

## STARTING POINT



By Doug Dean  
Director

There has been some misunderstanding over changes made by the Public Utilities Commission (PUC) to the rules relating to low-income programs for Colorado electric and gas utilities. I would like to set the record straight on how those changes will affect participants in those programs.

The PUC in 2011 directed all regulated electric and gas utilities in Colorado adopt programs to help low-income customers pay their utility bills. This PUC initiative was based upon a law passed in 2007 authorizing preferential treatment of low-income households. The objective of the PUC directive is to improve the coordination of low-income energy services (government, nonprofit and utility). The utility's portion of the costs is borne by all the utility's customers.

After reviewing the experience gained over four years, the PUC in 2015 opened a proceeding to modify its rules to make them more effective and efficient. One of the concerns raised was each utility used different rules and processes. By way of example, Black Hills would not enroll a customer if the customer had not been able to reduce their arrears to no more than \$300. Public Service, on the other hand, had no such requirement. The new rules removed that requirement.

Another important change ensured that all program participants across the state are provided comparable assistance with past-due amounts ("arrearage forgiveness") on their utility account once enrolled in the program. These changes mean that some customers will receive a larger benefit, if there are funds available.

Black Hills collects \$.28 a month from each customer—approximately \$300,000 per year. Public Service, on the other hand, will collect approximately \$2.5 million per year. These rules do not and cannot deal with utility scale.

The updated rules also eliminated outdated sections and specifically provided clarification for the operation of low-income programs to ensure comparability across the state. The PUC obtained input from all interested stakeholders, and the final rules were supported by Energy Outreach Colorado, the Office of Consumer Counsel, PUC staff and the regulated utilities.

The modifications, which will be implemented by the next heating season, also require that all low-income programs be true "percentage of income" programs

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## PUC hosts multi-state electric meeting

### Commission explores Mountain West group transmission initiative

Utility regulators and electric transmission stakeholders from several western states gathered in Denver on March 28 to learn more about the Mountain West Transmission Group's (MWTG) plans to explore participation in a regional transmission organization.

The Colorado Public Utilities Commission (PUC) hosted an all-day informational meeting, led by Commissioner Frances Koncilja, to obtain information about the plan and to discuss with MWTG participants the potential benefits, costs and risks of the options under consideration.

More than 85 people attended the informational meeting and dozens more participated by webcast. Utility regulators from Arizona, Colorado, Missouri, Montana, Nebraska, New Mexico, Utah and Wyoming were among the participants, which also included representatives from utilities, consumer groups, environmental organizations, and other state and federal agencies.

MWTG is made up of 10 electricity service providers across the Rocky Mountains, including Xcel Energy, Black Hills, Colorado Springs Utilities, Platte River Power Authority, and Tri-State Generation and Transmission Association. The group serves 6.4 million customers in Arizona, Colorado,



PUC Commissioners Frances Koncilja, Jeff Ackermann and Wendy Moser (front table, far right) listen to panelists address a full hearing room at an informational meeting on the Mountain West Transmission Group's plans to explore participation in a regional transmission organization.

Montana, New Mexico, South Dakota, Utah and Wyoming.

MWTG announced in January its intention to explore participation with the Southwest Power Pool (SPP). The SPP oversees the bulk electric grid and wholesale power market in the central United States on behalf of a diverse group of utilities and transmission

companies in 14 states. If MWTG enters into an agreement with SPP, the utilities would give control of their transmission facilities to SPP, which will then operate the transmission.

According to MWTG, utilities participating in a regional transmission organization have benefitted from more

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## Judge recommends 'decoupling' pilot

A PUC administrative law judge (ALJ) has recommended partial approval of a proposal by Xcel Energy that would keep company revenues steady as usage of electric power goes up or down.

The recommended decision, issued May 2, authorizes the company to implement a Revenue Decoupling Adjustment (RDA) for residential customers on a trial basis for the next five years. The ALJ, however, denied a decoupling mechanism for small commercial customers.

Revenue decoupling is designed to remove the economic incentives and disincentives associated with a utility's

recovery of fixed costs through the energy component of its electric base rates. At least 17 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 potential to reduce energy sales also have the effect of reducing the company's ability to recover all of its fixed costs.

Under a decoupling mechanism, the PUC establishes a target level of revenue

or target level of sales for the company. The PUC then compares actual revenue (or sales) to the target level. Any over-collection is refunded to customers through a bill credit. If the company under-collects on its authorized amount of revenue (or sales), it adds a surcharge on customer bills.

