

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF COLORADO

PROCEEDING NO. 24M-0493G

IN THE MATTER OF THE COMMISSION'S INVESTIGATION INTO THE COSTS OF PUBLIC SERVICE COMPANY OF COLORADO'S GAS UTILITY INFRASTRUCTURE PURSUANT TO SENATE BILL 23-291.

INTERIM DECISION GRANTING IN PART, AND DENYING IN PART, MOTION FOR PERMANENT VARIANCE OF DECISION NO. R25-0316-I

Issued Date: June 13, 2025

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A. It Is Ordered That:20

I. STATEMENT

1. The Commission opened this Proceeding on November 14, 2024, through Decision No. C24-0824 to identify and investigate the cost causation of residential development and other development of Public Service Company of Colorado’s (“Public Service” or the “Company”) gas utility operations pursuant to § 40-3-121, C.R.S. The Decision also designated Commissioner Megan M. Gilman as Hearing Commissioner pursuant to § 40-6-101(2), C.R.S.

2. By this Decision, the Hearing Commissioner grants in part, and denies in part, the Motion for Permanent Variances from Decision No. R25-0316-I (“Variance Motion”) filed by Public Service on May 19, 2025. Attached to this Decision as Attachment A is a redlined version of Decision No. R25-0316-I which comports with the findings in this Decision.

A. Background

3. Decision No. C24-0824 opened this Proceeding pursuant to § 40-3-121, C.R.S. Section 40-3-121, C.R.S. requires the Commission to identify and study specific, new large infrastructure investments. For each investment identified, the Commission must determine the extent to which new residential development or other development by a geographic area disproportionately necessitated the investment. The proceeding must also include a cost benefit analysis of the growth in new residential development and other development to the natural gas utility customers for whom the investments were made, as well as non-participating natural gas

utility customers and income qualified customers. The Commission must also determine whether alternative infrastructure, service investments, or other utility actions could mitigate impacts on non-participating or income-qualified customers and identify the up-front and service life costs and benefits of alternatives to new large infrastructure projects.

4. Interim Decision No. R25-0138-I established the work plan of the Proceeding in an effort to increase transparency for the public, stakeholders, and the Company of the anticipated timing and general methodology of the Commission's study. The work plan includes a comment period on the work plan, plans for data compilation (addressed by this Decision), a technical workshop, publication of a report and associated comment period, and a hearing pursuant to § 40-3-121, C.R.S. Through Decision No. R25-0138-I comments were solicited from stakeholders regarding Proceeding objectives and parameters for project selection.

5. Public Service and the Colorado Office of the Utility Consumer Advocate ("UCA") filed comments on the work plan in response to Interim Recommended Decision No. R25-0138-I on March 14, 2025.

6. Interim Decision No. R25-0316-I, issued on April 23, 2025, requires Public Service to file information to be used in the Commission's cost causation investigation of residential development and other development.

7. On May 19, 2025, Public Service filed the Variance Motion and corresponding proposed redline of Decision No. R25-0316-I.

8. By Decision No. R25-0411-I, the Hearing Commissioner scheduled a technical conference to discuss the Variance Motion. The technical conference was held on June 6, 2025. At the technical conference, Commissioner Gilman and a consultant to the Commission discussed the Variance Motion with representatives of the Company, including Mr. Matley, Mr. Gajic, and

Ms. Jones.¹ The Company presented introductory slides which were uploaded to the Proceeding docket on June 9, 2025.

9. On June 9, 2025, the Company filed an updated Attachment A to its Variance Motion which reflects some changes and updates discussed at the technical conference.

B. Discussion

10. In its Variance Motion, the Company requests a permanent variance from certain provisions of Decision No. R25-0316-I, including modifications of the data request directives and associated timelines pursuant to Rule 1003, 1400, 1502 of the Commission’s Rules of Practice and Procedure, 4 *Colorado Code of Regulations* 723-1. Public Service argues that granting the Variance Motion is consistent with § 40-3-121, C.R.S., and will “facilitate a workable and achievable set of data requests that the Company can complete in a reasonable manner to assist the Commission’s investigation.”² Public Service included a redlined version of Decision No. R25-0316-I as Attachment A to its Variance Motion which outlines its proposed changes to the directives and deadlines set forth in Decision No. R25-0316-I.

