

STARTING POINT



By Doug Dean
Director

There have been stories in the news recently about drivers for transportation companies illegally picking up passengers in downtown Denver. Some drivers are operating outside of their Public Utilities Commission (PUC)-issued authority by accepting rides from people who approach them on the streets.

The PUC's transportation enforcement staff investigates complaints and performs random spot checks at hotels, restaurants and entertainment areas in downtown Denver and across the state, but the reality is that PUC personnel cannot be everywhere at all times. That is why it is important for consumers to make smart choices about their transportation services for their own safety.

Traditional taxicabs are the only PUC-regulated transportation carriers allowed to pick up "street hails." Other types of transportation companies—such as Transportation Network Companies (TNCs) and luxury limousines—are not allowed to do so under the conditions of their operating authorities.

TNCs, like Uber and Lyft, are required by law to arrange rides only through their digital applications. By doing so, consumers receive details about the vehicle and the driver to ensure that they are getting into the right vehicle. Walk-up solicitations are not allowed.

Luxury limousines also are not allowed to pick up passengers hailing them from the street. Luxury limousine rides must be prearranged by phone or on-line, and passengers cannot be charged on a per-person basis.

These requirements were put in place to distinguish between different types of passenger services. All regulated transportation companies are required to have their vehicles inspected for safety and they must also show proof of liability insurance before they are issued PUC operating authorities. Drivers must undergo criminal background checks before they are allowed to drive. The only way for passengers to guarantee that these safety precautions have been met is to use transportation services that are properly registered by the PUC and are adhering to the limits of their authority.

The PUC will continue to enforce transportation regulations to the best of its ability given its resource and budgetary limitations. However, passengers can also take important steps toward their own protection by utilizing transportation services that are operating within the limits of Colorado law and their own authorities.

Settlement proposed in electric cases

Wide-ranging accord resolves three major Xcel energy dockets

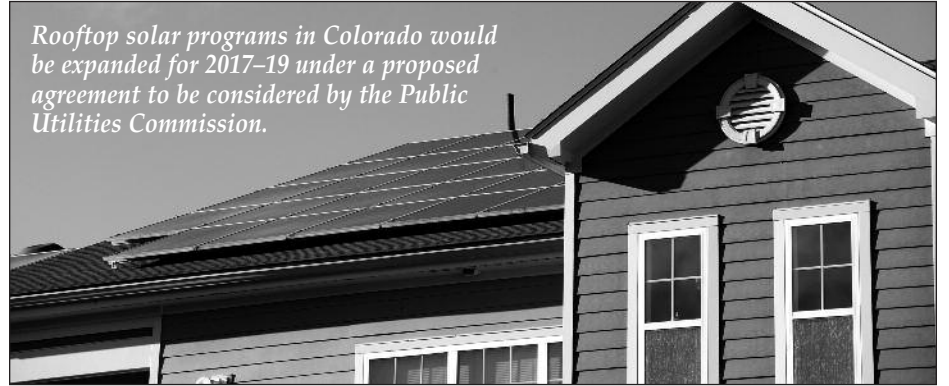
The Public Utilities Commission (PUC) has scheduled hearings October 4-7 on a comprehensive settlement that proposes to resolve three major Xcel Energy cases involving renewable energy and electricity pricing.

The proposed agreement was filed on August 15 by Xcel Energy and was supported, in total or in part, by 22 of 26 intervenors in the various proceedings. The cases potentially resolved by the settlement include the company's phase II electric rate case, a solar subscription program, and Xcel's 2017 Renewable Energy compliance plan.

Among the major components of the proposed settlement:

Phase II Electric Rate Case:

- Xcel would withdraw its grid use charge as originally filed. The company had proposed to assess graduated charges to recover distribution system costs.
- Xcel would offer voluntary time-of-use and time differentiated rate programs for up to 20,000 residential customers in 2017, 34,000 customers in 2018, and 48,000 customers in 2019. These programs essentially offer lower energy rates when the cost of providing electric service is lower, primarily due to a lower



Rooftop solar programs in Colorado would be expanded for 2017-19 under a proposed agreement to be considered by the Public Utilities Commission.

demand for electricity. Xcel will present the results of the programs to the PUC in 2020 to determine whether the programs should be expanded to all residential customers.

