

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

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RE: IN THE MATTER OF ADVICE )  
LETTER NO. 1672-ELECTRIC FILED BY )  
PUBLIC SERVICE COMPANY OF )  
COLORADO TO REVISE ITS COLORADO )  
PUC NO. 7-ELECTRIC TARIFF TO ) PROCEEDING NO. 14AL-0660E  
IMPLEMENT A GENERAL RATE )  
SCHEDULE ADJUSTMENT AND OTHER )  
OTHER CHANGES EFFECTIVE )  
JULY 18, 2014. )

IN THE MATTER OF THE APPLICATION OF )  
PUBLIC SERVICE COMPANY OF )  
COLORADO FOR APPROVAL OF ITS ) PROCEEDING NO. 14A-0680E  
ARAPAHOE DECOMMISSIONING AND )  
DISMANTLING PLAN. )

**RESPONSES TO SETTLEMENT QUESTIONS ISSUED  
IN DECISION NO. C15-0126-I**

**February 11, 2015**

Public Service Company of Colorado (“Public Service” or the “Company”), hereby provides this response to the questions presented by the Commission in Decision No. C15-0126-I regarding the Settlement Agreement presented to the Commission on January 23, 2015. Pursuant to Decision No. C15-0126-I, the Commission required the Settling Parties to respond jointly and to indicate that all Settling Parties agree to the response.<sup>1</sup> Public Service is filing this response on behalf of itself and all the other Settling Parties, namely the Staff of the Colorado Public Utilities Commission (“Staff”), the Colorado Office of Consumer Counsel (“OCC”), Colorado Energy Consumers (“CEC”), Colorado Healthcare Electric Coordinating Council (“CHECC”), Climax Molybdenum Company and CF&I Steel, L.P. d/b/a Evraz Rocky Mountain Steel (collectively “Climax/Evraz”), Energy Outreach Colorado (“EOC”), the Federal Executive Agencies (“FEA”), the Kroger Co. (“Kroger”), and Wal-Mart Stores, Inc. and Sam’s West, Inc. (“Wal-Mart”). Although filed by Public Service, this document presents the joint response of the Settling Parties and all Settling Parties hereby indicate that they are in agreement with the answers to the Commission’s questions that are set forth herein.

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<sup>1</sup> See ¶5 of Decision No. C15-0126-I. Energy Outreach signed the Settlement Agreement as one of the Settling Parties because it supported the Settlement as a whole, even though it did not take testimonial positions in the case. On the same basis, that is, based on its support of the settlement as a whole, Energy Outreach Colorado has agreed to join these responses as a Settling Party in accordance with the Commission’s order.

**a. General Matters**

- i. Clarify the meaning of “positions contesting those rates that contravene those principles.” To what extent may parties contest in future proceedings that a certain proposal from Public Service Company of Colorado (Public Service or Company) does not comport with the Settlement Agreement? What assurances does the Commission have that the Parties will not raise issues in future proceedings?**

The particular language that is quoted in this question is found in the General Provisions section of the Settlement Agreement – specifically, on page 28, paragraph number 6. This phrase is intended to convey the Settling Parties’ agreement that to the extent a commitment exists in the Settlement Agreement among the Settling Parties, as opposed to a commitment made by a single Party as to a specific filing principle (e.g., Public Service’s commitment to manage the equity component of the capital structure so that when rates become effective as a result of the 2017 Rate Case, the equity component of the actual capital structure will be lower than 56 percent<sup>2</sup>, see response to a.ii), the Settling Parties are not to present a challenge to the portion of any proposed change in rates that results from the appropriate application of that principle. The Commission may be assured that the Settling Parties will not raise these issues in future proceedings for two reasons: (1) each Party’s commitment not to do so and (2) the inherent intervenor policing that will occur in the event any of the Settling Parties violate this commitment. It is important to note that a number of these commitments were made with a specific duration in mind, as is detailed further in response to Question a.ii below. To the extent that a principle is not summarized in Table 1 or Table

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<sup>2</sup> To the extent a commitment is made by a single Party, all other Settling Parties that have not made the commitment are free to present a challenge to the rates which will result from the application of the principle agreed to by the single Party (e.g., Settling Parties other than Public Service are free to propose a capital structure for deriving Public Service’s rates that is different than the capital structure proposed by Public Service in the 2017 Rate Case).

