause, similar to what is currently provided in the Company's Rush Creek Wind Project Annual Reports filed in Proceeding No. 16A-0117E.

GENERAL PROVISIONS

13. Except as expressly set forth herein, nothing in this Settlement Agreement is intended to have precedential effect or bind the Settling Parties with respect to positions

they may take in any other proceeding regarding any of the issues addressed in this Settlement Agreement. No Settling Party concedes the validity or correctness of any regulatory principle or methodology directly or indirectly incorporated in this Settlement Agreement. Furthermore, this Settlement Agreement does not constitute agreement, by any Settling Party, that any principle or methodology contained within or used to reach this Settlement Agreement may be applied to any situation other than the above-captioned proceeding, except as expressly set forth herein.

14. The Settling Parties agree the provisions of this Settlement Agreement, as well as the negotiation process undertaken to reach this Settlement Agreement, are just, reasonable, and consistent with and not contrary to the public interest, and should be approved and authorized by the Commission.

15. The discussions among the Settling Parties that produced this Settlement Agreement have been conducted in accordance with Rule 408 of the Colorado Rules of Evidence.

16. Nothing in this Settlement Agreement shall constitute a waiver by any Settling Party with respect to any matter not specifically addressed in this Settlement Agreement.

17. The Settling Parties agree to use good faith efforts to support all aspects of the Settlement Agreement embodied in this document in any hearing conducted to determine whether the Commission should approve this Settlement Agreement, and/or in any other hearing, proceeding, or judicial review relating to this Settlement Agreement or the implementation or enforcement of its terms and conditions. Each Settling Party also agrees that, except as expressly provided in this Settlement Agreement, it will take no

formal action in any administrative or judicial proceeding that would have the effect, directly or indirectly, of contravening the provisions or purposes of this Settlement Agreement. However, except as expressly provided herein, each Settling Party expressly reserves the right to advocate positions different from those stated in this Settlement Agreement in any proceeding other than one necessary to obtain approval of, or to implement or enforce, this Settlement Agreement or its terms and conditions.

18. The Settling Parties do not believe any waiver or variance of Commission rules is required to effectuate this Settlement Agreement but agree jointly to apply to the Commission for a waiver of compliance with any requirements of the Commission's Rules and Regulations if necessary to permit all provisions of this Settlement Agreement to be approved, carried out, and effectuated.

19. This Settlement Agreement is an integrated agreement that may not be altered by the unilateral determination of any Settling Party. There are no terms, representations or agreements among the parties which are not set forth in this Settlement Agreement.

20. This Settlement Agreement shall not become effective until the Commission issues a final decision addressing the Settlement Agreement. In the event the Commission modifies this Settlement Agreement in a manner unacceptable to any Settling Party, that Settling Party may withdraw from the Settlement Agreement and shall so notify the Commission and the other Settling Parties in writing within ten (10) days of the date of the Commission order. In the event a Settling Party exercises its right to withdraw from the Settlement Agreement, this Settlement Agreement shall be null and void and of no effect in this or any other proceeding.

21. There shall be no legal presumption that any specific Settling Party was the drafter of this Settlement Agreement.

22. This Settlement Agreement may be executed in counterparts, all of which when taken together shall constitute the entire Agreement with respect to the issues addressed by this Settlement Agreement. This Settlement Agreement may be executed and delivered electronically and the Settling Parties agree that such electronic execution and delivery, whether executed in counterparts or collectively, shall have the same force and effect as delivery of an original document with original signatures, and that each Settling Party may use such facsimile signatures as evidence of the execution and delivery of this Settlement Agreement by the Settling Parties to the same extent that an original signature could be used.

Dated this 9th day of February, 2023.

Agreed on behalf of:

PUBLIC SERVICE COMPANY OF COLORADO

By: /s/ Jack W. Ihle
Jack W. Ihle
Regional Vice President,
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Public Service Company of Colorado

Approved as to form:

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**TRIAL STAFF OF THE COLORADO PUBLIC
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