- Xcel would institute a process for battery storage interconnections to take advantage of an emerging technology with the potential for environmental and price benefits.

Solar*Connect Program:

- Xcel would be allowed to pursue its previously proposed Solar*Connect program, but under a new name, Renewable*Connect. The voluntary program, modeled after the company's Windsource subscription program, would enable customers to offset their annual electric usage with solar energy.

Renewable Energy Compliance Plan:

- The Solar*Rewards and Solar*Rewards Community programs would be expanded

to provide a maximum of 343 megawatts of new solar between 2017 and 2019.

- Xcel would provide for new offerings for both rooftop solar and community solar gardens for low-income customers.
- The company agreed to reduce its Windsource premium price to \$1.50 per block of 100 kilowatt-hours.

Parties to the settlement include the cities of Denver and Boulder, major environmental advocacy groups, state and national solar power trade groups, large industrial customers, PUC staff, and the Office of Consumer Counsel, among others.

The proposed settlement does not cover Xcel's application to develop, own and operate a \$1.04 billion, 600-megawatt wind project on Colorado's eastern plains, or its recent application to spend approximately \$562 million on advance electric distribution grid enhancements.

Xcel seeks approval for 'advanced' grid

Xcel Energy submitted an application with the Public Utilities Commission (PUC) on August 3 for approval of three components of an advanced electric distribution grid, designed to provide Colorado customers with next generation energy infrastructure.

The proposal, known as Advanced Grid Intelligence and Security (AGIS), will "improve power reliability, allow for better integration of distributed generation on to the electric grid, and provide customers with more information to control and track their energy usage," according to the company.

Xcel is seeking a Certificate of Public Convenience and Necessity (CPCN) to install advanced metering infrastructure (AMI) for all its Colorado electric customers; a new technology called Integrated Volt Var Optimization (IVVO) to allow customers' appliances to run more efficiently; and associated

components of an advanced communications network known as the Field Area Network (FAN).

The company is proposing to begin implementation of the AGIS projects in 2017 and complete them by 2022. The total estimated cost of the proposal is approximately \$562 million. Xcel did not propose a cost recovery mechanism with the application. Instead, it proposes periodic reports to the PUC to facilitate the review of costs in subsequent rate proceedings.

The advanced grid filing is part of the company's broader "Our Energy Future" initiative, which was introduced in January 2016. The initiative will "facilitate broader opportunities to reduce electricity consumption, work toward clean energy initiatives, and help the company implement rate designs, including time-of-use rates that give customers appropriate price signals and facilitate energy efficiency and customer

choice," Xcel said in its application.

In addition to the three components for which Xcel is seeking approval in this application, the company has other efforts under way to build an advanced energy infrastructure. Those initiatives include software to help monitor, control and optimize electricity delivery through an advanced distribution management system; installation of automatic switching devices to more quickly isolate outages and improve service restoration times; and use of sensor data to improve outage location and prediction.

Xcel said it also intends to integrate its experiences with battery demonstration projects in the Stapleton neighborhood in Denver, and at the new Panasonic facility near Denver International Airport.

Hearings on the application are not likely until early next year, with a decision by the PUC expected in the first quarter of 2017.

PUC to decide on Xcel wind project this fall

The Public Utilities Commission (PUC) will conduct hearings Sept. 7-9 on a proposal by Xcel Energy to develop, own and operate a 600 megawatt wind facility located on Colorado's eastern plains.

The proposed Rush Creek Wind Project would be one of Colorado's largest wind farms, comprised of two generation sites and a 90-mile high-voltage transmission line to tie into

Xcel's electric system. In total, the project would include 300 turbines on approximately 116,000 acres in Elbert, Lincoln, Kit Carson and Cheyenne counties.

