



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

July 2, 2021

Advice No. 1857 - 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 accordance with the requirements of the Public Utilities Law and the applicable rules of the Public Utilities Commission of the State of Colorado ("Commission"), including Rule 1210, 4 Colorado Code of Regulations 723-1:

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

and the following sheets are attached:

<u>Colorado P.U.C. Sheet No.</u>	<u>Title of Sheet</u>	<u>Cancels</u> <u>Colorado P.U.C. Sheet No.</u>
Third Revised 3	Table of Contents	Second Revised 3
Ninth Revised 17	Reserved For Future Filing Index	Eighth Revised 17
Third Revised 17A	Reserved For Future Filing Index	Second Revised 17A
Third Revised 25	Schedule Of Charges For Rendering Service	Sub. Second Revised 25
Second Revised 25A	Schedule Of Charges For Rendering Service	2 nd Sub. First Revised 25A
Second Revised 26	Maintenance Charge for Street Lighting Service	2 nd Sub. First Revised 26
Second Revised 26A	Maintenance Charge for Street Lighting Service	2 nd Sub. First Revised 26A

Public Utilities Commission
of the State of Colorado

Advice No. 1857 – Electric

Page 2

<u>Colorado P.U.C. Sheet No.</u>		<u>Title of Sheet</u>	<u>Cancels</u> <u>Colorado P.U.C. Sheet No.</u>	
Second Revised	26B	Maintenance Charge for Street Lighting Service	2 nd Sub. First Revised	26B
First Revised	120	Resiliency Service Program	Original	120
Original	120A	Resiliency Service Program	----	120A
Original	120B	Resiliency Service Program	----	120B
Original	120C	Resiliency Service Program	----	120C
Original	120D	Resiliency Service Program	----	120D
Original	120E	Resiliency Service Program	----	120E
Original	120F	Resiliency Service Program	----	120F
Third Revised	131A	Quality of Service Plan	Sub. Second Revised	131A
Fourth Revised	132	General Rate Schedule Adjustment	2 nd Sub. Third Revised	132
Eighth Revised	142	Transmission Cost Adjustment	2 nd Sub. Seventh Revised	142
Seventh Revised	142A	Transmission Cost Adjustment	Sub. Sixth Revised	142A
Twentieth Revised	143	Electric Commodity Adjustment	Nineteenth Revised	143
Twentieth Revised	143A	Electric Commodity Adjustment	Nineteenth Revised	143A
Second Revised	143F	Electric Commodity Adjustment	2 nd Sub. First Revised	143F

Public Utilities Commission
of the State of Colorado

Advice No. 1857 – Electric

Page 3

<u>Colorado P.U.C. Sheet No.</u>		<u>Title of Sheet</u>	<u>Cancels</u> <u>Colorado P.U.C. Sheet No.</u>	
Third Revised	143G	Electric Commodity Adjustment	Sub. Second Revised	143G
Second Revised	143H	Electric Commodity Adjustment	Sub. First Revised	143H
Second Revised	143I	Electric Commodity Adjustment	Sub. First Revised	143I
First Revised	R135	Rules and Regulations Street Lighting	Original	R135
First Revised	R136	Rules and Regulations Street Lighting	Original	R136
Second Revised	R137	Rules and Regulations Street Lighting	First Revised	R137
Second Revised	R139	Rules and Regulations Street Lighting	First Revised	R139
Third Revised	R140	Rules and Regulations Street Lighting	Second Revised	R140

The Company is filing this 2021 Electric Rate Case because Public Service’s current base rates are premised on the cost of capital investments to provide electric service through August of 2019. Since that time, the Company has made additional investments and experienced changes to capital and operations and maintenance costs incurred to provide safe and reliable electric service to customers. This rate case filing, based on a future test year ending December 31, 2022 (“FTY”), reflects these incremental investments net of any increase in revenues due to load growth.

