

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF COLORADO

PROCEEDING NO. 14A-1057EG

IN THE MATTER OF THE APPLICATION OF PUBLIC SERVICE COMPANY OF COLORADO FOR APPROVAL OF ITS ELECTRIC AND NATURAL GAS DEMAND SIDE MANAGEMENT (DSM) PLAN FOR CALENDAR YEARS 2015 AND 2016 AND TO CHANGE ITS ELECTRIC AND GAS DSM COST ADJUSTMENT RATES EFFECTIVE JANUARY 1, 2015.

**INTERIM DECISION SETTING APPLICATION
FOR HEARING AND REFERRING MATTER
TO AN ADMINISTRATIVE LAW JUDGE**

Mailed Date: December 15, 2014
Adopted Date: December 10, 2014

I. BY THE COMMISSION

A. Statement, Findings, and Conclusions

1. On October 30, 2014, Public Service Company of Colorado (Public Service or the Company) filed an Application for Approval of its 2015-2016 Biennial Electric and Natural Gas Demand Side Management (DSM) Plan (Application). Public Service filed the Application with supporting Direct Testimony and Exhibits.

2. Public Service seeks Commission approval of several items set forth in its 2015 through 2016 DSM Plan. For example, the Company seeks approval of its proposed electric and gas demand reduction goals for 2015 and 2016 and its proposed electric and gas budgets for calendar years 2015 and 2016. Public Service proposes to achieve 407.3 GWh in energy savings and 79.7 MW of demand reduction in 2015 from its electric efficiency programs, and 408.6 GWh in energy savings and 76.2 MW in demand reduction in 2016. Public Service expects to spend \$81.6 million in 2015 and \$78.7 million in 2016 on

electric efficiency programs. The Gas DSM portfolio is designed to save 595,960 DTH in 2015 and 628,895 DTH in 2016. The proposed budgets for Gas DSM are \$13.1 million in 2015 and \$13.6 million in 2016.

3. The Company also seeks approval of its proposed budgets for Saver's Switch and the proposed Demand Response Pilots of \$13.7 million and \$13.5 million, respectively, for 2015 and 2016. The Company has designed its proposed Demand Response Program to achieve a cumulative level of demand response (total controllable load) of 485 MW in 2015 and 496 MW in 2016.

4. Public Service further seeks approval of the updated avoided costs and technical assumptions, including deemed savings, and net-to-gross ratios used for purposes of developing the 2015 through 2016 DSM Plan.

5. The Company also wants permission to exercise flexibility in how it implements the 2015 through 2016 DSM Plan, consistent with the parameters agreed to in the Stipulation and Settlement Agreement approved by the Commission in Decision No. R08-1243 in Proceeding No. 08A-366EG on November 28, 2008, and reaffirmed in Decision No. R10-1336 in Proceeding No. 10A-471EG on December 16, 2010, Decision No. C11-0442 in Proceeding No. 10A-554EG on April 26, 2011, Decision No. R11-1326 in Proceeding No. 11A-631EG on December 9, 2011, and Decision No. R14-0389 in Proceeding No. 13A-0773EG on April 11, 2014.

6. Finally, the Company also seeks authority to count the energy savings from its proposed LED street lighting program towards achievement of its 400 GWh annual energy savings goal while excluding the net benefits realized from such installations from the calculations of the performance incentive.

7. Requests for intervention were timely filed by: Colorado Energy Consumers (CEC); the City of Boulder; Energy Outreach Colorado; Climax Molybdenum Company and CF&I Steel, L.P.; the Southwest Energy Efficiency Project (SWEET); the City and County of Denver; EnerNOC, Inc., the Energy Efficiency Business Coalition; Western Resource Advocates; and the Cities of Aurora, Centennial, Commerce City, Englewood, Glendale, Golden, Greenwood Village, Lafayette, Lakewood, Littleton, Thornton and Westminster, and the Town of Superior.

8. The Colorado Office of Consumer Counsel (OCC), the Colorado Energy Office, and Staff of the Colorado Public Utilities Commission (Staff) also timely filed notices of intervention by right.

9. The OCC, Staff, CEC, and SWEET request a hearing in this matter. The OCC states Public Service has presented the three separate and varying values of avoided capacity costs in its most recent filings. In addition, since Public Service's demand response goals were set only a few months ago; the OCC would like to know why they are not going to meet these goals.

10. Staff voices concerns over whether or not the plan meets statutes, Commission rules, and previous Commission decisions, along with questions regarding the Company's technical assumptions in the proposal. Staff is also concerned regarding whether changes to the LED Street Lights product and upstream/midstream incentives should be included in the plan.

11. Given the interested persons seeking intervention in this proceeding and the requests for hearing, we find good cause to set the Application for hearing and refer the matter to an Administrative Law Judge (ALJ) for the issuance of a recommended decision. The ALJ shall address the requests for intervention by permission in a separate decision.

II. ORDER**A. It Is Ordered That:**

1. The Application for Approval of 2015-2016 Electric and Natural Gas Demand-side Management Plan (Application) filed by Public Service Company of Colorado on October 30, 2014 is set for hearing before an Administrative Law Judge (ALJ) for a recommended decision.

2. The Application is deemed complete for purposes of § 40-6-109.5, C.R.S.

3. The ALJ assigned to this matter shall address the requests for intervention by permission in a separate decision, consistent with the discussion above.

4. This Decision is effective upon its Mailed Date.

**B. ADOPTED IN COMMISSIONERS' WEEKLY MEETING
December 10, 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