According to the proposal, Invenergy Wind Development would develop the wind farm sites, and Xcel would acquire a 100 percent share when the sites are "construction-ready."

The company is requesting that the PUC grant certificates of public convenience and necessity (CPCNs) for the

Rush Creek wind farm and transmission line, and make findings that the proposed noise and magnetic field levels associated with the project are reasonable. Xcel also is seeking approval of a cost recovery method that would begin once the project has gone into service.

Along with PUC staff, the Office of Consumer Counsel, and the Colorado
(Continued on page 2)

Complaint unit nets consumer savings

The Public Utilities Commission's (PUC) External Affairs section secured \$101,115 in credits and refunds on behalf of utility customers during the 2015-16 fiscal year, according to the section's annual consumer assistance summary.

The section works to resolve disputes between customers and utilities, including transportation companies. For the 12 months ending June 30, the Consumer Assistance unit fielded 6,066 calls, a decrease from 6,999 calls in the previous fiscal year. More than half of the calls were resolved or answered by staff without the need to refer them to a utility or a transportation company.

In all, the consumer assistance staff addressed inquiries regarding 245 different telecommunications, gas, electric, water, and transportation companies in its efforts to resolve a wide

variety of consumer concerns. The unit took in 2,221 contacts and closed 2,266 for the fiscal year, compared to 2,302 contacts and 2,270 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.

The unit resolved 99 percent of its contacts within 15 business days for the fiscal year.

For the most recent fiscal year, the section closed 621 complaints concerning Qwest (CenturyLink QC), nearly the same as last year's total of 624. The PUC closed 586 complaints related to Xcel Energy (Public Service Company), a slight increase compared

to 560 contacts during the previous fiscal year.

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 311 media contacts and issued 10 news releases for the fiscal year.

The complete 2015-16 consumer assistance summary is available on the PUC website at www.colorado.gov/dora/puc under the Consumer section.

POSITIVE CHARGES

⚡ Congratulations to **Larry Herold** on his election as vice president of the National Conference of State Transportation Specialists (NCSTS). Larry also was re-appointed as a member of the Board of Directors of the Unified Carrier Registration (UCR) Plan.

⚡ Kudos go out to **Holly Bise** and **Susan Travis** for their contributions to the passage and implementation of House Bill 16-1414. The bill not only brings important services to the deaf-blind community, but it also stabilizes the funding base for the telecom relay program. Holly and Susan worked quickly and efficiently in getting temporary rules in place, providing as much time as possible for telecom providers to implement necessary billing changes to meet the September 1 requirement for relay surcharge collections.

⚡ Congratulations to **Daryl Branson** on his appointment to the Federal Communications Commission's (FCC) Task Force on Optimal PSAP Architecture. This cross-government/industry collaborative is working to address next-generation 911 issues. Daryl was nominated by the National Association of State 911 Administrators and the FCC approved his appointment.

⚡ A pat on the back to Consumer Complaint supervisor **April Woods** for sharing her 17 years of experience with six Cambodian Electricity Authority visitors in August. April provided a wealth of knowledge in the areas of meter reading, billing issues and complaint resolution that was well-received by the visiting delegation.

⚡ Welcome to new PUC employees **Jason Peuquet**, an economist in the Economics section; **Steven Denman**, an administrative law judge in the Administrative Hearings section; and **Erin O'Neil**, an economist in the Economics section.



Jason Peuquet



Steven Denman



Erin O'Neil



Six Cambodian Electricity Authority officials visited the Public Utilities Commission in August. The officials met with commissioners and had discussions with staff on topics such as public participation, rate cases, metering, and structures of investor-owned utilities, municipal utilities, and rural electric associations. The visit was sponsored by NARUC International and the U.S. State Department's Global Power Sector Program. While in Colorado, the Cambodians also visited two of Xcel Energy's facilities as well as Fort Collins Utilities and the National Renewable Laboratory's Energy Systems Integration Facility.

