

## IMPORTANT NOTICE ABOUT YOUR NATURAL GAS SERVICE AND PRICING

The energy sector is in a period of profound change – driven by technological advancements, environmental and regulatory mandates, climate commitments, energy security needs and resiliency efforts, alongside evolving and growing customer expectations. Xcel Energy is taking proactive steps to anticipate and keep pace with these changes, all while maintaining dependable service and keeping energy costs affordable.

Following significant investments to make Colorado’s natural gas system safer and more reliable and resilient for customers today, we have asked the Colorado Public Utilities Commission to review our rates. The request supports the existing natural gas system while we simultaneously work to increase electrification opportunities, transition to cleaner fuels and continue progress toward our net-zero 2050 vision.

We’re strengthening our systems to meet your needs. This natural gas rate review will fund largely historical investments in:

- Increased **safety** and **security** initiatives.
- Enhanced **reliability** and **resiliency**.
- Preparedness for **severe weather** events.
- A **cleaner** and **smarter energy** future.
- Improvements for a **better customer experience**, while keeping energy **affordable**.

We’re requesting a net revenue increase of approximately \$171 million but would defer any increases until 2025. If approved, there will be no customer bill impacts until February 2025 when the

bill impact for Winter Storm Uri is no longer in effect. Beginning Feb. 15, 2025, a typical residential bill would increase by approximately 7.4% compared to current rates. Beginning February 15, 2026, this bill impact would decrease to 2.5% compared to current rates.

### WE’RE HERE FOR YOU

Xcel Energy is committed to helping customers with their bills when they need it. We will always work with our customers to find ways to lower electricity use through energy efficiency options, conservation programs and rebates. We also provide payment plans and income-qualified assistance programs to get them through difficult times. Learn more by visiting [xcelenergy.com/EnergyAssistance](https://xcelenergy.com/EnergyAssistance) or calling **800-895-4999**.

### LEARN MORE

This proposal is subject to approval by the CPUC. 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, are available on the back of this page and at [xcelenergy.com/company/Rates\\_and\\_Regulations/Rates/Rate\\_Cases](https://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://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, in compliance with the Public Utilities Law, filed with the Colorado Public Utilities Commission (“Commission”) an Advice Letter for permission to revise the Company’s Colorado P.U.C. No. 6 – Gas Tariff (“Gas Tariff”) to reflect revised rates for all gas services, and to make additional tariff and service changes. Consistent with Commission rules and Colorado statutes, the effective date for the changed tariffs accompanying the Advice Letter is February 29, 2024. However, if the Commission sets the revised Gas Tariffs for hearing and thereby suspends the effective date of the revised Gas Tariffs, the Company has requested a rate effective date of November 1, 2024.

The Company is filing this 2024 Phase I Gas Rate Case because Public Service has continued to make fundamental infrastructure investments in the safety and reliability of the natural gas system to serve customers since the Company’s last natural gas rate case (Proceeding No. 22AL-0046G). As such, the primary purpose of this tariff filing is to revise base rate revenue for all natural gas sales and transportation services in the Company’s Gas Tariff, as proposed in the Direct Testimony and Attachments accompanying the Advice Letter and tariff filing. The Company also is proposing certain other changes to its Gas Tariff, as discussed below.

Specifically, Public Service is seeking a total increase in base rate revenues of \$170,655,825, when compared to the Company’s present base rate revenue of \$793,561,237, using a test year consisting of the twelve months ended December 31, 2023 (“2023 Test Year”). The 2023 Test Year is based upon actual historical operations and maintenance costs for the 12 months ended September 30, 2023, with certain known and measurable adjustments; 2023 Test Year revenues based on forecasted customer counts and Dekatherm throughput data by customer class through December 31, 2023; and capital additions expected to close to plant in-service by December 31, 2023. The total 2023 Test Year base rate revenue requirement of \$964,217,062, excluding costs collected through the Gas Cost Adjustment, Extraordinary Gas Cost Recovery Rider (“EGCRR”), and Gas Demand-Side Management Cost Adjustment, is based on a revenue requirement study using a return on equity of 10.25%, a cost of long-term debt of 4.05%, a short-term cost of debt of 5.81%, and a capital structure of 55% equity, 43.18% long-term debt, and 1.82% short-term debt, which results in an overall weighted average cost of capital of 7.50%. In addition to the requested change in base rate revenue, the Company has requested Commission approval of certain tariff revisions, including, but not limited to: a new revenue deferral surcharge (“RDS”) tariff, a new revenue stability mechanism (“RSM”) reflecting the Company’s revenue decoupling proposal, an updated General Rate Schedule Adjustment (“GRSA”) based on the Company’s proposed revenue requirement, an updated Gas Quality of Service Plan (“QSP”) tariff, an updated schedule of charges for rendering service, updates to standardized costs for gas line extensions, and changes to the Gas Storage Inventory Cost to allow for a return at the Company’s weighted average cost of capital. In addition to the foregoing, the Company has requested that the Commission approve its proposed trackers and deferrals, and amortization of previously deferred costs at the Company’s weighted average cost of capital (with the exception of rate case expenses, for which the Company does not propose a carrying cost).

