

Decision No. R25-0468

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF COLORADO

PROCEEDING NO. 24AL-0498E

IN THE MATTER OF ADVICE LETTER NO. 1971 – ELECTRIC FILED BY PUBLIC SERVICE COMPANY OF COLORADO TO REVISE ITS COLORADO P.U.C. NO. 8 – ELECTRIC TARIFF TO REVISE RATES FOR THE OFF-SITE NET METERING CREDIT, TO BECOME EFFECTIVE JANUARY 1, 2025

**RECOMMENDED DECISION GRANTING JOINT
MOTION TO APPROVE UNANIMOUS COMPREHENSIVE
SETTLEMENT AGREEMENT**

Issued Date: June 23, 2025

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I. STATEMENT**A. Procedural Background**

1. On November 15, 2024, Public Service Company of Colorado (“Public Service” or “the Company”) filed Advice Letter No. 1971 – Electric (the “Advice Letter”) with tariff sheets to provide revised rates for the Off-Site Net Metering Credit for 2025 (the “accompanying tariff sheets”).

2. On December 10, 2024, the Colorado Solar and Storage Association, the Solar Energy Industries Association, and the Coalition for Community Solar Access (collectively, the “Solar Parties”) filed their Protest, Request for Hearing, and Request to Suspend Implementation of Proposed Tariff by the Colorado Solar and Storage Association, Solar Energy Industries Association, and Coalition for Community Solar Access, requesting that the Colorado Public Utilities Commission (“Commission” or “PUC”) issue an order suspending the Advice Letter and setting the matter for interventions and hearing.

3. By Decision No. C24-0954, issued December 31, 2024, the Commission suspended the Tariff Sheets until May 1, 2025, set an intervention period through January 31, 2025, and referred this matter to an administrative law judge (“ALJ”). This Proceeding was subsequently assigned to the undersigned ALJ.

4. On January 28, 2025, the Motion to Intervene and Notice of Appearance of the Colorado Solar and Storage Association, Solar Energy Industries Association, and Coalition for Community Solar Access (the “Solar Parties’ Motion to Intervene”) was filed by the Solar Parties.

5. On January 31, 2025, Trial Staff of the Commission (“Staff”) filed its Notice of Intervention as of Right by Trial Staff of the Commission, Entry of Appearance, Notice Pursuant to Rule 1007(a) and Rule 1401, and Request for Hearing (“Staff’s Notice of Intervention”).

6. By Decision No. R25-0104-I, issued February 14, 2025, the undersigned ALJ granted the Solar Parties' Motion to Intervene, acknowledged the intervention of Staff, adopted a procedural schedule, and scheduled a remote evidentiary hearing for May 22, 2025.

7. On April 16, 2025, Public Service filed a Notice of Unanimous and Comprehensive Settlement Agreement, stating in relevant part that a settlement in principle had been reached and the final settlement and motion for its approval would be filed no later than May 2, 2025.

8. On May 2, 2025, Public Service filed a Joint Motion to Approve Unanimous Comprehensive Settlement Agreement ("Motion"), pursuant to Rule 1408(a) of the Commission's Rules of Practice and Procedure, 4 *Code of Colorado Regulations* ("CCR") 723-1. To the Motion, Public Service attached the parties' Unanimous Comprehensive Settlement Agreement, as Hearing Exhibit 101 ("Hr. Ex. 101" or "Settlement Agreement"). The Settlement Agreement is attached to this Decision as Attachment A. As Attachment A to the Settlement Agreement, Public Service included revised tariff sheets that reflect the terms of the Settlement Agreement ("Proposed Revised Tariff"). The Proposed Revised Tariff is based on the original tariff revisions submitted as Hearing Exhibit 110, Attachment ZT-1, and incorporates specific modifications negotiated and agreed to in settlement. The Proposed Revised Tariff is attached to this Recommended Decision as Attachment B.

9. By Decision No. R25-0386-I, issued May 21, 2025, the undersigned ALJ vacated the evidentiary hearing in this Proceeding and indicated that the Motion will be addressed by a separate Decision.¹

¹ Decision No. R25-0386-I at p. 3.