INSIDE CONNECTIONS



Bryan Fry

As someone who fully appreciates the many opportunities afforded by an active Colorado lifestyle, **Bryan Fry** finds himself situated in an ideal job.

Bryan traverses the state fulfilling his duties as an inspector in the Public Utilities Commission (PUC) Gas Pipeline Safety unit, a position he has held since 2012.

"I love the travel aspect, getting to move around all parts of our beautiful

state," he said. "I also love that we are pretty much our own contractors, responsible for setting up and conducting our own inspections."

The Gas Pipeline Safety section performs safety audits and inspects records and facilities of intrastate natural gas transmission, distribution, petroleum gas, liquefied natural gas and master meter systems, ranging from large operators like Xcel Energy, to smaller municipal systems, to trailer parks. The goal is to ensure compliance with state and federal safety regulations to keep operators and the public safe from natural gas and propane hazards.

Bryan worked for Public Service Company of Colorado for 20 years, the last 10 of which were spent earning a civil engineering degree from the University of Colorado-Denver and moving over to gas engineering. He also held civil engineering jobs with Adams County and the City of Denver before coming to the PUC.

Bryan takes advantage of Colorado's

many outdoor amenities by golfing, biking and hiking. He has climbed 40 of the state's 53 official 14,000-foot peaks. He also enjoys working out, cooking, sports, movies and music.

He also is a long-time markets (stocks, bonds, options, currencies) hobbyist, and after reading an article about a school benefactor he hatched an idea for his version of a charitable trust. Bryan spent several years building up his investments to fund a trust for giving to his church and various ministry programs. When the economic downturn came, he was forced to wind down his trust, but hopes someday to resume it.

"My goals are to be the best husband I can be to my beautiful wife and to eventually build my investments back up, so that I can give them away again," he said. "Best job I've ever had!"

(Inside Connections will feature a PUC employee each edition as selected by PUC sections chiefs.)

producers, and ratepayer organizations.

The company is seeking a decision by November 10 on the Rush Creek project in order to take advantage of federal tax incentives. Xcel said the project, if approved, would provide the lowest-cost energy on its Colorado system and would save ratepayers more than \$400 million over the 25-year life of the project.

Total cost of the wind farm and transmission tie-in is estimated at \$1.036 billion. If approved, construction would begin in late 2017, with anticipated com-


mercial operations expected to begin in late 2018.

The PUC in June granted a motion to consolidate Rush Creek wind project application with a petition filed by Xcel in April to accelerate the construction schedule for the Pawnee-Daniels Park transmission project. The PUC in 2015 approved that project, but said construction could begin no earlier than May 1, 2020. In its petition, Xcel seeks to begin the project in 2017 to take advantage of tax credits and to accommodate the Rush Creek project interconnection.

Rush Creek Wind Project

(Continued from page 1)

Energy Office, more than a dozen other groups have been granted permission to participate in the hearings. Those groups represent cooperative electric associations, municipalities, environmental organizations, large energy consumers, trade and union groups, independent power




COLORADO
Department of
Regulatory Agencies
Public Utilities Commission

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:

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Rule changes add more protections for certain tows

A Public Utilities Commission (PUC) administrative law judge is recommending changes to PUC rules to provide additional consumer protections in non-consensual towing situations.

A recommended decision issued August 2 modifies the definition of “non-consensual tow” to include all law enforcement-ordered tows, and sets maximum rates for those tows and related services.

The administrative law judge noted that even if the owner is present when a law enforcement official orders a tow, the “circumstances reflect a lack of opportunity for the operator to research, negotiate terms with, and make an informed selection among towing carriers.”

Currently, PUC rates for non-consensual tows are not applied to police-ordered tows if the towing carrier has a contract with the law enforcement agency. The recommended changes clarify that all police-ordered tows are non-consensual tows, and establish maximum rates to be charged. Under the new rules, contracts between towing carriers and law enforcement agencies may specify lower rates, but

may not exceed the maximum charges in PUC rules.