Revenue decoupling aligns a utility's financial interests with customer preferences in self-generation and energy efficiency.

In the recommended decision, the ALJ adopted a proposal by PUC staff to

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## PUC moves ahead with Boulder application

The Public Utilities Commission (PUC) has moved forward with consideration of the city of Boulder's application to create a municipal utility by adopting a new procedural schedule.

At a prehearing conference on April 19, the PUC approved a new schedule, agreed to by all parties, which included postponing a hearing on the application until late July. The hearing had been scheduled to begin April 26.

The new schedule gives parties additional time to digest and respond to changes to the plan proposed by Boulder. The changes, which included a withdrawal of some of the most disputed parts of the separation plan, were filed by the city on March 30. Under the new procedural schedule, evidentiary

hearings will be held July 26 through August 4.

In motions filed in early April, Xcel Energy and IBM had asked the PUC to dismiss the application, arguing that the revised application was outside of the Commission's jurisdiction and sufficiently deficient to not merit proceeding further. At the prehearing conference, the PUC declined to dismiss the application, expressing a desire to move the process forward as expeditiously as possible. But recognizing the complexity of the proposal and potential confusion due to proposed changes, it ordered Boulder to file a clean, amended plan by May 10 to reduce confusion going forward.

PUC Chairman Jeff Ackermann compared the matter to a divorce pro-

ceeding, and emphasized that the Commission's role is not to function as a "relationship counselor."

"What we are doing here at the Commission is determining the legally appropriate terms and conditions by which the divorce can proceed," Ackermann said.

The Commission reiterated that Boulder had to right to create a municipal utility as approved by its citizens. The PUC's role in reviewing the application is to ensure that the separation 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.

# PUC to rule on proposed rail crossing abolishment

A Public Utilities Commission (PUC) decision is expected this summer on an application by the Regional Transportation District (RTD) and BNSF Railway Company to abolish an at-grade rail-highway crossing at Riverside Cemetery in Denver.

Formal evidentiary hearings on the application were scheduled for May 16-17 at the PUC before an administrative law judge. A public comment hearing was scheduled for May 11.

RTD and BNSF are proposing to abolish the existing crossing to accom-

modate construction of RTD's North Metro Rail Line, which will cross the existing at-grade crossing at the Riverside Cemetery entrance that currently contains a BNSF line. The applicants request that the abolishment of the existing crossing/entrance into the Riverside Cemetery be conditioned upon prior provision of alternative access into the Riverside Cemetery at Race Court, paid for by the applicants.

If the PUC rejects the proposal to abolish the existing at-grade crossing, RTD and BNSF request authority to

alter the crossing by adding a new, single set of commuter rail tracks, a new crossing surface, entrance gates, flashing lights, bells, signs prohibiting the use of the crossing by any vehicle more than 20 feet in length, and other improvements.

The Fairmount Cemetery Company, which owns and operates Riverside Cemetery, opposes the abolishment. Fairmount states the alternative access to the Riverside Cemetery at Race Court is inappropriate and unacceptable. Fairmount also argues that the applica-

tion is premature because RTD has not completed a review required under the National Historic Preservation Act.

The City and County of Denver, also a party in the case, supports the request to abolish the at-grade crossing for safety reasons, and the proposal to provide access to the cemetery from Race Court. Denver opposes the alternative proposal to alter the existing at-grade crossing if abolishment of the crossing is not granted by the PUC.

A PUC decision on the application must be issued no later than August 30.

## Mountain West Group info meeting

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efficient commitment and dispatch of generation, improved operating reserve procurement, and more efficient wind and solar resource integration.

"I appreciate the leadership of Commissioner Koncilja and the Colorado PUC in establishing this informational docket, and especially

having a workshop in Denver in which Mountain West, SPP, and many of the key stakeholders and experts were able both to share views and build better relationships," said Phil Jones, a former commissioner with the Washington Utilities and Transportation Commission, who attended the meeting.

Presentations at the meeting included an overview of the function of a regional transmission organization by Suedeen Kelly, a former New Mexico and Federal Energy Regulatory Commission

(FERC) commissioner currently providing legal counsel to the Colorado PUC. There were also presentations from Mountain West Transmission Group representatives and the Southwest Power Pool, as well as a state commissioner roundtable and question and answer sessions.

