

Decision No. C04-0205

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF COLORADO

DOCKET NO. 99A-377EG

IN THE MATTER OF THE APPLICATION OF PUBLIC SERVICE COMPANY OF COLORADO FOR COMMISSION AUTHORIZATION FOR NEW CENTURY ENERGIES, INC. TO MERGE WITH NORTHERN STATES POWER COMPANY; FOR EXTENSION OF THE CURRENT REGULATORY PLAN WHICH INCLUDES AN EARNINGS SHARING MECHANISM; AND FOR SUCH OTHER RELIEF AS MAY BE APPROPRIATE OR NECESSARY.

DOCKET NO. 02S-315EG

RE: THE INVESTIGATION AND SUSPENSION OF TARIFF SHEETS FILED BY PUBLIC SERVICE COMPANY OF COLORADO ADVICE LETTER NO. 1373 - ELECTRIC, ADVICE LETTER NO. 593 - GAS, AND ADVICE LETTER NO. 80 - STEAM.

**COMMISSION ORDER GRANTING
EXTENSIONS OF TIME**

Mailed Date: February 27, 2004

Adopted Date: February 25, 2004

I. BY THE COMMISSION

A. Statement

1. By Decision No. C03-1414, the Commission established February 6, 2004 as the deadline by which Public Service Company of Colorado (Public Service or Company) was to provide to all parties in Docket No. 02S-315EG and the Commission a copy of its updated revenue requirements model following the unitization of plant account expenditures for the 2001 test year. The decision also required interested parties to file comments regarding Public Service's updated revenue requirement by February 20, 2004.

2. On February 6, 2004, Public Service filed a Notice of Filing of Updated Revenue Requirement and Motion to Approve a Reduction in the Level of 2003 Pension Expenses Included in the Company's Phase I Revenue Requirement. As explained in the motion accompanying the revised revenue requirement, Public Service is seeking approval to reduce the amount of pension expense in order to keep the same overall revenue requirement level approved by the Commission in this case. This pension expense adjustment is necessary because the unitization resulted in a higher retail revenue requirement level (more costs and investments were shifted to Colorado retail ratepayers) all other things being equal.

3. On February 20, 2004, Public Service and Staff of the Colorado Public Utilities Commission (Staff) filed their Joint Motion for a Further Extension of Time Within Which to Complete Filing Review and to File Phase II (Joint Motion). The Joint Motion also seeks a shortened response time to February 24, 2004. According to the pleading, the Company electronically served the Joint Motion upon counsel for all parties who participated in its Phase I case (Docket No. 02S-315EG) and all parties who participated in the Company's merger case (Docket No. 99A-377EG).

4. As explained in the Joint Motion, Staff has been working to review and analyze the revised depreciation amounts, the deferred tax calculations, the pension expense restatement, as well as seeking a sample from the nearly 35,000 work orders to verify the restatement of plant account balances from the unitization. In order to allow Staff sufficient time to finish its review and analysis, the parties are seeking an extension of time to March 3, 2004 for Staff to finish its review and for Public Service to either file a new revenue requirement calculation or to inform the Commission that the February 6, 2004 update is correct.

5. In addition, the Joint Motion proposes that Public Service file its Phase II rate case on March 12, 2004. The current deadline for Public Service to file its Phase II is February 27, 2004. The Joint Motion states that the Company will need approximately ten days to incorporate any changes in the revenue requirement into its rate design model and confirm the accuracy of its filing.

B. Findings

6. The Commission finds the parties have demonstrated a valid basis for granting the extensions of time. It appears that they have both been diligent in attempting to complete their respective tasks timely, but due to the scope of the review it was not possible to complete these tasks within the 14 days originally provided. The Joint Motion indicates that, while unlikely, if an expedited hearing is necessary, Staff will set forth in detail the specifics of its dispute with the February 6, 2004 update. This statement is consistent with Decision No. C03-1414.

II. ORDER

A. The Commission Orders That:

1. The Joint Motion for Further Extension of Time Within Which to Complete Filing Review and to File Phase II and for Shortening of Response Time filed by Public Service Company of Colorado and Staff of the Colorado Public Utilities Commission is granted.

2. Staff of the Colorado Public Utilities Commission shall complete its review of Public Service Company of Colorado's updated revenue requirement calculation on or before March 3, 2004.

3. Public Service Company of Colorado is directed to provide to the Commission by March 3, 2004 either a new revenue requirement calculation based on changes agreed to with

Staff of the Colorado Public Utilities Commission or inform the Commission that it proposes to use the February 6, 2004 revenue requirement calculation for its Phase II case.

4. If no further proceedings are necessary to establish the revenue requirement in this case, Public Service Company of Colorado shall file its direct testimony and exhibits in the Phase II portion of this case on March 12, 2004.

5. This Order is effective on its Mailed Date.

**B. ADOPTED IN COMMISSIONERS' WEEKLY MEETING
February 25, 2004.**

THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO

Commissioners