The recommended decision also establishes new maximum rates for non-consensual tows and related services for vehicles exceeding 10,000 pounds; establishes minimum fencing, signage and lighting requirements for storage facilities; makes changes to rule definitions; and deletes duplicative language in civil penalty rules.

The rule changes stem in part from the efforts by a task force, created by the Colorado Legislature in 2014, to make “comprehensive recommendations to the PUC about the maximum rates that may be charged for the recovery, towing and storage of a vehicle that has been towed without the owner’s consent.”

The nine-member task force, appointed by the governor, included representatives from the Colorado State Patrol, a statewide towing association, independent towing carriers, automobile owners, insurance compa-



A PUC administrative law judge has recommended adding more consumer protections to rules involving non-consensual tows, including all law enforcement-ordered tows.

nies, a motor carrier association, local law enforcement, and a private property owner that contracts for towing services.

The task force submitted its recommendations last fall, which the PUC took into consideration in issuing

its proposed rules earlier this year.

Exceptions to the recommended decision were due in late August. If the recommended decision is adopted by the Commission, it is expected that the rule changes would become effective later this fall.

Taxi companies take advantage of changes in law

Several taxi companies have received new or expanded authority in the past few months, taking advantage of a 2015 law easing taxi entry standards in the Denver and Colorado Springs areas.

Under the law, which became effective in August of 2015, new applicants for taxi service 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 year-old law, if the PUC determines that the applicant has proved its operational and financial

fitness, the Commission must grant the applicant a certificate.

Green Taxi Cooperative was the first new company to receive authority under the new standards. After a hearing process earlier this year, the company was issued its authority on July 6 to provide operations across the seven Denver metro counties.

Pikes Peak Cab was granted authority to begin service in El Paso County (Colorado Springs). It agreed to a restriction limiting its operations to 15 vehicles the first year and 30 the next, followed by an unlimited number after two years. Pikes Peak was expected to begin putting vehicles on the streets in August after complying with tariff and insurance requirements.

Two existing taxi companies serving

the Denver area – Union Taxi and Freedom Cabs—also received approval to expand their operations. Union Taxi was granted a larger geographic area and elimination of a maximum vehicle restriction. Freedom Cabs was granted authority to increase its maximum vehicle limit from 250 to 600.

Hearings have been completed and decisions are pending on two other applications to provide taxi service in the Denver area—one by Green Taxi Corporation and the other by Liberty Taxi Corp.

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, 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.

Hearings likely to occur in '17 on Xcel electric resource plan

The Colorado Public Utilities Commission (PUC) will establish a procedural schedule later this year to review Xcel Energy’s proposed plan outlining how it intends to meet its Colorado customers’ electricity needs through 2023.

The company filed its 2016 Colorado Electric Resource Plan with the PUC on May 27. In it, Xcel proposes an eight-year acquisition period to meet a projected need of approximately 284 megawatts in 2022, which grows to a need of 615 megawatts in 2023. The company is proposing a competitive, all-source solicitation to acquire resources to meet the need.

Xcel said the proposed plan provides a path and process forward that “recognizes the transition from our current generation fleet to one that includes more distributed energy resources and customer choice along with increased levels of renewable energy resources.”

In a July 15 decision, the PUC set the application for hearing before the full Commission. However, it did not immediately establish a procedural schedule because a number of other proceedings currently under way have

the potential to impact the resource plan application. Those include Xcel’s 2017 renewable energy compliance plan, the proposed Solar*Connect program, and the company’s phase II electric rate case.

Hearings in the resource plan proceeding are not expected until next year at the earliest.

Along with PUC staff, the Office of Consumer Counsel, and the Colorado Energy Office, more than a dozen other parties have been granted permission to participate in the resource plan proceeding, including groups representing cooperative electric associations, municipalities, environmental and renewable energy organizations, large energy consumers, trade and union groups, and independent power producers.

Under PUC rules, Colorado’s regulated electric utilities are required to file a plan every four years forecasting future electric demand and how the utility will meet that demand. Once a framework is approved for acquiring resources in phase one, the utility has a 120-day period to solicit bids and select a preferred portfolio of resources, which is reviewed in a follow-on proceeding.

