

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

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IN THE MATTER OF ALTERNATIVE)	
NOTICE FOR ADVICE NO. 849 - GAS OF)	
PUBLIC SERVICE COMPANY OF)	
COLORADO TO REVISE ITS PIPE-)	PROCEEDING NO. 13A - ____G
LINE SYSTEM INTEGRITY ADJUSTMENT)	
IN ITS COLORADO P.U.C. NO. 6 – GAS)	
TARIFF EFFECTIVE JANUARY 1, 2014.)	

**APPLICATION OF PUBLIC SERVICE COMPANY OF COLORADO FOR
COMMISSION APPROVAL OF AN ALTERNATIVE FORM OF NOTICE AND FOR
WAIVER OF RESPONSE TIME**

Public Service Company of Colorado ("Public Service" or the "Company"), pursuant to C.R.S. § 40-3-104(1)(c)(l)(D), hereby applies to the Commission for approval of an alternative form of notice that will apply to the Company's tariff filing to implement the Company's annual Pipeline System Integrity Adjustment ("PSIA"), effective January 1, 2014. In support of this Application, Public Service states as follows:

1. On October 1, 2013, Public Service is filing Advice Letter No. 849 - Gas to implement new PSIA rates, effective January 1, 2014, as required by the PSIA clause in Public Service's Colorado P.U.C. No. 6 – Gas tariff, Sheet Nos. 47 through 47B. Sheet No. 47 of the Company's PSIA tariff provides that "[e]ach proposed revision in the Pipeline System Integrity Adjustment will be accomplished by filing an advice letter on October 1 of each year to take effect on the following January 1." Accordingly, pursuant to the PSIA tariff, Public Service's customers and the public have received constructive notice that Public Service will file for new PSIA rates that will go into effect on

January 1, 2014. Neither the PSIA tariff nor Decision No. C11-0946 approving the Company's PSIA tariff in Docket No. 10AL-963G provides for any additional or individual customer notice. The Company is requesting Commission authorization to provide additional notice of the proposed changes filed with Advice No. 849-Gas through publication in the Legal Classified section of The Denver Post on Sunday, December 1, 2013. In addition, Public Service will also provide customer education information regarding the nature and basis of the PSIA rate change directly to all of the Company's natural gas customers through a bill insert to be included in customer bills during December 2013, as opposed to individual mailing to the extent such individual mailing may be required by C.R.S. § 40-3-104(1). The Commission approved a similar alternative notice request for the Company's October 1, 2011 PSIA filed with Advice Letter No. 809-Gas by Decision No. C11-1131, mailed October 25, 2011, in Docket No. 11A-807G and for the Company's October 1, 2012 PSIA filed with Advice Letter No. 827-Gas by Decision No. C12-1174, mailed October 12, 2012 in Docket No. 12A-1051G.

2. As explained in Advice Letter No. 849 - Gas, the circumstances of this annual PSIA filing are unusual in that certain issues that will have a material effect on the calculation of PSIA rates that will go into effect January 1, 2014, are pending the Commission's determination in the Company's gas rate case in Proceeding No. 12AL-1268G. Moreover,, certain of the Company's proposed changes to the PSIA that were included in its tariff filing with Advice Letter No. 830 - Gas initiating that gas rate case on December 12, 2012, went into effect by operation of law on August 10, 2013, subject to a refund condition tied on the outcome of the Commission's determinations in

that proceeding. Inasmuch as the refund condition established in Proceeding No. 12AL-1268G ceases to apply to periods after December 31, 2013, the Company fully expects that the Commission will issue its decision on the merits of the PSIA tariff changes in Proceeding No. 12AL-1268G before December 31, 2013. In order to avoid customer confusion regarding the interplay between the instant PSIA filing made with Advice Letter No. 849-Gas and the gas rate case in Proceeding No. 12AL-1268G, the Company is presenting, for purposes of the customer notice, the PSIA rate changes and the customer impacts resulting from the instant PSIA filing excluding any potential rate impact from any of the proposals or recommendations that are pending the Commission's determination in Proceeding No. 12AL-1268G, including those reflected in the PSIA tariff sheets that went into effect by operation of law and subject to the refund condition on August 10, 2013. In effect, the customer notice states the PSIA changes and the consequent bill impacts of the instant PSIA filing are based on a comparison of the PSIA rates proposed to be effective January 1, 2014, with the Company's PSIA rates that were in effect from January 1, 2013 through August 9, 2013, pursuant to the Company's October 1, 2012 PSIA filing made with Advice Letter No. 827-Gas in Docket No. 12AL-1053G. Given that the instant PSIA filing has no impact on base rates or any riders other than the PSIA, the bill impacts assume no changes to any rates other than the PSIA.

