BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO

IN THE MATTER OF PUBLIC SERVICE COMPANY OF COLORADO'S PERFORMANCE BASED REGULATORY PLAN (PBR) ADJUSTMENT, AND QUALITY OF SERVICE PLAN (QSP) FOR THE 1999 PLAN YEAR	)	Docket No. 00M-632EG
IN THE MATTER OF THE APPLICATION OF PUBLIC SERVICE COMPANY OF COLORADO FOR COMMISSION AUTHORIZATION (1) TO MERGE WITH SOUTHWESTERN PUBLIC SERVICE COMPANY THROUGH THE FORMATION OF A REGISTERED PUBLIC UTILITY HOLDING COMPANY AND FOR ISSUANCE OF SECURITIES IN CONJUNCTION THEREWITH AND (2) TO IMPLEMENT A FIVE-YEAR REGULATORY PLAN WHICH INCLUDES AN EARNINGS SHARING MECHANISM; FOR ESTABLISHMENT OF A PROCEDURAL SCHEDULE; AND FOR SUCH OTHER RELIEF AS MAY BE APPROPRIATE OR NECESSARY	)	DOCKET NO. 95A-531EG

STIPULATION AND SETTLEMENT AGREEMENT

I. INTRODUCTION

Public Service Company of Colorado ("Public Service" or the "Company"), the Staff of the Public Utilities Commission of the State of Colorado ("Staff"), and the Colorado Office of Consumer Counsel ("OCC"), collectively "the Parties," hereby state that they have resolved by settlement all outstanding issues in Docket No. 00M-632EG. In addition, the Parties have resolved by settlement all issues with respect to Public Service's Electric Service Unavailability Performance Measure in the Company's 2000 QSP Report filed in Docket No. 95A-531EG on

April 16, 2001. This Stipulation and Agreement ("Agreement") sets forth all the terms and conditions of such settlement.

The Parties to this Agreement state that the results of the compromises reflected herein are a just and reasonable resolution of disputed issues and that reaching agreement as set forth herein by means of a negotiated settlement is in the public interest. Each Party hereto pledges its support of this Agreement and states that it will defend the settlement reached and the principles reflected in this Agreement. The Parties respectfully request that the Public Utilities Commission of the State of Colorado ("Commission") approve this Agreement. For those Parties for whom this Agreement is executed by counsel, such counsel states that he or she has authority to execute this Agreement on behalf of the client.

II. BACKGROUND

A. <u>Docket No. 00M-632EG -- 1999 Earnings Test</u>. Docket No. 00M-632EG was opened to review the calculation of the Company's 1999 Performance Based Regulatory Plan Adjustment ("PBR") and the Company's report of the results of its 1999 Quality of Service Plan ("QSP"). The Company filed its annual PBR report and supporting direct testimony and exhibits, which calculated the Company's earnings for calendar year 1999 and the resulting level of earnings to be shared by the Company with its customers. The Company also filed its annual QSP report and direct testimony and exhibits in support of its 1999 QSP. With respect to the 1999 QSP, the Company requested that certain weather-related events be excluded from the calculation of the 1999 System Average Interruption Duration Index ("SAIDI"), which is used to determine whether any bill credits are due to customers for Electric Service Unavailability under the QSP.

Public Service filed its Performance-Based Regulatory Plan Adjustment 1999 Plan Year Supporting Reports (PBR Report and QSP Report) on April 17, 2000, with Advice No. 1336. Staff filed its PBR and QSP Reports on June 8, 2000, taking issue with certain aspects of the Company's reports. The OCC intervened, and both the Staff and OCC conducted discovery. On June 20, 2000, Public Service filed an application to amend its PBR Report, accompanied by an Amended PBR Report. The Amended PBR Report calculated the customer share of earnings to be $12,538,592 for the 1999 year, which resulted in a PBR rider of -.97%. The Company put the Amended PBR rider into effect on July 1, 2000.

After the Amended PBR Report was filed, the Company continued to have informal discussions with both the Staff and the OCC concerning both the PBR Report and the QSP Report. On November 8, 2000, the Company filed its Direct Testimony and Exhibits in support of both the Amended PBR and the QSP and in support of the Company's request for certain weather-related SAIDI exclusions. In the Direct Testimony of Mr. Willemsen, he addressed certain issues which had been discussed with the Staff and the OCC; he offered a new PBR Report as his Exhibit TLW-2. Mr. Willemsen's Direct Testimony and new PBR Report revised the customer share of earnings to be $12,711,038.

The 1999 earnings sharing level calculated in Exhibit TLW-2 reflected the Company's position on issues that had been disputed in the 1998 Earnings Test case, Docket No. 99A-406EG; at the time that Mr. Willemsen filed his Direct Testimony, the Commission had not issued its final ruling in Docket No. 99A-406EG. On November 21, 2000, the Commission issued its final decision in Docket No. 99A-406EG (Decision No. C00-1319). In conformance with Decision No. C00-1319, the Company filed a new PBR rider on December 21, 2000, with an effective date of January 1, 2001. The new rider was –1.70%. This new rider took into account all the changes on Mr. Willemsen's Exhibit TLW-2 and the changes resulting from the disputed issues from the 1998 Earnings Test docket.[1] The calculation of this rider was reviewed by the Staff and the OCC before it went into effect.

The Staff and OCC filed Answer Testimony on January 5, 2001. The Parties have been granted extensions of time for the filing of Rebuttal and Cross-Answer Testimony due to ongoing settlement discussions. Settlement has been reached on all issues in Docket No. 00M-632EG and this Agreement sets forth that settlement.

B. **Docket No. 95A-531EG – 2000 Earnings Test.** On April 16, 2001, the Company filed Advice No. 1355 – Electric and its Performance-Based Regulatory (PBR) Plan Adjustment and Quality of Service Plan (QSP), 2000 Plan Year Supporting Reports. Staff and OCC have reviewed the Electric Service Unavailability Performance Measure portion of the Quality of Service Plan (QSP) Report. This Agreement sets forth the settlement among the Parties as to the Electric Service Unavailability Performance Measure for 2000. This Agreement does not address any other portion of the 2000 PBR or QSP Report.

III. TERMS OF PBR SETTLEMENT

The Parties hereby agree to the following terms with respect to the Company's PBR Adjustment and earnings sharing for the 1999 Plan Year:

A. **Calculation of 1999 PBR Adjustment.** No Party contests the Company's PBR Adjustment of –1.70% that went into effect on January 1, 2001, and which shall remain in effect through June 30, 2001.

[1] The rider of –1.70% was designed to share with customers $14,577,131. This amount includes the true-up of the 1997 and 1998 earnings test years; the impact of the Commission's decision regarding the WestPlains contract on the 1998 and 1999 earnings test years; and interest due to customers for the 1998 and 1999 earnings test years as a result of the resolution of the WestPlains contract issue.

B. Accounting Adjustments. An issue arose in the 1999 PBR Report as to how to treat accounting adjustments that affected prior PBR Plan Years but that were not known until after the earnings sharing for the prior year had been determined. In the 1999 Plan Year, Public Service booked a refund for personal property taxes from the State of Colorado that had been paid in calendar year 1998. Rather than reopen the 1998 earnings sharing calculation to reflect this refund, which would have decreased the 1999 earnings sharing amount, the Company proposed to recognize the refund in 1999 for purposes of 1999 earnings sharing. This is a departure from the normal treatment of "accounting adjustments" as discussed in earlier Commission orders. More detail on this issue is contained in the Direct Testimony of Timothy L. Willemsen on pages 14-15.

The Parties agree that within the framework of the earnings test structure it is appropriate for the Company, in the 1999 Plan Year and in Plan Years 2000, 2001 and 2002, to follow the procedure used by Mr. Willemsen for accounting adjustments. Specifically, the Parties agree that when an accounting adjustment affecting a prior PBR Earnings Test Plan Year (1997 through 2002) does not become known until after the applicable PBR Report for the prior Plan Year has been filed, then that accounting adjustment should be recognized for PBR Earnings Test purposes in the year it becomes known and is recorded on the books of Public Service in accordance with generally accepted accounting principles. This change produces a systematic and administratively efficient way of ensuring that items that would have affected an earnings sharing amount are recognized within the context of PBR earnings sharing without having to resort to the administrative cost of reopening a prior Plan Year Earnings Test on one hand, or ignoring the amount altogether on the other hand. This treatment for accounting adjustments is especially well suited to adjustments such as resolution of insurance claims or resolution of prior year's tax liabilities, but shall apply to all accounting adjustments affecting prior Earnings Test Plan Years, except for the calculation of deferred income tax expense.

The provisions of this paragraph III.B shall not apply to deferred income tax expense. Deferred income tax expense used for purposes of the earnings test in a given year eliminates prior period amounts from the booked deferred income tax figure. This elimination of prior period adjustments does not have an impact on prior years' earnings test calculations.

