

**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF COLORADO**

DOCKET NO. 06S-234EG

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RE: THE INVESTIGATION AND SUSPENSION OF TARIFF SHEETS FILED BY PUBLIC SERVICE COMPANY OF COLORADO FOR ADVICE LETTER NO. 1454-ELECTRIC AND ADVICE LETTER NO. 671-GAS.

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**ORDER SUSPENDING ADVICE LETTERS AND  
SETTING PREHEARING CONFERENCE**

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Mailed Date: April 19, 2006  
Adopted Date: April 19, 2006

**IMPORTANT NOTICE:** ANY PERSON DESIRING TO PARTICIPATE ONLY BY MAKING A STATEMENT MAY DO SO BY APPEARING AT THE PUBLIC HEARING. IF YOU DESIRE TO ASK QUESTIONS OF A WITNESS OR OTHERWISE PARTICIPATE AS A PARTY IN THIS RATE MATTER, YOU MUST REQUEST PERMISSION FROM THE COMMISSION TO BE AN INTERVENOR (EVEN IF YOU HAVE ALREADY FILED AN OBJECTION). ANYONE DESIRING TO INTERVENE MUST CAREFULLY FOLLOW THE LAW AND COMMISSION RULES FOR BECOMING AN INTERVENOR. FOR FURTHER INFORMATION ON HOW TO INTERVENE CALL (303) 894-2070 (PUC EXTERNAL AFFAIRS OFFICE).

**I. BY THE COMMISSION**

**A. Statement**

1. On April 14, 2006, Public Service Company of Colorado (Public Service or Company) filed Advice Letter No. 1454-Electric and Advice Letter 671-Gas (attached as Exhibit 1 and Exhibit 2, respectively).

2. Public Service stated that the principal proposed changes are: to place into effect in the Company's Colorado P.U.C. No. 7 - Electric tariff, adjusted base rate to reflect the removal of all purchased capacity costs, a General Rate Schedule Adjustment (GRSA) rider, to replace the current Purchased Capacity Cost Adjustment (PCCA) clause with a new zero-based PCCA clause, to replace the current Electric Commodity Adjustment (ECA) clause with a new ECA

clause, to increase the rates for Wind Energy Service (WES), to implement a late payment charge applicable to residential customers, and to revise the Schedule of Charges for Rendering Service. The effect of this filing on the Company's total electric revenue is an increase of \$209,832,186. Public Service also seeks to change its Colorado P.U.C. No. 6 - Gas tariff to include a late payment charge for residential customers, revisions to the due date to 15 days for a customer bill to be consistent with the recently adopted Commission rules regulating gas utilities, and a revised charge for a returned check. The Company states that it cannot determine the effect on its revenues because it does not know the number or amount of late payment charges or the number of returned checks. Public Service requested that the tariffs accompanying Advice Letter No. 1454-Electric and Advice Letter No. 671-Gas become effective on 30 days' statutory notice or, in this instance, on May 15, 2006. Public Service states that it intends to file an amended advice letter to change the proposed effective date to June 5, 2006. This, according to the Company, will provide that the 210-day suspension period expires on January 1, 2007.<sup>1</sup>

3. Under § 40-6-111(1), C.R.S., the Commission may, in its discretion, set the tariffs for hearing which will suspend the effective date for 120 days. Section 40-6-111(1), C.R.S., also provides that the Commission may, in its discretion, by separate order, suspend the effective date of the tariffs for an additional 90 days. Thus, the Commission has the power and authority to suspend the effective date of the tariffs for a maximum of 210 days or, in this docket, through December 11, 2006. If the Commission does not establish new rates before the expiration of the

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<sup>1</sup> The Commission calculates that an amended advice letter with a proposed effective date of June 5, 2006 would extend the suspension period through January 1, 2007. Thus the new rates would take effect on January 2, 2007. If Public Service wishes to have the proposed tariffs to take effect on January 1, 2007 it should use a proposed effective date of June 4, 2007 for any amended advice letter filing.

first suspension period of 120 days, or September 12, 2006, the tariffs filed by Public Service may become effective by operation of law. If the Commission further suspends, by separate order, the effective date of the tariffs for an additional 90 days, and if no new rates are established by the Commission on or before December 11, 2006, the tariffs filed by Public Service may become effective by operation of law.

