

# Connections

NEWSLETTER OF THE COLORADO PUBLIC UTILITIES COMMISSION

MAY 2012

## STARTING POINT



By Doug Dean  
Director

The Colorado Supreme Court has sided with the Public Utilities Commission (PUC) in a dispute over setting maximum rates for residential basic telephone service, ending a three-year court battle.

The state's highest court on April 30 reversed a district court judgment that had set aside the PUC's 2009 decision in a case involving a rate cap for Qwest Communications. The Supreme Court, in a 5-0 decision, concluded that the PUC considered all of the statutorily-mandated factors in setting the rates, and that the PUC's decision was supported by substantial evidence.

The case involved an application by Qwest (now CenturyLink) seeking to raise basic residential rates that had been frozen at \$14.88 by the Colorado legislature in 1995. A law passed in 2008 lifted the statutory rate cap and gave the PUC the authority to determine the maximum basic residential rate based on each provider's costs and revenues, the average national price for comparable service, and flexible-pricing options.

In its decision, the PUC established a maximum rate of \$16.52 a month for one year, and a ceiling of \$17 per month thereafter, based on an analysis of cost changes and national price trends. The Colorado Office of Consumer Counsel sought review of the PUC's decision in district court.

The Supreme Court disagreed with the lower court's findings that the PUC failed to provide specific factual findings on the evidence in connection with two of the three statutorily-mandated factors.

The high court made two specific findings worth noting. First, it adopted the PUC position of viewing the phased-in rates as a single, 14-percent increase with a lower first-year rate to prevent rate shock, and that such a result was consistent with the statutory directives of maintaining affordable rates. Second, the court specifically held that the PUC properly applied the statutory directive to consider the change in nationwide average prices and upheld the PUC's approach of multiplying the then-existing rate by a percentage increase.

"We conclude that the PUC regularly pursued its authority in setting the maximum rate for basic local telephone services because it considered all of the statutorily-mandated factors and substantial evidence supports its decision," the court wrote.

## PUC approves multi-year Xcel plan

*Rate agreement offers savings, predictability over three-year period*

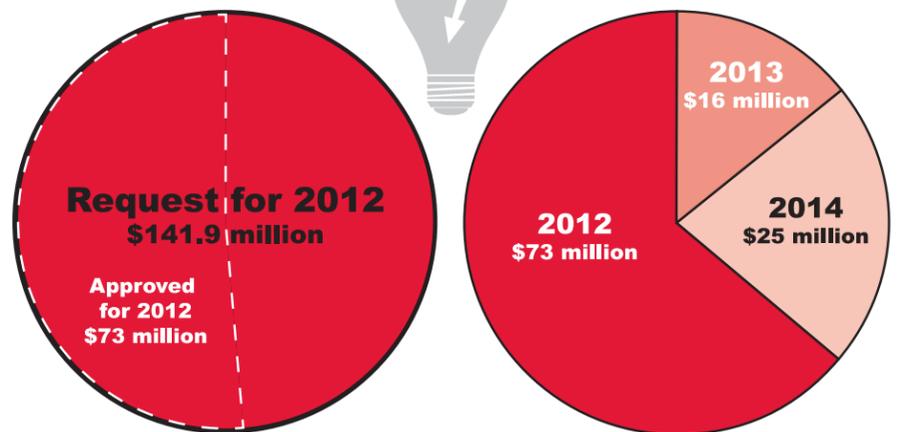
The Colorado Public Utilities Commission (PUC) has approved a three-year electric rate agreement for Xcel Energy that will provide significant rate savings to customers as well as rate predictability over the length of the agreement.

The PUC on April 26 unanimously approved without modification a settlement granting Xcel a \$114 million increase in electric base rates spread over a three-year period. The settlement was supported by Xcel, PUC staff, the Office of Consumer Counsel, a number of medium and large electric customers, and trade groups.

"The settlement provides all Coloradans with reasonable rate increases for vital services and provides stability and predictability for the next three years, which is important to businesses and consumers," PUC Chairman **Joshua Epel** said. "When compared to the magnitude of rate increase that could have occurred, it is a significant savings."

Residential customers will see increases on average of \$2.54 per month in 2012, \$1.29 per month in 2013, and \$0.73 per month in 2014, for a total

### Multi-Year Electric Rate Agreement



of \$4.56 per month, or 6.8 percent, over the three-year period.

