

Decision No. C25-0257

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF COLORADO

PROCEEDING NO. 24M-0261G

IN THE MATTER OF THE COMMISSION'S EXAMINATION OF GAS SYSTEM FORECASTING, MAPPING, AND COST BENEFIT ANALYSIS IN ACCORDANCE WITH DECISION NO. C24-0092 ADDRESSING THE INAUGURAL GAS INFRASTRUCTURE PLAN OF PUBLIC SERVICE COMPANY OF COLORADO.

**COMMISSION DECISION ADDRESSING PUBLIC
SERVICE COMPANY OF COLORADO'S EXCEPTIONS
TO RECOMMENDED DECISION NO. R25-0083**

Issued Date: April 4, 2025
Adopted Date: March 19, 2025

I. BY THE COMMISSION

A. Statement

1. This matter comes before the Commission for consideration of exceptions to Decision No. R25-0083 ("Recommended Decision") in Proceeding No. 24M-0261G filed by Public Service Company of Colorado ("Public Service" or the "Company") pursuant to Rule 1505(a) of the Rules of Practice and Procedure, 4 *Code of Colorado Regulations* ("CCR") 723-1 on February 25, 2025.

2. Through this Decision, the Commission grants, in part, and denies, in part, the Company's exceptions filed to Decision No. R25-0083.

B. Background

3. By Decision No. C24-0376, the Commission opened this Proceeding to examine the Company's initial Gas Infrastructure Plan ("GIP") gas system forecasting, system mapping,

and cost benefit analysis in accordance with Decision No. C24-0092¹ in an effort to make progress on these issues in advance of the Company's next GIP filing. The Commission designated Commissioner Megan M. Gilman as Hearing Commissioner Pursuant to § 40-6-101(2), C.R.S.

4. The Recommended Decision detailed the background and procedural history of this Proceeding. In short, Hearing Commissioner Gilman conducted multiple workshops during the Summer, Fall, and Winter of 2024 and issued three requests for responsive information to the Company related to gas system forecasting, system mapping, and cost-benefit analysis. On February 3, 2025, Hearing Commissioner Gilman issued the Recommend Decision issuing certain directives related to the Company's upcoming GIP filing, which, pursuant to Rule 4552 of the Commission's Rules Regulating Gas Utilities, 4 CCR 723-1, is due no later than May 1, 2025.

5. The Recommended Decision found, in relevant part: (1) the Company's proposal for its 2025 GIP filing does not appear fully compliant with Commission Rules 4553(b) and 4731(a)(I) 4-CCR 723-4 requirements; (2) the Company's forecasting proposals may not represent a reasonable range of low, base, and high forecasts because the Company's proposed approach ignores or inappropriately discounts enacted policy, approved Commission plans, and broader market forces; (3) that the Company's forecasting would benefit from enhanced coordination with local municipalities as local municipalities are often the first to understand upcoming construction and real estate development, and can provide information to the Company on the effects of particular building codes and ordinances; and (4) that the Commission should utilize a gas modeling independent evaluator ("IE") as a part of the Commission's evaluation of the Company's 2025 GIP filing. The gas modeling IE would evaluate the apparent need for or technical

¹ Issued in Proceeding No. 23M-0234G (February 13, 2024).

alternatives to identified projects and identify capacity constrained areas of the Company's gas distribution system that otherwise are not included in the GIP filing.

6. In its exceptions, Public Service requests the Commission authorize the Company to bring forward its existing proposed forecasts. Public Service's Exceptions detail changes the Company made to the peak hour gas delivery forecasting process since its initial GIP filing in 2023, including: (1) updating forecast assumptions; (2) implementing the base, high, and low forecasts for market electrification and beneficial electrification based on improved assumptions; and (3) evaluating each newly proposed capacity expansion project in the 2025 GIP relative to the base, high, and low forecast in order to provide clarity on when the projects are necessary under each scenario. The Company notes that these forecasts apply only to discrete capacity expansion projects and provides additional context for its low and base forecasts. Public Service contends that changes to long-standing forecasting methodologies take time to evolve and argues it is not feasible to fundamentally change its forecasting to determine project needs at this point with the GIP filing due in a few short months.

