

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF COLORADO

DOCKET NO. 03L-182ST

IN THE MATTER OF THE APPLICATION OF PUBLIC SERVICE COMPANY OF
COLORADO FOR AN ORDER AUTHORIZING IT TO REVISE ITS STEAM COST
ADJUSTMENT ON AN INTERIM BASIS UPON LESS THAN STATUTORY NOTICE.

**COMMISSION ORDER AUTHORIZING
CERTAIN REVISIONS TO INTERIM STEAM RATES**

Mailed Date: May 30, 2003
Adopted Date: May 28, 2003

I. BY THE COMMISSION

A. Statement, Findings, and Conclusions

1. On May 2, 2003, Applicant Public Service Company of Colorado (Public Service) filed an application requesting an order of the Commission to increase the Steam Cost Adjustment (SCA) on an interim basis. The proposed effective date is July 1, 2003. On May 23, 2003, Public Service filed its Amendment to Verified Application proposing to recalculate the Deferred Steam Cost component of its SCA rates originally proposed in the application to reflect no change in the Deferred Steam Cost component as developed in the SCA which became effective January 1, 2003. Public Service requests that this application, as amended, be approved without formal hearing and on less-than-statutory notice.

2. Public Service is an operating public utility, subject to the jurisdiction of this Commission and is engaged, *inter alia*, in the generation, purchase, transmission, distribution, and sale of steam heat in Denver. Applicant is a first-tier subsidiary of Xcel Energy Inc., a registered holding company under the Public Utility Holding Act of 1935, as amended, 15 U.S.C. §§ 79a, *et. seq.*

3. Public Service, by this application, requests authority to revise its SCA, in accordance with Commission Decision No. C85-1032, issued August 13, 1985, and Public Service's P.U.C. No. 1-Steam Tariff.

4. The purpose of this revision in the SCA is to reflect an increase in the cost of natural gas based on prices forecast from June 1, 2003 through May 31, 2004, as applied to purchases and sales volumes for the 12 months ended March 31, 2003. The proposed revised SCA does not change the Deferred Steam Cost balance. The proposed revision in the SCA is an increase from \$1.763 per thousand pounds (MLB) currently in effect, to \$3.655 per MLB.

5. The effect of this application, if approved, will be a net increase in the rate to all of Applicant's steam customers of \$1.892 per thousand pounds of steam. As compared to the revenues generated by the currently effective SCA, the net effect of the requested revision on Public Service's revenue will be an annual increase of \$1,702,107 based upon annual sales for the 12 months ended March 31, 2003.

6. The natural gas cost reflected in this filing is based on a projected natural gas cost of \$4.7152 per MMBTU as compared to the \$3.8101 per MMBTU contained in the previous SCA implemented January 1, 2003. These gas cost projections are based on information from Global Insight's April 2003 issue of Natural Gas Monthly.

7. The current Deferred Steam Cost component of the SCA will remain in effect until Public Service's next regularly scheduled filing or until there is a tariff change.

8. Applicant proposes to correct a typographical error discovered on SCA Sheet No. 9B. The currently effective Sheet No. 9B includes an incorrect "equal" sign in the equation

reading “Steam Cost Adjustment = A = B - C.” The corrected Sheet No. 9B would read “Steam Cost Adjustment = A + B - C.”

9. The filing of this application was brought to the attention of Public Service’s customers by the publication of the Notice in *The Denver Post*.

10. This application for authority to increase rates is made pursuant to § 40-3-104, C.R.S., and the Commission’s Rules of Practice and Procedure 4 *Code of Colorado Regulations* 723-1-41.

11. The Commission finds that good cause exists to allow the proposed interim tariff to become effective on less than 30 days’ notice and that the requested waiver should be granted.

II. ORDER

A. The Commission Orders That:

1. The application, as amended, to revise the interim steam cost adjustment filed by Public Service Company of Colorado is granted.

2. Public Service Company of Colorado may file, on not less than one day’s notice, the tariffs attached to this Order to be effective on June 1, 2003.

3. This Order is effective on its Mailed Date.

**B. ADOPTED IN COMMISSIONERS' WEEKLY MEETING
May 28, 2003.**

(S E A L)



ATTEST: A TRUE COPY

Bruce N. Smith
Director

THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO

GREGORY E. SOPKIN

POLLY PAGE

JIM DYER

Commissioners