

# Connections

NEWSLETTER OF THE COLORADO PUBLIC UTILITIES COMMISSION

SEPTEMBER 2015

## STARTING POINT



By Doug Dean  
Director

The privacy and protection of utility customers' individual usage information has been at the heart of the Commission's data privacy rules since they first became effective in 2012. Over the

past three years, development of new technologies has provided utilities and their customers with even more detailed energy use information that can be beneficial for a number of energy management and energy efficiency purposes.

With that in mind, the Commission recently adopted changes to its Data Access and Privacy Rules that strike an appropriate balance between protecting customer privacy and allowing access to this information under prescribed circumstances.

The rule changes, which are scheduled to become effective on September 30, continue to ensure that individual customer data must be kept private by default, while promoting customers' ability to access their own energy usage data. They also simplify the process for customers to provide informed consent for third parties to access data and for utilities to provide aggregated data reports that make access to new types of data available.

Annual community energy reports are one such mechanism created by the rules. Utilities will provide local governments with information to help them better understand energy use and evaluate the effectiveness of local energy efficiency programs in their communities. The data will be aggregated so that individual customer data is not disclosed nor cannot be determined.

Property owners and their authorized agents also will have access to whole building data under the rules for the purpose of benchmarking a building's total energy use.

The rules were adopted after several hearings and multiple drafts of proposed rule changes, providing extensive opportunities for stakeholders, including industry, local governments, public interest groups, individual customers, and small business representatives to review and comment on the proposed modifications. Many of the comments proposed by the participants were adopted in the final rules.

This strategic approach of working toward consensus through workshops, negotiations, and stakeholder participation has

(Continued on page 3)

## Four seek taxi authority under new law



There may soon be more taxi competition in downtown Denver following a new law that went into effect on Aug. 5. New companies wishing to provide service must show only operational and financial fitness to receive taxi authority from the PUC.

Four new applications to provide taxi service were filed the day a new law went into effect relaxing taxi company entry standards in the Denver and Colorado Springs area.

New applications were received on August 5 from EZ Taxi, Green Taxi, and Denver Taxi, along with an application to by Union Taxi to expand its authority and remove a restriction on the number of vehicles it is allowed to operate.

Under the law approved this year by the Colorado legislature, new applicants need only to show operational and financial fitness to be granted authority to operate. The legislation removed a provision in statute that allowed opponents of a new application to challenge its approval by demonstrating that the granting of the

application would be detrimental to the public interest.

According to the new law, if the Public Utilities Commission (PUC) determines that the applicant has proved its operational and financial fitness, the Commission must grant the applicant a certificate.

The legislature declared that the new standard "may open the door to multiple taxicab companies entering the taxicab service market within the metropolitan areas of Colorado and will lead to free market competition, expanded consumer choice, and improved quality of service."

The new standard applies to applications to provide taxi service within and between the counties of Adams, Arapahoe, Boulder, Broomfield, Denver, Douglas, El Paso and Jefferson.

Outside of the eight metropolitan counties listed above, the entry standard of "regulated competition" is applied for counties with populations of 70,000 or more, such as Larimer, Weld, Mesa and Pueblo counties. Under that standard, taxi companies wanting to provide new service must show that they are operationally and financially fit. The burden of proof then shifts to opponents of the application to prove that granting such an application would be a detriment to the public interest.

For counties with less than 70,000 people, the standard remains the more-stringent "regulated monopoly," in which new applicants must prove that there is a public need for the service, and that the existing service is substantially inadequate.

## Boulder files for transfer of Xcel assets

The City of Boulder filed an application on July 7 for approval of the transfer of certain assets owned by Public Service Company of Colorado (Xcel) that it claims are necessary for the operation of a municipal electric utility.

Boulder is requesting that the Public Utilities Commission (PUC) approve the transfer of distribution assets and non-major transmission assets "within the buffer created by Boulder's purchase of open space." That includes distribution lines that cross pockets of land within Boulder that have not been incorporated into the city and "weave back and forth across the jagged municipal boundaries at the city's perimeter."

The proposal entails the co-locating of facilities in substations, sharing poles and "wheeling" power over each utility's lines. Through this "wheeling" arrangement, Public Service would continue to serve its customers located

within the acquisition area, but outside the city's jurisdictional limits.

