

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

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**IN THE MATTER OF THE APPLICATION)
OF PUBLIC SERVICE COMPANY OF)
COLORADO FOR APPROVAL OF AN)
ECONOMIC DEVELOPMENT RATE) PROCEEDING NO. 20A-XXXXE
PROPOSAL PURSUANT TO)
COLORADO HB 18-1271)**

**VERIFIED APPLICATION OF PUBLIC SERVICE COMPANY OF COLORADO
FOR APPROVAL OF AN ECONOMIC DEVELOPMENT PROPOSAL PURSUANT
TO HOUSE BILL 18-1271**

Pursuant to C.R.S. § 40-3-104.3 (6) and (7) and Colorado Public Utilities Commission (“Commission”) Rule 3002, 4 CCR 723-3, Public Service Company of Colorado (“Public Service” or the “Company”) seeks Commission approval to implement an economic development rate (“EDR”) proposal as reflected herein and its concurrently-filed Direct Testimony. Specifically, Public Service requests that the Commission:

- Find that the terms and conditions set forth in the Company’s illustrative EDR tariff, provided as Attachment SWW-1 to Mr. Steven W. Wishart’s Direct Testimony, are reasonable, in the public interest, and consistent with C.R.S. § 40-3-104.3. In doing so, Public Service requests that the Commission find its proposed EDR standardized base rate discounts are reasonable and appropriate, as they result in charges that are above the marginal cost of service and the rates assessed to other customers will not subsidize the cost of providing service to EDR customers;

- Authorize Public Service's proposed modifications to its Distribution Extension Policy, COLO. PUC No. 8 Electric, Sheet No. R207 and R227, as embodied in Attachment SWW-2 and SWW-3, the Redline and Clean Versions respectively, to Mr. Wishart's Direct Testimony;
- Authorize Public Service's proposed modifications to its Electric Commodity Adjustment ("ECA") and Demand-Side Management Cost Adjustment ("DSMCA") tariffs, COLO. PUC No. 8 Electric, Sheet No. 143 and Sheet No. 140, as embodied in Attachment SWW-2 and SWW-3, the Redline and Clean Versions respectively, to Mr. Wishart's Direct Testimony;¹
- Approve Public Service's proposal to provide the Commission an opportunity to review qualifying EDR customers' eligibility to receive an EDR discount for Standard EDR Contracts pursuant to C.R.S. § 40-3-104.3 (7)(a)(I)(B);²
- Approve Public Service's proposed expedited procedural process for the Commission to address applications for Commission approval of Non-Standard EDR Contracts, and for requested expansions of voluntary

¹ The rate sheets for the proposed ECA and DSMCA tariff revisions, Sheet 140 and Sheet 143A in SWW-2 (redline) and SWW-3 (clean), include estimated values that will be updated in the compliance advice letter referenced below. Also included in Attachments SWW-2 (redline) and SWW-3 (clean) are related changes to the Table of Contents and Index to accommodate the EDR tariff changes.

² Throughout this Application, Public Service refers to "Standard EDR Contracts" and "Non-Standard EDR Contracts." Public Service uses the term Standard EDR Contracts to refer to EDR contracts for qualifying customers adding three MW to 20 MW of load that take the EDR discounts provided in a Commission-approved EDR tariff. The illustrative EDR tariff in Attachment SWW-1 to Mr. Wishart's Direct Testimony provides the discounts that would apply to Standard EDR Contracts. As explained further below, under HB 18-1271, Standard EDR Contracts do not require Commission approval. Other EDR contracts, which Public Service refers to as "Non-Standard EDR Contracts," will require Commission approval under HB 18-1271. The Company expects these Non-Standard EDR Contracts will fall into two categories: (1) EDR contracts for customers adding more than 20 MW of load; and (2) EDR contracts for customers adding from three to 20 MW of load that provide for a discount other than the standard discount provided in Public Service's illustrative EDR tariff.

renewable programs to accommodate EDR customers pursuant to C.R.S. § 40-3-104.3(6)(d);

- Approve Public Service's proposal concerning annual reporting of EDR sales;
- Approve Public Service's proposed treatment of EDR costs and revenues in ratemaking proceedings;
- Authorize Public Service to track, record, and defer all costs incurred to prepare and litigate this Application in a non-interest bearing regulatory asset account until they are presented for review and recovery in a future cost recovery proceeding; and,
- Authorize the Company to file a compliance advice letter within 20 days of the effective date of a final order in this proceeding, but on not less than two business days' notice that includes all tariff sheets authorized as part of this proceeding, including the EDR tariff itself, and modifications to Public Service's Distribution Extension Policy, ECA, and DSMCA tariffs to reflect all terms and conditions that are approved as a result of this proceeding.