Accounting adjustments would still be made for items that apply to years that are not Earnings Test Plan Years. For example, an adjustment that applies to 1996 or earlier would properly be eliminated; similarly, an adjustment that affects a year after 2002 would likewise be properly eliminated. All other entries that crossed years within the current Earnings Test program would remain in the year recorded in accordance with generally accepted accounting principles. This agreement with respect to accounting adjustments only applies in the context of the Earnings Test calculations; it does not apply to rate case filings or any other regulatory filing of the Company.

In accord with the Stipulation and Agreement approved by the Commission in Docket No. 99A-377EG (NCE/NSP merger), there will be no earnings test in 2003, but there will be earnings tests in 2004 through 2006. That stipulation also requires the Company to file an electric rate case in 2002. The Parties to this Agreement reserve the right to propose in the 2002 rate case the appropriate ratemaking principles, including accounting adjustments, that should apply to earnings test calculations after 2003.

C. **Valmont Turbine Blade Project.** In its June 8 Report, Staff took exception to the full amount the Company claimed for the Valmont turbine blade project. Staff proposed a cap on cost recovery at the level of project cost estimated in the Company's CPCN application for the project. See Docket No. 97A-521E.

In his Direct Testimony filed on November 2000, Mr. Willemsen disagreed with Staff's position. But he noted that the Company was engaged in a billing dispute with the project contractor and the Company had recorded on its books in 1999 an unvouchered liability of $1.2 million in connection with that dispute. Mr. Willemsen testified that the Company was willing to reverse the unvouchered liability for purposes of the 1999 PBR Earnings Test calculation. This had the effect of reducing the amount on the Company's books for the Valmont turbine blade project through December 31, 1999, to a level below the original project cost estimate. Exhibit TLW-2 incorporates this change.

As a consequence of PSCo's action, there is no need to resolve this dispute between Staff and the Company in Docket No. 00M-632EG. All Parties reserve the right to argue in future dockets as to the propriety of allowing the difference between the estimated cost and the actual cost of the Valmont turbine blade project to be reflected in future PBR Earnings Test calculations or in future rate cases.

IV. TERMS OF QSP SETTLEMENT

The only part of the Company's 1999 QSP Report that has been disputed in this Docket is the Electric Service Unavailability Performance Measure. The Company requested that certain weather-related events be excluded from the calculations of both Total System SAIDI and various Regional SAIDIs. The QSP tariff, Sheet 105C, provides a process for exclusion requests. In general, the Company makes the exclusion request to the Commission Staff and provides supporting documentation to demonstrate that a particular event should be excluded. The QSP Tariff provides (Sheet 105H) as follows:

Exclusions

> The SAIDI, CAIDI, and SAIFI data will be recorded with no exclusions, but the Company may request exclusion of certain circumstances or events. Such events include but are not limited to periods of emergency, catastrophe, natural disaster, catastrophic storm, civil unrest or other events affecting large numbers of Customers. Such events should include only those extraordinary events that are outside of the Company's control.

If Staff and the Company disagree as to whether a certain event should be excluded, the tariff provides for the dispute to be resolved by an administrative law judge. Both the Staff and the OCC have filed testimony in this docket disputing the Company's exclusion requests.

The Parties agree that the exclusion process that is currently in effect is a difficult one to administer because there are differences of opinion as to whether a weather-related event is extraordinary enough to qualify for an exclusion. The Company proposed in its Direct Testimony an objective standard that could be applied; the Staff and the OCC opposed the standard proposed by the Company. This Agreement contains a more workable standard for determining when a weather-related event would qualify for exclusion from the SAIDI calculation.

In addition, a dispute has arisen as to whether the SAIDI calculation includes customer interruptions that are caused by generation outages and/or by disturbances on the Company's transmission system. The Company's position is that SAIDI is calculated only from disturbances that arise on the Company's primary distribution system.[2] The Staff and the OCC take the position that all customer outages must be counted. This Agreement resolves this disputed issue.

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[2] The Company also has not included in the SAIDI calculations outages that result from disturbances on the Company's secondary distribution system. For purposes of this Agreement, the following definitions shall apply:

> Generation is that portion of PSCo's electric system that delivers electric energy from the generator to the high voltage side of the generating station transformer.

In settlement discussions, the Parties also reviewed changes in the Company's internal procedures that have recently made the reporting of outage minutes more accurate. The Parties agree that adjustments to the Performance Targets for SAIDI are justified to reflect these reporting improvements.

The issues in this docket have bearing not only on the 1999 Earnings Test Plan Year but also on prior and future filings. The Company has not included generation outages or transmission outages in any of its prior SAIDI calculations. The Company filed its 2000 QSP Report on April 16, 2001. In the 2000 QSP Report the Company has counted only outages that arose on the Company's primary distribution system. In addition, the Company has requested the exclusion of certain weather-related events. Staff has already notified the Company that it is not willing to agree to all the exclusions requested.

Staff, the OCC and the Company have conducted extensive settlement negotiations to resolve disputed issues that have been raised about the Company's 1999 QSP Report. In addition, Staff, the OCC and the Company have discussed the disputed issues with respect to the Electric Service Unavailability Performance Measure that the parties anticipated would arise under the Company's 2000 QSP Report, since the 1999 and 2000 issues are similar. Staff and OCC have had the opportunity to review the Electric Service Unavailability Performance

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(Footnote 2 continued)

Transmission is that portion of PSCo's electric system that delivers electric energy from the high voltage side of the generating station transformer through the distribution substation facilities to the load side of the distribution feeder protective device. This typically would be the primary distribution feeder termination.

Primary Distribution is that portion of PSCo's electric system that delivers electric energy from the distribution substation feeder protecting device (load side) to the distribution transformer secondary.

Secondary Distribution is that portion of PSCo's electric system that delivers electric energy from the load side of a distribution transformer to the load side of the customer meter.

Measure portion of the Company's 2000 QSP Report and have negotiated with the Company a settlement of all disputed issues that arise under the Company's calculation of the 2000 Electric Service Unavailability Performance Measure.[3] This Stipulation and Settlement Agreement settles all disputed QSP issues raised or that could have been raised with respect to the Company's 1999 QSP Report and with respect to the Electric Service Unavailability Performance Measure in the Company's 2000 QSP Report.

The Parties hereby agree as follows:

A. **Changes to the QSP starting with the 2001 QSP**. The Parties agree that several changes shall be made to the Company's QSP Tariff, which shall apply to subsequent QSP Performance Years, beginning with the 2001 Performance Year. These changes are as follows:

1. **Increases in performance targets due to better reporting**. The Company has demonstrated to the Commission Staff and OCC that the implementation of the Company's Outage Management System ("OMS"), which allows actual customer counts to be utilized in the calculation of SAIDI, has resulted in a 14% increase in the SAIDI results reported for 2000, merely due to more accurate reporting. The Parties agree that this reporting improvement warrants a change in the SAIDI Performance Targets, so that the Targets remain consistent with the QSP Stipulation that established the original Targets and so that the Company is not disadvantaged by improving its reporting systems.

The Parties agree that the individual regional SAIDI benchmarks for the Boulder and Denver Metro operating regions, the only Company operating regions in which OMS has been

[3] This Stipulation and Settlement Agreement does not address the other Performance Measures reported by the Company in its 2000 QSP Report. Staff and OCC reserve the right to contest the other Performance Measures, if necessary, and the Company reserves the right to defend its 2000 QSP Report on any contested measures.

implemented to date, shall each be raised 14 minutes to adjust for the OMS implementation in those regions. The Parties further agree that to reflect this adjustment, 11 minutes shall be added to the current Total System SAIDI Performance Target of 79 minutes. This adjustment to Total System SAIDI is warranted by the fact that the number of Company customers in these two operating regions represents approximately 78.6% of the total number of electric customers served by the Company. Incremental ten-minute intervals shall continue to be used in the matrix for determining the level of bill credit for missing the Total System SAIDI Target. Incremental fifteen-minute intervals shall continue to be used in the matrix for missing the Highest Single Regional SAIDI Target.

The Company plans to implement OMS in its other operating regions. After the first full year of the implementation of OMS in a particular region, the Company shall calculate and provide to the Staff and the OCC the impact of the OMS implementation on the region's SAIDI and on Total System SAIDI. The Company shall provide the calculation in a format similar to what was provided to the Parties for the Denver and Boulder operating regions. For this Stipulation and Agreement, the Company used two methods to determine the impact of the OMS system on the 2000 Denver and Boulder Operating Area SAIDI. One showed the average number of customers affected per outage in 2000 compared to 1999. For the other method, the Company substituted the 1999 customer counts by feeder into the outage calculations for each feeder lockout that occurred in the Denver and Boulder Operating Areas in 2000. Both methods support the 14% increase in the SAIDI results reported in 2000.