7. The Company's exceptions also request the Commission authorize an alternative forecast sensitivity it calls the "*CHP Final Order Forecast Sensitivity*" filed as a part of the 2025 GIP. The Company proposed this new sensitivity in its Exceptions and cites that it would address Commission Rule 4553(b) requirements that GIP forecasts take a utility's Commission-approved portfolio of Clean Heat Plan ("CHP") clean heat resources into account. Public Service contends that the Commission approved its CHP clean heat resources after the Company completed its 2025 GIP forecasts and the Company is unable to generate a new planning forecast in time for the 2025 GIP filing. Instead of re-running its forecasts, the Company proposes that the CHP Final Order Forecast Sensitivity analysis would tie to the CHP using simplifying assumptions to allocate

electrification geographically. Public Service would then compare those values to the discrete capacity expansion projects it plans to present in its 2025 GIP filing.

8. Within its exceptions, the Company proposes to undertake a forecasting pilot with a local municipality in order to evaluate a sensitivity impact analysis on its existing forecasting. The Company acknowledges there could be several procedural paths for this pilot, though these would not be completed by the 2025 GIP filing deadline. The Company suggests that, as a procedural option, upon selection of a municipal partner for this effort, the Company could file a Notice in this Proceeding, along with the pilot parameters and associated timeline.

9. With respect to the use of a gas modeling IE, Public Service's exceptions request that the propriety of hiring an IE be addressed during the GIP proceeding. The Company also offered an alternative to a gas modeling IE in that it could, as a part of the 2025 GIP proceeding, host a confidential technical conference detailing the modeling underlying proposed projects.

C. Findings and Conclusions

10. Generally, the Commission expects the Company to file forecasts as a part of its GIP filings that are consistent with Commission Rules and previous Commission Orders. Whether, or to what extent, the Commission should adopt forecasts submitted as part of the Company's 2025 GIP filing that do not adhere to Commission rules is an issue that is properly adjudicated within the GIP litigation where the parties to that Proceeding have an opportunity to formally advocate as they deem appropriate. Accordingly, the Commission takes no position on the Company's proposed forecasting approach at this time.

11. With respect to the Company's offer to conduct its proposed *CHP Final Order Forecast Sensitivity* as a part of its 2025 GIP filing, the Commission notes this sensitivity may provide additional insight into the need for proposed capacity expansion projects. We encourage

the sensitivity as proposed; however, we decline to address, in this Proceeding, whether the proposed sensitivity complies with the Commission's rules. That issue is more appropriately addressed in the 2025 GIP proceeding where the parties to that proceeding are likely to provide additional perspective on the matter.

12. The Commission denies the Company's exceptions regarding its proposal to initiate a forecasting pilot to coordinate with a local municipality as a part of this Proceeding. This issue may be appropriate for Commission consideration as a part of the 2025 GIP proceeding. As part of a future filing on this issue, the Commission encourages the Company to elaborate how it would integrate the outcomes of such a pilot, involving a single municipality, to the broader gas distribution system. The Commission notes that, in adjudicating the 2025 GIP proceeding, it may consider whether it would be more appropriate to evaluate a broad municipal interaction rather than a pilot program involving a single municipality.

13. The Commission grants the Company's exceptions regarding the prospect of the Commission retaining a gas modeling IE as described in the Recommended Decision. We agree that such action is premature until parties have a chance to engage on this issue within the 2025 GIP proceeding. With respect to the Company's offer to conduct a confidential technical conference detailing the modeling of capacity expansion projects as a part of the 2025 GIP proceeding, the Commission appreciates the Company's proposal and believe it is likely to provide valuable insight. The Commission will contemplate the logistics of the technical conference once the 2025 GIP filing is made and parties are provided a chance to weigh in.

II. ORDER

A. The Commission Orders That:

1. The exceptions to Recommended Decision No. R25-0083 filed on February 25, 2025, by Public Service Company of Colorado are granted, in part, and denied, in part, consistent with the discussion above.

2. 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.

3. This Decision is effective immediately upon its Issued Date.

B. ADOPTED IN COMMISSIONERS' WEEKLY MEETING ON April 2, 2025.

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ATTEST: A TRUE COPY

THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO

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MEGAN M. GILMAN

TOM PLANT

Commissioners

Rebecca E. White,
Director