

**NOTICE OF REVISION IN THE COLORADO P.U.C. NO. 8-ELECTRIC 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. 8 – Electric tariff to reflect revised rates for all electric services, and to make additional tariff and program changes. Consistent with Commission rules and Colorado statutes, the effective date for the changed tariffs accompanying the advice letter is August 2, 2021. However, if the Commission suspends the advice letter and sets it for hearing, the Company is requesting a rate effective date of April 1, 2022.

The Company is filing this 2021 Electric Rate Case because Public Service’s current base rates are premised on the cost of capital investments to provide electric service through August of 2019. Since that time, the Company has made additional investments and experienced changes to capital and operations and maintenance costs incurred to provide safe and reliable electric service to customers. This rate case filing, based on a future test year ending December 31, 2022 (“FTY”), reflects these incremental investments net of any increase in revenues due to load growth. Specifically, Public Service is seeking an overall increase in base rate revenue of \$469,668,017 for the FTY when compared to the Company’s present base rate revenue of \$1,828,744,462, using an overall rate of return of 7.17 percent, and a rate of return on equity of 10.00 percent. This proposed revenue change includes transferring into base rates the costs of projects previously recovered through the Transmission Cost Adjustment (“TCA”), as well as certain Cheyenne Ridge Wind Project costs currently collected through the Electric Commodity Adjustment (“ECA”). The amount of this transfer is projected to be \$38,776,131 for the TCA-related components, and \$87,936,983 for the ECA-related components. Since a transfer of cost between rate recovery mechanisms does not increase the net total revenue collected from customers, \$342,954,903 represents the net base rate revenue increase to customers. A significant portion of the \$469,668,017 base revenue request also consists of recovery of costs the Commission previously approved for deferral and potential recovery in a future base rate case. The overall base rate revenue request does not include an additional \$6,859,098 to be collected through the Renewable Energy Standard Adjustment and Colorado Energy Plan Adjustment, which will occur as the result of this increase in base rate revenues consistent with the Public Utilities Law.

In addition to the requested change in base rate revenue, including the components of this change, and transferring costs from the TCA and ECA into base rates, the Company requests Commission approval of updated depreciation rates, tariff revisions and a program addition, approval of requested trackers and deferrals, amortization of previously-deferred costs, and to reset the baseline for the Revenue Decoupling Adjustment to April 1, 2022, as discussed in more detail in the direct testimony supporting the Company’s advice letter.

The Company requests that the following tariff revisions be made:

- Add new Resiliency Service Tariff for Commercial & Industrial customers to support resiliency through Company ownership, installation, operation, and maintenance of on-site resiliency assets.

- Revise the General Rate Schedule Adjustment (“GRSA”) and GRSA-Energy (“GRSA-E”) and add the Cheyenne Ridge Wind Project to the list of projects recovered in the GRSA-E.
- Revise the TCA rates to shift the costs of transmission in-service assets presently recovered through the TCA to base rates.
- Revise the ECA rates to shift the retail cost for the Cheyenne Ridge revenue requirement collected through the ECA to base rates and modify the Cheyenne Ridge cost recovery language to reflect this change.
- Revise the Short-Term Sales Margins language in the ECA Tariff for Generation and Proprietary Book to reflect these will be in excess of levels established by the Commission decision rather than including the specific dollars and date in the tariff.
- Revise the ECA Tariff to include the proposed Electric Generation Performance Mechanism for three years or until Public Service’s next Phase I electric rate case, whichever happens first.
- Extend the Quality of Service Plan through Performance Year 2024.
- Update the Charges for Rendering Service and Maintenance Charges for Street Lighting Service.
- Add references to Schedule Metered Street Lighting in the Street Lighting Rules and Regulations to be consistent with Schedule Energy Only Street Lighting.
- Update the Table of Contents and Reserved for Future Filing Index to incorporate changes.

However, on September 30, 2021, Public Service proposes to file an amended advice letter (with supplemental direct testimony) and provide supplemental notice in order to incorporate revised base rates and rate schedules based on a new Class Cost of Service Study, class revenue distribution, and rate design and related issues. The amended advice letter filing will incorporate the requested increase to base rate revenue and be informed by decisions in the Company’s currently-pending electric service cost allocation and rate design proceeding (Proceeding No. 20AL-0432E), wherein, among other things, new base rates and rate design will be implemented as approved by the Commission. The Company is also evaluating revisions to the net metering tariff for inclusion in this case. This amended advice letter will not be filed if the Company’s request for an April 1, 2022 rate effective date (further discussed below) is not approved by the Commission by July 21, 2021. The amended advice letter and associated supplemental notice, adding components of a Phase II rate case to what is currently a Phase I (revenue requirement) proceeding, will also include the updated bill impacts of the Company’s proposals in the advice letter as amended.

