

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF COLORADO

DOCKET NO. 02A-267G

IN THE MATTER OF THE APPLICATION OF PUBLIC SERVICE COMPANY OF COLORADO FOR AUTHORIZATION TO IMPLEMENT MONTHLY GAS COST ADJUSTMENT TARIFFS, TO EFFECT A CHANGE IN THE COMPANY'S ACCOUNTING FOR GAS STORAGE INVENTORY AND PETITION FOR WAIVER OF CERTAIN GAS COST ADJUSTMENT RULES.

**DECISION APPROVING JOINT MOTION TO ALLOW
ADVICE LETTER 629 – GAS TO GO INTO EFFECT, WITH
THE REQUIREMENT TO FILE MODIFIED TARIFF
LANGUAGE ON OR BEFORE NOVEMBER 15, 2004**

Mailed Date: October 14, 2004
Adopted Date: October 14, 2004

I. BY THE COMMISSION

A. Statement

1. On September 29, 2004, Public Service Company of Colorado (Public Service) filed Advice Letter 629 – Gas (A.L. 629) to implement revised Gas Cost Adjustment (GCA) tariff pages. These tariff pages have a proposed effective date of October 15, 2004. Public Service states that it made this compliance filing in response to a requirement in Decision No. C04-1112, Docket No. 02A-267G (Decision) which approved its application to implement a monthly GCA process. On October 13, 2004, Public Service and Staff of the Commission (Parties) filed a joint motion regarding the monthly GCA tariffs at issue in A.L. 629 (Joint Motion).

2. As stated in the Joint Motion, Commission Staff (Staff) believes that the revised tariff sheets filed under A.L. 629 need further revision in order to comply with the Decision.

Though Public Service believes the tariff sheets are in compliance with the Decision, it acknowledges the concerns expressed by Staff. Public Service agrees that a procedure should be established that allows for resolution of these concerns.

3. The Parties acknowledge that Public Service must revise its GCA tariff sheets in order to accommodate the first monthly GCA rate filing on October 15, 2004, consistent with the Decision. The Parties further acknowledge that the tariff language at issue only addresses circumstances in which Public Service's deferred GCA costs exceed +/- \$40 million. They do not expect this event to occur, if at all, for at least several months.

4. The Joint Motion proposes that the Commission allow the tariff pages filed under A.L. 629 to go into effect, and issue an order in Docket No. 02A-267G requiring subsequent modification of the tariff language at issue. Specifically, the Parties request the Commission to direct Public Service to file, on or before November 15, 2004, either: (1) revised tariff sheets reflecting tariff language implementing the modifications directed in the Decision which has been mutually agreed to by the parties to the Stipulation and Agreement in Resolution of Proceeding; or (2) if no such agreement is reached, revised tariff sheets numbered 50C, 50D, and 50E in substantially the same form as the *pro forma* tariff sheets attached to the Joint Motion, along with proposed procedures for the Commission to consider in order to resolve this controversy. The Parties state that the *pro forma* tariff sheets attached to the Joint Motion reflect the identical tariff language in the *pro forma* tariff sheets attached as Appendix D to the stipulation. The Parties commit to collaborate in an effort to resolve their differences regarding the tariff language while being mindful of the directives set forth in the Decision. The Parties further request that the Commission specify that these tariff sheets shall become effective November 26, 2004.

5. We agree that the tariff language at issue regarding the \$40 million deferred threshold is not likely to be implemented in the near future, and we agree that the Commission must allow certain monthly GCA tariff changes to go into effect in order to implement the monthly GCA rates in November. Further, the parties need to agree on the details of how Public Service will calculate the deferred component of the monthly GCA rates. It is important for the Parties to work out the language details now, rather than potentially facing implementation questions after Public Service files a monthly GCA rate change. The monthly GCA rate filings only allow Staff a two-week review period before the rates are proposed to go into effect, and this short period would not provide adequate time for the Commission to resolve any implementation discrepancies.

6. The Parties have proposed a reasonable resolution to the disputed tariff language, and we will grant the Motion.

II. ORDER

A. The Commission Orders That:

1. The Joint Motion of Staff of the Public Utilities Commission and Public Service Company of Colorado Regarding the Monthly GCA Tariffs, filed on October 13, 2004, is granted.

2. The tariff sheets filed under Advice Letter 629 – Gas, with a proposed effective date of October 15, 2004, will be allowed to go into effect contingent upon the subsequent revision of tariff language as discussed above.

3. Public Service Company of Colorado shall file, on or before November 15, 2004, either: (1) revised tariff sheets reflecting tariff language implementing the modifications directed in Decision No. C04-1112 which has been mutually agreed to by the parties to the Stipulation

and Agreement in Resolution of Proceeding; or (2) if no such agreement is reached, revised tariff sheets numbered 50C, 50D, and 50E in substantially the same form as the *pro forma* tariff sheets attached to the Joint Motion, along with proposed procedures for the Commission to consider in order to resolve this controversy. Public Service Company of Colorado shall file the tariff sheets with a proposed effective date of November 26, 2004.

4. This Order is effective on its Mailed Date.

**B. ADOPTED IN COMMISSIONERS' DELIBERATIONS MEETING
October 14, 2004.**

THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO

Commissioners