



P.O. Box 840
Denver, Colorado 80201-0840

November 1, 2023

Advice No. 1936 – Electric

Public Utilities Commission
of the State of Colorado
1560 Broadway, Suite 250
Denver, Colorado 80202

The accompanying tariff sheets issued by Public Service Company of Colorado (“Public Service” or the “Company”) are sent to you for filing in compliance with the requirements of the Public Utilities Law and Rule 1210 of the Colorado Public Utilities Commission’s (“Commission”) Rules of Practice and Procedure, 4 CCR 723-1, as well as in compliance with Commission Decision Nos. C23-0592 (mailed September 6, 2023) and C23-0707 (mailed October 18, 2023) (collectively, the “Decisions”) in Proceeding Nos. 22AL-0530E and 22AL-0478E (the “Consolidated Proceeding”).¹

COLORADO P.U.C. NO. 8 - ELECTRIC

The following sheets are attached:

Colorado P.U.C. Sheet No.		Title of Sheet	Cancels Colorado P.U.C. Sheet No.	
Thirteenth Revised	142	Transmission Cost Adjustment	Twelfth Revised	142
Tenth Revised	142A	Transmission Cost Adjustment	Sub. Ninth Revised	142A
First Revised	142B	Transmission Cost Adjustment	Original	142B

The principal proposed change is to revise the Transmission Cost Adjustment (“TCA”) applicable to all electric base rate schedules in the Company’s Colorado P.U.C. No. 8 – Electric

¹ The 2022 TCA proceeding (Proceeding No. 22AL-0478E) was consolidated with the Company’s Phase I Electric Rate Case (Proceeding No. 22AL-0530E) in Decision No. C22-0833. See also Decision No. C23-0592 at ¶150 and footnote 94. The Company is required to reference the applicable decision number on Sheet No. 142B as it contains Commission-required tariff changes. Since the tariff verbiage was subsequently revised by Decision No. C23-0707, that Decision Number is referenced on Tariff Sheet 142B.

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Tariff (“Electric Tariff”), to become effective January 1, 2024, and to modify Sheet No. 142B of the Company’s Electric Tariff as required by the Decisions.

As part of the Nearly Comprehensive Settlement Agreement (“Settlement Agreement”) filed in the Consolidated Proceeding, the settling parties agreed there would be no changes to the TCA structure, scope, and calculation methodology with respect to the 2023 TCA for which the Company made its TCA filing on November 1, 2022.² The settling parties further agreed that the 2023 TCA would be trued-up under the mechanisms currently in place, and would not be impacted by the outcome of the TCA issues otherwise reserved for litigation.³ Through the Decisions, the Commission resolved the 2023 TCA-related issues as proposed by the settling parties. With respect to the TCA issues otherwise reserved for litigation, the Commission adopted a new, going-forward adjustment to the scope of TCA-Eligible Projects - which is reflected on Commission-approved Tariff Sheet No. 142B, included herewith. Through this Advice Letter and associated attachments, the Company explains how it has complied with the Settlement Agreement and Decisions in this filing.

Consistent with the existing TCA mechanism, the Company seeks to revise the TCA to recover 2023 investments in transmission facilities not otherwise included in base rates.⁴ These are referred to herein as 2023 TCA Projects.⁵ Additionally, as required by the Commission and consistent with Sheet No. 142B to be implemented herewith, the Company seeks to revise the TCA to recover only projected 2024 transmission capital costs that result in a net increase in transmission capacity or are part of an approved Wildfire Mitigation Plan. These are referred to as 2024 TCA Qualified Projects. The Company included the non-wildfire 2024 TCA Qualified Projects for recovery either because the impacted element or facility component increased

² Settlement Agreement at ¶44. Additionally, pursuant to the Settlement Agreement at ¶43, the Company was permitted to transfer recovery of TCA transmission investment costs from the TCA to base rates for projects placed in service through December 31, 2022.

³ Settlement Agreement at ¶45. *See also* Settlement Agreement at ¶46 (“Beginning with the Company’s 2024 TCA to be filed in November 2023, the Settling Parties agree to reserve for litigation and Commission determination in this Proceeding the following issues only: (1) the projects that qualify for TCA recovery per statute; and (2) whether the TCA should continue as a forward-looking cost recovery mechanism. Staff withdraws any challenges to the prudence of projects included in the 2023 TCA and acknowledges that it is proposing a new prudence standard as part of issue (1) above to be applied solely to new TCA projects initiated in 2024 or later”).

⁴ As noted earlier, TCA transmission investment costs from the TCA have been transferred to base rates for projects placed in service through December 31, 2022.

⁵ Second, in Decision Nos. C22-270 and C22-0430, in Proceeding No. 21A-0096E, the Company was ordered to hire a third-party Independent Engineer (“IE”) to monitor and provide periodic reports to the Commission on the Colorado’s Power Pathway transmission project and ordered that costs associated with retaining the IE may be recovered annually through the TCA until the project is completed. The IE costs of approximately \$50,000 for December 2022 – October 2023 are included as capital costs in this filing. The Company will true-up the actual costs through 2024 in a future TCA filing. For reference, IE costs are included in the Pathway Seg.1 FSV-CanalCrsg T-Lin, Pathway Seg.2 CanalCrsg-GooseCrk T, and Pathway Seg.4 MayVly-Tundra Tline projects. In addition, consistent with the Scope of Work approved in Decision No. C22-0736, Commission Staff reviews the IE invoices before they are paid by Public Service.

