

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO**

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IN THE MATTER OF THE VERIFIED)	
APPLICATION OF PUBLIC SERVICE)	
COMPANY OF COLORADO TO CONDUCT A)	
SECOND SHORT-TERM MEDICAL)	
EXEMPTION PROGRAM THAT CREATES)	
AN EXEMPTION FROM ELECTRICITY)	DOCKET NO. 13A-_____
INVERTED BLOCK RATE SCHEDULES FOR)	
MEDICAL REASONS AND FOR RECOVERY)	
OF LOST REVENUES IN CONNECTION)	
WITH THE PROGRAM THROUGH THE)	
ELECTRIC COMMODITY ADJUSTMENT)	

**VERIFIED APPLICATION OF PUBLIC SERVICE COMPANY OF COLORADO
TO CONDUCT A SECOND SHORT-TERM MEDICAL EXEMPTION PROGRAM THAT
CREATES AN EXEMPTION FROM ELECTRICITY INVERTED BLOCK RATE
SCHEDULES FOR MEDICAL REASONS AND FOR RECOVERY OF LOST
REVENUES IN CONNECTION WITH THE PROGRAM THROUGH THE
ELECTRIC COMMODITY ADJUSTMENT**

Public Service Company of Colorado ("Public Service" or the "Company"), pursuant to Commission Rules 4 CCR 723-1-1303(a)(II) and 4 CCR 723-3-3002(a)(XIX), hereby applies to the Commission for approval to conduct a second short-term Medical Exemption Program from inverted block rates in the summer of 2013. The Company also requests that it once again be permitted to recover the revenues lost in connection with the program through the Electric Commodity Adjustment ("ECA"). To the extent this application is unopposed and uncontested, Public Service requests that the Commission grant this application without a hearing pursuant to Rule 1403 of the Commission's Rules of Practice and Procedure, 4 C.C.R 723-1-1403. In support of this application, the Company states as follows:

I. INTRODUCTION

The Commission opened rulemaking Docket 11R-707E on August 24, 2011 through Decision No. C11-0910, a Notice of Proposed Rulemaking regarding the Commission's Rules Regulating Electric Utilities, 4 *Code of Colorado Regulations* 723-3. The proposed rules were issued pursuant to Senate Bill 11-087, codified at § 40-3-103.5, C.R.S., which gives the Commission the discretion to adopt rules creating an exemption from tiered electric rate plans based on a customer's medical condition or use of an essential life support device.

In Decision No. C11-0910, the Commission referred the rulemaking to an Administrative Law Judge ("ALJ"). The ALJ received comments from interested parties and held hearings on the matter on October 21, 2011 and November 4, 2011. The ALJ issued a Recommended Decision Adopting Rules on December 23, 2011 in Decision No. R11-1389.

On January 11, 2012, in Decision No. C12-0030, the Commission stayed Decision No. R11-1389 on its own motion, and ordered further review of the recommendations made by the ALJ. In Decision No. C12-0101, the Commission stated that it needed more information to be submitted into the rulemaking record in order to determine the advisability of adopting rules and requested that the ALJ conduct further proceedings to receive further information regarding the issues. The Commission further stated, "If the participants to the rulemaking agree that a short-term program, conducted from June 1, 2012 to September 30, 2012 is an appropriate means by which to obtain the information necessary to support the adoption of rules, and if the

participants can agree upon the parameters of a pilot before May 1, 2012, we encourage them to do so.” Decision No. C12-0101, ¶7.

In response to this encouragement, on February 28, 2012, Public Service filed an application for the implementation of a short-term Medical Exemption Program (“MEP”) allowing an exemption from residential tiered rates for low-income customers with proof of a qualifying medical condition and/or use of an essential life support device. Supporting testimony and tariff sheets for the program’s implementation were included with the application. Public Service’s application was unopposed and the Commission granted the application in Decision No. C12-0320 (Mailed Date: March 23, 2012).

