

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO**

* * * * *

IN THE MATTER OF ADVICE LETTER)
NO. 1906-ELECTRIC OF PUBLIC)
SERVICE COMPANY OF COLORADO)
TO REVISE ITS COLORADO PUC NO. 8-)
ELECTRIC TARIFF TO REVISE)
JURISDICTIONAL BASE RATE) PROCEEDING NO. 22AL-XXXXE
REVENUES, IMPLEMENT NEW BASE)
RATES FOR ALL ELECTRIC RATE)
SCHEDULES, AND MAKE OTHER)
PROPOSED TARIFF CHANGES)
EFFECTIVE DECEMBER 31, 2022.)

DIRECT TESTIMONY AND ATTACHMENTS OF MARCI A. MCKOANE

ON

BEHALF OF

PUBLIC SERVICE COMPANY OF COLORADO

November 30, 2022

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TABLE OF CONTENTS

<u>SECTION</u>	<u>PAGE</u>
I. INTRODUCTION, QUALIFICATIONS, PURPOSE OF TESTIMONY, AND RECOMMENDATIONS	5
II. COMPLIANCE WITH REQUIREMENTS FROM PRIOR CASES.....	9
III. TRACKERS AND REGULATORY ASSETS.....	10
A. Request to Continue Pension Expense Tracker.....	10
B. Request to Continue Property Tax Expense Tracker.....	13
C. Request to Continue PUC Expense Tracker	15
D. Request to Continue AGIS Deferral.....	17
E. Request for Continuation of WMP Deferral.....	19
F. Request to Recover ICT Deferral	21
G. Request to Recover Make-Ready Electric Vehicle Charging Infrastructure Deferral.....	22
H. Request for Regulatory Proceeding Cost Tracker	23
1. Description of Tracker Proposal.....	23
2. Estimated Cost of Phase I and Subsequent Phase II Proceedings	31
I. Request for IT Cost Deferral.....	36
J. Amortization Period	39

IV. NET GAIN ON SALE OF ZUNI TANK FARM PROPERTY	41
V. TARIFF REVISIONS	45
A. GRSA and GRSA-E	46
B. TCA.....	46
C. PCCA.....	46
D. Schedule of Charges for Rendering Service	47
E. Maintenance Charges for Street Lighting Service	48
F. ESA.....	49
G. ECA	49

LIST OF ATTACHMENTS

Attachment MAM-1	Table Summarizing Compliance Requirements
Attachment MAM-2	Rate Case Expense Detail
Attachment MAM-3	Clean Electric Tariffs
Attachment MAM-4	Redlined Electric Tariffs

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**I. INTRODUCTION, QUALIFICATIONS, PURPOSE OF TESTIMONY, AND
RECOMMENDATIONS**

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is Marci A. McKoane. My business address is 1800 Larimer Street,
Denver, Colorado 80202.

Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT POSITION?

A. I am employed by Public Service Company of Colorado (“Public Service” or the
“Company”) as Manager, Regulatory Administration.

Q. ON WHOSE BEHALF ARE YOU TESTIFYING IN THE PROCEEDING?

A. I am testifying on behalf of Public Service.

Q. PLEASE SUMMARIZE YOUR RESPONSIBILITIES AND QUALIFICATIONS.

A. As Manager of Regulatory Administration, I am responsible for directing the project
management of utility regulatory filings for Public Service. I manage the resources

1 necessary to make timely and complete regulatory filings, including for matters like
2 certificates of public convenience and necessity and rate riders. I also manage
3 staff and processes to ensure appropriate records retention, timely filings, and
4 compliance with all regulatory requirements. A description of my qualifications,
5 duties, and responsibilities is set forth in my Statement of Qualifications at the
6 conclusion of my testimony.

7 **Q. WHAT IS THE PURPOSE OF YOUR DIRECT TESTIMONY?**

8 A. I cover the following topics in my Direct Testimony:

- 9 • I describe Public Service's compliance with prior commitments of the
10 Company and orders of the Public Utilities Commission of the State of
11 Colorado ("Commission") in prior cases, including those from Proceeding No.
12 21AL-0317E (the "2021 Electric Phase I");
- 13 • I describe the Company's requests for approval of the continuation or creation
14 of several trackers and deferrals. In particular, the Company requests
15 Commission approval to:
 - 16 ○ reset the baseline and continue the current pension expense tracker;
 - 17 ○ reset the baseline and continue the current property tax expense tracker;
 - 18 ○ reset the baseline and continue the current Public Utilities Commission
19 ("PUC") expense tracker;
 - 20 ○ reset the baseline and continue the deferral of capital and O&M previously
21 approved by the Commission in Proceeding No. 16A-0588E for certain
22 portions of the Company's Advanced Grid Intelligence and Security
23 ("AGIS") deployment;
 - 24 ○ reset the baseline and continue the deferral of expenses incurred to
25 implement the Company's Wildfire Mitigation Plan ("WMP"), as approved
26 by the Commission in Proceeding No. 20A-0300E;
 - 27 ○ recover the costs of capital and O&M previously deferred and approved by
28 the Commission in Proceeding No. 15A-0847E for certain Innovative
29 Clean Energy ("ICT") costs;

- 1 ○ recover the costs of capital and O&M previously deferred and approved by
2 the Commission in Proceeding No. 19A-0471E relating to make-ready
3 electric vehicle charging infrastructure;
- 4 ○ establish a new tracker, allowing Public Service to record and defer
5 certain regulatory proceeding costs above and below a baseline amount
6 equal to actual rate case expenses from the Company's last Phase I and II
7 Electric Rate Cases; and,
- 8 ○ establish a deferral for certain Information Technology ("IT") costs.
- 9 • I support the proposed amortization periods for all of the previously deferred
10 amounts being requested in this Proceeding;
- 11 • I support the Company's proposed treatment of the net gain on sale of the
12 Zuni Tank Farm property; and,
- 13 • I introduce and explain a number of proposed tariff changes, and I provide
14 policy support for those changes.

15 **Q. ARE YOU SPONSORING ANY ATTACHMENTS AS PART OF YOUR DIRECT**
16 **TESTIMONY?**

17 A. Yes, I am sponsoring Attachments MAM-1 through MAM-4, which were prepared
18 by me or under my direct supervision. The attachments are as follows:

- 19 • Attachment MAM-1: Table Summarizing Compliance Requirements
- 20 • Attachment MAM-2: Rate Case Expense Detail
- 21 • Attachment MAM-3: Clean Electric Tariffs
- 22 • Attachment MAM-4: Redlined Electric Tariffs

23 **Q. WHAT RECOMMENDATIONS ARE YOU MAKING IN YOUR DIRECT**
24 **TESTIMONY?**

25 A. I recommend that the Commission:

- 26 • Authorize the Company to:
- 27 ○ reset the baseline and continue the current pension expense tracker;

- 1 ○ reset the baseline and continue the current property tax expense tracker;
- 2 ○ reset the baseline and continue the current PUC expense tracker;
- 3 ○ reset the baseline and continue the deferral of capital and O&M for certain
- 4 portions of the Company's AGIS deployment;
- 5 ○ reset the baseline and continue the deferral of distribution expenses
- 6 incurred to implement the Company's WMP;
- 7 ○ recover ICT capital and O&M previously deferred and approved by the
- 8 Commission;
- 9 ○ recover make-ready electric vehicle charging infrastructure capital and
- 10 O&M previously deferred and approved by the Commission;
- 11 ○ establish a new tracker allowing Public Service to record and defer certain
- 12 regulatory proceeding costs above and below the recommended baseline
- 13 amount equal to actual rate case expenses from the Company's last
- 14 Phase I and II Electric Rate Cases; and
- 15 ○ establish a deferral for certain IT costs.
- 16 • Approve: (i) the 24-month amortization period (with one exception for the
- 17 regulatory proceedings tracker) for all of the deferred amounts in the event
- 18 the Commission establishes rates in this Proceeding using Public Service's
- 19 proposed Test Year;¹ and (ii) a 36-month amortization period for the
- 20 regulatory proceedings tracker. If the Commission authorizes the use of a
- 21 historical test year ("HTY"), then I recommend the Commission approve an
- 22 18-month amortization period for all deferred amounts (except the regulatory
- 23 proceedings tracker, which should use a 36-month amortization period);
- 24 • Approve the Company's proposed treatment of net gain on sale of the Zuni
- 25 Tank Farm property; and,
- 26 • Authorize the proposed changes to the Company's PUC No. 8 - Electric
- 27 Tariff, as described in Advice No. 1906 – Electric.

¹ As discussed by Company witness Mr. Steven P. Berman, the Company is proposing a test year (the "Test Year") that reflects rate base using a 13-month average convention for the period ending December 31, 2023. Plant balances are based on actual plant additions through June 30, 2022 plus forecasted additions through December 31, 2023. The Test Year also consists of forecasted sales revenue for 2023 and actual O&M expense for the twelve months ended June 30, 2022 with individual adjustments and inflationary increases so that test year costs reasonably reflect costs for the period rates will be in effect.

1 **II. COMPLIANCE WITH REQUIREMENTS FROM PRIOR CASES**

2 **Q. WHAT IS THE PURPOSE OF THIS SECTION OF YOUR TESTIMONY?**

3 A. In this portion of my Direct Testimony, I explain how Public Service has complied
4 with obligations and commitments from prior Commission proceedings.

5 **Q. WHAT OBLIGATIONS AND COMMITMENTS FROM PRIOR PROCEEDINGS**
6 **ARE RELEVANT TO THIS PROCEEDING?**

7 A. In prior proceedings, Public Service agreed to introduce – or the Commission
8 ordered Public Service to introduce – a number of issues that are relevant to this
9 Proceeding. I have prepared Attachment MAM-1 listing the prior proceedings, the
10 issues that Public Service agreed to address, and the Company witnesses who
11 present Direct Testimony addressing those issues in this case.