**B. Findings of Fact**

4. The Commission suspends the effective date for 120 days or through September 12, 2006 for Advice Letter No. 1454-Electric and Advice Letter No. 671-Gas because the rates contained in the tariffs may be improper.

5. A pleading requesting intervention may be filed by any person, firm, or corporation desiring to be a party and fully participate in this proceeding, as ordered below. The filing of any other document protesting the tariffs shall not allow participation as an intervenor in this matter. The Commission will rule on the requests for interventions at the prehearing conference. Persons requesting intervenor status must attend the prehearing conference.

6. In order to complete this case within the maximum statutory 210-day deadline, assuming Public Service files the amended advice letters, the Commission has prepared a tentative procedural schedule for this case (attached as Exhibit 3). Persons desiring to intervene should come prepared to the prehearing conference to discuss this procedural schedule. This is a very aggressive schedule which requires concessions by all involved. Any intervenor requesting an extension of time in this docket should be prepared to provide a compelling argument for the grant of such an extension.

7. A prehearing conference is scheduled as follows:

DATE: May 23, 2006

TIME: 1:30 p.m.

PLACE: Commission Hearing Room  
Office Level 2 (OL2)  
Logan Tower  
1580 Logan Street  
Denver, Colorado

8. All other remaining procedural matters will be addressed at the prehearing conference including, but not limited to: response times for discovery and audit, whether an administrative law judge should handle discovery disputes, discovery cut-off dates, and electronic service of documents.

## **II. ORDER**

### **A. The Commission Orders That:**

1. The tariffs filed by Public Service Company of Colorado on April 14, 2006 with Advice Letter No. 1454-Electric and Advice Letter No. 671-Gas are suspended for 120 days through September 12, 2006 or until further order of the Commission.

2. Any person, firm, or corporation, including any who have previously filed a document protesting the proposed tariffs, who desire to intervene and participate as a party in this proceeding shall file a motion to intervene with the Commission within 30 days after the mailing date of this Decision, and shall serve a copy of the motion on the attorney of record for Public Service Company of Colorado.

3. A prehearing conference is set in this matter at the following time and place:

DATE: May 23, 2006

TIME: 1:30 p.m.

PLACE: Commission Hearing Room  
Office Level 2 (OL2)  
Logan Tower  
1580 Logan Street  
Denver, Colorado

4. This Order is effective upon its Mailed Date.

**B. ADOPTED IN COMMISSIONERS' WEEKLY MEETING  
April 19, 2006.**

(S E A L)



ATTEST: A TRUE COPY

Doug Dean,  
Director

THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF COLORADO

GREGORY E. SOPKIN

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POLLY PAGE

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CARL MILLER

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Commissioners



P.O. Box 840  
Denver, Colorado 80201-0840

April 14, 2006

RECEIVED  
APR 14 2006  
PUBLIC UTILITIES COMMISSION

Advice No. 1454 - Electric

Public Utilities Commission  
of the State Of Colorado  
1580 Logan Street, OL- 2  
Denver, Colorado 80203

The accompanying tariff sheets issued by Public Service Company of Colorado are sent to you for filing in accordance with the requirements of the Public Utilities Law:

COLORADO P.U.C. NO. 7 - ELECTRIC

and the following sheets are attached:

