

Decision No. C25-0476

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF COLORADO

PROCEEDING NO. 25L-0260G

IN THE MATTER OF THE APPLICATION OF PUBLIC SERVICE COMPANY OF COLORADO FOR AN ORDER AUTHORIZING IT TO REVISE ITS GAS COST ADJUSTMENT TO BE EFFECTIVE JULY 1, 2025, ON LESS THAN STATUTORY NOTICE.

**COMMISSION DECISION DEEMING APPLICATION
COMPLETE AND GRANTING APPLICATION ON LESS
THAN STATUTORY NOTICE AND GRANTING MOTION
FOR ALTERNATIVE FORM OF NOTICE AND
ASSOCIATED MOTION FOR VARIANCE**

Issued Date: June 25, 2025

Adopted Date: June 25, 2025

I. BY THE COMMISSION

A. Statement

1. On June 13, 2025, Public Service Company of Colorado (“Public Service” or the “Applicant”) filed a Verified Application requesting Commission approval to, without a formal hearing and on less-than-statutory notice, place into effect on July 1, 2025, tariffs resulting in a decrease to its existing natural gas rates now on file with the Commission (“Application”). The application contains all materials required by the Commission’s rules and is complete.

2. By this Decision, the Commission deems the Application complete and grants the application, consistent with the discussion below. Public Service is authorized to place into effect on July 1, 2025, revised GCA rates as set forth on Sheet Nos. 50 through 50I of its Colorado PUC No. 6 - Gas Tariff (“GCA Tariff”) attached to this Decision as Appendix A.

3. As discussed further below, we also grant Public Service's motion for alternative form of notice as well as the associated motion for variance from Sheet No. 50A so that the Company can incorporate a deferred gas cost adder into the Third Quarter GCA.

B. Background

4. Pursuant to Rule 1100(c) of the Rules of Practice and Procedure, 4 *Code of Colorado Regulations* ("CCR") 723-1, Public Service has filed under seal Gas Cost Adjustment ("GCA") Exhibit Nos. 1, 2, 3, 5, 6 and 11 containing material that it claims is highly confidential, proprietary, and market-sensitive, as well as a public version of the exhibit with the confidential material redacted.

5. This Application constitutes Public Service's Quarterly GCA filing, under the Quarterly GCA mechanism provided for in the Stipulation and Agreement reached by the Staff of the Public Utilities Commission, Colorado Office of the Utility Consumer Advocate, formerly known as Office of Consumer Counsel, and Public Service ("Parties") pursuant to Decision No. C09-0596 in Proceeding No. 08A-095G issued June 9, 2009. Accordingly, this application was filed under both the Commission's Gas Rules and the Quarterly GCA mechanism.

6. In accordance with Rule 1003 of the Rules of Practice and Procedure, 4 CCR 723-1, Public Service is seeking one variance in this proceeding. Public Service requests a variance from one sentence in the currently effective Sheet No. 50A of the Colo. PUC No. 6 Gas Tariffs relating to the GCA ("GCA tariff"), so that the Company can incorporate a deferred gas cost adder into the Third Quarter GCA as a result of the approved Gas Price Risk Management ("GPRM") Plan approved by the Commission in Decision No. C23-0796 (issued on November 30, 2023) in Proceeding No. 23A-0533G.

7. The approved GPRM Plan proposed maximum and minimum thresholds for the GCA to build up a reserve fund, within those parameters and not to exceed \$75 million, during times when natural gas prices are low to help moderate customers' natural gas costs when market prices are historically high. The maximum threshold is equal to 180 percent of the 5-year historical average of Company GCAs (\$7.70 per dekatherm) and the soft minimum threshold is 80 percent of the 5-year historical average of Company GCAs (\$3.42 per dekatherm).