For future OMS implementation in other operating regions, the Company shall calculate the effects of OMS by substituting the previous year's customer counts by interrupting device into the current year's outage calculation for each outage that occurred in that operating region for the year being analyzed. This will calculate, in SAIDI minutes, the effect of using actual customer counts generated by using OMS instead of the default customer counts used in previous years. After Staff and OCC have reviewed the calculation of the impact of the OMS implementation and verified its accuracy, the Parties agree that the affected region's SAIDI Target and the Total System SAIDI Target[4] shall be adjusted for subsequent QSP Performance Years in the same manner and relative proportion as the adjustment was made in this Stipulation to reflect the use of OMS in the Denver and Boulder Operating Regions. In the event of a disagreement, the Parties shall use best efforts to resolve the dispute using the standards that are set forth in this paragraph.

2. **Increases in performance targets to reflect normal weather variations**. The Parties agree that the Performance Targets in the current QSP Tariff are based upon historical averages. In consideration of the tightening of the exclusion qualification discussed below, the Parties agree that the historical Targets need to be increased to reflect normal variations above the historical averages due to weather and other causes. Consequently, in addition to the adjustments discussed above to reflect more accurate outage reporting, the Parties agree that the Total System SAIDI Performance Target shall be raised three minutes and that each of the regional SAIDI Performance Targets shall be raised an additional 4.5 minutes.

3. **SAIDI calculations.** In calculating SAIDI for purposes of the Electric Service Unavailability Performance Measure, the Company shall count all customer sustained outages (a "sustained outage" is an interruption greater than one minute) that are triggered by the following events:

[4] The adjustment to Total System SAIDI shall be calculated by determining the proportion that the number of customers in the OMS improved operating region bears to the total number of customers on the Company's system, and then multiplying that fraction by the change in SAIDI minutes determined for the OMS improved operating region.

a. an outage that originates on the Company's primary distribution system;

b. an outage that originates on transmission facilities that are owned by Public Service Company (either solely-owned or jointly-owned with another utility);

c. an unplanned (forced) outage[5] on a generating facility that is operated and maintained by Public Service Company; and

d. an unplanned (forced outage) on a generating facility that is operated and maintained by a company that is not affiliated with Public Service Company but which is a facility where Public Service Company has contracted under a tolling agreement to supply the fuel for the generating facility, and the forced outage is caused by an interruption in fuel supply, and the interruption in fuel supply is caused by a circumstance that is under the control of Public Service Company.

Public Service shall not include in the SAIDI calculation 1) interruptions of less than one minute; 2) interruptions caused by outages that originate on the transmission facilities of other companies in which Public Service has no ownership interest; 3) interruptions caused by planned outages[6] on Public Service generation facilities; or 4) interruptions that are caused by outages on generation facilities that are not operated and maintained by Public Service Company, provided

[5] For purposes of this paragraph IV.A.3, Public Service shall use the outage definitions from the Generating Availability Data System Data Reporting Instructions, published October 1998 by the North American Electric Reliability Council ("GADS"), the pertinent pages of which are attached as Exhibit 1. An unplanned (forced) outage shall include any outage that would be identified in the GADS as U1, U2, U3 or SF. An unplanned (forced) outage shall also include an unplanned (forced) derating, identified in the GADS as D1, D2, or D3.

[6] For purposes of paragraph IV.A.3 of this Agreement, a planned outage shall include any outage that would be identified in the GADS as PO, MO, or SE. A planned outage shall also include any planned derating, identified in the GADS as PD, D4 or DE. See footnote 5 and Exhibit 1, attached.

that if Public Service is purchasing the power from a generating facility that is operated and maintained by an affiliate of Public Service Company, sustained customer outages that are caused by an unplanned (forced) outage on such facility shall be included in the SAIDI calculation. Until the conditions of paragraph IV.A.4 are met, the Company shall not include in its SAIDI calculations sustained customer outages that are caused by outages that originate on the Public Service secondary distribution system.

Notwithstanding the foregoing, Staff and OCC reserve the right to challenge the exclusion of certain sustained customer outages that the Company is permitted to exclude under this paragraph because the interruptions are caused by outage events on facilities that are not owned or operated by the Company. In making such challenge, the Staff and/or the OCC shall bear the burden of proving that the sustained customer outages resulting from such outage events were not properly limited in duration or extent by the Company. In meeting this burden, the Staff and/or the OCC must prove that the Company failed to use prudent utility practices either before, during or after the event to limit the duration or extent of customer outages.

4. **Study of secondary distribution system outages.** The Company agrees to track and report secondary distribution system outages for three years -- QSP performance years 2001-2003. In November 2003, the Company shall meet with the Staff and the OCC to discuss the inclusion of secondary distribution system outages in the SAIDI calculations. The Parties agree that if secondary distribution system outages were to be included in the Performance Targets, these targets would have to be increased. It is unknown at this time the magnitude of any appropriate increase to reflect secondary distribution system outages.

5. **Exclusions for major weather-related events.** Customer outages occurring during a major weather-related event shall be excluded from the Company's reported

SAIDI results. A "major weather-related event" is an event during which at least 10% of the Company's customers in a particular operating region experienced a weather-related sustained outage during any 24-hour period. A "weather-related event" shall be defined to include rain, flooding, snow, ice, sleet, heat, cold, hail, wind, lightning, tornadoes, hurricanes, earthquakes, solar storms and any combination thereof. A "sustained outage" is an interruption greater than one minute.

After it has been determined that a major weather-related event has occurred, then all customer outage minutes during the duration of the major weather-related event shall be excluded from the SAIDI calculations, irrespective of the cause of each specific customer outage. The duration of the major weather-related event shall be determined as follows: the event shall be deemed to have commenced when the first weather-related sustained outage occurred and shall end when no additional weather-related sustained outages have occurred for a period of 12 hours. For purposes of clarification, sustained outages that are not weather-related that are reported during the 12 hour period discussed in the previous sentence shall be excluded from the SAIDI calculation but shall not be used to extend the duration of the major weather-related event.

For the purposes of determining whether the 10% of customers threshold has been reached in a 24 hour period to establish a major weather-related event, the Company shall not count any customer more than once, even if the customer experiences several discrete outages. However, all outage minutes of such customer that occur during the major weather-related event shall be excluded from the SAIDI calculation.

The Company shall report to the Staff and the OCC all major weather-related events that the Company intends to exclude from its SAIDI calculations; the Company shall provide the

Parties information in the form of an outage log demonstrating that the requisite number of customers experienced a sustained outage during the exclusion period. The Commission Staff and/or the OCC may challenge the exclusion for a major weather-related event but shall bear the burden of proof. In meeting this burden, the Staff and/or the OCC must prove that the Company failed to use prudent utility practices either before, during or after the event to limit the duration or extent of customer outages, taking into account the severity of the weather conditions prevailing during the event and taking into account the understanding that a major weather-related event will likely increase the extent and duration of outages, even when the utility has been prudent in its design of facilities and in its staffing levels .

6. **Exclusions for other major events.** For major events that are not weather-related and that are outside the control of the Company, the Company shall have the opportunity to request exclusions. A "major event" is defined as an event during which at least 10% of the Company's customers in a particular operating region experienced a sustained outage during a 24-hour period. A "sustained outage" is an interruption greater than one minute. The Company shall bear the burden of proving that the major event affected the requisite number of customers and that the major event was unforeseeable and extraordinary. Such major events could include, but are not limited to, periods of emergency, catastrophe, natural disaster, war, civil unrest, criminal activity, sabotage, chemical contamination and governmental activities or restrictions.

7. **No other exclusions permitted.** In consideration for the increases in Performance Targets set forth in paragraph IV.A.2 of this Agreement, the Company shall not exclude from its SAIDI calculations any outages other than those described in paragraphs

IV.A.3, IV.A.5, and IV.A.6 of this Agreement. The treatment of outages that arise on the Public Service secondary distribution system shall be governed by paragraph IV.A.4 of this Agreement.

8. Procedures for reporting outages and exclusions. The Company shall report in writing to Staff and OCC each event that the Company intends to exclude from the SAIDI calculations, and the Company shall report whether the exclusion arises under foregoing paragraphs IV.A.3, IV.A.5, or IV.A.6 of this Agreement. The Company shall use its best efforts to make this report no later than 75 days from the end of the month in which the event occurs. The Company's report shall contain the following information with respect to each outage event: the affected Company operating region; the date and time of the outage; the duration of the outage; the number of customers affected; the cause of the outage; the interrupting device; whether the Company was able to partially restore service behind the interrupting device; the total customer outage minutes; and comments from field personnel, if available.

The Staff and the OCC shall use best efforts to respond in writing to the Company's report no later than 75 days after the information is provided by the Company. The Staff and the OCC shall each inform the Company whether each supports or disputes each exclusion. If the Company disagrees with either the Staff or the OCC, the Company shall use best efforts to notify in writing the affected party within thirty (30) days. If any Party cannot meet the deadlines set forth in this paragraph IV.A.8, the late Party shall notify the other Parties of the need for more time and of the date when the Party expects the information can be provided.

