

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

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CUSTOMER PROGRAM ~~DEMAND SIDE MANAGEMENT~~ COST ADJUSTMENT

<u>Rate Schedule</u>	<u>Applicable Charge</u>	
<u>Residential Service</u>		
R	Energy Charge	\$0.00199/kWh
RD	Demand Charge	0.22/kW-Mo
RD-TDR	Gen & Trans Demand Charge	0.44/kW-Mo
RE-TOU	Energy Charge	0.00199/kWh
<u>Small Commercial Service</u>		
C	Energy Charge	0.00181/kWh
NMTR	Energy Charge	0.00181/kWh
<u>Commercial & Industrial General Service</u>		
SGL	Energy Charge	0.00773/kWh
S-EV	Energy Charge	0.00551/kWh
SG, STOU, SPVTOU	Gen & Trans Demand Charge	0.62/kW-Mo
SG-CPP	Gen & Trans Demand Charge	0.62/kW-Mo
PG, PTOU	Gen & Trans Demand Charge	0.60/kW-Mo
PG-CPP	Gen & Trans Demand Charge	0.60/kW-Mo
TG	Gen & Trans Demand Charge	0.54/kW-Mo
TG-CPP	Gen & Trans Demand Charge	0.54/kW-Mo
<u>Special Contract Service</u>		
SCS-7	Production Demand Charge	0.60/kW-Mo
SCS-8	Production Demand Charge	0.54/kW-Mo

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<u>Rate Schedule</u>	<u>Applicable Charge</u>	
<u>Recycled Energy</u>		
Secondary	Gen & Trans Standby Capacity Reservation Fee	\$0.07/kW-Mo
	Usage Demand Charge	0.55/kW-Mo
Primary	Gen & Trans Standby Capacity Reservation Fee	0.07/kW-Mo
	Usage Demand Charge	0.53/kW-Mo
Transmission	Gen & Trans Standby Capacity Reservation Fee	0.06/kW-Mo
	Usage Demand Charge	0.48/kW-Mo
<u>Standby Service</u>		
SST	Gen & Trans Standby Capacity Reservation Fee	0.07/kW-Mo
	Usage Demand Charge	0.55/kW-Mo
PST	Gen & Trans Standby Capacity Reservation Fee	0.07/kW-Mo
	Usage Demand Charge	0.53/kW-Mo
TST	Gen & Trans Standby Capacity Reservation Fee	0.06/kW-Mo
	Usage Demand Charge	0.48/kW-Mo
<u>Lighting Service</u>		
RAL, CAL, PLL, MSL, ESL, SL, SSL, COL, SLU	Energy Charge	0.00097/kWh
MI, TSL	Energy Charge	0.00097/kWh

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ELECTRIC RATES

CUSTOMER PROGRAM ~~DEMAND-SIDE MANAGEMENT~~ COST ADJUSTMENT

APPLICABILITY

All rate schedules for electric service are subject to a Customer Program ~~Demand Side Management~~ Cost Adjustment (CP ~~DSMCA~~) designed to recover the costs of Commission-approved energy efficiency, load management, ~~SmartGridCity Pricing Pilot Programs and~~ Interruptible Service Option Credit (ISOC), and Transportation Electrification Plan (TEP) programs.

DEFINITIONS

Balance in the DT (DTB)

The DTB is the difference between non-TEP ~~DSMCA~~ revenues collected and the actual costs incurred. The DTB shall include a credit on any over-recovered balance equal to the interest accrued Monthly at the Customer deposit rate.

Current Period Demand-Side Management Costs (CDSC)

The CDSC are equal to the projected calendar Year expenditures for the Company's DSM Portfolio after January 1, 2009. These costs, less whatever portion of such costs that are being recovered in base rates, shall be expensed and recovered over twelve (12) Months beginning January 1 of the Year in which the costs are expected to be incurred.

DSM Portfolio

The DSM Portfolio shall consist of the energy-efficiency and peak Demand reduction programs, including Saver's Switch but excluding the ISOC Program, approved by the Commission as a result of the Company's biennial filing made every two (2) Years on July 1 or on such other date as the Commission may approve.