2 below, as further detailed in the Settlement Agreement, such principle may be contested in future proceedings.

**ii. State and clarify which future proceedings and the specific “principles” that are to be followed.**

Two tables are included below. Table 1 presents the specific principles that the Settling Parties or Public Service have agreed to apply not only to the 2017 Rate Case,<sup>3</sup> but to adhere to on a going forward basis in the Company’s electric rate cases.

**Table 1: Permanent Principles**

Settlement Reference	Topic	Principle
Page 9 Section I.C.6(i)	Pension	A 15-year amortization of the Legacy Pre-Paid Pension Asset and inclusion of the unamortized balance of that asset in rate base. <sup>4</sup>
Page 23 Section II.C.2	Metro Ash	Public Service will not include the property as plant held for future use in any future electric rate cases.

Table 2 below, parses through the Settlement Agreement and reflects the principles the Settling Parties or Public Service agreed to adhere to in the filing and processing of the 2017 Rate Case. Through the Settlement Agreement, the Settling Parties or Public Service are not bound to the principles contained in Table 2 in any electric rate cases filed after the 2017 Rate Case.

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<sup>3</sup> As indicated on page six of the Settlement Agreement, the 2017 Rate Case is the rate case from which it is anticipated that rates will go into effect for the Company’s electric retail business no earlier than January 1, 2018.

<sup>4</sup> As reflected in the Settlement Agreement on page 9, the return if any on the Legacy Pre-Paid Pension Asset is not a settled permanent principle.

**Table 2: Principles Agreed to be Included in the 2017 Rate Case**

Settlement Reference	Topic	Principle
Page 12 Section I.C.7	Property Taxes	The Company will propose that any deferred tax amounts will be amortized over the same number of annual periods they were accrued.
Page 21 Section II.A	Depreciation and Amortization Expense	The approved changes resulting from the 2016 Depreciation Case will be reflected in the 2017 Rate Case and the Settling Parties agree not to contest the implementation of any such approved changes from the 2016 Depreciation Case in the 2017 Rate Case.
Page 22 Section II.B	Capital Structure	Public Service commits to manage the equity component of the capital structure so that when rates become effective as a result of the 2017 Rate Case, the equity component of the actual capital structure will be lower than 56 percent.
Page 23 Section II.C.1	Incentive Compensation	AIP incentive payment recovery will be capped at 15 percent of an employee's salary.
Page 23 Section II.C.1	Pension	Pension expense will be adjusted to reflect the removal of the pension expense impact related to employee compensation for AIP above the Company's target incentive compensation.
Page 23 Section II.C.3	Oil & Gas Royalty Revenue	Oil and gas royalty revenues will be shared 50/50 between customers and shareholders.
Page 24 Section II.C.6	Equivalent Availability Factor Performance Mechanism	The Company shall make a proposal in its 2017 Rate Case regarding the EAFPM, however the Company is free to present to continue, modify, replace or discontinue the EAFPM. The Company must present data regarding the benefits achieved of the expiring EAFPM.

**b. Return on Equity**

- i. The Commission generally establishes a range of reasonableness for the authorized return on equity. What is the position of the Settling Parties regarding the establishment of such a range in this proceeding? Is 9.83 percent intended to reflect a certain point within a proposed range?**

The Settling Parties did not agree to a range of reasonableness for authorized return on equity ("ROE"), but rather agreed in the Settlement Agreement to a specific

ROE level – 9.83 percent. The Settling Parties agreed to that level based on the entirety of the agreements and concessions reflected in the Settlement Agreement.

