

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF COLORADO

PROCEEDING NO. 24A-0239SEG

IN THE MATTER OF THE APPLICATION OF PUBLIC SERVICE COMPANY OF COLORADO, 1800 LARIMER STREET, DENVER, COLORADO FOR AN ORDER AUTHORIZING (1) AN INCREASE ITS SHORT-TERM DEBT AUTHORITY TO \$1.2 BILLION, (2) AN EXTENSION OF THE MATURITY DATE OF ITS MULTI-YEAR CREDIT AGREEMENTS TO DECEMBER 31, 2029.

**COMMISSION DECISION DEEMING APPLICATION
COMPLETE AND GRANTING APPLICATION**

Issued Date: July 3, 2024
Adopted Date: June 26, 2024

I. BY THE COMMISSION

A. Statement

1. On May 29, 2024, Public Service Company of Colorado (“Public Service” or “the Company”) filed an Application to amend the Company’s existing securities approval authority for authority to: (1) increase its current short-term debt authority of \$800 million to \$1.2 billion outstanding under a 364-day with extension provisions or multi-year unsecured revolving credit agreements with terms no longer than six years; and (2) extend the authorization period of multi-year credit agreements from December 31, 2026 to December 31, 2029.

2. Public Service filed the Application in accordance with Rule 1303 of the Rules of Practice and Procedure, 4 *Code of Colorado Regulations* (“CCR”) 723-1; Rules 3002(a)(VI) and 3105 of the Rules Regulating Electric Utilities, 4 CCR 723-3; Rules 4002(a)(VI) and 4105 of the

Rules Regulating Gas Utilities, 4 CCR 723-4; and Rule 8002 of the Rules Regulating Steam Utilities, 4 CCR 723-8.

B. Procedural Background

3. By Decision No. C24-0020 (issued on January 10, 2024) in Proceeding No. 23A-0600SEG, the Colorado Public Utilities Commission (“Commission”) approved Public Service’s Verified Application to issue securities and to perform other financing related transactions. As relevant to the instant Application, Decision No. C24-0020 granted to Public Service (1) authorization to issue and sell debt securities in an aggregate principal amount not to exceed \$2.5 billion, (2) to extend its short-term debt authority up to \$800 million of long-term unsecured notes at any time outstanding, and (3) to extend the existing authorizations until December 31, 2026.

4. The Commission noticed this Application to amend Decision No. C24-0020 on June 4, 2024, setting a deadline of June 14, 2024, for pleadings to intervene or to participate as a party in this Proceeding. The Notice further set this matter for a hearing to be held on June 25, 2024, at 9:00 a.m.

5. On June 12, 2024, Public Service filed an amendment to the Application. The Company explains that the amendments address issues the Company discussed with Staff of the Colorado Public Utilities Commission and to address necessary procedural matters. Public Service states that because the amendments are restrictive in nature, it is unnecessary to re-notice the filing of the application as amended.

6. There were no interventions filed in this proceeding.

7. By Decision No. C24-0427-I, issued on June 20, 2024, the Commission vacated the hearing scheduled on January 17, 2024.

C. Short-term Debt Authorization

8. Public Service seeks authority to increase its current short-term debt authority of \$800 million to \$1.2 billion outstanding under a 364-day with extension provisions or multi-year unsecured revolving credit agreements.

9. Public Service states that the Company seeks to increase the amount of the revolving credit agreements to \$1.2 billion to provide additional liquidity and to finance those investments recently approved as part of the Colorado Resource Plan, Proceeding No. 21A-0141E, which the Company anticipates will drive approximately \$4.9 billion of incremental investment.¹

10. Public Service intends to continue to use the proceeds from any direct borrowings under the multi-year credit agreements for working capital, capital expenditures, and other general corporate purposes, including temporary investments, refunding outstanding long-term debt, and as a back stop for Public Service's commercial paper program. All proceeds will be used to support Public Service's Colorado operations.

D. Request to Extend Authority Under Multi-Year Credit Agreements

11. Public Service explains in the Application that the Company is currently authorized to enter into multi-year unsecured revolving credit agreements with terms no longer than six years and 364-day or multi-year unsecured revolving credit agreements with terms no longer than six years that have extension or term-out provisions and to issue up to \$800 million at any time outstanding of long-term unsecured notes to evidence the loans made under such revolving credit facilities.

¹ In January 2024, the Commission approved the addition of 6,100 MW of new generation to the Public Service system through 2028. Approximately 3,100 MW – or 51 percent - of this portfolio will be owned by Xcel Energy, which translates to a \$4.9 billion capital investment. *See* Decision No. C24-0052 (issued on January 23, 2024) in Proceeding No. 21A-0141E.

12. Public Service requests authority to extend this existing authorization that currently has a termination date of September 19, 2027, to a termination date of December 31, 2029. Although the maturity of the current agreement is several years away, Public Service states that extending the termination date may extend its liquidity with continued favorable pricing should those conditions present themselves.

13. Public Service states that it will restrict the indebtedness outstanding at any time under both its short-term debt authorization and the authorization of the unsecured long-term notes under such multi-year unsecured revolving credit facilities to a total of \$1.2 billion at any one time outstanding. This is a \$400 million increase from the currently authorized limit of \$800 million at any one time outstanding.

14. The Company intends to use the proceeds from any direct borrowings under the multi-year credit agreements for working capital, capital expenditures and other general corporate purposes, including temporary investments, refunding outstanding long-term debt, and as a back stop for the Company's commercial paper program. All borrowings will be used to support the Company's Colorado operations.