11. The Company states that good cause exists to grant the Variance Motion because “strict compliance with the Data Decision would require the Company to address on a primarily manual basis thousands of discrete data points that vary in complexity,” certain data is not feasible to provide, and because of the Company’s lack of bandwidth and necessary personnel to support the data requests.³ The Company estimates the possibility of more than 9,000 hours of internal labor would be required to comply with Decision No. R25-0316-I, and in some instances require “special studies” not typically required by discovery rules.⁴

¹ Recording available at: <https://puc.colorado.gov/webcasts>

² Variance Motion, p. 1.

³ *Id.* at ¶ 7.

⁴ *Id.* at ¶¶ 11-12.

12. The changes proposed by the Company generally fall into several categories. First, the Company requests changes that relate to its obligations to provide the data overall and the timelines to produce the data. Second, the Company requests changes to the total number of projects. The company proposes to limit this to a total of 15 projects across New Business and Capacity. Third, the Company requests modifications to the scope of data that is being requested, including certain categories it asserts it does not have responsive data for and several that it claims are overly burdensome. Finally, the Company proposes a different approach to the alternatives analysis required by Decision No. R25-0316-I. These changes are reflected in the redline attached to the Variance Motion, which generally reflects its assertion that many categories of requested data were not tracked before the Gas Rule changes effectuated in May 2023 and therefore are unavailable. The Company also requests that the scope of alternatives analysis required in paragraphs 18(a)(xx) and 18(b)(xii) be modified to “not only make the data requests more reasonable, but [also to] promote the type of information the Commission may need to consider for impact issues that concern nonparticipants, as called for in § 40-3-121, C.R.S.”⁵ At the technical conference, the Company offered additional context as to why it seeks this variance. The specific modifications to Decision No. C25-0316-I requested by the Company are discussed in turn below.

C. Findings and Conclusions

13. The Hearing Commissioner finds good cause to grant certain variances requested by the Variance Motion. Overall, the Hearing Commissioner strives to balance the legislative mandates set forth in § 40-3-121, C.R.S., with the practical and technical limitations highlighted by the Company in its Variance Motion and at the technical conference. While the Hearing

⁵ *Id.* at ¶ 18.

Commissioner acknowledges the Company's concerns with the breadth and scope of some of the requests in Decision No. R25-0316-I, certain information requested therein is necessary for Commission compliance with § 40-3-121, C.R.S. and thus not all the proposed redlined modifications are appropriate.

1. Filing Deadlines

14. Decision No. R25-0316-I set forth several deadlines for compliance with the data request. In the Variance Motion, the Company requests that the deadlines for completion be changed to rolling deadlines that the Company will make "commercially reasonable efforts" to comply with.⁶ The Company proposes a July 18, 2025 deadline for compliance with paragraph 18(b), an August 29, 2025 deadline for compliance with paragraph 18(a), and that the data requested by paragraph 20 be instead discussed at a future technical conference. The Company asserts that these deadlines are more reasonable in light of the scope of the request, and the overlap with the filing of the Company's 2025 Gas Infrastructure Plan.⁷ The Hearing Commissioner finds good cause to change the deadlines as follows:

- a. The information outlined in paragraph 19(a) of Decision No. R25-0316-I, as modified herein, no later than July 18, 2025;
- b. The information outlined in above paragraph 19(b) of Decision No. R25-0316-I, as modified herein, no later than August 29, 2025; and
- c. The information outlined in above paragraph 20 of Decision No. R25-0316-I, as modified herein at paragraph 37-38, no later than July 18, 2025.

15. However, the Hearing Commissioner is concerned about the inclusion of the "commercially reasonable efforts" language proposed by the Company due, in part, to a lack of clarity on the Company's intended meaning. If the Company finds additional time is necessary, then it may seek additional relief by the Commission through a motion or other filing. For the

⁶ Variance Motion, ¶¶ 21-23.

⁷ *Id.*

Commission to ensure it can comply with the requirements of § 40-3-121, C.R.S., it must have clarity as to the pace and timeline of compliance by the Company. However, if “commercially reasonable” is meant to modify the data to which the Company can provide, then such a modification is appropriate in light of the Company’s assurances at the technical conference and within the Variance Motion that it will provide all responsive data it has available. Providing all data it has available using commercially reasonable efforts to procure or produce such data is a reasonable modification. The Hearing Commissioner finds good cause to modify the deadlines set forth in paragraphs 19 accordingly, with the understanding that the Company will use commercially reasonable efforts to produce data in accordance with all applicable deadlines and will make corresponding filings with the Commission to keep it apprised of any modifications to the anticipated timeline.

