

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF COLORADO

PROCEEDING NO. 25A-0069E

IN THE MATTER OF THE APPLICATION OF PUBLIC SERVICE COMPANY OF COLORADO FOR A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY FOR THE BARKER SUBSTATION, 230 KV UNDERGROUND TRANSMISSION LINE, AND ASSOCIATED FINDINGS REGARDING NOISE AND MAGNETIC FIELD REASONABLENESS.

**RECOMMENDED DECISION
APPROVING SETTLEMENT AGREEMENT,
GRANTING APPLICATION, AS MODIFIED BY
SETTLEMENT AGREEMENT, AND
CLOSING PROCEEDING**

Issued Date: August 19, 2025

I. STATEMENT

1. On February 10, 2025, Public Service Company of Colorado (“Public Service” or the “Company”) filed an Application for a Certificate of Public Convenience and Necessity (“CPCN”) for facilities associated with the Barker Substation (“Application”).

2. The Barker Substation (“the “Project”) is a new substation intended to increase capacity of the network distribution system serving downtown Denver. The Company explains in the Application that the Project is needed to satisfy growth in demand caused by population increases, high density demand, new all-electric residential buildings codes, and successful urban revitalization efforts.

3. The Project is located in Lower Downtown near Coors Field on property already owned by the Company from a 1990 purchase. It entails above-ground substation transmission facilities, distribution transformers and capacity banks, and a 2,000 ft. double-circuit 230 kV

(“kilovolt”) underground transmission line connecting to another existing substation. As presented in the Application, the Project is expected to cost approximately \$213.6 million, with about \$100 million of that related to the transmission line and the transmission-level substation facilities.

4. Public Service intends to recover the costs associated with the transmission elements of the Project through its Transmission Cost Adjustment (“TCA”). The Company further anticipates recovering the distribution costs associated with the Project through its proposed Grid Modernization Adjustment Clause, approval of which is pending in Proceeding No. 24A-0547E.

5. Public Service submitted the Application with pre-filed Direct Testimony of four witnesses.

6. On February 24, 2025, the Colorado Office of the Utility Consumer Advocate (“UCA”) filed an Intervention as of Right and Request for Hearing. UCA seeks to examine whether: the distribution cost increase from \$18.1 million in 2017 versus \$213.6 million as set forth in the Application is reasonable; the use of higher-cost, gas-insulated switchgear is necessary and reasonable; the use of an underground, double circuit transmission line is reasonable; some equipment can be deferred until later to reduce initial costs; and the proposed cost recovery mechanisms are reasonable.

7. On March 21, 2025, Trial Staff of the Colorado Public Utilities Commission (“Staff”) filed an Intervention as of Right and Request for Hearing. Staff lists in its intervention some areas of inquiry it intends to examine.

8. On March 31, 2025, by Decision No. C25-0239-I, the proceeding was referred to an Administrative Law Judge (“ALJ”).

9. On April 29, 2025, by Decision No. R25-0329-I, a procedural schedule was adopted.

10. On May 23, 2025, Public Service filed its Motion for Extraordinary Protection of Highly Confidential Cost Information (“Motion for Extraordinary Protection”).

11. On June 4, 2025, by Decision No. R25-0428-I, the Motion for Extraordinary Protection was granted.

12. On June 9, 2025, witnesses for Staff and UCA pre-filed Answer Testimony.

13. On July 11, 2025, Public Service pre-filed Rebuttal Testimony.

14. On July 31, 2025, Public Service filed its Joint Motion to Approve Settlement Agreement (Joint Motion”), the Unopposed and Comprehensive Settlement Agreement, and Settlement Testimony. The Settling Parties include Public Service and Staff. The Settlement Agreement states that the UCA does not join in the Settlement Agreement but is not opposed to the Settlement Agreement.

15. On August 1, 2025, Staff filed an affidavit in support of the Settlement Agreement.

16. On August 6, 2025, by Decision No. R25-0571-I, the evidentiary hearing and the remaining procedural schedule were vacated.

II. SETTLEMENT AGREEMENT

A. Terms of the Settlement Agreement

17. The Settling Parties agree that public convenience and necessity require the Project and that overall design for the Project is reasonable and consistent with the public interest.

18. The Settling Parties further agree that the Company has presented sufficient cost information as required by Rule 3102(b)(IV) in support of a \$100.4 million transmission cost estimate.

