

We are also requesting approval of a rider to reflect the Clean Air Clean Jobs costs from 2015-2017. Most of these costs are included in the proposed 2015 base rate increase; but some additional costs will arise in 2016-17 as the remainder of the nearly \$1 billion of projects are completed. If the rider is approved, residential and commercial customers are expected to see an additional 1.4 percent bill increase beginning in January 2016.

Other key drivers in this rate case include increased property taxes and higher depreciation expenses, in part from acceleration of coal plant retirements.

### Learn More

The rate case is subject to approval by the Colorado Public Utilities Commission. The legal notice for this rate case is included in this brochure. Our website, [xcelenergy.com/CORateCase](https://www.xcelenergy.com/CORateCase), provides more rate case information, plus tips for managing your energy bills.

Customers who anticipate or are having a difficult time paying their bill should call us right away at **1-800-895-4999**. We can create a payment plan to help customers catch up on the amounts owed, plus provide information about our company's energy assistance programs and state and non-profit organizations that offer energy assistance funds.

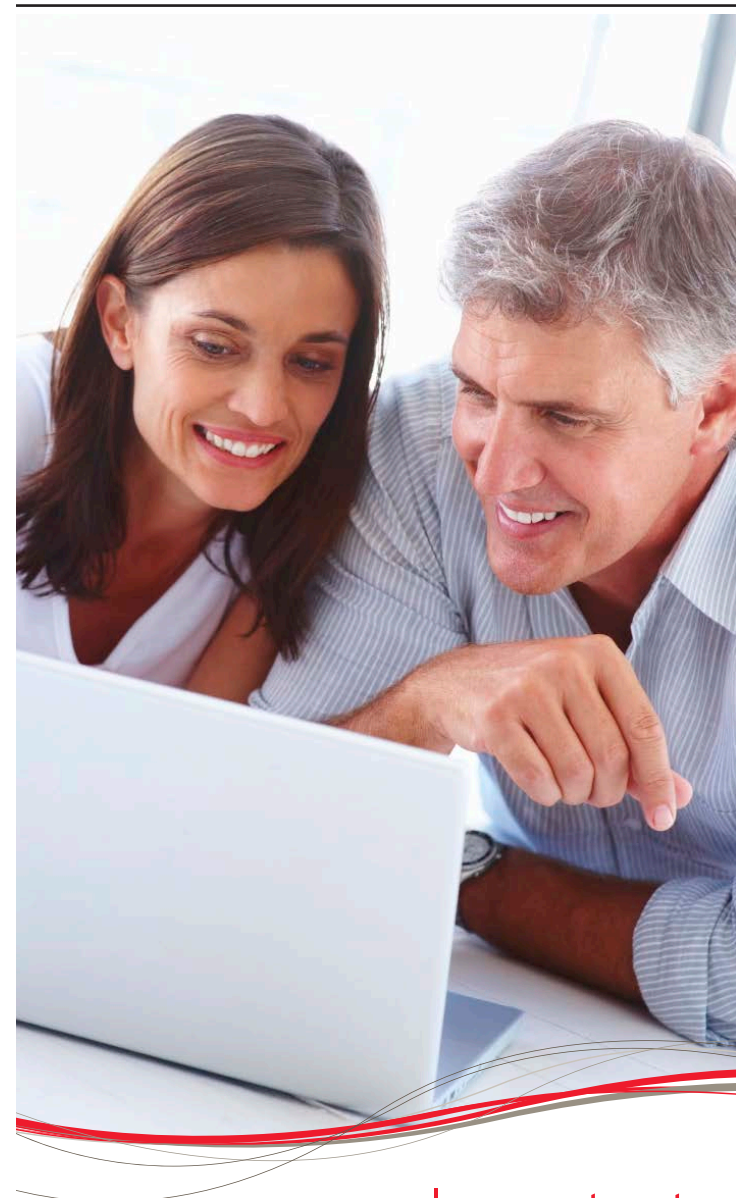
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Please login at <https://myaccount.xcelenergy.com> and go to the "Preferences" tab.*



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**Important  
Notice**  
about your energy prices

# NOTICE OF CHANGE IN ELECTRIC RATES OF PUBLIC SERVICE COMPANY OF COLORADO 1800 LARIMER STREET, DENVER, COLORADO 80202

At Xcel Energy, it's our job to provide customers with reliable, increasingly clean energy at an affordable price. And to deliver on that promise, Colorado's electric infrastructure must be constantly maintained and updated to deliver the high-quality service you expect.

We recently submitted an electric rate case to the Colorado Public Utilities Commission (CPUC or Commission). It's a regulatory proceeding that determines how much it costs Xcel Energy to serve customers and how much the utility needs to recover these costs.

In this rate case, we are requesting to increase our charge for electricity by 5.3 percent for residential customers and 5.1 percent for commercial customers on an average annual basis. If you are a "typical" residential electricity customer (using 632 kilowatt-hours a month) this amounts to an additional \$3.96 per month. A typical commercial customer (using 1,123 kilowatt-hours a month) could expect an additional \$6.35 per month.

## Investing In The Future, Delivering Value Today

Xcel Energy continually makes cost-effective investments to modernize our system and do what is right for our customers and the environment. This price increase will support projects that replace older coal-fired power plants with new efficient natural gas-fired plants and add state-of-the-art emission controls to other plants.

