

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF COLORADO

PROCEEDING NO. 20AL-0432E

IN THE MATTER OF ADVICE LETTER NO. 1835 - ELECTRIC FILED BY PUBLIC SERVICE COMPANY OF COLORADO TO REVISE ITS COLORADO P.U.C. NO. 8 - ELECTRIC TARIFF TO ELIMINATE THE CURRENTLY EFFECTIVE GENERAL RATE SCHEDULE ADJUSTMENTS ("GRSA") AND GENERAL RATE SCHEDULE ADJUSTMENT - ENERGY ("GRSA-E"), AND PLACE INTO EFFECT REVISED BASE RATES AND OTHER AFFECTED CHARGES FOR ALL ELECTRIC RATE SCHEDULES IN THE COMPANY'S ELECTRIC TARIFF, INCLUDING UPDATED ELECTRIC AFFORDABILITY PROGRAM ("EAP"), LOAD METER, AND PRODUCTION METER CHARGES TO BECOME EFFECTIVE NOVEMBER 19, 2020.

**DECISION SUSPENDING EFFECTIVE
DATE OF TARIFF SHEETS AND REFERRING THE
MATTER TO AN ADMINISTRATIVE LAW JUDGE**

Mailed Date: November 10, 2020
Adopted Date: November 4, 2020

IMPORTANT NOTICE: ANY PERSON DESIRING TO PARTICIPATE ONLY BY MAKING A STATEMENT MAY DO SO BY APPEARING AT THE HEARING. IF YOU DESIRE TO ASK QUESTIONS OF A WITNESS OR OTHERWISE PARTICIPATE AS A PARTY IN THIS MATTER, YOU MUST REQUEST PERMISSION FROM THE COMMISSION TO BE AN INTERVENOR (EVEN IF YOU HAVE ALREADY FILED AN OBJECTION). ANYONE DESIRING TO INTERVENE MUST CAREFULLY FOLLOW THE LAW AND COMMISSION RULES FOR BECOMING AN INTERVENOR. FOR FURTHER INFORMATION ON HOW TO INTERVENE, CALL (303) 894-2070 (PUC EXTERNAL AFFAIRS OFFICE).

I. BY THE COMMISSION

A. Statement

1. This Decision sets for hearing the tariffs filed by Public Service Company of Colorado (Public Service or Company) under Advice Letter No. 1835-Electric (AL-1835) and suspends their effective date to March 19, 2021.

2. We refer the matter to an Administrative Law Judge (ALJ) for hearing.

3. A pleading to intervene in this matter may be filed by any person, firm, or corporation desiring to be a party and fully participate in this proceeding no later than 30 days after the mailing date of this Decision.

B. Discussion

4. On October 19, 2020, Public Service filed AL-1835 with tariff sheets. Through AL-1835, Public Service proposes to allocate its approved \$1,835,585,415 revenue requirement¹ across customer classes, based on a Class Cost of Service Study (CCOSS) using the 2019 Test Year approved by the Commission in Proceeding No. 19AL-0268E. Public Service states that this filing does not affect its annual revenue.

5. Public Service proposes a November 19, 2020 tariff effective date. However, Public Service requests that the Commission suspend the tariffs and set them for hearing, with an effective date of July 27, 2021.

6. Public Service filed the Direct Testimony of witnesses Brook Trammell, Steven Wishart, Delores Basquez, Alexander Trowbridge, Mario Martinez, and Daniel King, in support of the Advice Letter filing.

7. The allocation methodology employed in the CCOSS underlying the proposed tariff sheets shifts \$71,815,681 in revenue requirement to the Residential rate class from the other rate classes, resulting in a 6.65 percent increase in average monthly Residential electric bills. In her Direct Testimony, Public Service Witness Trammell states that this is largely due to

¹ The amount of \$1,828,985,415 was approved in Proceeding No. 20AL-0268E and \$6,600,000 for the Electric Affordability Program was allowed in Proceeding No. 20AL-0090E.

a load increase in the Residential rate class resulting from an increase in the number of Residential customers and increasing penetration of central air conditioning in homes.

8. AL-1835 proposes a number of changes and adjustments to Public Service's Electric Tariff, including replacing the current Residential tiered rate structure with a seasonally-differentiated flat rate; eliminating the current General Rate Schedule Adjustment and General Rate Schedule Adjustment – Energy; and making a time-of-use (TOU) rate a permanent residential rate option on January 1, 2022, when the current TOU Pilot program concludes.

9. Public Service also proposes to implement a Flat Billing Option for Residential customers, allowing customers to pay a flat monthly rate based on forecast energy use.

