

Decision No. C20-0451

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF COLORADO

PROCEEDING NO. 20M-0251E

IN THE MATTER OF THE COMMISSION'S IMPLEMENTATION OF SECTION 40-3-118,
C.R.S., REGARDING A SURVEY OF ELECTRIC UTILITY RETAIL RATES.

**COMMISSION DECISION OPENING A MISCELLANEOUS
PROCEEDING, DESIGNATING COMMISSIONER
GILMAN AS HEARING COMMISSIONER, SOLICITING
INPUT FROM INTERESTED PARTIES, AND ISSUING
SURVEY QUESTIONS**

Mailed Date: June 18, 2020

Adopted Date: June 17, 2020

I. BY THE COMMISSION

A. Statement

1. Pursuant to § 40-3-118, C.R.S., the Public Utilities Commission (Commission or PUC) opens this proceeding to explore electric utility retail rates and submit a report to the Senate Transportation and Energy Committee and the House of Representatives Energy and Environment Committee. The Commission designates Commissioner Megan Gilman as Hearing Commissioner, pursuant to § 40-6-1101(2), C.R.S., to work with the Staff of the Colorado Public Utilities Commission (Staff), and take input from stakeholders and other interested participants to review the retail rates of Colorado electric public utilities, determine the amount by which a retail rate that exceeds the state average rate constitutes a materially greater rate, and specifically consider recommendations that would result in rate relief in certificated electric utility territories with retail rates materially greater than the state average.

2. Section 40-3-118(1), C.R.S., directs the Commission as follows:

(a) The commission shall open a nonadjudicatory proceeding to conduct a survey of electric public utility retail rates and specifically consider recommendations that would result in rate relief in certificated electric utility territories with retail rates materially greater than the state average. The commission shall determine the minimum percentage by which a retail rate that exceeds the state average rate qualifies as a materially greater rate.

(b) As used in this section, “public utility” does not include a cooperative electric association, as defined in § 40-9.5-102.

3. As a result of the review, the Commission is directed to submit its findings in a report (Retail Rate Survey Report) to the Senate Transportation and Energy Committee and the House of Representatives Energy and Environment Committee by February 1, 2021. The requirements of this report include: a description of the scope of analysis conducted, potential solutions considered, and any recommendations that could provide rate relief to ratepayers.

4. We open this miscellaneous proceeding to conduct the examination contemplated by § 40-3-118, C.R.S. The sole purpose of this proceeding is to address the requirements of § 40-3-118, C.R.S., and submit the required report to the Senate Transportation and Energy Committee and the House of Representatives Energy and Environment Committee. 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 stakeholder meetings, pose questions, discuss processes, and issue orders.

5. We encourage stakeholders to file a notice of participation in this proceeding; participants are encouraged to file such a notice by July 10, 2020. Responses to survey questions issued through this Decision shall be filed no later than July 10, 2020. Comments on topics for survey questions concerning contextual and correlating factors may be made no later than July 10, 2020. Reply comments should be filed by July 24, 2020.

II. DISCUSSION

6. Section 40-3-118, C.R.S., requires that the Commission conduct a survey of electric public utility retail rates and identify a state average to determine whether a utility has rates that are materially greater than the average. We note that providing context for such a statewide average, including retail rate information from municipal utilities and cooperative electric associations, would benefit this proceeding and the ultimate Retail Rate Survey Report. To the extent that entities such as municipal utilities and cooperative electric associations wish to respond to voluntary survey questions and otherwise participate in the survey portion of this proceeding, the Commission welcomes such participation. We remain cognizant that our consideration of rate relief recommendations is restricted to electric “public utilities” as that term is used in § 40-3-118, C.R.S. Nonetheless, with this caveat in mind, we encourage interested stakeholders to participate in the survey process as fully as they desire.

7. Stakeholder input will be important in the process of defining a rate that is materially greater than the state average and identifying and reviewing possible solutions for rate relief. To that end, stakeholders representing ratepayers, utilities, and other groups will be encouraged to submit comments and participate in stakeholder meetings and comment periods throughout the process. Additionally, representatives from organizations that have assisted other states in evaluating retail rates are invited to participate through comments and stakeholder meetings.

8. The Retail Rate Survey Report must be submitted to the Senate Transportation and Energy Committee and the House of Representatives Energy and Environment Committee by February 1, 2021, so we anticipate an expedited schedule for this proceeding.

9. To complete the required survey and provide appropriate context, we plan to conduct the survey in two parts. Part One of the survey will gather basic information on retail rates, such as cost, rate structure usage and demographic statistics. Part Two of the survey will gather information on factors that may provide context and meaningful correlations with retail rates.

10. Part One survey questions are attached to this Decision as Attachment A. Investor owned utilities are directed to respond to the questions by July 10, 2020, and voluntary responses from municipal utilities and cooperative electric associations should also be submitted by that date. In addition, investor owned utilities shall provide an updated customer impact study in the format provided as Attachment B as appropriate to their customer classes with the current rates, current bill, and monthly average usage columns filled out, with responses due July 10, 2020.

11. Part Two survey questions concerning contextual and correlating factors will be issued at a later date. Staff is considering the following topics for Part Two survey questions: debt profiles of retail electricity providers, generation profiles, and customer density. Interested stakeholders are encouraged to comment on these potential topics and propose additional topics for Part Two survey questions by July 10, 2020. Reply comments may be filed no later than July 24, 2020.

12. Staff will compile survey replies, and intends to put forward for participant comment the survey results, a proposed definition of a retail rate that is materially greater than the state average, and some topics of potential rate relief by September 2020, with an opportunity for participants to propose additional recommendations for rate relief by means of public comment and a workshop in October. We anticipate completing all survey parts, comment periods and

workshops by the end of October 2020, in order to prepare the Retail Rate Survey Report by the February 1, 2021 deadline.

III. ORDER

A. The Commission Orders That:

1. The Commission opens this miscellaneous proceeding for the purpose of conducting a survey of Colorado electric retail rates, making a determination as to when rates may be considered materially greater than the state average, considering potential options for rate relief and completing a report to be filed with the Senate Transportation and Energy Committee and the House of Representatives Energy and Environment Committee as required by § 40-3-118, C.R.S., consistent with the discussion above.

2. This proceeding shall serve as a platform to conduct the statutorily required investigation specified in § 40-3-118, C.R.S., and will serve as a platform from which to receive comments and conduct stakeholder meetings.

3. This proceeding is designated as an administrative proceeding under 4 *Code of Colorado Regulations* 723-1-1004(b).

4. Pursuant to § 40-6-101(2), C.R.S. Commissioner Megan Gilman is designated as the Hearing Commissioner.

5. Persons interested in participating in this proceeding are encouraged to file a notice of participation by July 10, 2020.

6. Interested stakeholders shall submit any comments on proposed topics for survey questions regarding contextual and correlating factors by July 10, 2020, consistent with the discussion above.

7. Responses to the survey questions attached to this Decision as Attachment A, including voluntary responses from municipal utilities and cooperative electric associations, shall be filed by July 10, 2020. The investor owned utilities shall also provide an updated and current customer impact study in the format provided as Attachment B by July 10, 2020, consistent with the discussion above.

8. Reply comments on proposed topics for survey questions regarding contextual and correlating factors shall be submitted by July 24, 2020.

9. This Decision is effective upon its Mailed Date.

**B. ADOPTED IN COMMISSIONERS' WEEKLY MEETING
June 17, 2020**

(S E A L)



THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO

JEFFREY P. ACKERMANN

JOHN GAVAN

MEGAN M. GILMAN

Commissioners

ATTEST: A TRUE COPY

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

Doug Dean,
Director