Commercial customers will see increases of \$3.70, \$1.94 and \$1.21 to their average monthly bills in 2012, 2013 and 2014, respectively. Over the three years this will be an increase of \$6.85, or 6.1 percent. Industrial and Transmission customers will see comparable percentage increases as well.

The settlement reflects a rate increase in 2012 that is approximately 50 percent less (\$70 million) than the company's initial request. The new rates for 2012 were effective May 1.

The settlement lowers Xcel's allowable return on equity to 10.0 percent (from 10.5 percent), and lowers its overall return on

rate base to just over 8 percent.

An additional benefit for ratepayers under the settlement is Xcel's proposal to alter the manner in which it accounts for investments under the Clean Air Clean Jobs Act. During the effective period of the settlement, Xcel will forego the ability to recover return on its construction work in progress, using an alternative mechanism known as Allowance for Funds Used During Construction. While this will increase the level of the rate base, recovery of those costs will be spread over the useful lives of the investment. When these amounts are appropriately discounted for the time value of money, ratepayers will benefit from this proposal.

## PUC to review Xcel/Boulder dispute in June

The Public Utilities Commission (PUC) has scheduled a pre-hearing conference for June 27 to discuss Xcel Energy's application to place restrictions on participation by City of Boulder customers in the company's renewable energy, energy efficiency and voluntary green energy programs.

The PUC said in an order issued in April that the primary purpose of the pre-hearing conference "will be to determine whether it is appropriate to continue this docket, and if so, to adopt a procedural schedule."

Xcel Energy in February filed an application seeking PUC approval of several proposed changes to its Solar Rewards, demand-side management, solar gardens and Windsource

programs offered to customers in Boulder. The company stated that Boulder's preliminary actions taken in exploring possible municipalization of its electric system provide a reasonable basis for Xcel to differentiate Boulder customers participating in those programs.

Xcel argues in its application that if Boulder creates a municipal utility, the city rather than Xcel will be the long-term beneficiary of the investments made through these programs. Xcel said it wants to protect itself and its customers from the potential loss of such benefits and the potential burdens on other customers in the event that Boulder opts to depart from the company's system.

In its April order, the PUC requested that parties file comments addressing the PUC's jurisdiction and the timing of the company's requested relief, as well as a list of the key policy and legal issues raised by the application. The Commission also directed Boulder to provide information regarding its municipalization efforts, including when and how it expects to establish a municipal electric utility.

Initial comments were due by May 18, with reply comments due by June 15. The Commission intends to review comments submitted by the parties prior to convening the pre-hearing conference on June 27, and to determine the appropriate next steps at that time.

## Commissioner takes Hewlett Foundation post

Commissioner **Matt Baker** left the Colorado PUC on May 11 to join the William and Flora Hewlett Foundation in California.

The San Francisco-based Hewlett Foundation has been providing social and environmental grants around the world since 1967. In his new job as an Environment Program Officer, Baker will help develop and implement grantmaking strategies for climate and energy. He will also collaborate with environmental leaders and others in the public and private sectors to achieve the Foundation's goals for reducing greenhouse gases and advancing clean energy.

Baker's PUC term expired in January

of this year, and he was awaiting reappointment when the opportunity arose to join the Hewlett Foundation.

"Matt Baker served Colorado well and we are sorry to see him go," Colorado Gov. John Hickenlooper said. "He was a tireless champion of clean energy and affordable electricity as commissioner of the Public Utilities Commission."

Baker was appointed to the PUC in January of 2008. Prior to his PUC appointment, Baker served as executive director of Environment Colorado.

PUC Commissioners are appointed by the governor and serve four-year, staggered terms. No more than two appointees may be from the same polit-

ical party. Appointments must be confirmed by the Colorado Senate.

An announcement on Baker's replacement is expected by the end of May.

In April of 2011, Gov. Hickenlooper appointed **Joshua Epel** as chairman of the PUC. Epel's term expires in January of 2015. The term of Commissioner **Jim Tarpey**, who was appointed to a vacancy in 2008 and reappointed for a full four-year term in 2009, expires in January of 2013.

The PUC regulates rates and services of investor-owned electric, gas and water utilities; intrastate telecommunications providers; and for-hire motor carriers in Colorado.

# AT&T chosen as new vendor for Relay Colorado

AT&T Corporation was recently selected as the new Telecommunications Relay Services (TRS) provider for Relay Colorado.

