

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

Sheet No. 111B

Cancels

Sheet No. _____

ELECTRIC RATES
ELECTRIC COMMODITY ADJUSTMENTQUARTERLY ECA REVENUE REQUIREMENT

The Quarterly ECA Revenue Requirement ("ECARR") shall be calculated using the following equation:

$$\text{ECARR} = (\text{PSC} * \text{PJA}) + \text{DAB} + \text{Projected Net RESA Transfer} + \text{MEP Cost}$$

Where:

- 1) PSC is the Projected System Fuel (F), Purchased Energy (P), and Purchased Wheeling (W) for the next quarter, with F, P, and W as defined below.
- 2) PJA is the projected retail jurisdictional allocation factor for the quarter.
- 3) DAB is the Deferred Account Balance.
- 4) The Projected Net RESA Transfer is the Projected amount of sums that will be transferred from the RESA to the ECA. The Projected Net RESA Transfer shall be calculated using the Net RESA Transfer from the prior calendar quarter. Net RESA Transfer is defined below.
- 5) MEP Cost is the cost of the Company's Medical Exemption Program (MEP) during the period of July 1, 2013 to September 30, 2013, as defined below.

ELECTRIC COMMODITY ADJUSTMENT

The Deferred Account Balance is the difference between the Actual Energy Costs incurred and the ECA revenues collected. Each quarterly filing shall include the Deferred Account Balance from the last day of the month prior to the ECA filing. For example, the February 28 Deferred Account Balance will be included in the ECA filing made in March for the second calendar quarter.

Actual Energy Costs shall be the total of:

$(F+P+W) * \text{Actual Retail Jurisdictional Allocation factor} + \text{PVM} + \text{Actual Net RESA Transfer} + \text{MEP Cost}$

Where:

- 1) F equals the Cost of Fossil Fuel for Generation as recorded in Accounts 501 and 547 (excluding all Handling and Unit Train expenses and excluding fuel allocated to BT kWh).

(Continued on Sheet No. 111C)

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NUMBER _____ISSUE
DATE _____DECISION
NUMBER _____VICE PRESIDENT,
Rates & Regulatory AffairsEFFECTIVE
DATE March 29, 2013

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ELECTRIC RATES
ELECTRIC COMMODITY ADJUSTMENTELECTRIC COMMODITY ADJUSTMENT - Cont'd

2) P equals the energy-related component of the costs of all Purchased and Interchange Power as recorded in Account 555 (excluding purchased energy expense allocated to BT kWh).

3) W equals the energy-related component of the costs of Wheeling associated with Purchased Power, as recorded in Account 565 (excluding wheeling energy expense allocated to BT kWh).

4) PVM is the actual Price Volatility Mitigation Costs of the following accounts for the applicable month: 1) Subsidiary Account for Financial Hedges and - FERC Account Numbers 501.17 (steam plants), 547.17 (combustion turbines) and 555.27 (tolling plants/purchased power); and 2) Subsidiary Account for Physical Hedges - FERC Account Numbers 501.15 (steam plants), 547.15 (combustion turbines) and 555.25 (tolling plants/purchased power). Actual PVM shall include only those premiums or settlement costs actually incurred by the Company in connection with its use of the following financial instruments: Fixed-for-float swaps, call options, costless collars, and New York Mercantile Exchange futures contracts in conjunction with market basis (between Colorado Interstate Gas Company, Northwest Pipeline Company, Henry Hub, or other monthly indices in the areas where the Company regularly procures its natural gas supplies).

5) Net RESA Transfer is the net of RESA Incremental Cost minus Avoided Costs of On site solar production.

a. RESA Incremental cost is the modeled incremental costs per MWH times the MWH production from non-on-site solar eligible energy resources that became commercially operational after July 2, 2006.

b. On Site Solar Avoided Cost is the modeled per MWH avoided cost of energy from on-site solar facilities times the MWH projection from the on-site solar facilities.

6) MEP Cost is the difference in revenue from Energy Charges that would have been billed to residential customers that opt for the MEP for the Summer Season (tiered rates) under Schedule R and the revenue from the Energy Charge billed or estimated to be billed under the Summer Season - Medical Exemption to be included in the Company's fourth quarter ECA filing for 2013. For the billing months of July through August 2013 the MEP Cost shall be based on actual billed amounts. The MEP Cost for September 2013 shall be estimated, using the average number of bills and use per bill in July and August 2013.

(Continued on Sheet No. 111D)

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March 29, 2013

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