Video recordings of the meeting are posted on the PUC website at the following link: <https://www.colorado.gov/pacific/dora/webcasts> under "Mountain West Transmission Group CIM."

## POSITIVE CHARGES

⚡ Kudos to **Drew Bolin** and **Rebecca Lim** of the Research and Emerging Issues section for helping to organize a very successful Commissioners' Information Meeting on the Mountain West Transmission Group initiative in March. The CIM drew more than 85 people from several western states, with dozens more participating by webcast.

⚡ Congratulations to **Jemima Obeng**, who was recently promoted to supervisor of the Administrative Support section; and to **Mishael Hayes**, who was promoted to administrative supervisor in the Executive Office.

⚡ A pat on the back to **Gladys Rey** of External Affairs and **Ismael Reyna** of Administrative Support for their work in translating some documents from English to Spanish as part of the PUC's Rail/Transit Safety section's grant application efforts.

⚡ Welcome to new PUC employees: **Marquita Riley**, an administrative assistant in Administrative Support; **Loretta Zuniga**, an administrative assistant in the Executive Office; and **Hubert Barton, Cory Brodzinski** and **Andrew McClellan**, criminal investigators in the Transportation Section's Investigations and Compliance unit.



Marquita Riley



Loretta Zuniga

## INSIDE CONNECTIONS

As someone who has run with the bulls in Pamplona, Spain, and escaped relatively unscathed, **James Lester** knows how to navigate a tight spot. So the challenges of a rapidly-changing electric industry don't intimidate him.

James is a Policy Advisor at the Public Utilities Commission (PUC), assisting commissioners and administrative law judges in preparation for hearings and deliberations. This includes providing written analyses for commissioner decision-making and presenting concise and informative explanations and recommendations about complex and highly-technical issues.

"The electric utility industry is undergoing a lot of changes and I really enjoy learning about new technologies and new regulatory frameworks so I can help commissioners and judges better understand these changes and impacts on proceedings before the Commission," he said.

James holds a bachelor's degree in Economics from the University of

Kansas, and a master's in Economics from the University of Colorado. He has worked in the energy industry for almost 15 years.

He began his career as a legislative assistant for a congressman in Washington, D.C. He also worked as a research analyst at the World Resources Institute, before moving into the private consulting world. James joined the PUC in September of 2014.

When he's not at work, James enjoys skiing, basketball, running obstacle course races, yoga, meditation and officiating college football games. He is heading into his second full season as an official with the Rocky Mountain Athletic Conference and is currently waiting to hear about one or two potential Division I assignments this coming season. He and his family are also avid travelers.

"I've been all around the world with my wife, and we hope to infuse the travelling spirit in our three young children," he said.

One of his most memorable trips was to Spain and the annual festival of San Fermin, where he joined in the running with the bulls.

"I ended up with stitches in my hand and two very close calls with a horn, but I'm very glad I did it and have no desire to do it again. I did not stay to watch the bullfights," he said.

James also is a big fan of mindfulness practice and Stoic philosophy, an ancient Greek philosophy which teaches the development of self-control and fortitude as a means of overcoming destructive emotions.

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



James Lester

## Xcel decoupling decision

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establish a pilot RDA program with a sunset date of 2021.

"The approval of an RDA is a major change to fixed cost recovery," the ALJ wrote. "Before taking the step of implementing a permanent RDA, it

must be shown that the decline in fixed cost recovery is significant; that any such decline is addressed by the RDA; that the speculated positive benefits of (an RDA mechanism) materialize; and that customers are not adversely impacted."

The ALJ also adopted a "soft" rate cap of 3 percent of base revenues to limit rate increases from an RDA and protect ratepayers.

Under the decision, implementation of the residential decoupling mechanism would following the company's anticipated 2017 phase I electric rate case, so

that the most current sales and usage information can be used.

The ALJ declined to approve an RDA for small commercial customers, stating that the company failed to show that average use per small commercial will decline between 2017 and 2021, or that an RDA mechanism for small commercial customers will result in higher levels of energy efficiency savings or greater investment in on-site generation.

If exceptions are filed to the ALJ's recommended decision, the PUC will consider them at a future deliberations meeting.

## Starting Point

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based on standard percentages applied to all utilities. The result of that, for some utilities, will mean larger benefits provided to a smaller number of eligible low-income participants, in order to keep the impact on non-participants manageable. But while the number of participants may be reduced for some utilities, low-income programs generally will provide larger benefits to those customers who need assistance the most.

