

Decision No. C20-0915

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF COLORADO

PROCEEDING NO. 20L-0540E

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

**COMMISSION DECISION AUTHORIZING
AN UPWARD REVISION OF
THE ELECTRIC COMMODITY ADJUSTMENT**

Mailed Date: December 23, 2020

Adopted Date: December 23, 2020

I. BY THE COMMISSION

A. Statement

1. Through this Decision the Commission grants the Application of Public Service Company of Colorado (Public Service or Applicant) filed on December 15, 2020 and amended on December 18, 2020, requesting authorization to increase the Electric Commodity Adjustment (ECA) Factors and place into effect on January 1, 2021 tariffs resulting in an increase to its existing ECA rates now on file with the Commission (Application).

2. In addition, we acknowledge that the Office of Consumer Counsel (OCC) is an intervenor as of right and a party to this proceeding.

3. The Commission finds good cause to allow the proposed rate increase on less-than-statutory notice.

B. Discussion

1. On December 15, 2020, Public Service filed an application seeking a Commission decision authorizing it, without a formal hearing and on less-than-statutory notice, to increase the ECA Factors and place into effect on January 1, 2021, tariffs resulting in an increase to its existing ECA rates on file with the Commission. On December 18, 2020, Public Service filed an Amendment to the Verified Application that corrected an error in the calculation of the ECA factors.

2. The proposed tariffs are attached to the Application as Exhibit No. 1 and affect Applicant's electric customers in Colorado.

3. This Application for authority to change tariffs is made pursuant to §§ 40-3-104(1)(c)(III) and 40-3-104(2), C.R.S., and Rule 3109(b)(II) of the Rules Regulating Electric Utilities, 4 *Code of Colorado Regulations* (CCR) 723-3.

4. On December 18, 2020, the OCC filed an intervention as of right. In its intervention, the OCC asserts Public Service did not meet the requirements in Commission Rule 3109(b)(II), 4 CCR 723-3, and § 40-3-104(2), C.R.S., to allow the Commission to grant the application on less than thirty days' notice. Additionally, the OCC is concerned with certain amounts shown on Exhibit 5 to the Application, which is entitled ECA Deferred Account Balance November 30, 2020. The OCC believes that the Commission should require Public Service to explain whether these amounts, which show increases in the months of July, August, and September of 2020, are related to Comanche 3 operational matters that are currently under investigation by the Commission. The OCC does not request a hearing.

5. On December 21, 2020, Public Service filed a response to the OCC's intervention and the assertions made in it. Public Service's response states that it filed an affidavit with

further support to allow the Commission to grant its Application on less than thirty days' notice. In this affidavit,¹ Public Service provides additional support for its request, including the explanation that due to the current volatility of natural gas and short-term market prices, filing an application on 30 days' notice can result in an improper price signal and significant positive or negative impact to customers.

6. In its response to the OCC's intervention, Public Service also provides information and background on the amounts contained in its ECA Deferred Account Balance exhibit that were highlighted by the OCC. Public Service states that while the Comanche 3 outage resulted in replacement energy costs in most months of summer 2020, other market dynamics and weather were key drivers for short-term market purchase costs.

C. Findings and Conclusions

7. Pursuant to Rule 1401(b), 4 CCR 723-1, parties with a legally protected right that may be impacted by a proceeding are allowed intervention as of right. The OCC filed a notice of intervention as of right by citing § 40-6.5-104, C.R.S, an appropriate authority for participation. No action is necessary on this intervention by right and the OCC is a party to this proceeding.

8. The Application contains all of the information required by Commission Rules and is therefore deemed complete.

9. Applicant is an operating public utility subject to the jurisdiction of this Commission and is engaged in, *inter alia*, the generation, transmission, and distribution of electricity for public uses in various certificated areas within the State of Colorado.

¹ Affidavit of Steven P. Berman, filed Dec. 18, 2020.

10. Applicant generates electricity from its own power plants to meet its customers' demands and also purchases electricity from time-to-time to supplement its own generation from other utilities in the west and east interconnections.

11. Decision No. C09-1446, Proceeding No. 09AL-299E, issued December 24, 2009, maintained the requirement that Public Service file quarterly revisions to its ECA Factors.