1 **III. TRACKERS AND REGULATORY ASSETS**

2 **Q. WHAT TOPIC DO YOU DISCUSS IN THIS SECTION OF YOUR DIRECT**
3 **TESTIMONY?**

4 **A.** In this section of my Direct Testimony, I support the Company’s requests for
5 Commission approval to:

- 6 • reset the baseline and continue the current pension expense tracker;
- 7 • reset the baseline and continue the current property tax tracker;
- 8 • reset the baseline and continue the current Commission administration fee
9 (also called the “PUC expense”) tracker;
- 10 • reset the baseline and continue the deferral previously approved by the
11 Commission for certain types of AGIS-related costs;
- 12 • reset the baseline and continue the deferral previously approved by the
13 Commission for WMP-related costs;
- 14 • recover previously deferred and approved ICT costs;
- 15 • recover previously deferred and approved make-ready electric vehicle
16 charging infrastructure costs;
- 17 • authorize a new tracker allowing Public Service to record and defer regulatory
18 proceeding costs and establish a baseline for the deferral; and
- 19 • authorize a deferral for certain IT costs.

20 **A. Request to Continue Pension Expense Tracker**

21 **Q. PLEASE PROVIDE A BRIEF BACKGROUND ON THE PENSION EXPENSE**
22 **TRACKER.**

23 **A.** In the stipulation that resolved Proceeding No. 14AL-0660E (“2014 Electric Rate
24 Case”), the parties agreed to establish a pension expense tracker, with the
25 amounts over or under an agreed-upon baseline to be deferred into a regulatory

1 asset or liability.² In the 2019 Phase I Electric Rate Case, both Public Service and
2 Trial Staff of the Commission (“Staff”) urged the Commission to continue the use
3 of the pension tracker, and the Commission granted that request.³ The pension
4 expense tracker was further extended in the 2021 Electric Phase I rate case,
5 supported by both Public Service and Staff, and was included in the Unopposed
6 and Comprehensive Settlement Agreement (Except as to One Issue) (the “2021
7 Electric Phase I Settlement Agreement”) that was approved by the Commission.⁴
8 Further, it was approved in the Company’s most recent gas rate case (Proceeding
9 No. 22AL-0046G).⁵

10 **Q. WHAT IS THE COMPANY’S PROPOSAL FOR THE PENSION EXPENSE**
11 **TRACKER?**

12 A. The Company is proposing to continue the pension expense tracker and to use the
13 same tracker mechanism that was first approved in the 2014 Phase I Electric Rate
14 Case and continued in subsequent rate cases.

15 **Q. WHAT DO YOU MEAN WHEN YOU SAY THE COMPANY PROPOSES TO USE**
16 **THE SAME TRACKER MECHANISM?**

17 A. The Company would again set a baseline pension expense covering both the
18 qualified and non-qualified pension expense based on the test year amounts

² *In the Matter of Advice Letter No. 1672-Electric Filed by Public Service Company of Colorado PUC No. 7 – Electric Tariff to Implement a General Rate Schedule Adjustment and Other Changes Effective July 18, 2014*, Proceeding No. 14AL-0660E, Settlement Agreement at 11 (Jan. 23, 2015).

³ Proceeding No. 19AL-0268E, Decision No. C20-0096 at 75 (Mailed Feb. 11, 2020) (“Public Service shall continue to use a tracker for the purpose of deferrals for consideration in a future rate proceeding.”).

⁴ Proceeding No. 21AL-0317E, Decision No. C22-0178 at 49 (Mailed Mar. 24, 2022).

⁵ Proceeding No. 22AL-0046G, Decision No. C22-0642 at 218 (Mailed Oct. 25, 2022).

1 established in this case for those costs. Company witness Mr. Arthur P. Freitas
2 presents the new baseline amounts in his Direct Testimony.

3 **Q. WHEN WOULD THE DEFERRAL FOR THE PENSION TRACKER COMMENCE**
4 **IF THE COMPANY'S PROPOSAL TO CONTINUE THIS TRACKER IS**
5 **ADOPTED BY THE COMMISSION?**

6 A. The deferral would commence on the date that the new rates established in this
7 case become effective. After that date, pension expenses that are greater or lower
8 than the baseline level will be deferred in a regulatory asset or regulatory liability
9 account, and any regulatory asset or liability would be recovered or refunded in a
10 future rate case.

11 **Q. WHY DOES THE COMPANY BELIEVE IT IS APPROPRIATE TO CONTINUE**
12 **THIS TRACKER?**

13 A. The use of this tracker and deferral for pension expense has worked well since the
14 2014 Electric Rate Case, and therefore we propose to continue it. The only change
15 is to update the baseline to reflect the qualified and non-qualified pension expense
16 amounts included in the test year. Public Service is requesting the continuation of
17 this deferral because the Commission has found in previous proceedings that
18 pension expense has a high probability of varying from forecasted levels.
19 Moreover, these deferrals or trackers have been effective in prior electric and gas
20 rate cases. In addition, because these costs could be lower than the forecast,
21 these deferrals provide appropriate customer protections.

1 **B. Request to Continue Property Tax Expense Tracker**

2 **Q. PLEASE PROVIDE A BRIEF BACKGROUND ON THE PROPERTY TAX**
3 **DEFERRAL APPROVED BY THE COMMISSION.**

4 A. In the 2014 Electric Rate Case, the signatories to the stipulation agreed that Public
5 Service “should be permitted to defer in a regulatory asset any difference in
6 allocated property tax expense and property tax amortization from the amount
7 actually incurred, as determined on an annual basis.”⁶ In the 2019 Phase I Electric
8 Rate Case, the Commission agreed with Staff and the Company that “maintaining
9 a tracker is reasonable.”⁷ The property expense tracker was further extended in
10 the 2021 Electric Phase I rate case through the 2021 Electric Phase I Settlement
11 Agreement that was approved by the Commission.⁸ And it was approved in the
12 Company’s most recent gas rate case.⁹ Consistent with the Commission’s prior
13 orders, Public Service has been tracking and deferring the difference between the
14 property tax baseline and the actual property tax amounts.

15 **Q. PLEASE DESCRIBE THE COMPANY’S RECOMMENDED APPROACH WITH**
16 **REGARD TO PROPERTY TAX DEFERRALS IN THIS PROCEEDING.**

17 A. The Company proposes to continue the property tax tracker in this Proceeding
18 based on the amount of property tax expense in the test year. This is a similar
19 approach to how the property tax deferral is currently structured, as the deferral is
20 based upon an amount set in the test year in the 2021 Electric Phase I rate case.

⁶ Proceeding No. 14AL-0660E, Settlement Agreement at 12 (Jan. 23, 2015).

⁷ Proceeding No. 19AL-0268E, Decision No. C20-0096 at 86 (Mailed Feb. 11, 2020).

⁸ Proceeding No. 21AL-0317E, Decision No. C22-0178 at 49 (Mailed Mar. 24, 2022).

⁹ Proceeding No. 22AL-0046G, Decision No. C22-0642 at 222 (Mailed Oct. 25, 2022).

1 As with the pension expense tracker described above, property taxes that are
2 greater or lower than the property tax baseline level will be deferred in a regulatory
3 asset or regulatory liability account, and any regulatory asset or liability would be
4 recovered or refunded in a future rate case.

5 **Q. HOW WAS THE PROPOSED PROPERTY TAX TRACKER BASELINE**
6 **DEVELOPED?**

7 A. The test year property tax expense is developed pursuant to a process explained in
8 more detail by Company witness Ms. Naomi Koch, who addresses the property taxes
9 on a total Company basis. Mr. Freitas then explains that this information is allocated
10 to the electric, gas, thermal energy, and non-utility departments based on our gross
11 plant balances. The electric property taxes are then allocated to the retail jurisdiction,
12 resulting in the test year property tax expense. Mr. Freitas identifies the updated
13 baseline level of property tax expense in his Direct Testimony.

14 **Q. WHY IS THE COMPANY PROPOSING TO CONTINUE THE PROPERTY TAX**
15 **EXPENSE TRACKER?**

16 A. As with the pension expense tracker, this is a process that is working well so the
17 Company wants to continue it with an adjustment to property tax expense to reflect
18 the test year level. Property tax expense, like pension expense, has been found
19 by the Commission to be of high variability in past proceedings. Therefore, a
20 tracker is appropriate, and customers are protected if the actual amount of property
21 tax expense turns out to be less than the amount included in the test year. Property
22 taxes also support the communities the Company operates in, and the Company

1 is required to pay those taxes. Therefore, the Company should not experience a
2 lag in collecting those taxes from customers.

3 **C. Request to Continue PUC Expense Tracker**

4 **Q. PLEASE PROVIDE A BRIEF BACKGROUND ON THE PUC EXPENSE**
5 **TRACKER APPROVED BY THE COMMISSION.**

6 A. The Company, like all electric and gas utilities regulated by the Commission, pays
7 an annual Commission administration fee to fund the Commission, its Staff and
8 other agencies within the Colorado Department of Regulatory Agencies. That fee
9 is assessed to each utility based on a percentage of the utility's annual revenue in
10 the prior year. During the 2021 legislative session, the General Assembly passed
11 Senate Bill 21-272 ("SB 21-272"), which included a provision raising the cap on the
12 percentage of revenue a utility can be charged from 0.25 percent to 0.45 percent.

