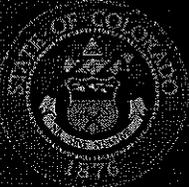


DAVIS DRAFT 8-Oct-13



COLORADO PUBLIC UTILITIES COMMISSION REGULATION OF WATER USE BY ELECTRIC UTILITIES

Ron Davis
Chief Advisor, Colorado Public Utilities Commission

Public Utilities Commission

MISSION

"The Colorado Public Utilities Commission serves the public interest by effectively regulating utilities and facilities so that the people of Colorado receive safe, reliable, and reasonably-priced services consistent with the economic, environmental and social values of our state."



- Operating Authority
 - Determine benefit to consumers in granting right to do business
- Rates
 - Maintain just and reasonable utility rates for consumers
- Service
 - Ensure consumers have reliable and responsive utility service
- Safety
 - Minimize dangers for consumers related to regulated utility service
- Infrastructure
 - Ensure a constructive regulatory environment to recover capital

Colorado Electric Utilities

- Two investor-owned electric utilities (IOUs)
 - Public Service Company of Colorado (Xcel Energy)
 - ⌘ 1.4 million electric customers
 - Black Hills/Colorado Electric Utility
 - ⌘ 94,000 electric customers (Pueblo, Rocky Ford, Canon City)
- One wholesale generation and transmission cooperative
 - Tri-State Generation and Transmission
 - ⌘ 18 rural electric co-ops served



Interest in Water Usage

- 04A-214E: Comanche 3 Generation Unit.
Xcel Energy proposed to utilize a low water use cooling technology in addition to emission control technologies. Commitment to work with Pueblo community on water and water rights.
- 10M-245E: Clean Air-Clean Jobs Act. Reduced water usage at Cherokee and Valmont stations (retirements/conversions/replacements)

Electric Resource Planning

- Reliability
 - Helps the Commission ensure that sufficient electricity resources are available
 - Informs the Commission how the utility intends “to keep the lights on”
- Cost-effectiveness
 - Helps the Commission ensure that utilities procure the best mix of new utility resources
 - Colorado’s public policy objectives
 - Consideration of the benefits and cost of various alternatives

ERP Rules

- Commission took a “measured step” away from the least-cost resource planning in order to:
 - Incorporate changes from new energy legislation
 - Enable the Commission to consider factors other than fuel costs, construction costs, conventional operating costs, and transmission costs in resource selection (*e.g.*, water usage)
- Commission approves specific combinations of demand-side and supply-side resources
- Various scenarios or combinations of resources for the Commission to consider in approving a cost-effective resource plan

ERP Rulemaking (10R-214E)

- Commission improved ERP practices based on the experiences we gained through first applications of the ERP process.
 - New legislative requirements (HB 10-1001)
 - Consideration of water usage in existing and proposed generation resources in resource selection

TABLE 3. CONSUMPTION OF WATER BY EXISTING AND PROPOSED GENERATING RESOURCES IN THE RESOURCE PLAN FOR THE PLANNING PERIOD.

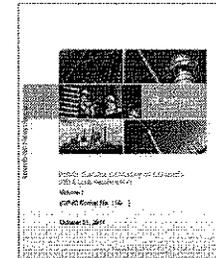
(h) The annual water consumption for each of the utility's existing generation resources, and the water intensity (in gallons per MWh) of the existing generating system as a whole, as well as the projected water consumption for any resources proposed to be owned by the utility and for any new generic resources included in the utility's modeling for its resource plan.

(hi) The proposed RFP(s) the utility intends to use to solicit bids for energy and capacity, the resources

Xcel Energy ERP(11A-869E)

Attachment 2.4-7 2010 Water Consumption

Generating Station	Annual Net Generation (MWh)	Annual Consumptive Use (gallons)	Water Intensity (gallons/MWh)
<i>Public Service - Owned</i>			
Arapahoe	608,811	360,445,625	592
Zuni	3,739	5,006,330	1339
Cherokee	3,671,885	1,976,467,345	528
Comanche	9,279,180	2,840,037,399	306
Poncha	3,378,900	1,516,418,733	449
Hayden	3,817,906	1,216,314,000	319
FSV	3,347,997	697,832,892	179
Valmont	1,090,643	1,206,952,104	1107
Rocky Mountain Energy Center	2,889,657	738,016,304	252
Hydro-power plants	65,692	51,240,070	765
Alamosa*	3,531.8	-	0
Blue Spruce Energy Center*	379,799.0	-	0
Ft. Lupton*	3,161.1	-	0
Fruita*	578.8	-	0
Total - Owned Facilities	28,542,421	10,498,733,402	368



Public Utilities Commission

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