

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF COLORADO

PROCEEDING NO. 20A-0345E

VERIFIED APPLICATION OF PUBLIC SERVICE COMPANY OF COLORADO FOR
APPROVAL OF AN ECONOMIC DEVELOPMENT PROPOSAL PURSUANT TO HOUSE
BILL 18-1271.

**INTERIM DECISION DEEMING
APPLICATION COMPLETE AND SETTING
THE MATTER FOR HEARING *EN BANC***

Mailed Date: October 6, 2020
Adopted Date: September 30, 2020

I. BY THE COMMISSION

A. Statement

1. By this Decision, the Commission deems complete and sets for hearing before the Commission *en banc* the August 21, 2020, Application of Public Service Company of Colorado (Public Service or the Company), which requests that the Commission issue an order approving its proposal for an Economic Development Rate (EDR). The EDR proposal includes a tariff and requests for findings, approvals, and authorizations, pursuant to § 40-3-104.3, C.R.S.

B. Discussion

2. On August 21, 2020, Public Service filed an application and direct testimony requesting approval of an EDR proposal. Public Service states that its EDR proposal is consistent with statutory requirements; is competitive with the EDR programs of comparable utilities; and is an important component of economic recovery in the wake of the COVID-19 pandemic.

3. Public Service made its proposal pursuant to House Bill (HB) 18-1271, which modified § 40-3-104.3, C.R.S., to set forth a process by which investor-owned electric utilities subject to rate regulation by the Commission may offer EDRs to qualifying commercial and industrial customers pursuant to a Commission-approved EDR tariff. Among other requirements, HB 18-1271 requires that EDRs must be set lower than the rates that qualifying customers are currently subject to, but not lower than the marginal cost of providing service to those qualifying customers; that the utility demonstrate that the EDR will not increase other customers' rates; and that EDR customers will not be subsidized by non-EDR customers.

4. Public Service proposes to establish a tariff for Standard EDR Contracts that provides a base rate discount of 10 to 40 percent from the existing rate for qualifying commercial and industrial customers who move to Colorado, or expand load at an existing site. Certain rate riders and adjustments would also be eliminated or modified for EDR customers. The Standard EDR Contract lasts up to ten years and requires the customer to add 3 to 20 megawatts (MW) of load over a phase-in period. Public Service represents that, for a typical customer on a Primary General default rate, the EDR Tariff would translate into a 38.7 percent monthly bill discount in the initial years of a long-term contract.¹

5. To demonstrate that non-EDR customers would not subsidize EDR customers, Public Service's proposal requires EDR customers to pay directly for what it defines as short-term marginal costs, such as distribution line extensions. It further asserts that EDR customers are not subsidized over the long term through an analysis that finds that the levelized rate for a standard EDR customer is greater than the levelized marginal cost to serve eligible customers, over a ten-year period. It states that ratepayers will benefit from the EDR proposal

¹ Direct Testimony of Steven W. Wishart, Table SWW-D-3, at 23.

through lower rate increases in the future. With its Application, it also proposes procedural avenues for the Commission to consider Non-Standard EDR Contracts (those greater than 20 MW or where a different discount is proposed) and expansions to voluntary renewable energy programs.

6. Public Service requests that the Commission make the following findings, approvals, and authorizations:

- That the terms and conditions set forth in the illustrative EDR tariff are just and reasonable, in the public interest, and consistent with § 40-3-104.3, C.R.S.;
- That the proposed structure for the EDR, including base rate discounts and treatment of rate adjustments, is reasonable and appropriate, and not likely to subsidize the cost of providing service to EDR customers;
- That it is authorized to modify its Distribution Extension Policy, and its Electric Commodity Adjustment and Demand-Side Management Cost Adjustment tariffs;
- That its proposals for Commission review of EDR customer eligibility are approved;
- That its proposal for expedited procedural process for applications for Non-Standard EDR Contracts and expansions of voluntary renewable energy programs are approved;
- That its proposals for annual reporting and treatment in ratemaking proceedings are approved;
- That it is authorized to track, record, and defer costs associated with preparing and litigating this Application in a regulatory asset, without interest, for future recovery;
- That it is authorized to file a compliance advice letter within 20 days of the effective date of a final order in this proceeding, but on not less than two business days' notice; and
- That it is authorized to use discretion in implementing the final EDR proposal, contingent on the final order in this Application proceeding.

C. Findings and Conclusions

7. The Commission finds that Public Service's Application for approval of its EDR proposal contains all the information required by applicable Commission Rules and is therefore deemed complete for purposes of § 40-6-109.5, C.R.S.

8. We find good cause to set the Application for hearing before the Commission *en banc*. The Application raises significant policy questions, and questions of statutory interpretation, that warrant an evidentiary hearing before the Commissioners.

II. ORDER**A. It Is Ordered That:**

1. The Application for approval of an Economic Development Rate proposal filed by Public Service Company of Colorado on August 21, 2020, is set for hearing *en banc*.

2. The application is deemed complete, consistent with the above discussion.

3. The Commission shall rule on interventions and requests for *amicus curiae* status by a separate decision.

4. Hearing dates and other procedures will be established by a separate decision.

5. This Decision is effective upon its Mailed Date.

**B. ADOPTED IN COMMISSIONERS' WEEKLY MEETING
September 30, 2020.**

(S E A L)



ATTEST: A TRUE COPY

A handwritten signature in cursive script that reads "Doug Dean".

Doug Dean,
Director

THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO

JEFFREY P. ACKERMANN

JOHN GAVAN

MEGAN M. GILMAN

Commissioners