Boulder also requests the PUC's endorsement of its plan to enter into a wholesale power supply agreement with Public Service to initially serve all of the city's energy and capacity requirements.

"Then, over time, Boulder proposes to leave the Public Service system gradually, while simultaneously allowing PSCo's non-Boulder native load to absorb, in increasing blocks, the capacity that was previously dedicated to meet the city's electric demand in lieu of paying for the construction of new facilities or the costs of new power supply contracts," the application stated.

In addition, Boulder states that it will attempt to work with Public Service at the conclusion of its application proceeding to develop a joint transition plan and will return

to the PUC for approval of that plan.

Boulder states that its proposal was developed to ensure that the transition is as seamless and minimally disruptive as possible for customers. It says the proposal will "ensure continuity of reliable service in a safe manner" for all customers, whether inside or outside Boulder's city boundaries.

The PUC is expected to take up procedural matters related to the application, including a motion by Public Service to dismiss the application as incomplete, at a meeting in mid-September.

The PUC's responsibility in reviewing the transfer application is to ensure that the application is in the public interest and that customers outside the proposed municipal boundaries are not harmed by the transaction. The PUC also has a statutory mandate to ensure the safety and reliability of the statewide electric system as a whole.

## Xcel electric rates reduced by \$66.5 million

A one-year reduction of \$66.5 million in electric rates for Xcel Energy customers went into effect on August 1 as part of an earnings sharing plan approved in a previous electric rate case.

The Public Utilities Commission (PUC) in July approved the 2.5 percent decrease in rates, or a \$1.94 credit per month for typical residential customers and a \$3.18 credit per month for typical

small-business customers. The credit will continue through July of 2016.

The reduction stems from a three-year electric rate plan for Xcel Energy approved by the PUC in 2012. That plan provided for step increases in electric base rates from 2012-2014, along with a sharing mechanism to provide refunds to customers if certain financial targets were exceeded.

The \$66.5 million reduction replaced

a \$45.7 million credit on customers' bills that expired in July of 2015 for higher-than-expected Xcel earnings in 2013. The company also refunded \$8.2 million for excess earnings in 2012.

The PUC recently approved a similar earnings-sharing plan for 2015-2017 as part of Xcel's most recent electric rate case. The PUC also reduced the company's base rates by \$39.4 million per year in that decision.

# Black Hills seeks to acquire SourceGas Distribution

Black Hills and SourceGas have filed a joint application with the Colorado Public Utilities Commission (PUC) for approval to transfer ownership and control of SourceGas' regulated gas utilities in Colorado to Black Hills.

Under the transaction, Black Hills Utility Holdings, Inc., a subsidiary of Black Hills Corporation and the parent company to Black Hills' regulated utility providers in Colorado, would purchase SourceGas Distribution and Rocky Mountain Natural Gas LLC.

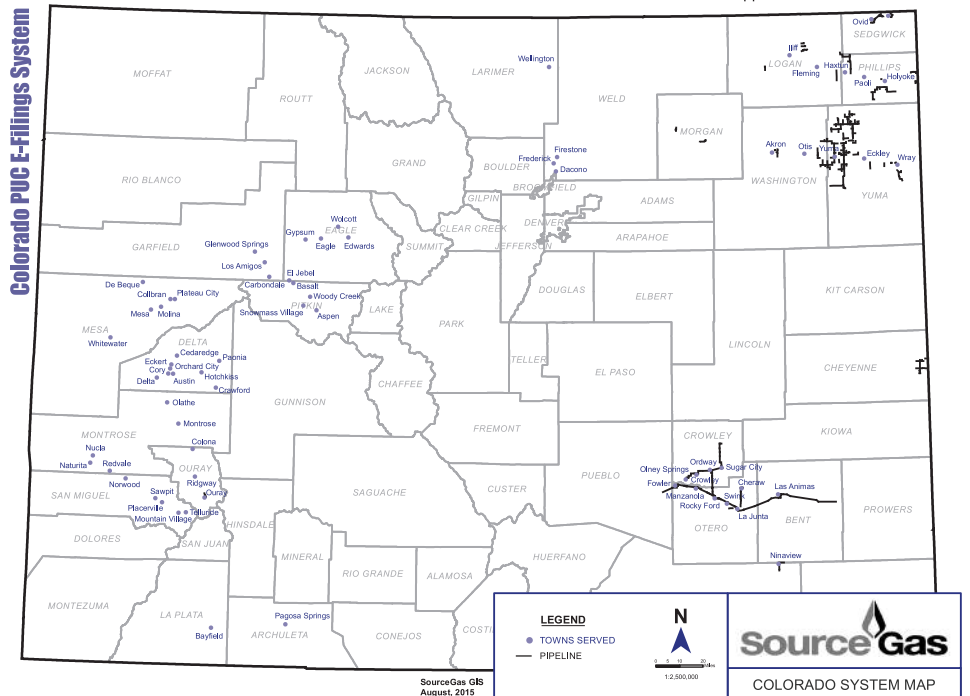
SourceGas Distribution provides natural gas retail sales service and distribution transportation service to approximately 92,000 residential, commercial, industrial and agricultural customers in Colorado. It operates service territories on the Western slope, Front Range, northeast Colorado, and southeast Colorado.

