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Department of Regulatory Agencies

**Public Utilities Commission**

Joshua B. Epel, Chairman  
James K. Tarpey, Commissioner  
Matt Baker, Commissioner  
Doug Dean, Director

John W. Hickenlooper  
Governor

Barbara J. Kelley  
Executive Director

May 25, 2011

11/25 PM 12:53

To: Chairman Joshua B. Epel,  
Commissioner James K. Tarpey  
Commissioner Matt Baker  
**Public Utilities Commission**  
Department of Regulatory Agencies  
1560 Broadway, Suite 250  
Denver, CO 80202

Docket Nos.: 10A-930E  
11A-151G  
11A-209E  
11A-226E  
11A-325E  
11AL-382E  
11AL-387E

Dear Commissioners,

It has come to my attention that the legal expenses for the Attorney General's support of the Commission are anticipated to exceed budget for the current fiscal year ending June 30, 2011. The primary factor contributing to the budget overrun were the two utilities' plans required as a result of the passage of House Bill 10-1365, the Clean Air – Clean Job Act ("CACJA"), six additional follow-up CACJA proceedings ordered by the Commission in its decisions approving the utilities plans, several appeals of the Commission's CACJA decisions to the courts, and multiple Colorado Open Records Act ("CORA") requests related to these same CACJA proceedings.

The Commission, in setting a procedural schedule for the CACJA plan proceedings, had initially ordered three rounds of testimony (Direct, Answer and Rebuttal/Cross Answer) and five days of hearings to be completed by late October for consideration of the two plans. Ultimately, the CACJA plan proceeding for the larger of the two utilities included 38 parties, required nine rounds of testimony (Direct, Answer and Rebuttal/Cross Answer, Supplemental Direct, Supplemental Answer and Supplemental Rebuttal/Cross Answer, and 2<sup>nd</sup> Supplemental Direct, 2<sup>nd</sup> Supplemental Answer and 2<sup>nd</sup> Supplemental Rebuttal/Cross Answer), and 13 days of hearings ending mid-November. As a result primarily of the CACJA plan related proceedings, the Commission's legal expenses far exceeded budget. In addition, the Commission must now address six follow-up proceedings, several court cases, and a number of CORA requests resulting from the legislation.

Reluctantly, I find it necessary to request that you consider taking up on your own motion reconsideration of the procedural schedules for a number of docketed matters currently set for hearing before the Commission or hearing officer. It would be very helpful for the Commission to extend the procedural schedules in a number of proceedings such that the bulk of activities requiring legal assistance are postponed until the next fiscal year which begins July 1, 2011.

The specific docketed energy proceedings that could provide the most significant reduction in legal expenses are listed below. I am requesting that, as soon as practically possible, you solicit input



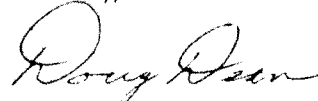
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from the applicants and parties to these proceedings, in whatever manner you deem appropriate, to determine if the procedural schedule can be modified to limit the amount of legal expense in this fiscal year ending June 30, 2011.

Docket No.	CACJA Docket	Description	Pre- Hearing Conf.	Legal Briefs	Testimony & Hearing Dates					
					Legal Briefs	Answer	Rebuttal/ Cross- Answer	Hearing Start	Hearing End	
1 10A-930E		Black Hills CPCN for 14.52 MW Wind	15-Apr	N.A.	N.A.	1-Jun	15-Jun	23-Jun	24-Jun	
2 11A-151G		PSCo Electric Rate Case (Phase II)	28-Apr	N.A.	N.A.	22-Jul	19-Aug	19-Sep	23-Sep	
3 11A-209E	Yes	PSCo Synchronous Condenser CPCN	16-May	N.A.	N.A.	8-Jun	21-Jun	29-Jun	1-Jul	
4 11A-226E	Yes	Black Hills LMS-100 #3 CPCN	16-May	26-May	9-Jun	29-Jun	25-Jul	10-Aug	12-Aug	
5 11A-325E	Yes	PSCo Pawnee Emission Control CPCN	TBD	N.A.	N.A.	TBD	TBD	TBD	TBD	
6 11AL-382E		Black Hills ECA & Trading Margins Sharing	20-Jun	N.A.	N.A.	TBD	TBD	TBD	TBD	
7 11AL-387E		Black Hills Electric Rate Case (Phase I)	20-Jun	N.A.	N.A.	TBD	TBD	TBD	TBD	

I would appreciate any accommodation that can be made to assist in mitigating the budget overrun issue. Thank you in advance for your consideration.

Sincerely,



Doug Dean, Director  
Colorado Department of Regulatory Agencies  
Public Utilities Commission

Cc: Barbara J. Kelley, Executive Director