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

March 10, 2011

Advice Letter No. 1581 - Electric Second Amended

Public Utilities Commission  
 of the State Of Colorado  
 1560 Broadway, Suite 250  
 Denver, Colorado 80202

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

COLORADO P.U.C. NO. 7 - ELECTRIC

and the following sheets are attached:

| <u>Colorado P.U.C. Sheet No.</u>         | <u>Title of Sheet</u>                | <u>Cancel</u>  | <u>Colorado P.U.C. Sheet No.</u> |
|--|--------------------------------------|----------------|----------------------------------|
| Sub. Seventh Revised 93                  | Photovoltaic Service                 | Sixth Revised  | 93                               |
| Sub. Third Revised 93A                   | Photovoltaic Service                 | Second Revised | 93A                              |
| Sub. Third Revised 93B                   | Photovoltaic Service                 | Second Revised | 93B                              |
| Sub. Third Revised 93C                   | Photovoltaic Service                 | Second Revised | 93C                              |
| Sub. Second Revised 93D                  | Photovoltaic Service                 | First Revised  | 93D                              |
| Sub. Second Revised 93E                  | Photovoltaic Service                 | First Revised  | 93E                              |
| Sub. First Revised 93F                   | Photovoltaic Service                 | Original       | 93F                              |
| Sub. Original 93G                        | Photovoltaic Service                 | - - -          |                                  |
| 2 <sup>nd</sup> Sub. Seventh Revised 114 | Renewable Energy Standard Adjustment | Sixth revised  | 114                              |

Colorado P.U.C. No. 7 - Electric

The Public Utilities Commission  
of the State of Colorado

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PUBLIC UTILITIES COMMISSION  
DENVER, COLORADO  
JAN 28 2011

Advice Letter No. 1581 - Electric Second Amended

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The Company filed Advice No. 1581 - Electric on January 28, 2011 to revise the Renewable Energy Standard Adjustment (RESA) rate schedule and to revise the Photovoltaic Service (Schedule PV) in the Company's P.U.C. No. 7 - Electric tariff, pursuant to the revised Renewable Energy Standard Rules, effective December 30, 2010 as published in 4 CCR 723-3650-3666. The revised Rules resulted from the Commission's rulemaking in Docket No. 10R-243E and Commission Decision No. C10-0952. On March 7, 2011, the Company filed Advice No. 1581 - Electric Amended, which amended only that portion of Advice No. 1581 - Electric that addressed the Renewable Energy Standard Adjustment. In the amended advice letter, the Company stated that it would seek an alternative form of notice for Advice No. 1581 - Electric Amended and that the Company would file a petition for partial waiver of Rule 4 CCR 723-3664(h). By this Advice No. 1581 - Electric Second Amended, the Company advises the Commission that the Company will not file either an application for alternative form of notice or a petition for partial waiver with respect to the tariff changes to the Renewable Energy Standard Adjustment. In addition, the Company is further amending the proposed changes to the RESA tariff.

The Company will provide notice of Advice No. 1581 - Electric Second Amended in accord with C.R.S. §40-3-104(c)(I)(B) by filing this advice letter and proposed tariff change with the Commission, by placing a notice, in the form attached, in the legal section of The Denver Post and by mailing the notice to each affected customer within the time limits required by law.

Upon reflection, The Company does not believe that a partial waiver of Rule 3664 (h)(II) is necessary for the Commission to approve the proposed tariff changes. Rule 4 CCR 723-3664(h) sets a formula for the surcharge required for net metered customers, unless the Commission approves an alternative surcharge. By this Advice No. 1581 - Electric Second Amended, the Company requests approval of an alternative surcharge in accord with Rule 3664(h).

The Company requests an alternative surcharge because the formula surcharge set by Rule 3664 (h) would require the Company to complete a complex revision to its billing system in order to revise the RESA contribution proxy each time any of its base rates or adjustments were revised. The Company believes that using an alternative surcharge is more cost effective because the Company estimates that the formula surcharge will cost an additional \$112,100 in contract labor and billing implementation, plus \$3,150 per month, to revise the proxy amounts each time the Company's effective rates are revised, over the cost of the alternate surcharge proposed by the Company.

Colorado PUC E-Files System

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Advice Letter No. 1581 - Electric Second Amended

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The alternative surcharge proposed by Advice No. 1581 - Electric Second Amended is the dollar equivalent of the formula proxy set forth in Rule 3664(h)(II) under the Company's current rates and effective riders. The language of the alternative surcharge filed with this advice letter has been revised from the alternative surcharge filed with Advice No. 1581 - Electric Amended to make it clear that the surcharge is in addition to the 2% RESA already charged net metered customers. The Company proposes to periodically revise this rate in conjunction with Company compliance plan filings under Rule 3657.

