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May 20, 2019

Advice No. 1797 – 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 Colorado P.U.C. Sheet No.</u>
Sub. Second Revised 4	Table of Contents	Sub. First Revised 4
First Revised 10	Territory Served	Original 10
Fourth Revised 17	Reserved For Future Filing Index	Third Revised 17
Sub. First Revised 17A	Reserved For Future Filing Index	Original 17A
Second Revised 18	General Definitions	First Revised 18
First Revised 19	General Definitions	Original 19

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<u>Colorado P.U.C. Sheet No.</u>	<u>Title of Sheet</u>	<u>Cancels Colorado P.U.C. Sheet No.</u>
Second Revised 25	Schedule of Charges for Rendering Service	Sub. First Revised 25
Sub. First Revised 25A	Schedule of Charges for Rendering Service	Original 25A
Second Revised 25B	Schedule of Charges for Rendering Service	First Revised 25B
Sub. First Revised 26	Maintenance Charges for Street Lighting Service	Original 26
Sub. First Revised 26A	Maintenance Charges for Street Lighting Service	Original 26A
Sub. First Revised 26B	Maintenance Charges for Street Lighting Service	Original 26B
Sub. First Revised 26C	Maintenance Charges for Street Lighting Service	Original 26C
First Revised 48	Secondary Time-of-Use Service	Original 48
First Revised 58	Primary Time-of-Use Service	Original 58
Second Revised 92	Parking Lot Lighting Service	First Revised 92
Third Revised 114F	Solar Rewards Community Service	Second Revised 114F
Third Revised 114G	Solar Rewards Community Service	Second Revised 114G
Second Revised 131A	Quality of Service Plan	Sub. First Revised 131A
First Revised 131B	Quality of Service Plan	Original 131B
Second Revised 132	General Rate Schedule Adjustment	First Revised 132

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<u>Colorado P.U.C. Sheet No.</u>		<u>Title of Sheet</u>	<u>Cancels</u> <u>Colorado P.U.C. Sheet No.</u>	
Sub. Sixth Revised	140	Demand-Side Management Cost Adjustment	Fifth Revised	140
Fourth Revised	141	Purchased Capacity Cost Adjustment	Third Revised	141
Fifth Revised	142	Transmission Cost Adjustment	Sub. Fourth Revised	142
Fourth Revised	142A	Transmission Cost Adjustment	Sub. Third Revised	142A
Tenth Revised	143	Electric Commodity Adjustment	Ninth Revised	143
Tenth Revised	143A	Electric Commodity Adjustment	Ninth Revised	143A
Sub. First Revised	143F	Electric Commodity Adjustment	Original	143F
Second Revised	143G	Electric Commodity Adjustment	Sub. First Revised	143G
Fifth Revised	144	Clean Air-Clean Jobs Act Rider	Fourth Revised	144
Fourth Revised	144A	Clean Air-Clean Jobs Act Rider	Third Revised	144A
First Revised	144F	Clean Air-Clean Jobs Act Rider	Original	144F
First Revised	R3	Rules and Regulations Electric Service Index	Original	R3
First Revised	R12	Rules and Regulations Electric Service General	Original	R12
First Revised	R37	Rules and Regulations Electric Service General	Original	R37
First Revised	R95	Rules and Regulations Electric Service General	Original	R95

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<u>Colorado P.U.C. Sheet No.</u>		<u>Title of Sheet</u>	<u>Cancels</u> <u>Colorado P.U.C. Sheet No.</u>	
First Revised	R96	Rules and Regulations Electric Service General	Original	R96
First Revised	R97	Rules and Regulations Electric Service General	Original	R97
First Revised	R98	Rules and Regulations Electric Service General	Original	R98
First Revised	R99	Rules and Regulations Electric Service General	Original	R99
First Revised	R100	Rules and Regulations Electric Service General	Original	R100
First Revised	R150	Rules and Regulations Electric Service Standards	Original	R150
First Revised	R152	Rules and Regulations Electric Service Standards	Original	R152
First Revised	R153	Rules and Regulations Electric Service Standards	Original	R153
First Revised	R154	Rules and Regulations Electric Service Standards	Original	R154
First Revised	R155	Rules and Regulations Electric Service Standards	Original	R155

Public Service has not had a fully processed rate case since 2014, which utilized a year-end 2013 historical test year. This rate review reflects over five years of incremental investments net of any increase in revenues due to load growth. The primary purpose of this 2019 Phase I Electric rate review filing is to reset the currently effective General Rate Schedule Adjustment¹ (“GRSA”) of negative 4.19 percent to 13.00 percent as applied to base rates for all electric rate schedules in the Company’s Colorado P.U.C. No. 8 – Electric tariff as well as implement a base rate kWh charge,

