



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

April 28, 2004

Advice Letter No. 89 - Steam

Public Utilities Commission  
of the State of Colorado  
1580 Logan Street, OL-2  
Denver, Colorado 80203

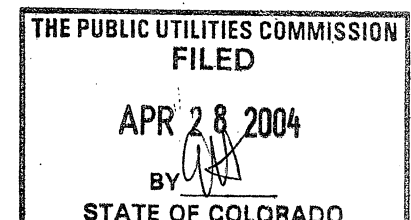
The accompanying tariff sheets issued by Public Service Company of Colorado ("Public Service" or the "Company") are sent to you for filing in accordance with the requirements of the Public Utilities Law:

COLORADO P.U.C. NO. 1 - STEAM

and the following sheets are attached:

<u>Colorado P.U.C. Sheet No.</u>	<u>Title of Sheet</u>	<u>Cancels Colorado P.U.C. Sheet No.</u>
Twenty-first Revised 2	Table of Contents	Twentieth Revised 2
Thirty-third Revised 3	Rate Schedule	Thirty-second Rev. 3
	Summation Sheet	
Fifth Revised 5	General and	Fourth Revised 5
	Commercial Service	
	Schedule H	
Third Revised 9	Steam Cost Adj.	Sub. Second Rev. 9
Fifth Revised 9A	Steam Cost Adj.	Sub. Fourth Rev. 9A
Fifth Revised 9B	Steam Cost Adj.	Sub. Fourth Rev. 9B
Thirty-first Revised 9C	Steam Cost Adj.	Thirtieth Revised 9C
Eighth Revised 11	Blank Sheet	Sub. Seventh Rev. 11

The principal proposed change is to place into effect in the Company's Colorado P.U.C. No. 1 - Steam Tariff, new base rates, which will replace and supersede the currently effective base rates as allowed in Docket No. 95I-513E, Decision No. C95-1098 and will eliminate the Phase I Rate Case General Rate Schedule Adjustment ("GRSA") rider of 11.70% placed into effect by Decision No. C03-0670 dated May 29, 2003 in Docket No. 02S-315EG. In addition, the Company proposes to implement a zero-based Steam Cost Adjustment ("SCA"), change the methodology used to determine the service and facility charge from an average customer basis to a typical minimum customer basis and include meter installation costs in the service and facility charge, change the terminology for the base rates charged on a per MLB basis from Commodity to System Capacity, and round all base rates and SCA factors to the nearest penny rather than mills.



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The Company proposes to eliminate the 11.70% rider that was placed into effect on July 1, 2003. The Company proposes to recover its thermal revenue requirement as approved by the Commission in Docket No. 02S-315EG based upon its proposed cost allocation and rate design study filed simultaneously with this Advice Letter.

In order to implement the zero-based SCA, the Company proposes to remove from base rates all costs related to the energy used to supply steam, including fuel and purchased steam costs and recover those costs through the SCA.

There will be no effect on the Company's annual revenue as a result of this filing, however base rates for steam service and the revision in the SCA will have varying effects on steam customers.

In support of this Advice Letter 89 - Steam, the Company has filed Supporting Testimony and Exhibits from two witnesses.

Customers of the Company receiving steam service as of the date of this filing will be notified of this filing by individual notice provided by first class mail, and by general notice published in the legal classified section of the Denver Post. A copy of the official notice is attached hereto as Appendix A.

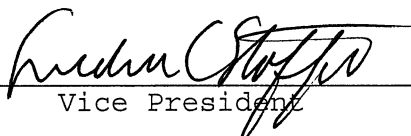
The Company requests that the tariff sheets accompanying this advice letter become effective on May 31, 2004.

Please send copies of all notices, pleadings, correspondence, and other documents regarding this filing to:

Fredric C. Stoffel, Vice President  
Policy Development  
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Vice President

FCS:kdw  
Enclosures

