

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF COLORADO

PROCEEDING NO. 20L-0539G

IN THE MATTER OF THE APPLICATION OF PUBLIC SERVICE COMPANY OF COLORADO FOR AN ORDER AUTHORIZING IT TO REVISE ITS GAS COST ADJUSTMENT TO BE EFFECTIVE JANUARY 1, 2021, ON LESS THAN STATUTORY NOTICE.

**COMMISSION DECISION AUTHORIZING
DOWNWARD REVISIONS OF GAS RATES**

Mailed Date: December 23, 2020
Adopted Date: December 23, 2020

I. BY THE COMMISSION

A. Statements, Findings, and Conclusions

1. On December 15, 2020, Public Service Company of Colorado (Public Service or Applicant) filed a verified application requesting a Commission order authorizing it, without a formal hearing and on less-than-statutory notice, to place into effect on January 1, 2021, tariffs resulting in a decrease to its existing natural gas rates now on file with the Commission. The application contains all materials required by the Commission's rules, and is complete.

2. Pursuant to Rules 1100 and 1101(b), 4 CCR 723-1 and Rule 4603(b), 4 CCR 723-4, Public Service filed Attachment Nos. 1, 2, 3, 5 and 6 under seal which Public Service states it contains confidential and market-sensitive data. Public Service stated that disclosing the information to the public would adversely impact the cost of gas to Public Service's gas customers. Pursuant to Rule 1101(a)(I) of the Commission Rules, public versions of Confidential GCA Attachment Nos. 1, 2, 3, 5 and 6 excluding the confidential information, were filed as well.

3. This application constitutes Public Service's Quarterly GCA filing, under the Quarterly GCA mechanism provided for in the Stipulation and Agreement (S&A) reached by the Staff of the Public Utilities Commission, the Office of Consumer Counsel, and Public Service (Parties) pursuant to Decision No. C09-0596, in Proceeding No. 08A-095G issued June 9, 2009. Accordingly, this application was filed under both the Commission's Gas Rules and the Quarterly GCA mechanism.

4. The proposed tariffs are attached to the application, and affect Applicant's customers in its Colorado certificated areas on file with the Commission.

5. This application for authority to decrease rates is made pursuant to § 40-3-104(2), C.R.S., and Rule 4 CCR 723-1-4109(b)(II).

B. Findings of Fact

6. Public Service is an operating public utility subject to the jurisdiction of this Commission and is engaged in, *inter alia*, in the purchase, transmission, distribution, transportation, and resale of natural gas in various certificated areas within the State of Colorado.

7. Applicant's natural gas supplies for sale to its residential, commercial, industrial, and resale customers, are purchased from numerous producer/suppliers located inside and outside of the State of Colorado. The rates and charges incident to these purchases are established through contracts between Applicant and the various producer/suppliers.

8. These gas supplies are either delivered directly into Applicant's natural gas pipeline system from wellhead, gathering system, gas processing plant interconnections, or through several interstate pipeline and/or storage facilities with which Applicant is directly connected. The transportation of these gas supplies is made pursuant to service agreements between Applicant and upstream pipeline service providers based upon Applicant's system

requirements for the various pipeline services, such as gathering, storage, and transportation. These upstream pipeline service providers include: Colorado Interstate Gas Company (CIG); Front Range Pipeline (Front Range); Tallgrass Interstate Gas Transmission (TIGT); Southern Star Central Gas Pipeline, Inc. (Southern Star); and Red Cedar Gathering Company (Red Cedar).

9. CIG, Front Range, TIGT, Southern Star, and Red Cedar are natural gas companies under the provisions of the Natural Gas Act, as amended, and the rates and charges incidental to the provision of the various pipeline delivery services to Applicant are subject to the jurisdiction of the Federal Energy Regulatory Commission (FERC). This Commission has no jurisdiction over the pipeline delivery rates of CIG, TIGT, Southern Star, and Red Cedar, but it expects Applicant to negotiate the lowest prices for supplies of natural gas that are consistent with the provisions of the Natural Gas Policy Act of 1978, 15 U.S.C. §§ 3301-3432 and applicable federal regulations, or determinations made under applicable federal regulations.

10. Public Service acknowledges that the company has read and agrees to abide by the provisions of Rules 4002(b)(IV) through (VI) and Rules 4002(b)(XI)(A) through (C) of the Rules Regulating Gas Utilities and Pipeline Operators, 4 CCR 723-4.

11. Public Service incorporates by reference information on file with the Commission in Proceeding No. 06M-525EG, as required pursuant to Rule 4002(c).

12. The proposed tariffs are attached to this order as Appendix A. Due to the changes in the Gas Commodity Cost and Deferred Gas Cost, the net effect of the revision in the GCA for the first quarter 2021 is estimated to decrease GCA revenues by \$15,905,489 which is approximately a 7.56 percent decrease below the fourth quarter 2020 revenues.

13. The natural gas costs reflected in this filing are based on the New York Mercantile Exchange (NYMEX) January, February and March 2021 daily Settlement Price for natural gas

on the first business day of the month or December 1, 2020. The NYMEX price for each of those three months was adjusted for the basis differentials applicable to regional indices used by the Company for its gas purchases. The resulting Gas Commodity Cost and Deferred Gas Cost are \$2.472 and (\$.023) per Dth, as compared to the current \$2.695 per Dth and \$.008 per Dth contained in the currently effective tariff.

14. Public Service affirms that the GCA is currently not impacted by gas transportation commodity discounts on its system as all discounted transportation commodity rates are in excess of the Current Gas Cost portion of the transportation charge (*i.e.*, gas balancing costs).

15. Pursuant to the Quarterly GCA Stipulation reached by the Parties in compliance with Decision No. C09-0596 in Proceeding No. 08A-095G, the filing of this application has been or will be brought to the attention of Applicant's affected customers by means of a legal notice in a newspaper of general circulation, and a first of the month display advertisement. In addition, Public Service, at its option, may continue press releases call center voice activation messaging, and timely postings to its internet website, as long as such forms of notice and communication reasonably and effectively continue to provide information to customers.

16. Applicant anticipates that the adjustment in the GCA requested herein will bring future gas cost recovery amounts more closely in line with the predicted future price of gas.

17. The Commission finds good cause to allow the proposed decrease on less-than-statutory notice.

II. ORDER

A. The Commission Orders That:

1. The application filed by Public Service Company of Colorado (Public Service) is deemed complete.

2. The application filed by Public Service for authority to change tariffs on less-than-statutory notice is granted.

3. Public Service is authorized to file, on not less than two business days' notice and in a separate proceeding, the tariffs attached as Appendix A and made a part of this Order, to be effective on or after January 1, 2021.

4. The 20-day period provided for in § 40-6-114, C.R.S., within which to file applications for rehearing, reargument, or reconsideration begins on the first day following the effective date of this Decision.

5. This Order is effective on its Mailed Date.

B. ADOPTED IN COMMISSIONERS' WEEKLY MEETING December 23, 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