

2022 COLORADO NATURAL GAS RATE PROPOSAL

INFORMATION SHEET
COLORADO

ENSURING NATURAL GAS RELIABILITY, RESILIENCY AND SAFETY



At Xcel Energy, we work every day to provide the energy that our customers depend on. We're proud to be one of the country's largest natural gas utilities, serving 1.4 million customers in Colorado with an affordable and resilient fuel source, while working to reduce the greenhouse gas footprint of our natural gas service.

Our natural gas rate proposal to the Colorado Public Utilities Commission supports essential investments that will improve system reliability, strengthen safety and inspection programs, and allow us to take actionable steps to operate the cleanest natural gas system possible. In Colorado, our average residential natural gas bills are among the lowest in the nation and we currently have the third lowest rates among the largest natural gas providers. Bills would stay among the lowest if this proposal is approved.

Most Xcel Energy customers rely on natural gas to heat their homes and businesses. Delivering safe, reliable, affordable and sustainable energy remains essential to our mission. This proposal supports investments we've made in the natural gas delivery system to better serve you, including:

- Large-scale regional system reliability improvements that include our Tungsten-to-Blackhawk Project, Granby to YMCA Project and Winter Park Tie Project.
- Additional improvement programs put in service to reinforce the natural gas system in Idaho Springs, Central City, Georgetown, Empire, Fort Lupton, Rifle, Brookfield, Morrison, Lyons and many other communities across the state.
- Installation of pipeline to build additional capacity for new customers and businesses and to meet energy needs in growing communities.
- Multi-year plans to replace approximately 35,000 natural gas meters annually for our customers—upgrading equipment with newer technology for better monitoring and response—and installing line heaters in our mountain communities to prevent equipment from freezing during the coldest months of the year.

Safety is always Xcel Energy's top priority. Part of our request reflects increasing expenses to keep neighborhoods safe through ongoing pipeline integrity programs, gas emergency response and our damage prevention programs. This proposal allows us to:

- Continue with our pipeline renewal programs, upgrading to more durable, better performing materials.
- Use new technology to inspect gas transmission pipelines from inside the pipes, to identify potential problems and repair them before they reach unsafe levels.
- Install system monitors on pipelines, compressors, valves and other key natural gas system infrastructure, and add protection for our above-ground facilities to mitigate the risk of vehicle damage to equipment.
- Add pipeline markers that take advantage of LIDAR mapping technology, giving us better visibility to our assets even when equipment is covered by snow in winter months.



Natural gas is a key part of a low-carbon future. Our rate proposal puts us on a path to power your life with energy that has net-zero emissions. We recently announced our aim to achieve net-zero greenhouse gas emissions from our natural gas business by 2050. While we've already made great strides toward our interim goals, we are committed to doing even more. Our rate proposal supports efforts that will help us attain our vision to operate the cleanest natural gas delivery system possible with:

- Infrastructure, equipment and pipe material changes to reduce methane and carbon dioxide emissions on our natural gas delivery system.
- More frequent gas and methane leak surveys, which allows us to effectively monitor our system and accelerate leak repairs to further reduce emissions.
- Initiatives that lay the groundwork to support additional clean heat and lower emission natural gas projects.
- New pricing plans designed to help drive carbon reductions at customers' homes or businesses.

We're working to keep bills low for customers. According to the American Gas Association, Xcel Energy is one of the country's largest natural gas utilities and its average residential natural gas bills in Colorado are among the lowest in the nation, with the third lowest rates among the largest natural gas providers. Residential natural gas bills will remain among the lowest if this proposal is approved.

The proposal includes gradual step increases over three years, starting in November 2022 with a proposed 6.7% increase in an average residential customer's monthly natural gas bill. Natural gas bills would rise 2.7% in 2023 and 3.1% in 2024. Under this proposal, the company would not seek additional rate increases that would take effect before November 2025.

This proposal is subject to approval by state regulators, and new rates would not go into effect until Fall 2022. The proposed changes do not affect the electric portion of the bill, for our customers with both electric and natural gas service.



Learn more. Our website, [xcelenergy.com](https://www.xcelenergy.com), provides more details and information on this proposal, plus tips for managing your energy bills. Customers who anticipate or are having a difficult time paying their bill should call us at **800-895-4999**. We can arrange a payment plan that works for you, answer questions and provide information about energy efficiency and conservation tips, rebates, payment options and programs for those who qualify for energy assistance.