13 SB 21-272 also included the following provision regarding cost recovery:

14 The Commission shall allow a public utility that is not a telephone
15 corporation full recovery of fees assessed and remitted to the
16 Department of Revenue pursuant to this section. The recovery
17 mechanism must include the ability of the utility, at its option, to use
18 a deferred account to track changes in fees between rate
19 proceedings.¹⁰

20 In the 2021 Electric Phase I rate case, the signatories to the stipulation
21 agreed that Public Service should be permitted to track Commission administration
22 fees. This was approved by the Commission. The Commission also recently
23 authorized the Company's gas department to initiate a deferred account for
24 Commission administration expenses.¹¹ Public Service has been tracking and

¹⁰ §40-2-113(3), C.R.S.

¹¹ Proceeding No. 22AL-0046G, Decision No. C22-0642 at 66, ¶226 (Mailed Oct. 25, 2022).

1 deferring the difference between the Commission administration expense baseline
2 and the actual Commission administration expense amounts.

3 **Q. PLEASE DESCRIBE THE COMPANY’S RECOMMENDED APPROACH IN THIS**
4 **PROCEEDING WITH REGARD TO PUC EXPENSE TRACKER.**

5 A. The Company proposes to continue the PUC expense tracker in this Proceeding,
6 resetting the baseline to the amount of Commission administration fees included
7 in the test year. The test year Commission administration fees are \$9.9 million,
8 based on an anticipated assessment at 0.27 percent for the 2022-2023 fiscal year,
9 provided as of June 15, 2022. The Company will set the Commission
10 administration fees using this amount in the cost of service used to set rates in this
11 case and be allowed to track above and below the Commission administration fees
12 baseline. The Company will then recover or return that difference in a future rate
13 case

14 **Q. WHY IS THE COMPANY PROPOSING TO CONTINUE THE PUC EXPENSE**
15 **TRACKER?**

16 A. Allowing the Company to recover no more or less than the actual administration
17 fees assessed by the Commission to the Company is reasonable and assures that
18 the Company can recover the costs to comply with its obligations, no more and no
19 less. If the recovery of these fees was subject to lag, that would inherently create
20 under-recovery. Further, the request in this Proceeding is merely formalizing the
21 tracker option the General Assembly has directed the Commission to approve.

1 **D. Request to Continue AGIS Deferral**

2 **Q. WHAT DO YOU ADDRESS IN THIS SUBSECTION OF YOUR DIRECT**
3 **TESTIMONY?**

4 A. I discuss the Company's request for Commission approval to continue the AGIS
5 deferral approved in Proceeding No. 16A-0588E.¹²

6 **Q. PLEASE DESCRIBE THE DEFERRAL AUTHORIZED IN PROCEEDING NO.**
7 **16A-0588E.**

8 A. Proceeding No. 16A-0588E was an Application for a Certificate of Public
9 Convenience and Necessity ("CPCN") for the Advanced Metering Infrastructure
10 ("AMI"), the associated mesh network portion of the Field Area Network ("FAN")
11 and Intelligent Field Devices that include Integrated Volt-VAR Optimization
12 ("IVVO") (collectively, the "CPCN Projects") components of the Company's AGIS
13 initiative. It was resolved pursuant to an Unopposed Comprehensive Settlement
14 Agreement ("AGIS CPCN Settlement"), which was approved by the Commission.¹³
15 One component of the AGIS CPCN Settlement is deferred accounting treatment
16 for the CPCN Projects.

17 The AGIS CPCN Settlement allows the deferral of CPCN Project costs to
18 continue beyond the first rate case (following the settlement). The AGIS CPCN

¹² There is a separate approval to defer up to \$2.5 million for the HAN Deployment and Data Delivery Study from the Settlement Agreement in Proceeding No. 21A-0279E, but there are no related costs included in this Proceeding. Also, Company witness Mr. David C. Mino provides an overview of the AGIS initiative and its technical strategy, and he supports Distribution's AGIS implementation and costs. Company witness Mr. Michael O. Remington provides support for the Information Technology integration necessary to carry out the AGIS initiative and Business Systems' AGIS-related costs.

¹³ See *In the Matter of the Application of Public Service Company of Colorado for an Order Granting A Certificate of Public Convenience and Necessity for Distribution Grid Enhancements, Including Advanced Metering and Integrated Volt-VAr Optimization Infrastructure*, Proceeding No. 16A-0588E, Decision No. C17-0556 (Mailed July 25, 2017).

1 Settlement also calls for creation of two deferred accounting mechanisms: one for
2 deferred capital investment, and one for O&M expenditures.¹⁴ In the event the
3 sum of the two capital investment deferrals totals \$50 million or greater, the
4 Company will begin to assess an interest rate equal to the Company's after-tax
5 Weighted Average Cost of Capital ("WACC") on the balance of the relevant capital
6 assets placed in service, with the resulting interest added to the deferred account,
7 until such amounts are included in base rates and an amortization of the deferred
8 balance is initiated.

9 **Q. WAS THE AGIS DEFERRAL CONTINUED IN THE 2021 ELECTRIC PHASE I**
10 **RATE CASE?**

11 A. Yes. In the 2021 Electric Phase I rate case, the Commission approved the 2021
12 Electric Phase I Settlement Agreement, including the continuation of the AGIS
13 deferral.¹⁵

14 **Q. WHAT IS THE COMPANY'S APPROACH WITH REGARD TO AGIS COSTS**
15 **GOING FORWARD?**

16 A. Consistent with the AGIS CPCN Settlement and the 2021 Electric Phase I rate
17 case decision, the Company seeks to continue deferred accounting for O&M as
18 well as capital investments associated with the CPCN Projects over or under the
19 amount included in the Test Year, beginning with the effective date of rates from
20 this rate case. Mr. Freitas provides the details of new AGIS baseline in his Direct
21 Testimony.

¹⁴ The FAN components of the CPCN Projects are included within the AMI deferred accounting mechanism.

¹⁵ Proceeding No. 21AL-0317E, Decision No. C22-0178 at 14, ¶44 (Mailed Mar. 24, 2022).

1 **Q. WHY IS THE COMPANY REQUESTING TO CONTINUE THE AGIS DEFERRAL?**

2 A. The Company is requesting to continue the deferral through the end of the
3 deployment of the CPCN Projects. As explained by Mr. Mino, supply chain
4 challenges have led to changes to the AMI deployment schedule, which currently
5 is expected to continue through the end of 2024. For these reasons, it is necessary
6 to keep the AGIS deferral in place until the deployment of the CPCN Projects is
7 completed.

8 **E. Request for Continuation of WMP Deferral**

9 **Q. WHAT TOPIC DO YOU COVER IN THIS SUBSECTION OF YOUR DIRECT**
10 **TESTIMONY?**

11 A. I support the Company's request to continue the WMP deferral through 2023.

12 **Q. DOES THE COMPANY CURRENTLY HAVE A DEFERRAL OF WMP COSTS?**

13 A. Yes. As Company witness Mr. Kristopher R. Farruggia explains in more detail, the
14 Commission approved the Company's WMP in Proceeding No. 20A-0300E. As
15 part of that approval, the Company may defer incremental distribution capital
16 expenditures and incremental distribution O&M costs in 2021, 2022, and 2023,
17 with the carrying charge set at the Company's cost of long-term debt.¹⁶

¹⁶ Proceeding No. 20A-0300E, Decision No. R21-0109, at ¶ 49 (mailed Feb. 26, 2021). The deferral does not include incremental transmission capital costs because they are recoverable under the Transmission Cost Adjustment.

1 **Q. DID THE COMPANY RECEIVE APPROVAL TO CONTINUE THE WMP**
2 **DEFERRAL IN THE 2021 ELECTRIC PHASE I RATE CASE?**

3 A. Yes, the Commission approved the 2021 Electric Phase I Settlement Agreement,
4 which provided for continuation of the WMP deferral.¹⁷

5 **Q. IS THE COMPANY PROPOSING TO MOVE SOME OF ITS WMP CAPITAL**
6 **ASSETS INTO RATE BASE IN THIS CASE?**

7 A. Yes. The Company requests approval to include in rate base all of the WMP-
8 related transmission and distribution capital additions that were placed in service
9 or will be placed in service during the period from January 1, 2022 through
10 December 31, 2023. Mr. Farruggia discusses those capital additions in more detail
11 in his Direct Testimony.

12 **Q. HOW DOES THE COMPANY PROPOSE TO TREAT WMP COSTS FOLLOWING**
13 **THE EFFECTIVE DATE OF RATES FROM THIS PROCEEDING?**

14 A. Public Service proposes to continue deferral of WMP-related distribution capital
15 and O&M that differs from the baseline through the end of 2023 for potential
16 recovery in a future proceeding. Mr. Freitas provides the details of the WMP
17 deferral baselines in his Direct Testimony. The baselines would be reset
18 concurrently with effective date of final rates in this Proceeding and the deferral
19 would capture differences between actual costs following the effective date
20 through December 31, 2023.

¹⁷ Proceeding No. 21AL-0317E, Decision No. C22-0178 at 43 (Mailed Mar. 24, 2022).

1 **F. Request to Recover ICT Deferral**

2 **Q. PLEASE PROVIDE A BRIEF BACKGROUND ON THE ICT DEFERRAL**
3 **APPROVED BY THE COMMISSION.**

4 A. In Proceeding No. 15A-0847E, the Company reached a settlement approving two
5 ICT projects: (1) the Panasonic Project; and (2) the Stapleton Project. With respect
6 to capital costs, the Commission-approved ICT Settlement grants a rebuttable
7 presumption of prudence for up to \$9.1 million in capitalized costs for both projects
8 combined.¹⁸ The Commission also authorized the Company to defer accounting
9 for its future capital expenditures.

10 With respect to O&M, the ICT Settlement provides:

11 [A]ny ongoing O&M expenses associated with the Stapleton and
12 Panasonic projects incurred after the project reaches testing status
13 be recorded in a separate deferred accounting mechanism for each
14 project such that Public Service will be allowed to seek recovery in a
15 future rate proceeding.