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transmission capacity or because the project is a necessary component of a larger project group that increases transmission capacity. The Northern Greeley Area Plan Project (also known as the Northern Colorado Area Plan, or NCAP, project), approved by Decision No. R18-0153 in Proceeding No. 17A-0146E, provides an illustrative example of the applied approach. That project has a new transmission line in which the conductor used resulted in increased transmission capacity, and also needed a Right of Way, removal of old infrastructure, communication devices, two new substations, and interconnections into two existing substations. All of these costs for the Northern Greeley Area Plan Project are included because they are necessary for this project that will result in increased transmission capacity. Please reference Attachments 2 and 3 for further information on the 2023 TCA Projects and the 2024 TCA Qualified Projects.

The proposed TCA to be effective January 1, 2024, reflects the projected 13-month average net transmission plant not otherwise included in base rates and year-end 2023 transmission Construction Work In Progress (“CWIP”) balances. The CWIP balance is reduced by the number of months the project is estimated to be in service in 2024. The proposed TCA also includes a true-up of 2022 actual 13-month average transmission plant in service and 2021 year-end transmission CWIP account balances and a true-up of the under-collected 2022 rider revenues to the amount approved to be collected. Because the Company over-collected 2022 transmission plant and CWIP balances, the Company has included interest on its true-up balance.

The effect of this filing upon the Company’s annual revenue for the period January 1, 2024, through December 31, 2024, will be \$58,412,492, including interest and true-ups. That is an increase of \$43,571,742 above the currently-effective 2023 TCA revenue requirement of \$14,840,750,⁶ which represents only the incremental 2023 TCA forecast as filed on November 1, 2022 that was not permitted to be recovered in rates until September 8, 2023.⁷ A large driver of this increase is a result of the capital costs of the Colorado’s Power Pathway Project, approved in Proceeding No. 21A-0096E (in the CWIP component), which falls into the definition of 2024 TCA Qualified Projects because it will result in increased transmission capacity. The 2024 TCA revenue requirement calculation is illustrated in the table below.

⁶ The rates for the approved revenue requirement of \$14.8 million were calculated to be in effect September 8, 2023 to December 31, 2023, or approximately four months, whereas the revenue requirement proposed of \$58.4 million will be recovered over 12 months January 1, 2024 to December 31, 2024 which is why the rate impact appears smaller than would be otherwise.

⁷ See Decision No. C23-0592 at ¶62 (“The Settling Parties . . . agree that the incremental 2023 TCA forecast, as filed on November 1, 2022, that is not currently being recovered pending resolution of this combined rate case and TCA proceeding, will be recovered through the TCA over the period from the implementation of final rates in this Proceeding to December 31, 2023”).

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Net Plant Component	\$33,537,489
CWIP Component	\$29,052,511
Total 2024 Revenue Requirement	\$62,589,997
True-Up of 2022 Revenue Requirement	(\$5,038,083)
True-Up of 2022 Rider Revenue	\$1,113,582
Interest on 2022 True Up	(\$253,004)
Total 2022 True-Up	(\$4,177,505)
Net 2024 TCA Revenue Requirement	\$58,412,492

The impact of the change in the TCA rates on the typical residential customer will be an increase of \$0.00048 per kilowatt-hour (“kWh”), from \$0.00220 per kWh to \$0.00268 per kWh, or \$0.29 per month based upon typical customer usage of 600 kWh. The impact of the change in the TCA rates on the typical small commercial customer will be an increase of \$0.00045 per kWh, from \$0.00180 per kWh to \$0.00225 per kWh, or \$0.41 per month, based upon typical customer usage of 910 kWh.

Public Service includes with this filing the following additional information:

- Attachment 1 – Instructions for Locating Specified Information;
- Attachment 2 – TCA Rider Report - January 2023 – December 2024;
- Attachment 3 – Transmission Project Descriptions;
- Attachment 4 – Total Revenue Requirement; and
- Attachment 5 - the Rate Trend Report required as by Section 40-3-102.5(2), C.R.S. and Decision No. C23-0538 in Proceeding No. 23R-0408EG adopting temporary rules in response to Senate Bill 23-291. Additionally, the rate trend report data is posted on the Company’s website https://www.xcelenergy.com/company/rates_and_regulations/rates/rate_books.

The Company provides the following information in Attachment 3 for the 2024 TCA Qualified Projects: (1) purpose of the project; (2) group name; (3) parent number; (4) summary description of work performed; (5) element rating before project; (6) element rating after project; (7) facility rating before project; (8) facility rating after project; (9) location of project; (10) total project costs, defined as capital expenditures not including AFUDC; (11) estimated in-service date; and (12) Commission decision approving a Certificate of Public Convenience and Necessity (“CPCN”) or Commission decision finding that no CPCN was required if one exists, as applicable. The Company is also providing detail for 2023 TCA Projects (excluding items 6-9). Additionally, Attachment 3 identifies the “wildfire capital for which TCA recovery is being

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sought and details the amounts expended for the wildfire risk zone,” consistent with Decision No. C21-0237 in Proceeding No. 20A-0300E (mailed April 16, 2021).

The Company is filing a Motion for Alternative Form of Notice with the Commission contemporaneously herewith, and proposes to provide notice of this advice letter filing to its electric customers as set forth therein and as approved by the Commission. Also, as changes to Tariff Sheet No. 142B are being made in compliance with the Decisions, notice of this filing will be provided in the Consolidated Proceeding.

Public Service requests that the tariff changes accompanying this advice letter become effective on January 1, 2024.

Please send copies of all notices, pleadings, correspondence, and other documents regarding this filing to:

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Enclosures