12. In Decision No. C07-0676, Proceeding No. 06A-478E, issued August 9, 2007, the Commission granted Public Service's request to collect the Modeled ECA Costs as provided in the Renewable Energy Standard Compliance Plan through the ECA. In Decision No. R09-0549, Proceeding No. 08A-532E, issued May 22, 2009, the Commission approved the methodology for the change in the true-up procedure between the projected costs of Eligible Energy and the actual cost of Eligible Energy to be collected in the ECA.

13. The Applicant, in calculating the new Residential Energy-Time of Use and Residential Demand-Time Differentiated Rate Schedules, applied the methodology approved by Commission Decision No. C16-1075 on November 23, 2016, in its Phase II Electric Rate Case, Proceeding No. 16AL-0048E.

14. The proposed tariffs are attached to this Decision as Appendix A. Public Service projects that the revised ECA Factors will result in an increase of \$950,850 in its revenues under the currently effective ECA Factors for the period January 1 through March 31 of 2021. Per Commission Decision Nos. C16-0958, Proceeding No. 16A-0117E, issued October 20, 2016 and C19-0367, Proceeding No. 18A-0905E, issued April 25, 2019, Public Service has included Overall Wind Production Tax Credits of \$33,891,210. Public Service has applied a \$3,240,115 Renewable Energy Standard Adjustment credit. Also included in the ECA calculation is an ECA Deferred Account under-collected balance of \$27,811,780, Cheyenne

Ridge Revenue Requirement of \$22,879,347, Rush Creek Capital Cost sharing of \$597,977, is the recovery of earnings associated with the Cheyenne Ridge Wind Project deferred tax assets (DTA) of \$678,513, Integrated Volt-Var Optimization Energy Reduction Benefit Savings (IVVO) of \$252,895, and a Renewable*Credit subscription payment of \$798,264.

15. The estimated effect of the requested revised ECA Factors on residential electric bills is an increase of \$0.08 per month to \$73.00 or a 0.11 percent increase, based on a monthly use of 617 kilowatt-hours. The estimated effect of the requested revised ECA Factors on small commercial electric bills is an increase of \$0.13 per month to \$109.00, or a 0.12 percent increase, based on a monthly use of 941 kilowatt-hours. On a percentage basis, the following increases for Public Service's other rate schedules are anticipated: 0.14 percent for Secondary General, 0.24 percent for Primary General, and 0.00 percent for Transmission General.

16. The notice of this amended Application was published in the Legal Classified Section of *The Denver Post*, a newspaper of general circulation within Public Service's service territory, on December 16, 2020.

17. We appreciate the concern raised by the OCC regarding amounts shown on Public Service's ECA Deferred Account Balance exhibit and Public Service's response to this concern. We note that the OCC does not make a specific charge that these amounts are erroneous and that the OCC does not request a hearing on this issue. We also note that these amounts may be examined in other proceedings, specifically the Commission's investigation into the operation of the Comanche Unit 3 generating station in Proceeding No. 20I-0437E and Public Service's annual audit of ECA costs for 2020. Therefore, we decline to deny or delay the Application for further review based on the concerns raised by the OCC.

18. With the additional support submitted by Public Service in the Affidavit of Steven P. Berman, filed December 18, 2020 in this Proceeding, the Commission finds good cause to allow the proposed increases on less-than-statutory notice.

II. ORDER

A. The Commission Orders That:

1. The application filed by Public Service Company of Colorado (Public Service) on December 15, 2020, and amended on December 18, 2020 is deemed complete.
2. The application for authority to change tariffs on less-than-statutory notice is granted.
3. Public Service shall file a new advice letter and tariff, attached as Appendix A and made a part of this Decision, on not less than two business days' notice. The advice letter and tariff shall be filed as a new advice letter proceeding and shall comply with all applicable rules. In calculating the proposed effective date, the date the filing is received at the Commission is not included in the notice period and the entire notice period must expire prior to the effective date. The advice letter and tariff must comply in all substantive respects to this Decision in order to be filed as a compliance filing on shortened notice. These tariffs shall be effective for actual electricity sales on or after their effective date of January 1, 2021.
4. The 20-day time period provided by § 40-6-114, C.R.S., to file an application for rehearing, reargument, or reconsideration shall begin on the first day after the effective date of this Decision.
5. This Decision 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