

**NOTICE OF PUBLIC SERVICE COMPANY OF COLORADO
 1800 LARIMER STREET, DENVER, COLORADO 80202-5533
 TO REVISE ITS TRANSMISSION COST
 ADJUSTMENT RIDER**

You are hereby notified that Public Service Company of Colorado (“Public Service” or the “Company”) has filed with the Colorado Public Utilities Commission (“Commission”), in compliance with the Public Utilities Law, Advice No. 1763 – Electric to revise its Transmission Cost Adjustment (“TCA”) rider in its Colorado P.U.C. No. 8 – Electric tariff to become effective on May 1, 2018, if approved by the Commission.

The principal proposed change is to decrease the Company’s TCA rider, applicable to all electric rate schedules in the Company’s Colorado P.U.C. No. 8 – Electric tariff to become effective May 1, 2018. This revision accounts for the updated tax rate due to the passing of the Federal Tax Cut and Jobs Act (“TCJA”). The decrease in the TCA reflects the estimated impacts of the TCJA on the costs recovered through this rider in 2018. This requires the reevaluation of federal deferred tax assets and liabilities and bonus depreciation due to the lower tax rate. This estimate will then be trueed up through the Commission approved TCA rider true up process.

The current TCA is \$0.00170 per kWh for residential customers. It became effective January 1, 2018, and was based on a revenue requirement of \$40,671,398. The proposed TCA is \$0.00152 per kWh for residential customers and is based on a revenue requirement of \$37,994,545.

The resulting effect of this filing would decrease the Company’s annual electric revenues by \$2,676,853 based on the twelve month period ending December 31, 2018.

The following table shows the current and proposed total monthly bill impacts for the major rate schedules assuming average usage and average demand.

Current and Proposed Total Monthly Bill Comparison

Customer Class	Average Bill Before TCA Rate Change (\$/Month)	Average Bill After TCA Rate Change (\$/Month)	Change in Average Bill (\$/Month)	Change in Average Bill (%/Month)
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%

In accordance with 4 *Code Of Colorado Regulations* (“CCR”) 723-3-3002(d), copies of the current and proposed TCA rider 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 1400, Denver, Colorado 80202-5533, or at the Commission 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, fax to Xcel Energy at 1-800-895-2895, or e-mail to inquire@xcelenergy.com.

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 e-mailed to: dora_puc_website@state.co.us on or before 10 days before the proposed effective date of May 1, 2018. 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 hearing to determine what rates, rules and regulations will be authorized. If a hearing is held, the Commission may suspend the proposed rates, rules or regulations. The rates, rules and regulations ultimately authorized by the Commission may or may not be the same as those proposed, and may include rates that are higher or lower.

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 application is uncontested or unopposed, the Commission may determine the matter without 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 External 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: Scott B. Brockett
Director, Regulatory Administration