16 In subsequent electric rate cases, the Commission approved the continued
17 use of deferred accounting. In approving the 2021 Electric Phase I Settlement
18 Agreement, the Commission stated that “Public Service will continue to defer
19 capital costs and O&M expenses for Innovative Clean Technology Projects (ICT)
20 projects, consistent with the ICT Settlement and as authorized in Proceeding No.
21 19AL-0268E. This deferral will continue through the projects’ expected battery
22 system lives in 2027 and will earn a return equal to Public Service’s WACC.”¹⁹

¹⁸ See Decision No. C16-0196, Attachment A, page 5, FN 1, Proceeding No. 15A-0847E.

¹⁹ See Decision No. C22-0178, page 15, Proceeding No. 21AL-0317E.

1 **Q. IS THE COMPANY SEEKING TO RECOVER ADDITIONAL ICT COSTS IN THIS**
2 **CASE?**

3 A. No. The Company is not seeking to recover additional ICT costs in this case: we
4 are only requesting to recover costs already deferred. Mr. Freitas discusses the
5 remaining ICT deferred balance and amortization in his Direct Testimony.

6 **G. Request to Recover Make-Ready Electric Vehicle Charging**
7 **Infrastructure Deferral**

8 **Q. WHAT TOPIC DO YOU COVER IN THIS SUBSECTION OF YOUR DIRECT**
9 **TESTIMONY?**

10 A. I support the Company's request to continue to amortize the deferred balance
11 associated with the electric vehicle make-ready infrastructure projects.

12 **Q. PLEASE PROVIDE A BRIEF BACKGROUND ON THE MAKE-READY**
13 **ELECTRIC VEHICLE CHARGING DEFERRAL APPROVED BY THE**
14 **COMMISSION.**

15 A. In Proceeding No. 19A-0471E, the Commission approved a Settlement Agreement
16 regarding the Company's application for deferred accounting associated with
17 capital costs and incremental O&M expenditures that will be incurred for make-
18 ready projects to develop electric vehicle charging infrastructure in calendar year
19 2020 and 2021. Under the settlement, the total investment, inclusive of capital
20 expenditures and O&M, associated with the make-ready projects will not exceed
21 \$9 million. In addition, the Company may only defer the O&M and capital
22 depreciation expenses associated with the make-ready projects, up to an
23 aggregate deferred amount of \$1.5 million. The make-ready electric vehicle

1 charging infrastructure deferral was continued in the 2021 Electric Phase I rate
2 case and was included in the 2021 Electric Phase I Settlement Agreement that
3 was approved by the Commission.²⁰ The Company is requesting recovery of the
4 deferred balance in this case as detailed in Mr. Freitas's Direct Testimony.

5 **H. Request for Regulatory Proceeding Cost Tracker**

6 **Q. WHAT TOPIC DO YOU COVER IN THIS SUBSECTION OF YOUR DIRECT**
7 **TESTIMONY?**

8 A. I support the Company's request to record and defer certain Company regulatory
9 proceeding costs in a tracker. I also discuss the Company's anticipated costs for
10 this Phase I rate case proceeding, as well as the staggered Phase II Electric Rate
11 Case.

12 **1. Description of Tracker Proposal**

13 **Q. WHAT IS THE COMPANY'S REGULATORY PROCEEDING TRACKER**
14 **PROPOSAL?**

15 A. The Company proposes to simplify how its regulatory proceeding costs are
16 recovered, including for this Phase I rate case, by implementing a regulatory
17 proceeding tracker that would ensure the Company would recover no more or less
18 that its actual costs of certain regulatory proceedings. Specifically, the Company
19 proposes to use actual costs of its last Electric Phase I and Phase II as the baseline
20 in this case, and to track certain regulatory proceeding costs incurred above or
21 below that baseline for future review and potential recovery in a subsequent Phase

²⁰ Proceeding No. 21AL-0317E, Decision No. C22-0178 at 49 (Mailed Mar. 24, 2022).

1 I rate case. As I discuss in more detail below, this proposal would help avoid
2 debates about forecasted costs for an individual proceeding, and avoid concerns
3 about whether to implement a General Rate Schedule Adjustment (“GRSA”) to
4 ensure only actual costs are recovered.

5 **Q. WHAT REGULATORY PROCEEDINGS ARE THE COMPANY FOCUSING ON**
6 **WITH THIS REQUEST?**

7 A. The tracker would address the Company’s costs associated with regulatory
8 proceedings before the Commission where deferral typically has been approved.
9 Examples include Phase I and II Rate Cases,²¹ Electric Resource Plans,²²
10 Renewable Energy Standard Plans,²³ Distribution System Plans,²⁴ Transportation
11 Electrification Plans,²⁵ and rate design pilots and associated customer education
12 and implementations.²⁶

²¹ Decision No. C22-0178, ¶ 41 in Proceeding No. 21AL-0317E authorized proceeding costs for the 2021 Electric Phase I rate case as well as the 2020 Electric Phase II rate case (Proceeding No. 20AL-0432E; Decision No. R21-0400 ¶ 157 in Proceeding No. 20AL-0432E authorized deferred accounting for proceeding costs).

²² Decision No. C22-0459, ¶ 517 in Proceeding No. 21A-0141E authorized deferred accounting for proceeding costs.

²³ Decision No. C22-0678, Ordering ¶ 1 in Proceeding No. 21A-0625EG approves the settlement agreement that recommends deferred accounting for legal expenses related to the Company’s 2022-2025 Renewable Energy Compliance Plan.

²⁴ Pursuant to the Unopposed Non-Comprehensive Settlement Agreement pending Commission approval in Proceeding No. 22A-0189E (“Pending DSP Settlement”), the Company, as detailed in Paragraph 50 of that Agreement, is allowed to defer the costs of Proceeding No. 22A-0189E in a non-interest-bearing regulatory asset and seek approval for recovery in a subsequent cost recovery proceeding.

²⁵ Decision No. C21-0017, ¶ 90 in Proceeding No. 20A-0204E authorized deferred accounting for proceeding costs.

²⁶ Decision Nos. R20-0642, ¶ 177 in Proceeding No. 19AL-0687E and C21-0536, ¶ 93 in Proceeding No. 20AL-0432E authorized deferred accounting for costs associated with customer education and implementation of Schedules RE-TOU/R-OO and the Schedule SG-TOU pilot respectively.

1 **Q. WOULD COSTS FROM OTHER KINDS OF PROCEEDINGS BE INCLUDED IN**
2 **THE TRACKER?**

3 A. Possibly. For new proceedings that are of a type where deferred accounting has
4 not been previously authorized, the Company will make a request for deferral in
5 those proceedings.

6 **Q. WHY IS THE COMPANY SEEKING A TRACKER AND DEFERRAL**
7 **MECHANISM FOR REGULATORY PROCEEDING COSTS?**

8 A. The Company is proposing to track and defer regulatory proceeding costs for
9 several reasons.²⁷

10 First, the Company believes this is a more efficient process for addressing
11 these costs. Historically, when the Company has sought authorization to defer and
12 recover proceeding costs, it has presented information regarding the
13 reasonableness of those expenses in the particular proceeding. Often, the
14 requests are contested, with opposition grounded in arguments presented to (and
15 rejected by) the Commission in numerous proceedings. Under the Company's
16 approach, reasonableness of costs would only be addressed in future rate cases,
17 when actual recovery is at issue. This will avoid repetition of the time-consuming
18 arguments regarding reasonableness in each non-Phase I rate case proceeding
19 and other proceedings where this tracker will apply, permitting those proceedings

²⁷ In addition to the reasons addressed in my Direct Testimony, this proposal is also being brought forward in compliance with the requirements of Paragraph 50.1 of the Pending DSP Settlement, which provides: "The Settling Parties (and parties in various other proceedings) have taken contrasting positions as to whether the Commission should, as a general matter, approve interest-free deferrals for outside legal, consultant and hearing expenses in regulatory assets for consideration in future cost recovery proceedings. Accordingly, the Company agrees to present this issue for resolution in its next rate case proceeding that is anticipated to be filed in November 2022."

1 to focus on the issues at hand, such as how the Company can help Colorado reach
2 its ambitious environmental goals.

3 **Q. DOES THE COMPLEXITY OF THE COLORADO REGULATORY**
4 **ENVIRONMENT ALSO SUPPORT THE APPROVAL OF A TRACKER?**

5 A. Yes. As a second reason, Colorado's regulatory environment continues to evolve
6 and become more complex, in part due to actions needed to meet Colorado's
7 ambitious public policy goals. Additional filings and plans, such as Distribution
8 System Plans and Transportation Electrification Plans, are now required from the
9 Company on a frequent basis, including certain filings required by statute. This
10 trend is likely to continue as developments in electrification, distributed generation,
11 and electric vehicles become integrated in the electric grid. Again, the Company's
12 proposal would allow those proceedings to focus on the substantive issues before
13 the Commission, and reserve evaluation of cost recovery of proceeding expenses
14 to Phase I rate cases.

15 **Q. WHAT OTHER FACTORS SUPPORT THE AUTHORIZATION OF A**
16 **REGULATORY PROCEEDINGS TRACKER?**

17 A. The tracker reflects the fact that many of these filings are mandatory as part of the
18 regulated nature of utility service. Most businesses have the flexibility to set their
19 prices based on their assessment of the market and demand for their products.
20 The Company, however, as a regulated utility, does not have that option. Rather,
21 it is necessary for the Company to file a rate case, such as the instant proceeding,
22 in order to modify its cost of service and rate schedules, a requirement that non-
23 regulated businesses do not have.