8. The Commission approved these components of the GPRM Plan (23A-0533G), Sheet 50A of the GCA Tariff (effective on December 14, 2023) implements the Deferred Gas Reserve Tracker aspect of the GPRM Plan, as follows:

*“Deferred Gas Reserve Tracker: Amounts will include a separate gas reserve component tracked in Account No. 191 based on actual GCA costs that have risen above or fallen below a defined threshold. The *threshold triggering use of this account consists of an upper limit of 180 percent of the average GCA over the last five calendar years less any current EGCR rate and a lower limit of 80 percent of the average GCA over the last five calendar years.* Any changes to the upper or lower limit will be effective in the third quarter GCA annually”*

9. In this Third Quarter GCA Application, Public Service seeks a full and temporary variance from the one italicized sentence in Sheet No. 50A cited in subparagraph a above, so that it can incorporate a deferred gas cost adder into the Third Quarter GCA rate. Public Service asserts variance from the above-quoted, italicized tariff language is necessary to build up the reserve fund further. It further asserts enhancement to the reserve fund will benefit Public Service's gas customers. The variance will be a full variance from the italicized sentence in Sheet No. 50A, quoted above, and will be temporary through the duration of the Third Quarter GCA.

10. The proposed tariffs are attached to the Application and affect Applicant's customers in its Colorado certificated areas on file with the Commission.

11. This Application for authority to increase rates is made pursuant to § 40-3-104(2), C.R.S., and Rule 4 CCR 723-1-4109(b)(II).

C. Findings and Conclusions

12. Public Service is an operating public utility subject to the jurisdiction of this Commission and is engaged in, *inter alia*, in the purchase, transmission, distribution, transportation, and resale of natural gas in various certificated areas within the State of Colorado.

13. Applicant's natural gas supplies for sale to its residential, commercial, industrial, and resale customers, are purchased from numerous producers/suppliers located inside and outside of the State of Colorado. The rates and charges incident to these purchases are established through contracts between Applicant and the various producer/suppliers.

14. These gas supplies are either delivered directly into Applicant's natural gas pipeline system from wellheads, gathering systems, gas processing plant interconnections, or through several interstate pipeline and/or storage facilities with which Applicant is directly connected. The transportation of these gas supplies is made pursuant to service agreements between Applicant and upstream pipeline service providers based upon Applicant's system requirements for the various pipeline services, such as gathering, storage, and transportation. These upstream pipeline service providers include Colorado Interstate Gas Company ("CIG"); Front Range Pipeline; Tallgrass Interstate Gas Transmission ("TIGT"); Southern Star Central Gas Pipeline, Inc. (Southern Star); Red Cedar Gathering Company and TransColorado Gas Transmission Company ("TCGT").

15. CIG, TIGT, Southern Star and TCGT are interstate natural gas suppliers under the provisions of the Natural Gas Act of 1978, as amended, 15 U.S.C. § 717, *et seq.*, and the rates and charges for the various pipeline storage, transportation and other services to the Company are

regulated by the Federal Energy Regulatory Commission. This Commission has no jurisdiction over the pipeline delivery rates of CIG, TIGT, Southern Star and TCGT, but it expects Applicant to negotiate the lowest prices for supplies of natural gas that are consistent with the provisions of the Natural Gas Policy Act of 1978, 15 U.S.C. §§ 3301-3432 and applicable federal regulations, or determinations made under applicable federal regulations.

16. Public Service acknowledges that the company has read and agrees to abide by the provisions of Rules 4002(b)(IV) through (VI) and Rules 4002(b)(XI)(A) through (C) of the Rules Regulating Gas Utilities, 4 CCR 723-4.

17. Public Service incorporates by reference information on file with the Commission in Proceeding No. 06M-525EG as required pursuant to Rule 4002(c).