Public Service notes that its EDR proposals, while brought pursuant to Colorado law, are voluntary. Thus, to the extent the Commission modifies Public Service's proposal in a manner Public Service finds unacceptable, Public Service respectfully requests the final order reflect that the Company maintains discretion as to whether it implements the EDR proposals and related tariff modifications that are authorized as a result of this Application proceeding. Accordingly, Public Service is requesting that the Commission's order authorize, but not require, any of the compliance advice letter

filing(s) that would be needed to implement the EDR tariff authorized as part of this Application proceeding.

Public Service additionally requests that if this Application is unopposed, or if no hearing is requested or all hearing requests are later withdrawn, the Commission grant the Application without a hearing.

Public Service is submitting with its Application the Direct Testimony and Attachments of Ms. Hollie Velasquez Horvath, Mr. Steven W. Wishart, and Mr. R. Neil Cowan. In further support of this Application, Public Service states as follows:

I. House Bill 18-1271

1. On June 1, 2018, the Colorado state legislature enacted House Bill 18-1271 (“HB 18-1271”). As described in Ms. Velasquez Horvath’s Direct Testimony, the purpose of this legislation is to attract capital investment and job-creating economic growth to the State of Colorado by allowing Commission-regulated utilities to offer discounts on electricity for qualifying commercial and industrial customers locating new or expanding existing operations in Colorado while protecting other customers from subsidizing qualifying customers. The discounts are called “economic development rates” or an “EDR”.

2. HB 18-1271 expanded Colorado’s existing special contract rate statute by adding sections 6 and 7 to C.R.S. § 40-3-104.3, which now includes the following parameters for EDR and contracts:

- The EDR must be lower than the utility’s standard C&I rates.³

³ C.R.S. §40-3-104.3(6)(b)(I))

- The EDR must be higher than the utility's marginal cost of service.⁴
- The utility may offer an EDR to qualifying customers for up to ten years.⁵
- To qualify for the EDR a customer must add at least three megawatts of new load at a single location or expand existing operations by three megawatts.⁶
- Utilities may enter into EDR contracts for load between three and twenty megawatts without Commission approval so long as the contract complies with the Commission-approved EDR tariff.⁷
- The Commission will not impute to the utility the cost of the EDR discount.⁸

3. These provisions allow utilities to offer an EDR to attract new or expanded business to Colorado without charging the cost of the discounts back to the utility. The requirement that an EDR be above the marginal cost of service to a given customer is a critical element of the EDR statute and ensures that other customers are not harmed by the EDR, and that other customers are not subsidizing customers on the EDR.

4. As referenced above, a utility can only enter into an EDR contract with a "qualifying commercial or industrial customer". C.R.S. § 40-3-104.3 (7) defines a qualifying commercial or industrial customer as a utility customer that agrees to locate new or expand existing commercial or industrial operations in Colorado and add at least three megawatts ("MW") of new load at a single location. Because the qualifying commercial or industrial customer must be establishing new or expanding existing

⁴ C.R.S. §40-3-104.3(6)(b)(I)

⁵ C.R.S. §40-3-104.3(6)(b)(III)

⁶ C.R.S. §40-3-104.3(7)(a)(I)(A)

⁷ C.R.S. §40-3-104.3(6)(b)(II)(B)

⁸ C.R.S. §40-3-104.3(6)(c)(III)

operations in Colorado, relocating existing operations within the State of Colorado to another utility company's service territory does not satisfy this condition. Under subsection (7)(a)(I)(B), the customer must also demonstrate that the "cost of electricity is a critical consideration in deciding where to locate new or expand existing operations; and the availability of economic development rates, either on their own or in combination with other economic development incentives, is a substantial factor in the customer's decision to locate new or expand existing operations in Colorado."