Specifically, Public Service is seeking an overall increase in base rate revenue of \$469,668,017 for the FTY when compared to the Company’s present base rate revenue of \$1,828,744,462, using an overall rate of return of 7.17 percent and a rate of return on equity of 10.00 percent. This proposed revenue change includes transferring into base rates the costs of projects previously recovered through the Transmission Cost Adjustment (“TCA”), as well as certain Cheyenne Ridge Wind Project (“Cheyenne Ridge”) costs currently collected through the Electric Commodity Adjustment (“ECA”). The amount of this transfer is projected to be \$38,776,131 for the TCA-related components, and \$87,936,983 for the ECA-related components. Since a transfer of cost between rate recovery mechanisms does not increase the net total revenue collected from customers, \$342,954,903 represents the net base rate revenue increase to customers. A significant

Public Utilities Commission
of the State of Colorado

Advice No. 1857 – Electric

Page 4

portion of the \$469,668,017 base revenue request also consists of recovery of costs the Commission previously approved for deferral and potential recovery in a future base rate case.

In addition to the requested change in base rate revenue, including the components of this change, and transferring costs from the TCA and ECA into base rates, the Company requests Commission approval of updated depreciation rates, tariff revisions and a program addition, approval of requested trackers and deferrals, amortization of previously-deferred costs, and to re-set the baseline for the Revenue Decoupling Adjustment to April 1, 2022, as discussed in more detail in the direct testimony supporting this advice letter.

The Company requests that the following tariff revisions be made:

- Add new Resiliency Service Tariff for Commercial & Industrial customers to support resiliency through Company ownership, installation, operation, and maintenance of on-site resiliency assets.
- Revise the General Rate Schedule Adjustment (“GRSA”) and GRSA-Energy (“GRSA-E”) and add the Cheyenne Ridge Wind Project to the list of projects recovered in the GRSA-E.
- Revise the TCA rates to shift the costs of transmission in-service assets presently recovered through the TCA to base rates.
- Revise the ECA rates to shift the retail cost for the Cheyenne Ridge revenue requirement collected through the ECA to base rates and modify the Cheyenne Ridge cost recovery language to reflect this change.
- Revise the Short-Term Sales Margins language in the ECA Tariff for Generation and Proprietary Book to reflect these will be in excess of levels established by the Commission decision rather than including the specific dollars and date in the tariff.
- Revise the ECA Tariff to include the proposed Electric Generation Performance Mechanism for three years or until Public Service’s next Phase I electric rate case, whichever happens first.
- Extend the Quality of Service Plan through Performance Year 2024.
- Update the Charges for Rendering Service and Maintenance Charges for Street Lighting Service.
- Add references to Schedule Metered Street Lighting in the Street Lighting Rules and Regulations to be consistent with Schedule Energy Only Street Lighting.
- Update the Table of Contents and Reserved for Future Filing Index to incorporate changes.

However, on September 30, 2021, Public Service proposes to file an amended advice letter (with supplemental direct testimony) and provide supplemental notice in order to incorporate revised base rates and rate schedules based on a new Class Cost of Service Study, class revenue distribution, and rate design and related issues. The amended advice letter filing will incorporate the requested increase to base rate revenue and be informed by decisions in the Company’s currently-pending electric service cost allocation and rate design proceeding (Proceeding No.

Public Utilities Commission
of the State of Colorado

Advice No. 1857 – Electric

Page 5

20AL-0432E), wherein, among other things, new base rates and rate design will be implemented as approved by the Commission. The Company is also evaluating revisions to the net metering tariff for inclusion in this case. This amended advice letter will not be filed if the Company's request for an April 1, 2022 rate effective date (further discussed below) is not approved by the Commission by July 21, 2021. The amended advice letter and associated supplemental notice, adding components of a Phase II rate case to what is currently a Phase I (revenue requirement) proceeding, will also include the updated bill impacts of the Company's proposals in the advice letter as amended.