Adams County seeks to hike monthly 911 phone surcharge

The Adams County Emergency E-911 Telephone Service Authority has applied to the Public Utilities Commission (PUC) for approval to increase its E-911 monthly surcharge from \$0.70 to \$1.50.

The proposed surcharge increase, filed July 26, would affect all users of wireline, wireless and Voice-over-Internet-Protocol (VoIP) telephone services within Adams County, with the exception of the city of Thornton, whose 911 services are funded separately. If approved, the authority said it expects to implement the increase around November 1.

Adams County is seeking the increase to help pay for new technology and equipment, along with additional 911 call takers and dispatchers. The authority said surcharge revenue decreased by about 8 percent in 2015, while call volumes increase by 13 percent. The current surcharge of 70 cents has been in place since 1990.

The Adams County authority board oversees 911-related activities at the Adams County Communications Center and at Federal Heights. Adams County Communications Center

operates a public safety answering point (PSAP) which provides 911 call taking and emergency dispatching services to eight law enforcement and fire protection agencies in Adams County. Federal Heights operates a PSAP and provides dispatching services to its law enforcement and fire protection agencies.

Land-line and wireless telephone customers in Colorado pay a monthly surcharge to fund the equipment and operational expenses of the 911 system. Individual authority boards establish the amount needed to cover the costs of equipment, personnel and access to telephone lines. The surcharge is collected by the telephone provider and passed on to the authority boards.

Under Colorado law, a 911 authority may assess a surcharge of up to 70 cents per customer per month for emergency telephone services without the permission of the PUC. Anything above that amount requires PUC approval.

Earlier this year, the PUC approved 911 surcharge increase requests for Phillips County (\$1.75), Logan County (\$1.25), and Garfield County (\$1.30).

Xcel misses reliability standards in 5 of 9 regions

Bill credits would be required if company fails for second year

Xcel Energy received a warning for missing electric reliability standards in five of its nine regions in 2015, but was not required to issue bill credits because no region exceeded the threshold for two years in a row.

Reliability standards for Xcel are contained in a Quality of Service Monitoring and Reporting Plan, which was established 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 2015 results reported on March 31, Xcel met the reliability standards in four of the nine regions, including Denver, Boulder, Northern and Western. It fell below the threshold in 2015 for the Front Range,

Greeley, High Plains, Mountain, and San Luis Valley regions. Xcel only received a warning for those regions because it met the standard for all five in 2014.

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 2015, the company had 7,378 customers who experienced five or more sustained outages for a total credit of \$368,900. It also reported 347 customers, mostly in the Denver region, experiencing outages of 24 hours or more, for a total credit of \$17,350.

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 2015, Xcel met the standards in both categories.

The current service quality plan for Xcel's electric and gas operations runs through the end of 2018.

PUC grants Xcel request to build new steam boiler

The Public Utilities Commission (PUC) has authorized Xcel Energy to construct and operate a new boiler to be located at its existing Denver Steam Plant to replace the production capacity currently being provided by Zuni Station.

In deliberations on August 17, the PUC approved a Certificate of Public Convenience and Necessity (CPCN) for the single-boiler option as part of Xcel's resource plan to meet its future steam system needs.

Xcel and its predecessors have provided steam utility services in the downtown Denver area since 1879 to commercial office buildings, residential buildings, hotels, retail establishments and government buildings, including the State of Colorado Capitol Complex, the Colorado Convention Center, the

Denver Art Museum, the Webb Municipal Office Building, and the Auraria Higher Education Center.

The PUC last year approved an interim plan that allowed Xcel to upgrade a portion of the steam distribution system at the Capitol Complex to provide higher pressure service, and convert its Zuni Station from electric operations to steam-only operations for a 3-5 year period. Xcel was directed to assess its steam operations to determine the long-term requirements of its downtown Denver steam system.