¹ There is also a temporary negative 0.44 percent GRSA effective April 1, 2019 through June 30, 2019 as a result of the Revised Stipulation and Settlement Agreement Regarding Incorporating Tax Cuts and Jobs Act (“TCJA”) Impacts into Public Service’s Rates (“Revised TCJA Settlement”) filed on April 27, 2018. Under the terms of the Revised TCJA Settlement, Public Service agreed to make a compliance filing within 60 to 90 days after the end of 2018 to true up the 2018 TCJA impacts for variances in estimated revenues. This GRSA is a temporary true up and will only be in effect until June 30, 2019, and therefore is not reflected for purposes of bill impact analyses.

General Rate Schedule Adjustment-Energy (“GRSA-E”)², of energy-specific charges related to the Rush Creek Wind Project. As part of this rate review filing, the Company is proposing to transfer into base rates costs currently collected through the Clean Air-Clean Jobs Act (“CACJA”) Rider and Transmission Cost Adjustment (“TCA”), as well as costs currently collected through the Electric Commodity Adjustment (“ECA”) for the Rush Creek Wind Project. The Company is also proposing to implement updated depreciation rates approved by the Commission in Proceeding No. 16A-0231E and certain other tariff revisions discussed below. The Company is requesting an incremental \$158,314,011 of revenues, net of roll-ins, and this reflects a total revenue increase for the Company of 10.30 percent.

The Company is proposing to implement these changes to its electric business by filing a historical test year based upon the twelve-months ended December 31, 2018 (“HTY”), with known and measurable adjustments and the inclusion of capital additions forecasted to close to plant in service by December 31, 2019.

The Company requests that the following tariff revisions be made effective³:

- Tariff Sheet Rate Changes and Other Minor Revisions
 - Update tariff sheets to incorporate new rates for the Charges for Rendering Service and Maintenance Charges for Street Lighting Service.
 - Update the Table of Contents, Reserved for Future Filing Index, General Definitions, and Territory Served sections to incorporate changes.
 - Remove the reference to Transmission Time-of-Use (Schedule TTOU) to eliminate the TTOU Schedule as of January 1, 2017. This tariff clean-up impacts Schedules Primary Time-of-Use (Schedule PTOU), Secondary Time-of-Use (Schedule STOU), Solar Rewards, Demand-Side Management Cost Adjustment (Schedule DSMCA), Purchased Capacity Cost Adjustment (Schedule PCCA), TCA and CACJA.
 - Correct the wattage from 69 to 65 Watts in the Parking Lot Lighting Service (Schedule PLL).
- Tariff Revisions Involving Changes to Terms and Conditions or Other Tariff Language
 - Remove the Earnings Sharing Adjustment (“ESA”).
 - Extend the Quality of Service Plan (“QSP”) through Performance Year 2021 and revise to replace monthly, quarterly and annual reporting with annual reports.

² The GRSA-E has been added to the GRSA Schedule to recover the costs of the Rush Creek Wind Project. It is a factor applied to charges for electric service calculated under the Company’s electric base rate schedules for kWh used for the various levels of service delivery similar to the ECA.

³ The Company requests that its tariffs be effective on June 20, 2019 or 30 days’ notice; however, the Company is aware that the Commission will likely suspend the effective date of its request to allow it sufficient time to consider and evaluate the rate request. Therefore, for purposes of this filing, the Company requests a January 1, 2020 effective date in the event of a suspension for the reasons discussed in the Direct Testimony of Brooke A. Trammell.

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- Update the Short-Term Sales Margins in the ECA for Generation and Proprietary Books from calendar year 2015 to 2018; shift the retail cost for the Rush Creek Wind Project Revenue Requirement collected through the ECA to base rates; add language to collect the retail cost of the Cheyenne Ridge Wind Project, including the Revenue Requirement, Deferred Tax Asset carrying costs and Production Tax Credit(s) as applicable, through the ECA upon commercial operation of the project; and remove the Equivalent Availability Factor Performance Mechanism (“EAFPM”) from the ECA.
- Shift the CACJA Rider cost recovery for eligible CACJA projects to base rates such that it will not continue after that shift, with the exception of necessary cost recovery true-ups, and make an additional annual filing in April 2020 for purposes of the true-up of CACJA costs in base rates. The last advice letter will be filed by November 1, 2020 to take effect January 1, 2021, and the Company shall submit a compliance advice letter filing to cancel the CACJA Rider tariff effective January 1, 2022.
- Shift the costs of transmission in-service assets presently recovered through the TCA to base rates with a 2018 baseline for future TCA filings. Forecasted investment in transmission assets will continue to be collected under the established TCA rider mechanism.
- Revise Data Privacy in the Requests for Customer Data section of the General section of the Company’s Rules and Regulations to more clearly reflect the reports available to customers and third parties, and associated parameters and charges. Change the Schedule of Charges for Rendering Service, on Sheet No. 25B, to reflect the reduced charge of \$291 for Non-Standard Batched Customer Data Reports, along with a new \$65 per hour charge for Non-Standard Aggregated Data Reports; and conform the language to support the changes above. Similarly, on Sheet No. R12, the proposed tariff changes reflect what customer data reports are provided at no charge.
- Clarify and simplify the tariff language in Other Meter Tests and Billing for Errors sections of the Standards in the Company’s Rules and Regulations to better align with Commission Rules. Include tariff provisions addressing customer credit and payment plan options that apply in the event billing adjustments are made pursuant to these sections.

