

Colorado PUC: An Overview

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Dora

Department of Regulatory Agencies

Public Utilities Commission

Value to the State

- ◆ PUC is 100% Cash Funded
 - Fixed utility fund
 - Transportation fund
- ◆ PUC saves Colorado consumers over \$6.00 for every \$1.00 spent to run the agency

History

- ◆ Railway Commission established in 1885
- ◆ Very limited authority
 - Could only recommend rates
- ◆ One Commissioner Only
- ◆ Legislature eliminated the office in 1893

History (cont.)

- ◆ 1907 – State Railroad Commission Act
 - Three Commissioner system created
 - Commissioners elected in 1908
 - Attacked in courts by railroads, partly repealed by legislature
- ◆ 1910 – “State Railroad Commission of Colorado” created
 - 3 Commissioners elected in 1908 took office



Public Utilities Act

- ◆ Passed in 1913
- ◆ Abolished Railroad Commission
- ◆ Granted authority over all utilities
- ◆ Foundation of PUC statutes today
- ◆ Created “Public Utilities Commission”

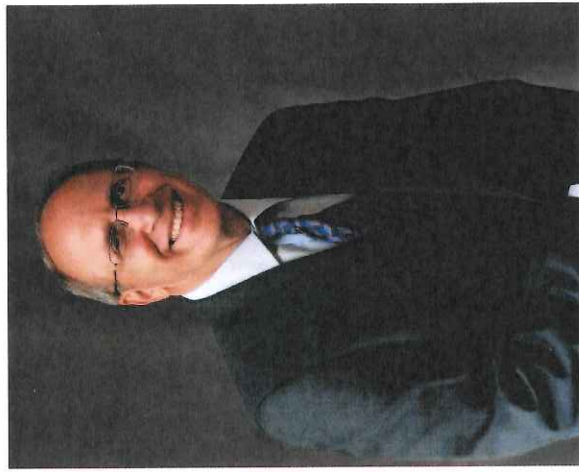
More Recent Events

- ◆ PUC added to State Constitution in 1954
 - Granted PUC authority over privately held companies in home-rule cities
 - PUC subject to restrictions imposed by General Assembly
- ◆ Became division of Department of Regulatory Agencies in 1969

Commissioners

- ◆ Three commissioners
- ◆ Appointed by the Governor
- ◆ Confirmed by majority vote of State Senate
- ◆ Serve four-year terms – may be reappointed
- ◆ No more than two commissioners from one political party
- ◆ One commissioner appointed Chairman

Commissioners



Joshua Epel (D)
Chairman
2011 - 2015



Matt Baker (D)
2008 - 2012



Jim Tarpey (R)
2008 - 2013



Our 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.

Director

- ◆ Appointed by Executive Director of DORA with approval of Commissioners
- ◆ Responsibilities:
 - Manage operations of the PUC to carry out public utilities law pursuant to C.R.S. 40-2-103
 - Implement Commission policies, procedures and decisions
 - Direct administrative functions and manage staff

Commission Responsibilities

- ◆ Quasi-Legislative – Creates rules
- ◆ Quasi-Judicial – Ensures due process for all parties
- ◆ In general, the PUC serves the public interest by balancing needs of consumers and utility service providers

Five Areas of Responsibility

- ◆ 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



PUC Structure



The PUC is comprised of 101 FTE and is organized in 11 sections, each led by a section chief.

External Affairs

- ◆ Responds to consumer complaints and questions
 - Secured \$231,931.10 in refunds for consumers in 2011
- ◆ Media inquiries and informational materials
 - Publishes Consumer FYI pamphlets to assist consumers in understanding utilities and regulation

Policy Advisors

- ◆ Advise the Commissioners and Administrative Law Judges on all energy, water, and telecommunications matters
- ◆ Within the context of case records, provide expertise in financial analysis, economics, policy, and engineering
- ◆ Organize and manage proceedings on contested matters
- ◆ Facilitate Commissioners' open decisions meetings
- ◆ Craft written decisions after Commissioners' deliberations

Regulatory & Legal Affairs and Administrative Support

- ◆ Regulatory and Legal Affairs
 - Ensures that appropriate processes and procedures are followed by staff and Commissioners
 - Works with Attorney General's Office to ensure legal services dollars are maximized to greatest benefit of consumers
 - Oversees Commission Rulemaking process

Regulatory & Legal Affairs and Administrative Support (cont.)

- ◆ Administrative Support
 - Process all filings and decisions for all regulated industries
 - Administer all Commission agendas and minutes
 - Process all transportation stamps, fingerprints, and over-the-counter permits
 - Administer the Commission's electronic filing system

Research and Emerging Issues

- ◆ Researches topics likely to impact utility regulation in the near future
 - Rate design/cost recovery and utility business models
 - Electric market structures – wholesale and retail
- ◆ Assists the Commission to anticipate the future and adjust regulatory practices accordingly
 - Scenario planning/development
- ◆ Administers special projects and rulemaking
 - ARRA Management
 - Rules on medical exemption from tiered rates

Energy

- ◆ Engineers with expertise in planning, evaluation of utility resource adequacy
- ◆ Responsibilities includes investor-owned natural gas, electricity, and steam
- ◆ Appears as a party in most litigated cases
- ◆ Negotiates settlements with utilities
- ◆ Very limited oversight of municipal energy and electric cooperative associations

Economics

- ◆ Economists and Rate/Financial Analysts
- ◆ Responsibilities includes investor-owned natural gas, electricity, steam, transportation, telecommunications and water
- ◆ Appears as a party in most litigated cases
- ◆ Negotiates settlements with utilities
- ◆ Very limited oversight of municipal energy and electric cooperative associations