5. While a utility may seek Commission approval of each individual EDR contract it seeks to enter into, C.R.S. § 40-3-104.3 (6)(b)(II)(A) also authorizes the Commission to approve investor-owned utility tariff(s) that implement an EDR in accordance with statutory requirements. Under C.R.S § 40-3-104.3 (6)(b)(II)(B), the utility "may negotiate and enter into agreements related to economic development rates with individual qualifying commercial or industrial customers without commission approval so long as the agreed-up economic development rate complies with the commission-approved tariff." However, any "addition or expansion of existing load at a single location that is greater than twenty megawatts requires a separate commission approval." C.R.S. § 40-3-104.3 (6)(b)(II)(B). While contracts entered into pursuant to a Commission-approved EDR tariff do not require separate Commission approval for customers adding from three to 20 MW of load, the regulated investor-owned utility's determination that the availability of the EDR discount has motivated the customer to locate new or expand existing operations in Colorado remains subject to Commission review. See C.R.S. § 40-3-104.3 (7)(a)(I)(B).

6. In enacting HB 18-1271, the General Assembly also recognized the importance of voluntary renewable energy programs in attracting EDR customers. C.R.S. § 40-3-104.3(6)(d) authorizes an investor-owned utility to seek Commission approval to expand any of its voluntary renewable energy program or service offerings “through the acquisition of additional renewable generation capacity and energy to meet the current and projected demand of” customers meeting the statutory eligibility criteria for an EDR discount. Such an application must demonstrate that there is not sufficient capacity and energy in the existing voluntary renewable energy program or service offering to satisfy the needs of the customer; and the availability of the program or service, either on its own or in combination with other incentives, is a substantial factor in the customer’s decision to locate new or expand existing business operations in Colorado. C.R.S. § 40-3-104.3(6)(d) also provides that the Commission may approve such an application within 120 days.

II. Public Service’s EDR Proposal

7. As explained in Ms. Velasquez Horvath’s Direct Testimony, Public Service is pursuing Commission approval of an EDR proposal that carries out the State’s clear policy objective to promote economic development through making electricity discounts available to attract large load customers and the capital investment and job growth for the State of Colorado these customers will bring with them.

8. While Public Service has long been interested in pursuing pricing strategies that enhance its ability to attract large load growth, in the wake of the recent pandemic, the legislative objectives of HB 18-1271 have become even more pressing for the customers and communities Public Service serves. Now, many Coloradans are

concerned about decreased employment opportunities and the potential for economic stagnation. Businesses worldwide are becoming increasingly conscientious and circumspect in choosing whether to expand existing operations or establish new operations and are thoughtfully considering how to minimize startup costs.

9. Public Service is confident that its comprehensive EDR proposal presented in this Application will help move toward overcoming these obstacles, while contributing to the continued economic well-being of Colorado and Coloradans as a whole. Public Service's comprehensive EDR proposal will not only enhance Colorado and Public Service's ability to attract new business and jobs to the State during recovery from the global pandemic, but also once Colorado has rebounded from the economic fallout of the pandemic.

10. As explained in Ms. Velasquez Horvath's Direct Testimony, Public Service will be able to most effectively and efficiently unlock the benefits of HB 18-1271, by being able to offer competitive EDR discounts and voluntary renewable energy program participation through the streamlined and predictable manner encapsulated in the Company's proposals here. Further, as Ms. Velasquez Horvath explains, Public Service's proposed EDR will allow it to effectively compete with the electricity discounts utilities in other states are offering and attract job-creating economic growth and capital investment for the benefit of Public Service's customers and communities it serves. Overall, Public Service's proposal offers a comprehensive and reasonable approach to carrying out the objectives of HB 18-1271.

A. Standard Base Rate Discounts

11. Consistent with C.R.S. § 40-3-104.3 (6)(b)(II)(A), Public Service is bringing forward an illustrative EDR tariff, Schedule EDR, that would apply to qualifying EDR customers. The EDR proposal would allow qualifying customers who seek to add three MW to 20 MW of load to enter into Standard EDR contracts with the Company and take service without the need for separate Commission approval of these EDR contracts. As explained in Ms. Velasquez Horvath's Direct Testimony, prospective EDR customers have expressed a strong interest in having access to EDR discounts without having to individually apply to the Commission for a negotiated rate through a protracted and litigated regulatory proceeding. Public Service's EDR proposals provide a streamlined, predictable, and easy-to-understand path forward to accomplish this goal.

