BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO

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THE APPLICATION OF PUBLIC SERVICE)
COMPANY OF COLORADO TO PLACE INTO)   DOCKET NO. 90A-147E
EFFECT A DEMAND SIDE MANAGEMENT)
COST ADJUSTMENT CLAUSE.)   COMMISSION ORDER ACCEPTING
)   STIPULATION AND SETTLEMENT
)   AGREEMENT

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Adopted Date: November 28, 1990
Released Date: December 7, 1990
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STATEMENT, FINDINGS OF FACT, AND CONCLUSIONS

BY THE COMMISSION:

An Application was filed by Public Service Company of Colorado (Public Service) on February 16, 1990, seeking a Commission order authorizing it to place into effect a demand side management cost adjustment clause (DSMCAC) permitting it to recover costs associated with a demand side management bidding program, as described in its Application and corresponding draft request for proposals (RFPs) and draft demand side management contract (Contract).

Interventions to the Application were filed by the Colorado Office of Consumer Counsel (OCC); Climax Molybdenum Company (Climax); United States Executive Agencies (USEA); CF&I Steel Corporation (CF&I); Anheuser Busch Companies, Inc., Gates Rubber Company, Holnam, Inc., and Liquid Air Corporation (Multiple Intervenors); and the Colorado Office of Energy Conservation (OEC). The Staff of the Commission also entered an appearance. Hearings were conducted on August 29, 30, and 31, 1990 in this proceeding.

Negotiations among Public Service, OCC, Climax, and the Staff (collectively referred to as the Negotiating Parties) regarding an appropriate DSMCAC have been conducted in this proceeding. On November 16, 1990, the Negotiating Parties, filed with the Commission their Stipulation and Settlement Agreement dated October 26, 1990 (Agreement) and Motion Requesting Commission Acceptance of Stipulation and Settlement Agreement (Motion). A copy of the Agreement was forwarded to counsel for USEA, CF&I, Multiple Intervenors, and OEC (collectively referred to as Non-Negotiating Parties) for their review.

On October 24, 1990, USEA filed a Motion seeking an order from the Commission amending the procedural schedule in this proceeding. In its Motion, USEA requested that the Non-Negotiating Parties be given seven days to review the Agreement prior to its being filed with the Commission, and, in the event the Agreement is filed with the Commission without the agreement of all parties to this proceeding, that the Non-Negotiating Parties be given 14 days from the day the Agreement is filed with the Commission to submit statements of position on the Agreement.

Public Service filed a Reply to USEA's Motion on October 29, 1990, wherein it stated that it had no objection to the USEA Motion. In addition, Climax filed a response to the USEA Motion on October 29, 1990, stating that it had no objection to the Motion, and supporting USEA's request for additional time to review and respond to, if necessary, the Agreement.

USEA filed its Statement of Position with the Commission on November 16, 1990. According to USEA, it has no objection to the terms of the Agreement "as long as they are considered only a partical resolution of this matter." USEA requests that the Commission require Public Service to submit redrafted RFPs and a redrafted Contract for approval and set a procedural schedule to gather interested parties' positions thereon. On November 23, 1990, Climax filed a letter supporting USEA's Statement of Position. Public Service filed a Reply Statement on November 23, 1990. Public Service states in its Reply that, because its RFPs have already been commented upon by all interested parties following hearings held in August 1990 and because Public Service has incorporated many of those comments in its RFPs, there is no need to re-hear those issues or to unnecessarily delay this proceeding. According to Public Service, upon receiving approval of the Agreement, it plans to proceed expeditiously to issue its revised RFPs. A Statement of Position was filed by OEC on November 23, 1990, wherein OEC opposes the request by USEA that Public Service be required to submit its RFP to the Commission for approval. OEC states that unnecessary delays will result if USEA's request is granted, and that any improvements gained from delays will be smaller than the gains resulting from prompt diffusion of demand side management activities into customer homes and businesses.

The Commission finds it necessary, appropriate, and in the public interest to approve the Agreement for purposes of settling the cost adjustment issue in this proceeding. The Commission approves the cost recovery mechanism set forth in the Agreement. Accordingly, the cost recovery mechanism filed by Public Service in its Application shall be deemed modified to conform to the Agreement. The Commission finds that no good cause exists to unnecessarily delay this proceeding by re-hearing the issues already addressed during prior hearings conducted with respect to the RFPs submitted by Public Service. Comments to the RFPs were considered as a result of those hearings, and Public Service has incorporated into its RFPs many of those comments. The Commission

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further finds that conservation and efficiency opportunities must be expeditiously and aggressively pursued in the public interest. Approval of the Agreement best achieves that goal.
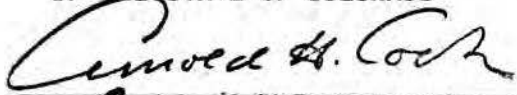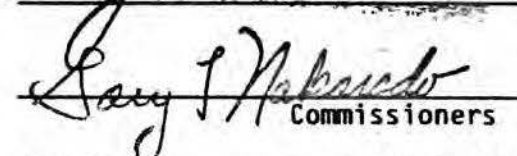
THEREFORE THE COMMISSION ORDERS THAT:

1.   The Stipulation and Settlement Agreement entered into among the parties in this proceeding and filed with the Public Utilities Commission for the State of Colorado on November 16, 1990 is approved consistent with this Decision.

2.   The request by the United States Executive Agencies and Climax Molybdenum Company to require Public Service Company of Colorado to submit redrafted request for proposals and a redrafted demand side management contract for approval and to set a procedural schedule to gather interested parties' positions thereon is denied.

This Decision is effective immediately upon release.

DONE IN OPEN MEETING November 28, 1990.

THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO

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                    Commissioners

COMMISSIONER RONALD L. LEHR ABSENT
BUT CONCURRING IN THE RESULT.

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