

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF COLORADO

PROCEEDING NO. 12A-1264ST

IN THE MATTER OF THE APPLICATION OF PUBLIC SERVICE COMPANY OF COLORADO FOR A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY TO CONSTRUCT TWO PACKAGE BOILERS FOR ITS STEAM UTILITY AND FOR APPROVAL OF A REGULATORY PLAN AFFECTING RATES FOR NATURAL GAS AND STEAM SERVICES EFFECTIVE AFTER THE BOILERS HAVE BEEN PLACED IN SERVICE.

**DECISION GRANTING APPLICATION FOR REHEARING,
REARGUMENT, OR RECONSIDERATION**

Mailed Date: January 21, 2014
Adopted Date: January 15, 2014

I. BY THE COMMISSION

A. Statement

1. This matter comes before the Commission for consideration of an application for rehearing, reargument, or reconsideration (RRR) to Decision No. C13-1549 (Decision), filed by Public Service Company of Colorado (Public Service or the Company) on January 7, 2014.

2. By Decision No. C13-1549 issued December 18, 2013, the Commission denied Public Service's application for a Certificate of Public Convenience and Necessity for the construction and operation of a new Sun Valley Steam Center and for approval of a regulatory plan. The Commission also ordered the Company to file a future needs assessment of its steam system and a plan to meet those needs within 180 days of the effective date of that Decision.

3. In its RRR, Public Service does not challenge the denial of the application. Instead, it requests a full year to file the future needs assessment and plan. Public Service asserts that a comprehensive future needs assessment is a complex task and that six months is an

insufficient time to explore alternatives to replace the aging Zuni steam boiler as required by Decision No. C13-1549. The Company also states that it intends to file a Phase II steam rate case in the second quarter of 2014. This rate case will be filed independently of the plan addressing the future needs of the system, but Public Service argues it may be helpful in addressing system needs. Public Service requests an extension of time to December 18, 2014 to complete the future needs assessment.

4. We find good cause to grant the extension of time until December 18, 2014. We expect the Company to file a comprehensive future needs assessment and plan to meet those needs by that date. This includes a thorough evaluation of customer attrition and growth possibilities with a survey of Public Service's steam customers, an analysis of the causal relationship between steam rates and customer erosion, and a robust presentation of alternatives consistent with this analysis, as discussed in Decision No. C13-1549.

II. ORDER

A. The Commission Orders That:

1. The application for rehearing, reargument, or reconsideration filed by Public Service Company of Colorado (Public Service) on January 7, 2014, is granted, consistent with the above discussion.

2. Public Service shall file on or before December 18, 2014, the needs assessment of the steam system and its plan to meet those needs, as required in Decision No. C13-1549.

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 Mailed Date.

**B. ADOPTED IN COMMISSIONERS' WEEKLY MEETING
January 15, 2014.**

(S E A L)



ATTEST: A TRUE COPY

Doug Dean,
Director

THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO

JOSHUA B. EPEL

PAMELA J. PATTON

GLENN A. VAAD

Commissioners