As part of its changed tariffs filed with the Advice Letter, the Company has specifically proposed the following:

- **RDS:** The RDS is a proposed revenue deferral mechanism that would moderate the impact of the necessary rate increases in this proceeding. The Company’s proposal would not change the effective date of new rates but would defer collection of the incremental increases in base rate revenue from customers until February 15, 2025, when costs collected through the EGCRR (implemented as a result of Winter Storm Uri) will no longer be a component of customer bills. Beginning on February 15, 2025, the Company proposes to start collecting both new base rates in effect on November 1, 2024<sup>1</sup> and incremental revenue deferred from that date through February 14, 2025. Beginning February 15, 2025, the RDS would be billed over a period of 12 months, subject to true up. Under this proposal, customers will not pay for both extraordinary gas costs and increased base rates at the same time, thereby helping to stabilize customers’ monthly bills.
- **RSM:** The RSM is a decoupling mechanism based on a total revenues approach, which would become effective at the beginning of the month in which rates become effective, which is proposed by the Company to be November 1, 2024. The RSM applies to the Residential and Small Commercial rate schedules, Schedules RG and CSG, respectively.
- **GRSA:** Revise the GRSA in the Gas Tariff so that it is applied to base rates, exclusive of Service and Facility charges<sup>2</sup>, with such change effective on February 15, 2025, consistent with the Company’s RDS proposal.
- **QSP:** Extend the Company’s QSP for an additional two years, through 2026, retaining the metrics that just became effective on January 1, 2023.

The Company’s filing also addresses compliance matters resulting from Senate Bill (“SB”) 23-291 and the Commission’s subsequent temporary rules for rate case filing procedures adopted in Proceeding No. 23R-0408EG (“Temporary Rules”). SB 23-291 places many new requirements on public utilities, some of which are applicable to rate case filings. For example, SB 23-291 and the Commission’s Temporary Rule 4109(e) require the filing of a Rate Trend Report, which has been provided as Attachment 1 to the filed Advice Letter. Public Service has also requested that the Commission certify the Advice Letter and tariff filing as complete, pursuant to Rule 1303(c), 4 Code of Colorado Regulations 723-1, and Temporary Rule 4109(f), 4 Code of Colorado Regulations 723-4.

<sup>1</sup>As noted herein, the Company requests an effective date of November 1, 2024, after suspension.  
<sup>2</sup>The current structure of the GRSA applies to all base rates, including the Services and Facility charges.

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. The following tables present projected bill impacts of the Company’s filing on average monthly bills for the seven major rate schedules. The table labeled “Average Monthly Bill Impacts with GRSA Implementation February 29, 2024” illustrates the difference between the current average monthly bills under existing rates and the average monthly bill if the GRSA were to become effective on February 29, 2024. The table labeled “Average Monthly Bill Impacts Under the Company’s Deferral Proposal” illustrates the average monthly bill impacts as compared to the average monthly bill under current rates at three different points in time: the Company’s proposed rate effective date, the implementation of the RDS, and the end of the RDS. Both tables held all other riders constant to facilitate these comparisons.

Average Monthly Bill Impacts with GRSA Implementation February 29, 2024				
	Current Bill	Bill with GRSA & No Deferral Proposal	Average Monthly Change (\$)	Average Monthly Change (%)
Residential (RG)	\$62.43	\$68.38	\$5.94	9.52%
Small Commercial (CSG)	\$268.94	\$291.68	\$22.74	8.46%
Large Commercial (CLG)	\$4,910.19	\$5,389.34	\$479.15	9.76%
Interruptible Gas (IG)	\$21,647.71	\$22,857.60	\$1,209.89	5.59%
Small Firm Transportation (TFS)	\$803.24	\$906.04	\$102.80	12.80%
Large Firm Transportation (TFL)	\$8,034.25	\$8,995.66	\$961.41	11.97%
Interruptible Transportation (TI)	\$46,094.58	\$49,915.12	\$3,820.54	8.29%

Average Monthly Bill Impacts Under the Company’s Deferral Proposal						
	Current Bill	Average Monthly Change (%)	Bill With Deferral Proposal*	Average Monthly Change (%)	Bill With Deferral Proposal**	Average Monthly Change (%)
			November 1, 2024	February 15, 2025	February 15, 2026	
Residential (RG)	\$62.43	0%	\$67.07	7.44%	\$64.02	2.54%
Small Commercial (CSG)	\$268.94	0%	\$281.69	4.74%	\$270.57	0.61%
Large Commercial (CLG)	\$4,910.19	0%	\$5,089.80	3.66%	\$4,925.44	0.31%
Interruptible Gas (IG)	\$21,647.71	0%	\$20,678.71	-4.48%	\$20,222.46	-6.58%
Small Firm Transportation (TFS)	\$803.24	0%	\$948.40	18.07%	\$906.04	12.80%
Large Firm Transportation (TFL)	\$8,034.25	0%	\$9,310.29	15.88%	\$8,995.66	11.97%
Interruptible Transportation (TI)	\$46,094.58	0%	\$51,168.74	11.01%	\$49,915.12	8.29%

\*EGCRR concludes on February 14, 2025 through Decision No. C22-0413 issued in Proceeding No. 21A-0192EG.  
\*\*RDS concludes on February 14, 2026, with any true-up to be included for recovery as part of the Q2 GCA deferred gas cost.

Copies of the current and proposed Gas Tariff 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 1100, Denver, Colorado 80202-5533, and available by appointment at the Commission office, 1560 Broadway, Suite 250, Denver, Colorado 80202-5143. Also, a copy of this Notice is available on the Company’s website at [xcelenergy.com/company/rates\\_and\\_regulations/filings](http://xcelenergy.com/company/rates_and_regulations/filings). A copy of the Rate Trend Report is available on the Company’s website at [xcelenergy.com/company/rates\\_and\\_regulations/rates/rate\\_books](http://xcelenergy.com/company/rates_and_regulations/rates/rate_books). Customers who have questions may call the Commission at 303-894-2000, call Xcel Energy at 800-895-4999, fax to Xcel Energy at 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 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.

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 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 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.

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