Telecommunications

- ◆ Expertise in financial analysis, economics, planning and engineering
- ◆ Regulates telecommunications companies & 911 network providers for rates and service quality
 - Appears as a party in most litigated cases
 - Negotiates settlements with utilities
- ◆ Administers subsidy programs for rural high cost support & low income consumers
- ◆ Does not regulate information, wireless, or cable services

Transportation and Administration

- ◆ Transportation
 - Includes taxis, limos, shuttles, towing companies, household goods movers, and hazardous materials carriers
 - Jurisdiction limited to intrastate carriers
- ◆ Administration
 - Responsible for budget, purchasing, records, computer network, facilities and personnel
 - Oversees Colorado Relay Program for the deaf and hard of hearing
 - Oversees Colorado No-Call

Administrative Hearings

- ◆ Contains Administrative Law Judges who:
 - Conduct Hearings in contested cases
 - Make Recommended Decisions
 - Assist in rulemaking functions

Gas Pipeline Safety

- ◆ Safety jurisdiction over 37,536 miles of main and natural gas transmission pipelines
- ◆ Includes 1,517,544 gas service lines
- ◆ Investigates incidents
- ◆ Fining authority for safety violations

Rail/Transit Safety Section

- ◆ Safety oversight of railroad and light rail crossings
- ◆ Safety oversight of rail fixed guideway systems (e.g., RTD Light Rail)
- ◆ Does not regulate general safety or rates of railroads

Recent Major Cases

- ◆ 2008 – 2011 – Taxi Applications
- ◆ 2008 – present – San Luis Valley transmission line
- ◆ 2008 – present – Xcel rates cases
- ◆ 2009 – 2010 – Qwest rate case
- ◆ 2010 – Clean Air, Clean Jobs Act
- ◆ 2010 – CenturyTel/Qwest acquisition
- ◆ 2011 – Black Hills rate case
- ◆ 2011 – Telecom Reform Docket

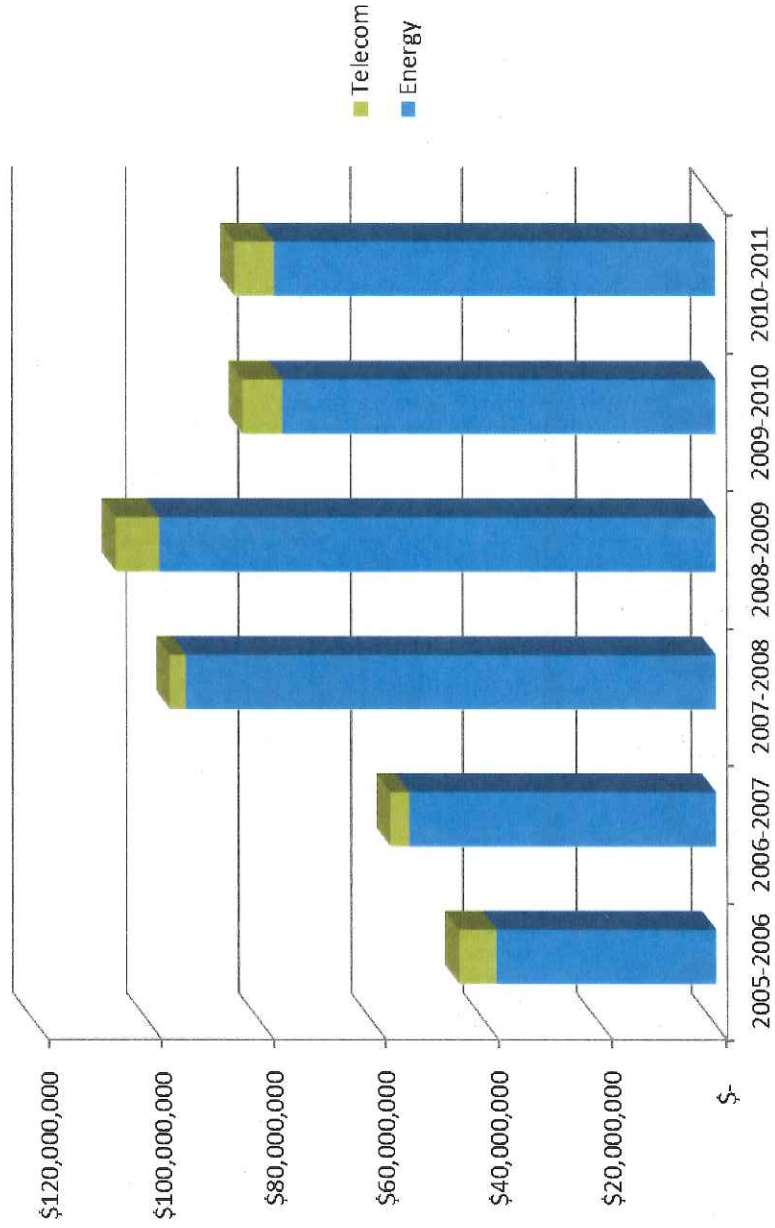
Recent Major Rulemakings

- ◆ Transmission CPCN and planning
- ◆ Colorado High Cost Support Mechanism (for telecom providers)
- ◆ Energy rates for low income Coloradans
- ◆ HB 10-1342 Solar Gardens
- ◆ HB 11-1198 Transportation rules
- ◆ Medical exemption from tiered electricity rates

Challenges

- ◆ Number of parties in PUC cases has dramatically increased in recent years
- ◆ 2011 workload statistics:
 - E-filings accepted 8,761 filings consisting of 14,508 documents
 - Issued 1,436 decisions
 - Opened 1,091 dockets
 - Processed 617 tariff filings

Rate Case Annual Customer Savings



Questions?



www.dora.state.co.us/puc