

Notice of Revision in the Colorado P.U.C. No. 8-Electric Tariff of Public Service Company of Colorado 1800 Larimer Street, Denver, Colorado 80202-5533

You are hereby notified that Public Service Company of Colorado ("Public Service" or the "Company") has filed with the Colorado Public Utilities Commission ("Commission"), in compliance with the Public Utilities Law, an advice letter for permission to revise rates for all electric services in the Company's Colorado P.U.C. No. 8 – Electric tariff effective June 20, 2019, if said advice letter is granted by the Commission.

The Company is seeking a net annualized increase in annual electric base rate revenues of \$407,737,776 based on total base rate revenue requirement of \$1,951,002,985 for the 2018 historical test year ("HTY"), an overall return on rate base ("RORB") of 7.66 percent, and a return on equity ("ROE") of 10.35 percent. This proposed revenue increase includes transferring into base rates the costs of projects previously recovered through the Clean Air-Clean Jobs Act ("CACJA") Rider and Transmission Cost Adjustment ("TCA"), as well as certain costs currently collected through the Electric Commodity Adjustment ("ECA") (specifically costs for the Rush Creek Wind Project recovered through the ECA). The amount of this transfer is projected to be \$78,719,151 for the CACJA-related components, \$40,027,376 for the TCA-related components, and \$130,677,238 for the ECA-related components. Since a transfer of cost recovery between rates does not increase the net total revenue collected from retail customers, only \$158,314,011 of the total increase in base rate revenue, net of Tax Cuts and Jobs Act ("TCJA") impacts, represents a net revenue increase to customers. The proposed General Rate Schedule Adjustment ("GRSA") will be calculated to recover the \$407,737,776 of additional revenues based on 2018 HTY sales. The increase represents a 26.42 percent increase from what is currently collected from customers under base rates. The Company is proposing to collect \$277,060,538 of additional revenues through a 13.00 percent GRSA, and \$130,677,238 through a base rate kWh GRSA-Energy ("GRSA-E"). The GRSA-E is a kWh charge that is designed to collect energy-specific costs related to the Rush Creek Wind Project that differs based on the customer's level of service delivery. For example, the GRSA-E for residential customers is \$0.00455 per kWh of energy consumed. The combination of these two GRSA charges would replace the current GRSA charge of negative 4.19 percent with the equivalent of a positive 25.29 percent total base rate adjustment. This amount does not include an additional \$3,166,280 to be collected through the Renewable Energy Standard Adjustment ("RESA"), which will occur as the result of this increase in base rate revenues consistent with the Public Utilities Law.

In addition to the requested increase to base rate revenue and transferring costs from the CACJA, TCA and ECA into base rates, the Company requests approval of the following proposals:

- Implementation of updated depreciation rates approved by the Commission in Proceeding No. 16A-0231E.
- Tariff Sheet Rate Changes and Other Minor Revisions
 - Update tariff sheets to incorporate new rates for the Charges for Rendering Service and Maintenance Charges for Street Lighting Service.
 - Update the Table of Contents, Reserved for Future Filing Index, General Definitions, and Territory Served sections to incorporate changes.
 - Remove the reference to Transmission Time-of-Use (Schedule TTOU) to eliminate the TTOU Schedule as of January 1, 2017. This tariff clean-up impacts Schedules Primary Time-of-Use (Schedule PTOU), Secondary Time-of-Use (Schedule STOU), Solar Rewards, Demand-Side Management Cost Adjustment (Schedule DSMCA), Purchased Capacity Cost Adjustment (Schedule PCCA), TCA, and CACJA.
- Correct the wattage from 69 to 65 Watts in the Parking Lot Lighting Service (Schedule PLL).
- Tariff Revisions Involving Changes to Terms and Conditions or Other Tariff Language
 - Remove the Earnings Sharing Adjustment ("ESA").
 - Extend the Quality of Service Plan ("QSP") through Performance Year 2021 and replace monthly, quarterly and annual reporting with annual reports.
 - Update the Short-Term Sales Margins in the ECA for Generation and Proprietary Books from calendar year 2015 to 2018; shift the retail cost for the Rush Creek Wind Project Revenue Requirement collected through the ECA to base rates; add language to collect the retail cost of the Cheyenne Ridge Wind Project, including the Revenue Requirement, Deferred Tax Asset carrying costs and Production Tax Credit(s) as applicable, through the ECA upon commercial operation of the project; and remove the Equivalent Availability Factor Performance Mechanism ("EAFPM") from the ECA.
 - Shift the CACJA Rider cost recovery for eligible CACJA projects to base rates such that it will not continue after that shift, with the exception of necessary cost recovery true-ups and make an additional annual filing in April 2020 for purposes of the true-up of CACJA costs in base rates. The last advice letter will be filed by November 1, 2020 to take effect January 1, 2021, and the Company shall submit a compliance advice letter filing to cancel the CACJA Rider tariff effective January 1, 2022.
 - Shift the costs of transmission in-service assets presently recovered through the TCA to base rates with a 2018 baseline for future TCA filings. Forecasted investment in transmission assets will continue to be collected under the established TCA rider mechanism.
 - Revise Data Privacy in the Requests for Customer Data section of the General section of the Company's Rules and Regulations to more clearly reflect the reports available to customers and third parties, and associated parameters and charges. Change the Schedule of Charges for Rendering Service, on Sheet No. 25B, to reflect the reduced charge of \$291 for Non-Standard Batched Customer Data Reports, along with a new \$65 per hour charge for Non-Standard Aggregated Data Reports; and conform the language to support the changes above. Similarly, on Sheet No. R12, the proposed tariff changes reflect what customer data reports are provided at no charge.
 - Clarify and simplify the tariff language in Other Meter Tests and Billing for Errors sections of the Standards in the Company's Rules and Regulations to better align with Commission Rules. Include tariff provisions addressing customer credit and payment plan options that apply in the event billing adjustments are made pursuant to these sections.

The projected impacts of the Company's filing on typical monthly bills for customers on the Company's five major rate schedules (Residential, Commercial, Secondary General, Primary General and Transmission General) are provided below.

The impacts are based on an assumed implementation date of the initial requested rate increase of June 20, 2019. This implementation date is 30 days from the filing date, and assumes the Commission does not suspend the advice letter and set it for hearing, thereby resulting in new rates effective on June 20, 2019. To the extent that the Commission suspends the advice letter and sets it for hearing, the Company is requesting an effective date of January 1, 2020.

The projected bill impacts are provided below in three different forms to state plainly the impact of the changes to rates currently in effect, exclusive of a temporary negative 0.44 percent GRSA effective only April 1, 2019 through June 30, 2019. The first set of projected bill impacts shows annualized impacts, while the second set and third set of projected bill impacts show the projected bill impacts on winter rates and summer rates, respectively. For the Residential class, these bill impacts are calculated based on the monthly average electric consumption of 614 kWh, and then prorated for seasonal rate revenue where applicable. The Company is providing three sets of projected bill impacts because Public Service switches customers from winter rates to summer rates on June 1, 2019. Therefore, all three sets of projected bill impacts are intended to state the changes in a transparent and accurate manner for customers, provided these impacts do not reflect the timing benefits of renewable energy projects that have accrued to customers, which is explained in more detail in additional analyses developed by the Company and presented in Attachment BAT-1 to the Direct Testimony of Brooke A. Trammell.

In accordance with Rule 1210(a) of the Commission's Rules of Practice and Procedure, copies of the current and proposed tariffs summarized above and as filed with the Commission, are available for examination and explanation at the main office of Public Service, 1800 Larimer Street, Suite 1400, Denver, Colorado 80202-5533, or at the Commission office, 1560 Broadway, Suite 250, Denver, Colorado 80202-5143. Customers who have questions may call the Commission at 303-894-2000, call Xcel Energy at 1-800-895-4999, fax to Xcel Energy at 1-800-895-2895, or e-mail to inquire@xcelenergy.com.