Public Service’s MEP was in effect from June 1, 2012 through September 30, 2012. The program was offered to customers that qualified for assistance under the Low Income Energy Assistance Program (“LEAP”) pursuant to the income guidelines in effect for the 2009 through 2010 heating season. Public Service filed information concerning the 2012 MEP in Docket Nos. 11R-707E and 12A-175E.

While the ongoing rulemaking is designed to address the larger issues of whether a Medical Exemption Program is needed on a permanent basis and, if so, the optimal parameters for such a program, it is not likely that the rulemaking will be completed before the summer of 2013. Consequently, the Company is proposing through this application that the same temporary program offered to certain customers in 2012 be offered to the same subset of customers in 2013. .

II. APPLICATION FOR APPROVAL TO CONDUCT A SECOND MEP IN 2013 AND RECOVER LOST REVENUES THROUGH THE ECA

A. Direct Testimony

Mr. Patrick J. Boland is submitting Direct Testimony with this application. Mr. Boland explains the mechanics of our proposed MEP, including the term of the proposal, participation requirements and customer outreach. Mr. Scott B. Brockett is submitting Direct Testimony with this application that provides some procedural context for the Company's proposal and addresses the alternative rates that would apply to qualifying customers. Mr. Brockett also sponsors the Company's proposal to track the difference between the gross revenues collected under the flat base energy charge and the gross revenues that would have been collected had the customers remained on tiered rates, and collect this difference through the Electric Cost Adjustment ("ECA"). Finally, Mr. Brockett sponsors the proposed tariffs implementing the Company's proposals under Schedule R and the ECA in Colo. P.U.C. No. 7 – Electric Tariff.

B. Description of the 2013 MEP

As in the 2012 MEP, the Company proposes to offer an exemption from tiered rates to low-income customers who can provide documentation from a licensed physician that they have a qualifying medical condition. The certification must clearly identify the qualifying medical condition and/or identify the essential life support equipment that necessitates the certification. Once qualified for the program, the customer would pay a flat summer rate of \$.06322 per kWh in lieu of tiered rates. This alternative rate would apply to all MEP participants' electricity usage during the months of June, July, August and September of 2013. Customers whose average monthly summer usage exceeds 820 kWh would benefit from this alternative rate. Proposed

tariff changes to implement the MEP are attached to this application and labeled Exhibit A. As in the 2012 MEP, the Company proposes to limit eligibility to customers who qualify for assistance under the LEAP. Limiting eligibility to this set of customers ensures that the program is cost-efficient and tailored to accommodate those most in need of relief. It will also provide objective criteria that will be the easiest and most efficient for the Company to administer.

Customers would demonstrate medical need by notifying the Company of the customer's intent to be billed at the alternative rate by May 1, 2013. The customer must also submit by this date documentation from a licensed physician clearly identifying the qualifying medical condition and/or identifying the essential life support equipment that necessitates the certification. While the Company would retain the right to monitor the authenticity of the document, we would not challenge the basis for the physician's conclusion.

As we stated last year, we estimate that about 70,000 customers meet the LEAP income criterion, and about 10,000 of those customers would reduce their bills under the alternative rate schedule. The percentage of these customers who have qualifying medical conditions is unknown, as is the percentage of such customers who would take the time to procure the medical authorization and select the alternative rate. However, in 2012 we enrolled 859 customers in the MEP. That number is likely a reasonable estimate of the number of 2013 participants.

We would propose to protect the privacy of the information on customers' income and usage required to conduct customer outreach and administer the program by only sharing such information with Commission Staff for auditing purposes. We would also

propose to share this information with the Office of Consumer Counsel Staff for auditing purposes, and request that the Commission provide for this in its order.

C. Description of Mechanism for Recovery of Revenues Lost in Connection with Implementation of the Program

Public Service expects to collect less gross revenues under the proposed flat base energy charge than it otherwise would have had the customers remained on tiered rates.

The Company identified \$36,790 of lost revenue from the 2012 MEP, which we included as part of our ECA revenue requirement for the fourth quarter of 2012. We do not know the extent to which the number and average usage of MEP participants will vary between 2012 and 2013. Nonetheless, the 2012 revenue loss of \$36,790 is a reasonable estimate of the likely loss in 2013, given that the program parameters are unchanged.

