

2016 Colorado Phase II Electric Rate Case

Making energy pricing easier, more fair and flexible enough to power new technology

For more than a century, Xcel Energy has provided energy solutions that make sense and help meet the growing electricity needs of our customers. We're committed to developing and advancing new ideas to give customers the choices they want, at an affordable price.

We recently submitted an electric rate case to the Colorado Public Utilities Commission (CPUC). This Phase II Electric Rate Case is the second step in implementing a case that was approved and settled in early 2015. It addresses rate design and important tariff updates—and is a critical step towards a long-term strategy that makes sense for all our Colorado customers.

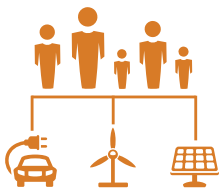


Powering Technology

Customers have told us they want to take advantage of emerging technologies among a dynamic network of energy resources, including battery storage systems, distributed generation (like rooftop solar panels), micro grids for back-up power, smart thermostats and other home energy management systems, energy efficiency offerings, LED street lights, and electric vehicles. While we have many successful

programs supporting these areas, we want to do more.

- **Flexibility.** We are presenting potential new approaches to electricity rates aimed at making electricity pricing more transparent, easier to understand, fairer, and flexible enough to allow customers to adopt new technology.
- **Preparing for the future.** These technology tools will also allow Xcel Energy to transform into a more modern utility—one that can continue to reliably serve you well into the future.

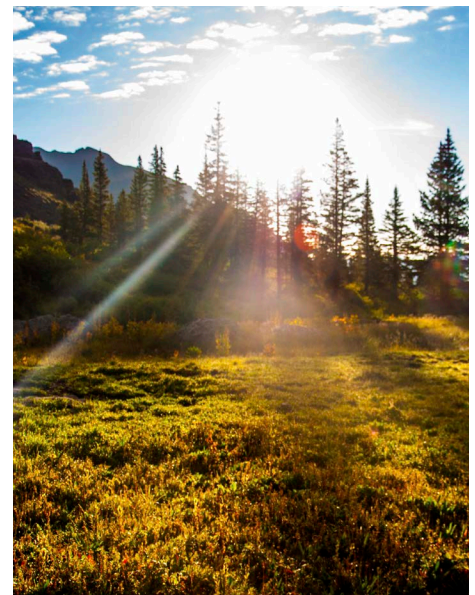


More Customer Choice & Control

We are proposing new pricing options to address our customers' individualized wants and needs. Updated rate designs can help us roll out new programs to give customers more control over how and when they use energy—and even how much they pay for it.

- **Information is power.** Our proposal is an important step toward allowing individual customers the ability to obtain cost and energy use information which can then be used as a tool to make better, more educated decisions regarding conservation and changes in energy use habits.
- **Choose what works best for you.** The redesign gives you more pricing options, taking into account the time of day when you use energy and whether or not you are interested in making changes in your electricity use to help bring your overall costs down. Newly recommended pilot programs will offer more customer control based on your preferences, typical energy use, lifestyle or needs.

Xcel Energy last filed a Phase II rate redesign proposal in 2009. Since that time, the electric grid system has changed significantly and pricing plans have simply not kept up. The time is right to make adjustments based on today's customer needs and evolution of the energy marketplace.





Ensuring Fair Pricing

Our end goal is to ensure that rates are fair for everyone we serve, whether they are residential customers, small businesses, or our largest commercial customers. Coloradans are increasingly demanding transparency in how they are paying for utility services; yet the ways in which electric bills are calculated have not kept up with that trend.

- **Balanced Approach.** New rate designs can enable renewable energy options without negatively impacting costs for other customers. The result is a reasonable pricing structure in which you pay for what you use, while eliminating unfair cost shifts that can burden other customers.
- **Equity.** Our rate redesign will bring accountability and equity to all customers by charging for actual use of the shared electric grid that carries and delivers power to your home or business. This is critically important to maintaining a reliable, safe and robust energy infrastructure network that you can continue to rely on for decades to come.

Keeping It Affordable

Xcel Energy is not requesting an increase in its revenue requirements in this proposal. Our approach keeps costs competitive for families, businesses and communities. Typical bill impacts are noted in the table below.

Rate Class	Average Monthly Usage	Current Monthly Bill	Proposed Monthly Bill	Change In Monthly Bill	
				Dollars	Percentage
Residential	622 kWh	\$71.16	\$71.47	\$0.31	0.43%
Small Commercial	992 kWh	\$106.39	\$101.67	-\$4.72	-4.44%
Secondary General	24,981 kWh	\$2,221.90	\$2,246.60	\$24.70	1.11%
Primary General	495,408 kWh	\$34,222.12	\$33,855.20	-\$366.92	-1.07%
Transmission General	13,370,353 kWh	\$752,770.83	\$760,457.39	\$7,686.56	1.02%