



## IMPORTANT NOTICE ABOUT YOUR NATURAL GAS SERVICE AND PRICING

**Xcel Energy proposal supports investments in natural gas reliability, resiliency and safety.**

At Xcel Energy, we work every day to provide the energy that our customers depend on. We're proud to be one of the country's largest natural gas utilities, serving 1.4 million customers in Colorado with an affordable and resilient fuel source, while working to reduce the greenhouse gas footprint of our natural gas service.

On Jan. 24, Xcel Energy asked the Colorado Public Utilities Commission (CPUC) to review its rates as the company continues to improve system reliability and resiliency, strengthen safety and inspection programs, and take steps to operate the cleanest natural gas system possible.

The request seeks approval of a net revenue increase of approximately \$188.6 million over three years, for initiatives that allow us to:

- Better serve customers while we strengthen the system, which includes more than 24,000 miles of underground infrastructure and provides essential service across the state
- Keep neighborhoods safe through ongoing pipeline safety initiatives, integrity programs, gas emergency response, enhanced leak detection and damage prevention programs
- Continue to improve equipment and make pipe material changes to reduce methane and carbon dioxide emissions on our natural gas delivery system
- Support robust economic growth of the state, while keeping average residential natural gas bills well below the national average

The proposal includes step increases over several years, starting in November, 2022 with a proposed increase of \$4.16 per month or 6.7% for an average residential customer's monthly natural gas bill. Natural gas bills would then rise \$1.83 (2.7%) effective Nov. 1, 2023 and \$2.15 (3.1%) effective Nov. 1, 2024 for a cumulative increase over three years of \$8.13 (13.0%). If approved by the Commission as filed, this would set natural gas base rates through Oct. 31, 2025.

### We are always here for you

Customers who may have trouble paying their bill at any time should call us right away at **800-895-4999**. We can answer questions and provide information about energy efficiency, rebates, payment options and programs for those who qualify for energy assistance.

### Learn more

This proposal is subject to approval by the CPUC and new rates would not go into effect until November 2022. Rates are set through a transparent process with the Commission, which includes opportunities for public input and participation. Details about this request, including the legal notice and more detailed bill impacts, are available on the back of this page and at [xcelenergy.com/Company/Rates\\_and\\_Regulations/Rates/Rate\\_Cases](https://www.xcelenergy.com/Company/Rates_and_Regulations/Rates/Rate_Cases).

Puede encontrar esta noticia en español en nuestro sitio web: [xcelenergy.com/Company/Rates\\_and\\_Regulations/Rates/Rate\\_Cases](https://www.xcelenergy.com/Company/Rates_and_Regulations/Rates/Rate_Cases).

**NOTICE OF REVISION TO THE COLORADO P.U.C. NO. 6-GAS 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 requesting to revise the Company’s Colorado P.U.C. No. 6 – Gas Tariff to reflect revised rates for all natural gas services, and to make additional tariff changes. Consistent with Commission rules and Colorado statutes, the effective date for the changed tariffs accompanying the advice letter is February 24, 2022. However, if the Commission suspends the advice letter and sets it for hearing, the rate effective date after suspension would be November 1, 2022.

The Company is filing this rate case because Public Service continues to make fundamental infrastructure investments to serve customers, consistent with its obligation to provide safe, reliable service while working to advance our vision for the future of the gas system. As to timing, Public Service is obligated to file both a Phase I and a Phase II gas rate case in the first quarter of 2022, which relates to considerations such as necessary system investments, the outcome of the Company’s standalone 2019 Gas Phase II rate case, the outcomes of our 2020 combined Gas Phase I/Gas Phase II rate case, and the conclusion of the Pipeline System Integrity Adjustment (“PSIA”) rider.

Public Service is seeking a total increase in base rate revenues of \$214,637,700 for 2022, when compared to the Company’s present base rate revenue of \$610,512,984, using a test year consisting of the twelve months ending December 31, 2022, an overall return on rate base of 7.33 percent, and a return on equity of 10.25 percent. The total test year base rate revenue requirement is \$825,150,684, excluding costs collected through the Gas Cost Adjustment and costs collected through the Gas Demand-Side Management Cost Adjustment. This base rate revenue increase, however, includes \$107,537,577 for PSIA projects currently being recovered in the portion of the General Rate Schedule Adjustment – Pipeline System Integrity Adjustment (“GRSA-P”) that will transfer to base rates as part of this proceeding. This transfer of costs from the GRSA-P to base rates merely changes the mechanism through which costs are recovered.