B. Motion

10. The Motion represents that the Settlement Agreement resolves all issues raised or that could have been raised in this proceeding, and that the resolution is just, reasonable, and in the public interest.² Accordingly, the Settling Parties³ jointly request that the Settlement be approved without modification.⁴

II. SETTLEMENT AGREEMENT**A. Terms of the Settlement Agreement⁵**

11. The Settling Parties jointly support Commission approval of the Company's OS-NMC tariff revisions for 2025 as proposed in Hearing Exhibit 110, Attachment ZT-1, with the following material modifications:

12. The Company will revise the solar weighting of demand charges in its "Result of Solar Impact Study" to address an identified AC/DC conversion mismatch based on data from the 2022–2025 Renewable Energy Compliance Plan (Proceeding No. 21A-0625EG).⁶

13. Demand charge conversion factors will be updated to reflect this corrected methodology, with separate calculations for each customer class instead of relying on a single PV ("photovoltaic") Watts profile, thus improving alignment with actual solar impact demand studies.⁷

² Motion, at p. 1.

³ The "Settling Parties" are collectively defined in the Motion, as well as in this Decision, as Public Service, Staff, and the Solar Parties. *Id.*

⁴ *Id.* at pp. 2, 5.

⁵ The following is intended as a summary of the main terms of the Settlement Agreement, rather than a complete recitation of the same.

⁶ Settlement Agreement at pp. 2-3.

⁷ *Id.* at p. 3.

14. Due to inaccuracies caused by a very small TG⁸ customer sample size, the Company will use solar weightings from the PG⁹ schedule in revising demand charges.¹⁰

15. Demand charge conversion factors for TG and TG-CPP¹¹ will also follow those used in the PG schedule, avoiding skewed results from the original TG-specific analysis.¹²

16. The revised Result of Solar Impact Study will serve as the source for both solar weightings and demand charge conversion factors.¹³

17. The PV Watts Solar Profile, as included in Attachment ZT-2, will continue to be used solely to weight time-of-use energy charges.¹⁴

18. The revisions described above impact the calculation and credit values in the Company's proposed OS-NMC¹⁵ tariff.¹⁶ Specific numerical impacts are incorporated into the revised tariff.¹⁷

19. The revised tariff sheets, attached as Attachment A to the Settlement Agreement, accurately incorporate the terms of the Settlement Agreement. The parties request the Commission to approve these sheets and authorize their filing on at least two days' notice.¹⁸

⁸ The Acronym "TG" refers to the term "Transmission General." *See* Schedule TG of Public Service Company's Colorado P.U.C. No. 8 – Electric Tariff, Sheet No. 70.

⁹ The Acronym "PG" refers to the term "Primary General." *See* Schedule TG of Public Service Company's Colorado P.U.C. No. 8 – Electric Tariff, Sheet No. 55.

¹⁰ Settlement Agreement at pp. 3-4.

¹¹ The Acronym "TG-CPP" refers to the term "Transmission General Critical Peak Pricing." *See* Schedule TG of Public Service Company's Colorado P.U.C. No. 8 – Electric Tariff, Sheet No. 71.

¹² Settlement Agreement at pp. 3-4.

¹³ *Id.* at p. 4.

¹⁴ *Id.*

¹⁵ The acronym "OS-NM" refers to the term "Off-Site Net Metering." *See* Schedule OS-NM of Public Service Company's Colorado P.U.C. No. 8 – Electric Tariff, Sheet No. 123.

¹⁶ Settlement Agreement at pp. 3, 5.

¹⁷ *Id.* at p.5; Attachment A to the Settlement Agreement.

¹⁸ *Id.*

20. Public Service agrees to provide executable versions (with formulas intact) of all underlying workbooks and referenced studies related to the OS-NMC¹⁹ bill credit methodology to any Settling Party upon request during protest periods for future filings.²⁰

1. General Provisions²¹

21. In addition to the specific terms discussed below, the parties also agreed to numerous General Provisions, found in pages five through eight of the Settlement Agreement, including that the provisions of the Settlement Agreement and the negotiation process undertaken to reach it are just, reasonable, and consistent with and not contrary to the public interest, and should be authorized by the Commission.²²

B. Public Service's Affidavit in Support of the Settlement Agreement

22. In lieu of formal settlement testimony, Public Service filed the Affidavit of Zack Thompson as Hearing Exhibit 102 ("Affidavit").

