



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

March 29, 2018

Advice No. 927 - Gas

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. 6 - GAS

and the following sheets are attached:

<u>Colorado P.U.C. Sheet No.</u>	<u>Title of Sheet</u>	<u>Cancels Colorado P.U.C. Sheet No.</u>
One Hundred Thirty-second Revised 10A	Rule 4406(b) Rate Components	Sub. One Hundred Thirty-first Revised 10A
Fifty-ninth Revised 10B	Rule 4406(b) Rate Components	Fifty-eighth Revised 10B
Fiftieth Revised 10C	Rule 4406(b) Rate Components	Forty-ninth Revised 10C
Fifty-third Revised 10D	Rule 4406(b) Rate Components	Fifty-second Revised 10D
One Hundred Forty-sixth Revised 11	Rate Schedule Summation Sheet	One Hundred Forty-fifth Revised 11
Eighty-eighth Revised 11A	Rate Schedule Summation Sheet	Eighty-seventh Revised 11A
Eighty-ninth Revised 11B	Rate Schedule Summation Sheet	Eighty-eighth Revised 11B
Forty-second Revised 11C	Rate Schedule Summation Sheet	Forty-first Revised 11C
Ninth Revised 47C	Pipeline System Integrity Adjustment	Eighth Revised 47C

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The principal proposed change is: to decrease the Company's Pipeline System Integrity Adjustment ("PSIA") rider, applicable to all gas sales and transportation rate schedules in the Company's Colorado P.U.C. No. 6 - Gas tariff, as reflected in the attached tariff sheet, 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") in December 2017.

On December 22, 2017, the TCJA was signed, enacting a material reduction to 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. 927 - Gas, the Company is decreasing the PSIA to reflect the estimated impacts of the TCJA on the costs recovered through this rider in 2018.

The calculation of the impact is based on the estimated 2018 PSIA revenue requirement, as revised to reflect the Company's estimate of the TCJA net impact for the entire 2018 calendar year. This net impact is a reduction to the revenue requirement of \$7,852,472. The calculation has been attached to this Advice Letter as Exhibit 1.

Through the Commission approved PSIA rider true-up process (per Decision No. C11-0946, in Proceeding No. 10AL-963G), the Company will ultimately present the actual total 2018 PSIA 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 PSIA in 2018 will be identified in the Company's November 2019 PSIA rate adjustment filing and reflected in the PSIA 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 PSIA rider to customers, subject a subsequent true-up filing.

The revised PSIA reflects a decrease of \$0.00802 for residential customers, from \$0.04690 to \$0.03888 on a per-therm basis, and a \$0.08019 decrease for large commercial gas customers from \$0.46899 to \$0.38880, on a per-dekatherm ("Dth") basis.

This filing would decrease the Company's annual gas revenues by \$7,852,472 based on the twelve-month period ending December 31, 2018.

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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.

Customer Class	Current	Proposed	Monthly \$ Change	Monthly % Change
Residential (RG)	\$46.23	\$45.72	\$(0.51)	-1.10%
Small Commercial (CSG)	\$199.54	\$197.20	\$(2.34)	-1.17%
Large Commercial (CLG)	\$3,268.08	\$3,211.78	\$(56.30)	-1.72%
Interruptible Sales (IG)	\$6,659.90	\$6,525.74	\$(134.16)	-2.01%
Small Firm Transportation (TFS)	\$473.48	\$456.88	\$(16.60)	-3.51%
Large Firm Transportation (TFL)	\$1,780.00	\$1,704.22	\$(75.78)	-4.26%
Interruptible Transportation (TI)	\$6,648.23	\$6,067.66	\$(580.57)	-8.73%

It is desired that the changed tariffs accompanying this Advice No. 927 - Gas 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

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Enclosures