

Decision No. C21-0247

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF COLORADO

PROCEEDING NO. 21V-0134G

IN THE MATTER OF PUBLIC SERVICE COMPANY OF COLORADO FOR APPROVAL OF A TEMPORARY PARTIAL VARIANCE FROM ITS P.U.C. NO. 6 – GAS TARIFF RELATED TO TRANSPORTATION BACKUP SALES CHARGES DUE TO THE EXTREME COLD WEATHER EVENT.

**COMMISSION DECISION GRANTING
PERMISSIVE INTERVENTION, GRANTING
PETITION FOR A VARIANCE FROM
TARIFF, AND DIRECTING ADDITIONAL NOTICE**

Mailed Date: April 26, 2021
Adopted Date: April 14, 2021

I. BY THE COMMISSION

A. Statement

1. On March 25, 2021, Public Service Company of Colorado (Public Service or the Company) filed a petition for a waiver from its PUC No. 6 Gas Tariff (Gas Tariff) related to Transportation Backup Sales charges due to the Extreme Weather Event experienced in February 2021 (Petition). Public Service requests to use a lower Index Price One rate in the Backup Sales calculation than is currently in the tariff for the dates in February, excluding the dates of February 12 through 18, 2021 (the Extreme Weather Event).

2. Through this Decision, we grant the intervention request filed April 5, 2021, by Atmos Energy Corporation (Atmos), and grant the Petition. In addition, and on the Commission's own motion, we require the Company provide supplemental notice to affected customers that the variance requested was granted.

B. Discussion

3. Through its Petition, Public Service explains that, for the dates of February 1 through 11 and February 19 through 28, 2021 (Variance Dates), the Company seeks a variance from the current tariff provisions that require it to use a definition of Index Price One in its calculation of Backup Sales charges that would result in very high charges for affected customers. Public Service requests to use a lower Index Price One rate in the Backup Sales calculation than is currently in the tariff for the month of February for the Variance Dates, thereby excluding the Extreme Weather Event from the calculation.

4. Backup Sales service customers are in the TFL (Transmission Firm Large), TFS (Transmission Firm Small), or TI (Transmission Interruptible) customer classes. A total of 121 transport customer premises used Backup Sales in the month of February.

5. As explained in the Petition, the Extreme Weather Event caused an unprecedented spike in the price of gas from February 12 through 18, 2021.

6. Without the change, the tariff definition of the Index Price One requires the Company to use the highest reported Weekly Weighted Average Price to determine the charges for Backup Sales throughout the entire month of February. Therefore, under the Gas Tariff, the Company explains that it would be required to use a rate based on the highest weekly price in February caused by the Extreme Weather Event of \$114 per Dth for a customer's Backup Sales usage for the entire month. Public Service proposes to charge customers based on the second highest reported weekly price of approximately \$5.12 per Dth for the three weeks of February outside of the Extreme Weather Event and charge based on the approximately \$114 per Dth price for the week of February 12th to 18th. Public Service states that “[w]hile it is still fair for these

customers to bear the burden of the high price of gas during the time frame of February 12 through Feb 18... the lower rate proposed by the Company is equitable for the Variance Dates.”¹

7. The Company provides that the temporary variance will result in significantly lower bills for affected transport customers. At this time, affected transport customers for Backup Sales for the entire month of February were billed using the lower proposed Index Price One rates in the calculation of the applicable Gas Cost Adjustment Commodity Current Gas Cost.

8. Through its Petition, Public Service requested a shortened notice and intervention period and for an expedited decision by April 26, 2021. The Company argued that, particularly if the matter is unopposed, an expedited decision will aid in certainty to the Company and its customers. In Decision No. C21-0195-I issued March 31, 2021, the Commission granted Public Service’s request for shortened notice and intervention period, setting the intervention deadline as April 7, 2021.

9. On April 5, 2021, Atmos filed a request to permissively intervene. In its intervention, Atmos explained that it “obtains delivery of a portion of its natural gas system supplies over [Public Service’s] facilities...”, “relies on Backup Sales from [Public Service]... and its customers would be affected by the very high charges for Backup Sales if the requested variance is not granted.” Atmos does not request a hearing, and states that it “does not oppose [the Public Service] petition as filed and supports the request for an expedited decision...”² The Commission received no other filings seeking intervention.

¹ Verified Petition of Public Service for Approval of a Temporary Variance, Proceeding No. 21V-0134G, paragraph 12.

² Atmos Energy Corporation’s Motion to Permissively Intervene, Proceeding No. 21V-0134G, paragraphs 1, 3, and 5.

C. Findings and Conclusions

10. Under Rule 1401(c), 4 *Code of Colorado Regulations* (CCR) 723-1 of the Commission's Rules of Practice and Procedure, persons seeking permissive intervention must demonstrate that the proceeding may substantially affect the pecuniary or tangible interests of the movant, and that the movant's interests would not otherwise be adequately represented. Atmos provides sufficient support that it and its customers would be affected by the outcome of this proceeding, and we find it appropriate to grant Atmos' requested intervention. However, Atmos does not request a hearing, and does not oppose the requested relief. We therefore consider the Petition unopposed, such that it may be considered without further hearing, consistent with § 40-6-109(5), C.R.S.

11. Commission Rule 1003, 4 CCR 723-1, addresses requests for waivers or variances, providing that, for good cause shown, the Commission may grant a waiver or variance from its tariffs. Public Service has shown good cause to grant the variance in this instance. The requested revision will more equitably charge transport customers taking Backup Sales service for the month of February, reducing costs to those customers by nearly \$8.7 million.³

12. In addition, we find that additional notice to affected customers will add transparency to the billing process for gas transport customers given the circumstances caused by the Extreme Weather Event. We therefore require Public Service to notify the 121 affected customers directly that the Company's requested variance to its Gas Tariff is granted through this

³ The variance is necessarily limited to the tariff and request at issue. Other effects of the Extreme Weather Event will be addressed as necessary through subsequent proceedings.

Decision, and that the billing impacts to its transport customers will be lower than they otherwise would have been without the variance.⁴

II. ORDER

A. The Commission Orders That:

1. The intervention request filed April 5, 2021 by Atmos Energy Corporation is granted.

2. The Petition filed on March 25, 2021 by Public Service Company of Colorado (Public Service) for a partial and temporary variance from Public Service Tariff PUC No. 6-Gas Tariff related to transportation backup sales charges, is granted, consistent with the discussion above.

3. Public Service shall notify all customer premises taking Backup Sales service in the month of February that this variance to Tariff PUC No. 6-Gas Tariff has been granted by the Commission, consistent with the discussion above.

4. 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.

5. This Decision is effective on its Mailed Date.

⁴ Through this Decision we do not require specific language regarding the direct notice provided or that the Company notify the Commission that notification is complete. However, notice should be clear and timely such that affected customers are aware of the resulting February 2021 billing impacts anticipated for Public Service transport customers.

**B. ADOPTED IN COMMISSIONERS' WEEKLY MEETING
April 14, 2021.**

(S E A L)



ATTEST: A TRUE COPY

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

Doug Dean,
Director

THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO

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JOHN GAVAN

MEGAN M. GILMAN

Commissioners