As a result, we request that the Commission approve the MEP along with the Company's ability to track the difference between the gross base revenues collected under the flat base energy charge and the gross base revenues that would have been collected had the customers remained on tiered rates, and to collect this difference through the ECA. Our proposed revisions to the ECA tariff to accommodate this recovery are attached to this application and labeled Exhibit B.

We believe that while the lost revenues will be significant to the Company, the increase in the ECA to recover these lost revenues will result in a negligible impact on the bills of individual customers. As a result, we believe our cost recovery proposal is just and reasonable.

D. Timing

As detailed in Mr. Boland's direct testimony, in order for the MEP to be implemented in time for rates to become effective during the months of June, July, August and September of this year, the Company proposes to send a notice to all eligible customers by April 1, 2013 explaining the MEP and how to enroll if they are interested. The customer must then notify the Company of the customer's intent to be billed at the alternative rate by May 1, 2013. The customer must also submit by this date certification from a licensed physician that they have a qualifying medical condition. The certification must clearly identify the qualifying medical condition and/or identify the essential life support equipment that necessitates the certification.

Thus, if this matter is contested, we ask that the Commission schedule a hearing as soon as practicable so that live testimony can be taken and the Commission can render a final decision on this application by March 27, 2013, so that we can file compliance tariffs to implement the program and the cost recovery mechanism by March 29, 2013.

E. Notice

Contemporaneously with the filing of this Application we are also filing an application for an alternative form of notice and for waiver of response time. Pursuant to that application, within 3 days from the filing of the Application we will publish notice of this Application in the legal classified section of the Denver Post, a notice of three columns wide and at least five inches high. The Company will also post the proposed tariffs and customer bill impacts on its web site and serve copies of this application, testimony and exhibits on all parties to Docket 11R-707E -- the docket initiated to

promulgate rules creating an exemption from tiered electric rate plans based on a customer's medical condition or use of an essential life support device.

III. INFORMATION REQUIRED BY RULE 3002(b) AND (c)

1) Name and Address of Applicant (Rule 3002(b)(I)):

Public Service Company of Colorado
1800 Larimer Street, Suite 1100
Denver, CO 80202

2) Name under which Applicant provides service in (Rule 3002(b)(II)):

The Company conducts its operations in Colorado under the trade name of Xcel Energy.

3) Representatives to whom inquiries concerning the Application should be made (Rule 3002(b)(III)): Please send copies of all inquiries, notices, pleadings, correspondence, and other documents regarding this filing to:

Scott B. Brockett
Director, Regulatory Administration and Compliance
Xcel Energy Services Inc.
1800 Larimer Street, Suite 1400
Denver, CO 80202
Phone: (303) 294-2164
Email: scott.b.brockett@xcelenergy.com

David W. McGann, #34521
Assistant General Counsel
Xcel Energy Services Inc.
1800 Larimer Street, Suite 1100
Denver, Colorado 80202
Telephone: (303) 294-2035
Fax: (303) 294-2988
Email: david.w.mcgann@xcelenergy.com

4) Agreement to comply with Rule 3002(b)(IV)-(VI) (Rule 3002(b)(VII)): Public Service has read and agrees to abide by the provisions of subparagraphs (b)(IV) through (VI) of Commission Rule 3002(b).

5) Description of existing operations and general Colorado service area (Rule 3002(b)(VIII)): Public Service provides electric and gas public utility service in numerous areas throughout the State of Colorado. The Company also provides steam utility service within the downtown area of Denver. A full listing of Public Service's existing operations and service area is set forth in Public Service's tariffs on file with the Commission.

6) Financial information (Rule 3002(b)(IX)): A copy of Public Service's most recent audited balance sheet, income statement, and statement of retained earnings was last filed on April 20, 2012 in Docket No. 06M-525EG.