## Xcel adds outage notification options

Xcel Energy has added email and text messaging to its approved methods of communication when giving advanced notice to customers for planned electric outages.

The change to the company's tariff was allowed by the Public Utilities Commission (PUC) effective May 1. The language changes were added to the company's Quality of Service Plan, and give Xcel additional options to notify customers of planned interruptions

that are less than 24 hours in duration.

In addition to mailed written notice, notice by telephone, door tags posted at the affected locations, or oral notification to occupants at affected locations, acceptable notice now includes email to the email address of record for the billing account, or text message to the wireless telephone number of record.

Notice of planned interruptions must be provided to each affected customer at least 24 hours in advance of the outage.



**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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# Need for area code relief at least five years away

Colorado won't need a new area code for at least another five years, according to the latest projections by the national telephone numbering administrator.

Neustar, Inc., the North American Numbering Plan Administrator, released its updated area code exhaust dates in April. The administrator revises its area code exhaust projections twice a year, based on demand for telephone numbers.

For Colorado, the exhaust dates for all three area codes were pushed back in the latest projections. The 303/720 area code in the Denver metro area is projected to be the first Colorado area code to run out of useable telephone numbers—in the second quarter of 2022. That is more than a year later than the estimate of first quarter of 2021 provided last fall.

The forecast for Colorado's 970 area code, which includes Fort Collins, Grand Junction and the western and northern parts of the state, has been pushed back nearly five years since last October's projections. Area code relief for 970 is not likely to be needed until the first quarter of 2026.

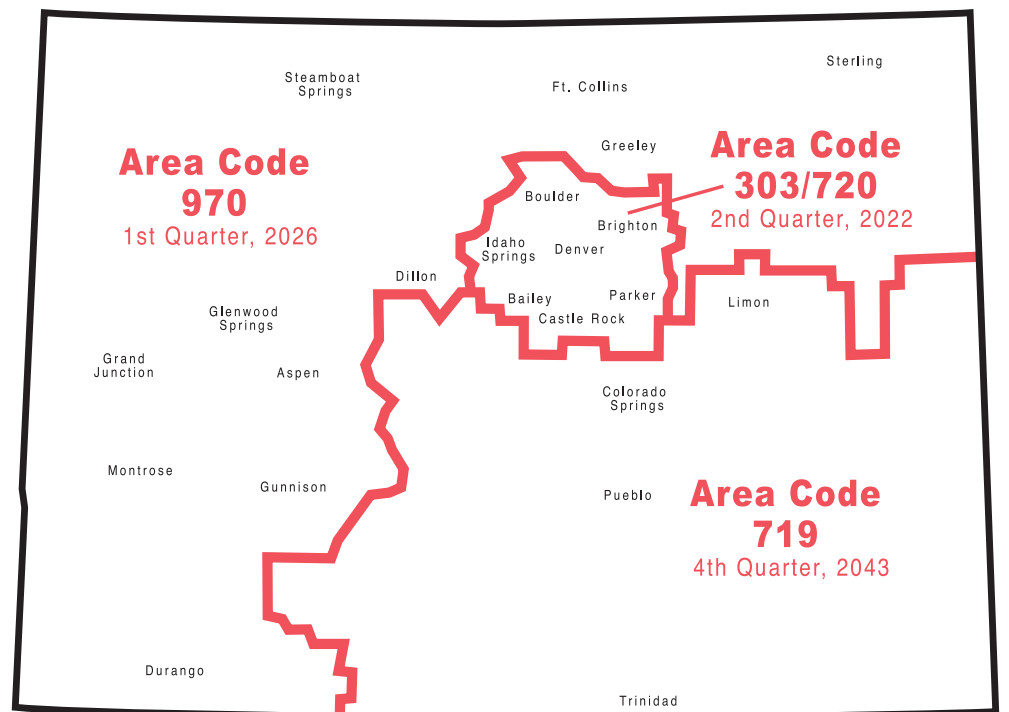
The 719 area code, which encompasses Colorado Springs, Pueblo and the

southeastern part of the state, remains in the best position for numbering resources, according to the projections. The exhaust forecast for 719, which was estimated for fourth quarter of 2029 in last fall's update, is now projected for the fourth quarter of 2043.