12. Public Service's proposed Schedule EDR offers standard percentage base rate discounts that step down over the term of the contract for customers adding three MW to 20 MW of load as described in Mr. Wishart's Direct Testimony. While Public Service expects that most customers will sign up for the full 10-year term allowed under HB 18-1271, Public Service also wants to offer EDR customers the flexibility to select a shorter contract term as individual circumstances may warrant. As presented in Mr. Wishart's Direct Testimony, the standard discounts available each year depend on the contract term selected by the EDR customer. To incentivize EDR customers to remain on the system long-term, Public Service proposes to offer the largest base rate discounts to customers that sign on for the maximum 10-year term.

13. Public Service has provided an EDR customer service agreement as Attachment HVH-2 to Ms. Velasquez Horvath's Direct Testimony. As Ms. Velasquez

Horvath explains, this “Standard EDR Customer Service Agreement” reflects the standard terms and conditions Public Service anticipates most three to 20 MW EDR customers who take service pursuant to Schedule EDR will enter into.

B. Public Service’s Proposal Ensures EDR Customers Will Cover the Marginal Cost to Serve Them

14. As stated above, a key requirement for EDR discounts under HB 18-1271 is that EDR customers must cover Public Service’s marginal cost to serve them. C.R.S. §40-3-104.3(6)(c)(I) provides that Commission authorization of an EDR “must include such terms and conditions as the Commission determines are necessary to ensure that the Economic Development Rates or charges assessed to other customers do not subsidize the cost of providing service to qualifying commercial and industrial customers.” As Mr. Wishart explains, the Company agrees with the following definition of “marginal cost” proffered by Staff in a recent Black Hills’ EDR proceeding:

The change in the total cost that arises when the quantity produced is incremented by one unit; that is, it is the cost of producing one more unit of a good. Intuitively, marginal cost at each level of production includes the cost of any additional inputs required to produce the next unit.⁹

15. Public Service has carefully evaluated all components of its existing rates and rate schedules in crafting its EDR tariff to ensure EDR customers cover at least the full marginal cost to serve them and that non-participant customers do not subsidize EDR customers as prohibited by HB 18-1271. More specifically, and as reflected in Attachment SWW-5, the Company evaluated the long-term marginal cost of generation capacity, transmission capacity, distribution capacity, energy, taxes, and corporate

⁹ Erin T. O’Neill Answer Testimony at 22:14-17, Proceeding No. 18A-0791E.

overhead. The results of the analysis demonstrate that under the EDR tariff customers will pay substantially more than the marginal cost to serve them.

16. To ensure that EDR customers cover the short-term marginal cost of generation, Schedule EDR provides that the EDR customer is responsible for the cost of any generation asset that is acquired to specifically serve that customer at the initiation of the contract period.

17. While the Company's Transmission Line Extension Policy already ensures that EDR customers will pay for the short-term marginal costs of transmission capacity, Public Service proposes an adjustment to its Distribution Extension Policy to eliminate the upfront construction allowance for EDR customers to ensure that EDR customers also cover the short-term marginal costs of distribution capacity. These proposed tariff adjustments are reflected in Attachment SWW-2 and SWW-3, the Redline and Clean Versions respectively, to Mr. Wishart's Direct Testimony. Also, because EDR customers would be making construction payments in excess of the marginal cost to serve them, the Company proposes that EDR customers receive the 35 percent off-site distribution line extension credit to minimize the extent to which they may subsidize other customers that subsequently move into the area and are served by the EDR customer's line extension.

18. To address marginal energy costs and the cost of variable O&M not included in the base energy charge, Public Service proposes an EDR-specific/ modified ECA factor, known as the "EDR ECA Factor," that is based on the marginal cost of energy needed to serve EDR customers to be updated quarterly. The tariff adjustments

to implement this EDR ECA Factor are reflected in Attachment SWW-2 and SWW-3, the Redline and Clean Versions respectively, to Mr. Wishart's Direct Testimony.

19. Finally, the Company is not planning to undertake fuel hedging activities for EDR customers and does not expect to incur such incremental costs on their behalf.

C. Applicability of Riders and Adjustment Clauses to EDR Customers

20. Under the Company's EDR proposal, EDR customers will pay the EDR ECA Factor, a modified DSMCA, the full Renewable Energy Standard Adjustments ("RESA"), and the Colorado Energy Plan Adjustment ("CEPA") (if approved). EDR customers will not pay the Purchased Capacity Cost Adjustment ("PCCA"), the Clean Air - Clean Jobs Act Rider ("CACJA"), the Transmission Costs Adjustment ("TCA"), the General Rate Schedule Adjustment ("GRSA"), or the General Rate Schedule Adjustment – Energy ("GRSA-E").

