

Decision No. C16-0958

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF COLORADO

PROCEEDING NO. 16A-0117E

IN THE MATTER OF THE APPLICATION OF PUBLIC SERVICE COMPANY OF COLORADO FOR APPROVAL OF THE 600 MW RUSH CREEK WIND PROJECT PURSUANT TO RULE 3660(H), A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY FOR THE RUSH CREEK WIND FARM, AND A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY FOR THE 345 KV RUSH CREEK TO MISSILE SITE GENERATION TIE TRANSMISSION LINE AND ASSOCIATED FINDINGS OF NOISE AND MAGNETIC FIELD REASONABLENESS.

PROCEEDING NO. 16V-0314E

IN THE MATTER OF THE PETITION OF PUBLIC SERVICE COMPANY OF COLORADO FOR A VARIANCE OF THE CONSTRUCTION SCHEDULE FOR THE PAWNEE TO DANIELS PARK 345 KV TRANSMISSION PROJECT.

**DECISION APPROVING SETTLEMENT AGREEMENT;
APPROVING APPLICATION AS MODIFIED BY THE
SETTLEMENT AGREEMENT; GRANTING
CERTIFICATES OF PUBLIC CONVENIENCE AND
NECESSITY; AND GRANTING PETITION**

Mailed Date: October 20, 2016
Adopted Date: September 30, 2016

TABLE OF CONTENTS

I. BY THE COMMISSION2
A. Statement2
B. Procedural Background2
C. Terms of the Settlement Agreement.....8
D. Ratepayers Coalition Opposition.....10
E. Findings and Conclusions.....11
II. ORDER.....15
A. The Commission Orders That:15

B. ADOPTED IN COMMISSIONERS’ DELIBERATIONS MEETING September 30, 2016.....17

I. BY THE COMMISSION

A. Statement

1. This Decision approves the Non-Unanimous Settlement Agreement (Settlement) filed in these consolidated proceedings by Public Service Company of Colorado (Public Service or Company) on September 2, 2016. Consistent with the discussion below, we approve the application filed in Proceeding No. 16A-0117E and grant a Certificate of Public Convenience and Necessity (CPCN) for the Rush Creek Wind generation facility. We also grant a CPCN for the associated generation tie (Gen-Tie) line and enter findings on its expected noise and magnetic fields. We further grant the petition for an accelerated construction schedule for the Pawnee to Daniels Park transmission line.

B. Procedural Background

2. On May 13, 2016, in Proceeding No. 16A-0117E, Public Service filed an Application for Approval of the 600 MW Rush Creek Wind Project, Certificate of Public Convenience and Necessity for the Rush Creek Wind Farm, and a Certificate of Public Convenience and Necessity for the 345 kV Rush Creek to Missile Site Transmission Line.

3. Public Service states that the Rush Creek Wind Project will include 300 Vestas model V110 wind turbines, which will be built in Colorado, each with a nameplate capacity of 2 MW. The project will comprise two wind farms (Rush Creek I and II) and a new 90-mile 345 kV Gen-Tie transmission line to interconnect with the Company’s system at the Missile Site Substation. Public Service estimates that the total cost of the project will be \$1.036 billion:

\$915 million is the projected construction costs of the wind generation facilities and \$121.4 million is the cost of the Gen-Tie line. Both phases of the Rush Creek Wind project are anticipated to be in service by October 31, 2018. The Gen-Tie line will be complete by August 31, 2018.

4. The full cost of the Gen-Tie line is included within the overall project economics. However, the transmission line will have additional capacity beyond that needed for the two proposed Rush Creek wind facilities and thus provides a transmission extension into eastern Colorado to meet future additional wind generation or other transmission needs.

5. Invenergy Wind Development North America, LLC (Invenergy) currently is developing the Rush Creek I and II sites. Public Service has entered into a Purchase and Sale Agreement for the sites, such that when they are “construction-ready” and meet other conditions precedent to closing, the Company will acquire a 100 percent equity stake in both. Public Service explains that the opportunity to partner with Invenergy enables the project to take advantage of the full benefits of the federal Production Tax Credit (PTC) for wind generation facilities.