Colorado had just one area code (303) until 1988, when 719 was introduced in southeast Colorado. In 1995, the 970 area code was added to serve customers in the northern and western part of the state. Then, in 1998, the 720 area code was overlaid on top of the 303 code to provide number relief in the Denver metro area.

In 2001, the Public Utilities Commission (PUC) implemented measures to slow the need for additional area code relief in the state, as more and more telephone numbers were being assigned to wireless, computers and competitive telecommunications providers. Those number conservation measures were successful, pushing back exhaust dates in all three area codes. Without these measures, the 303/720 area code likely would have reached exhaust in 2008.

## Latest Colorado Area Code Exhaust Projections



# CenturyLink, Level 3 merger settlement proposed

CenturyLink and Level 3 Communications have reached a proposed settlement with staff of the Public Utilities Commission (PUC) on an application to transfer control of all Level 3 operating companies certificated by the PUC to CenturyLink. The agreement must be approved by the Commission.

Under the proposed settlement, filed on May 4, the transfer would be approved in return for commitments by the companies addressing several PUC staff concerns, including the possible effects the merger might have on the Colorado High Cost Fund, emergency 911 services, and wholesale service quality.

CenturyLink and Level 3 filed a joint application on Jan. 20 seeking approval of a parent-level merger agreement

between the two companies that "will result in a combined company with greater network and financial resources to provide voice, broadband data, and other advanced communications services to Colorado customers." Under the merger agreement, Level 3 stockholders will receive \$26.50 per share in cash and 1.4286 shares of CenturyLink stock for each Level 3 share.

CenturyLink offers voice, internet access, data transmission, wholesale local network access and other communications services in Colorado through its subsidiaries Qwest Corp. (dba CenturyLink QC), CenturyTel of Eagle, CenturyTel of Colorado, El Paso Telephone Co., and CenturyLink Communications. Level 3 has six operating subsidiaries holding certificates from the

PUC, including Level 3 Communications, Broadwing Communications, Global Crossing Telecommunications, Global Crossing Local Services, WilTel Communications, and Level 3 Telecom of Colorado.

Under the proposed settlement, the joint companies will ensure that high-cost fund money received by CenturyLink will not be used to finance the merger. CenturyLink also said it will not discontinue, for a period of three years, the provision of basic service to any wire center that received high-cost support on December 31, 2016 without prior PUC approval.

The agreement also provides for the identification of any Level 3 network facilities that may address the issue of lack of 911 network diversity, and

includes a commitment by the companies to work with the 911 Task Force to use this information to make recommendations to the PUC designed to improve the reliability of basic emergency service in Colorado.

To address staff's concern that the merger might affect wholesale service quality, CenturyLink committed to maintaining the Colorado Performance Assurance Plan and protections contained in interconnection agreements. The joint companies also agreed to various reporting obligations that will allow PUC staff to monitor the impact of the merger in Colorado over time.

If all regulatory approvals are obtained, the proposed merger transaction is expected to be completed during the third quarter of 2017.

# PUC administrative law judge allows Larimer 911 complaint

A PUC administrative law judge (ALJ) has allowed a formal complaint filed by Larimer Emergency Telephone Authority against CenturyLink over the lack of a physically diverse path for routing 911 calls in the Estes Valley to move forward.

The ALJ in March denied a motion by CenturyLink to dismiss the complaint and established a procedural schedule for the case. Hearings in the matter have been scheduled for September 19-20 at the PUC in Denver.

The Larimer Emergency Telephone Authority filed its complaint last December alleging that the Estes Valley "remains at risk for a single point of failure in the 911 network," more than three years after historic flooding along the Big Thompson River in September 2013 wiped out the network's only physical path for routing 911 calls. Emergency telephone service to Estes Park and its surrounding communities was down for about 36 hours before CenturyLink was able to restore 911 service using overhead lines leased from Platte River Power Authority.

Following the September outage, the PUC opened an investigation into diversity of the 911 network in Estes Park as well as the rest of the state to "determine if improvements can and should

be made to the 911 network's physical redundancy."

The Larimer Emergency Telephone Authority alleges in its complaint that CenturyLink failed to make filings ordered by the PUC as a result of that investigation, including specific information pertaining to the Estes Park and Allenspark wire centers.

The authority said it has been engaged in an informal process with CenturyLink for more than three years in an attempt to resolve the redundancy issue, without success. In the meantime, the area suffered another extended outage in March of 2016 caused by a snowstorm, which brought down the lines CenturyLink has been leasing from Platte River.

