

Decision No. C19-0645-I

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF COLORADO

PROCEEDING NO. 18M-0074EG

IN THE MATTER OF THE COMMISSION'S CONSIDERATION OF THE IMPACT OF
THE FEDERAL TAX CUTS AND JOBS ACT OF 2017 ON THE RATES OF COLORADO
INVESTOR-OWNED ELECTRIC AND NATURAL GAS UTILITIES.

**INTERIM DECISION DENYING PUBLIC SERVICE
COMPANY OF COLORADO'S MOTION TO BE EXCUSED**

Mailed Date: July 30, 2019

Adopted Date: July 25, 2019

I. BY THE COMMISSION

A. Statement

1. Through this Decision we deny the Motion Seeking an Order Excusing it from Reporting on its Electric and Gas Departments (Motion to be Excused or Motion) filed June 14, 2019, by Public Service Company of Colorado (Public Service). Consistent with the below discussion, we find the Motion to be Excused is premature, at least until final decisions issue in Proceeding Nos. 19AL-0268E and 19AL-0309G.

B. Discussion

2. On February 1, 2018, in response to the federal Tax Cut and Jobs Act (TCJA) enacted on December 22, 2017, the Commission issued Decision No. C18-0075 opening this proceeding. The TCJA reduced the corporate income tax rate from 35 percent to 21 percent and required the re-evaluation of federal deferred tax assets and liabilities. Accordingly, Decision No. C18-0075 directed all Colorado investor-owned electric and natural gas utilities to submit a filing that detailed how the utility would track the TCJA-related deferred regulatory liability, refund to customers any over collection resulting from the deferred regulatory liability, and

update the utility's revenue requirements and resulting rates reflecting the prospective impacts of the TCJA.

3. On May 11, 2018, the Commission issued Decision No. C18-0326-I, adopting a uniform process for determining whether each utility has properly addressed the TCJA impacts on rates. The Commission directed each utility to implement necessary rate changes through advice letter filings pursuant to Rule 4 *Code of Colorado Regulations* 723-1-1210 of the Commission's Rules of Practice and Procedure and §§ 40-3-104(1)(a) and 40-6-111(2)(a)(III), C.R.S. The Commission also required each utility to file quarterly status reports until the utility is excused from further participation in this proceeding. After the necessary advice letter tariff filings are made to account for TCJA impacts on rates, each utility is allowed to file a motion to be excused from this proceeding. Any such motion is subject to a response period during which any party to this proceeding may challenge the utility's request for relief.

4. On June 14, 2019, Public Service filed the Motion to be Excused. In the Motion to be Excused, Public Service states that it has completed all required steps and implemented the necessary processes to ensure that its gas and electric customers have received the full benefit of the TCJA.

5. Public Service states that: 1) for its Electric Department it has made the required filings consistent with the Revised Stipulation and Settlement Regarding TCJA Impacts into Public Service's Rates in Proceeding No 18M-0401E; and 2) for its Gas Department it has received Commission approvals for the amount and specific treatment of TCJA benefits customers through filings in Proceeding No. 17AL-0363G (2017 Gas Phase I proceeding) and Proceeding No. 19AL-0309G (2019 Gas Phase II proceeding), and Proceeding No. 18AL-0900G (Front Range Pipeline proceeding). Public Service further states that it has made Advice Letter

filings in Proceeding Nos. 19AL-0268E and 19AL-0309G. Public Service asserts that the advice letter filings constitute compliance with Decision No. C18-0326-I.

6. Public Service states that, prior to filing its Motion to be Excused, it conferred with the following parties and each did not object or oppose the Motion to be Excused: Commission Trial Staff, Colorado Office of Consumer Counsel, Atmos Energy, Black Hills Colorado Electric LLC, Colorado Natural Gas, Cripple Creek & Victor Gold Mining Company, International Brotherhood of Electrical Workers Local No. 111, Board of Water Works of Pueblo, and Wal-Mart/Sam's Club. Public Service also states that the following parties took no position with regard to the Motion: Colorado Springs Utility/Southern Delivery System, Climax Molybdenum Company, Energy Outreach Colorado, and Western Resource Advocates. Public Service also states that the City of Pueblo and Fountain Valley Authority did not respond to the conferral. No responses to the Motion to be Excused were filed.

C. Findings and Conclusions

7. We agree that, to date, Public Service has taken significant steps towards addressing the effects of the TCJA through its various filings and ongoing reporting in this proceeding. However, both Proceeding Nos. 19AL-0268E and 19AL-0309G are ongoing. In fact, both proceedings are in their early stages with numerous intervention filings and contested issues. While Decision No. C18-0326-I permitted a utility to file a motion and seek to be excused from this proceeding upon "filing" of advice letter(s), the Commission was also clear that excusing the utility would be considered contingent upon the "implementation" of those advice letters.

8. The Commission has excused only one utility from this proceeding: Rocky Mountain Natural Gas, LLC (RMNG), through Decision No. C19-0223 issued March 8, 2019. Within that decision, we reiterated the uniform process stated in Decision No. C18-0326-I, stating that utilities would “implement” necessary rate changes through advice letter filings, in addition to quarterly status reports. RMNG represented, and the Commission agreed, that four advice letter filings in 2018 that were filed and effective, in addition to the ongoing reporting from RMNG, made RMNG eligible in March of 2019 to be excused from this proceeding. Unlike RMNG, Public Service’s pending advice letters are currently being considered in contested proceedings and will not go into effect by operation of law.

9. The intent of this proceeding is to retain information from each utility regarding the TCJA impacts on rates, including detailing how the utility will: track the TCJA-related deferred regulatory liability; refund to customers any over collection resulting from the deferred regulatory liability; and update the utility’s revenue requirements and resulting rates reflecting the prospective impacts of the TCJA.¹ Until the outcome of Public Service’s remaining advice letter proceedings is known, stakeholders – including customers – cannot be certain of how Public Service has addressed the TCJA impacts on rates. In this instance, where the advice letters are contested and procedural outcomes are unknown, excusing Public Service from the proceeding is not yet appropriate.

10. The Motion to be Excused is therefore denied.

¹ See Decision No. C18-0326-I, at ¶¶ 2-4, reiterated in Decision No. C19-0223, at ¶¶ 1-2.

II. ORDER

A. It Is Ordered That:

1. The Motion Seeking an Order Excusing it from Reporting on its Electric and Gas Departments in Proceeding No. 18M-0074EG, filed by Public Service Company of Colorado on June 14, 2019, is denied, consistent with the above discussion.

2. This Decision is effective upon its Mailed Date.

**B. ADOPTED IN COMMISSIONERS' WEEKLY MEETING
July 25, 2019.**

(S E A L)



ATTEST: A TRUE COPY

Doug Dean,
Director

THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO

JEFFREY P. ACKERMANN

FRANCES A. KONCILJA

JOHN GAVAN

Commissioners