

PUBLIC SERVICE COMPANY OF COLORADO

Fourth Revised

Sheet No. 46

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

Sub. Third Revised

Cancels
Sheet No. 46

NATURAL GAS RATES
MULTI-YEAR RATE PLAN

APPLICABILITY

All rate schedules for natural gas sales and transportation service are subject to the terms of the Multi-Year Rate Plan (MYP), except gas transportation service under Rate Schedules FRP-TF and FRP-TI. The MYP shall be in effect from January 12, 2013 through December 31, 2015. The Step Increases described below shall be included in the next current General Rate Schedule Adjustment for billing purposes.

STEP RATE INCREASES

January 12, 2013 GRSA Change

On January 12, 2013 the Company shall implement a \$82.2 million rate increase by applying a General Rate Schedule Adjustment ("GRSA") to base rates calculated by determining underlying revenues by use of the most recent sales forecast available.

January 1, 2014 GRSA Change

On January 1, 2014 the Company shall implement a \$9.9 million base rate increase by filing an Advice Letter by December 15, 2013, using its then most recent sales forecast available to calculate the component of the 2014 GRSA designed to collect this incremental GRSA increase.

January 1, 2015 GRSA Change

On January 1, 2015 the Company shall implement a \$12.1 million rate increase by filing an Advice Letter by December 15, 2014, using its then most recent sales forecast available to calculate the component of the 2015 GRSA designed to collect this incremental GRSA increase.

STAY-OUT PROVISION

Subject to the exceptions specified below the Company shall not seek any further changes in its base rates for retail natural gas sales and transportation services during the term of the MYP and shall not file a Phase I natural gas rate case seeking either interim or permanent rates to take effect prior to January 1, 2016. The Company shall file a Phase I natural gas rate case in 2015, provided that the earliest new interim or permanent rates could take effect would be January 1, 2016.

(Continued on Sheet No. 46A)

ADVICE LETTER
NUMBER 830

DECISION
NUMBER

Clarent Hyde

VICE PRESIDENT,
Rates & Regulatory Affairs

ISSUE
DATE December 12, 2012

EFFECTIVE
DATE January 12, 2013

P.O. Box 840
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Cancels
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MULTI-YEAR RATE PLAN

N

EXCEPTION FOR MATERIAL EXPENSE CHANGES

If there is a material change in the Company's forecasted expenses during the term of the MYP for reasons that are beyond the Company's control and such change is reasonably expected to increase or decrease the Company's annual revenue requirement for its natural gas business by at least \$2.0 million, the Company may either file an Advice Letter to adjust the GRSA then in effect or may defer such increase or decrease and recover or refund any amounts deferred in new permanent rates that take effect on or after January 1, 2016.

The types of cost changes that qualify for Adjustment pursuant to the Paragraph above include:

- Changes in Generally Accepted Accounting Principles ("GAAP") that are appropriately reflected in rate regulation.
- Changes in tax law and changes in state and local tax rules, rates, and administrative practice (including changes to income and property tax rates, valuation practices, and TABOR changes)
- Changes in the Company's obligations stemming from changes in federal, state, or municipal laws, or regulations issued or actions taken by federal, state or local governmental bodies, including but not limited to the Environmental Protection Agency, FERC, North American Electric Reliability Corporation ("NERC"), the Pipeline and Hazardous Materials Administration ("PHMSA"), the Department of Transportation ("DOT") the Commission, the Colorado Department of Public Health and Environment, and local governments within the State of Colorado.
- Orders or acts of civil or military authority.
- Natural disasters or catastrophic events, net of any insurance proceeds.

The Company shall make a filing notifying all parties of any reductions or increases in its retail base rate revenue requirements that are or may be eligible for an adjustment under this Paragraph within sixty (60) days of the action or shall provide such notice in its Earnings Test filing on April 1, whichever is sooner, and shall either file an appropriate Advice Letter to change the GRSA or seek a deferral at the Company's discretion. Any party may challenge the prudence or the Company's calculation of the revenue requirement impact of such cost change.

(Continued on Sheet No. 46B)

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Carrent Hyde
VICE PRESIDENT,
Rates & Regulatory Affairs

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PUBLIC SERVICE COMPANY OF COLORADO

Attachment A
Decision No. C14-0302
Sheet No. 46B

Original

Cancels
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MULTI-YEAR RATE PLAN

N

COMMISSION-APPROVED ASSET ACQUISITION OR DIVESTITURE

The Company may file an Advice Letter to adjust the GRSA then in effect to reflect changes in the Company's costs related to a Commission-approved asset acquisition or divestiture that exceeds \$15.0 million.

EXCEPTION FOR POTENTIAL ENVIRONMENTAL LIABILITY

If during the term of the MYP the Company discovers conditions that could give rise to environmental liability, or begin to incur costs related to an environmental liability, the Company may apply for deferred accounting of its expenditures incurred to address the potential environmental liability, including but not limited to the costs of investigating, litigating responsibility, and designing and performing clean up of (remediating) possible environmental contamination.

EXCEPTION FOR SALES DECLINES

To the extent that the Company experiences sales declines, not just slow sales growth, and the decline in annual revenues is forecasted to be more than two percent below actual 2012 levels, the Company may file a Phase I rate case prior to May 1, 2015.

TARIFF CHANGES THAT DO NOT AFFECT BASE RATES

During the term of the MYP, the company may seek changes to its natural gas tariffs that do not impact its base rates for gas sales or transportation service, may make filings needed for existing adjustment mechanisms, filings for additional incentive sharing mechanisms that do not raise base rates, and to introduce new services.

ILLUSTRATIVE TARIFF

ADVICE LETTER NUMBER 830

DECISION NUMBER

Robert Ande

VICE PRESIDENT,
Rates & Regulatory Affairs

ISSUE DATE December 12, 2012

EFFECTIVE DATE January 12, 2013