

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO**

**IN THE MATTER OF THE APPLICATION OF)
PUBLIC SERVICE COMPANY OF)
COLORADO FOR DEFERRED ACCOUNTING) PROCEEDING NO. 19A-XXXXE
TREATMENT FOR ELECTRIC VEHICLE)
MAKE-READY INFRASTRUCTURE)
PROJECTS)**

VERIFIED APPLICATION

Public Service Company of Colorado (“Public Service” or the “Company”) hereby requests the Commission’s approval for deferred accounting for the Company’s capital and incremental operations and maintenance (“O&M”) expenditures relating to the electric vehicle (“EV”) make-ready infrastructure¹ projects that it plans or anticipates undertaking in advance of its Transportation Electrification Plan (“TEP”) that it will file pursuant to C.R.S. § 40-5-107 on or before May 15, 2020.

Public Service seeks Commission approval to defer the costs associated with EV make-ready infrastructure projects it incurs in calendar years 2020 and 2021 until such time that the TEP is approved, as described below, for recovery in the Company’s next Electric Phase I rate case. These infrastructure projects are critical for the Company to support its customers’ committed pursuit of transportation electrification with the strong backing of local policymakers and communities. Public Service’s customers and participants that are described in this Application are committed to channeling these

¹ EV “make-ready infrastructure” encompasses both EV “supply infrastructure,” which includes new service panels, conduit, and wiring up to the charger stub, and the line extension for EV charging, which includes necessary transformer upgrades, service conductors, and meter.

investments to promote further adoption of EVs and increasing the availability of charging for shared mobility resources for years to come. Undertaking the projects at this time will also provide the Company with valuable information, experience, and partnerships as the Company begins developing its comprehensive TEP and considering its critical, longer-term role in the electrification of the transportation sector and proliferation of EVs in Colorado.

Public Service requests Commission approval of a \$9 million deferral cap to support EV make-ready infrastructure projects commencing construction in calendar years 2020 and early 2021 prior to approval of its TEP. Due to the pressing customer and public demand for these projects, some of which have near-term deadlines, and the narrow finding sought through this Application, the Company respectfully requests that the Commission issue an en banc decision by February 15, 2020.

In support of this Application, Public Service states as follows:

I. BACKGROUND

Local policymakers and communities are fervently pursuing environmentally responsible transportation reform to increase affordability, access, and options for Colorado travelers. For example, to advance Governor Polis's policy objectives, the Colorado Department of Transportation ("CDOT") has recently established a new Office of Innovative Mobility to "spearhead efforts to...provide a more sustainable, efficient and equitable network."² Also, the Colorado Air Quality Control Commission recently approved a Zero Emission Vehicle regulation, aligning Colorado with nine other states in encouraging sales of EVs. Transportation electrification is critical for environmentally

²See Colorado Department of Transportation, *CDOT Establishes New Office of Innovative Mobility, Names Leader*, <https://www.codot.gov/news/2019/april/cdot-establishes-new-office-of-innovative-mobility-names-leader> (April 1, 2019) (last visited July 24, 2019).

sound transportation reform, and the Colorado legislature has recognized the central role that regulated utilities have in bringing these efforts to fruition through its recent passage of SB19-077 in the 2019 Legislative Session, which amended C.R.S. § 40-1-103.3 to provide that an “electric public utility may recover the costs of distribution system investments to accommodate alternate fuel vehicle charging, subject to evaluation and cost recovery provisions that are comparable to other regulated investments in the distribution grid...” and adopted C.R.S. § 40-5-107, which requires utilities to submit TEPs for Commission approval by May 15, 2020.