10. The tariff sheets introduce a TOU rate for Small Commercial customers and revise the Demand Side Management Cost Adjustment, Purchased Capacity Cost Adjustment, Transmission Cost Adjustment, and Clean Air Clean Jobs Adjustment to percentage calculations, rather than the current cents per kWh charge, applied to base energy charges.

11. Additionally, Public Service proposes to increase the winter/summer price ratio for generation and transmission demand charges to 60 percent for Small Commercial, Secondary General, Primary General, and Transmission General rate classes.

12. AL-1835 includes a number of additional tariff revisions, including adding Commercial and Residential Schedules to Schedule EAP (Energy Affordability Program), updating language to make clear that the Medical Exemption Program will still be available, and updating the Meter Accuracy and Routine Meter Test Schedules to align the tariff with changes approved in the Electric Meter Sampling Program.²

² Proceeding No. 08A-277E

13. Through AL-1835, Public Service also requests deferred accounting for an estimated \$875,679 in rate case expenses.

14. Public Service Witness Trammell states that Public Service is filing AL-1835 pursuant to Decision No. C20-0473³ in which the Commission directed Public Service to file a Phase II rate case no later than 60 days from the date of implementation of the rates approved in the Company's 2019 Phase I Rate Case. Those rates were implemented on August 19, 2020.

15. On October 28, 2020, the Colorado Office of Consumer Counsel (OCC) filed a Letter of Protest, requesting that the Commission suspend the tariffs associated with AL-1835 and set the matter for hearing. Among other issues, OCC questions: 1) the shift of nearly \$72 million to the Residential rate class; 2) the methodology for cost allocation; 3) the proposed Flat Bill Offering; 4) the mid-summer 2021 proposed effective date of the tariffs; 5) the appropriateness of making Residential TOU rates permanent; 6) the service and facilities charge proposed for Residential and Small Commercial customers; 7) the possible need to examine Residential net metering, if net metering is causing a shift in peak demand that results in cost shifts to Residential customers; and 8) the possible need to examine the demand side management program, if it has not mitigated a large allocation of costs to the Residential rate class.

16. Pursuant to § 40-6-111(1), C.R.S., the Commission may, in its discretion, set the tariff pages for hearing which will suspend the effective date for 120 days from the proposed effective date. If no new tariffs are established by the Commission before the end of the 120-day suspension period, in this instance March 19, 2021, and if the Commission does not further

³ Decision No. C20-0473 was issued in Proceeding No. 19A-0268E on June 29, 2020.

suspend the effective date of the tariffs pursuant to § 40-6-111(1), C.R.S., the tariff pages filed by Public Service may become effective.

17. Section 40-6-111(1), C.R.S., also provides that the Commission may, in its discretion, by a separate decision, suspend the effective date of the tariff page(s) for an additional 130 days. Thus, the Commission has the power and authority to suspend the effective date of the tariff pages for a maximum of 250 days. If the Commission further suspends the effective date of the tariff pages for an additional 130 days, and if no new tariffs are established by the Commission before the end of the suspension period, the tariff pages filed by Public Service may become effective.

C. Conclusions and Findings

18. The Commission finds good cause to set for hearing the tariffs submitted with AL-1835.

19. The initial suspension period for the tariff pages submitted with the tariff pages submitted with AL-1835 shall extend through March 19, 2021.

20. We refer this matter to an ALJ.

21. A pleading to intervene may be filed by any person, firm, or corporation desiring to be a party and fully participate in this proceeding, as ordered below. The filing of any other document protesting the tariff pages shall not allow participation as an intervenor in this matter.

II. ORDER

A. The Commission Orders That:

1. The proposed effective date, November 19, 2020, of the tariff pages filed by Public Service Company of Colorado (Public Service) with Advice Letter No. 1835-Electric is suspended until March 19, 2021, or until further order of the Commission.

2. This matter is referred to an Administrative Law Judge. The Administrative Law Judge shall set a hearing date, rule on interventions, and establish other procedures by separate decision(s), consistent with the discussion above.

3. Any person, firm, or corporation, including any who have previously filed a document protesting the proposed tariff pages, who desire to intervene and participate as a party in this proceeding shall file a motion to intervene with the Commission within 30 days after the mailing date of this Decision and shall serve a copy of the notice or motion on Public Service's attorney of record.

4. This Decision is effective on its Mailed Date.

**B. ADOPTED IN COMMISSIONERS' WEEKLY MEETING
November 4, 2020.**

(S E A L)



ATTEST: A TRUE COPY

Doug Dean,
Director

THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO

JEFFREY P. ACKERMANN

JOHN GAVAN

MEGAN M. GILMAN

Commissioners