1 The Company is also required by statute to file numerous other regulatory
2 proceedings on multi-year cadences, such as Electric Resource Plans, Renewable
3 Energy Standard Plans, Distribution System Plans, and Transportation
4 Electrification Plans. There are significant costs associated with all these
5 regulatory proceedings that the Company is required to file and it is fair and
6 reasonable for the Company to recover its prudently incurred costs necessary to
7 make these filings.²⁸ Furthermore, granting recovery of reasonable regulatory
8 proceeding expenses is consistent with the regulatory compact under which the
9 Company, in exchange for providing service in a dedicated service territory under
10 regulation by the Commission, is entitled to recover its prudently incurred costs.

11 **Q. WHAT COSTS WOULD BE ELIGIBLE FOR INCLUSION IN THE TRACKER?**

12 A. The Company is proposing to recover the costs of processing regulatory
13 proceedings that are not routine, smaller, uncontested regulatory proceedings (the
14 cost of which are recovered in base rates). Specific eligible costs would include
15 the cost of outside counsel and consultants, hearing transcript costs, customer
16 noticing, and purchasing overheads.

²⁸ See, e.g., Decision No. R21-0400 in Proceeding No. 20AL-0432E at ¶ 151 (“The Colorado Supreme Court recognized over four decades ago that the Commission has always allowed regulated utilities to recover as a proper operating expense attorneys’ fees and legal costs incurred in their rate cases litigated before the Commission. Indeed, the recovery of rate case expenses to be a normal and legitimate activity for a regulated utility. The Commission has often found that rate case expenses are a legitimate cost of providing utility service, necessitated by Commission regulation of the utility, and that Colorado regulated utilities, including Public Service, have a right to seek recovery through rates for all reasonable operating expenses, including rate case expenses.” (internal quotes, footnotes and citations omitted)). Decision No. R21-0400 became the decision of the Commission pursuant to Decision No. C21-0536 except as amended by Decision No. C21-0536. This portion of Decision No. R21-0400 was not amended by Decision No. C21-0536.

1 **Q. WILL THE TRACKER ONLY ALLOW FOR RECOVERY OF ACTUAL COSTS?**

2 A. Yes, by deferring and tracking these regulatory proceeding costs, only actual costs
3 will be reviewed for prudence and subject to cost recovery in a future rate case.

4 **Q. IS THE COMPANY PROPOSING TO EARN A RETURN ON THE**
5 **UNAMORTIZED BALANCE OF THESE COSTS?**

6 A. No. The Company is proposing costs included in the tracker be amortized over 36
7 months, without a return on the unamortized balance.

8 **Q. DOES THE COMPANY'S PROPOSAL MAINTAIN AN INCENTIVE TO**
9 **CONTROL REGULATORY PROCEEDING COSTS?**

10 A. Yes. The tracker will ensure only actual costs will be recovered from customers.
11 Further, because costs are deferred until deemed reasonable and prudent in a
12 subsequent rate case without any return, the Company does not recover the time
13 value of money during the deferral period, and has even further incentive to incur
14 only reasonable costs that can withstand subsequent prudence review. Finally,
15 the longer-amortization period of 36 months, when coupled with no return, aligns
16 Company and customer incentives to control regulatory proceeding costs.

17 **Q. IS THIS DIFFERENT FROM HOW RATE CASE EXPENSE HAS BEEN**
18 **HANDLED IN THE PAST?**

19 A. Yes. Previously, when the Commission authorized recovery of rate case expense,
20 it did so without a tracker. As a result, rate case expense could be under- or -over-
21 collected depending on whether the time between rate cases was shorter or longer
22 than the ordered amortization period. In order to implement recovery of actual rate
23 case expenses, the Company would need to either institute a GRSA or a one-time

1 true-up once actual rate case expenses were known. A tracker ensures actual
2 cost recovery without such additional adjustments or mechanisms.

3 **Q. DOES THE PROPOSED STRUCTURE ALSO OBLIATE ANY NEED FOR A**
4 **GRSA SHOULD THE COMPANY GO MORE THAN 36 MONTHS BETWEEN**
5 **RATE CASES?**

6 A. Yes. With a tracker in place, there is no need to argue about whether it is
7 appropriate to implement a GRSA to ensure the Company recovers no more than
8 its actual proceeding expenses between rate cases. Any over-collection would
9 become a regulatory liability and be credited against any new regulatory
10 proceeding costs added to base rates in a subsequent Phase I rate case.

11 **Q. WHAT DOES THE COMPANY RECOMMEND FOR THE REGULATORY**
12 **PROCEEDINGS TRACKER BASELINE?**

13 A. We request that the baseline be established at \$2.2 million, which is the rounded
14 number that reflects the actual costs for the Company's last Phase I and II Electric
15 Rate Cases.²⁹

16 **Q. WHY IS THE COMPANY REQUESTING THE BASELINE BE EQUAL TO THE**
17 **ROUNDED NUMBER THAT REFLECTS THE ACTUAL COSTS FOR THE**
18 **COMPANY'S LAST PHASE I AND PHASE II ELECTRIC RATE CASES?**

19 A. Currently, the other kinds of proceedings that would be subject to the cost tracker
20 are ongoing, so it would be premature to use estimated costs for these

²⁹ Phase I Proceeding No. 21AL-0317E and Phase II Proceeding No. 20AL-0432E. The Phase I Proceeding was a settled case and the Phase II was a litigated case. Actual costs for the two proceedings total \$2.2 million. Mr. Freitas explains the \$2.2 million is added to the remaining rate case expense balance from Proceeding No. 21AL-0317E and amortized over 36 months results in \$2.1 million of annual amortization expense.

1 proceedings to establish the baseline. The costs of the Company's last Phase I
2 and II Electric Rate Cases are final and have been found by the Commission to be
3 reasonable for recovery.³⁰

4 **Q. CAN YOU PROVIDE AN EXAMPLE OF HOW THE REGULATORY**
5 **PROCEEDINGS TRACKER WILL WORK BASED ON THE ESTIMATED COSTS**
6 **OF THIS PHASE I RATE CASE AND THE SUBSEQUENT PHASE II RATE**
7 **CASE?**

8 A. Yes. As noted above, the Company requests the regulatory proceedings tracker
9 baseline be set at \$2.2 million.³¹ To illustrate how the tracker would work, the
10 Company currently estimates the combined cost of this Phase I proceeding and
11 the follow-on Phase II proceeding to be \$2.5 million. Assuming actual expenses
12 end up being \$2.5 million, the incremental \$0.3 million would be deferred and
13 tracked for potential recovery in the Company's next Phase I rate case. In that
14 proceeding, the Company would bring forward evidence demonstrating the
15 reasonableness of the entire, actual cost (\$2.5 million). If the Commission found
16 the costs to be reasonable, the incremental \$0.3 million would be included in base
17 rates, assuming a 36-month amortization.

³⁰ Decision No. C22-0178, ¶41 in Proceeding No. 21AL-0317E authorized proceeding costs for the 2021 Electric Phase I as well as the 2020 Electric Phase II rate case (Proceeding No. 20AL-0432E; Decision No. R21-0400 ¶157 in Proceeding No. 20AL-0432E authorized deferred accounting for proceeding costs).

³¹ See Attachment APF-13 of Mr. Freitas' Direct Testimony. This will be added to the existing unamortized rate case expense balance from the previous rate case and amortized over 36 months to determine the rate case expense baseline in the cost of service.

1 **2. Estimated Cost of Phase I and Subsequent Phase II Proceedings**

2 **Q. CAN YOU PROVIDE ADDITIONAL INFORMATION REGARDING THE**
3 **ESTIMATED COSTS OF THIS PHASE I RATE CASE AND THE SUBSEQUENT**
4 **PHASE II RATE CASE?**

5 A. Yes. Pursuant to Commission Decision No. C22-0724, the Company is required
6 to file a Phase II Electric Rate Case no later than May 15, 2023. The Company
7 therefore developed an estimate of the total, combined outside legal, consulting,
8 customer noticing, hearing transcripts and purchasing overhead costs associated
9 with this Phase I Electric Rate Case, as well as the staggered Phase II Electric
10 Rate Case. Assuming fully litigated cases with two hearings, post-hearing
11 briefings, and applications for rehearing, reargument, and reconsideration, the
12 Company estimates the combined cost to be approximately \$2.5 million, as shown
13 in the table below. Attachment MAM-2 provides a more detailed summary of the
14 estimated rate case expenses by major category.³²

³² The Company also will provide intervenors with confidential workpapers supporting the rate case expense estimate upon request.

1

**TABLE MAM-D-1:
Rate Case Proceedings Expenses by Category**

Category	Phase I Estimate	Phase II Estimate	Total Estimate
Legal Counsel	\$1,690,000	\$550,000	\$2,240,000
Consultants	\$143,389	-	\$143,389
Customer Noticing	\$37,030	\$37,030	\$74,060
Hearing Transcripts	\$23,750	\$11,875	\$35,625
Purchasing Overhead	\$23,109	\$7,307	\$30,416
Total Rate Case Expenses	\$1,917,278	\$606,212	\$2,523,490

2 **Q. WHAT COSTS ARE INCLUDED IN THE LEGAL COUNSEL CATEGORY?**

3 A. The legal counsel category consists of estimated fees of the outside legal
4 resources retained by the Company to assist with this Proceeding and the
5 subsequent Phase II proceeding. Importantly, the expenses shown in Table MAM-
6 D-1 are only external legal costs. Internal legal costs are part of the Shared
7 Corporate Services O&M expenses discussed in the Direct Testimony of Company
8 witness Mr. Adam R. Dietenberger.

