

**NOTICE OF PUBLIC SERVICE COMPANY OF COLORADO
1800 LARIMER STREET, DENVER, COLORADO 80202-5533
TO REVISE ITS SERVICE LATERAL EXTENSION AND
DISTRIBUTION MAIN EXTENSION POLICY**

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, Advice No. 938 – Gas to implement a new Distribution Extension Policy in its Colorado P.U.C. No. 6 – Gas tariff to become effective as early as January 5, 2019. However, the Company will request that the Commission approve a final effective date of the new tariff of May 1, 2019, to allow time following a final Commission Decision to implement all necessary internal processes and program changes. The new Distribution Extension Policy affects Residential and Commercial customers that take service or will take service under the following Rate Schedules: Schedules RG, CSG, CLG, IG, TFS, TFL, and TI.

The new Distribution Extension Policy is intended to provide administrative efficiencies, increased transparency, and improved customer satisfaction for customers requesting gas service at premises not connected to the Company's distribution system or that request an increase or change in their gas service that necessitates additional Company investment. The new Distribution Extension Policy includes new methodologies for determining customer cost responsibilities and appropriate investment in distribution system infrastructure by the Company.

Public Service subsequently will file to close its existing Service Lateral Extension and Distribution Main Extension Policy, Colorado P.U.C. Sheet Nos. R30-R54, to new Applicants commensurate with the proposed May 1, 2019 effective date of the new Distribution Extension Policy in the accompanying tariff sheets. Customers who have executed Extension or Construction Payment Agreements prior to the effective date of the new Distribution Extension Policy will be grandfathered in and subject to the terms and conditions of service under Colorado P.U.C. Sheet Nos. R30-R54.

In summary, the new Distribution Extension Policy includes the following:

- a) New title – Distribution Extension Policy to encompass all types of extension requests received from Applicants;
- b) New and revised definitions;
- c) Four separate extension agreement options specific to the type of extension and work being requested;
- d) Upfront Off-Site Distribution Main Extension Credit;
- e) Separation of Off-Site Distribution Main Extensions and On-Site Distribution Extensions;
- f) Standardized cost for single family and townhome lots as part of the On-Site Distribution Extensions;
- g) A 100 ft. allowance for Residential Service Lateral Agreements;
- h) New methodology for calculation of Construction Allowances;
- i) New Commercial Service Lateral Credit and Transportation Credit terminology;
- j) New Natural Gas Vehicle Fueling Station methodology for awarding Construction Allowance;
- k) Updated description of Indeterminate Service to remove real estate subdivisions and adding a provision to provide Construction Allowance for Non-LDC gas Compressor Stations;
- l) New provisions on the timing of when the Construction Allowance by Service Class and Construction Costs and Credits tariff sheets may be updated;

- m) New provisions for transparency with respect to timelines and status updates in the extension process;
- n) New terms and conditions governing when construction cost estimates are provided to the Applicant; and
- o) Removal of Construction Payment Agreements.

Applicants requesting new or additional gas service from the Company after the effective date of the new Distribution Extension Policy will be affected by the new and updated provisions. Such effects will vary with each extension or reinforcement of the Company's gas distribution system and will depend upon the service class, the amount of the Construction Costs, the Construction Payment and any applicable Construction Allowance or Off-Site Distribution Main Extension Credit, Commercial Service Lateral Credit, or Transportation Credit.

This filing does not require a determination of the utility's revenue requirement and there is no change in the base rates charged to customers. Additionally, no net change in revenue to Public Service will result from implementation of the tariffs proposed in this filing, and the annual effect on the Company's revenues is dependent on a wide variety of factors, including the number and types of extension requests, customer growth, and numerous other factors.

In accordance with Rule 1210(a) of the Commission's Rules of Practice and Procedure, copies of the proposed new Distribution Extension Policy tariffs 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 1400, Denver, Colorado 80202-5533, or at the Commission office, 1560 Broadway, Suite 250, Denver, Colorado 80202-5143. 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 e-mail to 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 entered at www.dora.state.co.us/pacific/PUC/puccomments on or before ten (10) days before the proposed effective date, or later should the Commission set this matter for hearing and suspend and delay the effective date of the request.

The Commission will consider all written comments and objections submitted prior to any 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.

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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 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 External 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: Michelle Moorman Applegate
Director, Regulatory Administration