21. Because base rate discounts are not applied to a customer's monthly S&F charge, EDR customers will be paying the full cost of the low-income Energy Assistance Program ("EAP"), which is embedded in that charge.

22. As Mr. Wishart explains, the Company recommends that customers taking service under Schedule EDR pay a new DSMCA rate that is based on the total cost of Company-run energy conservation programs, including Demand-Side Management ("DSM") costs recovered through base rates consistent with the Commission's Decision No. C19-0446 in the Black Hills EDR Proceeding No. 18A-0791E, finding that Black Hills' DSMCA should apply to EDR customers by default. As Mr. Wishart testifies, Public Service does not anticipate its DSM conservation goals or budgets will be impacted by the existence of EDR customers, and that adding EDR

customers will not materially impact the Company's current DSM or Demand Reduction ("DR") goals. Therefore, EDR customers will be paying charges associated with DSM but will not be causing any marginal DSM costs, creating another benefit for existing customers.

D. Procedures to Facilitate Commission Review of Customers' Eligibility for Standard EDR Contracts

23. As explained above, even when Commission approval of an EDR contract is not required, certain aspects of a customer's statutory eligibility to receive an EDR discount are subject to Commission review. Ms. Velasquez Horvath describes how Public Service plans to confirm a prospective EDR customer's statutory eligibility to receive an EDR discount.

24. To ensure a streamlined and predictable path forward for Standard EDR Contracts, which do not require Commission approval, Public Service proposes to provide the Commission an opportunity to review qualifying EDR customers' eligibility to receive an EDR discount.

25. As presented by Mr. Wishart, Public Service proposes that once the Company has determined that a customer meets the necessary conditions to qualify for the EDR tariff and negotiates and enters into an Standard EDR Contract with that customer, Public Service will file with the Commission a notice of the customer's enrollment that includes the executed EDR customer service agreement filed on a confidential basis, and the customer's affidavit setting forth facts confirming the customer's eligibility for the EDR discount, also filed on a confidential basis. The Company proposes to make these filings in the Commission's repository proceeding

established for the filing of electric service agreements, Proceeding No. 18M-0221E. These filings will enable the Commission to review the eligibility of EDR customers taking standardized base rate discounts under the EDR as the Company enters these contracts.

E. Proposed Process for Applications to Approve Non-Standard EDR Contracts and Requests to Expand Voluntary Renewable Energy Programs

26. While a key objective of Public Service's EDR proposal is to provide a standardized process for enrolling qualifying customers with three to 20 MW of new or expanded load in the EDR, consistent with HB 18-1271, several prospective EDR customers have already approached Public Service and expressed interest in pursuing an EDR discount for load over 20 MW. Public Service believes it is well-positioned to accommodate large-load customers, such as data centers, and that such customers could bring many jobs and increased taxable revenue to Colorado consistent with the legislative objectives of HB 18-1271.

27. Public Service also anticipates that some large customers may be interested in supplying their new or expanded load through renewable energy options. While Public Service has a suite of renewable energy programs that should be attractive to qualifying EDR customers, the Company is also proposing a pathway to expand its renewable energy programs to cater specifically to EDR customers, consistent with HB 18-1271.

28. Public Service is therefore requesting as part of this proceeding that the Commission establish an expedited process through which the Commission may

evaluate applications (1) for Commission approval of Non-Standard EDR Contracts, and (2) to address expansions of voluntary renewable programs to accommodate EDR customers, as authorized under C.R.S. § 40-3-104.3(6)(d).

29. In the interests of efficiency, certainty, and enhancing the Company's competitiveness in attracting qualifying customers, Public Service proposes that the Commission approve such applications within 120 days after deeming them complete, consistent with the process set forth below:¹⁰

Timing	Event
Day 1	Public Service files an application, supported by an affidavit or supporting testimony requesting approval of a Non-Standard EDR Contract and/or requesting to expand voluntary renewable energy program(s) to accommodate EDR customer(s).
Day 15	Intervention deadline.
Day 30	Decision on permissive interventions and decision on completeness of application (triggering 120-day period for Commission decision).
Day 60	Answer testimony filed (if requested/needed).
Day 75	Rebuttal/Cross-Answer testimony filed (if requested/needed).
Day 90	Hearing (if requested/needed), with deadlines for Statements of Position to be set on a case-by-case basis.
Day 150	Commission Decision

Public Service understands, however, that the exact timing may need to be adjusted to accommodate the Commission and intervening parties.

