



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

March 29, 2018

Advice No. 1763 - Electric

Public Utilities Commission  
of the State Of Colorado  
1560 Broadway, Suite 250  
Denver, Colorado 80202

The accompanying tariff sheets issued by Public Service Company of Colorado ("Public Service" or the "Company") are sent to you for filing in accordance with the requirements of the Public Utilities Law:

COLORADO P.U.C. NO. 8 - Electric

and the following sheets are attached:

<u>Colorado P.U.C. Sheet No.</u>	<u>Title of Sheet</u>	<u>Cancels</u> <u>Colorado P.U.C. Sheet No.</u>
Third Revised 142	Transmission Cost Adjustment	Sub. Second Revised 142
Second Revised 142A	Transmission Cost Adjustment	Sub. First Revised 142A

The principal proposed change is: to decrease the Company's Transmission Cost Adjustment ("TCA") rider, applicable to all electric base rate schedules in the Company's Colorado P.U.C. No. 8 - Electric tariff, as reflected in the attached tariff sheets, to become effective May 1, 2018. This revision accounts for the changes due to the passing of the Federal Tax Cut and Jobs Act ("TCJA") in December 2017.

On December 22, 2017, the TCJA was signed, which enacts a material reduction in the United States federal corporate income tax rate from 35 percent to 21 percent. For regulated electric and natural gas utilities, the TCJA also requires the reevaluation of federal deferred tax assets and liabilities and bonus depreciation due to the lower tax rate. With this Advice No. 1763 - Electric the Company is decreasing the TCA to reflect the estimated impacts of the TCJA on this rider.

The calculation of the impact is based on the 2018 TCA estimated revenue requirement, as revised to reflect the Company's estimate of the TCJA net impact for the entire 2018 calendar year. This net impact

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is a reduction to the revenue requirement of \$2,676,853. The calculation has been attached to this Advice Letter as Exhibit 1.

Through the normal Commission approved TCA rider true-up process (per Decision No. C07-1085, in Proceeding No. 07A-339E and Commission Decision No. C15-0292, Proceeding No. 14AL-0660E), the Company will present the actual total 2018 TCA revenue requirement. This revenue requirement will include the actual 2018 impacts of the TCJA approved by the Commission. The difference between the actual 2018 revenue requirement and the revenue collected through the TCA in 2018 will be identified in the Company's November 2019 TCA rate adjustment filing and reflected in the TCA rates effective in 2020.

The Company has worked with stakeholders to ensure the benefits of TCJA are flowed back to customers. This proposed decrease provides an immediate rate reduction based on a preliminary estimate of the impacts of TCJA on the TCA rider to customers, subject a subsequent true-up filing.

The revised TCA reflects a decrease of \$0.00018, from \$0.00170 to \$0.00152, per kWh for residential customers, and a \$0.00016 decrease, from \$0.00153 to \$0.001370, per kWh for small commercial customers.

This filing would decrease the Company's annual electric revenues by \$2,676,853 based on the twelve month period ending December 31, 2018.

Pursuant to the Motion for Alternative Form of Notice filed with the Commission contemporaneously herewith, the Company plans to provide notice of this filing by causing it to be published in *The Denver Post* For two consecutive weeks starting on Saturday, March 31, 2018. A copy of the proposed notice is attached to this Advice Letter as Exhibit 2.

The projected impacts of the Company's filing on typical monthly bills for 2018 are shown below.

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<b>Customer Class</b>	<b>Current</b>	<b>Proposed</b>	<b>Monthly \$ Change</b>	<b>Monthly % Change</b>
Residential (R)	\$65.62	\$65.49	(\$0.13)	-0.20%
Small Commercial (C)	\$92.66	\$92.49	(\$0.17)	-0.18%
Commercial and Industrial Secondary (SG)	\$2,171.80	\$2,168.39	(\$3.41)	-0.16%
Commercial and Industrial Primary (PG)	\$33,284.00	\$33,244.51	(\$39.49)	-0.12%
Commercial and Industrial Transmission (TG)	\$736,130.80	\$735,347.81	(\$782.99)	-0.11%

Contemporaneously filed with this advice letter is Advice No. 1764 - Electric, in which the Company is requesting approval to decrease the Clean Air Clean Jobs Act ("CACJA") rider to reflect the estimated impacts of the TCJA. The table below provides the cumulative customer bill impacts attributable to and the decreases to both the TCA and CACJA riders.

<b>Customer Class</b>	<b>Current</b>	<b>Proposed</b>	<b>Monthly \$ Change</b>	<b>Monthly % Change</b>
Residential (R)	\$65.62	\$65.11	(\$0.51)	-0.78%
Small Commercial (C)	\$92.66	\$91.96	(\$0.70)	-0.76%
Commercial and Industrial Secondary (SG)	\$2,171.80	\$2,156.76	(\$15.04)	-0.69%
Commercial and Industrial Primary (PG)	\$33,284.00	\$33,106.28	(\$177.72)	-0.53%
Commercial and Industrial Transmission (TG)	\$736,130.80	\$732,476.86	(\$3,653.94)	-0.50%

It is desired that the changed tariffs accompanying this Advice No. 1763 - Electric become effective on May 1, 2018.

Please send copies of all notices, pleadings, correspondence, and other documents regarding this filing to:

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Director

SBB:csk  
Enclosures