Rocky Mountain is a Colorado intrastate natural gas pipeline in western Colorado providing jurisdictional gas transportation and storage services to natural gas producers, shippers and industrial customers.

Black Hills Corporation provides regulated natural gas and electric utility service to approximately 785,000 customers in Colorado, Nebraska, Iowa, Kansas, Montana, South Dakota and Wyoming. In Colorado, Black Hills/Colorado Gas Utility serves about 64,000 customers in 27 communities, including Castle Rock, Fountain, Larkspur, Monument, Woodland Park, Limon and Burlington.

In the application, the companies state the proposed transaction presents "the opportunity to create a strong utility with an enhanced operating scale and the potential for more effi-

(Continued on page 4)



## Consumer unit exceeds \$1 million in savings

The Public Utilities Commission's External Affairs section secured \$1,070,953 in credits and refunds on behalf of utility customers during the past fiscal year, according to the section's annual consumer assistance summary.

The total includes more than \$800,000 refunded to about 30,000 Xcel Energy customers due to an erroneous altitude factor used in billing, and more than \$35,000 for incorrect billing refunded by a master meter operator providing service to a mobile home park in Pueblo. Both refunds resulted from investigations after consumers called the PUC with complaints.

The consumer assistance group works to resolve disputes between customers and utilities, including transportation companies. For the year ending June 30, the section fielded 6,999 calls, a decrease from 7,599 calls in the previous fiscal year. More than half of the calls were resolved or answered by staff without the need to

refer to a utility or transportation company.

In all, the consumer assistance staff addressed inquiries regarding 264 different telecommunications, gas, electric, water and transportation companies in its efforts to resolve a wide variety of consumer concerns. The section took in 2,302 contacts and closed 2,270 for the fiscal year, compared to 1,914 contacts and 1,885 closed contacts a year ago.

A contact is a phone call, letter or email that requires some follow-up action from the consumer assistance staff. The number of contacts received and closed is not the same because a contact is not necessarily opened and closed within the same fiscal year.

For the most recent fiscal year, the section closed 624 complaints concerning CenturyLink, an increase compared to last year's total of 448. The PUC closed 560 complaints related to Xcel Energy, nearly the same as last year's 555 closed contacts.

When closing a contact, the staff determines the appropriate category. If the consumer files a general inquiry requiring follow-up by a specialist, the contact is closed as an "information" request. If the complaint is in opposition to a proposed rate increase or a utility's service or actions, it is counted as an "objection." When the staff determines that a utility has not complied with PUC rules or regulations, the complaint is closed as "not in compliance."

The section also handled a total of 278 media contacts and issued 10 news releases for the fiscal year.

The complete 2014-15 consumer assistance summary is available on the PUC website at [www.colorado.gov/dora/puc](http://www.colorado.gov/dora/puc) under the Consumer section.

## Sprint takes over as Relay provider

Sprint became the new Relay Colorado Telecommunication Relay Services provider on July 1, replacing AT&T, which is exiting the relay industry. Sprint has a long standing history in the relay industry as the nation's largest TRS provider and served the Colorado community for more than 20 years prior to 2012.

