



2018–2020 Colorado Natural Gas Rate Case

Delivering on our commitment to pipeline safety, service reliability and affordable energy

At Xcel Energy, it's our job to provide customers with safe, reliable, increasingly clean energy at an affordable price. Our natural gas pipeline network stretches across the four corners of the state and we serve nearly 1.4 million natural gas customers in Colorado.

To deliver on our promise to provide safe and reliable energy—as well as the high-quality service that our customers expect—we must consistently maintain and invest in more than 24,000 miles of natural gas pipelines.

In June 2017 we submitted a multi-year Colorado Natural Gas Rate Case for state regulator review. Regulatory rate reviews are proceedings that determine how much it costs Xcel Energy to serve customers and how the utility is allowed to recover these costs. The plan will allow us to do even more to strengthen our ongoing public safety efforts, enhance the service we provide to you and meet the state's growing energy needs at an affordable price.

Keeping costs affordable

We know customers are concerned with the affordability of their energy costs. Xcel Energy is committed to providing customers with energy that's a good value.

Our natural gas regulatory rate review proposal is driven by extensive capital investments we are making in the system to meet our customers' energy needs and expectations for safe, reliable and affordable natural gas. Low commodity prices for natural gas also make this an opportune time for these investments, and are expected to help keep costs stable for customers during the duration of the plan.

As we continue to make improvements and modernize our infrastructure, we have kept rates competitive. Our analysis shows these investments in our plan can be achieved with gradual pricing increases spread over a three-year period that will ensure prices stay competitive.

Under this plan, Xcel Energy is expected to remain among the top 25 percent of natural gas utilities across the country in terms of managing costs and operating efficiently. Over the past decade, our natural gas prices have continually declined due to lower commodity prices for energy. In fact, residential and commercial gas prices in 2016 were the lowest of the last 10 years.

We have requested gradual price increases over the next three years to support public safety initiatives and investments of approximately \$900 million over the multi-year plan in addition to an average of \$300 million we have invested each year since base rates were last reviewed in October 2015.

Future benefits

Our goal is to ensure safety and energy reliability, while investing in critical upgrades to our natural gas system, and keeping prices competitive. The primary drivers of this plan are a series of investments delivering customer value with increased safety, more reliable service, and faster response time when your gas service is interrupted. The plan supports infrastructure investments since our last rate case, public safety initiatives, and high-priority improvement projects in communities across the state.

Delivering on safety

Safety is the core value for Xcel Energy. Our safety programs are recognized as some of the best in the industry; however, we are always striving to do more and improve upon our proven track record. Since the beginning of our pipeline renewal programs, we have removed all known cast iron pipe and over 350 miles of other vintage plastics and steel. These investments ensure energy reliability, system integrity and pipeline safety in Colorado.

Safety is the centerpiece of this proposal. In addition to funding current operations, our plan supports the following safety investments to keep customers and the public safe, including:

- 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 problems, and make repairs before they reach unsafe levels.
- Ongoing use of best-in-class smart tools and advanced technologies to detect defects or abnormal pipeline conditions.
- Damage prevention programs to further protect pipelines and the safety of people who dig near them.

The programs included in this plan also ensure we address requirements of the Pipeline Safety Improvement Act and regulations established by the U.S. Department of Transportation Pipeline and Hazardous Material Safety Administration.



Service & reliability you depend on

Our fundamental purpose is to deliver the energy our customers need—and we do so safely and reliably and at an affordable price. Our multi-year plan also supports projects designed to improve reliability, build more resiliency into the system and diversify our energy supply. These include:

- Adding pipeline capacity for continued reliable service in suburban and foothill communities.
- Delivering an additional source of natural gas and increasing fuel supplies to the Denver Metro area to meet growing energy needs.
- Building high pressure pipeline and installing new infrastructure to improve service and support increasing energy needs for customers in mountain communities.

Proposed pricing

If approved by our state regulators as filed, a typical residential customer using 64 therms of natural gas per month, would see a change 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 a typical small business 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.

Timeline

The proposal is subject to approval by the Colorado Public Utilities Commission. In past regulatory rate review decisions, effective dates have been subject to change. While we requested new pricing to become effective 30 days after our filing, we anticipate the commission will need more time to evaluate our filing and new rates resulting from the regulatory review will be implemented in February 2018.

Learn more at xcelenergy.com/GasRateCaseCO.