Moreover, the Settling Parties do not believe it is necessary to establish a range of ROEs in this case. While the Commission may have a recent general practice of specifying such a range, it has not always done so. For example, in the 2012 Multi-Year Plan Settlement Agreement, there was recognition of the range of ROEs that were filed by the parties (9.09 percent to 10.75 percent) and then the agreed to ROE of 10.00 percent was expressly stated.<sup>5</sup> In the present proceeding, the specified ROEs filed with Answer Testimony and the Company’s Rebuttal Testimony range from as low as 8.7 percent to as high as 10.25 percent.

**c. Pre-Paid Pension Assets**

- i. Clarify the purpose of amortizing the “Legacy Pre-Paid Pension Asset.” What consequences and effects on ratepayers can be expected in amortizing this asset?**

The pension expense requested at each rate case is an estimate of the annual cost of providing pension benefits to employees. Over the life of the pension plan, contributions and expenses are intended to equal each other. However, Public Service has made contributions before they are recognized as an expense, which gives rise to a prepaid pension asset.

Amortizing the Legacy Pre-Paid Pension Asset over fifteen (15) years will accelerate the repayment of the balance of the Legacy Pre-Paid Pension Asset. This has the effect, all other things being equal, of increasing customer rates during this accelerated amortization period and, all other things being equal, decreasing customer

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<sup>5</sup> See Proceeding No. 11AL-947E Settlement Agreement filed on April 2, 2012 page 14.

rates after the balance is fully amortized. The Settling Parties believe that paying the balance down faster will lower the total overall cost to ratepayers. This situation is similar to a decision to accelerate payments on the remaining balance of a debt in order to minimize future interest rate payments and lower the total amount (principle plus interest) paid by the debtor over time.

**ii. What is the effect of the Commission approving the designation of the accumulated New Pre-Paid Pension Asset as a regulatory asset or liability? Does this provision of the Settlement Agreement create an obligation on ratepayers?**

The New Pre-Paid Pension Asset is being created to help provide more transparency about future pension costs that are in excess of the pension expense. If the Company makes contributions to the pension plans in excess of the annual pension expense calculated under Generally Accepted Accounting Principles (“GAAP”), these dollars would be recorded in the New Pre-Paid Pension Asset and submitted to the Commission with an explanation for why additional funding was necessary.

The Commission’s approval of the provisions of the Settlement Agreement addressing the New Pre-Paid Pension Asset is not intended to provide any greater or lesser assurance that dollars will be recovered or that the asset will be included in rate base than has been the case in the past under the Commission’s historical practice. In future rate cases the Commission retains full approval authority over recovery of the dollars in the New Pre-Paid Pension Asset and the inclusion of the balance of the New Pre-Paid Pension Asset in rate base. Thus, the customer rate implications of the New Pre-Paid Pension Asset will be decided by the Commission in future rate cases and nothing in this Settlement binds the Commission to reach any particular decision in those future cases.

**iii. What would cause the New Pre-Paid Pension Asset to reach \$50 million? Why might that level be reached prior to new rates going into effect following the 2017 Rate Case?**

The pension expense used for recovery at each rate case is based on several assumptions, including the expected return on assets currently held in the pension trusts. The Settlement includes a new pension tracker that allows Public Service to track and recover pension expense costs that are greater or less than the amount estimated at each rate case. However, historically there have been large unexpected events that cause a drop in the funding status, such as the 2008 stock market correction, and led Public Service to make large cash contributions.

Growth of the New Prepaid Pension Asset to \$50 million would be caused by a significant unexpected event, such as large investment losses or increases in benefit obligations. Since the pension expense calculation is slow to respond to significant unexpected events, the New Prepaid Pension asset requires Public Service to explain the events that led to large cash contributions, giving the Commission the explicit opportunity to decide the appropriate method of recovery, if any, including an amortization similar to that being implemented for the Legacy Prepaid Pension Asset.