Anyone who desires may file written comments or objections to the proposed action. Written comments or objections shall be filed with the Commission, 1560 Broadway, Suite 250, Denver, Colorado, 80202-5143 or by visiting dora.state.co.us/pacific/PUC/puccomments on or before 10 days before the proposed effective date of June 20, 2019, or later should the Commission set this matter for hearing and suspend and delay the effective date of the request. The Commission will consider all written comments and objections submitted prior to the evidentiary hearing on the advice letter. The filing of written comments or objections by itself will not allow you to participate as a party in any proceeding on the proposed action. If you wish to participate as a party in this matter, you must file written intervention documents in accordance with Rule 1401 of the Commission's Rules of Practice and Procedure or any applicable Commission order.

It is likely that the Commission will hold a hearing regarding the requested rate increase proposed by Public Service, which would result in the Commission's suspending and delaying the proposed effective date of June 20, 2019. Should the Commission hold a hearing, customers may submit written protests, comments or objections any time prior to the scheduled hearing date.

The Commission may hold a public hearing in addition to an evidentiary hearing on the advice letter. If such a hearing is held, members of the public may attend and make statements even if they did not file comments, objections or interventions. If the advice letter is uncontested or unopposed, the Commission may determine the matter without hearing and without further notice. Anyone desiring information regarding if and when a hearing may be held shall submit a written request to the Commission or, alternatively, shall contact the External Affairs section of the Commission at 303-894-2070 or 1-800-456-0858. Notices of proposed hearings will be available on the Commission website under "News Releases" or through the Commission's e-filing system. This Notice is updated from the version previously published in *The Denver Post* on May 26, 2019 and June 2, 2019.

By: Michelle Moorman Applegate
Director, Regulatory Administration

2019 Electric Rate Review

Total Bill Impact on Annualized Rates

| | Current | Proposed | Monthly \$ Change | Monthly % Change |
|---------------------------|--------------|--------------|-------------------|------------------|
| Residential - R | \$68.66 | \$73.12 | \$4.46 | 6.49% |
| Commercial - C | \$101.76 | \$108.55 | \$6.79 | 6.67% |
| Secondary General - SG | \$2,160.29 | \$2,272.56 | \$112.27 | 5.20% |
| Primary General - PG | \$35,599.98 | \$37,119.58 | \$1,519.60 | 4.27% |
| Transmission General - TG | \$570,881.37 | \$586,196.16 | \$15,314.79 | 2.68% |

2019 Electric Rate Review

Total Bill Impact on Winter Rates

| | Current | Proposed | Monthly \$ Change | Monthly % Change |
|---------------------------|--------------|--------------|-------------------|------------------|
| Residential - R | \$63.99 | \$67.63 | \$3.64 | 5.69% |
| Commercial - C | \$88.49 | \$92.90 | \$4.41 | 4.99% |
| Secondary General - SG | \$2,065.82 | \$2,161.14 | \$95.32 | 4.61% |
| Primary General - PG | \$34,061.27 | \$35,304.81 | \$1,243.54 | 3.65% |
| Transmission General - TG | \$545,476.33 | \$556,233.01 | \$10,756.68 | 1.97% |

2019 Electric Rate Review

Total Bill Impact on Summer Rates

| | Current | Proposed | Monthly \$ Change | Monthly % Change |
|---------------------------|--------------|--------------|-------------------|------------------|
| Residential - R | \$80.19 | \$86.74 | \$6.55 | 8.17% |
| Commercial - C | \$127.82 | \$139.29 | \$11.47 | 8.98% |
| Secondary General - SG | \$2,327.44 | \$2,469.70 | \$142.26 | 6.11% |
| Primary General - PG | \$38,518.93 | \$40,562.26 | \$2,043.33 | 5.30% |
| Transmission General - TG | \$620,374.00 | \$644,568.63 | \$24,194.63 | 3.90% |