6. In its application filed in Proceeding No. 16A-0117E, Public Service initially sought the following items from the Commission:

- 1) Approval to develop, own, and operate the Rush Creek Wind Project pursuant to § 40-2-124(1)(f)(I), C.R.S., and Rule 3660(h);
- 2) A CPCN for Rush Creek I and II;
- 3) A CPCN for the Rush Creek 345 kV Gen-Tie line;
- 4) Findings on noise and magnetic fields for the Gen-Tie line;
- 5) Approval of a cost recovery proposal pursuant to § 40-2-124(1)(f)(IV), C.R.S., and Rule 3660(i);

- 6) Approval of baseline and calculation methods for potential future use by the Company to earn a percentage of the savings from the project pursuant to § 40-2-124(1)(f)(II), C.R.S., and Rule 3660(g);¹ and
- 7) Approval of four supporting studies, including the Coal Cycling Cost Study, Flex Reserve Adequacy Study, Wind Effective Load Carrying Capacity Study, and Wind Integration Study.

7. Public Service further requested waivers from certain Electric Resource Plan (ERP) Rules found at 4 *Code of Colorado Regulations* (CCR) 723-3-3600, *et seq.* On July 15, 2016 in Decision No. C16-0662-I, we granted Public Service a waiver from Rule 4 CCR 723-3-3611(e).

8. On April 29, 2016, in Proceeding No. 16V-0314E, Public Service filed a Petition for Variance of Commission Decision for Accelerated Construction Schedules (Petition). Through its Petition, Public Service seeks a variance to the Pawnee-Daniels Park Project construction schedule ordered in Decision Nos. R14-1405 issued November 25, 2014, and C15-0316 issued April 9, 2015.²

9. The Pawnee-Daniels Park Project includes a new 345 kV transmission line between the Pawnee Generating Station and the Daniels Park Substation, a new Harvest Mile Substation, and a new 345 kV circuit from Smoky Hills to Daniels Park.

10. Decision No. R14-1405 established, and Decision No. C15-0316 affirmed, a construction schedule allowing Public Service to begin work on the Pawnee-Daniels Park Project no earlier than May 1, 2020. In its Petition, Public Service seeks to begin the project in 2017, with an in-service date of October 30, 2019.

¹ In Decision No. C16-0662-I we determined that the net economic benefit baseline issue pursuant to § 40-2-124(1)(f)(II), C.R.S., and Rule 3660(g) would not be addressed in this proceeding.

² Proceeding No. 14A-0287E.

11. Public Service states that there is a need for an expedited construction schedule, as evidenced by eight interconnection study requests for interconnection at the Missile Site Substation. The Company states that four of the study requests were withdrawn after the need for the Pawnee-Daniels Park Project was identified by studies. Additionally, Public Service asserts that the expedited construction schedule will allow the Company, and its rate payers, to take advantage of the PTC available for wind renewable energy resources.

12. Public Service filed Direct Testimony with the Application filed in Proceeding No. 16A-0117E.

13. On May 19, 2016 by Decision No. C16-0423-I, we set the Rush Creek Wind Project Application for hearing before the Commission *en banc*. We also established a notice and intervention period for Proceeding No. 16A-0117E requiring intervention filings to be filed no later than June 1, 2016.

14. We deemed the Rush Creek Wind Project Application complete by minute entry on June 8, 2016. Based on that date, the 120-day deadline for a final Commission decision would have been October 6, 2016 pursuant to § 40-6-109.5, C.R.S. However, on June 17, 2016 in Decision No. C16-0548-I, we extended the deadline for a final decision by an additional 90 days pursuant to § 40-6-109.5, C.R.S., establishing the 210-day statutory deadline as January 4, 2017.

15. On June 17, 2016 by Decision No. C16-0548-I, we consolidated Proceeding Nos. 16V-0314E and 16A-0117E, adopted a procedural schedule, and established the parties to the consolidated matter. The parties include Public Service; Staff of the Colorado Public Utilities Commission (Staff); the Colorado Office of Consumer Counsel (OCC); the Colorado Energy Office (CEO); Holy Cross Electric Association, Inc., Yampa Valley Electric Association, Inc., Intermountain Rural Electric Association, and Grand Valley Rural Power Lines, Inc.; the City of

Boulder (Boulder); Tri-State Generation and Transmission Association, Inc. (Tri-State); Climax Molybdenum Company (Climax); CF&I Steel, L.P. (CF&I); Interwest Energy Alliance (Interwest); Colorado Energy Consumers (CEC), the City and County of Denver (Denver); Southwest Generation Operating Company, LLC (SWGen); Western Resource Advocates (WRA); Rocky Mountain Environmental Labor Coalition and Colorado Building and Construction Trades Council, and AFL-CIO (jointly, RMELC/CBCTC); the Colorado Independent Energy Association (CIEA); Sustainable Power Group, Inc. (sPower); and a coalition of ratepayers (Ratepayers Coalition or Coalition).³

16. On July 8, 2016, Public Service filed an amendment to the Application with amended Direct Testimony of Company witness Alice Jackson for the purpose of removing all references to seeking any net economic benefits as permitted by § 40-2-124(1)(f)(II), C.R.S., and Rule 3660(g). The Company also filed Supplemental Direct Testimony of Betty Mirzayi addressing the Pawnee Daniels Park Project following the consolidation of the two proceedings.