The Colorado Telecommunication Relay Services (TRS) was established by legislation in 1989. The program enables those who are deaf, deaf-blind, hard of hearing, and speech disabled to communicate with a hearing caller through a specialized text telephone and third-party operator. Relay Colorado is accessed by dialing 711 and is available 24 hours a day, 365 days a year. All calls are completely confidential.

While the use of traditional relay services has seen a decline of use due to advanced technologies, the use of captioned telephones for those who are hard of hearing continues to increase.

Both traditional relay and captioned telephone relay are administered by the Colorado Public Utilities Commission (PUC) and funded by a monthly surcharge on telephone access lines. The Commission annually reviews the Relay Colorado fund balance, revenue, and expenditure projections and determines the appropriate surcharge for the following year.

In addition to providing relay services, Sprint and the PUC will actively engage in outreach and education all throughout Colorado with the goal of spreading awareness about Relay Colorado and the deaf, deaf-blind, hard of hearing, and speech disabled communities.

Individuals and communities that wish to learn more about Relay Colorado can contact Holly Bise, State Relay Administrator, at [holly.bise@state.co.us](mailto:holly.bise@state.co.us) or at 303-894-2024.

## INSIDE CONNECTIONS

At first glance, the Louisiana Bar Association and the Lowry Elementary Parent-Teacher Organization (PTO) don't appear to have much in common. **Vanessa Condra**, however, can claim membership in both organizations.

Vanessa, an attorney with an extensive legal background, is an analyst in the Transportation section's Rates and Authorities unit at the Public Utilities Commission (PUC). She also is a regular volunteer at her daughter's school in Denver.

Vanessa joined the PUC in July of 2011. In her position, she analyzes all transportation filings and makes recommendations to the Commission regarding transportation proceedings. She also assists transportation carriers in applying for operating authority.

"My co-workers are great to work with, and assisting the industry folks can be very interesting," she said.

Vanessa was valedictorian of her high school in Louisiana, and graduated with honors from Vassar College with a bachelor's degree in geology. She received her law degree from the University of Denver in 2001.

After passing the bar in Louisiana, she was working as a law clerk in suburban New Orleans when Hurricane Katrina struck in 2005, wiping out the parish where she lived. She worked as an attorney in Texas for a while, and then returned to the University of



Vanessa Condra

Denver law school, where she earned an LLM (Master of Laws) degree in Environmental & Natural Resources in 2010.

Along the way, she also lived in Sydney, Australia for six months.

"I had many great adventures, including deep sea fishing, snorkeling at the Great Barrier Reef, hiking around Ayers Rock, and playing poker with other backpackers (and a box of wine) in the Daintree rainforest," she said.

Away from work, Vanessa spends her time "making my daughter happy and reading Urban Fantasy novels."

(Inside Connection will feature a PUC employee each edition as selected by PUC section chiefs.)

## POSITIVE CHARGES

**Joe Neguse** joined Governor John Hickenlooper's administration on June 1 as the new executive director of the Department of Regulatory Agencies (DORA).

Neguse previously was an associate at Holland & Hart, the state's largest law firm. He also served six years as a University of Colorado Regent.

"Joe's experience as an attorney, civic leader, and public servant will be an invaluable asset at DORA," Hickenlooper said. "Our business friendly environment is an essential part of Colorado's economic success, and Joe will champion that effort to further grow our vibrant business community and protect consumers."

Neguse ran for Colorado Secretary of State in 2014.


Welcome to new PUC employees **Janie Castle**, an inspector in the Gas Pipeline Safety section; and **Daryl Branson**, a rate/financial analyst in the Telecommunications section focusing on 911 issues.



Janie Castle




Daryl Branson



**CONNECTIONS** is the newsletter of the Colorado Public Utilities Commission. It covers Commission cases and actions of importance to consumers, utilities, consumer groups, and decision makers.

Comments, suggestions, and requests for more information should be directed to:

Terry Bote  
1560 Broadway, Suite 250  
Denver, Colorado 80202

 Printed on recycled paper

# PUC approves upgrade for Xcel Energy hydro plant

*Project will increase capacity, extend life of generation facility*

The Public Utilities Commission (PUC) has approved an application by Xcel Energy to upgrade its Cabin Creek hydroelectric pumped storage power plant in Colorado.

The PUC on August 19 granted a Certificate of Public Convenience and Necessity (CPCN) for improvements that will increase the generating efficiency and capacity of the facility, as well as extend the life of the plant to operate another 40 years.