2. Project List

16. Decision No. R25-0316-I requested the Company provide data for 16 Discrete New Business Projects⁸ and nine Discrete Capacity Expansion Projects⁹ identified in prior proceedings. In the Variance Motion, the Company request that the Commission instead limit the overall project list to 15 total projects across New Business and Capacity, of the Hearing Commissioner’s choosing. It indicates that it is already working on compiling the five most expensive New Business and Capacity projects and requests the Commission indicate which 15 projects are specifically requested.¹⁰ It states that good cause exists to reduce the overall number of projects to

⁸ Decision No. R25-0316-I at ¶ 18(a) “Line numbers one (1) through seven (7), sixteen (16), seventeen (17) and line twenty-three (23) of Hearing Exhibit 105, Attachment ARG-4, submitted in Proceeding No. 24AL-0049G; the four (4) projects described in Hearing Exhibit 106, Attachment JHZ-9 submitted in Proceeding No. 22AL-0046G; and line numbers 32 and 42 of Hearing Exhibit 106, Attachment JHZ-10, submitted in Proceeding No. 22AL-0046G.”

⁹ Decision No. R25-0316-I at ¶ 18(b): “line numbers one (1) through four (4), seven (7), nine (9), 18, and 20 of Hearing Exhibit 105, Attachment ARG-6, submitted in Proceeding No. 24AL-0049G and line number five (5) of Hearing Exhibit 106 Attachment JHZ-5 submitted in Proceeding No. 22AL-0046G.”

¹⁰ Variance Motion, ¶ 16.

reduce the “hardship of the data request.” Decision No. R25-0411-I provided that the Company shall begin data compilation on the projects described in line numbers one (1) through seven (7) listed in Hearing Exhibit 105, Attachment ARG-4, Submitted in Proceeding No. 24AL-0049G; and Projects described in line numbers one (1) through four (4) listed in Hearing Exhibit 105, Attachment ARG-6, Submitted in Proceeding No. 24AL-0049G.¹¹ The Hearing Commissioner affirms that these 11 projects are to be included in the final project list. In addition, the Company shall compile responsive data for the following four additional projects: line numbers seven (7) and nine (9) listed in Hearing Exhibit 105, Attachment ARG-6, Submitted in Proceeding No. 24AL-0049G; and projects one (1) and three (3) listed in Hearing Exhibit 106, Attachment JHZ-9, submitted in Proceeding No. 22AL-0046G. The Hearing Commissioner thus finds good cause to modify paragraphs 18(a) and 18(b) accordingly to require analysis of the 15 projects above.

17. The Hearing Commissioner emphasizes that § 40-3-121, C.R.S., requires consideration of inter-related projects as it requires analysis of development by geographic area and not necessarily on a project-by-project basis. At the technical conference, Company representatives Mr. Matley and Ms. Jones acknowledged that the project list is the starting point of this analysis, and that as the data compilation continues, related projects may be identified on a risk- and geographic-basis to those explicitly identified for investigation by Paragraph 16 of Decision No. R25-0411-I and Paragraph 16 of this Decision. The Company appeared to agree with the Hearing Commissioner that an inter-related project would include another project, either upstream or downstream, of the identified project, which was intended to solve the same overall or related need as the other project. In other words, a New Business project, in which a new housing development is added, which in whole or in part contributes to an upstream capacity expansion

¹¹ Decision No. R25-0411-I at ¶ 16.

project need, would represent and inter-related project. Similarly, a capacity expansion project may be inter-related with one or more new business projects which appeared or are anticipated to appear downstream of that project. Such an evaluation may also include other categories of projects including, but not limited to, MAOP or other reliability projects. The Hearing Commissioner wishes to emphasize that a comprehensive evaluation of the full solution set of projects needed to provide capacity and reliability to new development is needed in order to comply with the intent of the statute. The Company indicated that they expect to use hydraulic modeling information to identify such relationships in order to complete a fulsome evaluation of inter-related projects. The Company indicated that at least project name, related Commission proceedings, location, number of units served, scope, and cost would be provided for inter-related projects to those on the project list.¹² The Hearing Commissioner agrees that identification of related projects to the 15 projects discussed above will be necessary for compliance with § 40-3-121, C.R.S., and to the extent not already ordered herein or in Decision No. R25-0316-I, requires the Company to identify related projects at least to the detail discussed at the technical conference.