The Company’s filing of an amended advice letter on September 30, 2021 could otherwise delay the Company’s recovery of additional revenues from the requested April 1, 2022 rate effective date (if the Commission suspends the initial advice letter and sets it for hearing) until no later than July 8, 2022. Thus, Public Service has asked the Commission to approve, by July 21, 2021, a rate effective date of April 1, 2022 with the amended advice letter be filed as proposed, in order to allow the Company to recover necessary additional revenues under the statutory timelines consistent with the July 2, 2021 filing of this advice letter. As part of this proposal, Public Service has requested to delay actual implementation of new rates on customer bills to July 8, 2022, deferring collection of incremental revenues accrued from April 1, 2022 through July 7, 2022 for recovery through a separate surcharge (Rate Deferral Surcharge) to be applied in non-summer

months from October 2022 through March 2024, beginning on October 1, 2022 or as soon thereafter as may be possible based on the Commission's decisions to be issued in this proceeding. The Company's proposed rate effective date and proposal to implement a Rate Deferral Surcharge construct, with the specific surcharge recovery period to be decided in the course of this proceeding, together constitute the Combined Rate Case Proposal.

To support the Company's Combined Rate Case Proposal, an illustrative Rate Deferral Surcharge tariff is attached to the Omnibus Motion of Public Service Company of Colorado for Approval of Rate Effective Date and Rate Deferral Surcharge, Alternative Forms of Notice including Supplemental Notice Proposal, and Waiver of Response Time, with Decision Requested by July 21, 2021 ("Motion"). Public Service proposes to make a compliance filing effective April 1, 2022, to implement the Rate Deferral Surcharge on the rate effective date if the Combined Rate Case Proposal is approved.

If the Commission does not approve the Company's Combined Rate Case Proposal, Public Service intends to continue this proceeding based on the current advice letter, Advice No. 1857. In that event, based on the requests in this proceeding, the Company would implement a GRSA to recover its requested \$469,668,017 of additional revenues based on forecasted 2022 sales. The request represents a 25.68 percent increase from what is currently collected from customers under base rates. The Company is proposing to collect \$387,401,744 of additional revenues through an incremental 24.07 percent GRSA, and an incremental \$82,266,273 through a base rate kWh GRSA-E. These proposed changes are incremental to the GRSA of 6.51 percent and the GRSA-E charges that are currently in effect. For the GRSA, the combination of these two charges would replace the current GRSA charge of 6.51 percent with the equivalent of a 30.58 percent total base rate adjustment.

The proposed GRSA-E is a kWh charge to collect energy-specific costs related to the Rush Creek and Cheyenne Ridge Wind projects and differs based on the customer's level of service delivery. For example, the incremental GRSA-E to incorporate the Cheyenne Ridge Wind project is \$0.00292 per kWh of energy consumed for customers receiving service under secondary voltage general rate schedules. For this rate class, the new GRSA-E would replace the current GRSA-E charge of \$0.00420 per kWh with a charge of \$0.00712 per kWh. Additionally, for Residential and Small Commercial customers, the GRSA percentage is converted to an equivalent \$ per kWh and added to the applicable GRSA-E charge. The GRSA-E charge applicable to Residential customers would be \$0.02864 per kWh. Further, if the Commission does not approve the Company's Combined Rate Case Proposal, the Company would implement all other tariff revisions listed in the advice letter.

The projected impacts of the Company's filing on typical monthly bills for the five major rate schedules are provided below, based on this advice letter prior to any amendment. The impacts are based on an assumed implementation date of the initial requested rate increase of August 2, 2021. This implementation date is 30 days from the filing date and assumes the Commission does not suspend the advice letter and set it for hearing. The table below compares proposed base rates in the advice letter, inclusive of the GRSA and GRSA-E as well as offsetting changes to the ECA and TCA and holding all other rates constant, to rates currently in effect as of July 2, 2021.

2021 Electric Rate Case - Phase I vs Currently Effective Rates				
Average Monthly Bill Impact				
	Current	Proposed	Monthly \$ Change	Monthly % Change
Residential - R	\$73.76	\$83.22	\$9.46	12.83%
Commercial - C	\$112.16	\$126.62	\$14.46	12.89%
Secondary General - SG	\$2,284	\$2,545	\$261	11.42%
Primary General - PG	\$37,725	\$41,381	\$3,656	9.69%
Transmission General - TG	\$534,670	\$582,217	\$47,547	8.89%

In accordance with Rule 1210(a) of the Commission’s Rules of Practice and Procedure, copies of the current and proposed 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 1100, Denver, Colorado 80202-5533, or at the Commission’s 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, send a fax to Xcel Energy at 1-800-895-2895, or e-mail inquire@xcelenergy.com. A copy of this Notice is also available on the Company’s website at https://www.xcelenergy.com/company/rates_and_regulations/filings.

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 10 days before the proposed effective date of August 2, 2021, or later should the Commission set this matter for hearing and suspend and delay the effective date of the request, which is likely.

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 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 A. Trammell
Regional Vice President, Rates and Regulatory Affairs