

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

Cancels
Sheet No.

ELECTRIC RATES

REVENUE DECOUPLING ADJUSTMENT

APPLICABILITY

This Revenue Decoupling Adjustment (RDA) is applicable for all electric service under Residential General Service (Schedule R), Residential Demand Time of Use (Schedule RD-TOU), and Small Commercial Service (Schedule C).

DEFINITIONS

The following definitions apply for the calculation of the RDA:

Baseline Use Per Customer

The average annual energy use per customer measured in kilowatt-hours (kWh) that is derived from the test year data used in the Company's most recent general rate case proceeding in which changes in Fixed Cost Recovery through base rates are approved by the Commission.

Current Year

The twelve (12) month period for which the RDA is being calculated. Over the term of the RDA tariff the current years shall be 2017, 2018, 2019, 2020, and 2021.

Current Year Use Per Customer

The weather normalized average annual energy use per customer measured in kilowatt-hours (kWh) for the twelve (12) month period for which the RDA is being calculated.

Current Year Average Number of Customers

The simple average of the monthly customer count by customer class for Schedule R and Schedule C for the twelve (12) month period for which the RDA is being calculated.

Fixed Cost Rate

The base kilowatt-hour charge inclusive of any General Rate Schedule Adjustments for rate Schedule R and Schedule C, minus the component of the charge designated as recovery of variable Operations and Maintenance expenses. The fixed cost rate is derived for the winter, summer tier I, and summer tier II base kilowatt-hour charges for Schedule R and for winter and summer base kilowatt-hour charges for Schedule C.

Recovery Period

The period over which the RDA will be in place. This period will be the 12 months beginning June 1 of the year subsequent to the Current Year for which the Revenue Decoupling Adjustment was being calculated.

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DEFINITIONS - Cont'd

Residential Demand - Time of Use Rate (RD-TOU)

The Residential Demand - Time of Use retail rate Schedule RD-TOU.

RD-TOU Fixed Cost Recovery

The total annual revenues collected from RD-TOU demand charges for the calendar year for which the Revenue Decoupling Adjustment is being calculated.

DSM Disincentive Offset

The Commission approved dollar amount that serves to compensate the Company for Fixed Cost Recovery lost through the implementation of Company run demand side management programs.

REVENUE DECOUPLING ADJUSTMENT RATE CALCULATIONS

Residential (R) Lost Fixed Cost Recovery (R-LFCR)

Lost Fixed Cost Recovery for schedule R is calculated as follows:

$$R-LFCR = [(A - B) \times C + (D - E) \times F] \times G$$

Where:

- A = Winter & Summer Tier I Baseline Use Per Customer = XXXX kWh
- B = Winter & Summer Tier I Current Year Use Per Customer
- C = Winter & Summer Tier I Fixed Cost Rate
- D = Summer Tier II Baseline Use Per Customer = XXXX kWh
- E = Summer Tier II Current Year Use Per Customer
- F = Summer Tier II Fixed Cost Rate
- G = Schedule R Current Year Average Number of Customers

RD-TOU Lost Fixed Cost Recovery (RD-TOU-LFCR)

Lost Fixed Cost Recovery for schedule RD-TOU is calculated as follows:

$$RD-TOU-LFCR = (A \times B) + (C \times D) - E$$

Where:

- A = Total sales winter and summer sales under 500 kWh per month to RD-TOU customers
- B = Residential (R) Winter & Summer Tier I Fixed Cost Rate

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REVENUE DECOUPLING ADJUSTMENT RATE CALCULATIONS - Cont'd

- C = Total summer sales over 500 kWh per month to RD-TOU customers
- D = Residential (R) Summer Tier II Fixed Cost Rate
- E = RD-TOU Fixed Cost Recovery

Schedule R and RD-TOU Revenue Decoupling Adjustment

The Revenue Decoupling Adjustment for Schedules R and RD-TOU for the Recovery Period is calculated as follows:

$$RDA = (A + B - C) \div D$$

Where:

- A = R-LFCR
- B = RD-TOU-LFCR
- C = Residential Share of DSM Disincentive Offset
- D = Forecasted kWh sales for Schedules R and RD-TOU for the Recovery Period

Small Commercial (C) Lost Fixed Cost Recovery (C-LFCR)

Lost Fixed Cost Recovery for schedule R is calculated as follows:

$$C-LFCR = [(A - B) \times C + (D - E) \times F] \times G$$

Where:

- A = Winter Baseline Use Per Customer = XXXX kWh
- B = Winter Current Year Use Per Customer
- C = Winter Fixed Cost Rate
- D = Summer Baseline Use Per Customer = XXXX kWh
- E = Summer Current Year Use Per Customer
- F = Summer Fixed Cost Rate
- G = Schedule C Current Year Average Number of Customers

Schedule C Revenue Decoupling Adjustment

The Revenue Decoupling Adjustment for Schedule C for the Recovery Period is calculated as follows:

$$RDA = (A - B) \div C$$

Where:

- A = C-LFCR
- B = Small Business Share of DSM Disincentive Offset



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REVENUE DECOUPLING ADJUSTMENT RATE CALCULATIONS - Cont'd

C = Forecasted kWh sales for Schedule C for the
Recovery Period

REVENUE DECOUPLING ADJUSTMENT ANNUAL FILING REQUIREMENT

The Company shall file an advice letter with the Commission by May 1 of each of the years 2018 through 2022 to adjust the Revenue Decoupling Adjustment Rates applicable to the R, RD-TOU, and C schedules to recover from or credit to customers the Lost Fixed Cost Recovery as derived under the provisions of this tariff. The first such filing will be submitted on or before May 1, 2018. In each advice letter filing the Company will provide the data and calculations supporting the proposed decoupling adjustments and other information regarding trends in average use per customer and revenues collected through the RD-TOU pilot rate.

TERM OF REVENUE DECOUPLING ADJUSTMENT

The Revenue Decoupling Adjustment will be calculated for the calendar years 2017, 2018, 2019, 2020, and 2021. The Recovery Periods will be June 1, 2018 through May 31, 2019, June 1, 2019 through May 31, 2020, June 1, 2020 through May 31, 2021, June 1, 2021 through May 31, 2022, and June 1, 2022 through May 31, 2023.

REVENUE DECOUPLING ADJUSTMENTS

<u>Rate Schedule</u>	<u>RDA Rates</u>
R, RD-TOU	\$0.00000/kWh
C	\$0.00000/kWh



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