<u>Colorado P.U.C. Sheet No.</u>		<u>Title of Sheet</u>	<u>Cancels Colorado P.U.C. Sheet No.</u>	
Thirteenth Revised	4	Table of Contents	Twelfth Revised	4
Fifth Revised	15	Reserved for Future Filing Index	Sub. Fourth Revised	15
Fourth Revised	15B	Reserved for Future Filing Index	Sub. Third Revised	15B
Sub. Twenty-third Revised	20	Rate Schedule Summation Sheet	Sub. Twenty-second Revised	20
Sub. Twenty-seventh Revised	22	Rate Schedule Summation Sheet	Sub. Twenty-sixth Revised	22
Forty-third Revised	23	Rate Schedule Summation Sheet	Sub. Forty-second Revised	23
Third Revised	25	Schedule of Charges for Rendering Service	Second Revised	25
First Revised	25A	Schedule of Charges for Rendering Service	2 <sup>nd</sup> Sub. Original	25A
Fifth Revised	30	Residential General Service	Fourth Revised	30
Second Revised	33	Residential Demand Service	Sub. First Revised	33
Third Revised	36	Residential Outdoor Area Lighting Service	Sub. Second Revised	36
Third Revised	37	Residential Time-of-Use Service	Second Revised	37

Public Utilities Commission  
of the State of Colorado

Exhibit 1  
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Third Revised	38	Residential Critical- Peak Pricing Service	Second Revised	38
Third Revised	39	Residential Critical Time-of-Use Service	Second Revised	39
Sixth Revised	40	Commercial Service	Fifth Revised	40
Fourth Revised	43	Secondary General Low-Load Factor	Third Revised	43
Third Revised	44	Secondary General Service	2 <sup>nd</sup> Sub. Second Revised	44
Third Revised	47A	Secondary Standby Service	Sub. Second Revised	47A
Third Revised	47B	Secondary Standby Service	Sub. Second Revised	47B
Fifth Revised	52	Primary General Service	Fourth Revised	52
Fourth Revised	55A	Primary Standby Service	Sub. Third Revised	55A
Fourth Revised	55B	Primary Standby Service	Sub. Third Revised	55B
Twenty-eighth Revised	62	Transmission General Service	Twenty-seventh Revised	62
Sixth Revised	62A	Transmission General Service	Fifth Revised	62A
Third Revised	63B	Transmission Standby Service	Sub. Second Revised	63B
Seventh Revised	77	Special Contract Service	Sixth Revised	77
Sixth Revised	80	Commercial Outdoor Area Lighting Service	Fifth Revised	80
Fifth Revised	81	Parking Lot Lighting Service	Fourth Revised	81
Fifth Revised	85	Street Lighting Service	Sub. Fourth Revised	85
Sixth Revised	85A	Street Lighting Service	Fifth Revised	85A
Fifth Revised	86	Special Street Lighting Service	Fourth Revised	86
Fourth Revised	87	Special Highway Lighting Service	Sub. Third Revised	87
Fourth Revised	87A	Special Highway Lighting Service	Third Revised	87A
Fifth Revised	88	Street Lighting Service -	Fourth Revised	88
Fifth Revised	89	Unincorporated Areas Traffic Signal Lighting Service	Fourth Revised	89
Third Revised	91A	Wind Energy Service	2 <sup>nd</sup> Sub. Second Rev.	91A
First Revised	91B	Wind Energy Service	Sub. Original	91B
Fourth Revised	106	General Rate Schedule Adjustment	Sub. Third Revised	106

Advice No. 1454 - Electric

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Fourth Revised	108	Purchased Capacity	Third Revised	108
		Cost Adjustment		
Fourth Revised	108A	Purchased Capacity	Third Revised	108A
		Cost Adjustment		
Fourth Revised	108B	Purchased Capacity	Third Revised	108B
		Cost Adjustment		
Fifth Revised	108C	Purchased Capacity	Fourth Revised	108C
		Cost Adjustment		
Thirteenth Revised	108D	Purchased Capacity	Twelfth Revised	108D
		Cost Adjustment		
Second Revised	111	Electric Commodity	Sub. First Revised	111
		Adjustment		
Second Revised	111A	Electric Commodity	Sub. First Revised	111A
		Adjustment		
Fourth Revised	111B	Electric Commodity	Third Revised	111B
		Adjustment		
Sub. Second Revised	111C	Electric Commodity	First Revised	111C
		Adjustment		
Third Revised	111D	Electric Commodity	Sub. Second Revised	111D
		Adjustment		
Third Revised	111E	Electric Commodity	Sub. Second Revised	111E
		Adjustment		
Sub. Second Revised	111F	Electric Commodity	First Revised	111F
		Adjustment		

