

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF COLORADO

PROCEEDING NO. 24A-0560E

IN THE MATTER OF THE APPLICATION OF PUBLIC SERVICE COMPANY FOR A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY FOR THE DENVER METRO TRANSMISSION NETWORK IMPROVEMENT PROJECT, A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY FOR THE LEETSDALE-ELATI TRANSMISSION PROJECT, AND ASSOCIATED FINDINGS OF NOISE AND MAGNETIC FIELD REASONABLENESS.

**INTERIM COMMISSION DECISION
DEEMING APPLICATION COMPLETE, REFERRING
PROCEEDING TO AN ADMINISTRATIVE LAW JUDGE,
AND REQUIRING SUPPLEMENTAL DIRECT
TESTIMONY**

Issued Date: January 31, 2025

Adopted Date: January 29, 2025

I. BY THE COMMISSION

A. Statement

1. By this Decision, the Commission deems complete, for purposes of § 40-6-109.5, C.R.S., and refers to an Administrative Law Judge (“ALJ”) the Verified Application for a Certificate of Public Convenience and Necessity for the Denver Metro Transmission Network Improvement Project, a Certificate of Public Convenience and Necessity for the Leetsdale-Elati Transmission Project, and Associated Findings of Noise and Magnetic Field Reasonableness (“Application”), filed on December 20, 2024, by Public Service Company of Colorado (“Public Service” or the “Company”). In addition, this Decision directs Public Service to file Supplemental Direct Testimony on certain issues as discussed below.

B. Procedural History

2. On December 20, 2024, Public Service filed its Application seeking issuance of Certificates of Public Convenience and Necessity (“CPCNs”) for the Denver Metro Transmission Network Improvement Project (“Denver Metro Project”) and the Leetsdale-Elati 230 kilovolt (“kV”) Underground Transmission Upgrade Project (“Leetsdale-Elati Project”). Additionally, the Company requests the Commission make associated findings of noise and magnetic field reasonableness, approve the Company’s proposed Performance Incentive Mechanism (“PIM”), and approve the Company’s proposed use of an Independent Engineer (“IE”).

3. Public Service states in the Application that the Denver Metro and Leetsdale-Elati Projects reflect the “final mile” of transmission upgrades necessitated by and identified in the Company’s 2021 Electric Resource Plan (“ERP”)/Clean Energy Plan (“CEP”) proceeding.¹ The Company states the Denver Metro Project was identified as part of its transmission planning study for the 2021 ERP/CEP, while the Leetsdale-Elati Project was identified prior to the transmission study to address needed upgrades to the line and was then incorporated into the 2021 ERP/CEP transmission analysis underpinning the Denver Metro Project.² Public Service states it seeks through this Application, in the interest of transparency and administrative efficiency, a CPCN for each project.

4. Public Service states the Denver Metro Project includes the following three upgrade groups: (1) the Daniels Park Path Upgrades, (2) the Smoky Hill Path Upgrades, and (3) the Cherokee Area Upgrades. Combined, these upgrades include approximately 115 circuit-miles of transmission line and 17 substations.³ The Company states the Leetsdale-Elati Project will rebuild

¹ Proceeding No. 21A-0141E.

² Public Service Application at pp. 3-4.

³ Public Service Application at pp. 5-6.

the Leetsdale–Monroe–Elati line and make necessary upgrades to improve the reliability and resilience of this line and to ensure the Company can reliably deliver the generation contemplated by the 2021 ERP/CEP.⁴

5. According to the Company, the total estimated cost of the Projects is approximately \$1.17 billion (not including Allowance for Funds Used During Construction), which includes approximately \$954.4 million for the Denver Metro Project and \$218.8 million for the Leetsdale-Elati Project.⁵

6. Additionally, Public Service asks the Commission to approve the proposed PIM for the Projects. The cost-to-construct (“CtC”) PIM, the Company explains, is modeled after the CtC PIM approved for the Colorado Power Pathway (“CPP”) Proceeding,⁶ and will apply on a combined basis across both Projects. The Company states that the PIM will utilize the same structure of a baseline CtC with a 5 percent deadband, symmetrical sharing of cost savings and overruns, and the use of “Full” and “Limited” control categories.⁷

7. Finally, Public Service requests the Commission approve the Company’s proposal regarding the use of an IE for the Projects.⁸

8. In support of its Application, Public Service included pre-filed Direct Testimony and accompanying attachments of six witnesses.