DSM Tracker (DT)

The DT is the spreadsheet tracker where all non-TEP ~~DSMCA~~-related expenditures and cost recovery will be recorded. The DSM Tracker will be updated Monthly and filed annually with the Commission.

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ELECTRIC RATES

CUSTOMER PROGRAM~~DEMAND SIDE MANAGEMENT~~ COST ADJUSTMENT

DEFINITIONS – Cont'd

DSM Disincentive Offset (DO)

Beginning with the 2015 DSM Plan, on July 1 of the Year following the previous plan Year, the Company shall be entitled to recovery over twelve (12) Months the pre-tax Disincentive Offset of \$5 million if DSM program performance meets or exceeds one hundred percent (100%) of the Commission-approved electric energy savings goal.

Beginning with the 2019 DSM Plan, on July 1 of the Year following the previous plan Year, the Company shall be entitled to recovery over twelve (12) Months the pre-tax disincentive offset of \$1.5 million if DSM programs achieve 400 GWh of energy savings and an additional \$1.5 million if the Company achieves at least 500 GWh of energy savings that year. Beginning with the 2019 DSM Plan, the DSM Disincentive Offset will be recovered only from the Commercial and Industrial Primary, Commercial and Industrial Secondary, Commercial and Industrial Transmission, and Lighting classes and will not be applied to Residential and Small Commercial (rate class C).

DSM Residential and Small Commercial Disincentive Offset (RSCDO)

For the 2019 plan Year only, on July 1 2020, the Company shall recover over twelve (12) Months a separate DSM Residential and Small Commercial Disincentive Offset of \$3.25 million associated with revenues that would have been collected though a Revenue Decoupling Adjustment. If a Revenue Decoupling Adjustment becomes effective in 2019, the DSM Residential and Small Commercial Disincentive Offset will be prorated to account for the implementation of the Revenue Decoupling Adjustment.

DSM Performance Incentive (PI)

Beginning with the 2015 DSM Plan, the Company shall be entitled to recover through the ~~CPCADSMCA~~ on July 1 of the Year following the previous ~~DSM P~~ plan Year a DSM performance incentive equal to five percent (5%) of net economic benefits for achievements at and above one-hundred percent (100%) of the Commission-approved energy savings goal for that Year. No DSM performance incentive shall accrue for savings below one-hundred percent (100%) of goal.

Beginning with the 2019 DSM Plan, the Company shall be entitled to recover through the ~~CPCADSMCA~~ on July 1 of the Year following the previous ~~DSM P~~ plan Year a DSM performance incentive equal to 40 percent of incremental net economic benefits, above 280 GWh, beginning at 80 percent of the 500 GWh goal and up to 550 GWh of savings.

Beginning with the 2012 DSM Plan, there will be a \$30 million cap on the combination of the DSM disincentive offset and DSM performance incentive.

Beginning with the 2019 DSM Plan, there will be an \$18 million cap on the combination of the DSM disincentive offset and DSM performance incentive.

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CUSTOMER PROGRAM~~DEMAND-SIDE MANAGEMENT~~ COST ADJUSTMENT

DEFINITIONS – Cont'd

Interruptible Service Option Credit Program Costs (ISOCC)

The ISOCC consist of the projected credits to be paid to Customers under the ISOC program for each calendar Year beginning January 2009. Starting with the 2012 DSM Plan, ISOC marketing and operations and management costs are also included in ISOCC and recovered through a combination of base rates and the CPCADSMCA rider.

Net Economic Benefits (NEB)

The NEB associated with the DSM Portfolio measures implemented in any Year shall be equal to the sum of the net present values of the Company's avoided generation, transmission and distribution capacity costs, avoided energy costs, avoided emissions costs and non-energy benefits approved by the Commission, minus the costs incurred by the Company and the program participants to implement the same vintage of DSM Portfolio measures.