These investments are part of a plan approved in 2010-11. They will result in cleaner air and a more flexible and balanced energy system that can deliver value to our customers for decades to come. Projects include:

- Converting Cherokee Generating Station, an aging coal plant nearing retirement located just north of downtown Denver, to a highly efficient natural gas plant.
- Adding modern emission controls at two plants—Hayden Generation Station in Hayden, Colo. and at Pawnee Generating Station, in Brush, Colo.

June 17, 2014

You are hereby notified that Public Service Company of Colorado has filed with the Public Utilities Commission of the State of Colorado changes in its Colorado P.U.C. No. 7 – Electric tariff to revise the General Rate Schedule Adjustment ("GRSA") rider applicable to all electric base rate schedules in the Company's Colorado P.U.C. No. 7 - Electric tariff effective July 18, 2014, and to correspondingly revise the Transmission Cost Adjustment ("TCA") to remove costs that have been shifted to base rates.

The Company is proposing to increase the current GRSA of 17.07 percent to 28.50 percent. The proposed 28.50 percent GRSA will result in an increase in annual electric base rate revenues of \$157.6 million over currently effective rates, which includes the proposed transfer of cost recovery of \$19.9 million from the TCA to base rates. The net requested increase in annual base rate revenues, excluding the effect of the roll-in of costs from the TCA, is \$137.7 million. This requested increase is based on the revenue deficiency for the Company's proposed test year ("Proposed TY"). The starting point for the Proposed TY is the 2013 historic test year ("2013 HTY"), which is based on calendar-year 2013 booked costs and regulatory adjustments to these costs. The expenses and revenues in the 2013 HTY are then walked forward to calendar year 2015. The Proposed TY revenue requirement is \$1,769,742,637, based on a return on equity of 10.35 percent, a weighted average cost of debt of 4.68 percent, and a capital structure of 56 percent equity and 44 percent debt.

In addition to the requested increase to base rates and reduction to the TCA explained above, the Company requests approval of the following proposals:

Institute a rider for the purposes of recovering incremental costs (capital and O&M related), i.e., costs over test-year levels, of projects undertaken in compliance with the CACJA and reconciling the actual costs eligible for recovery through the rider with the rider revenues. These CACJA projects include the following: the Pawnee Selective Catalytic Reduction ("SCR") and Particulate Scrubber project, the Cherokee 2X1 Combined Cycle project, and the Hayden Units 1 and 2 SCR projects.

Implement a revenue decoupling mechanism. This mechanism would authorize the Company to charge or credit customers based on changes to the weather-normalized use per customer of customers on the Residential ("R") and Commercial ("C") service schedules and to collect the revenue decoupling adjustment through the GRSA.

Revise the TCA tariff to change the basis for identifying the plant balances used to derive the annual rates.

Institute a performance mechanism under which the Company could be rewarded or penalized based on the annual performance of a specified group of generating units. The Company proposes changes to the ECA tariff to include the terms and conditions under which this Equivalent Availability Factor Performance Mechanism would be applied.

Update the schedule of charges for non-routine street lighting maintenance services and various services provided upon request or as needed.

The customer bill impacts resulting from the Company's request are provided in the table below. These impacts are based on the differences between the rates proposed by the Company in this case and the currently effective summer rates.

CURRENT AND PROPOSED CUSTOMER BILL					
Rate Class	Monthly Average Use	Monthly Current Bill	Monthly Proposed Bill	Monthly Difference	Percentage Monthly Impact
Residential R	632 kwh	\$80.67	\$84.88	\$4.21	5.22%
Commercial C	1,123 kwh	\$154.08	\$162.65	\$8.57	5.56%
Secondary General SG	26,685 kwh 71 kW	\$2,810.75	\$2,937.02	\$126.27	4.49%
Primary General PG	492,079 kwh 1,040 kW	\$42,304.63	\$43,975.75	\$1,671.12	3.95%
Transmission General TG	12,889,873 kwh 24,294 kW	\$914,320.51	\$943,054.41	\$28,733.90	3.14%

In accordance with Rule 1206(f) of the Rules of Practice and Procedure of the Public Utilities Commission, copies of the proposed and present tariffs summarized above have been filed with the Commission and are available for examination and explanation at the main office of Public Service Company of Colorado, 1800 Larimer Street, Suite 1400, Denver, Colorado 80202-5533, or at the office of the Public Utilities Commission, 1560 Broadway, Suite 250, Denver, Colorado, 80202.

Anyone who desires to file written objection to the proposed action, shall file it with the Colorado Public Utilities Commission, 1560 Broadway, Suite 250, Denver, Colorado, 80202, or email it to [dora\\_puc\\_website@state.co.us](mailto:dora_puc_website@state.co.us) on or before 10 days before the proposed effective date of July 18, 2014. The Public Utilities 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 may or may not be the same as those proposed and may include rates higher or lower than those proposed or currently in effect.

Anyone who desires to receive notice of any hearing shall file a written request for notice with the Public Utilities Commission at the above address or alternatively shall contact the External Affairs Section of the Public Service Utilities Commission at 303-894-2070 or toll free 1-800-456-0858 on or before 10 days before the proposed effective date of July 18, 2014. Customers who have questions may call the Commission at 303-894-2000, Xcel Energy at 1-800-895-4999, fax to Xcel Energy at 1-800-895-2895, or email to [inquire@xcelenergy.com](mailto:inquire@xcelenergy.com).

If a hearing is held, any member of the public may attend and may make a statement under oath about the proposed increase, whether or not he or she has filed an objection or intervention.

Scott B. Brockett  
Director, Regulatory Administration and Compliance