3. The annual revenue increase from this filing is projected to be \$11,013,401. As compared to the Company's PSIA rates that went into effect on January 1, 2013 (and remained in effect through August 9, 2013), as filed with Advice Letter No. 827-Gas in Docket No. 12AL-1053G, the revised PSIA reflects an increase of

\$0.00577, from \$0.02035 to \$0.02612, on a per therm basis and a \$0.05770 increase, from \$0.20353 to \$0.26123, on a per dekatherm (“Dth”) basis. The PSIA rate is designed to allow the Company to recover \$47,264,935 from its gas customers during 2014, which reflects the difference between the total projected 2014 Pipeline System Integrity Costs of \$61,514,462, as described in detail in the supporting exhibits attached to Advice Letter No. 849-Gas, and the Projects Base Amount of \$14,249,527 reflecting the base rate revenue requirement attributable to Pipeline System Integrity Costs as derived in Exhibit D to the Settlement Agreement entered into on May 25, 2011, and approved by the Commission in Docket No. 10AL-963G.

4. Specifically, by this Application, the Company is seeking authorization to use the following Alternative Forms of Notice:

- a. Filing of the rate changes with the Commission and the keeping open for public inspection of the filing;
- b. Causing to be published a legal notice, in the form attached hereto as Attachment A, in The Denver Post on Sunday, December 1, 2013; and
- d. Posting to the Company’s website Advice Letter No. 849-Gas and all related exhibits.

5. In addition to the above forms of customer notice, Public Service will also provide customer education information regarding the nature and basis of the PSIA rate change directly to all of the Company’s natural gas customers through a bill insert to be included in customer bills during December 2013.

6. This notice procedure is less costly than the procedures prescribed by C.R.S. § 40-3-104(1)(c)(I). The Company estimates the cost of effectuating such

additional notice through individual mailings to be in excess of \$300,000. The Company submits that newspaper notice, along with the other forms of notice and customer education bill inserts discussed above, constitutes a reasonable alternative form of notice for this filing.

7. The Company plans to go forward with these alternative forms of notice. Should the Commission deny this Application, the Company will proceed to provide additional notice consistent with the Commission's order.

8. There is good cause for the alternative form of notice requested by this Application. The newspaper notice and bill insert will provide the required information regarding the specific PSIA rate changes to the general public and impacted customers, including the estimated impact on average Residential and Commercial customers. As such, the proposed alternative notice should be sufficient to alert affected and interested parties of the changes that the Company is proposing by Advice No. 849-Gas in a timely fashion. The notice sought is the most expeditious and economic means of providing additional notice of the proposed tariff changes.

9. Public Service respectfully requests that response time to this Application for Alternative Notice be waived.

INFORMATION REQUIRED BY RULE 4002(b) AND (c)

10. **Name and Address of Applicant.** The Applicant is Public Service Company of Colorado. Public Service's principal office is located at 1800 Larimer Street, Suite 1400, Denver, Colorado 80202. Public Service is a Colorado corporation.

11. **Name Under Which Applicant will Provide Service in Colorado.** All operations conducted by the Company in Colorado shall be conducted under the name of Public Service Company of Colorado d/b/a Xcel Energy.

12. **Representatives to Whom Inquiries Concerning the Application Should be Made.** Copies of all notices, other correspondence, and all inquiries concerning this Application should be sent to:

Scott B. Brockett
Director, Regulatory Administration and Compliance
Xcel Energy Services Inc.
1800 Larimer Street, Suite 1400
Denver, Colorado 80202
Tel: (303) 294-2164
Fax: (303) 294-2329
E-mail: scott.brockett@xcelenergy.com
pscoregadmin@xcelenergy.com

and

Steven H. Denman, #7857
Assistant General Counsel
Xcel Energy Services Inc.
1800 Larimer Street, Suite 1100
Denver, CO 80202
Phone: (303) 294-2225
Fax: (303) 294-2988
E-mail: Steven.H.Denman@xcelenergy.com

The Company also requests that copies of all pleadings, correspondence, notices, rulings, orders, decisions, testimony, exhibits, discovery, and/or notices of any open meetings relating to this proceeding be forwarded electronically to Philip Jett at Philip.E.Jett@xcelenergy.com.

13. **Agreement to Comply with 4 CCR 723-4002(b)(IV)-(VI).** Public Service has read, and agrees to abide by, the provisions of 4 CCR 723-4-4002(b)(IV)-(VI).

14. **Description of Existing Operations and General Colorado Service Area.** 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.

15. **Location of Hearing.** The Company seeks a ruling on this application without hearing. However, if a hearing is held on this Application, Public Service prefers that the hearing be held at the Commission's offices in Denver, Colorado.

16. **Acknowledgment.** Public Service has read and agrees to abide by the provisions of 4 CCR 723-4002(b)(XI)(A)-(C).

17. **Statement Under Oath.** The undersigned counsel for Public Service states under penalty of perjury that the contents of the Application are true, accurate, and correct.

18. **Information Required by Rule 4002(c).** 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. The audited balance sheet, income statement, statement of retained earnings, and statement of cash flows, which was last filed on April 11, 2013.

WHEREFORE, Public Service Company of Colorado respectfully requests that the Commission approve the alternative form of notice set forth in this Application.

Dated this 1st day of October, 2013.

Respectfully submitted,

By: /s/Steven H. Denman
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**ATTORNEY FOR PUBLIC SERVICE
COMPANY OF COLORADO**