18. The Hearing Commissioner also adds the request discussed at the technical conference.¹³ The Company shall provide the total number of projects in each category on the slide titled “New Business Request Process”¹⁴ broken out on a monthly basis of total number of projects requested by each category for the past 12 months of available data. This will be helpful in allowing the Commission to understand the relative breakdown of size of new business requests that the

¹² Technical conference recording at approximately 59:30.

¹³ Technical conference recording beginning at approximately 1:10:30.

¹⁴ Categories: (1) Projects less than 1 mscfh; (2) Projects less than 10 mscfh; and (3) projects greater than 10 mscfh.

Company has experienced to better contextualize the impacts of development. The Company shall provide this follow up by July 18, 2025.

3. Specific Data Categories: New Business Projects

19. Decision No. R25-0316-I requires twenty categories of information for each project. The Company requests a variance or modification from eleven provisions, with several small additional modifications proposed by the Company's June 9, 2025 amended redline filing.

a. Peak Demand

20. The Company requests that the Commission eliminate the requirement to provide "observed actual peak demand" and instead provide "estimated design day peak hour demand based on observed monthly meter reads" for residential and commercial projects.¹⁵ The Company asserts that this revision is necessary to make the request achievable and workable. During discussion at the technical conference, the Hearing Commissioner confirmed that the Company can provide (1) on a development basis, or more granular if available, the initial peak demand request, (2) monthly meter reads for the portion of the developments already built, (3) the number of planned units, (4) the number currently completed units contained in the reported usage data, (5) the build out percentage for the reported usage data, (6) the Company's assumptions in modeling the per unit build out and usage, (7) the estimated design day peak hour demand based on observed monthly meter reads for the portion of the developments already build, and (8) estimated design day peak hour demand based on observed monthly meter reads extrapolated out for the entire development based on the most recent buildout projections. The Company should make clear in any data what values are observed and which are estimated. With the understanding that the Company agrees that those three data subcategories are necessary

¹⁵ Variance Motion, ¶ 19.

to comply with the Company's proposed change to "estimated design day peak hour demand based on observed monthly meter reads," the Hearing Commissioner grants this variance for commercial projects (18(a)(ii)), residential projects 18(a)(i), and in 18(b)(xi) as reflected in the Company's June 9, 2025 amended redline.

b. Square Footage

21. The Company requests modification of requirement in 18(a)(i) which requires for all residential projects that the Company provide the average square footages of homes, townhouses, and apartments served by the project and the same requirement in 18(a)(ii) for commercial projects.¹⁶ At the technical conference, Company witness Ms. Jones stated that the new service application for residential customers does not collect square footage data, and that the appliances to be installed is actually more relevant data for determining the design day peak demand for residential properties.¹⁷ She also stated that for some commercial projects square footage is available, but not always—it is currently part of the Company's application requirements, but has not always been recorded.¹⁸ She identified a stronger correlation between square footage and design day peak demand for commercial customers. Ms. Jones stated that the Company could explore further with the design team if any standardized information is used as a baseline, including whether it uses the Residential Energy Use Study Colorado Market survey performed by the Company.¹⁹ The Hearing Commissioner finds good cause to grant the modification to eliminate this requirement as requested by the Company for residential projects. However, the Hearing Commissioner requires that the Company shall provide square footage for any commercial projects that is available, but acknowledges that this data may not have been

¹⁶ Variance Motion, ¶ 19.

¹⁷ Technical conference recording beginning approximately at 1:29:20.