¹⁰ This is a general schedule and additional deadlines or accommodations may be built into this framework to accommodate weekends and holidays, and other typical procedural deadlines included in procedural schedules, such as pre-hearing motions, corrections, and settlements.

30. It is important to establish these streamlining procedures and parameters for such requests in advance for multiple reasons. The business decision of where to locate or expand operations is often a time-sensitive one, and incentives like EDRs are most effective when they can be predictably relied upon. Public Service is concerned that the uncertainty associated with a protracted regulatory proceeding could deter prospective EDR customers from choosing Colorado and bringing the job-creating economic growth and capital investment that HB 18-1271 is meant to promote and lead these prospective EDR customers to choose another state where they could obtain an electricity discount through a more streamlined process. Public Service expects that if prospective EDR customers have to wait 280 days or more before their EDR contract or requested expansion of a voluntary renewable energy program to accommodate the customer can be approved, this will be a significant deterrent to locating or expanding load in Colorado.

a. EDR Reporting Proposal

31. As Mr. Wishart explains, Public Service proposes to make an annual report with the Commission on or before June 1 of each year that will provide information on monthly revenue including contribution to all applicable riders, taxes and fees from EDR customers; a comparison to the revenues that would have been collected under standard rates; information on off-site distribution line extensions that were specifically made for EDR customers; and a summary of all purchased power contracts and short-term purchases for EDR customers including energy and capacity delivered and contract expenses. This report would apply to all EDR customers, including those who take service in Schedule EDR under Standard and Non-Standard

EDR Contracts. The annual EDR Report will include information on off-site distribution line extensions and associated credits that were specifically for EDR customers, and subsequent customers that connect to these line extensions.

b. Recommended Treatment of EDR Costs and Revenues in Rate Case Proceedings

32. Mr. Wishart's Direct Testimony presents Public Service's recommendation for how EDR costs and revenues should be treated in rate case proceedings.

33. C.R.S. § 40-3-104.3 provides that the Commission shall not impute to the utility revenues that would have been received from EDR customers if such customers were served under standard, non-discounted rates. Consistent with this requirement, Public Service recommends the Commission find that in a Phase I rate case proceeding the costs and revenues associated with EDR customers be treated like all costs and revenues and should be combined with all of the other financial information presented in a Phase I rate case proceeding to determine the overall net revenue deficiency.

34. Because the revenues from EDR customers will exceed the cost of serving them, the revenue deficiency will be lower than it would have been absent the existence of EDR customers. Public Service requests the Commission therefore find that there is no need to separately track and report on EDR costs as they are no different than the costs to serve other customers in the context of a Phase I rate case proceeding.

35. Public Service also proposes that in the Phase II portion of a rate case the customer counts, monthly peak demands, and total sales quantities associated with EDR customers should be excluded from the class cost allocation analysis. This will

ensure that no customer class is allocated additional costs as a result of EDR customers. By treating the revenues from EDR customers as “other revenues,” this will in turn result in lower cost allocation for all customer classes. As Mr. Wishart testifies, the result of this treatment is that the net revenue requirements for generation, transmission, distribution, and other functional categories are all lowered as a result of the revenue received from EDR customers.

III. Request to Defer Application Proceeding Expenses

36. Pursuant to C.R.S. §§ 40-3-101 and 102, the Commission has broad authority to regulate rates and enter deferred accounting orders where appropriate, including providing for cost deferral should it deem such accounting necessary. Consistent with this authority, Public Service requests that the Commission enter an accounting order authorizing Public Service to track, record, and defer all costs incurred to prepare and prosecute this Application in a non-interest bearing regulatory asset account until they are presented for review and recovery in a future Phase I electric rate case proceeding.

37. During the course of this proceeding, Public Service expects it will incur expenses related to outside legal counsel, customer noticing, and hearing costs in the amount of \$319,990. As Mr. Wishart details, all of these costs are reasonable and necessary expenses required for this proceeding. The Company therefore requests that it be authorized to defer these costs to a regulatory asset without interest for future review and cost recovery.