The Company's filing of an amended advice letter on September 30, 2021 could otherwise delay the Company's recovery of additional revenues from the requested April 1, 2022 rate effective date (if the Commission suspends the initial advice letter and sets it for hearing) until no later than July 8, 2022. Thus, Public Service has asked the Commission to approve, by July 21, 2021, a rate effective date of April 1, 2022 with the amended advice letter filed as proposed, in order to allow the Company to recover necessary additional revenues under the statutory timelines consistent with the July 2, 2021 filing of this advice letter. As part of this proposal, Public Service has requested to delay actual implementation of new rates on customer bills to July 8, 2022, deferring collection of incremental revenues accrued from April 1, 2022 through July 7, 2022 for recovery through a separate surcharge (Rate Deferral Surcharge) to be applied in non-summer months from October 2022 through March 2024, beginning on October 1, 2022 or as soon thereafter as may be possible based on the Commission's decisions to be issued in this proceeding. The Company's proposed rate effective date and proposal to implement a Rate Deferral Surcharge construct, with the specific surcharge recovery period to be decided in the course of this proceeding, together constitute the Combined Rate Case Proposal. The Company's Combined Rate Case Proposal is discussed further in the Direct Testimony of Company witnesses Ms. Brooke A. Trammell and Mr. Steven W. Wishart included in this advice letter filing.

To support the Company's Combined Rate Case Proposal, an illustrative Rate Deferral Surcharge tariff is attached to the Omnibus Motion of Public Service Company of Colorado for Approval of Rate Effective Date and Rate Deferral Surcharge, Alternative Forms of Notice including Supplemental Notice Proposal, and Waiver of Response Time, with Decision Requested by July 21, 2021 ("Motion"). Public Service proposes to make a compliance filing effective April 1, 2022, to implement the Rate Deferral Surcharge on the rate effective date if the Combined Rate Case Proposal is approved.

If the Commission does not approve the Company's Combined Rate Case Proposal, Public Service intends to continue this proceeding based on the current Advice No. 1857. In that event, based on the requests in this proceeding, the Company would implement a GRSA to recover its requested \$469,668,017 of additional revenues based on forecasted 2022 sales. The request represents a 25.68 percent increase from what is currently collected from customers under base rates. The Company is proposing to collect \$387,401,744 of additional revenues through an incremental 24.07 percent GRSA, and an incremental \$82,266,273 through a base rate kWh GRSA-E. These proposed

Public Utilities Commission
of the State of Colorado

Advice No. 1857 – Electric

Page 6

changes are incremental to the GRSA of 6.51 percent and the GRSA-E charges that are currently in effect. For the GRSA, the combination of these two charges would replace the current GRSA charge of 6.51 percent with the equivalent of a 30.58 percent total base rate adjustment.

The proposed GRSA-E is a kWh charge to collect energy-specific costs related to the Rush Creek and Cheyenne Ridge Wind projects and differs based on the customer's level of service delivery. For example, the incremental GRSA-E to incorporate the Cheyenne Ridge Wind project is \$0.00292 per kWh of energy consumed for customers receiving service under secondary general rate schedules. For this rate class, the new GRSA-E would replace the current GRSA-E charge of \$0.00420 per kWh with a charge of \$0.00712 per kWh. Additionally, for Residential and Small Commercial customers, the GRSA percentage is converted to an equivalent \$ per kWh and added to the applicable GRSA-E charge. The GRSA-E charge applicable to Residential customers would be \$0.02864 per kWh. Further, if the Commission does not approve the Company's Combined Rate Case Proposal, the Company would implement all other tariff revisions listed in the advice letter.

The projected impacts of the Company's filing on typical monthly bills for the five major rate schedules are provided below, based on this advice letter prior to any amendment. The impacts are based on an assumed implementation date of the initial requested rate increase of August 2, 2021. This implementation date is 30 days from the filing date and assumes the Commission does not suspend the advice letter and set it for hearing. The table compares proposed base rates in the advice letter, inclusive of the GRSA and GRSA-E as well as offsetting changes to the ECA and TCA and holding all other rates constant, to rates currently in effect as of July 2, 2021.