¹⁸ *Id.*

¹⁹ Technical conference recording beginning approximately at 1:33:00.

collected consistently historically. The Company shall also follow up with any additional information the Company can provide regarding standardized data for home size as correlated to demand used in the design process as discussed with Ms. Jones.²⁰

c. Identification of Customer

22. Decision No. R25-0316-I requires the Company to identify whether the request for new service served an individual or a developer. The Company requests that this requirement be struck from the order. At the technical conference, Ms. Jones stated that the identity of the applicant is not always known, but if available the Company can provide this category of information.²¹ The Hearing Commissioner therefore grants in part the Company's request for variance here by adding that the Company shall provide this information where available.

d. Hydraulic Analysis

23. Decision No. R25-0316-I requires the Company to identify all hydraulic scenarios analyzed showing the impact of new load in paragraph 18(a)(xi). The Company requests that the requirement that "all scenarios analyzed" be removed in its Variance Motion. At the technical conference, the Company confirmed that it can provide the beginning and end scenario, but may not have necessarily retained all interim or intermediate scenarios that may have been analyzed.²² With the understanding discussed at the technical conference, that the Company will provide beginning and end scenarios, we grant this modification to strike "all scenarios analyzed." However, where available, we expect the Company to provide any other scenarios or intermediate scenarios considered by the Company, as reflected in its June 9, 2025 amended redline.

²⁰ *Id.*

²¹ Technical conference recording beginning approximately at 1:39:50.

²² Technical conference recording beginning approximately at 1:44:00.

e. Electrification

24. Decision No. R25-0316-I requires the Company to identify for all new construction projects whether the technical requirements of the load could have been served solely with electricity or if whether dual fuel was required. The Company's Variance Motion requests that this requirement be stricken from the decision. At the technical conference, Ms. Jones stated that it was fairly obvious that for in this day and age at least any residential end use could be fully electric, however, that the Company retains no data and has no insight as to whether a particular residential customer would be interested in electrification, so it could not provide information as to whether it was possible for a particular project.²³ The Company indicated that it could provide the identification of any particular commercial application that could not, in its opinion, be served by electric from a technical aspect, but did not anticipate that the project list here represented any hard to electrify end industrial uses.²⁴ The Hearing Commissioner finds good cause to remove the requirement in 18(a)(xiii) for residential projects. The Company shall provide this information on an as known basis for commercial projects with hard to electrify end industrial uses (as reflected by the Company's June 9, 2025 redline).

f. Conferral with Electric Utility

25. Decision No. R25-0316-I requires the Company to identify for all new construction projects whether the Company conferred with local electric distribution companies on whether adequate electric capacity to serve the customer existed, if the customer were to fully electrify (18(a)(xiv)). The Company's Variance Motion requests that this provision be removed because it does not track or make these types of conferrals throughout the new customer process, and that is

²³ Technical conference recording beginning approximately at 1:45:40.

²⁴ Technical conference recording beginning approximately at 1:47:30.

typically the customer's responsibility to request this information from the serving utility. We find good cause to strike this requirement as requested by the Company.

g. Income-Qualified Customers and Disproportionately Impacted Communities

26. Decision No. R25-0316-I requires the Company to report for each new business project whether the project provided new service for customers in a disproportionately impacted community and if so, how many customers did it anticipate the project would serve (18(a)(xv)). In its Variance Motion, the Company states that it cannot quantify the number of customers that the project was estimated to serve because it did not track such data at the time. At the technical conference, the Company indicated that it could provide projects maps with the project area served overlaid with CDPHE's EnviroScreen tool or similar disproportionately impacted community data for each project, but that the Company does not track income of its customers and, therefore, could not produce data to show the number of IQ customers in a given area.²⁵ The Hearing Commissioner finds good cause to strike the provision as requested by the Variance Motion as it is clear such data was not tracked as a historical practice.

27. However, the Hearing Commissioner indicated at the technical conference that the Commission also needs specific income-qualified customer count information because of the requirements in § 40-3-121, C.R.S., that require consideration of the impact on development on nonparticipating income-qualified customers in particular. To that end, the Company indicated at the technical conference that it could also provide the Company's best estimate of total number of income-qualified customers on its system.²⁶ The Hearing Commissioner also requests the Company to provide any data it may have that could be helpful to link the customers served by a

²⁵ Technical conference recording beginning approximately at 1:49:50.