The principal proposed changes are: to place into effect in the Company's Colorado P.U.C. No. 7 - Electric tariff, adjusted base rates to reflect the removal of all purchased capacity costs, a General Rate Schedule Adjustment (GRSA) rider, to replace the current Purchased Capacity Cost Adjustment (PCCA) clause with a new zero-based PCCA clause, to replace the current Electric Commodity Adjustment (ECA) clause with a new ECA clause, to increase the rates for Wind Energy Service (WES), to implement a late payment charge applicable to residential customers, and to revise the Schedule of Charges for Rendering Service, all to become effective January 1, 2007.

The GRSA rider will apply to the adjusted base rates for all customers receiving electric power and energy under the Company's electric tariff.

The effect of the GRSA rider is to recover an increase of \$178,312,697 based on the cost of service developed for the twelve months ending December 31, 2005. The primary reason for the changes in base rates is to reflect the Company's current costs for providing electric services to its customers based upon the revenue requirements, excluding purchased capacity costs, for the test year ending December 31, 2005. These revenue requirements include increased expenses and capital expenditures associated with expanding and maintaining the Company's electric system. The Company's electric rate base has increased by approximately \$606 million or by 22 percent. The additional investment was necessary to meet the requirements of both new and existing customers. Implementation



Advice No. 1454 - Electric

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of the revised tariffs contained in this filing would allow the Company to increase its electric revenues and provide it with the opportunity to earn an 11.0 percent return on equity and a 9.15 percent return on rate base.

The Company is also proposing to revise its PCCA to recover the total of the Company's fixed cost obligations under its long-term power purchase agreements on a dollar for dollar basis beginning January 1, 2007. The current PCCA was designed to recover only a portion of the incremental purchased capacity costs that were not recovered in base rates. It was placed in effect on June 1, 2004 and will expire December 31, 2006 in accordance with the Commission Decision No. C04-0476 in Docket No. 03A-436E. The total estimated cost to be collected from customers under the proposed PCCA is \$336,297,476, including \$299,778,266 which has been removed from base rates. The Company is also proposing to adjust its base rates to reflect the removal of purchased capacity costs. At the time the Company makes its compliance filing as ordered by the Commission in this case, the Company will file revised PCCA rates to reflect an updated projection of its 2007 purchased capacity costs. The Company proposes to revise the PCCA annually by filing on November 1<sup>st</sup> to be effective the following January 1<sup>st</sup>.

The Company is also proposing a new monthly ECA to be effective January 1, 2007. The ECA currently in effect was placed into effect on January 1, 2005 and will expire on December 31, 2006 in accordance with the Commission Decision No. C03-0670 in Docket No. 02S-315EG. The Company proposes a revised monthly ECA to recover fuel and purchased energy costs, including a mandatory time-of-use ECA applicable to all Commercial and Industrial customers that receive electric service under a primary or transmission voltage rate schedule and an optional TOU ECA for Commercial and Industrial secondary voltage customers with demands of three hundred kilowatts or more. The Company expects to file proposed ECA Factors in December, 2006 using an updated estimate of January 2007 costs to be effective on January 1, 2007.

The Company is proposing to increase its Wind Energy Service rate (Schedule WES) revenue by \$597,613 to recover the full incremental cost of wind generation over the system avoided cost. The Company proposes to increase the per 100 kilowatt-hour block Wind Energy Rates from \$3.787 to 4.287 for secondary voltage customers, from \$3.761 to 4.179 for primary voltage customers, and from \$3.733 to 4.083 for transmission voltage customers.

The Company proposes to implement a one and one-half percent (1-1/2%) late payment charge applicable to residential customers who fail to pay their bills in full by the payment due date. For customers that have elected the optional custom due date, the late payment charge will apply if the customer fails to pay its bill in full by the custom due date.