Public Service does not anticipate that it will be prepared to file its comprehensive TEP for years 2021-2023 until the spring of 2020, consistent with the deadline established in C.R.S. § 40-5-107, with expected approval in late 2020 or early 2021. However, Public Service customers’ transportation electrification initiatives have such significant momentum of community and policymaker support that they call for more prompt action. To date, Public Service customers including the State of Colorado,³ Denver International Airport (“DEN”); the City and County of Denver, Regional Transportation District (“RTD”), and the City of Lone Tree, have expressed a pressing need for the make-ready infrastructure necessary to support their transportation electrification efforts, and Public Service has every reason to anticipate the need to make additional investments as well to support the communities it serves. The current lack of charging infrastructure for EVs in the Company’s service territory presents a significant obstacle to transportation electrification success for these participants. To support these electrification initiatives consistent with customer and

³ State of Colorado initiatives are coordinated by the State of Colorado, the Colorado Department of Transportation (“CDOT”), the Denver International Airport (“DEN”), the Colorado Energy Office (“CEO”), and/or the Regional Air Quality Council.

community demand, Public Service would begin constructing the necessary supply infrastructure in 2020, before the Company can obtain Commission approval of its TEP with a likely planning horizon of 2021 through 2023. In addition to benefiting its customers and the public at large, Public Service also anticipates that commencing the projects at this time, and continuing to coordinate with customers and other stakeholders, will help inform and improve its comprehensive TEP.

The Company began discussing transportation electrification with the customers described in this Application over a year ago, as converting these customers' fuel choice is a complicated undertaking that requires synchronizing the purchase of new vehicles and the development of charging infrastructure, which in turn requires coordination with many stakeholders. However, before the passage of SB19-077, it was an unsettled question as to whether regulated utilities could invest in make-ready infrastructure. With the passage of SB19-077, this is no longer the case, and the landscape has changed. As a result, the Company is committed to working with its customers collaboratively to support important initiatives in this growing area.

Given the timing of the passage of SB19-077 in the 2019 Legislative Session, and the fact that the Company's pending Electric Phase I rate case utilizes a 2018 Historical Test Year with a capital reach through 2019,⁴ Public Service did not budget for the costs of these projects, nor are any of the costs presented in this Application included in current base rates or new base rates anticipated to be effective January 1, 2020. Public Service therefore seeks deferred accounting treatment for the capital investment and incremental O&M expenses associated with the EV make-ready infrastructure projects it plans to undertake in calendar years 2020 and 2021 until

⁴ See Proceeding No. 19AL-0268E.

approval of its TEP, as described below, for recovery in rates approved as part of the Company's next Electric Phase I rate case.

To be clear, the Company is not seeking a cost recovery determination in this Application, and Public Service fully intends to support 2020-2021 project costs in its TEP filing and subsequent Electric Phase I rate case consistent with SB19-077.⁵ Nevertheless, the Company will consider each of the elements outlined by the legislation to guide its decision-making process at all stages of EV infrastructure projects and investment described in this Application, as well as the comprehensive EV infrastructure investment that will be proposed in the TEP.

II. PROJECT DETAILS

As used throughout this Application and supporting testimony, EV supply infrastructure includes new service panels, conduit, and wiring up to the charger stub. EV make-ready infrastructure encompasses both EV supply infrastructure and also a line extension for EV charging, including necessary transformer upgrades, the service conductors, and a new meter. While the Company plans to provide the full EV make-ready infrastructure necessary to support all projects, the projects and estimates

⁵ SB19-077 requires that “[w]hen considering transportation electrification programs and determining cost recovery for investments and other expenditures related to programs proposed by an electric public utility under subsection (1) of this section [pertaining to TEPs], the commission shall consider whether the investments and other expenditures are: (a) reasonably expected to improve the use of the electric grid, including improved integration of renewable energy; (b) reasonably expected to increase access to the use of electricity as a transportation fuel; (c) designed to ensure system safety and reliability; (d) reasonably expected to contribute to meeting air quality standards, improving air quality in communities most affected by emissions from the transportation sector, and reducing statewide emissions of greenhouse gases by forty percent below 2005 levels by 2030 and eighty percent below 2005 levels by 2050; (e) reasonably expected to stimulate innovation, competition, and increased consumer choices in electric vehicle charging and related infrastructure and services; attract private capital investments; and utilize high-quality jobs and skilled worker training programs.; (f) transparent, incorporating public reporting requirements to inform design and commission policy; and (g) reasonably expected to provide access for low-income customers, in the totality of the utility's transportation electrification programs, which may include community-based and multi-family charging infrastructure, car share programs, and electrification of public transit, while giving due consideration to the [e]ffect on low-income customers.” (quotation slightly modified for formatting).

described in this Application are limited to the cost of providing EV supply infrastructure because all line extensions will be initiated under the Company's Electric Distribution Line Extension Policy. Therefore, EV supply infrastructure costs are the primary focus of this filing.