18. In accordance with Rule 1003 of the Rules of Practice and Procedure, 4 CCR 723-1, Public Service is seeking one variance in this proceeding, from one sentence in the currently effective Sheet No. 50A of the Colo. PUC No. 6 Gas Tariffs relating to the GCA (“GCA tariff”), so that the Company can incorporate an additional deferred gas cost into the third quarterly GCA rate of 2025, on top of the additional cost incorporated as a result of the approved Gas Price Risk Management (“GPRM”) Plan approved by the Commission in Decision No. C23-0796 (mailed on November 30, 2023) in Proceeding No 23A-0533G.

19. The proposed tariffs are attached to this Decision as Appendix A. Due to the changes in the Gas Commodity Cost, the Deferred Gas Cost, and the Deferred Gas Reserve Tracker, the net effect of the revision in the GCA for the second quarter 2025 is a decrease of (\$2,686,975) in Public Service’s July to September 2025 revenue, when compared to the revenue that would be collected under the current effective GCA rates. Residential natural gas bills would

decrease by \$1.46 per month to \$63.73, or by 2.24 percent, while Typical small-business natural gas bills would decrease by \$7.11 per month to \$269.21 or by 2.57 percent.

20. The natural gas costs reflected in this filing are based on the New York Mercantile Exchange (“NYMEX”) July, August, and September 2025 daily Settlement Price for natural gas on the first business day of the month or June 2, 2025. The NYMEX price for each of those three months was adjusted for the basis differentials applicable to regional indices used by the Company for its gas purchases. The resulting Gas Commodity Cost and Deferred Gas Cost proposed in this GCA is \$2.940 per Dth, as compared to the current \$3.327 per Dth in the currently effective tariff.

21. Alongside the Application, Public Service has filed a motion seeking approval to provide an alternative form of public notice for the Application. It proposes to provide notice through digital ad publication in *The Colorado Sun* and in *The Denver Post* for one week, from June 18 through June 24 rather than undertaking the more costly notice procedures outlined in statute. It contends that digital ads are a more effective and cheaper notice than traditional print newspaper ads. We find that, pursuant to § 40-3-104(1)(c)(I)(E), C.R.S., and Rule 1207(b), good cause exists to grant the motion and approve the alternative forms of notice that Public Service requests, which will provide sufficient notice in an efficient manner.

22. The applicant anticipates that the adjustment in the GCA requested herein will bring future gas cost recovery amounts more closely in line with the predicted future price of gas.

23. The Commission finds good cause to allow the proposed decrease on less-than-statutory notice.

II. ORDER

A. The Commission Orders That:

1. The Verified Application filed by Public Service Company of Colorado (“Public Service”) on June 13, 2025 (“Application”), is deemed complete for purposes of § 40-6-109.5, C.R.S.

2. The request for temporary variance from one sentence in the currently effective Sheet No. 50A of the Colo. PUC No. 6 Gas Tariffs is granted.

3. The Application for authority to change tariffs on less-than-statutory notice is granted.

4. Public Service shall file a new advice letter and tariff, attached as Appendix A and made a part of this Decision, on not less than two business days’ notice. The advice letter and tariff shall be filed as a new advice letter proceeding and shall comply with all applicable rules. In calculating the proposed effective date, the date the filing is received at the Commission is not included in the notice period and the entire notice period must expire prior to the effective date. The advice letter and tariff must comply in all substantive respects to this Decision in order to be filed as a compliance filing on shortened notice. These tariffs shall be effective on or after their effective date of July 1, 2025.

5. The 20-day time period provided by § 40-6-114, C.R.S., to file an Application for Rehearing, Reargument, or Reconsideration shall begin on the first day after the effective date of this Decision.

6. This Decision is effective upon its Issued Date.

**B. ADOPTED IN COMMISSIONERS' WEEKLY MEETING
June 25, 2025.**

(S E A L)



ATTEST: A TRUE COPY

A handwritten signature in cursive script that reads 'Rebecca E. White'.

Rebecca E. White,
Director

THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO

ERIC BLANK

MEGAN M. GILMAN

TOM PLANT

Commissioners