17. On July 27, 2016, WRA, RMELC/CBCTC, OCC, Tri-State, Staff, CEO, sPower, CIEA, and SWGen filed Answer Testimony.

18. On August 12, 2016, we granted an extension of two days to file Answer Testimony to the Ratepayers Coalition.⁴

19. On August 22, 2016, Public Service filed Rebuttal Testimony, and Tri-State, CIEA, and WRA filed Cross-Answer Testimony.

³ NextEra Energy Resources, LLC, Invenergy, Solar Star Colorado III, LLC, and Leidos Engineering, LLC were granted limited intervention status for the purpose of protecting confidentiality provisions for existing generation.

⁴ Decision No. C16-0748-I, issued August 12, 2016, in Proceeding Nos. 16A-0117E and 16V-0314E.

20. On September 2, 2016, Public Service filed a Joint Motion to Approve Non-Unanimous Settlement Agreement. The Company asserts that the Settlement is either supported or unopposed by all parties except for the Ratepayers Coalition. Specifically, the Settling Parties include Public Service, Staff, OCC, CEO, Tri-State, CF&I, Interwest, CEC, SWGen, WRA, RMELC/CBCTC, CIEA, Boulder, and Denver (collectively, the Settling Parties). Non-joining parties that do not oppose the Settlement include Climax; Yampa Valley Electric Association, Inc.; Grand Valley Rural Power Lines, Inc.; and sPower.

21. On September 7, 2016, Intermountain Rural Electric Association joined the Settlement.

22. On September 9, 2016, Holy Cross Electric Association, Inc. joined the Settlement.

23. Prior to hearing, the Ratepayers Coalition waived cross-examination of witnesses upon conferral with Public Service on the development of a witness list with cross-examination times.⁵ We conducted a hearing on the Settlement on September 9, 2016.⁶ Hearing Exhibits 1 through 54 were offered and admitted into the evidentiary record for this Proceeding.

24. On September 19, 2016, the Settling Parties filed a Statement of Position in support of approval of the Settlement and the Ratepayers Coalition filed a position statement in opposition to the proposed Settlement.

⁵ See Notice of Filing of Exhibit List and Cross-Examination Matrix filed by Public Service on September 7, 2016.

⁶ Counsel for the Ratepayers Coalition did not enter an appearance at the September 9, 2016 hearing.

C. Terms of the Settlement Agreement

25. The Settlement filed by Public Service on September 2, 2016 is attached to this Decision as Attachment A.

26. The Settling Parties agree that the Commission should find that the Rush Creek Application as filed, with certain modifications as listed in the Settlement, is in the public interest. The Settling Parties agree that the Rush Creek Wind Project satisfies the reasonable cost standard in § 40-2-124(1)(f)(I), C.R.S., and Rule 3660(h) applicable to utility ownership of up to 25 percent of the total new eligible energy resources acquired after March 27, 2007. As a concession relative to the Company's initial application filing, Public Service agreed to forego any claim, at this time or any time in the future, to file for or receive a net economic benefit associated with the Rush Creek Wind Project under Rule 3660(g).

27. The Settlement adopts a 25-year useful life for the wind generation facilities as advocated by Public Service, but, in connection with Staff's recommendations to the Commission as set forth in its Answer Testimony, the Settlement also includes a performance metric to ensure that ratepayers are not harmed if facility performance deteriorates in the later years of the 25-year life. The generation performance of Rush Creek I and II as compared to the performance metric will be provided annually to the Commission in this Proceeding on or before June 1 of each year that the Rush Creek Wind Project is in-service. If the actual normalized annual MWh production is less than the performance metric, the Company will bear the burden to show that the revenue requirement recovery above that production level is justified.

28. The Settlement proposes that the Commission should grant an unconditional CPCN for the Rush Creek Gen-Tie, and it will be designated as "transmission serving generation" pursuant to Federal Energy Regulatory Commission (FERC) Guidelines.