The Company plans to install, own, and maintain the line extension using its current practices and policies, as with any line extension. The Company plans to develop the EV make-ready infrastructure described in this Application with the support of third-party contractors.⁶ For the projects associated with this Application, the customers will be responsible for procuring, installing, and maintaining their own charging equipment. Public Service estimates that it will incur approximately \$9 million in total costs to support EV make-ready infrastructure projects in calendar year 2020 and 2021 through the approval date of the TEP.

A. PLANNED PROJECTS

Public Service has partnered with several of its municipal and state agency customers, including the State of Colorado, the City and County of Denver, RTD, and the City of Lone Tree, in developing make-ready infrastructure projects to support these customers' transportation electrification initiatives. As described below, the Company estimates it will incur approximately \$3.6 million in total capital and incremental O&M expenditures to complete these planned make-ready infrastructure projects.

For the State of Colorado's shared mobility electrification project, the Company would partner with CDOT, CEO, and the Regional Air Quality Council, along with the City and County of Denver, to support charging infrastructure development to facilitate

⁶ The Company plans to install, own, and maintain the line extension using normal line extension practices and policies in place today.

more electric shared mobility services. The Company would provide make-ready infrastructure at major transportation hubs, including potentially the Denver International Airport (“DEN”) and light rail stations, where Transportation Network Companies (“TNCs”, e.g. Lyft and Uber), taxi, and other shared ride vehicle drivers pick up the most riders. While final planning for this initiative is ongoing, to support this project, the Company would install the make-ready infrastructure necessary for a shared mobility electrification program that would accommodate up to 20 fast chargers in 2020. The Company estimates that it will incur approximately \$960,000 in capital costs and \$14,000 in incremental O&M expenses in 2020 in connection with this project.

For the City and County of Denver fleet EV infrastructure projects, the Company would install the make-ready infrastructure necessary to support new EVs at several different types of sites, including police, fire department, and right of way enforcement fleet charging locations. These fleet locations are throughout the City and include surface parking lots, street parking near City facilities, and underground parking garages. Denver’s current goal is to have the infrastructure necessary to support approximately 200 or more EVs and up to 200 charging ports. To complete the Denver projects, the Company estimates it will incur approximately \$1,300,000 in capital costs and \$19,000 in incremental O&M expenses in 2020.

RTD has recently received a grant for additional electric buses. The Company would support RTD’s electrification efforts by providing the make-ready infrastructure necessary for RTD to add 17 electric buses to its fleet by the end of 2020. To complete this project, the Company estimates that it will incur approximately \$1,220,000 in capital costs and \$18,000 in incremental O&M expenses in 2020.

Lone Tree's proposed project is more limited, and to support Lone Tree's transportation electrification, the Company would provide the make-ready infrastructure necessary to support one electric vehicle for its shuttle service, along with Lone Tree's small municipal fleet of five vehicles by the end of 2020. To complete this project, Public Service estimates it will incur approximately \$80,000 in capital costs and \$1,000 in incremental O&M expenses in 2020.

The Company notes that, due to timing constraints, the Company may not be able to offer the same support to an additional near-term project that it is offering for the other projects described in this Application. Summit County plans to electrify five charging stations for Summit Stage, a free high-country transit service. This project is "shovel ready" at this time, and Summit County is proceeding to construct charging infrastructure and purchase electric transit vehicles. However, with the Company's partnership and support for EV supply infrastructure, Summit County perhaps would have been able to pursue more expansive electrification. We only note this example to emphasize the urgency of this request for approval; real-world progress can be made with the expeditious development of EV supply infrastructure for these types of projects. The Company will continue to seek near-term opportunities to partner with Summit County and other customers and communities to electrify their transportation, as discussed further below.