9 **Q. ARE OUTSIDE LEGAL OR CONSULTING COSTS FOR RATE CASES**
10 **INCLUDED IN THE SHARED CORPORATE SERVICES O&M EXPENSES**
11 **DISCUSSED BY MR. DIETENBERGER?**

12 A. No. The Company has adopted accounting practices that use separate work
13 orders for outside legal services or consulting associated with certain regulatory
14 proceedings. Each regulatory proceeding is tracked separately in a deferred
15 account to ensure there is no double-recovery of external legal costs (once through
16 specific Commission deferral authorization and once through Shared Corporate
17 Services O&M).

1 **Q. WHY DOES THE COMPANY USE OUTSIDE LEGAL SERVICES FOR ITS RATE**
2 **CASES?**

3 A. The Company's internal legal department supports all of the Company's regulatory
4 matters before the Commission. While our internal regulatory legal team does a
5 significant amount of work to support our rate case proceedings, we still need to
6 utilize outside legal resources for certain regulatory proceedings, including rate
7 cases.

8 Further, rate cases are among the most significant proceedings we have
9 before the Commission and surely are among the most complex. Our outside legal
10 partners bring rate case expertise that helps in the development of a
11 comprehensive factual record and ultimately contributes efficiencies to the
12 process.

13 That being said, the Company's internal attorneys are actively involved in
14 all aspects of the case, providing significant legal services, while also managing
15 outside legal resources.

16 **Q. DO THE COMPANY'S ATTORNEYS WORK TO MAKE SURE THERE IS NOT**
17 **DUPLICATION OF EFFORTS?**

18 A. Yes. The Company's internal legal team works hard to ensure that duties are
19 appropriately assigned to outside legal counsel and to ensure that work efforts are
20 not duplicative. The internal and external legal teams work as a unit and are in
21 constant coordination to be as efficient as possible.

1 **Q. WHAT COSTS ARE INCLUDED IN THE CONSULTING CATEGORY?**

2 A. The consulting category consists of costs associated with securing outside
3 consultants or witnesses with specific areas of expertise that are necessary for the
4 support and completion of the case. In this Proceeding, the most significant portion
5 of consulting costs are those associated with expert testimony being provided by
6 Ms. Ann Bulkley of Brattle regarding Return on Equity (“ROE”) and related issues.

7 **Q. DOES AN OUTSIDE CONSULTANT PROVIDE VALUABLE PERSPECTIVE**
8 **FOR ESTABLISHING ROE?**

9 A. Yes. Ms. Bulkley explains in her Direct Testimony that ROEs authorized in other
10 jurisdictions are an important consideration in the overall ROE analysis. Ms.
11 Bulkley, who testifies nationally regarding ROE and other utility topics, offers
12 valuable insights that are directly relevant to the issues in this Proceeding.

13 **Q. ARE THERE ANY OTHER COSTS IN THE CONSULTING CATEGORY?**

14 A. Yes, there are costs for one additional consultant captured in this category. As
15 discussed by Company witness Mr. Michael P. Deselich, the Company hired Willis
16 Towers Watson (“WTW”) to conduct a compensation study (see Confidential
17 Attachment MPD-1). Only half of the cost of the study is included in the Company’s
18 estimated costs for this Proceeding, as Xcel Energy is also using the study in a
19 Southwestern Public Service Company New Mexico rate case. There is also a
20 cost for WTW to provide pension forecasts.

21 **Q. WHAT COSTS ARE INCURRED FOR CUSTOMER NOTICING?**

22 A. There are three costs: (1) bill onsert; (2) newspaper noticing; and (3) translation to
23 Spanish. The bill onsert component is the cost associated with printing the notice

1 on customers' bills and mailing it to customers during their normal billing cycles.
2 The newspaper component consists of posting the notice of our filing in a
3 newspaper of general circulation for two consecutive weeks. There is also a cost
4 for translating the notice to Spanish to post on the Company's website.

5 **Q. DO THE COMMISSION'S RULES INCLUDE NOTICE REQUIREMENTS FOR**
6 **RATE CASES?**

7 A. Yes. Rule 1210 requires the Company to notify customers regarding this rate
8 request. Historically this meant sending out a mailing to all customers at a
9 substantial cost. More recently, the Company has utilized an alternative form of
10 notice ("AFN") that includes legal notices, bill inserts, emails, and posting to our
11 Company website. We are proposing to use that same procedure here.

12 **Q. PLEASE DESCRIBE THE HEARING TRANSCRIPTS COMPONENT OF RATE**
13 **CASE EXPENSE.**

14 A. This includes the costs for a Commission court reporter to transcribe hearings
15 before the Commission and resulting transcripts. The estimate is based on a total
16 of 15 hearing days for the staggered Phase I and Phase II proceedings (to be
17 completed with separate hearings).

18 **Q. PLEASE DESCRIBE THE OVERHEAD COSTS.**

19 A. The Company is including the purchase overhead for authorized labor and
20 nonlabor costs that are incurred to support the Company's purchasing functions
21 that include authorized Supply Chain Company labor and benefits, Supply Chain
22 consulting services, contract labor to support Supply Chain such as planners and
23 buyers, license fees for evaluating credit profiles of vendors, facilities charges,

1 employee expenses and other miscellaneous expense. These costs are collected
2 in a cost pool and are allocated out at month-end by applying overhead charges
3 to eligible transactions.

4 **Q. IF THE COMMISSION DOES NOT AUTHORIZE THE REGULATORY**
5 **PROCEEDING TRACKER, SHOULD IT FIND THE COMPANY'S ESTIMATED**
6 **RATE CASE EXPENSES TO BE REASONABLE AND PRUDENT FOR**
7 **RECOVERY?**

8 A. Yes. As noted above, it is fair and reasonable for the Company to recover its
9 prudently incurred costs of prosecuting rate cases.³³ Further, the estimated
10 expenses are almost identical to the actual expense for the Company's prior
11 electric Phase I and Phase II rate cases.

12 **I. Request for IT Cost Deferral**

13 **Q. WHAT TOPIC DO YOU COVER IN THIS SUBSECTION OF YOUR DIRECT**
14 **TESTIMONY?**

15 A. I support the Company's request for deferred accounting for certain IT capital
16 investments placed in service after the Test Year in this Proceeding ("IT Cost
17 Deferral").

³³ See, e.g., Decision No. R21-0400 in Proceeding No. 20AL-0432E at ¶ 151.

1 **Q. WHAT COSTS DOES THE COMPANY REQUEST BE DEFERRED FOR**
2 **POSSIBLE RECOVERY IN A FUTURE RATE CASE?**

3 A. The IT Cost Deferral would apply to Aging Technology and Cybersecurity costs
4 discussed in detail by Company witnesses Ms. Megan N. Scheller and Mr. Michael
5 O. Remington in their Direct Testimonies.

6 **Q. PLEASE BRIEFLY EXPLAIN WHY THESE COSTS SHOULD BE DEFERRED IN**
7 **A TRACKER.**

8 A. As discussed by Ms. Scheller, these assets have relatively short depreciable lives.
9 As a result, the effects of regulatory lag have an outsized impact as compared to
10 other assets with longer lives. This impact is becoming especially acute as
11 information technology becomes a larger part of the Company's business. These
12 cost recovery challenges may result in sub-optimal deployment (and resulting
13 decreased productivity, increased security risk, or both) or more frequent rate
14 proceedings. Mr. Berman and Mr. Freitas further explain why a tracker alleviates
15 the risk of recovery for these shortened asset lives.

16 These costs also share some characteristics with others historically
17 recognized as being appropriate for deferral. For example, one reason supporting
18 the establishment (and continuation) of the property tax expense tracker is that the
19 Company has virtually no control over the amount of property taxes assessed by
20 various taxing jurisdictions. Similarly, as discussed by Ms. Scheller, the Company
21 does not have control over new technology standards, nor the pace at which
22 cybersecurity threats are emerging. Further, Ms. Scheller explains that the
23 Company has limited choices when it comes to replacing aging systems that are

1 no longer supported by the vendor, able to be updated due to lack of parts or
2 technology changes, or otherwise out-of-date for utility use. Our systems need to
3 meet increasingly demanding data security, reliability, and compliance
4 requirements. The Company must also respond to cybersecurity threats to comply
5 with legal and regulatory requirements, and risk management objectives. Further,
6 given the unpredictability of these threats, it is important that these tools and
7 resources continue to change in response to new threats to our information
8 systems.

9 **Q. HOW WOULD THE TRACKER WORK?**

10 A. First, the Commission would authorize deferral of incremental Aging Technology
11 and Cybersecurity costs, commencing January 1, 2024 or the end of the Test Year
12 approved by the Commission, for potential recovery in future cases. As Aging
13 Technology and Cybersecurity projects are placed in service, the Company would
14 begin to defer depreciation expense associated with the plant in service balance,
15 as well as interest on that balance, calculated at the Company's WACC. Then, in
16 the Company's next Phase I rate case, the Company would seek ultimate recovery
17 of the deferred amounts. In that rate case, the Company would propose to
18 amortize the deferred depreciation and return over a period of years.

19 **Q. WHY SHOULD THE INTEREST ON THE PLANT IN SERVICE BALANCE BE**
20 **CALCULATED AT THE COMPANY'S WACC?**

21 A. The Company will incur actual capital costs for the Aging Technology and
22 Cybersecurity projects subject to the deferral. Those costs will be financed through
23 both equity and debt, just like other components of rate base. Yet, the Company

1 will not actually recover those costs until some future period. Authorizing a WACC
2 return on Aging Technology and Cybersecurity projects placed in service
3 recognizes the true cost of financing those projects.

