Decision No. C25-0139-I

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF COLORADO

PROCEEDING NO. 24AL-0275E

IN THE MATTER OF ADVICE LETTER NO. 871 FILED BY BLACK HILLS COLORADO ELECTRIC, LLC DOING BUSINESS AS BLACK HILLS ENERGY TO INCREASE BASE RATES FOR RESIDENTIAL AND SMALL COMMERCIAL CUSTOMER CLASSES, TO BECOME EFFECTIVE JULY 15, 2024.

INTERIM COMMISSION DECISION
DENYING TRIAL STAFF MOTION REQUESTING AN
ADDITIONAL DAY OF HEARING FOR THE TECHNICAL
CONFERENCE

Issued Date: February 27, 2025 Adopted Date: February 26, 2025

I. <u>BY THE COMMISSION</u>

A. Statement

1. On June 14, 2024, Black Hills Colorado Electric, LLC, doing business as Black Hills Energy ("BHCOE" or the "Company"), filed Advice Letter No. 871 ("AL 871") with tariff sheets to revise base rate revenue for all electric service in the Company's Colorado P.U.C.

No. 11 Tariff, along with certain other changes to its tariff.

2. By Decision No. C25-0122-I, issued on February 20, 2025, the Commission

scheduled a technical conference before an Administrative Law Judge ("ALJ") for March 3, 2025.

3. By this Decision, the Commission denies the Motion Requesting an Additional Day

of Hearing for the Technical Conference ("Motion") filed by Trial Staff of the Public Utilities

Commission ("Trial Staff") on February 21, 2025.

B. Background

- 4. By Decision No. C24-0489, issued July 9, 2024, the Commission set for hearing and suspended the effective date of the tariff sheets filed with AL 871 for 120 days, to November 12, 2024, pursuant to § 40-6-111(1), C.R.S.
- 5. By Decision No. C24-0581-I,¹ issued on August 13, 2024, the Commission suspended the effective date of the tariff sheets filed with AL 871 an additional 130 days, to March 22, 2025, pursuant to § 40-6-111(1), C.R.S. By the same decision the Commission established the parties to this Proceeding.²
- 6. By Decision No. C24-0608-I the Commission adopted a procedural schedule that included hearing dates of December 2 through 6, and December 9 through 11, 2024. The Commission held an evidentiary hearing in this matter on December 2 through 6, and December 9 through 11, 2024, scheduled by Decision No. C24-0608-I.
- 7. Parties in this Proceeding filed post-hearing Statements of Position on January 10, 2025.
- 8. The Commission began its deliberations for a final decision in this matter at the Commission's Weekly Meeting ("CWM") on February 12, 2025. The Commission concluded its deliberations at the CWM on February 19, 2025.

¹ Decision No. C24-0581-I was initially issued in error as Decision No. C24-0580-I. An Errata correcting that error issued on August 20, 2024.

² Parties to this Proceeding are: BHCOE; Staff of the Commission; the Colorado Office of Utility Consumer Advocate (UCA); the City of Pueblo, County of Pueblo, and Pueblo Economic Development Corporation (collectively "Pueblo"); Energy Outreach Colorado (EOC); Laborers International Union of North America, Local 720; Colorado Solar and Storage Association and the Solar Energy Industries Association (jointly "COSSA/SEIA"); Board of Water Works of Pueblo, The Fountain Valley Authority, and Colorado Springs Utilities/Southern Delivery System (collectively "Public Utility Intervenors"); City of Canon City and City of Florence (jointly "Canon City/Florence"); Electrify America, LLC; Western Resource Advocates/Sierra Club (jointly "WRA/Sierra Club"); Holcim (U.S.), Inc.

- 9. By Decision No. C25-0122-I, the Commission scheduled a technical conference in this Proceeding for March 3, 2025, at 10 a.m. in front of an assigned ALJ.
- 10. On February 21, 2025, Staff filed a Motion in which it requests that the Commission schedule an additional day prior to March 10, 2025, for the technical conference.
- 11. On February 24, 2025, BHCOE filed a response in opposition to Staff's Motion ("BHCOE Response").

C. Discussion

- 12. In Decision No. C25-0122-I, the Commission ordered BHCOE to update its COSS and CCOSS and to design new base rates to replace those on the tariff sheets filed with Advice Letter No. 871 based on our oral deliberations on February 12 and 19, 2025. BHCOE was also ordered to prepare a summary of the new base rates to replace those on the tariff sheets filed with Advice Letter No. 871, a complete a bill impact summary in relation to these rates, and an updated Tariff Sheet No. 71 of its DSMCA in accordance with the changes in projected sales revenue resulting from the final decision in this Proceeding no later than February 28, 2025.
- 13. The Commission also scheduled a technical conference in this Proceeding because it found that it is necessary for BHCOE to calculate the new base rates for effect March 22, 2025, before we render our final written decision in this matter. We indicated that at the technical conference, BHCOE shall present the calculation of the base rate revenue requirement and the COSS, the results of the CCOSS, the rate summary, the updated DSMCA rider tariff sheet, and the bill impact analysis. The technical conference will be held before an ALJ and will be an on-the-record proceeding.
- 14. The Commission also ordered BHCOE to file modified base rates in redline, calculated in accordance with our oral deliberations on February 12, 2025, and February 19, 2025,

the presentation made at the March 3, 2025 technical conference, and any subsequent modifications required by the Commission through its continuing deliberations, no later than March 10, 2025.