Entities seeking transmission service across the Gen-Tie will be subject to the Company's open-access transmission tariff (OATT) rates for wholesale services. However, other electricity generators who want to use the Gen-Tie line will not be allocated any costs for usage of the Gen-Tie in the evaluation of their bids to Public Service's competitive resource solicitation, including its Electric Resource Plan (Proceeding No. 16A-0396E), so long as they sell the entire output of the connected generators to Public Service. The Settlement specifies how Public Service will work with parties and file OATT tariffs with the FERC.

29. Public Service agrees to take a leadership role in a Colorado Coordinated Planning Group (CCPG) Task Force, and potentially with other transmission providers and stakeholders, to analyze the Gen-Tie as a network transmission facility. The Settling Parties agree that the noise and magnetic field levels projected to result from operating the Gen-Tie are reasonable pursuant to Rule 3102 and Rule 3206.

30. The Settlement proposes that the Commission grant the Company's request to accelerate the in-service date for the Pawnee-Daniels Park Project to October 2019.

31. Furthermore, under the terms of the Settlement, cost recovery of the Rush Creek Wind Project will be through the Electric Commodity Adjustment and Renewable Energy Standard Adjustment until such time as the Company files a base rate case following the commercial operation date of the facilities. Moreover, the Settlement includes a hard cost cap for the cost of Rush Creek I and II and the Gen-Tie CPCNs with a sharing of capital cost savings between customers and the Company if capital costs are less than \$1.0958 billion.

32. Public Service will implement best value employment metrics to ensure that the projects provide economic benefits to Colorado and the local community.

33. Finally, the four studies Public Service proposed in this proceeding will be addressed in the Company's pending ERP, Proceeding No. 16A-0396E. These include the Coal Cycling Cost, Flex Reserve Adequacy, Effective Load Carrying Capacity, and Wind Integration studies.

D. Ratepayers Coalition Opposition

34. Ratepayers Coalition filed a Statement of Position on September 19, 2016. Ratepayers Coalition opposes the Rush Creek project and the Settlement.

35. The Coalition asserts that the process employed to promote the project was so rushed as to deny this Commission and the public reasonable opportunity to examine, understand, and reach informed conclusions about the merits of the project. Ratepayers Coalition argues that reviews of this magnitude commonly require a year or considerably longer, but in this case, the Company proposed an inadequate schedule of five months' consideration and two months for the Commission to make its determination.

36. Ratepayers Coalition further asserts that the Rush Creek Project is a "bad deal" for consumers.⁷ The coalition argues the Company uses unreasonable methodology and assumptions, resulting in an outcome that will enrich shareholders and leave "all the risk on the backs of [] ratepayers."

37. Ratepayers Coalition claims it provided the only testimony on behalf of consumers' economic interest in direct challenge to the project and asserts Public Service's analysis understates costs and overstates benefits.

⁷ Ratepayer Coalition, Statement of Position filed September 19, 2016, at 2.

38. Ratepayers Coalition cites § 40-2-123, C.R.S., and claims it requires the Company to discuss the anticipated environmental impact of the project in its application. Similarly, the Coalition states that the Company failed to consider the carbon emissions associated with the production of the turbines for use with the Rush Creek Wind Project and the associated social cost of carbon associated with these emissions.

E. Findings and Conclusions

39. We find that the Rush Creek project satisfies the standards for project approval in § 40-2-124(1)(f)(I), C.R.S., and Rule 3660(h).

40. Public Service provides a detailed analysis comparing the levelized cost on a dollar per megawatt-hour (MWh) of similar resources to the Rush Creek Wind Project.⁸ The analysis supports a finding that the levelized cost of the Rush Creek Wind Project, at under \$29.00/MWh, is reasonable compared to the cost of wind projects offered to the Company in its recent wind resource solicitations. We agree with Public Service that wind prices offered to the Company have generally been decreasing over time and concur with the Company's conclusion that if those historic trends continued into the future, it is likely that Rush Creek would be lower or comparable with prices in any bid solicitations in the near future.⁹ The Company's analysis comparing the cost of the Rush Creek Wind Project to the cost of all 2,560 MW of existing wind power purchase agreements on its system further demonstrates that the project compares favorably with similar resources available to the Company.¹⁰

⁸ See Figures JFH-1 and JFH-2, Direct Testimony of James Hill, pp. 25 and 30, respectively.