**d. Property Taxes**

**i. The Commission-approved settlement agreement in the Company's last electric rate case, Proceeding No. 11AL-947E, permitted the Company to defer projected and significant increases in property taxes. Explain how the proposed resolution of property tax expense in this proceeding addressed that deferral. Is this matter fully resolved or are there deferred amounts the Commission will need to address through future proceedings?**

The settlement reached in Proceeding No. 11AL-947E, which was approved by the Commission, set a baseline to track property taxes above or below an amount of \$76.7 million. In that settlement, any deferred amount at the end of each year of the



settlement agreement began an amortization of three years beginning on January 1<sup>st</sup> of the immediately following year and that amortization was assumed to be included in the rates effective for that year (inclusive of the step increase).<sup>6</sup> To recognize the fact that this prior settlement amortization will be rolling off over the next three years, not only does the amount established in base rates in the current Settlement Agreement include a component for the ongoing tracking of property taxes, but it also contains a component for the amortization set at the 2015 amortization amount. These two baseline amounts are reflected on page 12 of the Settlement Agreement in Section I.C.7. Table 4 below reflects an analysis of the potential outcome and balance of the property tax tracker at the end of the current Settlement Agreement settlement period.

**Table 4: Property Tax Tracker Estimated Deferred Balance<sup>7</sup>**

	<u>2015</u>	<u>2016</u>	<u>2017</u>
<b><u>Amortization</u></b>			
Baseline	\$ 27,827,992	\$ 27,827,992	\$ 27,827,992
Forecast	27,827,992	21,565,133	9,365,637
<b>Delta</b>	\$ -	\$ (6,262,859)	\$ (18,462,355)
<b><u>Annual Tax</u></b>			
Baseline	\$ 109,506,702	\$ 109,506,702	\$ 109,506,702
Forecast	118,305,159	127,277,038	133,581,262
<b>Delta</b>	\$ 8,798,457	\$ 17,770,336	\$ 24,074,560
<b><u>Annual Delta</u></b>			
<b>Annual Delta</b>	\$ 8,798,457	\$ 11,507,477	\$ 5,612,205
<b><u>Tracker Balance</u></b>			
<b>Tracker Balance</b>	\$ 8,798,457	\$ 20,305,934	\$ 25,918,139

<sup>6</sup> To illustrate with an example, assume the calendar year 2012 actual property tax for the Company's electric retail portion was \$5 million above the baseline amount. This \$5 million delta would be amortized over the next three years (2013, 2014 and 2015) at \$1,666,667 per year. As a result of this arrangement, the amortizations of those deferred property taxes will continue through the end of calendar year 2017 (the 2014 delta will amortize over 2015, 2016 and 2017). Additionally, calendar year 2015 will have the greatest dollar amount of the amortization because it has a component of all three of the previous settlement amortizations included in the amortization to be booked in calendar year 2015.

<sup>7</sup> The forecast of the Company's electric retail portion of property taxes was provided to intervenors in response to Discovery Request CPUC49-5.

The annual amortization of the deferred amounts from the previous settlement agreement will be complete in 2017, thus the amortization of the Proceeding No. 11AL-947E accounts will be fully resolved. However, as indicated in Table 4, in the event property taxes continue to increase, as they are currently forecasted to do, the year-over-year reduction in the amortization will offset a portion of the incremental property taxes, but not all. This will result in a new property tax tracker estimated balance of \$25.9 million at the end of 2017 to be resolved in the next electric rate case. Nothing in the Settlement Agreement binds the Commission to any particular decision with regard to the treatment of that balance in the next electric rate case. The only limitation in the Settlement Agreement on the Commission or the Settling Parties regarding this issue is the commitment that the Company will propose an amortization period equal to the number of annual periods over which these amounts were accrued. This issue is more fully discussed in the Settlement Agreement on pages 11 and 12 in Section I.C.7.