The Company shall bear the burden of proof with respect to requests for exclusion of major events that are not weather-related events, as discussed in paragraph IV.A.6, above. The Commission Staff and/or the OCC shall have the burden of proof in challenging the Company's SAIDI calculations and major weather-related events exclusions under paragraphs IV.A.3 and

IV.A.5. Any dispute shall be settled in the docket established to review the Company's annual QSP Report.

9. **Annual presentation to the Commission**. The Company will request that the Commission permit it to make an annual presentation to the Commission in March of each year in the form of an open information meeting regarding the Company's plans, actions and results for electric transmission and distribution system reliability in Colorado. In 2001, the Company will request the meeting to take place in July or August.

10. **Confidential report on resource deployment.** The Company shall provide annually to the Staff and the OCC a confidential report regarding resource deployment. The resource report shall be provided with the annual QSP Report on April 1st following the QSP performance year. The resource report shall contain the following information with respect to the most recent calendar year period and the two prior calendar year periods and shall be reported for each Operating Region: operating and maintenance expenditures for the Public Service transmission and distribution systems; the amount of contractor labor employed during the period; and the head count of field personnel responsible for operating, maintaining and responding to trouble on the Public Service Company electric transmission and distribution system. The first resource report shall be provided on April 1, 2002, reflecting the 2001 Performance Year data.

11. **Filing of new QSP tariff**. The Parties agree that the current QSP tariff shall be replaced by a new QSP tariff in the form of Exhibit 2 to this Agreement. The Company shall file this tariff within 30 days of Commission approval of this Agreement.

B. **Bill Credits for the 1999 QSP Performance Year**. The Parties stipulate that the Company shall distribute to its retail customers the maximum bill credit (100%) provided under the current QSP tariff of $3 million for the 1999 QSP performance year. For purposes of this Settlement, the Parties agree to waive the QSP tariff provision which requires the payment of interest on the 1999 QSP Performance Year amount.

C. **Bill Credits for the 2000 QSP Performance Year.** Under the current QSP Tariff, if the Company pays a 100% bill credit in any one year related to electric service unavailability, the maximum credit in the next year increases by $1.2 million. Consequently, the maximum (100%) bill credit for the 2000 QSP Performance Year is $4.2 million. The Parties stipulate that the Company shall distribute to its retail customers 50% of the maximum bill credit, or $2.1 million. This bill credit determination was derived in the following manner:

1. **Reduction in SAIDI to reflect OMS reporting improvements.** As discussed above, the implementation of the new OMS reporting increases the accuracy of customer counts compared to the procedures used at the time the QSP Performance Targets were established. The Parties stipulated above to adjust the Performance Targets beginning for the 2001 QSP Performance Year. See paragraph IV.A.1 of this Agreement. For the 2000 QSP Performance Year only, instead of adjusting the tariff targets, the Parties stipulate to achieve the same effect by reducing the Company's reported Total System SAIDI by 11 minutes.

2. **Exclusion of outages in the Mountain Region for severe weather on April 22-24, 2000.** The Parties agree that a portion of the Company's exclusion request for the Mountain Region outages on April 22-24 should be granted. This partial exclusion totals 4,473,171 customer minutes for the Mountain Operating region in the 2000 QSP performance year. This partial exclusion request is granted in recognition of the severe weather combination of snow, ice and wind conditions that the Company experienced in the Mountain Operating region on these dates. The Commission Staff and the OCC have reviewed all available

information regarding this event and agree that the event was extraordinary and that it qualifies for a partial exclusion under the current QSP tariff. Exhibit 3 lists the outages for which the partial exclusion is granted. The partial exclusion results in a reduction in the SAIDI in the Mountain Region of 142.12 minutes.

3. **Calculation of the adjustments to the 2000 SAIDI.** When the adjustments discussed in paragraphs IV.C.1 and IV.C.2 above are made, the adjusted SAIDI is as follows:

Primary Distribution SAIDI	**System**	**Mountain**
Actual	91.60	270.91
Less Mountain Exclusion	-3.92	-142.12
Sub-total	87.68	128.79
Less OMS effect	-11.00	0.00
Adjusted SAIDI	**76.68**	**128.79**

Under the current QSP tariff, these SAIDI calculations for the 2000 Performance Year result in a bill credit that is 50% of the maximum bill credit. Fifty per cent of $4.2 million is $2.1 million.

D. **Maximum Bill Credit for the 2001 QSP Performance Year**. The Parties agree that the current QSP tariff shall apply to determine the increase in the maximum bill credit in the 2001 Performance Year that results from payment of the 50% bill credit in 2000. The maximum 2001 bill credit for electric service unavailability shall be $5.4 million.

E. **No Reopening of Prior Year QSP Calculations**. In consideration of the terms of this Agreement, the Staff and the OCC withdraw their requests that QSPs for 1997 through 2000 be recalculated to include generation outages and/or transmission system outages in the SAIDI calculations.

F. **Refund Mechanics.** The bill credits stipulated in this Agreement shall be paid out of earnings, not revenue. Therefore, the bill credit amounts must be increased to adjust for the income tax effect. In addition, the Company has agreed to pay the Colorado Energy Assistance Foundation (CEAF) ten percent (10%) of all bill credits for the years prior to 2001, per Decision No. C00-393 dated April 24, 2000, Docket No. 99A-377EG and Decision No. C96-1235 dated November 29, 1996, Docket No. 95A-531EG. Therefore, the amount of bill credits applied to electric retail customers as a result of this Agreement shall be as follows:

1999 Bill Credit	$3,000,000
2000 Bill Credit	$2,100,000
Total Bill Credit	$5,100,000
Tax Gross-Up Factor	1.61316341
Subtotal	$8,227,000 (rounded to nearest thousand)
Less: CEAF Payment	$ 822,700
Net Credit to Electric Retail Customers	$7,404,300

The Company shall make these distributions to CEAF and to electric retail customers the later of either the July 2001 billing cycle or the billing cycle that begins 30 days after a final Commission decision in this case. If the Company fails to commence application of the bill credits within 60 days of the billing cycles discussed in this paragraph, the bill credit shall bear interest at a rate equal to the Company's customer deposit rate.

V. GENERAL PROVISIONS

The Parties by entering into this Agreement specifically agree that its terms are reasonable and in the public interest. The Parties stipulate to the admissibility of the testimony and documentary evidence submitted by all Parties in this docket into the record of this proceeding. The Parties acknowledge that Public Service was entitled to present rebuttal testimony in this proceeding but did not do so because this Agreement was reached.

This Agreement is an integrated whole and may not be altered by the unilateral determination of any Party to this Agreement, absent the filing of appropriate pleadings and notice to all Parties hereto and approval by the Commission of the proposed modification. To the extent that the Commission materially alters or amends any portion of the terms set forth herein, the Parties will not be deemed to have withdrawn from this Agreement but may do so within ten (10) days of a Commission determination to materially alter or amend the terms.

This Agreement is made for settlement purposes only. This Agreement does not constitute an agreement by any Party that any principle or methodology contained within this Agreement may be applied to any situation other than the situations specifically discussed in this Agreement.

The Parties expressly reserve the right to advocate positions different from those stated in this Agreement in any proceeding other than one necessary to enforce this Agreement or a Commission Order concerning this Agreement. Nothing in this Agreement shall constitute a waiver by any Party with respect to any matter not specifically addressed in this Agreement, except that the Parties do waive the right to contest any other issues in Docket No. 00M-632 EG and the Parties do waive the right to contest further the issue of the Electric Service Unavailability Performance Measure in the Company's 2000 QSP Report in Docket No. 95A-531EG or in any other docket.

This Agreement shall not become effective until issuance of a final Commission Order approving this Agreement, which Order does not contain any material modification of the terms and conditions of this Agreement that is unacceptable to any one of the Parties. In the event the Commission modifies this Agreement in a manner unacceptable to any Party, that Party may withdraw from the Agreement and shall so notify the Commission and the other Parties to the Agreement in writing within ten (10) days of the date of the Commission Order.

In the event a Party exercises its right to withdraw from the Agreement, this Agreement shall be null and void and of no force and effect in this or any other proceeding. Further, this Agreement as well as the negotiations or discussions undertaken in conjunction with the Agreement shall not be admissible into evidence in this or any other proceeding.

If the Commission does not approve this Agreement, this Agreement, as well as the negotiations and discussions undertaken in conjunction with the Agreement, shall not be admissible into evidence in this or any other proceeding.