15. In Staff's Motion, it requests that the Commission schedule an additional day of hearing for Wednesday, March 5 or Thursday, March 6, 2025. Alternatively, it asks if the Commission decides not to set an additional day of hearing for the technical conference, that the technical conference be scheduled for a day later in the week of March 3, 2025. Additionally, given the short turnaround time for responses to the instant motion, Staff recommends the ALJ provide an opportunity for responsive oral argument at the beginning of the March 3, 2025 technical conference. In support of its Motion, Staff points out that the deadlines are very tight and will make it challenging for the intervening parties, such as Staff, to adequately review the technical material and meaningfully participate during the March 3rd, 2025 technical conference. Staff states it would prefer to provide more thorough, analytical support for the Commission and the ALJ by having a bit more time within a very compressed schedule to review the complex, technical content and amended tariff sheets. It says that an additional day of hearing could provide benefits such as providing the ALJ and the Commission with higher quality analytical review and enable fuller, more meaningful participation from all of the intervenors; reduce errors in the final filings; reduce the complexity and length of Applications for Rehearing, Reargument, or Reconsideration; help alleviate challenges of virtual technical conferences; and allow additional time for the parties to confer with Black Hills regarding any questions; and, support the Commission meeting its March 22, 2025 deadline. Staff states that of the parties who responded to its conferral efforts, only BHCOE opposes the Motion.

16. In Response, BHCOE states that it opposes an additional day for the technical conference because it is unnecessary and contrary to the purpose of a technical conference. However, it does not oppose moving the technical conference to March 5 or 6, 2025, if Staff's request is simply for additional time to review the Company's filing of materials on February 28, 2025. BHCOE's response emphasizes that the evidentiary record in this Proceeding is closed, and that Staff misconstrues that a technical conference would involve the participation of all parties. The Company opposes setting more than one date for the technical conference and opposes any attempt to turn the technical conference into an evidentiary hearing. The Company points out that a technical conference is meant only to provide a presentation of technical information, including the calculation of base rate revenue requirement and the COSS, the results of the CCOSS, the base rate summary, the updated DSMCA rider tariff sheet, and the bill impact analysis, and not provide another forum for cross examination or record development. BHCOE argues that Staff has made no showing that scheduling a second day is necessary for the technical conference.

D. Findings and Conclusions

17. We agree with BHCOE's description of a technical conference as not a "hearing." BHCOE is correct that the evidentiary record in this Proceeding is closed; no new or additional evidence will be obtained at the technical conference. The Commission has completed deliberations based on the record before it and needs the technical conference to confirm final calculations before completing the written decision. The technical conference serves as a venue to have the Company provide an informative presentation so the Commission can see the final results of what it authorized the Company to do orally at deliberations.

- 18. Parties (aside from the Company) typically do not participate in the technical conference process. The intention behind a technical conference is to provide an opportunity for Commission to ensure that the Commission's oral directives are implemented appropriately and accurately in the Company's draft redline tariff filings. There is no mechanism at a technical conference to challenge the Company's COSS, and the Commission has not referred decision-making or collection of evidence duties in this Proceeding to the presiding ALJ. While the Commission will provide the hearing link to all parties, we do not see the need for party participation. Further, no party will be disadvantaged by an inability to participate because the technical conference is meant simply to check the Company's proposed calculations and not develop the record or advance any party's position.
- 19. We therefore do not find good cause to expand the scope of the technical conference or meaningfully expand the time scheduled for the technical conference. As indicated by BHCOE, in the ALJ's discretion, if the conference needs to go beyond the 2 scheduled hours, the ALJ may choose to do so. However, adding an additional day of hearing is an inappropriate expansion of the scope of the technical conference scheduled by Decision No. C25-0122-I. Approximately two hours should be sufficient time to review the models and have any clarifying questions answered by the Company.
- 20. We encourage any collaboration between BHCOE and Staff that can lessen the need for additional time at the technical conference. To that end, if BHCOE is able to provide Staff any drafts or file with the Commission earlier than the February 28, 2025 deadline, that is encourage but not required. BHCOE is reminded to make all filings in executable format to facilitate review. We cannot move the technical conference to later in the week in light of the remaining statutory deadlines in this Proceeding and therefore deny Staff's alternative request.

21. For these reasons, we deny Staff's Motion. The technical conference and deadlines established by Decision No. C25-0122-I are unchanged.

II. ORDER

A. It Is Ordered That:

- 1. The Motion Requesting an Additional Day of Hearing for the Technical Conference filed by Trial Staff of the Public Utilities Commission on February 21, 2025, is denied, consistent with the discussion above.
 - 2. This Decision is effective immediately upon its Issued Date.
 - B. ADOPTED IN COMMISSIONERS' WEEKLY MEETING February 26, 2025.

