

Decision No. R19-1002-I

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF COLORADO

PROCEEDING NO. 19M-0661EG

IN THE MATTER OF THE IMPLEMENTATION OF § 40-3-117, C.R.S. REGARDING AN INVESTIGATION INTO PERFORMANCE-BASED RATEMAKING

**INTERIM DECISION OF HEARING COMMISSIONER
JOHN GAVAN SOLICITING COMMENT AND
SCHEDULING WORKSHOP**

Mailed Date: December 16, 2019

I. BY THE COMMISSION

A. Statement

1. On December 5, 2019, the Commission issued Decision No. C19-0969 opening this Proceeding, exploring performance-based regulation (PBR) and performance-based incentive mechanisms (PIMs) in regulation of Colorado's investor-owned electric and gas utilities. In Decision No. C19-0969, the Commission stated that this Proceeding is intended to address the requirements of § 40-3-117, C. R. S. and stated that this Proceeding will serve as a repository for the filing of comments, studies, and analyses, and will serve as a platform from which to conduct workshops and Commissioner Informational Meetings (CIMs), pose questions, discuss processes, and issue orders.

2. Decision No. C19-0969 also states that a schedule for comments and workshops in this Proceeding would be provided in a separate decision.

3. This Decision establishes a schedule for a round of comments and a workshop addressing performance-based regulation and mechanisms for safety, reliability, and quality of customer service.

B. Discussion

4. Section 40-3-117, C.R.S. identifies public benefit goals of utility regulation as safety, reliability, cost efficiency, emissions reductions, and expansion of distributed energy resources. Through Decision No. C19-0969, the Commission included quality of customer service as an important public benefit goal.

5. In the first round of comments, reply comments, and workshop will address how the Commission currently does, or could in the future, utilize performance-based regulation (PBR) and performance incentive mechanisms (PIMs) to improve electric and gas utility performance on the topics of safety, reliability, and customer service. Parties are encouraged to provide comments that are responsive to the following questions:

- a) Are there specific problems related to utility safety, reliability, or customer service in the State of Colorado that PBR is well suited to address?
- b) Are there specific policy goals for the State of Colorado related to safety, reliability, or customer service whose achievement PBR is well suited to improve or accelerate?
- c) For any problems or policy goals identified, what regulatory options should the Commission consider in order to improve utility performance?
- d) What are the advantages, drawbacks, and risks associated with each proposed regulatory option or PBR mechanism as it relates to safety, reliability, or customer service?
- e) In determining whether a PBR mechanism would be “net beneficial” to the State of Colorado, what costs and benefits should the Commission consider?
- f) What are the likely effects of any proposed PBR mechanism on different categories of customer? For example, what are the differential impacts by income, geography, energy usage, or other relevant categories?
- g) What are the specific criteria or metrics the Commission should use to assess whether a PBR mechanism is achieving its intended objective?
- h) How can the Commission ensure that evaluative criteria and/or metrics properly align with defined goals?
- i) What lessons can Colorado learn from other states’ efforts to address issues of safety, reliability, and customer service using PBR?

6. Attachment A to this Decision provides examples of safety, reliability, and customer service performance metrics that parties might wish to address. However, Attachment A is not exhaustive and we encourage parties to provide comment on additional safety, reliability, and customer service performance metrics as appropriate.

7. Comments on performance-based regulation as it pertains to safety, reliability, and customer service will be due on Friday, January 10, 2020. Reply Comments will be due on Friday, January 31, 2020. A workshop on safety, reliability, and customer service performance-based metrics will be held on Wednesday, February 12, 2020.

II. ORDER

A. It is Ordered That:

1. Comments on performance based regulation as it related to the topics of safety, reliability, and customer service for Colorado investor-owned utilities are due by 5:00 p.m. on Friday, January 10, 2020.

2. Reply Comments are due by 5:00 p.m. on Friday, January 31, 2020.

3. A workshop on performance-based regulation as it pertains to safety, reliability and customer service is scheduled as follows:

DATE: Wednesday, February 12, 2020

TIME: 1:00 p.m. to 5:00 p.m.

PLACE: Building Conference Room 100-C (1st floor, adjacent to main lobby)
1560 Broadway
Denver, Colorado

4. This Decision is effective immediately.

(S E A L)



THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO

JOHN GAVAN

Hearing Commissioner

ATTEST: A TRUE COPY

A handwritten signature in cursive script that reads "Doug Dean".

Doug Dean,
Director