IV. Additional Information Required by Commission Rule 3002

In support hereof and in accordance with 4 CCR 723-3 Rule, 3002(b), Public Service respectfully states as follows:

40. The Name and Address of Applicant required by Rule 3002(b)(I). Public Service is an operating public utility subject to the jurisdiction of this Commission, engaged, *inter alia*, in the generation, purchase, transmission, distribution, and sale of electricity in various areas in the State of Colorado. The name and address of Public Service is:

Public Service Company of Colorado
1800 Larimer Street, Suite 1100
Denver, CO 80202-5533

41. Name Under Which Applicant Provides Service in Colorado required by Rule 3002(b)(II). All operations conducted by the Company in Colorado are conducted under the name of Public Service Company of Colorado, under the trade name of Xcel Energy.

42. Representatives to Whom Inquiries Concerning the Applicant Should be made required by Rule 3002(b)(III). Please send copies of all notices, pleadings, correspondence, and other documents regarding this filing to:

Marci McKoane
Manager, Regulatory Administration
Xcel Energy Services, Inc.
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43. Agreement to Comply with Rule 3002(b)(IV)-(VI). Public Service agrees to answer all questions propounded by the Commission or its Staff concerning this Application. The Commission or any member of its Staff may inspect Public Service's books and records as part of the investigation into this Application. Public Service understands that if any portion of this Application is found to be false or to contain material misrepresentations, any authorities granted pursuant to the Application may be revoked upon Commission order.

44. Description of Existing Operations and General Colorado Service Area required by Rule 3002(b)(VIII). Public Service's existing operations and general service areas in Colorado are set forth in the Company's tariffs on file with the Commission.

45. Location of Hearing required by Rule 3002(b)(X). Public Service requests that this Application be granted without hearing pursuant to Commission Rule 1403. However, if a hearing is held, Public Service requests that it be held in Denver, Colorado.

46. Acknowledgment required by Rule 3002(b)(XI)(D). Public Service acknowledges that the Company has read and agrees to abide by the provisions of Rules 3002(b)(XI)(A) through (C).

47. Statement Under Oath required by Rule 3002(b)(XII). Steven Berman, Director, Regulatory Administration, states under penalty of perjury that the contents of the Application are true, accurate, and correct to the best of his knowledge. Mr. Berman's verification is attached to this Application.

48. Information Required by Rule 3002(c). Pursuant to Rules 1310(a) and 3002(c), Public Service hereby incorporates by reference the following information, which is currently on file with the Commission in Proceeding No. 06M-525EG:

- a. A copy of Public Service's Amended Articles of Incorporation, as last filed on October 3, 2006.
- b. The name, business address and title of each of Public Service's officers and directors, as last filed on March 31, 2020.
- c. The names and addresses of affiliated companies that conduct business with Public Service, as last filed on March 31, 2020.
- d. The name and address of Public Service's agent for service of process, as last filed on March 31, 2020.

- e. A copy of Public Service's most recent audited balance sheet, income statement, and statement of retained earnings, as last filed on March 31, 2020.

V. Noticing

38. In addition to the formal notice of this Application provided by the Commission pursuant to C.R.S. § 40-6-108 (2) and Rule 1206, Public Service will post the Application and supporting testimony on the Xcel Energy website, email its Commercial and Industrial Customers to notify them of the filing, and provide a news release. Additionally, within twenty days of this filing, Public Service will notify customers of this Application through providing a notice in the *Denver Post* for two consecutive weeks on a weekday to include:

- a. The name and address of the utility;
 - b. A statement that the utility has filed an application with the Colorado Public Utilities Commission for approval of its EDR proposal;
 - c. A statement that the application is available for inspection on Public Service's website and on the Colorado Public Utilities Commission's e-filing system;
 - d. A statement that any person may file with the Commission a written objection to the application, or may file to intervene to participate as a party, and an explanation that a mere objection without an intervention shall not be adequate to permit participation as a party;
- and

- e. A statement that written objections must be filed by the time listed in the notice separately given the by the Commission.

VI. Conclusion

WHEREFORE, Public Service respectfully requests that the Commission issue an order granting its Application and the requested relief as described herein and in its concurrently-filed Direct Testimony.

Dated this 21st Day of August 2020.

Respectfully submitted,

/s/ Caitlin M. Shields
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