⁹ However, § 40-2-124(1)(f)(I), C.R.S., states "...the qualifying retail utility shall not be required to comply with the competitive bidding requirements of the commission's rules." A direct comparison between the projected costs for the Rush Creek Wind Project and a future bid solicitation such as the upcoming ERP solicitation in Proceeding No. 16A-0396E is not required for a determination that the project "can be constructed at reasonable cost compared to the cost of similar eligible energy resources available in the market." *Id.*

¹⁰ See Figure JFH-3, Direct Testimony of James Hill, p. 31.

41. We also agree with the Settling Parties that the Rush Creek project will provide economic benefits to customers. The project primarily saves customers money by displacing other more expensive system energy costs. Public Service projects \$443 million in cost savings to customers on a net present value basis under its base natural gas price forecast.¹¹ The Company further shows that the project provides savings under a low natural gas price forecast.¹² Moreover, Staff thoroughly analyzed the inputs and assumptions used to evaluate the potential costs or savings to customers and also determined that, even with more conservative assumptions, the project provides economic benefits to customers, though a smaller level of savings than Public Service predicts.¹³ Therefore, we disagree with Ratepayers Coalition's assertion that the Rush Creek project will not be a benefit to customers.

42. Further, the Settlement adds significant protections to consumers, such as the cost cap for Rush Creek I and II and the Gen-Tie line, the sharing of lower overall project costs, the performance metrics, and the Company's concession to forego future net economic benefits. Under the terms of the Settlement, other generation may use the Gen-Tie line without cost penalties in bids submitted pursuant to the Company's ERP, and the CCPG Task Force will analyze the potential integration of the Gen-Tie as a network transmission facility. The best value employment metrics also will be used as intended.

43. In sum, we agree with the Settling Parties that the record in this Proceeding supports a finding that the costs of the Rush Creek project are reasonable as compared to the cost

¹¹ See Figure JFH-6, Direct Testimony of James Hill, p. 52.

¹² See Figure JFH-11, Direct Testimony of James Hill, p. 65.

¹³ Staff's analysis indicates that if a 15-year life is used rather than Public Service's proposed 25-year life, the project could have a small overall cost to customers. However, the Settlement addresses this shorter life issue by requiring Public Service to bear the costs of any reduced facility output in the later years of the 25-year facility life. Absent this shortened life assumption, Staff's analysis indicates a net savings to customers.

of other wind resources available in the market, and the project can be developed and owned by Public Service pursuant to § 40-2-124(1)(f)(I), C.R.S., and Rule 3660(h).

44. We reject the objections raised by Ratepayers Coalition. Contrary to its claim that it alone provided the only testimony on behalf of consumers' economic interest in direct challenge to the project, we find that Staff took a lead role in analyzing the potential benefits to ratepayers and challenging Public Service's savings claims. In addition, the OCC, as statutorily directed, participated in the case. Although Coalition witnesses challenged Public Service's gas costs and estimated load factor for the project, we find that Staff thoroughly investigated the entirety of assumptions used in evaluating the project. Further, the Company proposed a range of gas price forecasts in its various scenarios, which largely answers the Coalition's concerns about forecast gas prices. Although the Company's proposed load factor is higher than historical factors, wind generation load factors have been steadily increasing over time due to advances in wind turbines and blade technology.

45. We disagree with the Ratepayers Coalition's argument that the Commission and parties did not have adequate time to review the project. Section 40-6-109.5, C.R.S., requires the Commission to issue a decision on applications within 120 days of deeming complete, and allows an extra 90 days if the Commission finds that additional time is required. While we took steps to expedite the procedures to maximize federal tax benefits for ratepayers, we were not able to issue a decision in this matter within 120 days,¹⁴ and thus issued a decision extending the deadline by an additional 90 days. We followed reasonable procedures and allowed sufficient time for parties to adequately scrutinize the proposal, consistent with § 40-6-109.5, C.R.S.

¹⁴ As discussed in the Background section, above, the 120-day deadline is October 6, 2016.

