

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF COLORADO

DOCKET NO. 99A-377EG

IN THE MATTER OF THE APPLICATION OF PUBLIC SERVICE COMPANY OF COLORADO FOR COMMISSION AUTHORIZATION FOR NEW CENTURY ENERGIES, INC. TO MERGE WITH NORTHERN STATES POWER COMPANY; FOR EXTENSION OF THE CURRENT REGULATORY PLAN WHICH INCLUDES AN EARNINGS SHARING MECHANISM; AND FOR SUCH OTHER RELIEF AS MAY BE APPROPRIATE OR NECESSARY.

**COMMISSION ORDER GRANTING
EXTENSION OF TIME**

Mailed Date: December 17, 2003

Adopted Date: December 3, 2003

I. BY THE COMMISSION

A. Statement

1. On November 21, 2003, Public Service Company of Colorado (Public Service or Company) filed a Motion for Extension of Time to File Phase II and for Shortening of Response Time (Motion). By Decision No. C03-1329, the Commission shortened response time to noon, December 2, 2003. Staff of the Colorado Public Utilities Commission (Staff) and the Colorado Office of Consumer Counsel (OCC) timely filed responses.

2. Within the Motion, Public Service requests a three-month extension or until February 27, 2004, to file its Phase II case. The basis for this request is that in the processing of validating the results of the functional cost allocation study, it became apparent that there may be inaccuracies in the Federal Energy Regulatory Commission (FERC) plant account balances for 2001 that were not known to the Company at the time it filed its Phase I rate case. According to the Company, upon further investigation, it became aware that significant adjustment to FERC

plant account balances were made at year-end 2002 to recognize the effect of the unitization of investment dollars in Account 106 to the FERC 300 series of accounts. These adjustments will change the allocation of costs to different customer classes for purposes of rate design. Public Service states that it will require three additional months to restate the monthly plant account balances from December 2000 to December 2001 to reflect the changes made during the 2002 unitization. Finally, Public Service notes that to the extent these new plant balances change the revenue requirement level set by the Commission in Phase I, it will make a recommendation with its Phase II filing how any change in its state jurisdictional revenue requirement should be reflected in its rate design.

3. In its response, the OCC states that it does not object to the requested extension of time, but does not agree to any substantive comments made by the Company in its Motion concerning its Phase II electric rate case filing. Staff, in its response, states that it too does not object to the extension because it would be inefficient to accept an application with known but uncorrected inaccuracies. However, Staff does express some concerns with the Motion.

4. First, Staff argues, should Public Service find that the state jurisdictional revenue requirement changes as a result of its realignment of the 2001 electric plant account, the Commission should order Public Service to file this change prior to filings its Phase II electric rate case. That way, interested parties would have the opportunity to review the filing and, if necessary, request an evidentiary hearing prior to Public Service's filing of its Phase II rate case. According to Staff, it has spoken with Public Service and the Company would be willing to commit to notify the parties, on an informal basis, two weeks in advance of its Phase II filing of any changes to its state jurisdictional revenue requirement and the impacts thereof, as well as attempting to determine if an agreed-upon treatment of any change may be reached.

5. Another concern of Staff is that because of the unknown magnitude of the changes, two weeks may not be enough time for a thorough review of such changes and that Staff will be at a disadvantage when the Phase II is filed.

B. Findings

6. The Commission concurs with Staff that all of the parties should see the results of any reclassification of plant from the unitization process before the Phase II filing is made. Public Service is directed to provide to the Commission and all parties to its Phase I rate case, Docket No. 02S-315EG, a copy of its updated revenue requirement model, based on any plant reclassifications, in paper and electronic format by February 6, 2004. In addition to the model, Public Service shall provide an explanation of where and how many dollars have been shifted between plant accounts, and state and FERC jurisdictions. The Commission would encourage Public Service to provide this information as soon as possible in order to keep the Phase II rate case on schedule.

7. All interested parties will have until February 20, 2004, to review and respond to the new revenue requirements model. Any party who disputes the results shall file by February 20, 2004, a response stating, in detail, the reason(s) for the disagreement. We encourage all parties to work together to reach resolution on any possible changes. In the event that agreement cannot be reached, the Commission will hold a hearing on an expedited basis to resolve this matter.

II. ORDER

A. The Commission Orders That:

1. The Motion for Extension of Time to file Phase II and for Shortening of Response Time filed by Public Service Company of Colorado is granted, consistent with the above

discussion. Public Service Company of Colorado shall file its Phase II rate case on February 27, 2004, absent further order of the Commission.

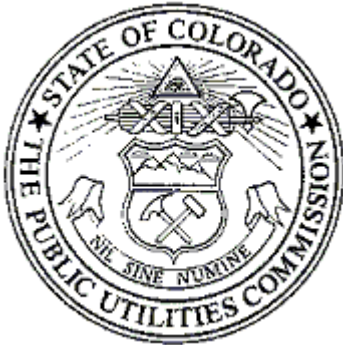
2. Public Service Company of Colorado is directed to provide to the Commission and all parties to its Phase I rate case a copy of its updated revenue requirement model, based on any plant reclassifications, in paper and electronic format by February 6, 2004. In addition to the model, Public Service Company of Colorado shall provide an explanation of where and how many dollars have been shifted between plant accounts, and state and Federal Energy Regulatory Commission jurisdictions.

3. Interested parties shall respond to Public Service Company of Colorado's new revenue requirement model and its results by February 20, 2004. Any party who disputes the results shall file, by February 20, 2004, a response stating, in detail, the reason(s) for the disagreement.

4. This Order is effective on its Mailed Date.

**B. ADOPTED IN COMMISSIONERS' WEEKLY MEETING
December 3, 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