4 **J. Amortization Period**

5 **Q. DO YOU RECOMMEND A COMMON AMORTIZATION PERIOD FOR THE**
6 **AMORTIZATIONS INCLUDED IN THE TEST YEAR?**

7 A. Yes. I recommend a 24-month amortization period (except for the regulatory
8 proceeding cost tracker, discussed above) for all of the amortizations included in
9 the Test Year cost of service in the event the Commission approves Public
10 Service's proposed Test Year. If the Commission authorizes the use of an HTY,³⁴
11 then I recommend an 18-month amortization period (again, excepting the
12 regulatory proceeding cost tracker). Mr. Freitas explains that the Company
13 proposes to include the unamortized balances (with the exception of the regulatory
14 proceedings tracker) in rate base where they will earn a return at the Company's
15 WACC.

16 The exception to this proposal is the regulatory proceedings cost tracker,
17 which will be amortized over 36-months, regardless of the test year approved, with
18 no return on the unamortized balance, as explained earlier in my Direct Testimony.

19 **Q. HOW DID YOU ARRIVE AT THE AMORTIZATION PERIODS FOR ALL OF THE**
20 **DEFERRED ASSETS?**

³⁴ The Company has provided information for an HTY ending June 30, 2022 with a six-month capital reach (the "2022 IHTY") as part of its initial filing in this Proceeding.

1 A. Typically, the Company strives to set an amortization period that is aligned with
2 the time period expected between rate cases. This allows amortizations to run
3 their course between rate cases. The Company believes 24 months is an
4 appropriate amortization period if the Commission approves Public Service's Test
5 Year because it aligns with the period during which the base rates resulting from
6 this Proceeding likely would remain in effect.

7 **Q. WHY DO YOU RECOMMEND A SHORTER AMORTIZATION PERIOD IF THE**
8 **COMMISSION ORDERS THE USE OF AN HTY?**

9 A. Mr. Berman explains in his Direct Testimony that the Company anticipates a
10 revenue deficiency in 2023 and that it is unlikely the Company would be able to
11 absorb the added costs without additional rate relief. Thus, if the Commission
12 orders the use of an HTY, the Company likely would need to file a Phase I rate
13 case sooner than if the Company's proposed test year is approved. Thus, 18
14 months, rather than 24 months, more approximately matches the amount of time
15 between rate cases under an HTY, and should be the approved amortization
16 period under that circumstance.

17 **Q. WHAT WILL THE COMPANY DO IF RATES FROM THE NEXT RATE CASE**
18 **ARE EFFECTIVE BEFORE THE APPROVED AMORTIZATION PERIOD**
19 **EXPIRES?**

20 A. The Company will propose to include any projected remaining balance that will not
21 be amortized prior to the effective date of rates in the next Phase I rate case in the
22 cost of service for that rate case. Those balances will be subject to the
23 amortization period proposed in that case.

1 **IV. NET GAIN ON SALE OF ZUNI TANK FARM PROPERTY**

2 **Q. WHAT IS THE PURPOSE OF THIS SECTION OF YOUR DIRECT TESTIMONY?**

3 A. In this section of my Direct Testimony, I explain how the Company proposes to
4 treat the net gain on the sale of the Zuni Tank Farm property, a non-depreciable
5 asset.

6 **Q. PLEASE EXPLAIN WHAT YOU MEAN WHEN YOU REFER TO THE NET GAIN
7 ON SALE.**

8 A. Like other utilities, Public Service periodically sells land, equipment, and facilities
9 it no longer needs for its utility operations. Public Service experiences a gain on
10 sale when the proceeds from an asset sale are higher than the combination of the
11 net book value of the asset and the transaction costs incurred in connection with
12 the sale. Conversely, Public Service experiences a loss when the combination of
13 the asset's net book value and the transaction costs exceeds the sales proceeds.

14 **Q. PLEASE DESCRIBE THE ZUNI TANK FARM PROPERTY.**

15 A. The "Zuni Tank Farm Property" refers to an approximate eight-acre parcel of land
16 at the Zuni Electric Generating Station. It is located just south of West 13th Avenue
17 and just west of the South Platte River. The property was formerly used to store
18 fuel oil as back-up fuel to fire the Zuni Station boilers used to produce steam for
19 electric generation and also, as an ancillary service, to produce steam used in the
20 Company's steam operations to provide steam service to customers in downtown
21 Denver. It contained three large-capacity, above-ground fuel oil storage tanks, a
22 pool administration building and several other miscellaneous buildings and support
23 structures. Zuni Station was retired for purposes of electric operations in 2016 and

1 continued to provide steam production for the Company's downtown Denver steam
2 system until October 2019, after which it was permanently shut down for electric
3 generation and steam production purposes. Thus, Zuni Station itself is retired and
4 non-operational.³⁵ All buildings located on the Zuni Tank Farm Property had been
5 vacated and facilities on site were ready to be remediated and dismantled or
6 demolished at the time of sale to Denver Housing Authority ("DHA"), which I
7 discuss below.

8 **Q. PLEASE DESCRIBE THE DETAILS OF THE ZUNI TANK FARM PROPERTY**
9 **SALE TRANSACTION.**

10 A. DHA and the City of Denver ("City") had long expressed an interest in purchasing
11 the Zuni Tank Farm Property. The City viewed the Zuni Station site as an area of
12 focus for its revitalization and redevelopment efforts and planned to use the
13 property to support its Sun Valley redevelopment plans to provide low-income
14 residential housing and multi-use commercial development to revitalize what has
15 historically been one of the most impoverished communities in the Denver
16 metropolitan area. As a result, DHA and the Company entered into a Purchase
17 and Sale Agreement ("PSA") for the sale of the Zuni Tank Farm Property, which
18 was fully executed on May 7, 2021. Under the PSA, Public Service agreed to sell
19 and DHA agreed to purchase the Zuni Tank Farm Property on an "as-is, where-is,
20 with all faults" basis for \$6.2 million. Thereafter, on or about December 2, 2021,

³⁵ The Zuni Plant Decommissioning Plan was approved by the Commission in Decision No. R20-0888 in Proceeding No. 20A-0268E.

1 Public Service and DHA³⁶ closed the transaction. Because DHA possesses
2 eminent domain powers and could have commenced condemnation proceedings
3 to acquire the property, the parties to the sale approached the transaction as being
4 made “in lieu of condemnation.”

5 **Q. DID PUBLIC SERVICE REQUEST AND RECEIVE COMMISSION APPROVAL**
6 **OF THE SALE?**

7 A. Yes. On May 7, 2021, Public Service filed an application in Proceeding No.
8 21A-0174E requesting a Commission decision finding that the proposed sale is not
9 contrary to the public interest and authorizing the Company to sell the Zuni Tank
10 Farm Property to DHA. The application also requested approval for Public Service
11 to record the net proceeds in a deferred account to be considered in a future rate
12 case. Staff was the only party to intervene and stated it did not oppose the
13 application. As a result, Commission Decision No. C21-0355 (mailed June 21,
14 2021) authorized the sale of the Zuni Tank Farm Property to DHA and also
15 authorized the Company to record the net proceeds in a deferred account until an
16 appropriate future electric rate case proceeding.

17 **Q. WHAT IS THE NET GAIN REALIZED FROM THE SALE OF THE ZUNI TANK**
18 **FARM PROPERTY?**

19 A. The net gain realized from the non-depreciable assets sale of the Zuni Tank Farm
20 Property is \$5,733,917.96, as further reflected on Table MAM-D-2 below.

³⁶ DHA closed the transaction through a single purpose entity DHA created to hold the real estate known as Sun Valley Zuni, LLC a Colorado limited liability company for which Housing Authority of the City and County of Denver, Colorado is the sole member and sole managing member.

1

TABLE MAM-D-2: Zuni Tank Farm Property Sale

Salvage	\$ 6,199,338.00
Sales Charges	\$ 226,756.04
Net Proceeds	\$ 5,972,581.96
NBV	\$ 238,664.00
Net Gain	\$ 5,733,917.96

2

Q. HOW IS THE COMPANY PROPOSING TO TREAT THE NET GAIN RESULTING FROM THE NON-DEPRECIABLE ASSET SALE OF THE ZUNI TANK FARM PROPERTY IN THIS CASE?

3

4

5

A. Public Service proposes that the net gain on sale of the Zuni Tank Farm Property be allocated to the Company.³⁷

6

³⁷ This is consistent with Decision No. C22-0738 in Proceeding No. 19AL-0268E where the Commission approved the Company's proposal to allocate gains and losses from the sale of all non-depreciable assets to the Company.

1 **V. TARIFF REVISIONS**

2 **Q. WHAT IS THE PURPOSE OF THIS SECTION OF YOUR DIRECT TESTIMONY?**

3 A. In this section of my Direct Testimony, I introduce the revisions that Public Service
4 proposes to its electric tariffs in this Proceeding. I have attached clean and
5 redlined versions of all tariff sheets with proposed changes as Attachments MAM-
6 3 and MAM-4, respectively, to my Direct Testimony.

7 **Q. DO SOME OF THE COMPANY'S PROPOSED CHANGES TO TARIFFS**
8 **INCLUDE CHANGES TO APPLICABLE RATES OR CHARGES?**

9 A. Yes. I have included updates to the rates included in the GRSA, General Rate
10 Schedule Adjustment – Energy ("GRSA-E"), Transmission Cost Adjustment
11 ("TCA"), Purchased Capacity Cost Adjustment ("PCCA"), Schedule of Charges for
12 Rendering Service, and Maintenance Charges for Street Lighting Service, as
13 explained below.

14 **Q. IS THE COMPANY PROPOSING ANY TARIFF REVISIONS THAT INVOLVE**
15 **CHANGES TO THE TERMS AND CONDITIONS OR OTHER LANGUAGE SET**
16 **FORTH IN THE TARIFFS?**

17 A. Yes. The Company is proposing an Earnings Test as part of a new Earnings
18 Sharing Adjustment ("ESA") Tariff. Mr. Berman supports the proposal in his Direct
19 Testimony.