²⁶ Technical conference recording beginning approximately at 1:52:50.

project and the number of income-qualified customers affected to enable the Commission to complete its statutory obligation with regard to this calculation to the greatest accuracy possible.

h. Ancillary Benefit and Cost Analysis

28. Section 40-3-121, C.R.S. requires the Commission to calculate the benefits and costs of the growth in new residential development. Decision No. R25-0316-I requires the Company to provide estimates on the ancillary benefits of new construction projects (18(a)(xvi)). At the technical conference, the Company indicated that this type of ancillary benefit and cost analysis is not something the Company performs when receiving applications for new service.²⁷ In the Variance Motion, the Company argues that it has no responsive data to any part of the ancillary benefit data request. The Hearing Commissioner finds good cause to strike this data requirement, and the Company need not provide responsive data regarding the ancillary benefits of its New Business projects. However, in light of the statutory requirement to calculate the benefits and costs of new growth, the Hearing Commissioner acknowledges that quantification of ancillary benefits and costs is something the Commission will need to calculate, to the extent it determines there are any, despite the Company's inability to provide responsive data.

i. Cost and Benefits of Alternatives/Non-Pipeline Alternative ("NPA") Analysis

29. Section 40-3-121, C.R.S. requires the Commission to determine whether alternative infrastructure, service investments, or other utility actions could mitigate impacts on nonparticipating or income-qualified customers and to identify costs associated with any alternatives studied. Decision No. R25-0316-I requires the Company to provide an evaluation of the costs and benefits of alternatives considered at the time of the New Business Project. The decision requires the Company to provide data on numerous cost and benefit categories, most

²⁷ Technical conference recording beginning approximately at 1:56:00.

derived from the Company's current Cost Benefit Analysis Handbook, with the modifications identified in Proceeding No. 24M-0261G.²⁸

30. In its Variance Motion, the Company argues that this requirement is the largest labor hour concern of the Company and that it requires a "hindsight-driven alternatives assessment for projects that are already constructed" which is not as good of a use of the Company's resources as conducting NPA assessments on current system needs would be.²⁹ The Company proposes a change to the NPA analysis that is premised on two assumptions: first, that the cost of the NPA portfolio is equivalent to that of the gas infrastructure project, and second, that the resulting incremental electric demand is assumed to be equivalent to the capacity shortfall that was solved for from the gas infrastructure project. The Company explains that these assumptions will simplify the analysis and allow it to provide responsive data by the new proposed deadlines. At the technical conference, the Company stated that can provide an executable CBA analysis tool for each project using its proposed modifications to the benefit and cost categories, which is also reflected in the Company's updated June 9, 2025 redline.³⁰ In addition to the overall assumptions that the Company proposed, it also provided redlines to the data requested for a number of the different CBA costs and benefits outlined in the original data request.

31. The Hearing Commissioner understands the time intensive nature of a CBA analysis that underpins the Company's request to utilize threshold assumptions for its NPA analysis. However, § 40-3-121, C.R.S., requires the Commission to perform the calculation of benefits and costs of new infrastructure, and such assumptions may be inappropriate for that analysis. The Company shall provide its responsive data by the deadlines set forth herein, and may

²⁸ Decision No. R25-0316-I at ¶¶ 18(a)(xx) and 18(b)(xii).

²⁹ Variance Motion, ¶ 18.

³⁰ Technical conference recording beginning approximately at 2:21:30.

make the assumptions it deems necessary to meet those deadlines. For that reason, many of the details about how costs and benefits are calculated that were modified by the Company in the Variance Motion have been removed from the data request. Instead, the Company shall provide a project-specific CBA analysis tool in an executable format with justification as to the basis of each input or assumption used. However, the assumptions utilized by the Company are not necessarily the assumptions or path the Commission will use in its analysis, as the Commission will perform the study in a way that comports with the statutory requirements and what it determines to be the most accurate and appropriate data.

j. Rate Model/Revenue Requirement

32. In its Variance Motion, the Company proposes to strike the requirement in Paragraph 18(a)(xvii) that the Company provide a cost of service/rates model that reflects how the project changed the revenue requirement in either the 2022 or 2024 rate case, and clarified at the technical conference that level of project attribution to a particular rate case is not possible given the Company's typical process for preparing a cost of service and rates model for rate case filings.³¹ However, the Company offered that they plan to file a calculation of the approximate revenue requirement impact on a project-by-project basis. The Hearing Commissioner therefore grants the Company's request for variance, but requires the Company to file a project-specific revenue requirement for each project identified reflecting the approved weighted average cost of capital in the applicable rate case as suggested by Mr. Matley during the technical conference.³² The Hearing Commissioner also clarifies that requirement to provide a project-specific rate revenue requirement applies to discrete capacity expansion projects.