A three-year contract, with provisions for two option years, is expected to be signed in May.

The Colorado Telecommunications Relays Services for Disabled Telephone Users was established by the legislature in 1989. The relay program allows people who are deaf, hard-of-hearing or speech disabled to communicate on the telephone with a hearing party.

The Colorado Public Utilities

Commission (PUC) is the administrator of the relay program, which is funded by a 20-cent per month surcharge on telephone access lines. Relay Colorado is accessed by dialing 7-1-1 and is available 24 hours a day, 365 days a year.

The relay program in Colorado includes both traditional relay services, in which text-telephone (TTY) users communicate with regulator telephone users through trained relay operators, and enhanced relay services, like



Captioned Telephone (CapTel) relay. Captioned Telephone relay allows callers to listen to another party and read written captions of the conversation in real time, similar to captioned television.

Captioned Telephone minutes have increased in Colorado from 4,000 in 2004 to 900,000 in 2010.

Under the new contract, in addition to providing relay services, AT&T is required to provide \$100,000 annually for relay outreach. The state may fund up to an additional \$100,000 each year

for outreach purposes. Outreach will include things such as television and radio ads, public service announcements, printed material, the Relay Colorado website, exhibits, workshops and community meetings.

The PUC annually reviews the Relay Colorado fund balance, revenue and expenditure projections prior to each fiscal year and sets the surcharge for the following 12 months. The charge appears as a separate line item on every customer's bill and is listed as the "Colorado Telecommunications Relay Service Fund."

# Call before you dig important to remember all year

April was officially "Dig Safely Month" in Colorado and across the country, but the message to "call before you dig" is an important one to remember all year round.

Gov. John Hickenlooper signed an honorary proclamation designating April 2012 as Dig Safely Month in Colorado, and a number of events were held around the state to promote public safety and raise awareness for the damage prevention industry. But as the summer landscaping and construction season moves into full swing, the ongoing campaign in a way to remind

excavators, contractors and homeowners that state law requires them to call 8-1-1 before starting any excavation or digging project.

Colorado 811 (formerly the Utility Notification Center of Colorado) is the statewide notification association of owners and operators of underground facilities created by the Colorado Legislature in 1981. Colorado 811, a non-profit corporation, serves as a com-



munications link between excavators and the member facility owners and operators to provide

crucial information regarding the location of underground facilities.

By law, an excavator must contact Colorado 811 at least three days prior to any excavation work. Colorado 811 notifies the member facility owners or operator of the planned excavation and the facility owner marks the location of

the underground facility. The "one-call" process greatly reduces the likelihood of damage to underground facilities and the likelihood of injury to any person working at an excavation site.

Colorado adopted the abbreviated 8-1-1 dialing code in April of 2007, making it even easier for excavators to comply with the requirements of the state's "call before you dig" law. Excavators can dial 8-1-1 from anywhere in the state. There is no charge for the call or the marking of underground facilities.

## INSIDE CONNECTIONS

Attention to detail makes a good editor, and when it comes to details of PUC decisions, there is none better than **Suzette Scott**.

Suzette is responsible for shepherding all PUC Commissioner and Administrative Law Judge decisions through the formatting, editing and mailing process. She gives the orders decision numbers, enters the Commissioners' edits, makes sure the orders are grammatically correct, ensures that orders are entered on correct templates and formatted in compliance with Commission standards, and that any relevant attachments or appendices accompany the decisions when they are issued.

"I like the diversity of the information. I like the new technology that keeps all of the information right at your fingertips," she said.

Suzette also maintains the decision tracking log and makes sure that orders are completed on time and distributed to appropriate internal and external parties.

Her considerable editing and writing skills are not limited to her job, either. In her spare time, Suzette currently is working on her third novel, and is researching a book about the history of African Americans in Kansas. One of her ancestors, Junius Groves, was a former slave who became known as the Potato King in



Suzette Scott

1902 for growing the most bushels of potatoes per acre than anyone else in the world at the time.

"Another part of my family was one of the original founders of the tiny town of Nickodemus, which is a town founded by former slaves and is a historical landmark," she said.

Suzette has been with the PUC since 1988. Prior to that, she worked for two other state agencies—the Real Estate Commission and the Department of Natural Resources. Her career also has included stints with the Denver Public Library, the federal Bureau of Land Management and the federal Bureau of Reclamation.