Finally, the Company is proposing revisions to some of its Charges for Rendering Service, including a revision to the charge for a returned check which are reflected on Sheet No. 25 and Sheet No. 25A, to update these charges to current cost levels.

Contemporaneously filed with this advice letter is Advice No. 671 - Gas. This companion filing proposes late payment charges for residential customers and a revised charge for a returned check as these charges apply to both electric and gas service.

The effect of this filing on the Company's total electric revenue is an increase of \$ 209,832,186, including the projected costs for the twelve months ending December 31, 2007 the Company proposes to recovery through the PCCA and the ECA and an increase in the Renewable Energy Standard Adjustment (RESA) revenue of \$1,251,484. The total proposed annual increase in electric base rate revenue, after purchased power costs in the amount of \$299,778,266 have been removed, is \$178,312,697.

If approved by the Commission, the effect of this filing on the customers of the Company will be an overall increase in electric rates of 10.15 percent. The monthly bill for an average residential customer that uses 625 kilowatt-hours will increase by \$6.52 per month, from \$56.15 to \$62.67, an increase of 11.61 percent. The monthly bill for an average small commercial customer that uses 1,025 kilowatt-hours will increase by \$9.96 per month, from \$89.98 to \$99.94, an increase of 11.07 percent.

Customers of the Company receiving electric service as of the date of this filing will be notified of this filing by individual notice provided by first class mail, and by general notice published in the legal classified sections of the Denver Rocky Mountain News and the Denver Post, newspapers of general circulation in Public Service's electric service territory. A copy of the official notice is attached hereto as Appendix A.

It is requested that the changed tariffs accompanying this advice letter become effective on May 15, 2006. The Company is proposing the May 15, 2006 effective date in order to trigger the statutory timelines for providing customer notice. However, the Company intends to file an amended advice letter to change the proposed effective date to June 5, 2006 so that the 210-day suspension period expires as of January 1, 2007, the date on which the Company desires to put the rates approved by the Commission as a result of this filing into effect.

Public Utilities Commission  
of the State of Colorado

Advice No. 1454 - Electric

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Exhibit 1  
Docket No. 06S-234EG  
Decision No. C06-0420  
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Please send copies of all notices, pleadings, correspondence, and other documents regarding this filing to:

Fredric C. Stoffel  
Vice President, Policy Development  
Xcel Energy Services Inc.  
1225 17th Street, Suite 1000  
Denver, Colorado 80202

and

Paula M. Connelly  
Larry M. Cowger  
Assistant General Counsel  
Xcel Energy Services Inc.  
1225 17th Street, Suite 900  
Denver, Colorado 80202

  
Vice President

FCS:tlm

Enclosures



P.O. Box 840  
Denver, Colorado 80201-0840

April 14, 2006

Advice No. 671 - Gas

Public Utilities Commission  
of the State of Colorado  
1580 Logan Street  
Office Level No. 2  
Denver, Colorado 80203

The accompanying tariff sheets issued by Public Service Company of Colorado are sent to you for filing in compliance with the requirements of the Public Utilities Law:

COLORADO P.U.C. NO. 6 - GAS

and the following sheets are attached:

<u>Colorado P.U.C. Sheet No.</u>	<u>Title of Sheet</u>	<u>Cancel</u>	<u>Colorado P.U.C. Sheet No.</u>
First Revised 12A	Schedule of Charges for Rendering Service	Sub. Original	12A
Fifth Revised 14	Residential Gas Service	Sub. Fourth Revised	14
Fifth Revised 15	Residential Gas Outdoor Lighting Service	Sub. Fourth Revised	15

The principle proposed change is: to revise the Payment sections of residential service rate schedules including Residential Gas Service (Schedule RG) and Residential Gas Outdoor Lighting Service (Schedule RGL) to implement a late payment charge to its residential customers for paying their monthly bills after the due date, in the Company's Colorado P.U.C. No. 6 - Gas tariff.