9. Concurrent with its Application, Public Service filed an Omnibus Motion for Extraordinary Protection of Highly Confidential Information and for Waiver of Rules 3206(e)(IV)-(VI) and 3206(f)(IV)-(V) Regarding Noise and Magnetic Field Levels.

⁴ Public Service Application at p 7.

⁵ Public Service Application at p. 13.

⁶ Proceeding No. 21A-009E.

⁷ Public Service Application at p. 14.

⁸ Public Service Application at p. 20.

10. The Commission issued a Notice of Application Filed on December 23, 2024. The Notice set a 30-day intervention period that ran through January 22, 2025.

11. On January 6, 2025, the Colorado Office of the Utility Consumer Advocate filed a notice of intervention of right and request for hearing.

12. On January 22, 2025, the Colorado Independent Energy Association filed a motion seeking to permissively intervene in this Proceeding.

13. On January 22, 2025, Tri-State Generation and Transmission Association, Inc., filed a motion seeking to permissively intervene in this Proceeding.

14. On January 27, 2025, Trial Staff of the Commission (“Staff”) filed a notice of intervention of right and request for hearing.

C. Discussion, Findings, and Conclusions

1. Completeness of Application

15. The Commission finds the Application meets the application requirements prescribed by Commission rule and decision and therefore deems the Application complete for purposes of the statutory timelines in § 40-6-109.5, C.R.S.

2. Referral to an Administrative Law Judge

16. We hereby refer the Application to an ALJ for determination of its merits, including disposition of motions for intervention. The ALJ will set a hearing date and establish other procedures by separate decision(s).

3. Supplemental Direct Testimony

17. Given the given the Projects’ estimated cost of \$1.17 billion and certain gaps in the Company’s direct case, we find good cause to require Public Service to file additional

Supplemental Direct Testimony. We therefore direct Public Service to file Supplemental Direct Testimony addressing the following requests:

18. First, while we note the Company's statement that the load forecast it used in its transmission planning study is "intended to align this transmission portfolio with the 2021 ERP/CEP proceeding,"⁹ we find significant differences between the peak load values indicated in that study for the years 2025 through 2028¹⁰ and those approved in Phase II of the ERP/CEP proceeding.¹¹ While these differences may be justified, we require that the Company either highlight where the explanation for the differences may be found in the existing record or provide additional testimony that explains the source of the load forecast used in the transmission planning study. Additionally, we direct the Company to provide a narrative discussion of how the load forecast used in this Proceeding compares to that used for the Company's ongoing Just Transition Solicitation proceeding.¹²

19. Second, the Company's direct filing did not include an exhibit presenting the individual components of the risk reserve, as it did in the CPP proceeding.¹³ Given the magnitude of the Company's proposed risk reserves in this Proceeding, we direct the Company to provide such an exhibit and to explain in greater detail its individual components to assist Staff and the ALJ in understanding the risk reserve and what it means for the PIM baseline. We further direct the Company to identify any entries in its risk reserve that attribute costs to "unknown risks".

20. Third, we direct the Company to conduct a revised power flow study reflecting the application of power flow control technology to redirect substantial power injected into the CPP by the resources procured in the 2021 ERP/CEP proceeding (and interconnected with the CPP)

⁹ Hr. Ex. 103, Att. AWS-1, Rev. 1, p. 36.

¹⁰ Hr. Ex. 103, Att. AWS-1, Rev. 1, p. 36.

