

# Connections

NEWSLETTER OF THE COLORADO PUBLIC UTILITIES COMMISSION

JANUARY 2017

## STARTING POINT



By Doug Dean  
Director

The Public Utilities Commission (PUC) reminds consumers to check posted rates and verify fares with taxi drivers before commencing trips to and from Denver International Airport.

The PUC established flat-rated fares for airport trips via taxi back in 1999 to simplify the various rate structures used by the metro-area taxi companies in serving the airport and to reduce confusion among both passengers and drivers. All taxi companies must charge a uniform rate for trips between the airport and three zones—downtown Denver, the Denver Tech Center and Boulder.

Current rates for trips between the various zones are as follows:

- Between DIA and Zone A (downtown Denver) the rate is \$51;
- Between DIA and the Zone B (Denver Tech Center) the rate is \$57;
- Between DIA and Zone 3 (Boulder) the rate is \$84.

In addition, taxis may include access/gate fees as established by DIA (currently \$4.57 for trips originating at the airport). Taxis may not use meters, or include any charge for mileage, waiting time or traffic delay for flat-rated airport trips.

Under PUC rules, a map displaying the three zones and the applicable flat rate to each zone must be posted in each taxi, and drivers are required to inform passengers of the total fare prior to beginning the trip.

All taxi trips to and from destinations outside the three zones must be charged on a metered basis. For example, a trip from a downtown Denver hotel to Union Station cannot be a flat-rated fare, but must use the meter.

The uniform flat rates to and from the airport apply only to taxi companies. The PUC does not regulate rates for transportation network carriers such as Uber and Lyft, or luxury limousines.

If you have a complaint or question about a taxi fare, you may file it by email ([dora\\_puc\\_complaints@state.co.us](mailto:dora_puc_complaints@state.co.us)), by phone (303-894-2070) or by using the PUC's on-line complaint form ([www.colorado.gov/dora/puc](http://www.colorado.gov/dora/puc)).

## Governor appoints two members to PUC

*Energy office director, telecom attorney fill commission openings*

Governor John Hickenlooper has appointed Colorado Energy Office (CEO) executive director **Jeff Ackermann** and telecommunications and utilities attorney **Wendy Moser** to the Colorado Public Utilities Commission (PUC).

Ackermann and Moser, both from the Denver area, were picked for terms effective January 9. Ackermann, who was named PUC chairman by Governor Hickenlooper, replaced **Glenn Vaad**, who announced his retirement at the end of his term. Moser will fill the two years remaining on the term of previous chairman **Joshua Epel**, who resigned from the PUC effective January 3.

Both appointments must be confirmed by the Colorado Senate.

Ackermann, who was named CEO executive director in April of 2013, has more than three decades of experience in state government and the energy sector. Under his leadership, CEO made significant strides in improving the innovative production and efficient consumption of Colorado's energy resources. Prior to his CEO appointment, he led the research efforts at the PUC, focusing on issues ranging from electric system planning to the effective use of energy efficiency and renewable energy.



Jeff Ackermann

"Jeff has proven to be a skilled leader during his work as director of the Colorado Energy Office," Hickenlooper said. "We are confident he will bring that same level of integrity and ingenuity to the PUC."

Ackermann earned a bachelor's degree from Albion College and a master's degree in non-profit management from Regis University.

Moser was senior manager at Charter Communications, where she was responsible for government franchise relations, public affairs policies and procedures, and regulatory requirements in multiple western states. She has vast experience in telecommunications and utilities, and more than 25 years of experience in regulatory law. Moser earned her bachelor's degree from South



Wendy Moser

Dakota State University and a law degree from the University of Denver.

"Wendy brings an impressive track record in telecommunications and energy," Hickenlooper said. "We are delighted she agreed to bring that experience to the PUC."

Ackermann and Mosier join **Frances Koncilja** on the three-member PUC, which regulates rates and services of investor-owned electric, gas and water utilities; some intrastate telecommunications services; for-hire motor carriers in Colorado; and safety of railroad crossings and intrastate natural gas pipelines.

PUC commissioners serve staggered four-year terms. No more than two appointees may be from the same political party. Ackermann and Koncilja are Democrats, Moser is a Republican.