2021 Electric Rate Case - Phase I vs Currently Effective Rates				
Average Monthly Bill Impact				
	Current	Proposed	Monthly \$ Change	Monthly % Change
Residential - R	\$73.76	\$83.22	\$9.46	12.83%
Commercial - C	\$112.16	\$126.62	\$14.46	12.89%
Secondary General - SG	\$2,284	\$2,545	\$261	11.42%
Primary General - PG	\$37,725	\$41,381	\$3,656	9.69%
Transmission General - TG	\$534,670	\$582,217	\$47,547	8.89%

Pursuant to and as further detailed in the Company's Motion filed with the Commission contemporaneously herewith, the Company plans to provide notice of this advice letter filing to its electric customers by publishing the legal notice attached to the Motion in *The Denver Post* and

Public Utilities Commission
of the State of Colorado

Advice No. 1857 – Electric

Page 7

posting the legal notice and this filing on its website.¹ Should the Company’s Combined Rate Case Proposal be approved, the Company further proposes in the Motion to supplement its notice to present updated bill impacts and provide customer bill inserts and emails to all electric customers after filing its September 30, 2021 amended advice letter incorporating the Phase II elements of the case. In the event the Commission declines to approve the Company’s Combined Rate Case Proposal, the Company proposes to provide customer bill inserts and emails as outlined in the Motion.

Consistent with Commission Rules and Colorado Statutes, the effective date for the changed tariffs accompanying this advice letter is August 2, 2021. However, as mentioned above, the Company anticipates that the tariffs will be suspended by the Commission and that the Commission will set a hearing on the proposed rates and tariff changes. In that event, the Company requests a rate effective date of April 1, 2022 as previously set forth in this advice letter and the contemporaneously filed Motion.

Finally, contemporaneously filed with this advice letter are the tariffs and the direct testimony and attachments of 22 witnesses in support of the request for an increase in electric base rates and outlining the issues presented and anticipated in this proceeding.

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

Brooke Trammell
Regional Vice President, Rates and Regulatory Affairs
Xcel Energy Service Inc.
1800 Larimer Street, Suite 1100
Denver, Colorado 80202-5533
Phone: 303-571-7377
Fax: 303-294-2329
E-mail: Brooke.A.Trammell@xcelenergy.com

Anne Zellner Sherwood, #44438
Lead Assistant General Counsel
Xcel Energy Services Inc.
1800 Larimer Street, Suite 1400
Denver, Colorado 80202-5533
Phone: 303-294-2556
Fax: 303-294-2988
Email: Anne.Sherwood@xcelenergy.com

Caitlin M. Shields, #41539
Wilkinson Barker Knauer, LLP
1755 Blake Street, Suite 470
Denver, Colorado 80202
Phone: (303) 626-2338
Email: cshields@wbklaw.com

Ron H. Moss, #51930
Winstead PC
401 Congress Ave., Suite 2100
Austin, Texas 78701
Phone: (512) 370-2867
Email: rhmos@winsteadpc.com

¹ https://www.xcelenergy.com/company/rates_and_regulations/filings

Public Utilities Commission
of the State of Colorado


Advice No. 1857 – Electric

Page 8

Elizabeth M. Brama, #48634
Valerie T. Herring, #53258
Taft Stettinius & Hollister LLP
1331 17th Street, Suite 520
Denver, Colorado 80202
Phone: 720-778-5480
Fax: 612-977-8650
E-mail: ebra@taftlaw.com
E-mail: vherring@taftlaw.com

and in electronic form only to:

Stephanie Voss
Email: Stephanie.T.Voss@xcelenergy.com


Regional Vice President, Rates & Regulatory Affairs

BAT:stv

Enclosures