**e. Clean Air-Clean Jobs Act (“CACJA”) Rider**

- i. What is the basis of the \$96,968,401 annual revenue requirement to be recovered through the Clean Air-Clean Jobs Act (CACJA) Rider in 2015, subject to true up in 2017? Is it a stipulated amount or was it calculated in accordance with the proposed CACJA Rider tariff sheets in Attachment L to the Settlement Agreement and reviewed by the Settling Parties?**

The \$96,968,401 annual revenue requirement for the 2015 CACJA Rider is calculated in accordance with the proposed CACJA Rider tariff sheets in Attachment L. Attachment No. DAB-15 has been provided to the Settling Parties and other intervenors throughout the case reflecting the derivation of these amounts. For the purposes of the settlement, 2<sup>nd</sup> Revised Attachment No. DAB-15 attached to the Rebuttal Testimony of Ms. Deborah A. Blair was updated to reflect the agreed to weighted average cost of

capital at a 9.83 percent return on equity and a cost of debt of 4.67 percent. This attachment was also updated to reflect the estimated impacts of the extension of the bonus tax depreciation law that was passed on December 19, 2014. Attached to these responses to the Commissioners' questions is Settlement Attachment No. DAB-15 as Attachment A<sup>8</sup> reflecting the rider amount of \$96,968,401.

- ii. **What are the projected CACJA Rider revenue requirements for 2016 and 2017? What would cause these future revenue requirements to vary from projections? Does a reduction in the 2017 CACJA Rider revenue requirement explain the decrease in monthly bill impacts in 2017 as set forth in Attachment B to the Settlement Agreement, or is there another cause for the decrease?**

Attachment A reflecting the Settlement Attachment No. DAB-15 includes the estimated CACJA Rider revenue requirements for 2016 and 2017. These future revenue requirements may vary from their projections in the event in service dates move slightly or the final cost of the project is different than the amount included in this estimate. The projected reduction in the 2017 CACJA Rider revenue requirement is the entire cause of the estimated decrease in the monthly bill impacts in 2017 as presented in Attachment B to the Settlement Agreement.

- iii. **Are there additional CACJA-related costs that will be collected beginning with the 2017 Rate Case? What is the projected magnitude of those costs?**

Yes. Costs related to the CACJA include both costs associated with incremental investments and costs associated with the retirement of legacy assets affected by the

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<sup>8</sup> At the time of filing the Settlement Agreement, the estimated CACJA Rider amounts for calendar year 2016 and 2017 had not been updated; thus, the Settling Parties provided the customer bill impacts for these two years based upon the Company's Rebuttal Testimony filed estimated amounts for the CACJA Rider in 2016 and 2017. Since that time, the Company has updated the 2016 and 2017 estimate to account for the principles agreed to in the Settlement Agreement. Attachment A to this Joint Response to the Commissioner's Questions reflects these updated amounts. The impact on customers of these updated estimates for 2016 and 2017 is a decrease in the anticipated bill impacts of the Settlement Agreement in both 2016 and 2017. The Settling Parties intend to file a corrected version of Attachment B to the Settlement Agreement through a separate notice of filing after they have had an opportunity to review it.

approved compliance plan. The CACJA Rider recovers the first category of costs, but not the second category.

Cost recovery for the first category of costs would be shifted from the rider to base rates as a result of the 2017 Rate Case. This shift, by itself, does not represent an incremental cost to customers. But the levels of these costs will change every year. For example, the average plant balances (and perhaps the depreciation rates applied to these balances) will vary between 2017 and 2018. Consequently, the costs of incremental investments collected under the CACJA ruling in 2015, 2016 and 2017 will vary from the costs of incremental investments collected in 2018 through base rates (or any alternative recovery mechanism approved) as a result of the 2017 Rate Case. However, the difference between the 2017 and 2018 costs is expected to be relatively small.

The second category consists primarily of depreciation and amortization expenses that are currently recovered through base rates in accordance with current depreciation and amortization rates. The ongoing level of depreciation and amortization rates will be the subject of the 2016 Depreciation Case. (See the response to Question h below.) The depreciation and amortization rates established in the 2016 Depreciation Case will be used to calculate the depreciation and amortization expenses to be recovered through rates effective in 2018 as a result of the 2017 Rate Case. As explained in response to Question h, the magnitude of the costs approved for recovery in these future proceedings is uncertain. However, there will most likely be some increase in cost recovery in 2018.