Away from the job, Suzette also plays the piano and belongs to an African American Literary Group called RAWLISTAZ. She also enjoys spending time with her beautiful 3-year-old granddaughter.

"My personal philosophy is that you have to love and accept yourself," Suzette said. "I believe that when you have achieved that one thing, then you can do anything you set your mind to."

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

## POSITIVE CHARGES

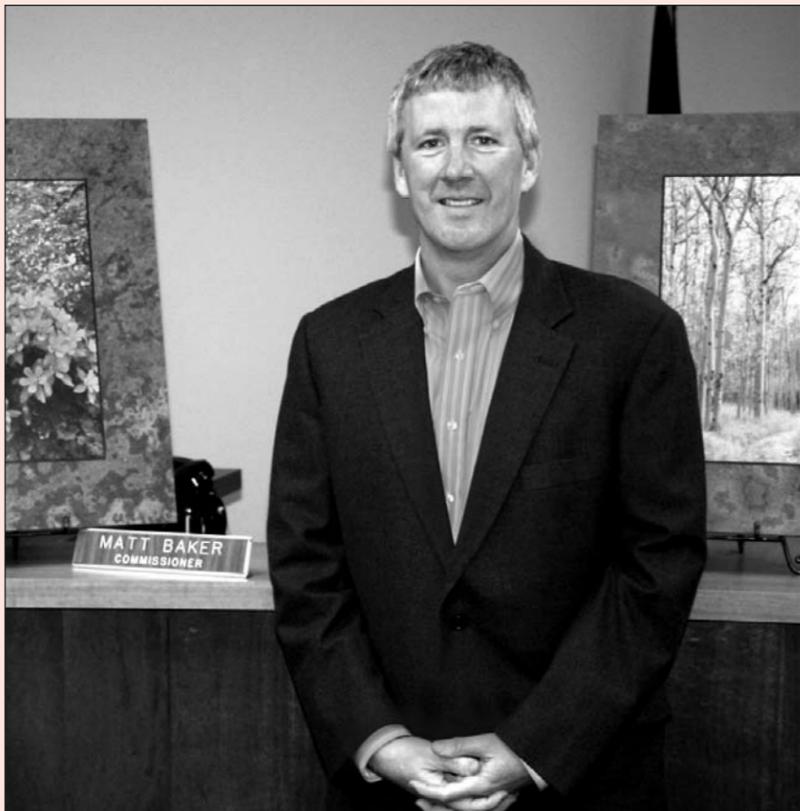
Congratulations to the Gas Pipeline Safety section for hosting a very successful pipeline safety seminar in March. The seminar drew approximately 200 attendees from among pipeline utilities and contractors. Kudos to **Steve Pott, Joe Molloy, Fred Johnson, Kevin Stilson, Katie McBride, Chris Lowe, and Cheryl Fisher** for organizing the event.

Welcome to new PUC employees **Marianne Ramos**, an engineer in the Advisory Section, and **Jennifer Garcia**, an administrative assistant in the Administrative Services telecom/transportation unit.

Marianne Ramos



Jennifer Garcia



PUC staff presented Commissioner Matt Baker with special Colorado reminders at a farewell reception on April 30. Baker took a position with the Hewlett Foundation in California as an Environment Program officer.



**Dora**  
Department of Regulatory Agencies

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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# Transportation rule changes add consumer protections

## Mileage limits, credit card options set for non-consensual tows

A PUC Administrative law judge has issued a recommended decision adopting proposed changes to transportation rules that provide additional consumer protections and public safety enhancements.

The recommended decision was issued April 6 after several rounds of comment and hearing. A final decision on the rules is expected later this spring, after the PUC takes up exceptions to the judge's recommendations.

The judge adopted several changes to the nonconsensual towing rules, including a requirement that towing carriers accept, at a minimum, Visa and MasterCard for payment of services. Currently, PUC rules state that a towing operator must accept at least one credit card as payment, but does not specify any particular card.

The judge also recommended increasing the hook-up charge for nonconsensual tows from \$154 to \$160, but imposed restrictions to mileage fees that can be tacked on by towing carriers. The recommended rules impose a maximum mileage limit of 12 miles for Front Range tows and 16.5 miles for non-Front Range Tows and established a maximum per mile charge. Currently,



A PUC administrative law judge has recommended changes to the nonconsensual towing rules, along with other transportation rules, that will add consumer protections and safety enhancements.

there are no mileage restrictions in the rules.

