



## ENERGY REGULATION OVERVIEW

### WHAT IS THE COMMISSION'S ROLE CONCERNING ENERGY?

- The Commission has the statutory duty to assure that energy utility customers receive safe and adequate service at just and reasonable rates while providing utility shareholders the opportunity to earn a fair rate of return on investments. (§ 40-3-101, C.R.S.)

### WHO DOES THE COMMISSION REGULATE IN THE ENERGY SECTOR?

- The Commission has very broad regulatory authority over investor-owned utilities providing electric, gas or steam services.
- The Commission has limited regulatory authority over non-profit generation and transmission electric associations, cooperative electric associations, and municipal utilities providing service beyond municipal boundaries.

### WHAT SPECIFIC FUNCTIONS DOES THE COMMISSION PERFORM?

(§40-5-101 through 105, C.R.S.)

- Issues Certificates of Public Convenience and Necessity (CPCN) Public, which allow a utility to operate in a service territory. The Commission must determine whether applicants are willing and able to provide utility service without duplication of service by another utility.
- Authorizes the exercise of franchise agreements.
- Approves facility acquisitions. The Commission assesses whether public convenience and necessity requires construction or acquisition of facilities.
- Adopts rates, charges, and tariffs. The Commission adopts rates that are generally based on the cost to provide service including a reasonable rate of return on utility investments.
- Monitors service quality and adequacy. The Commission is responsible for assuring that regulated utility monopolies provide safe, adequate, and efficient service to customers.
- Resolves consumer complaints related to energy utility service. (§ 40-6-108, C.R.S.).

### WHAT MAJOR ENERGY REGULATORY FILINGS WILL BE CONSIDERED IN 2013?

- The two investor-owned electric utilities (Black Hills and Public Service Company of Colorado, dba Xcel Energy) are in the midst of implementing their respective Clean Air – Clean Jobs Act plans. This requires Commission oversight of rate and facilities filings related to these major capital expenditures to retrofit or replace existing coal-fired generation. (§40-3.2-201, *et. seq.*, C.R.S.)
- Several of the natural gas utilities have filed applications seeking expedited recovery of costs associated with replacement of aging pipelines for transmission and distribution of natural gas. These filing consist of general rate cases and applications for approval of special riders.
- Colorado's only steam utility has filed a rate case, an application for authority to replace a large percentage of its boiler plant and to shift much of the steam business costs to gas customers.



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### **WHAT IS THE STATUS OF THE REGULATED ENERGY UTILITY SECTOR IN COLORADO?**

- Public Service Company of Colorado (dba Xcel Energy) provides electric service to 1.4 million customers, natural gas service to 1.3 million customers, and steam service to 133 downtown Denver customers.
- Black Hills provides electric service to 94,000 customers from Rocky Ford to Canon City, and natural gas service to about 44,000 customers from Castle Rock to Burlington, and from Parker to Fountain, and Woodland Park.
- Atmos provides natural gas service to 111,000 customers throughout Colorado: Northwest - Meeker, Craig, Steamboat; Southwest - Durango and towns to the west and north; Central - Canon City, Buena Vista, Salida, Gunnison, and Crested Butte; Greeley - Greeley towns north and south; and Southeast - towns in Kiowa, Bent, Prowers, and Baca Counties.
- SourceGas provides natural gas service to 85,000 customers throughout Colorado: Northeast - Julesburg to Akron and Southeast to Wray; West - Avon to Aspen, west to Collbran and south to Telluride; North Central - Frederick and surrounding towns, and Wellington; Arkansas Valley - towns in Pueblo, Crowley, Otero and Bent Counties; and Southwest - Pagosa Springs to Bayfield.
- Colorado Natural Gas provides natural gas service to 19,000 customers around Bailey, Cripple Creek, Pueblo West, and East - Watkins to Deer Trail, Kit Carson, and Sheridan Lake.