Public Utilities Commission  
of the State of Colorado

Exhibit 2  
Docket No. 06S-234EG  
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Advice No. 671 - Gas

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The Company proposes to implement a one and one-half percent (1.5%) late payment charge applicable to all residential customers. The late payment charges will apply to account balances that are not paid on or before the due date on the bill. The Company has also revised its due date to fifteen days after the date of the bill as required by the Commission's new Rules Regulating Gas Utilities. Also, with respect to customers that have elected the optional custom due date, the late payment charge will apply if the Company does not receive payment on or before the established custom due date.

The Company also proposes to revise the Schedule of Charges for Rendering Service section on Sheet No. 12A to update the fee to process a check from a customer that is returned to the Company by the bank as not payable.

Contemporaneously filed with this advice letter is Advice No. 1454 - Electric to revise among other things the Schedule of Charges for Rendering Service to update the charges to current cost levels, and to implement a one and one-half percent (1.5%) late payment charge applicable to all residential electric customers, in the Company's Colorado P.U.C. No. 7 - Electric tariff.

The effect of this filing on the Company's annual revenue cannot be determined at this time. The annual revenue effect is dependant upon the number and the amount of late payment charges that are assessed along with the amount and number of returned check charges collected by the Company.

The Company will include the additional revenues derived from implementing a revised returned check charge and a new late payment charge for residential customers in its annual Gas Earnings Report, which includes an earnings cap provision.

Notice of this filing will be placed in the legal classified section of The Denver Post. A copy of the notice is attached.

It is desired that the changed tariff accompanying this advice letter become effective May 15, 2006.

Public Utilities Commission  
of the State of Colorado

Exhibit 2  
Docket No. 06S-234EG  
Decision No. C06-0420  
Page 3 of 3

Advice No. 671 - Gas

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Please send copies of all notices, pleadings, correspondence, and other documents regarding this filing to:

Fredric C. Stoffel  
Vice President, Policy Development  
Xcel Energy Services Inc.  
1225 17th Street, Suite 1000  
Denver, Colorado 80202

and

James D. Albright  
Assistant General Counsel  
Xcel Energy Services Inc.  
1225 17th Street, Suite 900  
Denver, Colorado 80202

  
\_\_\_\_\_  
Manager

TLN:sdw

Enclosure

## TIMELINE

Event	Date	Day of week	Comments
Date Advice Letters Filed	4/14/2006	F	
Proposed Effective Date	5/15	M	30-day notice period
CWM suspending Advice Letters	4/19	W	Starts intervention period and sets PHC date
Mail date of suspension order	4/19	W	
Close of 30-day Intervention period	5/19	F	From mail date of suspension order
PHC	5/23	T	Two business days after intervention close
PSCo files amended Advice Letters	????		Extends suspension period through 12/31/2006
Answer Testimony	7/17	F	55 days from intervention
Cross-Answer Testimony	8/11	F	25 days from Answer testimony
Rebuttal Testimony	8/11	F	25 days from Answer testimony
Advisor Tech Conf on models	8/25	F	2 weeks after Rebuttal
Settlement Filing Date (could have date after hearing start, but the parties would have to notify Commission that settlement has been reached--no need to hold hearings based on the filed cases if settlement is reached)	9/5	T	Settlement Hearing could start as late as 9/20 (three days for hearing)
Hearings	Sept 5 - 22		14 business days
Public Comment Hearing	9/5	T	First day of hearing
SOP	10/6	F	2 weeks after last day of hearing
Advisor Tech Conf on models	10/13	F	1 week after SOP
CDM	10/20	F	2 weeks after SOP
Phase I Order Mailed	11/3	F	2 weeks after CDM
RRR period closes	11/24	F	21 days after mail date since November 23 is a State holiday
CDM on RRR	12/6	W	8 business days after RRR closes
RRR Order Mailed	12/15	F	7 business days after CDM
Compliance Filing made	12/22	W	5 business days after mail date of RRR order
Staff review of Compliance Filing	12/26	T	4 business days after Compliance Filing made
210-day suspension period expires	12/31	Su	
New rates take effect	1/1/2007	M	