



What's the cost of municipalization?*

Soon, you'll be asked to decide if Boulder should take over Xcel Energy's electric system within city boundaries and start its own municipal utility.

How much would it cost?

The city's feasibility study estimates the total cost at \$286 million, after potentially spending up to \$12 million in new taxes and six years in court. The analysis of Boulder's study by international energy consultant UtiliPoint shows the city has provided no budget for several items that could drive costs up by hundreds of millions of dollars. According to the city, just \$112 million in unbudgeted expenses or higher-than-anticipated costs puts the start-up utility's operations "in the red."

Here's a summary of the range of utility start-up costs as estimated by the city and by UtiliPoint.**

(costs in millions of dollars)	Boulder	Possible
Assets	\$121	\$150
Separation Cost	\$15	\$100+
Start-up	\$45	\$45
Going Concern	\$0	\$350
Stranded Cost	\$0	\$335
Program Investments (SmartGridCity®/Energy Efficiency/Solar*Rewards®)	\$0	\$100
Financing Costs (cash reserves, interest, debt service, underwriting)	\$105	\$106
TOTAL	\$286 million	?

Off-ramps have been cited as opportunities to stop the municipalization process before the full bill is due. But the total cost of municipalization can't be determined until *after* the chance to use the last off-ramp has passed.

Xcel Energy wants to continue serving our customers in Boulder. We not only offer rates lower than the national average, but highly reliable service—with electricity available 99.98 percent of the time—and a commitment to and plan for increasing the amount of renewable energy on the electric grid.

Let's continue working together to create a clean energy future at a reasonable cost. Vote NO on measures 2B and 2C.

*There's much more to municipalization than taking over poles, wires and substations (the assets). Separation Cost pays for the work to physically separate the power lines linking Xcel Energy's integrated distribution system to those serving the city. Going Concern is the amount the city would owe the company for replacing future lost revenue. Stranded Cost is the amount Boulder would owe Xcel Energy for economic damages associated with having acquired electric generation to serve Boulder. And Program Investments is what the city would owe Xcel Energy and other customers who have funded programs in which Boulder customers participate.

**UtiliPoint analysis of Boulder feasibility report. See xcelenergy.com/boulder for the full UtiliPoint analysis and a summary.