In the event that the Commission does not approve the Agreement or a Party withdraws from this Agreement so as to render it null and void, the Parties reserve the right to address the Commission in this Docket and to argue the positions contained in the pre-filed testimony and exhibits. In such a case, Rebuttal and Cross-Answer Testimony in Docket No. 00M-632EG shall be due within 21 days of the nullification of this Agreement and the evidentiary hearings in that docket shall be scheduled as soon as practicable thereafter. Moreover, if this Agreement is nullified, the Parties are free to assert any position they choose with respect to the Company's 2000 QSP Report.

Approval by the Commission of this Agreement shall constitute a determination that the Agreement represents a just, equitable and reasonable resolution of issues that were or could have been contested among the Parties with respect to the subject matter of this Agreement.

The Parties state that reaching agreement in this docket by means of a negotiated settlement is in the public interest and that the results of the compromises and settlements reflected by this Agreement are just, reasonable and in the public interest.

This Agreement may be executed in separate counterparts. These counterparts taken together shall constitute the whole agreement.

Unless terminated earlier in accordance with its provisions, this Agreement shall terminate after the 2006 QSP Performance Year, but this Agreement shall apply to the calculations and reports made with respect to the 2006 QSP Performance Year.

VI. CONCLUSION

The signatories respectfully request the Commission approve this Stipulation and Agreement.

DATED this 30th day of ~~July~~ August, 2001.

PUBLIC SERVICE COMPANY OF COLORADO

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ATTORNEY FOR THE COLORADO
OFFICE OF CONSUMER COUNSEL

Generating Availability Data System

DATA REPORTING INSTRUCTIONS

October 1998

North American Electric Reliability Council
Princeton Forrestal Village
116-390 Village Boulevard
Princeton, New Jersey 08540-5731
609-452-8060 ◆ 609-452-9550 FAX
http://www.nerc.com ◆ gads@nerc.com

A. EVENT IDENTIFICATION (cont.)

1. Outages

An outage exists whenever a unit is not synchronized to the grid system and not in a Reserve Shutdown state. The general outage event classification is divided into seven distinct event types. Special instructions for reporting testing during and following outages are shown on Page III-9.

PO - Planned Outage
An outage that is scheduled well in advance and is of a predetermined duration, lasts for several weeks, and occurs only once or twice a year. Turbine and boiler overhauls or inspections, testing, and nuclear refueling are typical Planned Outages.

MO - Maintenance Outage
An outage that can be deferred beyond the end of the next weekend, but requires that the unit be removed from service, another outage state, or Reserve Shutdown state before the next Planned Outage (PO). Characteristically, a MO can occur any time during the year, has a flexible start date, may or may not have a predetermined duration, and is usually much shorter than a PO.

SE - Scheduled Outage Extension
An extension of a Planned Outage (PO) or a Maintenance Outage (MO) beyond its estimated completion date.

Use an SE only in instances where the original scope of work requires more time to complete than originally scheduled. Do not use an SE in those instances where unexpected problems or delays outside the scope of work are encountered which render the unit out of service beyond the estimated end date of the PO or MO. Report these delays as Unplanned (Forced) Outage-Immediate (U1). An SE or U1 must start at the same time (month/day/hour/minute) the end of the PO or MO is reached. See Appendix G, Example 8A, Pages G-53 to G-57.

SF - Startup Failure
An outage that results when a unit is unable to synchronize within a specified startup time following an outage or Reserve Shutdown.

The startup period for each unit is determined by the operating utility. It is unique for each unit, and depends on the condition of the unit at the time of startup (hot, cold, standby, etc.). A startup period begins with the command to start and ends when the unit is synchronized. An SF begins when the problem preventing the unit from synchronizing occurs. The SF ends when the unit is synchronized, another SF occurs, or the unit enters another permissible state.

U1 - Unplanned (Forced) Outage - Immediate
An outage that requires immediate removal of a unit from service, another outage state, or a Reserve Shutdown state. This type of outage usually results from immediate mechanical/electrical/hydraulic control systems trips and operator-initiated trips in response to unit alarms.

A. EVENT IDENTIFICATION (cont.)

U2 - Unplanned (Forced) Outage - Delayed
An outage that does not require immediate removal of a unit from the in-service state but requires removal within six hours. This type of outage can only occur while the unit is in service.

U3 - Unplanned (Forced) Outage - Postponed
An outage that can be postponed beyond six hours but requires that a unit be removed from the in-service state before the end of the next weekend. This type of outage can only occur while the unit is in service.

Notes on Reporting Outages

Testing Following Outages

Typically following outages, equipment that was repaired or replaced is tested. These testing periods must be reported to GADS. The reporting procedure to follow depends on whether or not the unit was synchronized during the testing period:

a. **On-line testing (synchronized)**
If the unit must be on line and in service at some reduced load to perform testing following a Planned Outage (PO), Maintenance Outage (MO), or Unplanned (Forced) Outage (U1, U2, U3, SF), report the testing as a Planned Derating (PD), Maintenance Derating (D4), or Unplanned (Forced) Derating (D1), respectively (see Page III-10). The PD, D4, or D1 starts when the testing begins, and ends when testing is completed. Report any generation produced while the unit was on line during the testing period on the Performance Report (95) (see Page IV-7).

b. **Off-line testing (not synchronized)**
In cases where the unit does not have to be synchronized after the outage to perform testing, you can report the testing as part of the outage event using Section D of the Event Report (97). The outage ends when the testing is completed and the unit is placed in service or enters another state.

If you wish, you may report this type of testing separate from the outage event. In this case, the testing period becomes a new event, the outage ending when the testing period begins. You must use the same event type for the testing event as you did for the original outage (an SE is not considered an original outage — use the PO or MO event type, as appropriate). The testing event ends when the unit is synchronized or placed in another unit state.

A. EVENT IDENTIFICATION (cont.)

2. Deratings

A derating exists whenever a unit is limited to some power level less than the unit's Net Maximum Capacity. Similar to outages, the general derating event classification is divided into distinct event types, based on IEEE Standard 762.

Report all deratings that are greater than 2% of the unit's Net Maximum Capacity and longer than 30 minutes in duration. Lesser deratings can be reported at your discretion. Do not report deratings caused by ambient-related conditions or system dispatch requirements (see **Notes on Reporting Deratings, Page III-11**).

PD - Planned Derating
A derating that is scheduled well in advance and is of a predetermined duration.

Periodic deratings for tests, such as weekly turbine valve tests, should not be reported as PD's. Report deratings of these types as Maintenance Deratings (D4).

D4 - Maintenance Derating
A derating that can be deferred beyond the end of the next weekend but requires a reduction in capacity before the next Planned Outage (PO). A D4 can have a flexible start date and may or may not have a predetermined duration.

DE - Derating Extension
An extension of a Planned Derating (PD) or a Maintenance Derating (D4) beyond its estimated completion date.

Use a DE only in instances where the original scope of work requires more time to complete than originally scheduled. Do not use a DE in those instances where unexpected problems or delays outside the scope of work are encountered which render the unit incapable of full load beyond the estimated end date of the PD or D4. A DE must start at the same time (month/day/hour/minute) the end of the PD or D4 is reached.

D1 - Unplanned (Forced) Derating - Immediate
A derating that requires an immediate reduction in capacity.

D2 - Unplanned (Forced) Derating - Delayed
A derating that does not require an immediate reduction in capacity but requires a reduction within six hours.

D3 - Unplanned (Forced) Derating - Postponed
A derating that can be postponed beyond six hours but requires a reduction in capacity before the end of the next weekend.

ELECTRIC RATES

QUALITY OF SERVICE PLAN (QSP)

APPLICABILITY

All rate schedules for electric service are subject to a Quality of Service Plan (QSP) Adjustment. Under the plan, benchmarks are established for each of the following performance measures: 1) Customer Complaints received by the Colorado Public Utilities Commission ("Commission" or "CPUC"); 2) telephone response by the Company's Customer Inquiry Center; and 3) electric service unavailability. If for any reason the Company's performance falls below the established benchmarks for the Performance Year, any active electric retail Customer will receive a one-time bill credit during the following July billing.

DEFINITIONS

Performance Year - Performance Year is a calendar year.

Customer - A Customer is defined as an electric and gas or an electric or a gas customer that receives a bill from the Company.

Customer Complaints - For the purpose of this tariff, Customer Complaints are contacts to the CPUC External Affairs Section by Customers that are classified as either objection, not in compliance, or compliance.

Answer Time - Answer Time will be measured from the instant the Customer selects the option from the mechanized menu to speak to a Customer Service Representative ("CSR") to the time the call is responded to by a CSR.

SAIDI - SAIDI is the average interruption duration for Customers served during a Performance Year. It is determined by dividing the sum of all Customer interruption durations during a Performance Year by the number of Customers served during the Performance Year.

CAIDI - CAIDI is the average interruption duration for Customers interrupted during a Performance Year. It is determined by dividing the sum of all Customer sustained (greater than one minute) interruption durations by the number of sustained Customer interruptions over a Performance Year.