Prior Period Demand-Side Management Costs (PDSC)

The PDSC consist of costs associated with the Company's DSM activities undertaken prior to January 1, 2009, including those costs that historically have been capitalized and amortized over an eight (8) Year period as well as those costs that are expensed and recovered over 12 Months. The PDSC shall continue to be recovered through the CPCADSMCA until such time as 100 percent of the amortized costs and expenditures of DSM programs implemented prior to 2009 have been recovered.

Prior Period Interruptible Service Option Credit Program Costs (PISOCC)

PISOCC consist of costs associated with the Company's ISOC program undertaken prior to January 1, 2009, and any over or under collection of ISOC costs paid out before or after January 1, 2009. These costs are recovered in equal increments over the 12-Months commencing July 1 of the year following the Year in which the credits were paid until such times as one-hundred percent (100%) of the expenditures of programs have been recovered.

Demand Response Program Costs (DRPC)

The DRPC consist of the projected program costs paid for third party Demand response for each calendar Year beginning 2009.

Prior Period Demand Response Costs (PDRC)

PDRC consist of any over or under collection of costs associated with the third party Demand response program. These costs are recovered in equal increments over the 12-Months commencing July 1 of Year following the Year in which the credits were paid until such times as one-hundred percent (100%) of the expenditures of programs have been recovered. ~~In addition PDRC shall include SmartGridCity program costs for the previous calendar Year.~~

Demand Response in Base Rates (DRBR)

The DRBR is the revenues collected through Base Rates to recover the costs of energy efficiency, load management, and ISOC programs.

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~~DEMAND SIDE MANAGEMENT COST ADJUSTMENT~~
CUSTOMER PROGRAM COST ADJUSTMENT

DEFINITIONS – Cont'd

TEP Portfolio

The TEP Portfolio shall consist of the transportation electrification plans approved by the Commission as a result of the Company's transportation electrification plan filing made every three (3) Years on or before May 15.

TEP Adjustment

The TEP Adjustment is equal to the TEP Revenue Requirement ("TEPRR"), plus, beginning with the second year of the CPCA as applicable, the True-up Amount, plus TEP performance incentive awards as approved by the Commission, minus the Over/Under Recovery Amount.

TEPRR

The TEPRR is defined as (1) a return, equal to the Company's weighted average cost of capital, on the investment in electric vehicle capital and rebates; (2) the plant-related ownership costs associated with such investment, including depreciation, accumulated deferred income taxes, current income taxes, and the amortization expense of the rebates; (3) operations and maintenance expenses; and (4) energy costs to operate Company-owned public charging stations incurred in connection with the Commission-approved TEP for the Year in which the CPCA will be in effect, decreased by (1) the revenues from monthly service charges for EV Charging Service under Schedule EVC; and (2) revenues from Company-owned public charging stations received under Schedule EVC in connection with the Commissions-approved TEP for the Year in which the CPCA will be in effect.

Over/Under Recovery Amount

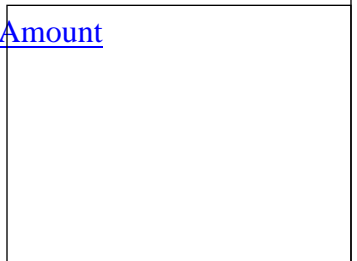
The Over/Under Recovery Amount is the balance, positive or negative, of TEP revenue received less the TEP Revenue Requirement intended to be recovered each Year through the CPCA.

True-up Amount

The True-up Amount is equal to the difference, positive or negative, between the actual TEP Revenue Requirement and the forecasted TEP Revenue Requirement in a TEP Year.

Carrying Charge for the Over/Under Recovery Amount and True-Up Amount

The TEP Adjustment will also include a carrying charge applied for 12 months to the Over/Under Recovery Amount and True-Up Amount derived using the approach explained above. This carrying charge will be the after-tax WACC during the 12-month period immediately following the Year during which the Over/Under Recovery Amount and True-Up Amount were accrued.