7) Location of hearing (Rule 3002(b)(X)): If the Commission sets this application for hearing, Public Service requests that the hearing be held at the Commission's offices in Denver, Colorado.

8) Acknowledgement required by Rule 3002(XI)(D): Public Service acknowledges that the Company has read and agrees to abide by the provisions of Rule 3002(b)(XI) (A) through (C).

9) Statement under oath (Rule 3002(b)(XII)): Scott B. Brockett states under penalty of perjury that the contents of the application are true, accurate, and correct to the best of his knowledge. His affidavit is attached to this application.

10) Information required by Rule 3002(c): Pursuant to Rule 3002(c) of the Commission's Electric Rules, Public Service hereby incorporates by reference the following information, which is on file with the Commission in Docket No. 06M-525EG:

- a. A copy of Public Service's Amended Articles of Incorporation, which was last filed on October 3, 2006;
- b. The name business address and title of each of Public Service's officers and directors, which was last filed on September 23, 2011;
- c. The names and addresses of affiliated companies that conduct business with Public Service, which was last filed on March 23, 2011.
- d. The name and address of Public Service's agent for service of process, which was last filed on October 3, 2006.
- e. A copy of Public Service's most recent audited balance sheet, income statement, statement of retained earnings, and statements of cash flows was last filed on April 20, 2012.

IV. CONCLUSION

WHEREFORE, Public Service Company of Colorado respectfully requests that the Commission enter an order approving the Company's application and proposed tariffs to repeat its medical exemption program from inverted block rates on a short-term basis in 2013, and to collect the revenues lost as a result of the implementation of the program through the ECA. Public Service also asks the Commission to order the Company to file compliance tariffs within two business days of its order.

Public Service also requests that the order provide that the Company is to disclose customers' income and usage information related to this program to the Office of Consumer Counsel for auditing purposes.

If this matter is contested, Public Service asks that the Commission schedule a hearing as soon as practicable so that live testimony can be taken and the Commission

can render a final decision on this application by March 27, 2013, so that the Company can file compliance tariffs to implement the MEP and cost recovery through the ECA by March 29, 2013.

DATED this 30th day of January, 2013.

Respectfully submitted,

By: /s/ David W. McGann

David W. McGann, #34521
Assistant General Counsel
Xcel Energy Services Inc.
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Denver, Colorado 80202
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Email: david.w.mcgann@xcelenergy.com

**ATTORNEY FOR PUBLIC SERVICE COMPANY
OF COLORADO**

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO

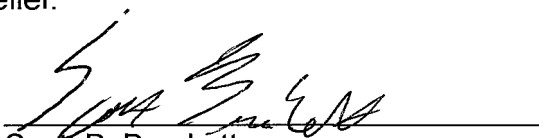
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VERIFICATION

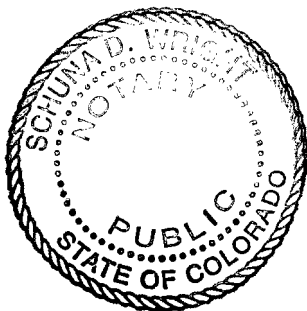
STATE OF COLORADO)
CITY AND COUNTY OF DENVER) SS:

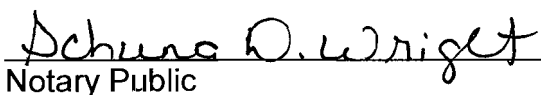
I, Scott B. Brockett, being duly sworn, do hereby depose and state that I am Director, Regulatory Administration and Compliance, Xcel Energy Services Inc., agent for Public Service Company of Colorado, Applicant in the foregoing Application; that I am an authorized agent for Public Service Company of Colorado; that I have read the foregoing Application and that the facts set forth therein are true and correct to the best of my knowledge, information, and belief.



Scott B. Brockett
Director, Regulatory Administration and Compliance
1800 Larimer, Suite 1400
Denver, Colorado 80202

Subscribed and sworn to before me this 30th day of January, 2013.




Notary Public

My Commission expires:

May 6, 2013