15. The interest rates on the long-term notes issued under multi-year credit agreements will be the prevailing rates at the time of issue. The costs of issuance of the notes under the multi-year credit agreements are not expected to exceed one percent of the amount of the credit agreement.

16. By Decision No. C16-1064 (issued November 23, 2016), the Commission authorized the Company to issue unsecured short-term debt and/or unsecured long-term debt under its multi-year credit agreement not to exceed up to \$800 million in principal amount outstanding

at any one time. As of March 31, 2024, the Company did not have any short-term indebtedness or long-term indebtedness outstanding under its multi-year credit agreement.

17. Public Service states that the granting of the Application is not expected to have any adverse effect on Public Service's credit quality. The Company explains that, in keeping with its goal to strengthen or maintain its credit quality, it expects to continue to fund its capital expenditures with a combination of internally generated funds, issuance of new debt and equity infusions from its parent, Xcel Energy, Inc.

E. Requested Long-Term Debt Authority

18. Consistent with the Commission's authorization in Decision No. C24-0020 in Proceeding No. 23A-0600SEG, Public Service seeks authority to issue and sell from time to time, and prior to December 31, 2026, at its option, in any combination not to exceed \$2.5 billion, one or more of the following types of Debt Securities with maturities greater than one year:

- (a) secured debt in one or more series, which may or may not be in the form of First Mortgage Bonds issued pursuant to the 1993 Indenture ("FMBs"); and
- (b) unsecured debt in one or more series issued pursuant to the 1999 Company's Senior Debt Securities Indenture.

Such authority will provide Public Service the flexibility to enter the financial markets at a time or times when interest rates or other provisions appear most favorable for the security.

19. The Debt Securities will be issued on such dates as the Company deems appropriate, from time to time but prior to December 31, 2026, in an aggregate principal amount not to exceed \$2.5 billion. The type, amount, and length of maturity of the Debt Securities will be decided at the respective times of issuance. The interest rates, whether fixed or variable, and the redemption and sinking fund provisions, if any, will be determined with purchasers, underwriters, or managers at the time of the pricing of said Debt Securities. Credit enhancement mechanisms

relating to the Debt Securities, such as bond insurance or letters of credit, may be used if deemed to be advantageous by the Company.

20. The Company may issue and sell the Debt Securities through (1) a public offering that would be registered with the Securities and Exchange Commission pursuant to the shelf registration provisions of Rule 415 of the Securities Act of 1933, as amended (the “Securities Act”) or such other rule as may be appropriate; or (2) a private placement pursuant to an exemption from the registration requirements of the Securities Act and may, but need not, subsequently register such privately placed securities under the Securities Act or exchange such securities for registered securities. In the event of a registration or exchange, the principal amount of such securities would be counted only once in calculating the \$2.5 billion limitation requested herein.

F. Reports to the Commission

21. In the Amended Application, Public Service states that it amended the application to address procedural matters and add reports for the Commission.

22. Public Service agrees to file an informational report in the instant proceeding twice a year (the “Reporting Period”) within 30 days of filing the annual Form 10-K (generally filed at the end of February each year) and 30 days of filing the third quarter Form 10-Q (generally filed at the end of October each year), commencing from the effective date of the Commission’s final decision in this proceeding, the following information:

- a. The amount of long-term debt the Company issued during the Reporting Period.
- b. How much long-term debt the Company plans to issue within the next one year.
- c. The level of short-term debt outstanding for the Company at the end of the quarter.
- d. Any changes to the Company’s credit ratings during the Reporting Period.
- e. Confirm that granting this Amended Verified Application had no adverse effects on Public Service’s credit quality during the Reporting Period

Public Service will file these reports under the applicable confidentiality rules² as necessary.

G. Findings and Conclusions

23. Public Service is a Colorado corporation qualified to do business within the State of Colorado. Its Amended and Restated Articles of Incorporation have been filed with this Commission, and it is in good standing with the Colorado Secretary of State. Public Service provides electric, gas, and steam utility service to various areas in the State of Colorado.

24. Public Service and the issuance of the Debt Securities are subject to the jurisdiction of this Commission in accordance with § 40-1-104, C.R.S.

25. Because no party has intervened in connection with the Application, we consider this matter without a hearing in accordance with § 40-6-109(5), C.R.S., and 4 CCR 723-1-1403.

26. We find the issuance of the Debt Securities, as stated in the Application, will be consistent with the provisions of the public utilities law, is for a lawful purpose, and is not inconsistent with the public interest.

27. We find the Amended Application should be granted and the issuance of the Debt Securities referenced herein should be authorized and approved.

II. ORDER

A. The Commission Orders That:

1. The Application of Public Service Company of Colorado (Public Service or Company) filed on May 29, 2024, and amended on June 12, 2024, is deemed complete for purposes of § 40-6-109.5, C.R.S., and is granted, consistent with the discussion above.

² Rules 1100 through 1103 of the Rules of Practice and Procedure, 4 CCR 723-1

2. Nothing contained herein shall be construed to imply any recommendation or guaranty of any obligation with regard to Public Service's Debt Securities approved under the Application on the part of the State of Colorado.

3. 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.

4. This Decision is effective on its Issued Date.

**B. ADOPTED IN COMMISSIONERS' WEEKLY MEETING
June 26, 2024.**

(S E A L)



ATTEST: A TRUE COPY

Rebecca E. White,
Director

THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO

MEGAN M. GILMAN

TOM PLANT

Commissioners

COMMISSIONER ERIC BLANK
ABSENT