On June 29, the company proposed as its preferred alternative adding a third boiler to the existing Denver Steam Plant. The company said this approach would "reduce overall operations and maintenance expenses due to

the optimization of controlling three boilers from a single site and the use of new, more efficient equipment."

No comments were filed in opposition to the June 29 report, and the PUC

approved the plan without a hearing.

The company is projecting an in-service date of October, 2019 for the new boiler. Once it is in operation, the Zuni Station will be shut down.

Black Hills hearing in October

Evidentiary hearings are scheduled October 18-21 at the Public Utilities Commission (PUC) in Denver on a proposal by Black Hills Energy to increase electric base rates by \$14.8 million a year.

The proposal, filed in May, seeks to recover costs related to a new gas-fired generation unit at the Pueblo Airport Generating Station. The new plant replaces the power generation previously provided by the W.N. Clark coal-fired plant in Canon City, which was retired to comply with Colorado's Clean Air-Clean Jobs Act (CACJA).

The proposal, which includes rolling \$5.9 million into base rates that was previously collected through a CACJA rider, would increase typical residential bills by \$4.99 per month (4.78 percent) based on an average use of 600 kilowatt-hours, according to the company. Bills for typical small commercial customers would increase by \$17.31 per month (4.37 percent) based on an average use of 2,300 kilowatt-hours.

Black Hills is requesting a 9.83 percent return on equity (ROE), which is the same as its current ROE. The ROE is the return that a utility is authorized to earn on its investments, in order to attract the capital needed to ensure safe and reliable service at reasonable cost to consumers. The PUC sets a maximum ROE, but it is not guaranteed.

A public comment hearing on the proposal was held Aug. 16 in Pueblo. Members of the public may still submit written comments about the proposal by mail, email (dora_puc_complaints@state.co.us), or by using the PUC's on-line comment form at www.colorado.gov/dora/puc.

The company has requested that new rates go into effect on January 1, 2017. A PUC decision on the proposal is expected before the end of the year.

Black Hills provides electric utility service to approximately 94,000 customers in 21 southeastern Colorado communities, including Pueblo, Cañon City, Florence and Rocky Ford.

PUC approves solar garden agreement

The Colorado Public Utilities Commission (PUC), supported by additional financial and legal evidence, granted reconsideration of a proposal by Xcel Energy and three solar companies regarding the acquisition of community solar gardens (CSGs) pursuant to Xcel's 2014-2016 Renewable Energy Standard (RES) compliance plan.

The PUC, a division of the Department of Regulatory Agencies, approved on June 29 a settlement agreement addressing implementation of Xcel's CSG program. The PUC found that testimony and legal argument presented at a June 1 rehearing adequately demonstrated that the proposed agreement was in the public interest. The PUC in March had rejected the proposal because it lacked sufficient details to support approval, deficiencies which the settling parties admitted in asking for reconsideration.

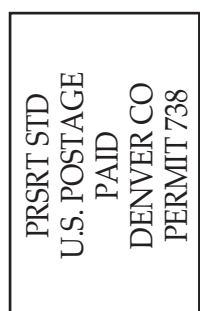
Based on the additional evidence, the PUC said the agreement will spread the benefits of solar gardens among as many customers as possible, including low-income and other indi-

viduals and businesses that want to promote solar energy. Among the issues resolved by the rehearing were questions about the \$0.03/kwh Renewable Energy Credit (REC) price and the method for determining customer bill credits for CSGs.

In a 2014 decision, the PUC directed Xcel to acquire between 19.5 megawatts (MW) and 90 MW of community solar gardens by the end of 2016, and that requirement had not been altered by the settlement proposal.

The settlement was entered into by Xcel, SunShare, Clean Energy Collective and Community Solar Energy. The three solar companies build and operate community solar gardens and were declared by Xcel to be the three winning bidders of the company's 2015 competitive solicitation for 29.5 megawatts (MW) of CSG resources.

The PUC also approved a recommendation that the company work with PUC staff on a report on how community solar gardens are being deployed and subscribed.



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