³¹ Technical conference recording beginning approximately at 1:57:40.

³² Technical conference recording beginning approximately at 2:30:50.

4. Specific Data Categories: Discrete Capacity Expansion Projects

33. Decision No. R25-0316-I requires twelve categories of information for each project. The Company requests a variance from two provisions.

34. For discrete capacity expansion projects, for residential units, the Company shall provide (a) downstream of the identified project at the time the project was completed; (b) added downstream of the identified project in the five years prior to the time the project was completed; and (c) at risk of an outage that necessitated the project and their aggregate peak day load.³³ In the Variance Motion, the Company requests that (b) be struck from the list because the Company already knows it does not have responsive data. However, at the technical conference, the Company further stated that it actually does have access to this information.³⁴ The Hearing Commissioner finds that this request in the Variance Motion is moot.

35. For discrete capacity expansion projects, the Company requests similar modifications to the requirements found in 18(b)(xii) regarding cost and benefits of alternatives as it requested to 18(a)(xx) discussed above. The Hearing Commissioner finds good cause to grant the same modifications to this provision as discussed above regarding the cost and benefits of alternatives for New Business Projects discussed above at paragraph 31.

5. Availability of Data

36. Finally, certain categories of the data discussed above that the Company asserts is unavailable may still be necessary to complete the investigation envisioned by § 40-3-121, C.R.S. The Company requests that the Commission modify compliance by the Company “to the extent the data is available.”³⁵ While the Hearing Commissioner agrees that the Company can only

³³ Decision No. R25-0316-I at ¶ 18(b)(i).

³⁴ Technical conference recording beginning approximately at 2:18:35.

³⁵ Variance Motion, ¶ 15.

provide data in which it has available, this language has already been added to specific sections only where the Company indicated at the technical conference that the data is available for some, but not all, projects. The Hearing Commissioner construes the Variance Motion as a stipulation by the Company that the data it asserts is both unavailable currently and has never been available. Because of the importance of these categories to the overall analysis, in some instances, the Commission may need to approximate or use third-party estimates to complete the study.

6. Technical Conference Preparation

37. In paragraph 20 of Decision No. R26-0316-I, the Company is asked to comment as to what extent historical system condition data is available, including the ability to view and test assumptions of the hydraulic models used to identify system constraints for which the infrastructure investments encompassed in this study were planned to address, so that a future decision can better describe the process and requirements of the planned technical conference. The Company indicated that it was unclear on what the specific intent was of the request and does not understand the connection between the requirements of § 40-3-121, C.R.S., and its hydraulic models.

38. The Hearing Commissioner refines the request here to better elucidate the connection between the Company's hydraulic modeling and the requirements of the § 40-3-121, C.R.S. study. In order for the Commission to understand alternative infrastructure of utility actions that could mitigate impacts on customers, the Commission needs a better understanding of the Company's hydraulic modeling process so that it can understand how any alternatives to the infrastructure project could be identified through the modeling process. The Hearing Commissioner is interested in understanding from the Company whether any historical hydraulic modeling data exists, such that the Company could provide a representative demonstration of the

system conditions when a projected included in this study was identified and planned. The Company shall provide a written response addressing whether such a demonstration is feasible, and if not, what type of demonstration could be provided.

II. ORDER

A. It Is Ordered That:

1. The Motion for Permanent Variances from Decision No. R25-0316-I filed by Public Service Company of Colorado (“Public Service”) on May 19, 2025, is granted in part, and denied in part, consistent with the discussion above and the changes to Decision No. R25-0316-I as indicated on Attachment A to this Decision.

2. Public Service shall provide:

- a. The information outlined in paragraph 19(a) of Decision No. R25-0316-I, as modified herein, no later than July 18, 2025;
- b. The information outlined in above paragraph 19(b) of Decision No. R25-0316-I, as modified herein, no later than August 29, 2025; and
- c. The information outlined in above paragraph 20 of Decision No. R25-0316-I, as modified herein at paragraphs 37-38, no later than July 10, 2025.

3. This Decision is effective immediately upon its Issued Date.

(S E A L)



THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO

MEGAN M. GILMAN

Hearing Commissioner

ATTEST: A TRUE COPY

A handwritten signature in black ink that reads "Rebecca E. White". The signature is written in a cursive style.

Rebecca E. White,
Director