

PUBLIC SERVICE COMPANY OF COLORADO

First Revised _____ Sheet No. 70

P.O. Box 840
 Denver, CO 80201-0840

Original _____ Cancels
 Sheet No. 70

NATURAL GAS RATES
 QUALITY OF SERVICE PLAN (QSP)

APPLICABILITY

All rate schedules may be subject to a Quality of Service Plan (QSP) Adjustment reflective of penalties associated with performance outcomes related to the Company's most recent QSP. Under the plan, Performance Baselines are established for two key operating areas: 1) Safety and 2) Reliability, which align with the Colorado Public Utilities Commission's mission.

Periodically, the Company will present, with Stakeholder input, well-defined performance metrics for each of these operating areas. Each Performance Metric should be quantitative and based on historical data.

DEFINITIONS

Damage

Any impact, exposure, or excavation activity that results in the need to repair a Company facility or replace a pipeline due to a weakening, or the partial or complete destruction, of the facility or pipeline, including, but not limited to, the pipe, appurtenances to the pipe, protective coating, support, cathodic protection or housing for the line device or facility.

Gas Emergency

A situation where natural gas may pose an immediate danger to life, property or the public well-being.

Gas Leak

An unintentional escape of natural gas from any Company-operated equipment and pipeline, except for a non-hazardous release of gas eliminated by lubrication, adjustment or tightening.

Grade 2 Leak

A gas leak that is recognized as being non-hazardous at the time of detection, but ultimately requires a scheduled permanent repair.

Locate

Determining the location of and marking a service line, pipeline, or other natural gas facility through the use of stakes, paint, flagging, whiskers, or some other manner that determines the location of that line or facility.

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DEFINITIONS - Cont'd

Penalty

An amount recorded and ultimately credited to customers as a result of an annual performance outcome in any metric that falls short of an established Performance Baseline. This penalty will be non-recoverable.

Performance Baseline

An acceptable performance outcome, based on historical, quantitative data for a specific Performance Metric.

Performance Metric

Activities in which incremental improvements should result in improved safety or reliability. Each Performance Metric should be quantitative and based on historical data.

Performance Year

A calendar year, January 1 through December 31. Period over which metric performance data is collected.

QSP Approval Period

Three consecutive Performance Years.

QSP Stakeholders

Commission Staff, Company personnel, and any approved intervenors in the proceeding authorizing the QSP.

Repair or Permanent Repair

A maintenance or construction activity recognized by the Company's Gas Standards Manual as a "permanent repair" that restores a facility to full operating ability without further work.

Repair Time

Duration between when a leak is identified and when the leak is corrected by a permanent repair.

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Sub. Fifth Revised Sheet No. 70B

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Fourth Revised Cancels Sheet No. 70B

NATURAL GAS RATES
QUALITY OF SERVICE PLAN (QSP)

DEFINITIONS - Cont'd

Reporting Date
May 31st of each Performance Year.

Response Time
Duration from the time an emergency call is received in the call center to the time Company personnel arrives on scene.

ANNUAL REVIEW PROCESS AND SCOPE

The QSP will be in effect through the QSP Approval Period set by the Commission. At the end of each Performance Year, QSP stakeholders will meet and review the Company's previous year performance outcomes to determine if penalties are appropriate. The amount of penalty recorded and credited to customers will be determined by the actual result for the Performance Year as compared to the Performance Baseline established in the QSP Performance Baseline section of this Tariff. Financial treatment of penalties is discussed in the Deferred Accounts and Disbursements Section below.

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First Revised Sheet No. 70C

Original Cancels Sheet No. 70C

NATURAL GAS RATES
QUALITY OF SERVICE PLAN (QSP)

PENALTY ADJUSTMENT

For each metric, if the Company's annual performance outcome falls short of the Performance Baseline, the Company will record a penalty amount as a regulatory liability. The maximum total penalty the Company may incur as a regulatory liability during a single Performance Year is \$750,000.

During the QSP's Annual Review Process, the potential penalty amount for succeeding Performance Years will stay the same.

DEFERRED ACCOUNTS AND DISBURSEMENT

Any penalty amounts will be placed in a regulatory liability account and will be credited to customers in the next filed phase I gas rate review. The Commission shall determine an appropriate amortization period for this regulatory liability, if applicable.

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NATURAL GAS RATES
QUALITY OF SERVICE PLAN (QSP)

EXCLUSION PROCESS

Performance Year metric data will be recorded with no exclusions absent the notification for exclusion as described in this section. The Company may claim exclusion of certain data associated with events that are outside the control of the Company when calculating certain Performance Metrics. Potentially excludable events may include periods of emergency, catastrophe, natural disaster, catastrophic storm, civil unrest, product/manufacturing defects (e.g., D.O.T. Alert Notice), vendor material recall, or other similar events. The Company reserves the option to claim exclusions for events required as reportable through Rules 4910-4914 of the Commission Rules of Practice and Procedure. The Company shall bear the burden of proving that the proposed excludable event was unforeseeable, extraordinary, and outside of the Company's control.

In its notification, the Company must separately document and report the timeframe and impact of each event for which it claims exclusion and the rationale for excluding it. Notifications for exclusion should be made throughout the Performance Year within 30 days of the triggering event. Notifications for exclusion will be directed to the Deputy Director of Fixed Utilities of the Colorado Public Utilities Commission, and filed in the proceeding authorizing the QSP, and if applicable, will reference the event which the Company initially reported through the mechanism provided in Rules 4910-4914 of the Commission Rules of Practice and Procedure. In the event of a dispute, misunderstanding, or controversy related to any exclusion claim, any party may file a motion asking the Commission or an assigned Administrative Law Judge to resolve the dispute.

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NATURAL GAS RATES
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QSP PERFORMANCE BASELINE

QSP APPROVAL PERIOD: January 1, 2019 through December 31, 2021

SAFETY:

a) Damage Prevention

Objective: Lower damages/1000 locates
 Penalty: \$250,000
 Performance Baseline: Damages exceed 2.02 damages/1000 locates

b) Emergency Response

Objective: Improve responsiveness in potential emergency situations
 Penalty: \$250,000
 Performance Baseline: Response falls below 76.1 percent within 60 minutes

RELIABILITY:

a) Grade 2 Leak Repair Time

Objective: Decrease the amount of methane released into environment
 Penalty: \$250,000
 Performance Baseline: Repair time exceeds 63.3 days

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