The judge also eliminated additional fees that may be charged for nonconsensual tows in "mountain areas."

The recommended rules also require household goods movers to provide a written estimate of total costs, and limit actual charges to no more than 10 percent above the written estimate. If a household goods mover accepts credit cards as payment, then it must accept, at a minimum, MasterCard and Visa.

Other recommendations adopted by the judge include:

- Increased fines for some rule viola-

tions by regulated passenger carriers, including failure to follow rules on record keeping, violations of driver on-duty hours, and failure to follow PUC safety rules on driver substance abuse testing and enforcement.

- Explicitly expanding the definition of "passenger" to include assistance animals, ensuring that people with disabilities will have full access to transportation services.
- Clarifying those vehicles that qualify as luxury limousines.
- Establishing additional service requirements for taxis in counties with higher population densities,

such as mandatory 24-hour operations, digital dispatch systems, and newer vehicles.

- Establishing a civil penalty for violations of taxi rules concerning refusal of service and driver courtesy.
- Clarified the hours-of-service rules.
- Added the definition of "shuttle service" to be used in place of call-and-demand limousine service to help distinguish the service from luxury limousine service.
- Established an age of vehicle rule (12 model years or newer) for common and contract carriers, with few exceptions.

## Pilot program to allow medical exemptions from tiered rates

A pilot program allowing an exemption from residential tiered electric rates for low-income customers with proof of a qualifying medical condition or use of an essential life support device will be implemented by Xcel Energy this summer.

The short-term program will run from June 1 through Sept. 30 and will include a flat rate of 6.322 cents per kilowatt-hour (kWh) for all qualifying residential usage. Sign-up was required by May 1 and was open to customers who were eligible for the Low-income Energy Assistance Program (LEAP), and could provide documentation from

a licensed physician that the customer has a qualifying medical condition or requires the use of an essential life support device.

The Public Utilities Commission (PUC) earlier this year considered adopting rules creating a permanent medical exemption from tiered electric rate plans based on a customer's medical need. However, the PUC found it had insufficient information on which to base rules, and suggested a pilot program to acquire additional information.

Xcel sent notices to all potential program participants who met the

LEAP income criterion and whose monthly summer use during 2011 exceeded 820 kwh—the usage level at which the alternative rate benefits the customer. Those customers were given the opportunity to enroll in the medical exemption pilot program.

Costs for the program, including any lost electric revenues for the three months of the pilot, are to be recovered through the Electric Commodity Adjustment on all Xcel customer bills.

At the conclusion of the short-term pilot project, Xcel will file a report with the PUC, including the number of participants, their incomes, and elec-

tricity usage. That information will be used by the PUC to determine whether to proceed with permanent rules.

Xcel currently is the only Colorado electric utility with a tiered-rate plan in effect. The PUC approved a tiered-rate structure for Xcel in 2010 to more accurately reflect the actual costs of electric usage.

Tiered rates are designed to promote efficient use of energy during the months when demand for electricity is highest, and help avoid the necessity of building costly power plants that may be used only a few weeks during the year.

## Hearing August 1–2 on SmartGrid costs

An evidentiary hearing on Xcel Energy's application to recover the remainder of its costs for the SmartGridCity pilot project in Boulder has been rescheduled for August 1–2 at the Public Utilities Commission (PUC) in Denver.

The hearing, originally set for this spring, was pushed back due to a number of events that have occurred since the procedural schedule was established, including the resignation of Commission Matt Baker, who was to preside over the hearing. A PUC Administrative Law Judge will now hear the case.

The PUC last year capped recovery of the SmartGridCity investment at \$27.9 million, instead of granting the full \$44.5 million requested by Xcel. The Commission expressed concerns about the cost overruns of the project, and whether smart grid technologies would provide consumer and utility benefits on a going-forward basis.

"If the company demonstrates in a future application that the SmartGridCity project has a coherent and valuable future, we may allow the company to recover the balance of the

investment disallowed in this case," the PUC stated in its decision.

Xcel filed its follow-up application last December, stating that it has now met the standard for full recovery of its capital investment, and it is seeking to include the amount previously held back.

SmartGridCity was the first-of-its-kind demonstration project, integrating "smart grid" technologies on a community-wide scale. Smart grid allows the timely and secure exchange of information between customers and the utility to promote energy management and conservation tools. It also helps utilities more quickly detect power outages as they happen, resulting in quicker restoration of service.