20 Additionally, there is one Electric Commodity Adjustment ("ECA") change
21 described below.

1 **A. GRSA and GRSA-E**

2 **Q. IS THE COMPANY PROPOSING A GRSA AND GRSA-E IN THIS CASE?**

3 A. Yes. As Mr. Berman explains in his Direct Testimony, the Company is filing the
4 Phase II Electric rate case no later than May 15, 2023, as approved in Commission
5 Decision No. C22-0724. Therefore, a GRSA and GRSA-E will be in effect for
6 approximately five months until the Phase II Electric rate case is completed. Such
7 recovery will be on an energy basis (\$/kWh) for the Residential and Small
8 Commercial rate classes, not through any change to the fixed monthly charge.

9 **B. TCA**

10 **Q. IS THE COMPANY PROPOSING ANY CHANGES TO THE TCA TARIFF?**

11 A. Yes. The Company is proposing to change the TCA rates to reflect the roll-in of
12 transmission costs currently recovered through the TCA into base rates in this
13 Proceeding. Mr. Freitas explains the basis for these changes to the TCA rates in
14 more detail in his Direct Testimony.

15 **C. PCCA**

16 **Q. IS THE COMPANY PROPOSING ANY CHANGES TO THE PCCA TARIFF?**

17 A. Yes. The Company is proposing to change the PCCA rates to reflect the roll-in of
18 Manchief costs currently recovered through the PCCA into base rates in this
19 Proceeding. Mr. Freitas explains the basis for these changes to the PCCA rates
20 in more detail in his Direct Testimony.

1 **D. Schedule of Charges for Rendering Service**

2 **Q. WHAT IS THE SCHEDULE OF CHARGES FOR RENDERING SERVICE?**

3 A. The Schedule of Charges for Rendering Service is a set of charges listed in our
4 electric tariffs for services not covered by our typical rates. The Company provides
5 a wide variety of services to customers upon request or as needed, and it assesses
6 charges for those services to the individual customer. Such services include, but
7 are not limited to: instituting or reinstating service, non-regularly scheduled meter
8 reading, visits from Company technicians to conduct general diagnoses of
9 customer issues, holding poles, transformer openings, connection or reconnection
10 of loops, non-standard customer data reports, and returned check processing.

11 **Q. IS THE COMPANY SEEKING APPROVAL OF CHANGES TO THE SCHEDULE**
12 **OF CHARGES FOR RENDERING SERVICES AS PART OF THIS FILING?**

13 A. Yes, the Company is proposing to revise the Schedule of Charges for Rendering
14 Service to reflect changes in the non-gratuitous labor and vehicle charges. I am
15 sponsoring the proposed Schedule of Charges for Rendering Service on Tariff
16 Sheet Nos. 25 and 25A.

17 **Q. PLEASE DESCRIBE THE PROPOSED CHANGES TO THE CHARGES FOR**
18 **RENDERING SERVICE.**

19 A. We propose to increase the charge for most service activities that involve non-
20 gratuitous labor. These moderate increases are based on the Agreement between
21 Public Service and the International Brotherhood of Electrical Workers Local Union
22 111 that includes the Worker Classification and Wage Scale. The wages from the
23 Agreement used were effective June 1, 2022. Updated vehicular rates effective

1 January 1, 2022, also impacted the charges for rendering service. These rates
2 were last updated as part of the Company's 2021 Electric Phase I rate case and
3 are updated on an ongoing basis in rate cases so that the rates charged to
4 customers for these services reflect the Company's current cost of providing these
5 services, which prevents the difference in costs from being subsidized by the rest
6 of customers in base rates. The same update was approved in the Company's
7 most recent gas rate case in Decision No. C22-0642 in Proceeding No. 22AL-
8 0046G.

9 **E. Maintenance Charges for Street Lighting Service**

10 **Q. WHAT ARE MAINTENANCE CHARGES FOR THE STREET LIGHTING**
11 **SERVICE TARIFF?**

12 A. The Company offers street lighting maintenance services over and above the
13 services provided under the Street Lighting Service Schedule (Schedule SL). We
14 then bill for these services on a time and materials basis. The Maintenance
15 Charges for Street Lighting Service tariff provides the rates under which such non-
16 routine services are offered, while Schedule SL governs the terms and conditions
17 under which such non-routine services are offered.

18 **Q. IS THE COMPANY SEEKING APPROVAL OF CHANGES TO THE**
19 **MAINTENANCE CHARGES FOR STREET LIGHTING SERVICE TARIFF AS**
20 **PART OF THIS FILING?**

21 A. Yes, the Company is proposing to revise the Maintenance Charges for Street
22 Lighting Service to reflect changes in labor charges and vehicular rates as
23 explained above, and for the same reasons explained above for the Charges for

1 Rendering Service tariff. I am sponsoring the proposed Maintenance Charges on
2 Tariff Sheet Nos. 26, 26A, 26B, and 26C.

3 **F. ESA**

4 **Q. IS THE COMPANY PROPOSING A NEW EARNINGS SHARING ADJUSTMENT**
5 **(ESA) TARIFF?**

6 A. Yes. The Company is proposing an Earnings Test, as discussed by Mr. Berman
7 in his Direct Testimony. The new ESA Tariff implements that test and is included
8 in Attachments MAM-3 and MAM-4.

9 **G. ECA**

10 **Q. IS THE COMPANY PROPOSING ANY CHANGES TO THE ECA TARIFF?**

11 A. Yes. The Company is proposing to revise the Short-Term Sales Margins for
12 Generation and Proprietary Book from calendar year 2020 to the twelve months
13 ended June 30, 2022. Mr. Freitas explains the basis for the changes to the sales
14 margins amounts reflected in the cost of service in more detail in his Direct
15 Testimony.

16 **Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?**

17 A. Yes, it does.

Statement of Qualifications

Marci A. McKoane

I received my Bachelor of Science degrees in Finance and Marketing in 1994 from the University of Colorado. I began my employment with Xcel Energy Services Inc. ("XES") in 2001 as a Senior Financial Analyst in the Retail Finance department. In that position, I was responsible for the budgeting, forecasting, reporting, monthly close responsibilities, and analytical support of various business areas. I also provided training to employees on financial accounting, reporting, and systems. I was promoted to Key Financial Consultant around 2004. I was primarily responsible for the financial and accounting support of the Customer Care and Bad Debt business areas. In April 2008, I assumed the position of Senior Policy Analyst in the Public Service Regulatory department. I was responsible for managing Public Service Phase I and II Electric and Gas Rate Cases including the development and management of the rate case project plan, conducting weekly team and strategic meetings and other meetings as needed, coordinating preparation of rate case testimony and exhibits, ensuring every filing was accurate and timely, put together presentations to update leadership on case, managed the discovery process to ensure timely and accurate responses, acted as regulatory liaison to external parties for rate case, and reviewed communications, notices and media releases related to the rate cases.

I was promoted to Manager of Rate Cases in March 2012, and this role has evolved into my current role of Manager of Regulatory Administration. I am responsible for directing the project management of utility regulatory filings for Public Service. I manage

the resources necessary to make timely and complete regulatory filings, including support for the filing of general rate case filings, certificates of need, resource plans, and rate rider filings. I manage staff and processes to ensure appropriate records retention, timely filings, and compliance with all regulatory requirements. In addition, I oversee the management of rate case proceedings.

Before working at Xcel Energy, I worked as a Lead Financial/Business Analyst at Qwest Communications, Senior Fund Accountant at Oppenheimer Funds and various other accounting, finance and project management positions.

I submitted testimony for Public Service in Proceeding Nos. 14AL-0309G, 14AL-0660E, 15AL-0887E, 16AL-0869E, 17AL-0649E, 17AL-0731E, 17A-0797E, 18AL-0768E, 18A-0883E, 19A-0534E, 19AL-0605E, 20A-0268E, 21A-0174E, 22AL-0046G.

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO

* * * *

IN THE MATTER OF ADVICE LETTER)
NO. 1906-ELECTRIC OF PUBLIC)
SERVICE COMPANY OF COLORADO)
TO REVISE ITS COLORADO PUC NO.)
8-ELECTRIC TARIFF TO REVISE)
JURISDICTIONAL BASE RATE) PROCEEDING NO. 22AL-XXXXE
REVENUES, IMPLEMENT NEW BASE)
RATES FOR ALL ELECTRIC RATE)
SCHEDULES, AND MAKE OTHER)
TARIFF PROPOSALS EFFECTIVE)
DECEMBER 31, 2022.)

AFFIDAVIT OF MARCI A. MCKOANE
ON BEHALF OF
PUBLIC SERVICE COMPANY OF COLORADO

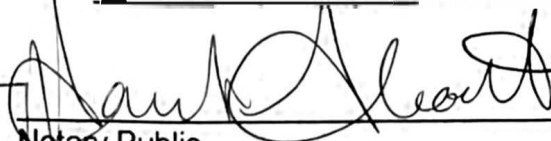
I, Marci A. McKoane, being duly sworn, state that the Direct Testimony and attachments were prepared by me or under my supervision, control, and direction; that the Direct Testimony and attachments are true and correct to the best of my information, knowledge and belief; and that I would give the same testimony orally and would present the same attachments if asked under oath.

Dated at Denver, Colorado, this 22nd day of November, 2022.



Marci A. McKoane
Manager, Regulatory Administration

Subscribed and sworn to before me this 22nd day of Nov., 2022.



Notary Public
My Commission expires July 5, 2026

Hannah Ahrendt NOTARY PUBLIC STATE OF COLORADO NOTARY ID# 20224026062 MY COMMISSION EXPIRES JULY 5, 2026
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