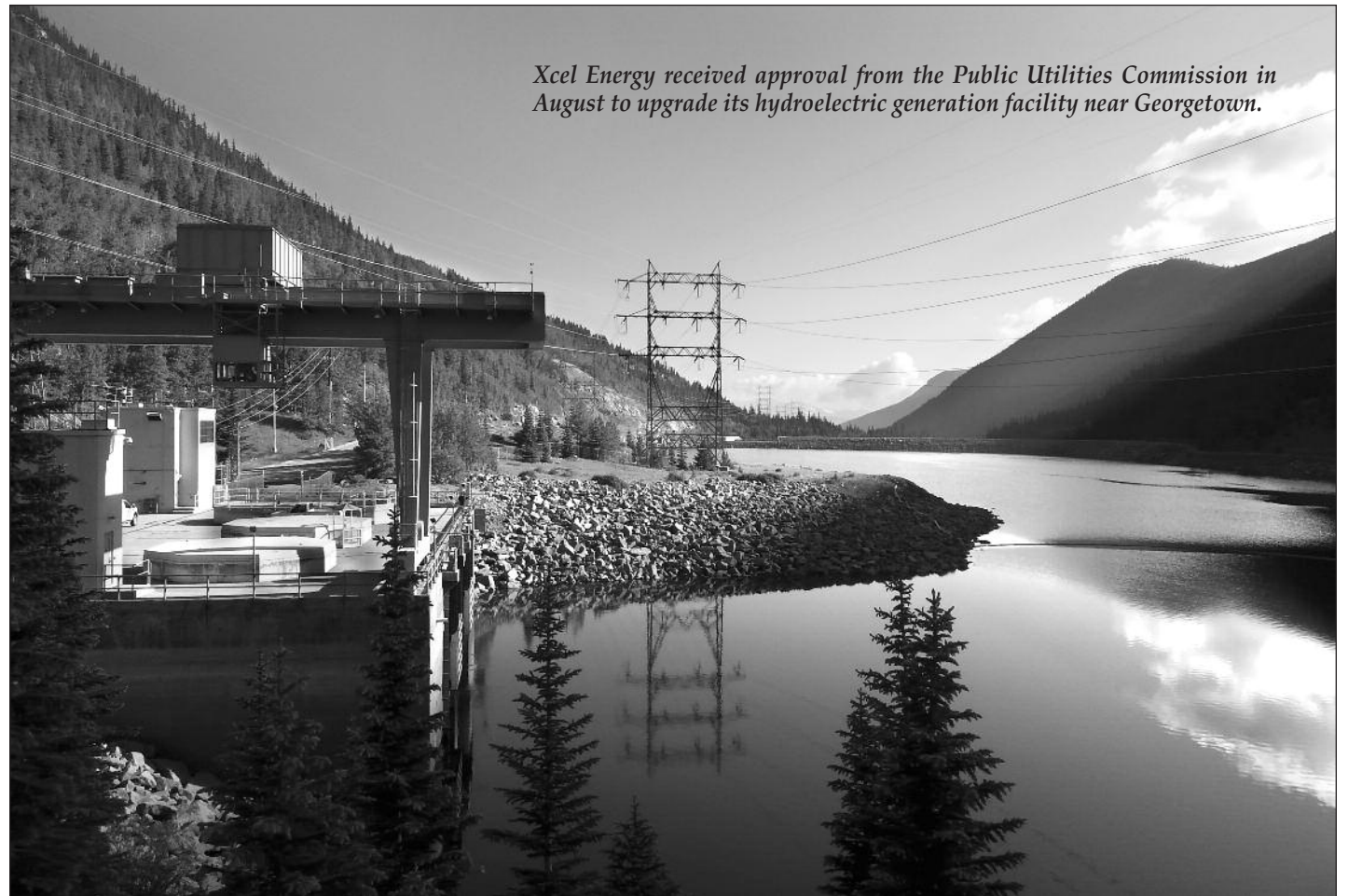
"The added storage and capacity gives this state a tremendous advantage in developing additional intermittent resources for the electric system," PUC chairman **Joshua Epel** said.