¹¹ 120-Day Report at p. 66 in Proceeding 21A-0141E.

¹² Proceeding 24A-0442E.

¹³ Proceeding No. 21A-0096E.

such that it enters the Denver Metro constraint via the more northern substations such as the Pawnee and Ft. St. Vrain substations. In directing this supplemental testimony, we seek to understand the degree to which power injected at these substations could counter the power flows coming from substations in the southern and eastern portions of the Denver Metro area that the Company cites as the cause of many of the overloads identified in its transmission planning study. We ask Staff and the Independent Transmission Analyst that will be hired in part to assist Staff in this Proceeding to consider this possibility and the Company's analysis of it.¹⁴

21. Finally, we note that the Company has proposed more than \$2 billion in distribution capacity expansion investments in Proceeding 24A-0547E. In addition to improving load serving capability, this increased capacity can likewise increase the distribution system's hosting capacity and load balancing, which in turn could potentially address some of the overloads the Company seeks to address with this CPCN. Accordingly, we direct the Company to file supplemental direct testimony providing any analyses it has conducted to evaluate potential reduction in the proposed transmission investments that may be enabled by addressing distribution capacity with distributed generation, distributed storage, and demand-side resources located within the Denver Metro constraint. This response should include details on the types, quantities and locations of resources modeled in the attempt to relieve identified constraints.

4. Additional Issue for Consideration

22. Moreover, in referring this case to an ALJ, we also wish to highlight the following issues for the ALJ's and the parties' consideration:

¹⁴ Public Service, Staff, the Colorado Energy Office, and the Colorado Office of the Utility Consumer Advocate, in Proceeding No. 24A-0442E, jointly filed a Notice of Joint Filing Scope of Work for the Independent Transmission Analyst ("ITA") as well as the ITA scope of work ("SOW") on December 31, 2024. One of the three primary tasks for the ITA is to support the state agencies in this Proceeding. Through Decision No. C25-0064-I, issued January 29, 2025, the Commission modified certain aspects of the Company's ITA SOW and ordered Staff to file a finalized SOW no later than February 28, 2025.

23. With regard to the Company's proposed PIM, we note the absence of any PIM component focusing on the timely completion of the Projects, as was approved in the CPP proceeding.¹⁵ We hereby request that the ALJ and the parties explore the appropriateness of some form of a timing PIM in this proceeding to ensure any critical system needs can be met in a timely manner. Second, the Company has proposed to use the so-called "progressive" method rather than the "landing spot" method for calculating bonuses or penalties under the PIM¹⁶ and would ask that the ALJ and the parties pay particular attention to prior concerns expressed by this Commission.

II. ORDER

A. It Is Ordered That:

1. The Verified Application for a Certificate of Public Convenience And Necessity For The Denver Metro Transmission Network Improvement Project, A Certificate Of Public Convenience And Necessity For The Leetsdale-Elati Transmission Project, and Associated Findings Of Noise And Magnetic Field Reasonableness filed by Public Service Company of Colorado ("Public Service") on December 20, 2024, is deemed complete, for purposes of § 40-6-109.5, C.R.S.

2. The matter is referred to an Administrative Law Judge ("ALJ") for disposition. The assigned ALJ shall set a hearing date, rule on interventions and other outstanding motions, and establish other procedures by separate decision(s).

3. Public Service shall file Supplemental Direct Testimony in this Proceeding, consistent with the discussion above. The filing deadline for the Supplemental Direct Testimony will be set by separate decision when the assigned ALJ adopts a procedural schedule for this Proceeding.

¹⁵ Decision No. C22-0270 at ¶¶ 100-108 issued in Proceeding No. 21A-0096E (June 2, 2022).

4. This Decision is effective upon its Issued Date.

**B. ADOPTED IN COMMISSIONERS' WEEKLY MEETING
January 29, 2025.**

(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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MEGAN M. GILMAN

TOM PLANT

Commissioners