

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF COLORADO

PROCEEDING NO. 14M-0241EG

IN THE MATTER OF COMMISSION CONSIDERATION OF MULTI-YEAR RATE PLAN
ADVICE LETTER FILINGS AND TARIFF SHEETS.

**DECISION OPENING PROCEEDING, ISSUING
NOTICE, AND REFERRING THE MATTER
TO AN ADMINISTRATIVE LAW JUDGE**

Mailed Date: March 21, 2014

Adopted Date: March 19, 2014

TO ALL INTERESTED PERSONS, FIRMS, OR

CORPORATIONS:

I. BY THE COMMISSION

A. Statement

1. On December 12, 2012, Public Service Company of Colorado (Public Service or Company) filed Advice Letter No. 830 - Gas in Proceeding No. 12AL-1268G to implement a series of increases in the base rate revenues of its natural gas department. Public Service requested three separate rate increases in the form of a General Rate Schedule Adjustment for 2013, 2014, and 2015 (to go into effect on January 12, 2013, January 1, 2014, and January 1, 2015, respectively) pursuant to a Multi-Year Plan (MYP) tariff (Attachment A).

2. A legal dispute arose regarding whether the Commission may suspend the base rate increases proposed for 2014 and 2015 for a total of up 210 days after these increases otherwise would go into effect (210 days after January 1, 2014 and January 1, 2015) or whether the Commission is limited to a single suspension period for all base rate increases set forth on the

MYP tariff sheet (210 days after January 12, 2013). The parties disagreed on the interpretation of § 40-6-111(1)(b), C.R.S., other statutes in Title 40, and applicable Commission Rules.

3. By Decision No. C13-1568, Proceeding No. 12AL-1268G Issued December 23, 2013, the Commission rejected the proposed future test years upon which the MYP was based without addressing the legal disputes discussed above. However, the Commission stated:

Although we will not address the legal issues surrounding the Company's MYP tariff filing in this proceeding, we conclude that the parties, other utilities in Colorado, and ratepayers generally would benefit from clarity around the identification of a tariff's effective date and the Commission's authority both to suspend components of an MYP and to issue decisions on new rates that take effect in multiple steps. Therefore, at a future decision meeting, we will consider a process for resolving this matter in a separate proceeding. We also may consider opening a rulemaking proceeding for the purpose of addressing future MYP tariff filings.¹

4. We reaffirm that a resolution of these legal issues will benefit the Commission, regulated utilities, ratepayers, and other stakeholders. We therefore find good cause to open a proceeding on our own motion to consider these matters.

5. We take administrative notice of the following pleadings filed in Proceeding No. 12AL-1268G:

- Initial Brief on Multi-Year Plan Tariff Issue, filed on September 20, 2013 by Public Service;
- Initial Brief on Multi-Year Plan Tariff Issue, jointly filed on September 20, 2013 by Staff of the Colorado Public Utilities Commission (Staff), Colorado Office of Consumer Counsel (OCC), and Climax Molybdenum Company (Climax).
- Reply Brief on Multi-Year Plan Tariff Issue, filed on October 4, 2013 by Public Service;
- Reply Brief on Multi-Year Plan Tariff Issue, filed on October 4, 2013 by Staff, OCC, and Climax.

¹ Decision No. C13-1568, ¶ 29, mailed December 23, 2013.

6. We refer this proceeding to an Administrative Law Judge (ALJ) for issuance of a recommended decision. We direct the ALJ to address the legal disputes addressed in the above pleadings and to address whether the Commission should open a rulemaking to codify its rulings on the merits of those legal issues.

7. We find that Public Service, Staff, OCC, and Climax are necessary parties to this proceeding.

8. By this Decision, we also establish a 30-day notice and intervention period within which other interested parties may seek intervention and present their views on the issues.

II. ORDER

A. The Commission Orders That:

1. The Commission opens an adjudicatory proceeding to consider whether, pursuant to § 40-6-111(1)(b), C.R.S., and other law: (1) an electric or natural gas public utility may propose, as part of a tariff with a single effective date, to change its rates for service over time based on a succession of multiple stepped changes occurring on specific dates in the future (*i.e.*, pursuant to a multi-year rate plan); and (2) the Commission has the authority to order a distinct suspension period for each proposed rate increase in a multi-year rate plan.

2. This proceeding is referred to an Administrative Law Judge for issuance of a recommended decision, consistent with the discussion above.

3. Any person desiring to intervene or participate as a party in this proceeding shall file a petition for leave to intervene on or before April 23, 2014. All persons who file a motion to permissively intervene shall do so in accordance with the instructions set forth in the Rules of Practice and Procedure, 4 *Code of Colorado Regulations* (CCR) 723-1, and this Decision.

4. Alternatively, persons who do not wish to intervene or become a party, but desire to file comments, may send written comments on or before April 23, 2014, addressed to the Public Utilities Commission, 1560 Broadway, Suite 250, Denver, Colorado 80202, or through the Commission's e-filing system at <https://www.dora.state.co.us/pls/efi/EFI.homepage>, using Proceeding No. 14M-0241EG.

5. If an interested party does not meet the requirements of this Decision and the Rules of Practice and Procedure, 4 CCR 723-1, the Commission may dismiss or strike the intervention upon motion filed by any other party, or upon the Commission's own motion, unless good cause for failure to meet the requirements is shown.

6. If a hearing is required in this matter, the Commission will notify the parties of the hearing date, time, and location.

7. This Decision is effective upon its Mailed Date.

**B. ADOPTED IN COMMISSIONERS' WEEKLY MEETING
March 19, 2014.**

(S E A L)



ATTEST: A TRUE COPY

Doug Dean

Doug Dean,
Director

THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO

JOSHUA B. EPEL

PAMELA J. PATTON

GLENN A. VAAD

Commissioners