The Cabin Creek hydro plant is located near Georgetown in Clear Creek County. It has two units that have been in operation since April of 1967 and are each capable of providing up to 162 megawatts of electric generating capacity.

The Federal Energy Regulatory Commission (FERC) granted Xcel a renewal of its license last May to continue to operate the plant. Cabin Creek requires a FERC license because it occupies federal land within the Arapahoe National Forest.

Xcel then filed its application for a CPCN from the PUC for improvements to the facility. The proposed upgrade involves upgrading the existing pump-turbine units, which will increase the overall generating efficiency and capacity of the facility by 36.6 megawatts, and an upward expansion of the upper reservoir dam to increase storage capacity.

"Cabin Creek contributes to the flexibility of the (Xcel) system because



*Xcel Energy received approval from the Public Utilities Commission in August to upgrade its hydroelectric generation facility near Georgetown.*

it is able to start quickly and rapidly respond to changes in load particularly due to the variability of wind generation," the company stated in its application. "As a result, Cabin Creek can be used to facilitate wind integration on the system."

The company stated that it had examined several alternatives to the proposal, but that upgrading Cabin Creek would provide substantial savings to customers over the alternative of retiring the facility and replacing its capacity and energy.

The application had been set for hearing on September 24 before the Commission. However, on August 10,

Xcel filed an amended application stating that the company was willing to provide annual status reports, including comparisons of the estimated budget to actual costs, the project status as compared to the proposed schedule, and descriptions of the project's progress. As a result of the amendments, two parties withdrew their interventions and the project was approved by the PUC unopposed.

Total cost of the project is estimated to be \$89.3 million. Construction will begin early next year, with expected completion of the entire project by mid-May 2020.

## Starting Point

(Continued from page 1)

been successful in other recent PUC rulemakings as well, including one on proposed rules for Transportation Network Companies. The Commission is committed to finding ways through its rules, wherever possible, of reducing unnecessary regulatory burdens and ensuring that regulatory activities support economic development.

# Xcel achieves reliability standards in all 9 regions

Xcel Energy met electric reliability thresholds in all of its nine regions in 2014, resulting in no regional bill credits to customers for the second year in a row.

Reliability standards for Xcel Energy are contained in a Quality of Service Monitoring and Reporting Plan, which was implemented by the Public Utilities Commission (PUC) in 2007. The plan provides for bill credits of up to a possible \$11 million annually depending on how the company performs in reliability and other categories.

Under the plan, a reliability threshold is established for each of Xcel's

nine operating regions, and bill credits are payable to customers within an operating region if the company's performance fails to meet the standard for two consecutive years.

According to 2014 results reported in April, Xcel met the reliability standard in each of its Denver, Boulder, Front Range, Greeley, High Plains, Mountain, Northern, San Luis Valley and Western regions. That means no bill credits will be required next year, as any region that fails to meet the reliability standard for 2015 will only receive a warning.

The service quality plan also contains thresholds to measure the level of

service delivered to individual customers. Xcel is required to issue a \$50 bill credit to each customer who experiences more than five outages a year lasting longer than five minutes, or for each instance in which electric service is not restored within 24 hours following an interruption. Certain major events, such as major storms and other interruptions beyond the company's control, are excluded.

For 2014, the company had 9,575 customers, 6,446 of those in the Denver region, who experienced five or more sustained outages for a total credit of \$478,750. It also reported 6 customers

experienced outages of 24 hours or more, for a total credit of \$300.

The service quality plan also measures the company's telephone response times and PUC complaint levels, and provides up to \$1 million in credits in each category if the thresholds are exceeded. For 2014, Xcel met the standards in both categories.

The company has filed an application to extend the service quality plan for its electric and gas operations through the end of 2018. The PUC is expected to consider the disposition of that application at a meeting in late September.

# Broad settlement proposed to resolve telecom issues

CenturyLink, staff of the Public Utilities Commission (PUC) and other parties have proposed a broad settlement that would resolve several disputes concerning state high cost support and determination of effectively competitive areas for the next four years.

The agreement, filed August 19 at the PUC, is structured to maximize the money available for transfer to a new fund created by the Legislature in 2014 to provide broadband service in rural areas. In addition to CenturyLink and PUC staff, the Colorado Telecommunications Association (CTA), which represents rural local telecom providers in the state, and Northern Colorado Communications also signed the agreement.