Among its allegations, the authority says that in the three years since the September 2013 outage, CenturyLink has not restored the primary 911 path to the Estes Valley; has not provided the specific information pertaining to the Estes Park and Allenspark wire centers; and still has not determined how it will provide 911 diversity to the Estes Valley.

The complaint seeks relief in the form of numerous declarations concerning PUC regulations and authority, as well as orders requiring specific filings and remedies by CenturyLink.

# PUC approves three requests for E-911 surcharge increases

The Public Utilities Commission (PUC) has approved three more requests for increases in E-911 monthly surcharges to help fund next-generation emergency telecommunications services across Colorado.

The PUC on April 5 approved a request from the Fremont County Emergency Communications Authority to increase its E-911 surcharge from \$0.70 to \$1.30 per month. The increase will take effect at least 60 days after the authority has notified each affected service provider of the new rate.

On March 23, a PUC administrative law judge approved a settlement agreement between the El Paso-Teller County Emergency Telephone Service Authority and PUC staff to increase its 911 surcharge from \$0.70 to \$1.35 per month within its jurisdiction. The authority had originally asked for an increase to \$1.90 per month, but after negotiations with PUC staff agreed to the lower charge based on revised projections of revenues and expenditures.

In January, the PUC approved a request by the Delta County Emergency Telephone Service Authority to increase its monthly surcharge from \$0.70 to \$1.00.

The increases are needed to cover costs related to the operation of emergency telephone services, including reimbursement of costs for equipment

upgrades needed for the provision of automatic wireless number and location identification.

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.

On March 22, the Jefferson County Emergency Communications Authority filed an application to increase its monthly surcharge from \$0.70 to \$1.20. The Jefferson County Authority serves all of Broomfield and Jefferson counties, except for those portions of Littleton in Jefferson County. It also serves portions of Arvada and Westminster in Adams County and several small areas in Arapahoe and Douglas counties. That request is still pending before the PUC.

In 2016, the PUC approved 911 surcharge increases for six emergency telephone authorities in Colorado.

# PUC modifies Xcel Energy phase 1 resource plan

*Decision establishes modeling parameters, bid evaluation process*

The Public Utilities Commission (PUC) has authorized Xcel Energy to implement a competitive bidding process for acquiring cost-effective resources to meet its Colorado customers' electricity needs through 2023.

At deliberations on March 23, the Commission approved with modifications Xcel's 2016 Electric Resource Plan. In its Phase I decision, the PUC established the process for evaluating bids to the competitive solicitation and

the modeling parameters, including inputs and assumptions, for the presentation and consideration of potential resource portfolios in Phase II of the proceeding.

"The comparison of various resources requires deciding the values to use for multiple assumptions over the planning period," PUC Chairman Jeff Ackermann said. "Key assumptions in this proceeding include the price of natural gas, the cost of regulatory compliance, the discount rate to apply to future costs, and externalities associated with various resource options."

The PUC decision also identified numerous "sensitivities" to be evaluated in the analysis—the impact on the portfolios as the various assumptions are changed. The cost of carbon—both

regulatory and social costs—is one of the sensitivities that will be analyzed, as a way to understand the implications of changes in this variable upon the portfolios.

"Without the results of these sensitivities, applied against the competitive bids received, the Commission is unable to make an informed decision concerning which portfolio of resources best achieves the public interest," Ackermann said.

Along with Xcel, PUC staff, the Office of Consumer Counsel, and the Colorado Energy Office, more than a dozen other parties participated in the initial phase of 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. This process carries out the policy of the state that new electric resources have the lowest impact on rates, factoring in all relevant costs to be encountered during the planning period.

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 phase II proceeding.

## Xcel launches voluntary electric pricing pilot programs

Xcel Energy began signing up customers in March for two voluntary pricing programs designed to give residential electric customers an opportunity to save money by changing how and when they use energy.

The Public Utilities Commission (PUC) approved the pilot programs late last year as part of a comprehensive settlement involving three Xcel Energy pricing and renewable energy proceedings. The new pricing plans will gather information that will be used to determine future rate structures for electricity pricing in Colorado.

The programs being tested by Xcel are Time of Use Pricing and Peak Demand Pricing. The two plans will help customers learn more about their energy use, and how shifting and staggering that usage can be beneficial.

Xcel said it hopes to enroll roughly 44,000 participants in these plans by next summer.