23. In the Affidavit, Mr. Thompson affirms that the Settlement Agreement along with its accompanying Attachment A, filed on May 2, 2025, are lawful, accurate to the best of his knowledge and belief, and represent a just and reasonable resolution of the issues in this proceeding.²³ Mr. Thompson further attests that, if called to testify, he would support approval of the Settlement Agreement without modification.²⁴

¹⁹ The acronym OS-NMC refers to the term "Off-Site Net Metering Credit." *See* Schedule OS-NM of Public Service Company's Colorado P.U.C. No. 8 – Electric Tariff, Sheet No. 123.

²⁰ Settlement Agreement, at p. 5.

²¹ *Id.* at pp. 5-8.

²² *Id.* at p. 6.

²³ Affidavit, at p. 1.

²⁴ *Id.*

III. LEGAL STANDARDS, FINDINGS OF FACT, DISCUSSION AND CONCLUSIONS

A. Burden of Proof

24. Pursuant to § 24-4-105(7), C.R.S., and in accordance with the Commission's Rules of Practice and Procedure, 4 *Code of Colorado Regulations* ("CCR") 723-1, et. seq., the burden of proof in an administrative proceeding rests with the proponent of the order sought. In the context of settlement agreements, the settling parties bear the burden to demonstrate that the proposed resolution is just, reasonable, and in the public interest.²⁵ Although unopposed, the Settlement Agreement must independently satisfy the Commission's legal standards. The Commission retains the duty to assess whether a proposed settlement is just, reasonable, and in the public interest.²⁶

B. Modified Procedure

25. No party to this proceeding requested a hearing on the Settlement Agreement or otherwise contested the Joint Motion for its approval. Furthermore, the Settlement Agreement is supported by an affidavit from Mr. Zack Thompson, filed as Hearing Exhibit 102, which attests under oath to the legality and prudence of the Settlement terms. Pursuant to § 40-6-109(5), C.R.S., and Rule 1403 of the Commission's Rules of Practice and Procedure, 4 CCR 723-1, the ALJ concludes that the issues raised in this Proceeding may be resolved under modified procedure without the need for a formal evidentiary hearing.

C. Discussion and Conclusions

26. The undersigned ALJ has carefully reviewed the record in this Proceeding, including Public Service's original tariff filing, the procedural history, and the Settlement Agreement. The Settlement Agreement resolves all issues raised in connection with the proposed

²⁵ See, e.g., Decision No. C06-0259 in Proceeding No. 05S-264G, mailed March 20, 2006.

²⁶ See *Caldwell v. Pub. Utils. Comm'n*, 692 P.2d 1085, 1089 (Colo. 1984).

2025 revision to the OS-NMC, as reflected in Schedule OS-NM of Public Service Company's Colorado P.U.C. No. 8 – Electric Tariff, Sheet Nos. 123-123A and 123F-123G with the effective date of June 1, 2023, and Sheets Nos. 123B-123E with the effective date of February 1, 2024. The Settling Parties negotiated a resolution that addresses both methodological and evidentiary concerns regarding the development of Solar Weighted Time-Adjusted Retail Rates (“SWTARRs”) and Fixed Resource Credits (“FRCs”) for the applicable customer classes.

27. Specifically, the Settlement Agreement corrects an AC-to-DC conversion mismatch that affected the solar weighting of demand charges in the Company's “Result of Solar Impact Study.” The modified methodology, drawn from the evidentiary record in Proceeding No. 21A-0625EG and applied on a class-specific basis, better aligns the demand-side impacts of off-site solar production with the corresponding bill credits under Schedule OS-NM. For TG and TG-CPP rate schedules, where insufficient sample size rendered original data unreliable, the Settlement substitutes PG-class weightings and conversion factors as a conservative and empirically supported alternative.

