

Decision No. C25-0141

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF COLORADO

PROCEEDING NO. 24R-0410E

IN THE MATTER OF THE PROPOSED AMENDMENTS TO THE COMMISSION'S RULES REGULATING ELECTRIC UTILITIES, 4 CODE OF COLORADO REGULATIONS 723-3, TO IMPLEMENT CERTAIN PROVISIONS IN SENATE BILL 23-291 ADDRESSING MECHANISMS TO ALIGN THE FINANCIAL INCENTIVES OF INVESTOR-OWNED ELECTRIC UTILITIES WITH THE INTERESTS OF THE UTILITY'S CUSTOMERS REGARDING INCURRED FUEL COSTS.

**COMMISSION DECISION GRANTING
APPLICATION FOR REHEARING, REARGUMENT, OR
RECONSIDERATION**

Issued Date: February 28, 2025

Adopted Date: February 19, 2025

I. BY THE COMMISSION

A. Statement

1. On September 30, 2024, the Colorado Public Utilities Commission issued a Notice of Proposed Rulemaking (“NOPR”) to amend the Commission’s Rules Regulating Electric Utilities, 4 *Code of Colorado Regulations* (“CCR”) 723-3 (“Electric Rules”), to implement certain provisions in § 40-3-120, C.R.S., enacted by Senate Bill (“SB”) 23-291. The proposed amendments to the Electric Rules are intended to protect Colorado electric utility customers while also improving the electric utilities’ management of fuel costs. The proposed rules further establish a symmetrical incentive mechanism that aligns the financial incentives the electric utilities with the interests of their customers regarding incurred gas commodity fuel costs.

2. By Decision No. C25-0017, the Commission adopted changes to the Electric Rules in accordance with SB 23-291. The modified Electric Rules require Colorado's two investor-owned electric utilities to file an application for the approval of a Gas Commodity Fuel Performance Incentive Mechanism ("E-GPIM") to be implemented as part of the utility's fuel cost recovery clause, specifically the Electric Commodity Adjustment for Public Service Company of Colorado ("Public Service" or the "Company") and the Energy Cost Adjustment for Black Hills Colorado Electric, LLC, both abbreviated as the utility's "ECA."

3. On January 30, 2025, Public Service filed an Application for Rehearing, Reargument, or Reconsideration ("Application for RRR") to Decision No. C25-0017. Public Service requests that the Commission seeking additional time to file the required E-GPIM application.

4. By this Decision, consistent with the discussion below, we grant Public Service's Application for RRR.

B. Discussion, Findings, and Conclusions

5. Decision No. C25-0017 introduces a new section within the Electric Rules to implement § 40-6-101(2)(a), C.R.S., titled Fuel Cost Recovery and Electricity Production Cost Efficiency. Paragraph 3861(a) within this new section of the Electric Rules requires the utilities to implement an E-GPIM in their ECA filings in accordance with SB 23-291. Paragraph 3861(b) requires each electric utility to file an application to modify its ECA tariff sheets to implement the E-GPIM that is suited to the specific characteristics of that utility. The deadline for the required application filing to include the E-GPIM within the ECA tariff sheets is 60 days of the effective date of the modified rules.

6. In its Application for RRR, Public Service seeks additional time to file the required E-GPIM application. Public Service asks that the Commission extend the requirement to file the application from within 60 days of the effective date of the rules to not later than 180 days from the effective date of the rules. Public Service argues that it will need to spend a significant amount of time to develop its proposed E-GPIM mechanism “in a thoughtful and detailed manner, and the 60-day requirement would not be sufficient enough for the Company to do this.”

7. We agree with Public Service that additional time is necessary to properly develop and file the required E-GPIM application. We therefore grant Public Service’s request to extend the filing deadline to not later than 180 days from the effective date of the rules.

8. Accordingly, the Commission adopts changes to the Electric Rules as set forth in legislative format (*i.e.*, underline and strikeout) in Attachment A to this Decision, and in final format in Attachment B to this Decision.

II. ORDER

A. The Commission Orders That:

1. The Application for Rehearing, Reargument, or Reconsideration of Decision No. C25-0017, filed by Public Service Company of Colorado on January 30, 2025, is granted, consistent with the discussion above.

2. The Rules Regulating Electric Utilities in 4 *Code of Colorado Regulations* 723-3, attached to this Decision in legislative format (redline/strikeout) as Attachment A, and in final format as Attachment B, are adopted, and are available in the Commission’s Electronic Filing System at:

https://www.dora.state.co.us/pls/efi/EFI.Show_Docket?p_session_id=&p_docket_id=24R-0410E

3. Subject to a filing of an application for rehearing, reargument, or reconsideration, the opinion of the Attorney General of the State of Colorado shall be obtained regarding constitutionality and legality of the rules as finally adopted.

4. A copy of the final, adopted rules shall be filed with the Office of the Secretary of State. The rules shall be effective 20 days after publication in *The Colorado Register* by the Office of the Secretary of State

5. The 20-day time 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.

6. This Decision is effective upon its Issued Date.

**B. ADOPTED IN COMMISSIONERS' WEEKLY MEETING
February 19, 2025.**

(S E A L)



ATTEST: A TRUE COPY

Rebecca E. White,
Director

THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO

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MEGAN M. GILMAN

TOM PLANT

Commissioners