Under Time of Use Pricing, customers can save money by using less electricity during weekdays from 2–6 p.m., called "peak hours." Electricity is priced at the most expensive rates during his period, while a discounted rate will apply to weekends or holidays. Customers pay based on when and how much energy they use, and will see a savings if they can shift usage to lower priced periods.

Under Peak Demand Pricing, customers can save money not only by shifting when they use electricity but also by avoiding the use of major appliances, such as washing machines or dishwashers, at the same time during the peak hours of 2–6 p.m. weekdays.

Demand is the amount of power needed to supply every electrical device running in a home at a specific point in time.

The two plans are intended to provide information on the impact of these new rate structures on residential customer bills, changes in their

energy behaviors, as well drive customer education, awareness and engagement with overall household energy consumption. Xcel will present the results of the program to the PUC in 2020 to determine whether the programs should be expanded to all residential customers.

## Greeley transmission project proposed

Xcel Energy has filed an application with the Public Utilities Commission (PUC) seeking approval to build approximately \$65 million in new transmission facilities near Greeley in northeast Colorado.

The proposed Northern Greeley Area Transmission Plan Project includes (1) approximately 25 miles of new 115/230 kilovolt (kV)-capable transmission facilities originating at the Western Area Power Administration Ault Substation northwest of Greeley and terminating northeast of Greeley at Xcel's Cloverly Substation, and (2) two new and one modified substations (Husky, Graham Creek and Cloverly), which will enable the company to retire and decommission three existing substations (Ault, Eaton and Pleasant Valley).

Xcel said the project will expand the company's backbone transmission from the area around Greeley and ultimately to the metro Denver area, and also connect with nearby transmission planned by other load-serving providers, including Tri-State Generation and Transmission.

"The project will satisfy a current need to increase the reliability and load serving capacity of the existing 44 kV transmission system in an around Greeley," the company said in its appli-

cation. "It will also address the need for additional future capacity for expected growth in a region where there is a substantial possibility that the load will increase beyond the current system's capacity as early as 2018,"

In addition to a Certificate of Public Convenience and Necessity (CPCN) for the project, Xcel is requesting that the PUC make specific findings with respect to the reasonableness of the transmission noise and magnetic field levels that the company estimates will result from operating the project.

If approved, the project is expected to be in service in 2020, the company said.

At its April 26 weekly meeting, the PUC set the application for hearing before an administrative law judge. PUC staff and the Office of Consumer Counsel have filed interventions in the proceeding. A decision on the application is expected later this summer.

Utilities are required by law to seek PUC approval to build and own certain major electric infrastructure projects in Colorado. The PUC determines whether there is a need for the project, and whether the application is in the public interest. Siting/routing of such projects is determined through local government permitting processes and is not controlled by the PUC.

## Dallas Creek water rates take effect

New rates for customers of Dallas Creek Water Company were expected to become effective in early May.

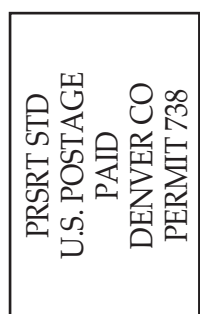
The Public Utilities Commission (PUC) in April approved a settlement agreement resulting in increases ranging from 3.7 percent to 10.43 percent on various customer rates and fees. Dallas Creek Water Company is a privately-owned public utility that serves about 862 customers, 403 with a meter in service, near Ridgway.

The settlement was negotiated between the company, PUC staff, the Association of Dallas Creek Water Users, Inc., and the Fairway Pines Estates Owners Association.

Under terms of the agreement, Dallas Creek will (1) increase its current Base Service charge from \$41.01 to \$44.76 (9.15 percent); (2) increase its current

Meter In-Service Charge from \$32.50 to \$33.70 (3.70 percent); (3) increase its Customer Usage Fee per 1,000 gallons from \$8.56 to \$9.45 (10.39 percent); and (4) increase its Raw Water Distribution Fee per 1,000 gallons from \$1.38 to \$1.52 (10.43 percent). The proposed Base Service Fee includes an estimated \$70,000 in legal expenses for the rate filing to be recovered over four years.

As part of the agreement, Dallas Creek will file with the PUC within the next year a water supply report informing the PUC of its efforts and progress made toward addressing additional emergency water supplies. Within 60 days after evaluating that report, PUC staff shall recommend whether future water reports are necessary, and how often they should be submitted.



Public Utilities Commission

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