

**SUMMARY OF THE COMPONENTS OF
THE WILDFIRE PROTECTION RIDER (“WPR”)**

Scope: The WPR will support implementation of the following Wildfire Protection Programs and associated costs:

- (1) Accelerated and enhanced equipment and vegetation inspections and replacements, system protection and wind strength modeling programs, and asset data gathering;
- (2) System protection enhancements;
- (3) Expanded and incremental vegetation management;
- (4) Repair and replacement activities of equipment identified through inspections, system protection and wind modeling programs;
- (5) Metrics, Tracking, and Reporting; and,
- (6) Community and stakeholder outreach.

Eligible Costs For Recovery Through the WPR: The WPR will include distribution capital additions and the related Accumulated Deferred Income Taxes (“ADIT”), depreciation expense, taxes, and Operation and Maintenance (“O&M”) expenses for the eligible Wildfire Protection Program costs above the level currently included in base rates.

Term: The term of the WPR will commence upon Commission approval and will end after true-up processes are completed following Plan year 2025.

Weighted Average Cost of Capital: The WPR capital structure will be comprised of:

- (1) Actual 13-month average long-term debt and equity;
- (2) Actual 13-month average cost of long-term debt; and
- (3) Return on equity (“ROE”) approved in the Company’s most recent Phase I Electric Rate Case, which is currently 9.30 percent pursuant to Proceeding No. 19AL-0268E.

Rate Base Methodology: 13-month average

Semi-Annual Filings and Reporting: Public Service will file a forecasted WPR revenue requirement on or before November 15 for the upcoming calendar year (beginning in 2021), and then an annual report on or before April 15 of each year (beginning in 2022) to report on the actual costs from the prior calendar year and true-up both the revenue requirement and actual revenue collected on an annual basis. Any true-up adjustments will be rolled into the following year’s WPR as part of the annual revenue requirement estimate filed on November 15. The annual April WPR reports will include the types and levels of expenditures incurred for eligible Wildfire Protection Programs during the previous calendar year and compare the forecasted and actual revenue requirement in the previous calendar year and explain material deviations. In

addition, the filing will include all pertinent information and supporting data on the Wildfire Mitigation Plan and the various programs, with data supporting the prudence of the costs of the Wildfire Protection Programs, as described above, as well as any information required in this proceeding.

The Company will include its annual report, at a minimum, the following metrics (from the preceding year):

- (1) A summary of completed activities from the previous year;
- (2) The number of ignitions associated with electric overhead powerlines within the Wildfire Risk Zone;
- (3) The number of downed transmission and distribution wires within the Wildfire Risk Zone;
- (4) The number of Red Flag Warning Days in Colorado;
- (5) The communities or areas which experienced Red Flag Warnings, as well as the dates they occurred;
- (6) The total number of wildfires within the Company's service territory; and,
- (7) The total actual annual investment in the Wildfire Mitigation Plan, per year.