Under the proposed settlement, CenturyLink will receive \$31 million annually in state high cost support funding for calendar years 2015-2018. In 2014, the company received about \$44 million to provide service in areas with higher than average costs, allowing basic local phone rates to remain reasonably comparable across the state.

All other local incumbent providers would continue to receive state high-cost subsidies at the same levels previously approved by the PUC for the duration of the agreement.

As part of the settlement, CenturyLink has agreed to drop its Denver District Court appeal of two previous PUC decisions concerning high-cost distributions.

Parties to the settlement agreed that the state high-cost fund surcharge should remain at 2.6 percent during the four-year agreement. The surcharge is assessed to all telecom customers' monthly bills to provide funding for the high-cost subsidies.

As part of the agreement, 46 of the 48 CenturyLink wire centers currently under consideration for designation as Effectively Competitive Areas (ECAs) in a separate proceeding would be declared ECAs as of January 1, 2016. Under telecom reform laws passed in 2014, subsidies used to ensure basic telephone service are to be provided only in high-cost areas "without effective competition."

State high-cost funds freed up from

the designation of the 46 ECAs, along with money available from the ECA designation of 56 other CenturyLink wire centers last year, would be available for transfer to the Broadband Fund. Parties to the settlement estimate that several million dollars will be available for such transfers each year based on current projections.

Under the agreement, PUC staff may petition the Commission in 2018 to open a proceeding to determine the competitive status of the remainder CenturyLink's wire centers, as well as the wire centers for all rural incumbent providers in Colorado.

The PUC still must approve the proposed settlement, and may hold a hearing on it later this year.

# Hearings concluded in Xcel Energy gas rate case

*Interim rates allowed on October 1 while final decision pending*

Hearings were held in late August on a proposal by Xcel Energy to increase natural gas rates by \$109.1 million over the next three years to pay for investments to its gas pipeline distribution system.

A decision by the Public Utilities Commission (PUC) is not due until early next year. However, the company received approval to implement the rate increase on an interim basis beginning October 1, subject to

refund pending the final outcome of the rate case.

The Xcel proposal, filed in March, includes a cumulative increase of \$66.2 million in base rates, and an additional cumulative increase of \$49.2 million to extend and modify the current Pipeline System Integrity Adjustment (PSIA).

The company is proposing to increase revenues in steps over the course of the three year plan. If approved as filed, residential customers (using an average of 64 therms) would see monthly rates increase by about \$1.76, or 3.4 percent, in 2015; by \$1.10, or 2.0 percent in 2016; and \$1.57, or 2.9 percent, in 2017. The average small commercial customer's monthly bill (using 275 therms) would increase

by \$6.81, or 3.2 percent, in 2015; by \$4.57, or 2.1 percent, in 2016; and by \$6.43, or 2.9 percent, in 2017.

The company is seeking a 10.1 percent return on equity (ROE) for 2015 and 2016, and a 10.3 percent ROE in 2017, up from its currently authorized 9.72 percent. The ROE is the return that a utility is authorized to earn on its investment, in order to attract the capital needed to ensure safe and reliable service at reasonable cost for consumers. The PUC sets a maximum ROE, but it is not guaranteed.

The company said that its proposal includes the accelerated replacement of older pipes with modern, longer-lasting materials. It also includes enhanced and expanded programs to

identify and quickly repair leaks; improved response to emergency situations; and removal of existing interior meters.

The base rate component of a monthly bill includes a fixed monthly customer charge and a volumetric charge, which varies from month to month depending on the amount of gas used. The base rates cover costs for infrastructure, equipment, labor, materials, meter reading and billing.

Base rates are separate from the rates charged for the gas commodity itself, which are passed on to customers on a dollar-for-dollar basis through a separate charge, called the gas cost adjustment. Gas commodity charges account for 65-75 percent of the total monthly bill.

## Atmos Energy seeking \$5.2 million gas rate hike

Hearings are scheduled Sept. 30-Oct. 2 and Oct. 5 at the Public Utilities Commission (PUC) on a proposal by Atmos Energy to increase its annual revenues by approximately \$5.2 million.