The Company is seeking an annualized increase in electric base rate revenues of \$407,737,776, based on total base rate revenue requirements of \$1,951,002,985 for the 2018 HTY, an overall return on rate base (“RORB”) of 7.66 percent, and a return on equity (“ROE”) of 10.35 percent.⁴

⁴ The Company is updating its actual capital structure and actual long-term debt cost through March 31, 2019 as an attendant impact of the inclusion of capital additions forecasted to close to plant in service by December 31, 2019. If the Commission denies the request to include capital additions forecasted to close to plant in service by December 31, 2019, the Company requests that the Commission set rates using the Company’s actual capital structure and long-term debt percentages from December 31, 2018, which would result in a RORB of 7.68 percent.

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This proposed revenue increase includes transferring into base rates the costs of projects previously recovered through the CACJA, TCA and ECA (specifically costs for the Rush Creek Wind Project recovered through the ECA), as described above. The amount of this transfer is projected to be \$78,719,151 for the CACJA-related components, \$40,027,376 for the TCA-related components, and \$130,677,238 for the ECA-related components. Since a transfer of cost recovery between rates does not increase the net total revenue collected from retail customers, only \$158,314,011 of the total increase in base revenue represents a net revenue increase to customers. The proposed GRSA will be calculated to recover the \$407,737,776 of additional revenues based on 2018 HTY sales. The increase represents a 25.29 percent increase from what is currently collected from customers under base rates, which includes a negative 4.19 percent GRSA. The Company is proposing to collect the additional revenues through a 13.00 percent GRSA to collect \$277,060,538 and a base rate kWh charge (GRSA-E) designed to collect \$130,677,238 of energy-specific charges related to the Rush Creek Wind Project.

The impacts of the Company's filing on the five major customer classes: Residential, Commercial, Secondary General, Primary General, and Transmission General are as follows:

2019 Electric Rate Review				
Total Bill Impact on Annualized Rates				
	Current	Proposed	Monthly \$ Change	Monthly % Change
Residential - R	\$68.66	\$73.12	\$4.46	6.49%
Commercial - C	\$101.76	\$108.55	\$6.79	6.67%
Secondary General - SG	\$2,160.29	\$2,272.56	\$112.27	5.20%
Primary General - PG	\$35,599.98	\$37,119.58	\$1,519.60	4.27%
Transmission General - TG	\$570,881.37	\$586,196.16	\$15,314.79	2.68%

These impacts are based solely on the Company's HTY with known and measurable adjustments and the inclusion of capital additions forecasted to close to plant in service by December 31, 2019. Consequently, these impacts reflect only the Company's proposed rate changes in this filing – the proposed GRSA and the transfer of certain costs from the CACJA, TCA and ECA riders to base rates. For purposes of calculating these rate impacts, the impacts are based on an assumed implementation date of the initial requested rate increase of June 20, 2019. 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, thereby resulting in new rates effective on June 20, 2019. To the extent that the Commission suspends the advice letter and sets it for hearing, the Company is requesting an effective date of January 1, 2020. Further, these impacts do not reflect the timing benefits of renewable energy projects that have accrued to customers, which is explained in more detail in additional analyses developed by the Company and presented in Attachment BAT-1 to the Direct Testimony of Brooke A. Trammell.

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On May 20, 2019, the Company filed a Motion for Alternative Form of Notice seeking to publish notice of the filing in the legal classified section of the Denver Post each Sunday for two consecutive Sundays and to provide individual notice to all retail customers of the Company receiving electric service as of the date of this filing by means of a bill onsert to be included with their monthly electric bill. A copy of the legal notice is attached.

Contemporaneously filed with this advice letter are the tariffs and the direct testimony and attachments of 18 witnesses in support of the request for an increase in electric base rates.

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

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Director

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Enclosures