Decision No. C23-0363

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF COLORADO

PROCEEDING NO. 23AL-0176E

IN THE MATTER OF ADVICE LETTER NO. 1920 - ELECTRIC FILED BY PUBLIC SERVICE COMPANY OF COLORADO TO REVISE ITS COLORADO P.U.C. NO. 8 - ELECTRIC TARIFF TO INCREASE THE MONTHLY SURCHARGE INCLUDED WITHIN THE SERVICE AND FACILITY CHARGES FOR THE ELECTRIC AFFORDABILITY PROGRAM, TO BECOME EFFECTIVE MAY 14, 2023.

COMMISSION DECISION GRANTING PARTIAL PERMANENT VARIANCE FROM RULES 3412(G)(V)(A) AND (B)

Mailed Date: May 30, 2023
Adopted Date: May 10, 2023

I. BY THE COMMISSION

A. Statement

1. On April 13, 2023, Public Service Company of Colorado (Public Service or Company) filed Advice Letter No. 1920 - Electric requesting that the Commission approve an increase in the monthly surcharge included within the service and facilities (S&F) charge for the Electric Affordability Program (EAP). Public Service filed amended Advice Letter No. 1920 including amended testimony and attachments on May 1, 2023. By operation of law, the revisions to the Company's tariff became effective on May 14, 2023.

2. Contemporaneously with Advice Letter No. 1920, Public Service filed a Motion for Partial Variance of Rules 3412(g)(V)(A) and (B) of the Commission's Electric Rules, 4 *Code of Colorado Regulations* (CCR), 723-4, pursuant to Rules 723-1-1003 and 1400. Through this Decision, we grant the Motion for partial variance.

B. Background

3. Public Service filed Advice Letter No. 1920 – Electric in this Proceeding on April 13, 2023 proposing to increase the monthly surcharge included within the S&F charge for the Company's EAP in order to provide relief to income-qualified customers and to allow for more robust participation in the EAP Program, to adjust provisions related to benefit calculations and arrearage forgiveness, and to make associated and other EAP tariff changes. The Company's proposed changes affect all customers who pay the EAP charge as part of their S&F Charge.

4. The partial, permanent variance request from Rules 3412(g)(V)(A) and (B) relates to application of LEAP benefits to pre-existing customer arrearages. The proposed partial, permanent variance is intended to provide flexibility to the Company in its calculation of the affordable bill credit under the Percentage of Income Payment Plan (PIPP) affordability option.

5. The Company requests a partial, permanent variance from Rule 3412(g)(V)(A) which states in part that if applying LEAP grants first "a utility shall apply any energy assistance benefit granted to the participant by LEAP to that portion of the program participant's full annual bill that exceeds the participant's affordable percentage of income payment." The Company also requests a partial, permanent variance from Rule 3412(g)(V)(B) which states that any remaining assistance benefits be applied first to customer arrears and then to the customer's account.

6. The Company proposes to first apply LEAP benefits in the reduction of the customer arrearage balance and then to utilize any leftover or excess benefits when the Company calculates a customer's bill credit through the EAP. In the Direct Testimony of Company Witness Mr. Jason Peuquet, Mr. Peuquet states that the Company makes this proposal to better protect customers. He explains that "[w]ith increase arrearage forgiveness on the front-end of customers joining one of the affordability programs, participants would not have to fear the consequences of

being unable to make one of the required monthly contributions to their pre-existing arrears (and thus being removed from the arrearage forgiveness program), of having arrearage balances remaining for a year or two at times, or making contributions of up to one percent of their annual income for more than a year."[1]

7. Further, Mr. Peuquet explains that under the current program parameters, some customers are currently not able to participate due to overly high arrears such that they could not pay off pre-existing arrears over a 12 or 24-month period at one percent of income annually, or are not facing an energy burden after LEAP/EOC benefits are accounted for in the Company's current affordable bill calculations.[2] The Company estimates that approximately 14,000 customers were excluded from participation in its electric and gas assistance programs due the current application of the program parameters.

8. The Company also proposes to supplement the current reporting requirements for income qualified programs. Specifically, the Company proposes to report "the overall impact to program participant arrears balances, their rates of disconnection, total bill credits provided, total arrears forgiveness provided, program deferred account balances, totals of all participants, and totals of all LEAP, EOC, or CEO participants that are deemed ineligible for participation in the Programs due to a variety of reasons. The Company further agrees to provide a three-year comparison and narrative concerning these measures and additionally characterize customer enrollment behavior as part of this review."[3]

[1] Direct Testimony of Jason Peuquet, Rev. 1, at 30:6-13.
[2] *Id.*, at 28:18-39:1.
[3] *Id.*, at 37:17-38:7.

9. The Company proposed to provide such supplemental information as part of the next two Annual Low-Income Reports due by December 31, 2023, and December 31, 2024, with an additional interim report by July of 2023.

C. Findings and Conclusions

10. Public Service states that its request for additional flexibility to first apply LEAP benefits to customer arrears and then apply any remaining benefit to the calculation of the EAP credit is done for the benefit of its customers, and it explains that the proposed changes will allow additional customers to obtain energy assistance. Therefore, the Commission concludes that the Company has demonstrated good cause to grant a partial, permanent variance from Rules 3412(g)(V)(A) and (B).

11. The Commission concludes that the reporting proposed by the Company, including such metrics as the overall impact to program arrears, rates of disconnection and number of participants, would be helpful information in understanding the impact of the new certification processes and programmatic changes contemplated in this tariff filing. However, the Commission believes that additional metrics, such as per customer average bill credit provided as opposed to only total bill credits, would also be appropriate.

12. The Commission finds that the Company should work with Commission Staff to determine whether and what additional reporting metrics and information would be appropriate in order to monitor these changes.

13. The Commission also finds that supplemental reporting in the next two Annual Low-Income reports to be filed by December 31, 2023, and December 31, 2024, with an additional interim report to be filed by July of 2024 provide sufficient program oversight.

II. ORDER

A. The Commission Orders That:

1. Public Service Company of Colorado's (Public Service) motion for a partial, permanent variance from Rules 3412(g)(V)(A) and (B) to account for LEAP benefits in the reduction of arrearage balances and then to utilize any leftover or excess benefit when the Company calculates a customer's monthly bill credit through the EAP is granted.

2. Public Service shall file with its Annual Low-Income Reports due by December 31, 2023, and December 31, 2024, the supplemental information identified in the Company's tariff filing. In addition, the Company shall file an interim report with the same supplemental review metrics by July of 2024. The Company shall work with Staff of the Commission to determine whether additional reporting metrics or information is needed in order to monitor these programmatic changes.

3. This Decision is effective on its Mailed Date.

B. ADOPTED IN COMMISSIONERS' WEEKLY MEETING May 10, 2023.

(S E A L)

ATTEST: A TRUE COPY

Rebecca E. White,
Director

THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO

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Commissioners