28. The revised values for SWTARRs and FRCs are set forth in the proposed replacement tariff sheets²⁷ and are consistent with the definitions and formatting conventions in Public Service's broader tariff structure. Notably, the tariff retains the distinction between energy-based SWTARRs (expressed in \$/kWh by class and schedule) and FRCs as a separately identified line-item credit also denominated per kWh, with an administrative charge component to be updated annually. These structural elements remain intact and unaffected by the Settlement Agreement, ensuring transparency and continuity for customers.

²⁷ See Attachment A to Hearing Exhibit 101.

29. The ALJ finds and concludes that the modifications, as set forth in the Settlement Agreement, are logical, technically sound, and promote rate fairness across the Company's affected schedules. Furthermore, Public Service's commitment to provide executable versions of the underlying bill credit calculation workpapers in future filings enhances transparency and reproducibility, in a manner consistent with principles of regulatory efficiency and best practices.

30. The ALJ finds and concludes that the revisions to the OS-NMC credit calculations are supported by the record, rely on established Commission methodologies, and promote equitable treatment across rate classes. The inclusion of executable workpapers in future filings further enhances transparency and verifiability, consistent with sound regulatory practice. Accordingly, the ALJ concludes that the Settlement Agreement is just, reasonable, and not contrary to the public interest.

31. Accordingly, the ALJ will recommend granting the Motion and approving the Settlement Agreement without modification.

IV. TRANSMISSION OF THE RECORD

32. In accordance with § 40-6-109, C.R.S., the ALJ transmits to the Commission the record in this proceeding along with this written Recommended Decision and recommends that the Commission enter the following order.

V. ORDER**It is Ordered That:**

1. For the reasons stated above, the Joint Motion to Approve Unanimous Comprehensive Settlement Agreement (“Motion”) filed May 2, 2025 by Public Service Company of Colorado on behalf of itself, the Colorado Solar and Storage Association, the Solar Energy Industries Association, the Coalition for Community Solar Access, and Trial Staff of the Colorado Public Utilities Commission, is granted.

2. Consistent with the findings, discussion, and conclusions in this Decision, the Unanimous Comprehensive Settlement Agreement (“Settlement Agreement”), filed May 2, 2025 by Public Service Company of Colorado (“Public Service”) as Hearing Exhibit 101, is approved without modification. The Settlement Agreement is attached to this Recommended Decision as Attachment A. The revised tariff sheets that reflect the terms of the Settlement Agreement, and which were appended to the Settlement Agreement as Attachment A, are attached hereto as Attachment B.

3. This Recommended Decision shall be effective on the day it becomes the Decision of the Colorado Public Utilities Commission (“Commission”), if that is the case, and is entered as of the date above.

4. No more than five business days after this Recommended Decision becomes a Commission Decision (if that is the case), the Public Service shall file a compliance advice letter and tariff sheets in substantially the same form as the Tariff Sheets included as Attachment B with the modifications set forth therein, on no less than two business days’ notice. The compliance filings must be made in 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 shall

not be included in the notice period and the entire notice period must expire before the effective date. The advice letter and tariff sheets must comply in all substantive respects with this Recommended Decision.

33. As provided in § 40-6-109, C.R.S., copies of this Recommended Decision shall be served upon the parties, who may file exceptions to it.

- a. If no exceptions are filed within 20 days after service or within any extended period of time authorized, or unless the decision is stayed by the Commission upon its own motion, the Recommended Decision shall become the decision of the Commission and subject to the provisions of § 40-6-114, C.R.S.
- b. If a party seeks to amend, modify, annul, or reverse basic findings of fact in its exceptions, that party must request and pay for a transcript to be filed, or the parties may stipulate to portions of the transcript according to the procedure stated in § 40-6-113, C.R.S. If no transcript or stipulation is filed, the Commission is bound by the facts set out by the administrative law judge and the parties cannot challenge these facts. This will limit what the Commission can review if exceptions are filed.

6. If exceptions to this Decision are filed, they shall not exceed 30 pages in length, unless the Commission for good cause shown permits this limit to be exceeded.

(S E A L)



THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO

AVIV SEGEV

Administrative Law Judge

ATTEST: A TRUE COPY

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

Rebecca E. White,
Director