46. We also disagree with the Ratepayers Coalition's assertion that the environmental analysis of the project was inadequate regarding life-cycle carbon analyses, imputed carbon costs, and impacts on birds and other wildlife. The application filed in Proceeding No. 16A-0117E was made pursuant to § 40-2-124, C.R.S. The environmental requirements in § 40-2-123, C.R.S., cited by the Ratepayer Coalition do not apply.¹⁵ It is further within our discretion to assess which costs should be included in the analysis, and we agree with Public Service that it is not appropriate to consider the social carbon impacts here. Further, as we discussed above, approval of this project is primarily based on economic savings to customers, not environmental benefits. Nevertheless, although not required by § 40-2-124, C.R.S., or our rules, we note that Public Service provided details of the Company's extensive efforts to address potential impacts to birds and other wildlife species.

47. Based on the foregoing, we approve the Settlement without modification. We approve the application filed in Proceeding No. 16A-0117E, as modified by the Settlement, and grant a CPCN for the Rush Creek Wind generation facility. We also grant a CPCN for the Gen-Tie line and enter findings on its expected noise and magnetic fields. We further grant the petition for an accelerated construction schedule for the Pawnee to Daniels Park transmission line.

48. As we stated in June, when we granted Public Service waivers from certain rules governing our consideration of utility ERPs, we would have preferred that Public Service had proposed to develop and to own the Rush Creek Wind Project as part of its ERP filed in

¹⁵ The project at issue in this case is a wind project that qualifies as an "eligible energy resource" pursuant to § 40-2-124, C.R.S. The project is not a "new clean energy and energy-efficient technology," which includes integrated gasification combined-cycle, solar, geothermal, biomass, hydroelectricity, or biogenic methane facility as addressed by § 40-2-123, C.R.S.

Proceeding No. 16A-0396E.¹⁶ Our approval of the Settlement has not changed our preference, and we advise the Company that it is the Commission's longstanding policy to review the acquisition of new utility resources exclusively within the context of an ERP.

II. ORDER

A. The Commission Orders That:

1. The Joint Motion to Approve Non-Unanimous Settlement Agreement (Settlement Agreement) filed by Public Service Company of Colorado (Public Service) on September 2, 2016 is granted. The Non-Unanimous Settlement Agreement, Attachment A to this Decision, is approved without modification.

2. The Application for Approval of the 600 MW Rush Creek Wind Project Pursuant to Rule 3660(h) of the Rules Regulating Electric Utilities, 4 *Code of Colorado Regulations* (CCR) 723-3, a Certificate of Public Convenience and Necessity (CPCN) for the Rush Creek Wind Farm, and a CPCN for the 345 kW Rush Creek to Missile Site Generation Tie Transmission Line filed by Public Service on May 13, 2016 in Proceeding No. 16A-0117E is approved as modified by the Settlement Agreement.

3. Public Service is granted a CPCN to develop, own, and operate the Rush Creek Wind Project, including Rush Creek I and II wind facilities, consistent with the discussion above. Public Service is authorized to develop and own the facilities pursuant to § 40-2-124(1)(f)(I), C.R.S., and Commission Rule 4 CCR 723-3-3660(h).

¹⁶ Decision No. C16-0548-I, issued June 15, 2016, Proceeding Nos. 16A-0117E and 16V-0314E, p. 22 ¶ 78.

4. Public Service is granted a CPCN to construct and operate the Rush Creek to Missile Site Generation Tie Transmission Line to interconnect the Rush Creek Wind Project to Public Service's system, consistent with the discussion above.

5. The expected magnetic field values and audible noise values from the Rush Creek to Missile Site Generation Tie Transmission Line meet the conditions of 4 CCR 723-3-3206(e)(III) and 4 CCR 723-3-3206(f)(III) and are therefore considered reasonable and need not be mitigated, consistent with the approval of the Settlement Agreement.

6. The Petition for Variance from Commission Decision for Accelerated Construction Schedule filed by Public Service on April 29, 2016 in Proceeding No. C16-0314E is granted. Public Service is allowed a variance from Decision Nos. R14-1405 and C15-0316 in Proceeding No. 14A-0287E and is authorized to commence construction of the Pawnee-Daniels Park Project in 2017 with an in-service date of October 30, 2019, consistent with the Settlement Agreement.

7. The 20-day period provided for in § 40-6-114(1), C.R.S., in which to file applications for rehearing, reargument, or reconsideration begins on the first day following the effective date of this Decision.

8. This Decision is effective upon its Mailed Date.

**B. ADOPTED IN COMMISSIONERS' DELIBERATIONS MEETING
September 30, 2016.**

(S E A L)



ATTEST: A TRUE COPY



Doug Dean,
Director

THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO

JOSHUA B. EPEL

GLENN A. VAAD

FRANCES A. KONCILJA

Commissioners