The proposal includes a \$3.9 million increase in natural gas base rates, a \$563,000 increase in recovery of rate case expenses, and an additional \$692,000 to recover capital investment for accelerated replacement of aging pipeline facilities beginning in 2016. Overall, the proposal would increase company revenues by about 4.51 percent.

Atmos provides natural gas service to more than 110,000 customers in 64 communities and 16 counties within Colorado, including the larger towns of Cañon City, Cortez, Crested Butte,

Durango, Greeley, Lamar and Steamboat Springs.

The rate proposal would increase average monthly bills for residential customers by 5 percent in the company's Northeast region; 4.9 percent in the Northwest/Central region; 5.4 percent in the Southeast region; and 6.1 percent in the Southwest region. Average monthly bills for commercial customers would go up by 3.1 percent in the Northeast region; 3.0 percent in the Northwest/Central region; 3.8 percent in the Southeast region; and 4.0 percent in the Southwest region.

The PUC granted Atmos a \$2.4 million increase in annual base rate revenues effective November 1, 2014 based on expenses for a test year ending

in 2013. The new request is for investments made in the natural gas delivery system since that period, along with adjustments for certain known and measurable expenses in 2015.

Atmos is seeking a 10.5 percent return on equity (ROE), up from currently authorized 9.72 percent. The ROE is the profit that a utility is authorized to earn on its investments. The PUC sets a maximum ROE, but it is not guaranteed.

The base rate component of a monthly bill (roughly 25-35 percent)

covers costs associated with the delivery of gas, customer service, pipeline system integrity and service extensions to meet customer needs. It does not include the largest portion of the bill, the natural gas commodity costs, which as passed on to customers on a dollar-for-dollar basis under a separate charge.

If a PUC decision is not issued by the end of the year, the company will be allowed to implement interim rates on Jan. 1, 2016, subject to a true-up adjustment once the final decision is issued.

## Hearings set later this month on Black Hills wind proposal

The Colorado Public Utilities Commission (PUC) has scheduled hearings Sept. 28-29 on a request by Black Hills/Colorado Electric to acquire and own a 60-megawatt wind farm about 30 miles south of Pueblo.

The company filed an application on June 23 for approval of a Certificate of Public Convenience and Necessity (CPCN) for the proposed \$104.7 million Peak View Wind project, which would consist of 34 turbines on about 31,000 acres in Huerfano and Las Animas counties.

The filing was made in response to a recent PUC decision on Black Hills' electric resource plan that found that the company's proposal to acquire additional renewable energy resources was not cost effective and would be an additional burden to ratepayers. In that decision, the PUC offered that within 60 days, Black Hills could solicit new bid pricing for the potential acquisition of a renewable energy project that was more economical and beneficial to ratepayers.

In its application, Black Hills states

that the "Peak View Wind Project is a cost-effective resource that satisfies the standard set forth in (the PUC decision)."

According to the proposal, the project would be built by Invenenergy Wind Development and full ownership rights would be transferred to Black Hills upon commercial operation of the plant. The proposed project includes building a 9-mile, above-ground, single-circuit transmission line to deliver power from the turbines to the company's Rattlesnake Butte substation.

Construction would begin after the issuance of a CPCN. The proposed project launch is January 1, 2016 and the in-service date is scheduled for November 15, 2016, to meet the eligibility requirements for the federal Production Tax Credit and the Colorado Enterprise Zone Investment Tax Credit.

Black Hills is seeking a PUC decision by the end of the year in order to give the developer its required notice to proceed by December 31, 2015.

## Black Hills/SourceGas

(Continued from page 2)

cient delivery of services to the benefit of its customers and communities served as a result of this transaction."

Initially, Black Hills will adopt all of SourceGas Distribution's and Rocky Mountain's existing rates, terms and conditions as approved by the PUC, according to the application.

Black Hills and SourceGas are requesting a PUC decision on the application by February 1, 2016, to facilitate a timely closing of the transaction.

Earlier this year, SourceGas filed an

application with the PUC for approval of a program that would allow residential and small customers the opportunity to choose their natural gas supplier. A PUC administrative law judge has granted a request from SourceGas to hold that proceeding in abeyance for six months to assess how the proposed acquisition may impact the implementation of the Choice Gas Program. SourceGas will report to the PUC by January 18, 2016, whether it wants to proceed with that application or not.



1560 Broadway, Suite 250, Denver, CO 80202