## PUC approves major Xcel energy settlement

The Colorado Public Utilities Commission (PUC) has approved a comprehensive settlement that resolves three major Xcel Energy cases involving electricity pricing and renewable energy, while adding appropriate safeguards for ratepayers.

The PUC in November approved without modification an agreement that resolves Xcel's phase II electric rate case, a solar subscription program, and the company's 2017 Renewable Energy compliance plan. The settlement was supported or unopposed by 24 of 26 intervenors in the various proceedings.

While the settlement expands the development of solar energy in Colorado, the Commission added protections that limit the cost impact to ratepayers, and preserve the ability of the PUC to determine in the future the fairness of proposed changes to how ratepayers will

pay for the energy they use.

The Commission also emphasized that future acquisitions of renewable energy should be proposed through the Electric Resource Plan (ERP) process, where resources have to be bid competitively and evaluated against other potential resources.

"This decision continues the trend that Colorado is a national leader in thoughtful development of renewable energy," PUC chairman **Joshua Epel** said.

The decision allows for the company to offer subscriptions to a new 50 megawatt (MW) solar facility through its Renewable\*Connect program. The voluntary program, modeled after the company's Windsourse subscription program, would enable customers to offset their annual electric usage with solar energy.

The settlement also eliminated the company's proposed fixed monthly

grid charge and establishes a pilot program to precede the potential full-scale rollout of residential time-of-use (TOU) rates. 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.

Finally, the decision allows for the acquisition of more than 300 MW of on-site solar and community solar gardens between 2017 and 2019 through the suite of Solar\*Rewards programs. It also provides for new offerings for both rooftop solar and community solar gardens for low-income customers.

Parties to the settlement included 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.

## Boulder muni application to be heard in spring

The Public Utilities Commission (PUC) will consider this spring the city of Boulder's amended application for approval of the transfer of certain assets owned by Xcel Energy that are necessary for the operation of a municipal electric utility.

The PUC in December approved a procedural schedule that establishes April 26-28 and May 1-5 as hearing dates for the Boulder application.

Under the schedule, a decision would be issued by mid-June 2017.

The PUC in December 2015 rejected Boulder's initial proposal because it included the acquisition of facilities located outside of city limits used exclusively to serve Xcel customers. The Commission said the city could file an amended application consistent with the doctrine of regulated monopoly, but stated the supplemental

application "must contain sufficient information and evidence to demonstrate the reliability and safety of the resulting network and the reasonableness of the resulting costs to (Xcel) and its ratepayers."

On September 28, the city filed its amended plan. Boulder states that it is no longer seeking to serve any customers located outside of its city limits.

(Continued on page 2)



# PUC to consider amendments to rail safety rules

The Public Utilities Commission (PUC) has opened a proceeding to consider changes to rules regulating railroads, rail fixed guideways, transportation by rail and rail crossings.

The PUC issued a notice of proposed rulemaking (NOPR) on December 15. The proposed rules are intended to implement legislative changes; incorporate changes to state and federal standards on traffic safety devices; make permanent the temporary rules regarding minimum crossing safety requirements; add definitions and simplify rail crossing change applications; and remove inconsistencies in current rules.

The PUC in September adopted temporary rules to implement expedited procedures for road authorities, railroads and rail fixed guideway systems

to request authority to install temporary safety measures at railroad crossings in advance of an application to permanently install or modify active or passive warning devices at these crossings. The PUC also established minimum crossing safety requirements in accordance with new federal standards.

Under the temporary rules, all public highway-rail crossings must have as a minimum advance warning signs, crossbucks and yield signs. The rules also allow road authorities to install warning beacons on advance warning signs without requiring an application to the PUC.

The new rulemaking proposal makes those temporary changes permanent, along with other amendments to enhance public safety for at-grade highway-rail crossing users in Colorado.

"The proposed rule changes are intended to provide minimum safety standards, increase safety at crossings and create a more streamlined process to make changes at crossings, all benefiting public safety," said **Dr. Pam Fischhaber**, the PUC's Rail/Transit Safety chief.