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ELECTRIC RATES

CUSTOMER PROGRAM COST ADJUSTMENT

DSM ~~CA~~ REVENUE REQUIREMENT (PRIOR TO 2019 DSM PLAN)

The DSM ~~CA~~ Revenue Requirement (DSM ~~CA~~RR) shall be as follows:

$$DSM ~~CA~~RR = PDSC+CDSC+DTB+ISOCC+PISOCC+PI+DO+DRPC+PDRC-DRBR$$

CPCADSMCA REVENUE REQUIREMENT FOR COMMERCIAL AND INDUSTRIAL PRIMARY, COMMERCIAL AND INDUSTRIAL SECONDARY, COMMERCIAL AND INDUSTRIAL TRANSMISSION, AND LIGHTING CLASSES (BEGINNING WITH 2019 DSM PLAN)

The CPCADSMCA Revenue Requirement for Commercial and Industrial Primary, Commercial and Industrial Secondary, Commercial and Industrial Transmission classes, and Lighting classes- will consist of the sum of the DSM Revenue Requirement (DSM ~~CA~~RR) and the TEP Adjustment. The DSM ~~CA~~RR shall be calculated as follows:

$$DSM ~~CA~~RR = PDSC+CDSC+DTB+ISOCC+PISOCC+PI+DO+DRPC+PDRC-DRBR$$

CPCADSMCA REVENUE REQUIREMENT FOR RESIDENTIAL AND SMALL COMMERCIAL CUSTOMERS (RATE CLASS "C") (BEGINNING WITH 2019 DSM PLAN)

The CPCADSMCA Revenue Requirement for Residential and Small Commercial Customers will consist of the sum of the ~~(DSM ~~CA~~RR)~~ and the TEP Adjustment. The DSM ~~CA~~RR shall be calculated as follows:

$$DSM ~~CA~~RR = PDSC+CDSC+DTB+ISOCC+PISOCC+PI+RSCDO+DRPC+PDRC-DRBR (2019 only)$$

$$DSM ~~CA~~RR = PDSC+CDSC+DTB+ISOCC+PISOCC+PI+DRPC+PDRC-DRBR (beginning in 2020)$$

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CUSTOMER PROGRAM COST ADJUSTMENT

CLASS COST ALLOCATIONS

The DSM and TEP Class Cost Allocations shall be determined as follows:

DSM Class Cost Allocations: The Company will assign class responsibilities for the DSM ~~CARR~~ by updating the Demand cost allocation factor approved by the Commission in the most recent Phase II rate case by projected energy sales.

TEP Class Cost Allocations: The Company will assign class responsibilities for the TEP Revenue Requirement as approved by the Commission in respective TEP Portfolio proceedings.

RATE DESIGN

Rates shall be designed by dividing the costs allocated to each class by the projected class billing determinants. Customers shall be billed the ~~CPCA DSMCA~~ on a dollar per Kilowatt basis for tariff schedules with Demand rates and on a dollar per Kilowatt-Hour basis for tariff schedules without Demand rates. However, Customers on Schedule RE-TOU shall be billed the CPCA on a percentage basis applicable to base energy charges.

ANNUAL CPCA FILINGS

On April 1 of each Year, the Company shall file for approval to revise the ~~CPCA DSMCARR and resulting DSMCA~~ to be effective July 1 of the same Year. This filing adjusts the following components of the DSM ~~CARR~~: the PDSC, the PISOCC, the DTB, the DO, the RSCDO and the PI. This filing adjusts the following components of the TEP Adjustment: The Over/Under Recovery Amount, the True-up Amount, the Carrying Charge for the Over/Under Recovery Amount and True-Up Amount, and applicable TEP performance incentive awards as approved by the Commission.

On October 1 of each Year, the Company shall file for approval to revise the ~~CPCA to be effective January 1 of the following Year. The DSMCARR will be revised and resulting DSMCA~~ to reflect the CDSC and ISOCC for the upcoming Year. The TEP Adjustment will be revised to reflect the forecasted TEPRR for the upcoming Year. ~~The revised DSMCA will be effective January 1.~~



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