(Continued on Sheet No. 105A)

ELECTRIC RATES

QUALITY OF SERVICE PLAN (QSP)

DEFINITIONS - Cont'd

SAIFI - SAIFI is the average number of interruptions per Customer served per Performance Year. It is determined by dividing the accumulated number of Customer interruptions in a Performance Year by the number of Customers served. Customer interruption is considered to be one interruption to one Customer.

Major Weather-related Event - an event during which at least 10% of the Company's customers in a particular operating region experienced a weather-related sustained outage during any 24-hour period.

Major Event - an event during which at least 10% of the Company's customers in a particular operating region experienced a sustained outage during a 24-hour period.

Sustained Outage - an interruption greater than one minute.

TERM OF THE QSP

The QSP will be in effect through the Performance Year 2006. The QSP program began with Performance Year 1997.

BILL CREDIT ADJUSTMENT

The maximum total bill credit in the Performance Year 1997 was $5 million allocated as follows:

- Customer Complaints	$ 1.0 million
- Telephone response	$ 1.0 million
- Electric service unavailability	$ 3.0 million

These amounts become the minimum baseline bill credits in future years.

In Performance Year 2000, the maximum total bill credit was $6.2 million allocated as follows:

- Customer Complaints	$ 1.0 million
- Telephone response	$ 1.0 million
- Electric service unavailability	$ 4.2 million

(Continued on Sheet No. 105B)

ELECTRIC RATES

QUALITY OF SERVICE PLAN (QSP)

BILL CREDIT ADJUSTMENT - Cont'd

In Performance Year 2001, the maximum total bill credit shall be $7.4 million allocated as follows:

- Customer Complaints	$ 1.0 million
- Telephone response	$ 1.0 million
- Electric service unavailability	$ 5.4 million

Beginning with Performance Year 2002 through Performance Year 2006, the total bill credit can increase $2.5 million annually based on performance in the previous year. The maximum bill credit in any year will not exceed $15.0 million allocated as follows:

- Customer Complaints	$ 3.0 million
- Telephone response	$ 3.0 million
- Electric service unavailability	$ 9.0 million

During the QSP Annual Review Process, the potential bill credit amounts for the succeeding performance year will be adjusted (up or down) depending on each individual measure's previous year performance.

If the Company's performance on an individual measure requires any bill credit to be assessed (at the 25%, 50%, 75%, or 100% levels), the next year's potential bill credit amount(s) will be increased for that individual measure as follows (but not to exceed the individual measure maximums specified above):

- Customer Complaints	$ .5 million
- Telephone response	$ .5 million
- Electric service unavailability	$1.5 million

If the Company's performance on an individual measure requires no bill credit to be assessed (0% level), the next year's potential bill credit amount(s) will be reduced for that individual measure as follows (but not below individual measure baselines specified herein):

- Customer Complaints	$ .5 million
- Telephone response	$ .5 million
- Electric service unavailability	$ 1.5 million

(Continued on Sheet No. 105C)

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ELECTRIC RATES

QUALITY OF SERVICE PLAN (QSP)

BILL CREDIT DISBURSEMENT

Any bill credits will be applied to electric customer bills during the following July billing cycle of a given Performance Year. Any bill credit amounts not remitted by the end of the July billing cycle shall accrue interest beginning after the September billing cycle of the applicable year at a rate equal to the Company's customer deposit rate.

REPORTING REQUIREMENTS

By April 1 of each year, the Company will file a report with the Commission detailing the Company's actual performance as compared with the benchmarks established for each measure. This report will be accompanied by supporting documentation related to the results achieved by the Company along with any bill credit calculations. CPUC Staff will review and verify the findings in the Company's report and submit a report to the Commission by May 1 of each year.

PERFORMANCE MEASURES

1. Customer Complaints

This measure will assess the rate of Customer Complaints per 1,000 Customers on a Performance Year basis. The number of Customers will be the number of December bills sent out by the Company. The number of Customer Complaints is the number of complaints obtained from the CPUC External Affairs Section's Consumer Complaint System, less agreed upon exclusions as described herein. The benchmark is 0.8 complaints per 1,000 customers.

(Continued on Sheet No. 105D)

PUBLIC SERVICE COMP. Y OF COLORADO

COLO. PUC No. 7 Electric

Exhibit 2
Page 5 of 10

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

Sheet No. 105D

Cancels
Sheet No.

ELECTRIC RATES

QUALITY OF SERVICE PLAN (QSP)

PERFORMANCE MEASURES - Cont'd

Performance Targets - Bill Credit

Customer Complaints per 1000 Customers	Bill Credit Level	1st Year Bill Credit
≤0.8	None	$ 0
>0.8 but ≤ 0.9	25%	$ 250,000
>0.9 but ≤ 1.0	50%	$ 500,000
>1.0	100%	$ 1,000,000

Calculation

Rate of Customer Complaints per 1,000 Customers = Total Customer Complaints divided by the number of December bills times 1,000

Exclusions

The total number of Customer Complaints will be recorded with no exclusions, but the Company may request exclusion of certain circumstances or events. Such events include, but are not limited to, periods of emergency, catastrophe, natural disaster, catastrophic storm, civil unrest or other events affecting large numbers of Customers. Such events should include only those extraordinary events that result in an unusually high number of complaints. Nuisance complaints, for example those generated by disgruntled employees or others, aimed at increasing the complaint volume to the CPUC may be considered for exclusion.

(Continued on Sheet No. 105E)

ADVICE LETTER NUMBER

DECISION NUMBER

MANAGER, Rates & Regulatory Affairs

ISSUE DATE

EFFECTIVE DATE

ELECTRIC RATES

QUALITY OF SERVICE PLAN (QSP)

PERFORMANCE MEASURES - Cont'd

2. Telephone Response

This performance measure will assess the response time to customer calls answered by the Company Customer Inquiry Center (calls to (303) 623-1234 or 1-800-772-7858) and is measured on a Performance Year basis. The percent of calls answered within 45 seconds will be provided by the Company using the ASPECT Automatic Call Distributor("ACD"), less agreed upon exclusions as described herein. The benchmark is 70 percent of phone calls Answered within 45 seconds.

Performance Targets - Bill Credit

Telephone Response per cent ≤ 45 seconds	Bill Credit Level	1st Year Bill Credit
≥ 70%	None	$ 0
≥ 60% but <70%	25%	$ 250,000
≥ 50% but <60%	50%	$ 500,000
< 50%	100%	$ 1,000,000

Calculation

At the end of the Performance Year, the monthly Answer Time as measured by the Company's ASPECT ACD will be averaged over the 12-month period to produce an annual average telephone response percent less than or equal to 45 seconds.

Exclusions

Telephone response time will be recorded with no exclusions, but the Company may request exclusion of certain circumstances or events. Such events include but are not limited to periods of emergency, catastrophe, natural disaster, catastrophic storm, civil unrest or other events affecting large numbers of Customers. Such events should include only those extraordinary events that result in an unusually heavy influx of telephone calls to the Customer Inquiry Center. Nuisance calls for example, those generated by disgruntled employees or others, aimed at increasing the call volume to the Customer Inquiry Center may be considered for exclusion.

(Continued on Sheet No. 105F)

ELECTRIC RATES

QUALITY OF SERVICE PLAN (QSP)

PERFORMANCE MEASURES - Cont'd

3. Electric Service Unavailability

This service quality measure will assess the duration and frequency of electric system service interruptions that the Company's Colorado electric customers experience on a Performance Year basis. SAIDI will be utilized for this measure. The SAIDI data will be obtained from the Company's Trouble System. Company regions used for this measure are Boulder, Denver Metro, Front Range, Greeley, High Plains, Mountain, Northern, San Luis Valley, and Western.

These tariff sheets set forth the most important provisions of the Stipulation and Settlement Agreement approved by the Colorado Public Utilities Commission in Decision No. [insert the Decision that approves the Stipulation and Settlement Agreement]. To the extent that a conflict arises between this tariff and the terms of the Stipulation and Settlement Agreement approved by the Commission in Decision No. [insert the Decision that approves the Stipulation and Settlement Agreement], concerning the application or interpretation of this Electric Service Unavailability Performance Measure, Commission Decision No. [insert the Decision that approves the Stipulation and Agreement] shall control.

Benchmarks

For Performance Years 1997 through 2000, Total System SAIDI and Highest Regional SAIDI included primary distribution outages only. For the remaining years of the Plan, Total System SAIDI and the Highest Regional SAIDI will include all sustained outages required to be included in the SAIDI calculations by Commission Decision No. [insert the Decision that approves the Stipulation and Settlement Agreement].