The Commission is soliciting comment on the proposed rules from all interested parties, including road authorities, railroads, railroad corporations, rail fixed guideways and transit agencies regulated by the rules. The proposed rules are available through the Commission's electronic filings (E-Filings) system at:

[https://www.dora.state.co.us/pls/efi/EFI.Show\\_Docket?p\\_session\\_id=&p\\_docket\\_id=16R-0952R](https://www.dora.state.co.us/pls/efi/EFI.Show_Docket?p_session_id=&p_docket_id=16R-0952R).

Written comments should be filed no



later than January 17, and responses to initial comments should be submitted by January 23. A hearing on the proposed rules is scheduled for January 30 before a PUC administrative law judge.

## No-call telemarketer fees set for 2017

The Colorado Public Utilities Commission (PUC) has established the registration fees for 2017 that telemarketers will pay to obtain the state's do-not-call list.

The fees are set on a sliding scale based on the number of employees of the soliciting company. The fees collected are used to pay the annual contract cost for the Designated Agent to administer the Colorado No-Call program, and to support enforcement activities provided by the Colorado Attorney General's Office.

The 2017 fees will range from \$275 for telemarketers with 5-10 employees, up to \$500 for companies with more than 1,000 employees. Telemarketers with less than five employees are not charged an annual registration fee.

PUC staff estimates that approximately 289 telemarketers will register with the Colorado No-Call program

in 2016 and pay registration fees that will generate roughly \$107,545 in annual revenues.

Colorado's No-Call program allows residential and wireless telephone subscribers to notify solicitors of their objection to receiving solicitations by telephone or fax by placing their telephone numbers on a do-not-call list at no charge. Telemarketers must update these do-not-call lists four times a year to help reduce unwanted telephone calls.

A state enforcement action may be brought against commercial telemarketers for three or more violations in a month. Certain types of calls are excluded from no-call rules, including political calls, calls from charitable organizations, and calls from businesses that have an existing relationship with a customer.

As of December 7, 2016, more than 3.8 million telephone numbers had been

registered with Colorado's no-call list, which began in 2002.

Telephone subscribers may register a residential or wireless phone number, or file a complaint about possible violations of the no-call law, by either calling toll-free at 1-800-309-7041, or by going on-line at [www.coloradonocall.com](http://www.coloradonocall.com).

### 2017 Telemarketer Registration Fees

Number of Employees	Fee Amount
1-4	\$0
5-10	\$275
11-50	\$375
51-100	\$450
101-250	\$480
251-400	\$490
401-1,000	\$495
1,001+	\$500

## POSITIVE CHARGES

Congratulations to **Harris Adams**, the PUC's Chief Administrative Law Judge, who received the 2016 Dom Hidalgo customer service award. The annual award recognizes the PUC employee who displays consistent and superior customer service throughout the year.

Harris was cited for identifying areas for improvement and taking it upon himself to champion efforts that have resulted in positive change. He successfully led an effort to create a new system that has in large part automated how PUC staff creates information sheets for commissioners. And he was worked tirelessly for more than a year to improve the PUC's ability to provide reliable webcasting to the public.

Special recognition goes to the following PUC employees for hitting milestones in their years of service to the state of Colorado:

- 5 years—**Vanessa Condra, Gabe Dusenbury, Bob Garvey, Joel Hendrickson, Richard Reis, Kevin Stilson, and Mimi Xavier**
- 10 years—**Gene Camp, Brian Chesher, Lynn Notarianni, Gladys Rey**
- 15 years—**Harris Adams**
- 20 years—**Bob Bergman, Rebecca Quintana**

Welcome to new PUC employees **Adam String**, a criminal investigator in the Transportation section; and **Radhika Sowrirajan**, an engineer in the Energy section.



Gabe Dusenbury

Ralph Waldo Emerson once wrote, "I hate quotation. Tell me what you know." **Gabe Dusenbury** used this as his high school yearbook quote, and knowledge is definitely one thing that he likes to accumulate.

Gabe is a Rate/Financial Analyst at the Public Utilities Commission (PUC) working on energy and water cases. He started at the PUC in 2011 and spent nearly five years in the Transportation section, before moving over to the energy

## INSIDE CONNECTIONS

side of the house less than a year ago.

"I'm relatively new at it, so I'm enjoying getting up to speed and working on large cases with a lot of complicated sub-parts," he said. "There's a lot to learn and the challenge is what makes it interesting."

