

171 FERC ¶ 61,058
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, DC 20426

April 20, 2020

In Reply Refer To:
Public Service Company of Colorado
Docket No. ER19-404-002

Jones Day
51 Louisiana Avenue, NW
Washington, DC 20001-2113

Attention: Kenneth B. Driver

Dear Mr. Driver:

1. On December 23, 2019, Public Service Company of Colorado (PSCo), on behalf of Southwestern Public Service Company (SPS), filed a Stipulation and Agreement of Settlement (Settlement). The Settlement resolves all issues regarding SPS's proposed changes to the formula rate template included in Attachment O-SPS of the Xcel Energy Inc. Operating Companies Open Access Transmission Tariff.
2. On January 13, 2020, the Commission's Trial Staff filed comments supporting the Settlement. No other comments were filed. On March 20, 2020, the Settlement Judge certified the Settlement to the Commission as uncontested.¹
3. Article 3 of the Settlement implements an adjustment for unfunded reserves, based on the data input values currently incorporated in SPS's production formula rate applicable to wholesale customers. Article 4 revises the depreciation rates in the formula rate template and commits that SPS will not file to modify the revised transmission depreciation rates before November 1, 2020, or request an effective date for such modifications before January 1, 2021. Article 5 implements the template's Base Plan Upgrade revenue requirement calculation using a weighted average transmission depreciation rate. Article 6 withdraws SPS's proposal to directly assign to SPS's wholesale transmission service customers certain regulatory commission expenses recorded to Account 928. Article 7 commits SPS to amortize for accounting purposes and flow back in rates, based on the Average Rate Assumption Method, excess plant-

¹ *Pub. Serv. Co. of Colo.*, 170 FERC ¶ 63,031 (2020).

related protected Accumulated Deferred Income Tax (ADIT) balances and excess plant-related unprotected ADIT balances.

4. Article 14 of the Settlement provides the following standard of review:

14.1 The standard of review for any change to this Settlement Agreement proposed by a Settling Party^[2] shall be the “public interest” application of the just and reasonable standard set forth in *United Gas Pipe Line Co. v. Mobile Gas Service Corp.*, 350 U.S. 332 (1956) and *Federal Power Commission v. Sierra Pacific Power Co.*, 350 U.S. 348 (1956), as clarified in *Morgan Stanley Capital Group, Inc. v. Public Utility District No. 1 of Snohomish County, Washington*, 554 U.S. 527 (2008) and *NRG Power Marketing v. Maine Public Utilities Commission*, 558 U.S. 165 (2010).

14.2 Once this Settlement Agreement has become effective pursuant to the provisions of Article 11, the standard of review for any change to this Settlement Agreement sought by the Commission acting *sua sponte* or at the request of a non-Settling Party or a non-party to the proceeding shall be the just and reasonable standard of review (rather than the “public interest” standard), as clarified in *Morgan Stanley Capital Group Inc. v. Public Utility District No. 1 of Snohomish County, Washington*, 554 U.S. 527 (2008).

5. The Settlement resolves all issues set for hearing in Docket No. ER19-404-000.³

6. The Settlement appears to be fair and reasonable and in the public interest and it is hereby approved. The Commission’s approval of this Settlement does not constitute approval of, or precedent regarding, any principle or issue in this proceeding.

² The Settling Parties include Southwestern Public Service Company, Golden Spread Electric Cooperative, Inc., GridLiance High Plains LLC, Western Farmers Electric Cooperative, West Texas Municipal Power Agency, Tri-County Electric Cooperative, Inc., and Central Valley Electric Cooperative, Inc. They do not include the Public Utilities Commission of Texas. Further, GridLiance High Plains LLC, which took a position only regarding SPS’s regulatory commission expense, is a Settling Party only as to that issue. See Appendix 1.

³ *Pub. Serv. Co. of Colo.*, 166 FERC ¶ 61,077 (2019).

7. PSCo is directed to file revised tariff records in eTariff format,⁴ within 45 days of the date of this order, to ensure the requisite electronic tariff databases reflect the Commission's action in this order.

By direction of the Commission.

Kimberly D. Bose,
Secretary.

⁴ See *Electronic Tariff Filings*, Order No. 714, 124 FERC ¶ 61,270 (2008), *order on reh'g*, Order No. 714-A, 147 FERC ¶ 61,115 (2014).