In sum, the specific projects described above represent several different types of regularly used EV infrastructure, from surface parking lots to underground garages, as well as heavy duty bus garages. Supporting these varied projects and locations will

equip the Company with valuable expertise and insights as it develops the programs and overall investment to be proposed in its subsequent TEP filing.

**B. ADDITIONAL EV SUPPLY INFRASTRUCTURE INVESTMENT IN 2020
AND 2021**

The Company is requesting that the Commission approve a cap on the deferral that is greater than that required for the projects presented above due to the known interest of customers and communities in its service territory and anticipation that they will not be willing to wait until the TEP is fully processed to commence their projects. For example, nearly all of Public Service's eight Energy Future Collaboration communities⁷ have expressed varying degrees of interest in transportation electrification. Therefore, the Company requests Commission approval to defer additional 2020-2021 costs to undertake emergent EV make-ready infrastructure projects to effectively meet the continuously evolving community needs and rapid innovations in this sector. Specifically, at the Company's discretion consistent with the requirements below, Public Service seeks Commission authorization to defer up to an additional \$5.4 million in total capital and incremental O&M to partner with additional non-residential customers on make-ready infrastructure projects that can demonstrate to the Company's satisfaction that such projects meet the following requirements: (1) the customer plans to commence construction in 2020; (2) the customer plans to utilize the make-ready infrastructure within six months of commissioning; (3) the supported charging infrastructure complies with the Company's safety and technical specifications;

⁷ Energy Future Collaboration are partnerships with communities on their energy-related goals. Focus areas range from sustainability objectives including mobility and electric vehicles to economic development to technology/innovation. The agreements are not legally binding but allow Public Service and the community to create more detailed, project-specific work plans,.

and (4) the customer, site host, and Company agree to all terms and conditions prior to construction. Therefore, the Company is requesting that the Commission approve a total deferral cap of \$9 million in connection with this Application. The Company would retain discretion on whether to undertake any particular project to ensure it can demonstrate compliance with SB19-077's directive to minimize overall costs and maximize overall benefits.

III. DEFERRED ACCOUNTING REQUEST

Public Service requests deferred accounting for the costs associated with the EV infrastructure projects described herein. Public Service estimates it will incur up to \$9 million in 2020 and early 2021 to implement these projects, noting here that approximately \$3.6M in capital and incremental O&M is estimated for the projects specifically presented in Section I above, with the additional amount offering the Company flexibility to pursue further appropriate transportation electrification support of its customers prior to approval of the TEP. The Company reiterates that it did not budget for these expenditures, nor are any of the costs presented in this Application included in current base rates or new base rates anticipated to be effective January 1, 2020 as part of its proposed electric base rate increase in Proceeding No. 19AL-0268E.

The Company seeks approval from the Commission to defer the costs to pursue the EV infrastructure projects associated with this Application so that these costs may be tracked in a deferred account and proposed for recovery in base rates approved as part of the Company's next Electric Phase I rate case. In that case, Public Service will propose what it believes to be an appropriate amortization period for these costs.

Public Service respectfully requests that the Commission issue an order that sets forth findings consistent with the following:

The Commission approves deferred accounting for the 2020 and 2021 capital and incremental operations and maintenance costs that Public Service incurs to complete the electric vehicle infrastructure projects and additional investment described in its Application. These costs shall be allowable costs in establishing future electric rates. Public Service is authorized to create a regulatory asset in accordance with Generally Accepted Accounting Principles. The amortization period for the future recovery of these costs through base rates will be determined in the next Electric Phase I rate case.

The approval of deferred accounting for these activities does not preclude a future examination of these costs to determine whether they were prudently incurred. Public Service shall retain the burden of proof in the rate case on all issues dealing with the prudence of these expenditures.