As an analyst, Gabe examines utility applications, rate proposals and other filings that come before the Commission. He participates in litigated proceedings before the PUC, providing analysis and testimony on financial and accounting matters related to regulated utilities.

Gabe earned a bachelor's degree from Wesleyan University and a law degree from the University of Denver. He worked as a practicing attorney handling workers' compensation cases for 18 months. He also spent more than three years at a public interest law firm in New York compiling and editing grant compliance reports, among other duties.

His love of knowledge extends well beyond his professional responsibilities.

Gabe was in the Jeopardy game show contestant pool for a year and a half. He passed the online test and went to Phoenix for an in-person tryout, but ultimately did not get selected to be on the show.

"Still, there was an 18-month period where every time my phone rang I would hope it showed a Los Angeles area code."

In addition to trivia, Gabe enjoys karaoke, fantasy sports, reading, television and movies, and the care and feeding of a 7-month-old daughter and 3-year-old son. His family celebrates Winter Solstice, not Christmas (though his wife's family does Christmas so his kids get both.)

"We get our extended family and friends together, pick a Saturday that's near Christmas, and all get together for a big holiday meal and such," he said.

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



Adam String



Radhika Sowrirajan

## Boulder muni application hearings

(Continued from page 1)

The city further clarifies that it seeks the transfer of neither generation nor transmission assets, but only of distribution facilities and real property interests necessary to serve customers located in Boulder.


Boulder submitted a "separation plan" that includes a proposed final

configuration of both Xcel's and Boulder's electric systems. Boulder states that significant new construction will need to be completed by both the city and Xcel in order to develop independent systems to be operated as separate utilities.

Boulder also submitted a "transition period agreement" with proposed operational procedures to ensure safe and reliable service without interruption; and a "gradual departure plan," where Boulder would initially enter into a wholesale power supply agreement

with Xcel to serve all of the city's energy and capacity requirements. Boulder then, over time, would leave the Xcel generation system.

The PUC's role in reviewing the transfer application is to ensure that the proposal in is 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.




**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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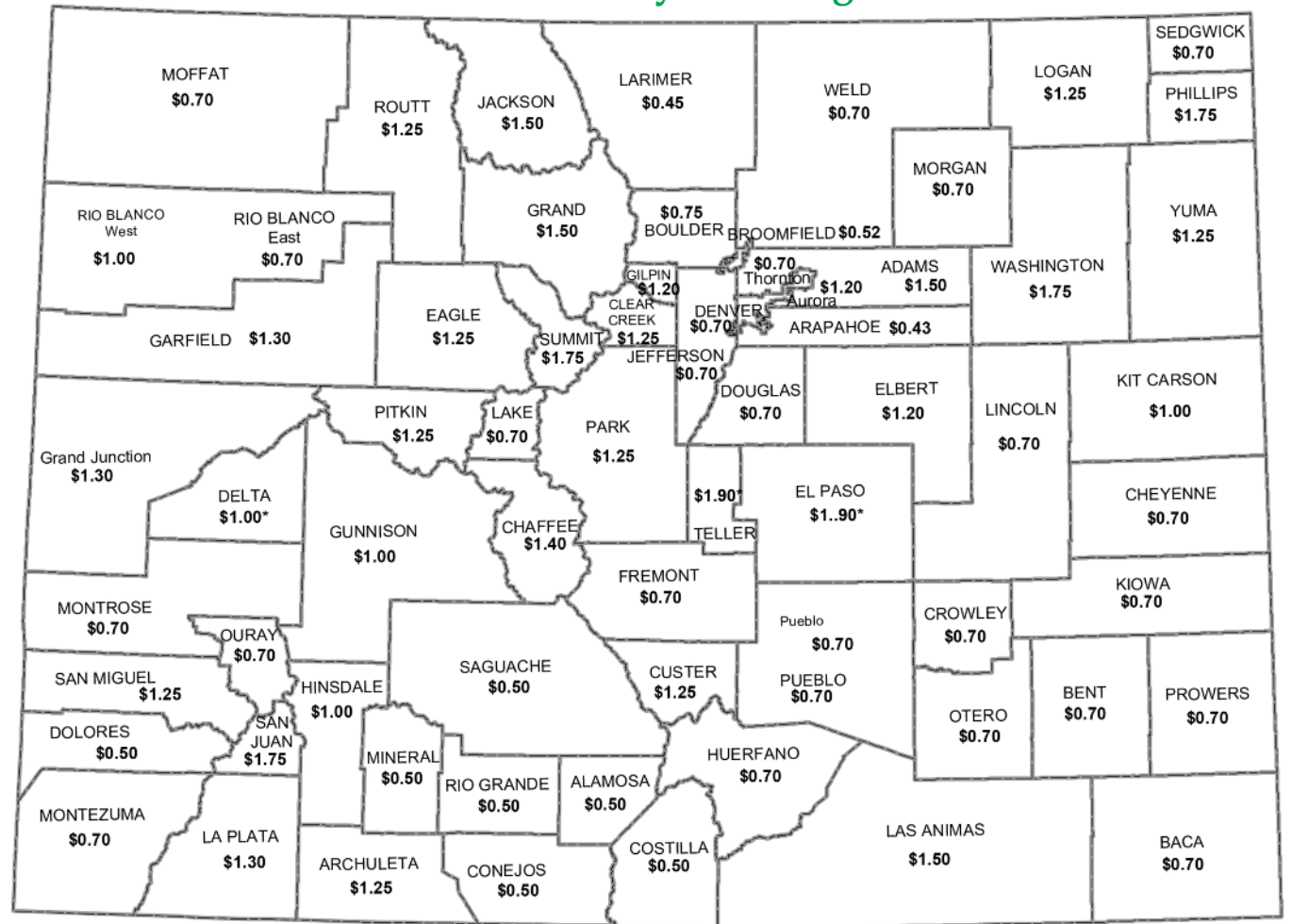
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# E-911 monthly surcharges increasing across state