Xcel stated in its application that SmartGridCity is now fully installed and is an integral part of its distribution system in Boulder. The company states that the enhanced distribution already is improving the reliability of electric service in Boulder, and lessons learned from SmartGridCity are being used to determine cost-effective grid modernization strategies that can be applied elsewhere in its service territory.

## Gas utilities pass on savings from lower commodity prices

Several natural gas utilities in Colorado recently implemented decreases in their natural gas commodity rates to reflect lower prices in the wholesale market.

Black Hills Energy/Colorado Gas reduced rates by about 16 percent beginning March 1 for both residential and commercial customers. The lower rates apply to bills for Black Hills gas customers in 27 Colorado communities, including Castle Rock, Fountain, Larkspur, Monument, Woodland Park, Limon and Burlington.

Xcel Energy's rate changes, part of its quarterly gas cost adjustment, became effective on April 1, resulting in bill reductions of approximately 13–15 percent for residential and small business natural gas bills, compared to the second quarter of 2011.

Atmos Energy also filed an interim gas cost adjustment that went into effect May 1. Bill reductions for Atmos residential customers ranged from 8 to 14 percent, depending on the service territory, while bills for small commer-

cial customers dropped by 10 to 16 percent. Atmos serves about 110,000 customers in more than 60 communities in Colorado, including Greeley, Canon City, Durango, Gunnison, Crested Butte, Lamar, and Steamboat Springs.

The decreases resulted from a continuing decline in wholesale natural gas prices over the last few months. The Colorado Public Utilities Commission (PUC) reviewed and approved all three requests.

Gas cost adjustments are used by utilities to pass through to their customers market fluctuations in the wholesale price of natural gas. Wholesale prices were deregulated by the federal government in the 1980s.

The natural gas commodity makes up the largest portion of a customer's natural gas bill. Both increases and decreases in the cost of purchasing natural gas are passed on to customers on a dollar-for-dollar basis, with only minor exceptions.

# PUC upholds judge in Black Hills generation case

The Colorado Public Utilities Commission (PUC) has upheld an administrative law judge's recommended decision denying a request by Black Hills Energy/Colorado Electric to build a third natural gas-fired generating unit at its Pueblo Airport Generating Station.

The PUC, in a ruling issued April 13, affirmed the judge's findings that the company failed to justify the need to build an additional 88 megawatts of capacity, and that Black Hills did not adequately consider possible alternatives.

"We understand the business case Black Hills presented for the use of the expansion slot in the air permit at (the Pueblo Airport Generating Station),"

the PUC wrote in its decision. "However, due to the absence of critical information regarding possible alternatives to new construction, including the use of existing generation capacity in Colorado, we are not convinced that the Company's objectives, which are dependent on the preservation of the expansion slot, will necessarily result in the best outcome for both Black Hills and its customers."

The PUC in late 2010 approved Black Hills' plan under the Clean Air Clean Jobs Act to retire two coal generation units in Canon City and acquire 42 megawatts of replacement power. However, the PUC deferred specific details of the replacement generation,

including cost estimates and need for the full capacity of the third unit at the airport, to the request for a Certificate of Public Convenience and Necessity (CPCN) for the project.

The company, in its application filed last year, requested authority to build a new, \$100 million unit to replace Canon City's Clark station, and the retirement of two steam turbine units at its downtown Pueblo plant.

"The record in this proceeding indicates that at least 380 megawatts of natural gas generation facilities already built and permitted in Colorado will be available when Clark closes," the PUC said. "The availability of this capacity calls into question the proposed timing

of the construction of an additional power plant in Colorado, particularly since the current conditions of the marketplace for purchased capacity appear to be due, at least in part, to utility preferences in their business decisions surrounding the expiration of the (purchased power agreement) between Black Hills and Public Service Company of Colorado."

The PUC said Black Hills and other stakeholders would have further opportunity to explore the best approach for acquiring replacement capacity for the Clark Station and the merits of retiring the Pueblo steam units during its next Electric Resource Plan, which is to be filed later this year.

## Low-income telephone assistance surcharge bumped April 1

The state Low-Income Telephone Assistance Program (LITAP) surcharge, used to provide discounts to eligible low-income telephone subscribers, increased to 7 cents a month on April 1.