The Company’s request also includes a 2022 capital true-up, as well as proposed capital step revenue increases for 2023 of \$40,439,216 and 2024 of \$41,017,722. These capital step increases are intended to provide a means of recovery for projected 2023 and 2024 capital additions and enable Public Service to avoid filing base rate cases during those years. With the 2023 and 2024 increases, the total increase in base rate revenue is \$296,094,638<sup>1</sup>. After accounting for the transfer of GRSA-P costs to base rates, the cumulative net base rate revenue increase requested is \$188,557,061, as summarized below:

TABLE 1: Net Base Rate Revenue Increase Requested Over Three Years	
Test Year Revenue Requirement	\$ 825,150,684
Less: Revenues Under Present Base Rates	\$ 610,512,984
Gross Base Rate Increase Requested	\$ 214,637,700
Less: Shift of GRSA-P to Base Rates	\$ 107,537,577
Net 2022 Base Rate Increase Requested	\$ 107,100,123
Plus: 2023 Capital Step Requested	\$40,439,216
Plus: 2024 Capital Step Requested	\$41,017,722
Cumulative Net Base Rate Increase Requested	\$188,557,061

<sup>1</sup> Cumulative Net Base Rate Increase \$188,557,061 + GRSA-P \$107,537,577 = \$296,094,638.

In addition to the requested changes in base rate revenue, the Company requests that the Commission approve updated common depreciation rates, requested trackers and deferrals, amortization of previously-deferred costs at the Company’s weighted average cost of capital, updated service lateral and on-site distribution main construction allowances, implementation of a revenue decoupling adjustment mechanism for Schedules RG and CSG, and continuation of the Gas Quality of Service Plan in its current form through 2024. The Company also proposes changes to specific terms and conditions, charges, and other language or provisions in the following tariffs:

- Gas Cost Adjustment;
- Quality of Service Plan;
- Tariff changes for Interruptible Industrial Gas Sales and Gas Transportation rate schedules, including increasing the Unauthorized Overrun Penalty and sunsetting Backup Sales Service;
- Gas Transportation Terms and Conditions Applicable to Transportation Services;
- General Terms and Conditions Applicable to Sales Services, specifically as related to Interruptible Industrial Gas Sales Service;
- Natural Gas Standards for Gas Quality Specifications;
- Schedule of Charges for Rendering Service;
- Gas Distribution Extension Policy; and
- Other Minor Tariff Changes.

Overall, the Company seeks to place into effect new gas base rates and other affected rates and charges, based on the Company’s increased base rate revenue requirement, proposed revenue distribution by customer class, and resulting rate design. Public Service presents projected incremental annual and cumulative bill impacts of the Company’s filing on typical monthly bills for the seven major rate schedules in **Table 2**. The data labeled “**Current 2022 Rates vs. Proposed 2022 Rates**” illustrates the difference between the current rates that are in effect as of January 24, 2022, including the current GRSA and GRSA-P adjustments, and the Company’s proposed base rates, with all riders held at constant levels as of January 24, 2022. The 2023 and 2024 comparisons show how the proposed capital step increases will impact average bills in those years, with the 2024 comparison also showing the cumulative bill impact over the three-year period.