*Increases help fund next-gen emergency telecommunications*

## E-911 Monthly Surcharges



\*Proposed

The Public Utilities Commission (PUC) has approved three requests for increases in E-911 surcharges in the last three months, and two more requests are pending.

The PUC on September 29 approved a request from the Adams County emergency authority to increase its E-911 surcharge from \$0.70 to \$1.50 per month. On October 7, the Commission granted Washington-Yuma counties' request for an increase from \$1.25 to \$1.75 per month. And on November 17, the PUC approved a request by the Jackson County emergency authority to raise its surcharge from \$0.70 to \$1.50 per month.

El Paso-Teller emergency authority and Delta County emergency authority also have filed applications with the PUC to increase monthly E-911 surcharges.

El Paso-Teller is requesting an increase from \$0.70 to \$1.90. A hearing scheduled for January 12 was vacated at the request of the authority board and PUC staff, who are involved in settlement discussions. A PUC administrative law judge ordered the parties to file a status report by January 5 to advise the judge of progress in settlement talks and/or to propose a new procedural schedule and hearing dates.

On November 21, the Delta County authority board filed a request to increase its surcharge from \$0.70 to \$1.00 per month. After a 30-day notice period, the matter will be brought to a PUC weekly agenda for consideration.

Eagle County's 911 authority board filed an application in September

requesting an increase from \$1.25 to \$1.75. However, the application was withdrawn in mid-December.

"There are a number of reasons local 911 authorities might need to request surcharge increases," said Daryl Branson, PUC senior telecom analyst. "The biggest reason may be stagnant or declining revenues from 911 surcharges as many residents 'cut the cord' and give up their landlines. While revenues are

declining, the costs of providing 911 service continue to rise."

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).

## PUC approves wind/transmission project

The Colorado Public Utilities Commission (PUC) has approved a broadly-supported settlement that will allow Xcel Energy to develop, own and operate a 600-megawatt wind facility located on Colorado's eastern plains.

The PUC voted on September 30 to approve the agreement without modification reached between the company and more than a dozen other parties. In addition to PUC staff, the Office of Consumer Counsel and the Colorado Energy Office, signatories to the settlement included environmental organizations, cooperative electric associations, municipalities, large energy consumers, trade and union groups, and independent power producers.

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. Construction is expected to begin in 2017 with anticipated commercial operations expected to begin in late 2018.

In approving the settlement, the PUC found that the project satisfied the reasonable cost standard in state law that allows utility ownership of up to 25 percent of the total new renewable energy resources acquired after March 27, 2007.

