

Decision No. C24-0421

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

PROCEEDING NO. 24A-0156G

---

IN THE MATTER OF THE APPLICATION FILED BY PUBLIC SERVICE COMPANY OF COLORADO FOR APPROVAL OF ITS 2023 GAS DEMAND-SIDE MANAGEMENT BONUS.

---

**COMMISSION DECISION GRANTING APPLICATION  
FOR APPROVAL OF THE 2023 GAS DEMAND-SIDE  
MANAGEMENT BONUS**

---

---

Mailed Date: June 14, 2024

Adopted Date: May 15, 2024

**I. BY THE COMMISSION**

**A. Statement**

1. On April 1, 2024, Public Service Company of Colorado (Public Service or Company) filed an Application with the Colorado Public Utilities Commission (Commission) for approval of its 2023 Gas Demand-Side Management Bonus (Gas DSM Bonus) and Acknowledgement of Lost Revenues (ALR), to become effective July 1, 2024, and reflected in the Company's Gas Demand Side Management Cost Adjustment (DSMCA-G).

**B. Procedural History**

2. The Application is filed pursuant to Commission Rules 4752(c), (d), and 4760, 4 *Code Colorado Regulation* (CCR) 723-4 of the Rules Regulating Gas Utilities. It is also aligned with Rules 1303 and 1403 of 4 CCR 723-1, which cover the Rules of Practice and Procedure.

3. As required by Rule 4753(h)(I), "the utility's annual expenditure target for DSM programs shall be, at a minimum, two percent of a natural gas utility's base rate revenues, (exclusive of commodity costs), from its sales customers in the 12-month calendar period prior to

setting the targets, or one-half of one percent of total revenues from its sales customers in the 12-month calendar period prior to setting the targets, whichever is greater[.]” Public Service’s minimum gas DSM expenditure target was calculated to be \$7.6 million.

4. Pursuant to Rule 4754(g)(II), “[a]s a threshold matter, the utility must expend at least the minimum amount set forth in subparagraph 4753 (h)(I), in order to earn a bonus.” As stated in Public Service’s application, the Company’s actual gas DSM portfolio expenditures totaled \$23,614,178, which is significantly more than the statutory minimum gas DSM expenditure target.

5. The calculation methodology of the Gas DSM Bonus is governed by Rules 4754(g)(III)-(IV). For 2023, the Company has calculated a Gas DSM Bonus in the amount of \$5,134,323. Additionally, the calculation methodology of an Acknowledgement of Lost Revenues is governed by Rule 4754(g)(I). For 2023, the Company has calculated an ALR in the amount of \$2,819,344. Combined, Public Service seeks Commission approval of a total award amount of \$7,953,667 for 2023.

### **C. Discussion**

6. In Proceeding No. 22A-0315EG, Decision No. C23-0381, the Commission approved the Company’s 2023 Gas DSM program and budget.<sup>1</sup> Overall, the Company’s Gas EE Portfolio yielded a 1.62 MTRC ratio,<sup>2</sup> indicating a total net benefit from expenditures.

7. Based on the Company’s 2023 Evaluation, Measurement, and Verification (EM&V) Report, the Company achieved verified net savings of 914,655 dekatherms (Dth) and

---

<sup>1</sup> In Proceeding No. 20A-0287EG, Decision No. R27-0081, the Commission set the Company’s Gas EE portfolio goals and targets for the following years.

<sup>2</sup> The Modified Total Resource Cost (MTRC) test measures the net costs of a demand-side management program as a resource option based on the total costs of the program, including both the participants’ and the utility’s costs.

delivered net economic benefits of \$34.1 million, achieving approximately 110 percent of the annual goal.

8. Given the Company has met the minimum threshold requirement of Rule 4753(h)(I) and has exceeded its Commission-approved DSM goals for 2023, Public Service is eligible to receive the requested total award of \$7,953,667.

9. The Commission Staff has reviewed the calculations of the award and confirmed their accuracy and adherence to the Commission's gas DSM rules.

## **II. ORDER**

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

1. The Application filed by Public Service Company of Colorado on April 1, 2024, for approval of its 2023 Gas Demand-Side Management Bonus, including the Acknowledgement of Lost Revenues, totaling \$7,953,667, was deemed complete by operation of law on May 23, 2024, for purposes of § 40-6-109.5, C.R.S.

2. This Decision shall be reflected in Public Service Company of Colorado's Gas Demand-Side Management Cost Adjustment and will be effective July 1, 2024.

3. The 20-day period provided by § 40-6-114, C.R.S., to file an application for rehearing, reargument, or reconsideration shall begin on the first day after the effective date of this Decision.

4. This Decision is effective upon its Mailed Date.

**B. ADOPTED IN COMMISSIONERS' WEEKLY MEETING  
May 15, 2024.**

(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

ERIC BLANK

---

MEGAN M. GILMAN

---

TOM PLANT

---

Commissioners