(Continued on Sheet No. 105G)

PUBLIC SERVICE COMPANY OF COLORADO

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ELECTRIC RATES

QUALITY OF SERVICE PLAN (QSP)

Benchmarks – Cont'd

Performance Years 2001-2006: Total System SAIDI / Highest Regional SAIDI

The Total System SAIDI benchmark is 93 minutes. The Highest Regional SAIDI benchmark is 137.5 minutes for Denver Metro and Boulder regions. The Highest Regional SAIDI benchmark is 123.5 for the remaining regions. These benchmarks shall be adjusted as the Company implements its Outage Management System into the remaining regions in accord with Commission Decision No. [insert the Decision that approves the Stipulation and Agreement].

Performance Targets – Bill Credit

Performance Years 2001 - 2006

Total System SAIDI (minutes)		Highest Single Regional SAIDI (minutes)			
	(1) (2)	≤ 137.50 ≤ 123.50	> 137.50 ≤ 152.50 > 123.50 ≤ 138.50	> 152.50 ≤ 167.50 > 138.50 ≤ 153.50	> 167.50 > 153.50
> 113.00					
> 103.00 but ≤ 113.00					
> 93.00 but ≤ 103.00					
≤ 93.00		0%			

1. Denver Metro and Boulder Regions
2. Front Range, Greeley, High Plains, Mountain, Northern, San Luis Valley, and Western Regions

Legend
Deadband

Calculation

The amount of bill credit will be determined by the actual SAIDI results for the Performance Year, adjusted by the Exclusions described herein.

(Continued on Sheet No. 105H)

ELECTRIC RATES

QUALITY OF SERVICE PLAN (QSP)

Calculation - Cont'd

In calculating SAIDI, all customer sustained outages will be included that are triggered by the following events: (1) outages that originate on the Company's primary distribution system; (2) outages that originate on transmission facilities that are owned by the Company (either solely-owned or jointly-owned with another utility); (3) unplanned (forced) outages on a generating facility that is operated and maintained by the Company; and (4)unplanned (forced) outages on a generating facility that is operated and maintained by a entity not affiliated with the Company but which is a facility where the Company has contracted under a tolling agreement to supply the fuel for the generating facility, and the forced outage is caused by an interruption in fuel supply, and the interruption in fuel supply is caused by a circumstance that is under the control of the Company.

SAIDI calculations shall not include the following customer outages: (1) outages to replace individual Customer's meters or service drops; (2) momentary outages of less than one (1) minute in duration; (3) outages in outdoor lighting and street lighting; (4) outages that originate on transmission facilities of other entities in which the Company has no ownership interest; (5) outages caused by planned outages on Company generation facilities and (6) outages caused by a forced outage on generating facilities that are not operated and maintained by the Company, unless the generating facility suffering the forced outage is operated and maintained by an affiliate of the Company and the Company is purchasing the power from the facility that suffered the outage.

Exclusions

Sustained Outages that occur during Major Weather-related Events shall be excluded from the Company's SAIDI calculations. The Company may request exclusions of Sustained Outages that occur during other Major Events. The Company shall bear the burden of proving that the Major Event affected the requisite number of customers and that the major event was unforeseeable and extraordinary. The exclusion process shall be governed by Commission Decision No. [insert the Decision that approves the Stipulation and Agreement]. The Company shall not exclude from its SAIDI calculation outages other than outages that it is permitted to exclude by [insert the Decision that approves the Stipulation and Agreement].

(Continued on Sheet No. 105I)

PUBLIC SERVICE COMP. Y OF COLORADO

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Denver, CO 80201-0840

COLO PUC No. 7 Electric

Sheet No. 105I

Cancels
Sheet No.

ELECTRIC RATES

QUALITY OF SERVICE PLAN (QSP)

Reports

The Company will provide to the Staff and the OCC quarterly reports that show the SAIDI, CAIDI, and SAIFI measures for the total system and for each of the regions used to measure electric service unavailability. The Company shall report outages and exclusions and conduct studies in accord with Commission Decision No. [insert the Decision that approves the Stipulation and Agreement].

ADVICE LETTER NUMBER ____________

ISSUE DATE ____________

DECISION NUMBER ____________

MANAGER, Rates & Regulatory Affairs

EFFECTIVE DATE ____________

Mountain Outage Log for April 22, 23 and 24, 2000

Exhibit 3
Page 1 of 3

#	Division Name	Incident Time	Dispatch Time	All Back In Service -DateTime	Feeder Number	Cause Incident	Cause Type	Number of Customers	Duration	CustMin	OVERALL COMMENT	Type Interruption
1	Mountain	4/22/2000 14:13	4/22/2000 15:00	4/23/2000 21:50	2604M	Environment	Snow/Ice	60	1,897	101,940	snow and ice caused phase to neutral contact. Heavy snow.	05-Line Fuse
2	Mountain	4/22/2000 14:19	4/22/2000 19:00	4/23/2000 3:31	2605M	Environment	Snow/Ice		792	15,840	recloser locked out due to lines down. This was caused by heavy snowload. Put lines back up and refused.	03-Recloser L.O.
3	Mountain	4/22/2000 14:20	4/22/2000 18:00	4/24/2000 10:15	2565M	Environment	Snow/Ice	4	2,635	10,540	put phases back up. Removed snow from other phases and refused.	05-Line Fuse
4	Mountain	4/22/2000 14:23	4/22/2000 18:00	4/23/2000 18:30	2565M	Environment	Snow/Ice	3	1,687	5,061	heavy snow caused lines to slap together blowing fuses. Replaced same.	05-Line Fuse
5	Mountain	4/22/2000 15:32	4/22/2000 16:32	4/22/2000 19:00	2564M	Environment	Snow/Ice	6	208	1,248	heavy snow caused lines to slap together blowing fuses. Replaced same.	05-Line Fuse
6	Mountain	4/22/2000 16:30	4/22/2000 16:30	4/22/2000 16:50	2565M	Environment	Snow/Ice	10	20	200	phases slapped together due to heavy snowload blowing fuses. Refused same.	05-Line Fuse
7	Mountain	4/22/2000 16:48	4/22/2000 17:00	4/24/2000 10:40	2565M	Environment	Snow/Ice	150	2,512	376,800	heavy snow caused phases to slap together blowing fuse. Removed snow and refused.	05-Line Fuse
8	Mountain	4/22/2000 17:53	4/23/2000 0:50	4/23/2000 2:23	2556M	Environment	Snow/Ice	53	510	27,030	snowload on overhead lines caused phases to slap together blowing fuse. Refused and all power restored.	05-Line Fuse
9	Mountain	4/22/2000 18:01	4/22/2000 18:15	4/23/2000 15:35	2565M	Environment	Snow/Ice	50	1,294	64,700	numerous overhead lines down due to snowload. Repaired lines and refused.	05-Line Fuse
10	Mountain	4/22/2000 18:51	4/22/2000 19:00	4/22/2000 19:55	2604M	Environment	Snow/Ice	30	64	1,920	heavy snowload caused phases to slap together causing fuses to blow. Removed snow and refused same.	05-Line Fuse
11	Mountain	4/22/2000 18:51	4/22/2000 19:00	4/23/2000 22:41	2556M	Environment	Snow/Ice	80	1,670	133,600	heavy snowload caused 3 phase overhead line to slap together taking out all 3-65 amp fuses. Removed snow and refused with same.	05-Line Fuse
12	Mountain	4/22/2000 18:57	4/22/2000 19:00	4/23/2000 18:56	2557M	Environment	Snow/Ice	8	1,439	11,512	heavy snow caused contact between phase and neutral. Refused same.	05-Line Fuse
13	Mountain	4/22/2000 19:48	4/22/2000 21:00	4/23/2000 18:37	2559M	Environment	Snow/Ice	1,000	1,369	1,369,000	heavy snowload on overhead feeder caused phases to slap together locking out main feeder. Knocked snow off of overhead line and refused.	05-Line Fuse
14	Mountain	4/22/2000 20:00	4/23/2000 3:15	4/23/2000 16:07	2605M	Environment	Snow/Ice	80	1,207	96,560	heavy snow caused phase to ground contact. Removed snow and refused.	05-Line Fuse
15	Mountain	4/22/2000 20:05	4/22/2000 20:10	4/23/2000 19:53	2557M	Environment	Snow/Ice	300	1,428	264,806	heavy snow brought lines down. Put lines back up and and refused same.	05-Line Fuse
16	Mountain	4/22/2000 20:45	4/22/2000 21:00	4/22/2000 22:30	2557M	Environment	Snow/Ice	1	105	105	wire down due to heavy snowload. Put phases back up and refused.	05-Line Fuse
17	Mountain	4/22/2000 21:00	4/23/2000 3:00	4/24/2000 1:50	2565M	Environment	Snow/Ice	250	1,730	432,500	heavy snowload caused phases to slap together blowing 100 amp fuse. Replaced with same.	05-Line Fuse
18	Mountain	4/22/2000 22:00	4/22/2000 23:00	4/23/2000 18:00	2565M	Environment	Snow/Ice	45	1,200	54,000	snowload on overhead lines caused phases to slap together blowing fuse. Refused and all power restored.	05-Line Fuse
19	Mountain	4/22/2000 22:00	4/22/2000 23:00	4/23/2000 19:29	2605M	Environment	Snow/Ice	150	1,289	193,350	heavy snowload on overhead line caused lines to slap together blowing fuse. Removed snow from overhead and replaced fuse with same.	05-Line Fuse
20	Mountain	4/22/2000 22:00	4/22/2000 23:00	4/23/2000 11:57	2557M	Environment	Snow/Ice	425	837	355,725	heavy snow took lines down. Put wire back up on 4 poles. Isolated feeder and closed back in recloser picking up lots of customers (about 1 bazillion).	03-Recloser L.O.
21	Mountain	4/23/2000 4:00	4/23/2000 6:00	4/23/2000 15:30	2564M	Environment	Snow/Ice	30	690	20,700	snowload caused phases to slap together blowing 40 amp fuse. Removed snow and refused with same.	05-Line Fuse
22	Mountain	4/23/2000 5:14	4/23/2000 21:00	4/24/2000 10:00	2606M	Environment	Snow/Ice	58	1,726	66,412	snow shedding off of overhead lines caused phases to slap together blowing numerous fuses. Replaced fuses with same.	05-Line Fuse
23	Mountain	4/23/2000 6:04	4/23/2000 8:00	4/23/2000 20:20	2565M	Environment	Snow/Ice	100	856	85,600	heavy wet snow caused overhead line to ice up causing phases to slap together. Cleared remaining ice and snow off of line and refused with same.	05-Line Fuse

