

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF COLORADO

PROCEEDING NO. 19AL-0268E

IN THE MATTER OF ADVICE LETTER NO. 1797 FILED BY PUBLIC SERVICE COMPANY OF COLORADO TO RESET THE CURRENTLY EFFECTIVE GENERAL RATE SCHEDULE ADJUSTMENT (GRSA) AS APPLIED TO BASE RATES FOR ALL ELECTRIC RATE SCHEDULES AS WELL AS IMPLEMENT A BASE RATE KWH CHARGE, GENERAL RATE SCHEDULE ADJUSTMENT-ENERGY (GRSA-E) TO BECOME EFFECTIVE JUNE 20, 2019.

**DECISION GRANTING MOTION
FOR PARTIAL VARIANCE FROM
DECISION NOS. C20-0096 & C20-0200**

Mailed Date: June 29, 2020
Adopted Date: June 24, 2020

I. BY THE COMMISSION

A. Statement

1. By this Decision, the Commission grants the Unopposed Motion for Partial Variance from Decision Nos. C20-0096 and C20-0200 (Motion) filed on June 18, 2020 by Public Service Company of Colorado (Public Service or the Company). The Commission also grants Public Service's request to waive response time to the Motion.

2. Public Service shall file a Phase II electric rate case no later than 60 days from the date of implementation of changed rates associated with the advice letter compliance filing required by the Commission's decision addressing the applications for rehearing, reargument and reconsideration (RRR) of Decision No. C20-0096.

B. Findings and Conclusions

3. On February 11, 2020, the Commission issued Decision No. C20-0096. The Commission permanently suspended the tariff sheets filed with Advice Letter No. 1797 and

established new rates for electric service for Public Service. As it pertains to the Motion, Decision No. C20-0096 directed the Company to file by May 1, 2020, either a Phase II electric rate case as a new advice letter proceeding or a notice in this Proceeding of its binding commitment to file a combined Phase I and Phase II electric rate case by August 1, 2020.

4. On March 2, 2020, Public Service filed an application for RRR of Decision No. C20-0096. Public Service seeks reconsideration of the Commission's determinations in ten areas: (1) the valuation of current test year rate base; (2) the cost of capital, or specifically the return on equity; (3) the cost of long-term debt; (4) weather normalization; (5) decoupling; (6) gains and losses on asset sales; (7) the return on the prepaid pension asset; (8) the return on the prepaid retiree medical asset; (9) the disallowance of certain investments made for the Comanche 3 generation unit; and (10) the disallowance of certain costs associated with Colorado taxes.

5. Staff of the Colorado Public Utilities Commission (Staff) also filed an application for RRR of Decision No. C20-0096 on March 2, 2020. Staff requests that the Commission adjust the valuation of current test year rate base and to modify the state income tax rate.

6. Also on March 2, 2020, the Colorado Office of Consumer Counsel (OCC) filed an application for RRR of Decision No. C20-0096. The OCC seeks reconsideration in four areas: (1) the cost of short-term debt; (2) the state income tax rate; (3) the treatment of board equity compensation; and (4) the allocation of oil and gas royalties between ratepayers and the Company.

7. The Colorado Energy Consumers (CEC) filed a fourth application for RRR of Decision No. C20-0096 on March 2, 2020. CEC requests that the Commission reverse the authorization to the Company to recover the costs of the Rush Creek Wind Project through the

General Rate Schedule Adjustment-Energy Rider. CEC also asks the Commission to reconsider its decisions regarding the deferral of the 2019 pension expense.

8. On March 20, 2020, through Decision No. C20-0185, the Commission granted the four applications for RRR for the sole purpose of tolling the statutory time limit in § 40-6-114(1), C.R.S., to allow for more time to consider the issues in the RRR applications and to accommodate schedule constraints. The Commission stated that it will issue a future decision addressing the merits of the RRR applications.

9. Also on March 20, 2020, Public Service filed a motion seeking a partial variance from the May 1, 2020 filing deadline to ensure the Company had adequate time to evaluate and adjust for any ordered changes resulting from the deliberations on the applications for RRR. Public Service requested that the May 1, 2020 filing deadline be extended to either 60 days from the date of a written final Commission decision addressing the applications for RRR or August 1, 2020. The Commission granted the partial variance on March 25, 2020 in Decision No. C20-0200, thereby resetting the date for filing to the earlier of the two options presented by Public Service.

10. On May 13, 2020, the Commission conducted oral deliberations on the merits of the applications for RRR of Decision No. C20-0096 at its regular weekly business meeting. The written decision from those oral deliberations has not yet issued.

11. On June 18, 2020, the Company filed this second motion for partial variance. It points out that there are fewer than forty-five days before the August 1, 2020 deadline and the decision addressing the substance of the four applications for RRR has not yet issued. The Company notes that it will file a Phase II electric case, rather than a combined Phase I and Phase II case, and suggests that we reset the filing deadline to “60 days from the date of

implementation of changed rates associated with the advice letter compliance filing” it anticipates will be necessary in light of the Commission’s decision on the RRR applications.

12. The Company explains that the modifications to Decision No. C20-0096 resulting from the Commission’s decisions on the four RRR applications mean it cannot develop the final cost of service required for its Phase II rate design filing until the Commission issues a final written decision.

13. Public Service also explains in the Motion that it conferred with all parties to this Proceeding and is authorized to state that they do not oppose the relief requested in the Motion. Public Service further requests that, given the Motion is unopposed and time is of the essence, the Commission waive response time to the Motion.

14. We agree, and therefore find good cause to waive response time to the Motion and to grant the Motion. Public Service shall file a Phase II electric rate case no later than 60 days from the date of implementation of changed rates associated with the advice letter compliance filing required by the Commission’s decision addressing the applications for RRR of Decision No. C20-0096.

II. ORDER

A. The Commission Orders That:

1. The Unopposed Motion for Partial Variance from Decision Nos. C20-0096 and C20-0200 filed on June 18, 2020 by Public Service Company of Colorado (Public Service) is granted. Response time to the Motion is waived.

2. Consistent with the discussion above, Public Service shall file a Phase II electric rate case no later than 60 days from the date of implementation of changed rates associated with

the advice letter compliance filing required by the Commission’s decision addressing the applications for rehearing, reargument, and reconsideration of Decision No. C20-0096.

3. The 20-day period provided for in § 40-6-114, C.R.S., within which to file applications for rehearing, reargument, or reconsideration, begins on the first day following the effective date of this Decision.

4. This Decision is effective on its Mailed Date.

**B. ADOPTED IN COMMISSIONERS’ WEEKLY MEETING
June 24, 2020.**

(S E A L)



ATTEST: A TRUE COPY

Doug Dean,
Director

THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO

JEFFREY P. ACKERMANN

JOHN GAVAN

MEGAN GILMAN

Commissioners