19. The Settling Parties further agree that the Company has presented sufficient information regarding the Project's anticipated construction schedule and in-service date as required by Rule 3102(b)(V) of the Commission's Rules Regulating Electric Utilities, 4 *Code of Colorado Regulations* (CCR), 723-3.

20. Pursuant to the terms of the Settlement Agreement, the Company will recover the transmission costs of the Project through the TCA as components are in-serviced, consistent with the terms of the Company's TCA tariff.

21. The Settling Parties agree that no presumption of prudence will attach to the cost estimates for the Project, and the Company will bear the burden going forward of demonstrating actual costs incurred are prudent and reasonable when it brings the costs of the Project forward for recovery in base rates.

22. The Settling Parties agree that, under Rules 3206(e) and (f), the expected maximum magnetic field and noise levels associated with the Project are reasonable and should require no further mitigation or prudent avoidance measures.

23. The Settling Parties agree, based on the current state of development of the Project and the Project's overall expected cost, that a performance incentive mechanism is not appropriate.

24. Finally, the Settling Parties agree that, beginning 90 days after the final Commission decision approving this Settlement Agreement and every six months thereafter, the Company will file into this Proceeding semi-annual Project progress reports, including a narrative description of the Project's current status, such as progress toward and/or completion of milestones, and updated detailed schedules, with a narrative description of any material changes since the previous filing.

B. Settlement Testimony of Public Service

25. Public Service filed the Settlement Testimony of Jared Luner in support of the Settlement Agreement.

26. Mr. Luner reviews the details of the Settlement Agreement and explains the compromises made by the Parties.

27. Mr. Luner concludes by stating that the Settlement Agreement allows Staff and UCA the ability to meet with the Company's technical experts to learn more information and provide feedback about the future distribution and transmission needs and potential future projects in and around downtown Denver.

28. Mr. Luner believes that the Settlement Agreement will provide Public Service the regulatory certainty needed to continue the development of the Project that is essential to the Company's ability to provide continued reliability service to downtown Denver and should be approved.

C. Staff Support of Settlement Agreement

29. Staff filed the affidavit of William Dalton in support of the Settlement Agreement.

30. Mr. Dalton believes the Settlement Agreement should be approved without modification and is just, reasonable, and in the public interest.

III. DISCUSSION

31. All pre-filed testimony, attachments, and pre-marked hearing exhibits are admitted into the record of this proceeding.

32. The parties have the burden of proving by a preponderance of the evidence that the Settlement Agreement is just and reasonable. In reviewing the terms of the Settlement Agreement, the ALJ applied the Commission's direction and policy with respect to review of settlement

agreements as found in, *e.g.*, Decision No. C06-0259 in Proceeding No. 05S-264G on March 20, 2006.

33. The Commission has an independent duty to determine matters that are within the public interest. *Caldwell v. Pub. Utils Comm'n*, 692 P.2d 1085, 1089 (Colo. 1984).

34. The undersigned ALJ has reviewed the testimony and pleadings filed in this Proceeding. The ALJ has duly considered the positions of all parties in this matter.

35. The ALJ has also considered the recitations of the Settling Parties made in the Unopposed and Comprehensive Settlement Agreement, Joint Motion to Approve Settlement Agreement, and all testimony and exhibits filed in this proceeding

IV. CONCLUSION

36. The Settlement Agreement should be accepted by the Commission. The ALJ further finds that the parties have established by a preponderance of the evidence that the Settlement Agreement is just, reasonable and in the public interest.

V. ORDER

A. The Commission Orders That:

1. The Joint Motion to Approve Settlement Agreement filed by Public Service Company of Colorado (“Public Service”) on July 31, 2025, is granted.

2. The Settlement Agreement, attached to and incorporated in this Decision as Attachment A, is approved.

3. The Application for a Certificate of Public Convenience and Necessity for facilities associated with the Barker Substation, filed by Public Service on February 10, 2025, is granted as amended by the Settlement Agreement.

4. This Recommended Decision shall be effective on the day it becomes the Decision of the Commission, if that is the case, and is entered as of the date above.

5. As provided by § 40-6-106, C.R.S., copies of this Recommended Decision shall be served upon the parties, who may file exceptions to it.

6. Responses to exceptions shall be due within seven calendar days from the filing of exceptions.

- a. If no exceptions are filed within 20 days after service or within any extended period of time authorized, or unless the recommended 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 a basic finding 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.

7. If exceptions to this Recommended 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



ROBERT I. GARVEY

Administrative Law Judge

ATTEST: A TRUE COPY

Rebecca E. White,
Director