Mountain Outage Log for April 22, 23 and 24, 2000

Exhibit 3
Page 2 of 3

#	Division Name	Incident Time	Dispatch Time	All Back In Service -DateTime	Feeder Number	Cause Incident	Cause Type	Number of Customers	Duration	CustMin	OVERALL COMMENT	Type Interruption
24	Mountain	4/23/2000 6:12	4/23/2000 7:00	4/23/2000 10:40	2559M	Environment	Snow/Ice	60	268	16,080	heavy snow in the keystone area caused phases to slap together blowing fuse. Replaced with same.	06-Sw. Cabinet Fuse
25	Mountain	4/23/2000 6:44	4/23/2000 13:00	4/24/2000 0:45	2557M	Environment	Snow/Ice	40	1,081	43,240	replaced 40' pole, 1 anchor and 2 crossarms. Was caused by heavy snow and ice taking poles and line down.	05-Line Fuse
26	Mountain	4/23/2000 6:45	4/23/2000 8:00	4/24/2000 15:55	2565M	Environment	Snow/Ice	12	1,990	23,880	heqvy snow caused phases to slap together blowing fuses. Replaced same.	05-Line Fuse
27	Mountain	4/23/2000 8:00	4/23/2000 8:30	4/23/2000 14:31	2557M	Environment	Snow/Ice	1,020	391	319,320	isolate town of dillon and restored recloser. Repaired broken cross arm and closed gang and restored dillon area. Reason was heavy snow.	03-Recloser L.O.
28	Mountain	4/23/2000 9:28	4/23/2000 10:00	4/23/2000 16:49	2557M	Environment	Snow/Ice	25	441	11,025	overhead line iced over due to heavy wet snow. This caused fuse to blow. Replaced same.	05-Line Fuse
29	Mountain	4/23/2000 9:40	4/23/2000 10:00	4/23/2000 16:19	2557M	Environment	Snow/Ice	30	399	11,970	snowload caused phases to slap together blowing fuse. Refused with same.	05-Line Fuse
30	Mountain	4/23/2000 9:43	4/23/2000 9:45	4/23/2000 23:30	2556M	Environment	Snow/Ice	31	827	25,637	heavy snow on overhead line caused phases to slap together blowing fuses. Replaced with same.	05-Line Fuse
31	Mountain	4/23/2000 9:57	4/23/2000 10:00	4/24/2000 11:57	2565M	Environment	Snow/Ice	88	1,560	93,258	heavy snow and ice caused lines to slap together. Refused. Snow was like portland cement.	05-Line Fuse
32	Mountain	4/23/2000 10:00	4/23/2000 20:00	4/23/2000 22:00	2604M	Environment	Snow/Ice	10	720	7,200	lines down due to heavy snowload blowing 25 amp fuse. Replaced with same.	05-Line Fuse
33	Mountain	4/23/2000 11:12	4/23/2000 12:00	4/24/2000 13:15	2565M	Environment	Snow/Ice	1	1,563	1,563	heavy snowload caused phase and neutral to slap together. Cust wants to file claim for blister on finger caused by dialing phone to report outage every 5 minutes.	05-Line Fuse
34	Mountain	4/23/2000 11:13	4/23/2000 11:20	4/24/2000 12:36	2565M	Environment	Snow/Ice	6	1,523	9,138	heavy snow caused lines to slap together blowing fuses. Replaced same.	05-Line Fuse
35	Mountain	4/23/2000 11:31	4/23/2000 11:54	4/24/2000 3:01	2564M	Environment	Snow/Ice	25	930	23,250	fuse on single phase tap off of the 2564 blew due to snow shedding off of overhead lines which caused the phases to slap together blowing fuse. Replaced with same.	05-Line Fuse
36	Mountain	4/23/2000 12:09	4/23/2000 15:00	4/23/2000 21:00	2605M	Environment	Snow/Ice	5	531	2,655	wet, heavy, miserable slop caused overhead lines to slap together blowing fuse. Replaced with same.	05-Line Fuse
37	Mountain	4/23/2000 12:09	4/23/2000 12:10	4/23/2000 12:30	2565M	Environment	Snow/Ice	1	21	21	heavy snow slapped phases together blowing 65 amp fuse. Shook snow off remaining wire and refused with same.	05-Line Fuse
38	Mountain	4/23/2000 12:20	4/23/2000 13:00	4/23/2000 16:19	2605M	Environment	Snow/Ice	3	239	717	heavy snowload caused phases to slap together blowing fuse. Replaced with same.	05-Line Fuse
39	Mountain	4/23/2000 12:33	4/23/2000 14:30	4/23/2000 20:45	2606M	Environment	Snow/Ice	50	492	24,600	heavy snow broke crossarm. Snowcat was required in order to make repairs.	03-Recloser L.O.
40	Mountain	4/23/2000 13:15	4/23/2000 14:00	4/24/2000 11:00	2565M	Environment	Snow/Ice	40	1,305	52,200	heavy snowload slapped phases together blowing fuse. Refused same..	05-Line Fuse
41	Mountain	4/23/2000 13:37	4/23/2000 15:00	4/24/2000 15:00	2559M	Environment	Snow/Ice	1	1,523	1,523	underground out due to overhead feed slapping together blowing fuse. Replaced with same.	05-Line Fuse
42	Mountain	4/23/2000 16:22	4/23/2000 16:23	4/24/2000 2:45	2566M	Environment	Snow/Ice	50	2,063	103,150	heavy wet snow caused phases to slap together blowing fuses. Replaced with same.	06-Sw. Cabinet Fuse
43	Mountain	4/23/2000 16:30	4/24/2000 0:45	4/24/2000 5:00	2557M	Environment	Snow/Ice	1	750	750	heavy snowload caused 3 crossarms to break. Replaced crossarms and rehung 3 spans of line and refused.	05-Line Fuse
44	Mountain	4/24/2000 6:38	4/24/2000 8:00	4/24/2000 14:15	2565M	Environment	Snow/Ice	1	457	457	heavy snow and ice buildup caused lines to slap together blowing fuse. Replaced with same.	05-Line Fuse
45	Mountain	4/24/2000 7:01	4/24/2000 9:30	4/24/2000 11:57	2564M	Environment	Snow/Ice	40	296	11,840	ice and snow buildup caused overhead lines to slap together blowing fuses. Replaced with same.	06-Sw. Cabinet Fuse

Mountain Outage Log for April 22, 23 and 24, 2000

#	Division Name	Incident Time	Dispatch Time	All Back In Service -DateTime	Feeder Number	Cause Incident	Cause Type	Number of Customers	Duration	CustMin	OVERALL COMMENT	Type Interruption
46	Mountain	4/24/2000 8:24	4/24/2000 8:50	4/24/2000 11:00	2565M	Environment	Snow/Ice	1	156	156	heavy snowload caused wire to break blowing fuse. Rehung wire and refused.	05-Line Fuse
47	Mountain	4/24/2000 10:18	4/24/2000 10:20	4/24/2000 16:50	2556M	Environment	Snow/Ice	1	392	392	heavy wet snow caused phases to slap together blowing fuses. Replaced with same.	06-Sw. Cabinet Fuse
							Totals	**4,435**		**4,473,171**		
								4435		**4,473,171**	Partial Exclusion Customer Minutes Out Total - Mountain	