TABLE 2: Average Monthly Bill Impacts of 2022 Gas Rate Case Compared to Current Rates <sup>*</sup>						
Current 2022 Rates vs Proposed 2022 Rates						
Rate Schedule	Average Monthly Bills		Incremental Change			
	Current 2022 Rates	Proposed 2022 Rates	\$	%		
Residential (RG)	\$62.42	\$66.58	\$4.16	6.7%		
Small Commercial (CSG)	\$251.19	\$270.28	\$19.09	7.6%		
Large Commercial (CLG)	\$4,650.37	\$4,929.34	\$278.98	6.0%		
Interruptible Sales (IG)	\$21,356.46	\$22,294.56	\$938.10	4.4%		
Small Firm Transportation (TFS)	\$973.71	\$1,059.11	\$85.40	8.8%		
Large Firm Transportation (TFL)	\$10,098.23	\$10,617.34	\$519.11	5.1%		
Interruptible Transportation (TI)	\$47,587.52	\$49,570.17	\$1,982.65	4.2%		
Proposed 2022 Rates vs Proposed 2023 Rates						
Rate Schedule	Average Monthly Bills		Incremental Change			
	Proposed 2022 Rates	Proposed 2023 Rates	\$	%		
Residential (RG)	\$66.58	\$68.41	\$1.83	2.7%		
Small Commercial (CSG)	\$270.28	\$277.58	\$7.30	2.7%		
Large Commercial (CLG)	\$4,929.34	\$5,044.73	\$115.39	2.3%		
Interruptible Sales (IG)	\$22,294.56	\$22,801.83	\$507.27	2.3%		
Small Firm Transportation (TFS)	\$1,059.11	\$1,088.30	\$29.19	2.8%		
Large Firm Transportation (TFL)	\$10,617.34	\$10,877.11	\$259.77	2.4%		
Interruptible Transportation (TI)	\$49,570.17	\$50,807.29	\$1,237.12	2.5%		
Proposed 2023 vs Proposed 2024 Rates and Cumulative Proposed 2022 to Proposed 2024 Change						
Rate Schedule	Average Monthly Bills 2023-2024		Incremental Change 2023-2024		Cumulative Change 2022 Current to 2024 Proposed	
	Proposed 2023 Rates	Proposed 2024 Rates	\$	%	\$	%
Residential (RG)	\$68.41	\$70.56	\$2.15	3.1%	\$8.13	13.0%
Small Commercial (CSG)	\$277.58	\$285.95	\$8.37	3.0%	\$34.76	13.8%
Large Commercial (CLG)	\$5,044.73	\$5,165.04	\$120.31	2.4%	\$514.67	11.1%
Interruptible Sales (IG)	\$22,801.83	\$23,117.20	\$315.37	1.4%	\$1,760.74	8.2%
Small Firm Transportation (TFS)	\$1,088.30	\$1,119.56	\$31.26	2.9%	\$145.85	15.0%
Large Firm Transportation (TFL)	\$10,877.11	\$11,132.15	\$255.04	2.3%	\$1,033.92	10.2%
Interruptible Transportation (TI)	\$50,807.29	\$51,581.44	\$774.15	1.5%	\$3,993.92	8.4%

<sup>\*</sup>Any differences between bills and changes are due to rounding.

Due to the pandemic, copies of the current and proposed tariffs summarized above and as filed with the Commission, are not available for examination and explanation at the main office of **Public Service, 1800 Larimer Street, Suite 1100, Denver, Colorado 80202-5533**, or at the **Commission office, 1560 Broadway, Suite 250, Denver, Colorado 80202-5143**. However, a copy of this Notice is available on the Company’s website at [https://www.xcelenergy.com/Company/Rates\\_and\\_Regulations/Filings](https://www.xcelenergy.com/Company/Rates_and_Regulations/Filings). 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 email to [inquire@xcelenergy.com](mailto: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 <https://puc.colorado.gov/puccomments>.

The Commission will consider all written comments and objections submitted prior to the evidentiary hearing on the proposed action. 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.

The Commission may hold a hearing to determine what rates, rules, and regulations will be authorized. If a hearing is held, the Commission may suspend the proposed rates, rules, or regulations. The rates, rules, and regulations ultimately authorized by the Commission may or may not be the same as those proposed, and may include rates that are higher or lower.

The Commission may hold a public hearing in addition to an evidentiary hearing on the proposed action and that if such a hearing is held, members of the public may attend and make statements even if they did not file comments, objections, or an intervention. If the proposed action is uncontested or unopposed, the Commission may determine the matter without a 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 Consumer 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.

By: Brooke Trammell  
Regional Vice President, Rates and Regulatory Affairs