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Xcel Energy proposes investment in natural gas operations *Company to continue significant capital investment in system modernization in Colorado*

DENVER (June 2, 2017) – Driven by \$1.8 billion of capital investments made in recent years and proposed for the next several years, Xcel Energy today filed its 2018-2020 natural gas regulatory rate review. This multi-year plan ensures that the company meets the needs and expectations of its customers for safe, reliable and affordable energy.

Xcel Energy has invested approximately \$300 million a year in capital improvements since its last base rate review in 2015. It proposes a similar level of annual capital investments with its proposed 2018-2020 multi-year plan. As part of its pipeline integrity program, the company has removed all known cast iron pipe and more than 350 miles of vintage plastics and steel. These historic and future capital expenditures are designed to further improve safety and reliability, build system resiliency and diversify energy supply.

“Xcel Energy’s request today is designed to support natural gas system investments, strengthen our safety programs and improve reliability across our service area,” said David Eves, president, Xcel Energy – Colorado. “It also makes sense for our customers and the company to make these infrastructure improvements at a time when natural gas prices are low.”

Under its proposal, Xcel Energy is expected to remain among the top 25 percent of natural gas utilities across the country in terms of managing costs, operating efficiently, and keeping customer rates low. Additionally, lower commodity costs for natural gas nationwide are helping to keep the company’s overall prices lower, when compared to a decade ago (see charts attached).

Xcel Energy is seeking an increase in rates of \$139 million spread over three years. Under the company’s proposal, typical residential customers in Colorado using 64 therms of natural gas a month would see a change in their monthly bill of approximately \$2.73 (or 6.08 percent) a month starting in early 2018; \$2.19 (or 4.58 percent) a month in 2019; and \$1.74 (or 3.49 percent) a month in 2020.

For typical small-business customers using 291 therms a month, bills would increase by approximately \$10.91 (or 5.67 percent) a month starting in early 2018; \$6.97 (or 3.43 percent) a month in 2019; and \$6.95 (or 3.31 percent) a month in 2020.

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Key components of the regulatory rate review to deliver benefits to Xcel Energy customers include:

- Renewal and replacement of vintage pipe types, with upgrades to more durable, better performing and modern pipe materials;
- Faster response times to customer calls about possible gas leaks;
- Proactive risk mitigation programs, so crews can actively monitor the system, quickly identify potential issues, and make repairs before they reach unsafe levels;
- Ongoing use of smart tools and advanced technologies to detect defects or abnormal pipeline condition;
- Damage prevention programs (including 811-Call Before You Dig) to further protect underground pipelines and the safety of people who dig near them; and
- Addition of pipeline capacity and infrastructure for continued reliable service in suburban, foothill, mountain and southern Colorado communities.

Xcel Energy noted several of the aforementioned statewide projects for adding pipeline capacity and infrastructure, including:

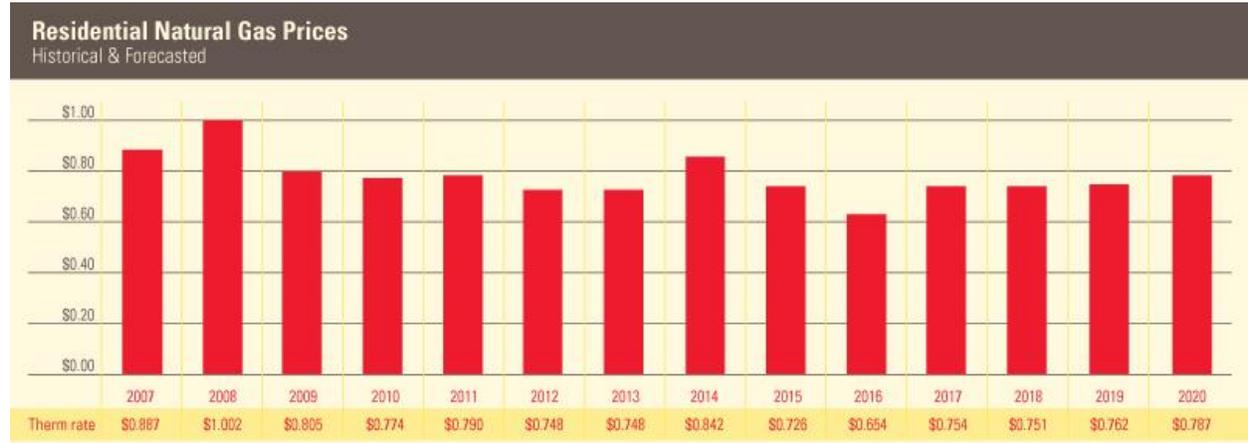
- *Tungsten-to-Blackhawk Project*: Add pipeline capacity for continued reliable service in foothill communities (Georgetown, Blackhawk, Evergreen and others) and to support ongoing growth in the south Denver/Metro area;
- *North Metro Reinforcement Project*: Adds an additional source of natural gas to the Denver/Metro area to improve reliability, support growing energy needs and increase natural gas supplies for customers;
- *Granby Reinforcement*: Improves system reliability and supports growing energy needs for customers in Granby, Grand Lake and other mountain areas;
- *Gunnison Compressor Station*: Installing a new compressor station near Gunnison to better serve customers in Crested Butte, Buena Vista and surrounding areas; and
- *Craig Compressor Station*: Installing a new compressor station to meet growing energy needs in Steamboat Springs.

“We understand that our customers do not want to see their energy bills increase. The multi-year plan, however, offers pricing stability and predictability, while making the necessary investments in our natural gas infrastructure to ensure safety and reliability,” Eves said. “The programs outlined in our plan are essential to our ability to maintain and invest in the 24,000 miles of natural gas pipelines across the state, for our nearly 1.4 million natural gas customers.”

Pending a decision by the CPUC to set the natural gas rate review for hearing, Xcel Energy expects the case to be heard in the fourth quarter of 2017. New rates would be expected to go into effect in February 2018.

Historic Look at Xcel Energy Natural Gas Rates in Colorado

As previously indicated, Xcel Energy natural gas therm prices for residential and small-business customers remain significantly lower than a decade ago. A comparison of the rates show:



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About Xcel Energy

Xcel Energy (NYSE: XEL) provides the energy that powers millions of homes and businesses across eight Western and Midwestern states. Headquartered in Minneapolis, the company is an industry leader in responsibly reducing carbon emissions and producing and delivering clean energy solutions from a variety of renewable sources at competitive prices. For more information, visit xcelenergy.com or follow us on [Twitter](#) and [Facebook](#).