

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF COLORADO

PROCEEDING NO. 21R-0449G

IN THE MATTER OF THE PROPOSED AMENDMENTS TO THE COMMISSION'S RULES REGULATING GAS UTILITIES, 4 CODE OF COLORADO REGULATIONS 723-4, RELATING TO GAS UTILITY PLANNING AND IMPLEMENTING SB21-264 REGARDING CLEAN HEAT PLANS AND HB 21-1238 REGARDING DEMAND SIDE MANAGEMENT.

**INTERIM COMMISSION DECISION SETTING
REQUESTED DEADLINE FOR
POST-HEARING COMMENTS**

Mailed Date: September 29, 2022
Adopted Date: September 28, 2022

I. BY THE COMMISSION

A. Statement

1. On October 1, 2021, through Decision No. C21-0610, the Commission issued a Notice of Proposed Rulemaking (NOPR) to amend the Commission's Rules Regulating Gas Utilities, 4 *Code of Colorado Regulations* (CCR) 723-4 (Gas Rules). The proposed amendments would add to as well as revise the existing provisions of the Commission's Gas Rules in order to satisfy the requirements of: Senate Bill (SB) 21-264, which requires utilities with more than 90,000 retail customers to develop comprehensive Clean Heat Plans (CHPs) to achieve reductions in greenhouse gas emissions; House Bill (HB) 21-1238, which modifies the statutory provisions governing utility demand-side management (DSM) programs and achievements; and the Commission's desire to improve the transparency and oversight of gas utility infrastructure investment, as well as to improve the opportunity to mitigate such investment through alternative investments and practices.

2. Rules substantially impacted by the NOPR included: 4001 (Definitions); 4102 (Certificate of Public Convenience and Necessity for Facilities); 4210 (Line Extension); 4525-4528 (Greenhouse Gas Emissions); 4550-4555 (Gas Infrastructure Planning); 4725-4734 (Clean Heat Plans); and 4750-4754, 4756, 4760-4761 (Gas DSM).

3. The Commission received several rounds of written and oral comment from the public and formal participants to the rulemaking, docketed as Proceeding No. 21R-0449G.

4. On July 22, 2022, the Commission issued an interim order (Decision No. C22-0427-I) which proposed numerous modifications to the proposed rules issued in Decision No. C21-0610 (Revised Proposed Rules). The Commission held two public hearings on August 8, 2022 and September 19, 2022 to receive oral comments on the Revised Rules. Numerous written comments on the Revised Rules were received from the public and rulemaking participants during August and September, as well.

5. The Commission is required to finalize rules in response to the Colorado Legislature's requirements to SB 21-264 and HB 21-1238 by December 1, 2022.

6. The Commission requests final written comments by October 7, 2022. Comments filed after that date will be accepted, but given the statutory deadline on December 1, 2022, the Commission encourages early submission. The Commission will consider all comments received but finds it may be difficult to fully weigh and incorporate into our decision-making process comments submitted after October 7, 2022.

7. The Commission requests rulemaking participants consider the following requests for perspective and information in final comments on the Revised Rules:

- a) Assuming an efficient, non-duplicative process to conduct planned project review among the CPCN and Gas Infrastructure Planning (GIP) sections of the Revised Rules, please comment on the concept and potential procedural implications of a

pre-filing conferral process whereby parties to a GIP application can review, among other things, system growth projections, planned infrastructure investments (that meet the approved threshold), and potential alternatives to those planned infrastructure investment in order to further the goals of: adjudicatory efficiency, innovation in system planning and meeting reliability requirements, and adhering to Federal data and infrastructure security requirements.

- b) Please provide, if available, specific examples or elaboration on how to strengthen the non-pipeline alternatives (NPA) concepts proposed in Decision No. C21-0610 and Decision No. C22-0427-I given, as suggested in the September 19, 2022 public comment hearing, that the ideal timeframe to assess NPAs is approximately 3-5 years ahead of a planned infrastructure project.
- c) Please provide, if available, specific examples or elaboration on utilizing interactive mapping tools as a forum to communicate and review localized levels of information, including the forecasting of peak design day demands and the assessment of planned project designs and costs.
- d) Regarding the rules surrounding line extensions, please provide comments on the advisability of expanding the definition of “full incremental cost” so that it is based on the difference between the system-wide base rate revenue increases attributable to new customer growth minus the full increase in system-wide costs of meeting new customer growth including the costs of serving increased system design day demand, utility overhead costs, and the metering and other costs directly attributable to new customers.
- e) Assuming that simplifying assumptions and methodologies may be required, please comment on the feasibility and value of having a high and a low forecast of peak design day demand and associated capital requirements as part of the clean heat plan process. This would include generally identifying in the GIP or CHP capital projects that could be avoided or delayed by the lower peak design day forecast, and specific projects that would need to be accelerated to meet the higher peak design day forecast.
- f) Please comment on the feasibility and value of rule language that would require any evaluation of the general benefits of a DSM program or measure under the modified TRC test to fully include the cost and other savings arising from reductions in local, regional, or overall system-wide peak design day demands.

II. ORDER

A. The Commission Orders That:

1. Final written comments are requested to be submitted by October 7, 2022.

2. Participants are requested to consider commenting on the prompts for perspective and information above.

3. This Decision is effective upon its Mailed Date.

**B. ADOPTED IN COMMISSIONERS' WEEKLY MEETING
September 28, 2022.**

(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

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JOHN GAVAN

MEGAN M. GILMAN

Commissioners