The surcharge had been set at 3 cents a month since April of 2011. However, an analysis of the fund's obligations and reserves prompted the Colorado Public Utilities Commission (PUC) to increase the surcharge starting in April and continuing through the 2012-13 fiscal year.

The LITAP fund, also known as the "Lifeline" fund, was established by the Colorado legislature in 1990. It is used to offset the costs of providing local telephone service at a discounted rate for some low-income customers.

Under the program, eligible subscribers receive a monthly discount

equal to the greater of the federal Subscriber Line Charge, currently at \$6.50 per month, or 25 percent of the basic local service rate. The program is funded through a uniform charge assessed to each residential and business line of telecommunications providers that participate in the program.

In 2008, the legislature expanded LITAP eligibility to include all Colorado residents who are certified by the Department of Human Services to receive financial assistance under at least one of the following programs: Old Age Pension; Aid to the Needy Disabled; Aid to the Blind; Supplemental Social Security income benefits; Colorado works assistance; or low-income home energy assistance benefits.

For the past three years, the LITAP surcharge has ranged from 3 to 7 cents.

From April of 2006, to June of 2009, the surcharge was reduced to 0 cents following an agreement in which Qwest agreed to pay \$5.5 million to the

low-income fund to settle allegations that it had given preferential treatment to certain competitors through unfiled interconnection agreements.

## Regulated utilities establish energy affordability programs

Colorado's regulated electric and gas utilities have made filings to put in place special programs that will limit energy bills for low-income customers.

The Public Utilities Commission (PUC) last year adopted rules requiring utilities to file energy affordability programs this spring that could be implemented by the upcoming heating season. The rulemaking followed a 2010 law that removed a restriction that prohibited the PUC from allowing a preference or advantage to low-income customers in setting rates.

The energy affordability filings were due April 18. Filings were received from Xcel Energy, Black Hills Energy, SourceGas, Atmos Energy and Colorado Natural Gas (CNG).

While each company's program is different, the programs generally limit the amount that a qualified low-income utility household is required to pay each month for gas and electric service. The programs also contain provisions reducing accumulated bill arrearages for low-income customers, and encourage low-income customers to participate in energy efficiency programs.

In general, electric bills for qualifying participants would be limited to 4-6 percent of their annual household income, depending on their poverty level. Gas bills would be limited to 2-3 percent of annual income. Energy costs above those amounts would be spread among the rest of the utility's ratepayers, subject to a program cap.

Black Hills, SourceGas, Atmos and CNG have requested a 25-cent charge per month on all customer bills, in the form of a separate surcharge or as part of a monthly service and facilities charge, to pay for the program in its first year.

Xcel Energy, the state's largest electric and gas utility, is requesting in its filing to make permanent the pilot programs that it has had in place since 2009. The company did not propose any changes to its current Service and Facilities charges. Rather, Xcel said it would submit separate filings for its gas and electric affordability programs' cost recovery at a later date.

Approval for all of the programs is expected by no later than August 1.

## PUC extends Black Hills deposit pilot

A Black Hills Energy pilot program that waives residential customer deposits for reconnection of service in certain circumstances has been extended for six months.

The Public Utilities Commission (PUC) has approved continuation of the program until November 1, 2012.

Black Hills originally created the pilot program to assess the company's reconnection deposit policies and the barrier those policies may create to customers trying to restore electric service. Members of the company, PUC staff, the Office of Consumer Counsel, and local utility assistance agencies have been gathering data and meeting to discuss those issues.

Under the pilot program, a customer may have electric service reconnected without paying the normal reconnect deposit amount when: (1) the customer's service has been disconnected for nonpayment; (2) the customer has applied for and received a pledge of payment for 51 percent or more of the arrearage from a designated utility

assistance agency; and (3) the customer enters into a payment arrangement for any remaining arrearage, including reconnection fee, over the portion not covered by the agency payment pledge.

Since the pilot program began last November, the company said approximately 136 customers have benefitted, and approximately \$36,774 in reconnection fees have been waived. Black Hills also formed a payment assistance team within its customer service unit to work personally with customers experiencing extreme difficulty in making their electric payments.

Black Hills said it will continue to gather and assess data for the next six months as it develops conclusions and recommendations about the company's current reconnection deposit requirements. It will also need to assess the relationship between the pilot program and the company's recently-filed low-income energy assistance program before it can determine if the program should be continued on a permanent basis.