"I'm very pleased that almost 20 parties could join together and support a comprehensive settlement that significantly increases renewable energy in

the state, will be a driver of economic development in rural Colorado, and helps sustain the renewable energy supply chain that has matured in Colorado," PUC Chairman Joshua Epel said. "I am especially pleased that a high-voltage transmission line that provides access to energy resource zones is part of the settlement."

The agreement caps the cost of the project at \$1.096 billion. It also provides for a sharing of cost savings between customers and the company if capital costs are less than the capped amount.

The agreement also allows Xcel to pursue an earlier construction schedule for the proposed Pawnee-Daniels Park Transmission Project to take advantage of federal tax credits and to accommodate the Rush Creek project interconnection.

## Hearings set in April on proposal to build advanced electric grid

The Public Utilities Commission (PUC) will hold evidentiary hearings April 3-6 on an application by Xcel Energy seeking approval of three components of an advanced electric distribution grid, designed to provide Colorado customers with next generation energy infrastructure.

In addition, a public comment hearing will be scheduled in February to take public comment on the application. Members of the public may also submit written comment on the proposal.

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  
(Continued on page 4)

## Hearings in February on Xcel decoupling plan

The Public Utilities Commission (PUC) will hold evidentiary hearings February 21-24 on a proposal by Xcel Energy that would keep revenues steady as usage of electric power goes up or down.

The proposal, known as revenue decoupling, is designed to remove the economic incentives and disincentives associated with the company's recovery of fixed costs through the energy component of its electric base rates. At least 15 states have adopted decoupling rate structures for electric utilities.

Currently, Xcel Energy recovers a substantial amount of its fixed costs through variable charges to customers. Under this model, new rate structures or customer programs that have the poten-

tial to reduce energy sales also have the effect of reducing the company's ability to recover all of its fixed costs.

Revenue decoupling would provide assurance that the company collects sufficient revenue to cover its fixed costs on a per-customer basis.

"With this assurance, we can offer new rate design initiatives, which provides customers with the opportunity to save on their monthly bills if they are able to shift some of their usage to off peak periods," Xcel said in its application.

Decoupling also removes the disincentive associated with rooftop solar installations, the company said.

Under the proposal, Xcel would implement a Revenue Decoupling

Adjustment (RDA) tariff effective June 1, 2018 through May 31, 2023 for two rate classes; one for the residential class and a separate adjustment for the small commercial class.

Intervenors to the application include PUC staff, the Office of Consumer Counsel, Colorado Energy Office, City of Boulder, City and County of Denver, Southwest Energy Efficiency Project, Vote Solar, Colorado Solar Energy Industries Association, Western Resource Advocates, Energy Outreach Colorado, and the Energy Freedom Coalition of America.

A PUC administrative law judge is expected to issue a recommended decision on the application sometime this spring.



# PUC cuts Black Hills' rate request by 87 percent

The Public Utilities Commission (PUC) significantly reduced a request by Black Hills Energy to increase its electric rates in Colorado.

Based on calculations presented at a technical conference on December 7, the PUC's oral deliberations on November 30 resulted in a net revenue increase of \$1.16 million, or 13 percent of the \$8.9 million originally requested by the company. The total increase included a \$636,000 increase in base rates and an increase of approximately \$525,000 in the Clean Air-Clean Jobs Act (CACJA) adjustment rider.

The net increase in revenues resulted in a \$0.90 per month increase

in average residential bills, compared to the requested \$5.00 per month increase requested by Black Hills in May. Small commercial bills went up \$3.38 per month (0.9 percent). The new rates were expected to be implemented on January 1.

Black Hills sought to recover costs related to a new gas-fired generation unit at the Pueblo Airport Generating Station. The new plant is replacing the power generation previously provided by the W.N. Clark coal-fired plant in Cañon City, which was retired to comply with Colorado's Clean Air-Clean Jobs Act.

While the PUC said the company

was allowed by state law to build the replacement generation, it expressed disappointment that less expensive options were not pursued.

The PUC made numerous decisions resulting in significant cuts to the company's proposed revenue requirement, including the areas of overall capital structure and return on equity; the specific rate of return on the new gas-fired generation unit; pension expenses for company employees; executive incentive and equity compensation; property tax allowances; cost recovery of investments made using federal stimulus grants; and additional cost categories.