In addition and consistent with Advice No. 1581 - Electric filed on January 28, 2011, the Company is revising its Schedule PV to include the date restrictions for the Renewable Energy Credit or "REC" definition as required in Rule 4 CCR 723-3652(n), and adding information regarding the recording of RECs with the Western Renewable Energy Generation Information System (WREGIS) in the Renewable Energy Credit Payments section of the tariff as required in Rule 4 CCR 723-3659(i).

The effect of this filing on the Company's annual revenue is estimated to be an increase of approximately \$154,821 based on the total estimated annual kilowatt-hours generated by PV systems times the currently effective rates.

It is desired that the changed tariffs accompanying this advice letter become effective June 1, 2011.

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Colorado REC Excess System

The Public Utilities Commission  
of the State of Colorado

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PUBLIC UTILITIES COMMISSION  
DENVER, COLORADO

Advice Letter No. 1581 - Electric Second Amended

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

Scott B. Brockett  
Director, Regulatory Administration  
and Compliance  
Xcel Energy Services Inc.  
1800 Larimer, Suite 1400  
Denver, Colorado 80202  
303-294-2164 Phone  
303-294-2194 Fax  
[Scott.B.Brockett@xcelenergy.com](mailto:Scott.B.Brockett@xcelenergy.com)

and

Paula M. Connelly  
Assistant General Counsel  
Xcel Energy Services Inc.  
1800 Larimer, Suite 1400  
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303-294-2222 Phone  
303-294-2988 Fax  
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TLN:mcs  
Enclosure

Colorado PUC E-Forms System

**NOTICE OF REVISION  
PUBLIC SERVICE COMPANY OF COLORADO  
1800 LARIMER STREET, DENVER, COLORADO 80202-5533**

You are hereby notified that Public Service Company of Colorado has filed with the Public Utilities Commission of the State of Colorado a change in its Colorado P.U.C. No. 7 - Electric Tariff effective June 1, 2011 unless suspended by the Colorado Public Utilities Commission.

The Company proposes to revise the Renewable Energy Standard Adjustment (RESA) rate schedule in the Company's Colorado P.U.C. No. 7 - Electric Tariff to comply with Commission Rules. The Company is proposing to revise the RESA rate schedule to require customers who have installed photovoltaic systems and whose energy is net-metered to pay an additional monthly charge of \$0.33 to \$4.11 per month based upon the size of their PV system to the RESA fund which provides support to renewable energy installations. Customers with net metering are not currently paying their fair contribution to the RESA because their energy consumption has been reduced through net metering. The Company is proposing a flat monthly charge.

In addition, the Company proposes to revise its Schedule PV to include the date restrictions for the Renewable Energy Credit or "REC" definition as required in Rule 4 CCR 723-3652(n), and adding information regarding the recording of RECs with the Western Renewable Energy Generation Information System (WREGIS) in the Renewable Energy Credit Payments section of the tariff as required in Rule 4 CCR 723-3659(i).

Copies of the proposed and present P.U.C. No. 7 - Electric Tariff sheets summarized above and as filed with the Commission, are available for examination and explanation at the main office of Public Service Company of Colorado, 1800 Larimer Street, Suite 1400, Denver, Colorado 80202-5533, or at the office of the Public Utilities Commission, 1560 Broadway, Suite 250, Denver, Colorado, 80202. Customers who have questions may call the Commission at 303-894-2000, Xcel Energy at 1-800-895-4999, fax to Xcel Energy at 1-800-895-2895, or e-mail to [inquire@xcelenergy.com](mailto:inquire@xcelenergy.com). Anyone who desires may file written objection. The filing of a written objection by itself will not allow you to participate as a party in any proceeding on the proposed rate changes.

If you wish to participate as a party in any proceeding established in these matters, you must file written intervention documents under Commission Rules of Practice and Procedure or any applicable Commission orders.

Anyone who desires to file written objection to the proposed action, shall file it with the Colorado Public Utilities Commission, 1560 Broadway, Suite 250, Denver, Colorado, 80202, or email it to [PUC@dora.state.co.us](mailto:PUC@dora.state.co.us) at least ten (10) days before the proposed effective date of June 1, 2011.

The Public Utilities Commission may hold a hearing to determine what rates, rules and regulations will be authorized. If a hearing is held, the Commission may suspend the proposed rates, rules or regulations.

The rules and regulations ultimately authorized may or may not be the same as those proposed.

Anyone who desires to receive notice of any hearing shall file a written request for notice with the Public Utilities Commission at the above address or alternatively shall contact the External Affairs Section of the Public Service Utilities Commission at 303 894-2070 or toll free 1-800-456-0858 at least ten (10) days before the proposed effective date of June 1, 2011.

If a hearing is held, any member of the public may attend and may make a statement under oath about the proposed revision, whether or not he or she has filed an objection or intervention.

Scott B. Brackett  
Director, Regulatory Administration and  
Compliance

Colorado Public Utilities Commission

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