Transportation electrification presents an exciting opportunity for the Company, its customers, and the State of Colorado that is consistent with shared carbon reduction initiatives and long-term goals. The Company, its partners, and numerous stakeholders throughout the State of Colorado are committed to hastening the adoption of EVs and increasing the accessibility of charging in 2020, 2021, and beyond.

IV. ADDITIONAL INFORMATION REQUIRED BY COMMISSION RULE 3002

In support hereof and in accordance with 4 CCR 723-3 Rule, 3002(b), Public Service respectfully states as follows:

1. The Name and Address of Applicant required by Rule 3002(b)(I).

Public Service is an operating public utility subject to the jurisdiction of this Commission, engaged, *inter alia*, in the generation, purchase, transmission, distribution, and sale of electricity in various areas in the State of Colorado.

The name and address of Public Service is:

Public Service Company of Colorado
1800 Larimer Street, Suite 1400
Denver, CO 80202-5533

2. Name Under Which Applicant Provides Service in Colorado required by Rule 3002(b)(II). All operations conducted by the Company in Colorado are conducted under the name of Public Service Company of Colorado, under the trade name of Xcel Energy.

3. Representatives to Whom Inquiries Concerning the Applicant Should be made required by Rule 3002(b)(III). Please send copies of all notices, pleadings, correspondence, and other documents regarding this filing to:

Jack Ihle
Director, Regulatory and Strategic Analysis
Xcel Energy Services Inc.
1800 Larimer Street, Suite 1400
Denver, CO 80202
Phone: 303-294-2262
Fax: 303-294-2329
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Telephone: 303-294-2556
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4. Agreement to Comply with Rule 3002(b)(IV)-(VI). Public Service agrees to answer all questions propounded by the Commission or its Staff concerning this Application. The Commission or any member of its Staff may inspect Public Service's books and records as part of the investigation into

this Application. Public Service understands that if any portion of this Application is found to be false or to contain material misrepresentations, any authorities granted pursuant to the Application may be revoked upon Commission order.

5. Description of Existing Operations and General Colorado Service Area required by Rule 3002(b)(VIII). Public Service's existing operations and general service areas in Colorado are set forth in the Company's tariffs on file with the Commission.

6. Location of Hearing required by Rule 3002(b)(X). Public Service requests that this Application be granted without hearing pursuant to Commission Rule 1403. However, if a hearing is held, Public Service requests that it be held in Denver, Colorado.

7. Acknowledgment required by Rule 3002(b)(XI)(D). Public Service acknowledges that the Company has read and agrees to abide by the provisions of Rules 3002(b)(XI)(A) through (C).

8. Statement Under Oath required by Rule 3002(b)(XII). Jack Ihle, Director, Regulatory and Strategic Analysis, states under penalty of perjury that the contents of the Application are true, accurate, and correct to the best of his knowledge. Mr. Ihle's verification is attached to this Application.

9. Information Required by Rule 3002(c). Pursuant to Rules 1310(a) and 3002(c), Public Service hereby incorporates by reference the following information, which is currently on file with the Commission in Proceeding No. 06M-525EG:

- a. A copy of Public Service's Amended Articles of Incorporation, as last filed on October 3, 2006.
- b. The name, business address and title of each of Public Service's officers and directors, as last filed on March 28, 2019.
- c. The names and addresses of affiliated companies that conduct business with Public Service, as last filed on March 28, 2019.
- d. The name and address of Public Service's agent for service of process, as last filed on March 28, 2019.
- e. A copy of Public Service's most recent audited balance sheet, income statement, and statement of retained earnings, as last filed on March 28, 2019.

V. CONCLUSION

WHEREFORE, Public Service Company of Colorado respectfully requests that the Commission, without a hearing and based on this Verified Application and supporting testimony, enter an order authorizing the Company's deferred accounting for the EV make-ready infrastructure projects and additional investment described in this Application as set forth above.

Dated this 29th day of August 2019.

Respectfully submitted,

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