The PUC established an overall 9.37 percent return on equity (ROE) for the company, a reduction from the previous 9.83 percent approved 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.

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

## Utility reconnect fee reduced

The reconnection fee for residential and small commercial (non-demand) electric customers of Black Hills Energy was reduced from \$50 to \$15 in December.

The Public Utilities Commission (PUC) allowed the tariff change to go into effect on December 22 after a filing made by the company in November. A reconnection fee is assessed when reconnection is requested after a discontinuance of service for non-payment of bills or other circumstances.

In its filing, Black Hills said it has fully deployed advanced metering infrastructure (AMI) across its service territory. Approximately 20 percent of the AMI meter installations have remote disconnect and reconnect capability.

In 2016, approximately 70 percent of all Black Hills reconnections were executed with remote capability and 30 percent were executed manually. With

remote capability for reconnections, the company experiences reduced direct costs for labor and vehicle trips. Averaging both the manual and remote costs resulted in the decreased fee.

The \$15 fee is applicable whether the reconnection is done either by remote or manual method, and is applicable whether the reconnection occurs during or outside of normal business hours.

For large commercial and industrial customers, the reconnection fee remains unchanged at \$50 when the reconnection occurs during normal business hours. If reconnection is requested outside of normal business hours, the company made include additional labor and trip costs.

The fee change is expected to result in decreased annual revenues of approximately \$280,000 for the company.

## PUC to hear Xcel ERP in February

Hearings are scheduled February 1-3 and February 6-8 at the Public Utilities Commission (PUC) on Xcel Energy's proposed plan outlining how it intends to meet its Colorado customers' electricity needs through 2023.

The company's 2016 Colorado Electric Resource Plan (ERP) 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 several factors will influence the mix and timing of the supply-side resources the company may eventually acquire. These include: (1) historic low natural gas prices; (2) underutilized natural gas generation facilities in the region; (3) the extension of the federal production tax credit for new wind generation and the investment tax credit for new solar generation; (4) a downward sloping cost curve for solar generation; (5) enhancements to the distribution grid

allowing for new grid-related services; and (6) the U.S. Supreme Court's stay of the Environmental Protection Agency's proposed Clean Power Plan regulating carbon dioxide emissions from power plants.

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.

## Dallas Creek water request suspended

The Public Utilities Commission (PUC) has suspended and set for hearing a proposal by Dallas Creek Water Company to increase its annual revenues by \$141,312.

The proposed rates would result in increases ranging from 6.25 percent to 10.41 percent on various customer rates and fees. Dallas Creek Water Company is a privately-owned public utility that serves about 862 customers, 403 with a meter in service, near Ridgway.

The company said it has delayed filing a rate case for nine years to allow its customers to absorb an increase of more than 300 percent it implemented in 2007.

Dallas Creek is proposing to (1) increase its current Base Service charge from \$41.01 to \$44.70 (8.99 percent); (2) increase its current Meter In-Service Charge from \$32.50 to \$34.53 (6.25 percent); (3) increase its Customer

Usage Fee per 1,000 gallons from \$8.56 to \$9.45 (10.37 percent); and (4) increase its Raw Water Distribution Fee per 1,000 gallons from \$1.38 to \$1.52 (10.41 percent). The proposed Base Service Fee includes an estimated \$60,000 in legal expenses for the rate filing to be recovered over four years that will be trued up to reflect the actual expense when it is finalized.

The Fairway Pines Estates Owners Association, the Association of Dallas Creek Water Users, In. and Ouray County filed protests to the proposed increase.

The PUC issued an order on November 30 suspending the effective date of the proposed tariffs and referred the matter to an administrative law judge (ALJ) to set a procedural schedule, including hearing dates.

A PUC decision is not expected until this spring.

## Advanced electric grid proposal

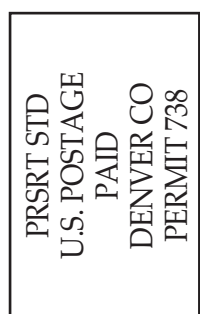
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company's broader "Our Energy Future" initiative, which was introduced in January 2016. The initiative will "facilitate broader opportunities to reduce electricity consumption, work toward clean energy initiatives, and help the company implement rate 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.



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