**iv. Under what circumstances would a Settling Party file an objection or protest in the November 1 advice letter filing? Can the tariff sheets filed under the November 1 advice letter be set for hearing and suspended, including under the terms of the proposed CACJA tariff sheets?**

While a person affected by a tariff change with regard to the amount of the CACJA Rider may submit a written protest or objection to the proposed change under Rule 1210,<sup>9</sup> because this recovery mechanism has a proposed procedure for prudency review and a subsequent true-up, for the Settling Parties any such objection or protest to the November 1 Advice Letter filing should be limited to mathematical calculation issues or obvious inclusion of non-qualifying costs.

The CACJA Rider process includes a November annual filing supporting the forecasted revenue requirement to be recovered the following calendar year, an April annual filing reporting CACJA expenditures and comparing forecasted costs versus actual incurred costs, and a true-up provision for any over- and under-recovery of CACJA costs. Affected parties may object to the April annual filing and request a hearing. If such a request for hearing is filed, the Commission would set the April filing for a prudency review hearing.

The Settlement Agreement does not expressly limit what objection or protests a person who is not a Settling Party may make to the November 1 advice letter filing. The Commission retains full discretion as to whether to suspend and set the November 1 advice letter filing for hearing under § 40-6-111(1)(a), C.R.S.

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<sup>9</sup> Rule 1210(a)(VII), 4 *Code Colo. Regs.* 723-1, provides: “Any person affected by a tariff change proposed under this rule may submit a written protest to the proposed change. Any protest must be filed sufficiently in advance of the effective date to permit Commission consideration before the tariff becomes effective, generally at least ten days before the effective date of the proposed tariff.”

- v. **Do the Settling Parties agree that the purpose of the April 15 CACJA Rider reports is to initiate a prudency review, similar to what is done for the Pipeline Safety Integrity Adjustment (PSIA)? What is the scope of such prudency review? In other words, could a party argue that certain costs are not demonstrably tied to specific CACJA Projects for which the Commission has already issued a certificate of public convenience and necessity (CPCN) and should not have been recovered from ratepayers through the CACJA Rider?**

To put the difference between the November and April filings into context, the Commission determined recently in Proceeding No. 13M-0915G addressing the Company's last November annual PSIA tariff filing, that the November advice letter and tariff filings "are intended to go into effect without hearing, absent extraordinary circumstances." Decision No. C14-1439, ¶13.) As a consequence, the Settling Parties expectation is that most issues pertaining to CACJA cost recovery will be addressed in the April filing.

The Settling Parties believe that the April filing will serve at least four purposes. First, the April 1 CACJA Rider filing will provide a detailed review of the previous year's actual CACJA expenditures by project and a comparison of these costs with the forecasted costs that were used to calculate the previous year's CACJA rider amount.

Second, as the question recognizes, to be eligible for recovery under the CACJA rider, incurred costs must be "demonstrably tied to specific CACJA Projects, for which the Company already has a CPCN from the Commission." The April filing will give parties an opportunity to assure that requirements of the Settlement Agreement are met, and to make arguments that costs proposed for recovery are not tied to CACJA projects, or otherwise not consistent with the requirements included in Attachment C to the Settlement Agreement.

Third, the Settlement Agreement requires that “[n]o cost item associated with any CACJA Project will be used to derive both the CACJA rider and base rates that would be in effect during the same given time period.” The Company will provide information to demonstrate compliance with that requirement in the April filing.

Fourth, the Settlement Agreement provides that the Company will “provide detailed cost information on an individual project basis” for CACJA Projects eligible for rider recovery – that is, those that went or are to go into service between August 1, 2014 and December 31, 2017. As the Settlement Agreement provides, this information will include “robust direct testimony justifying expenditures as set out in Decision Nos. C12-0163 and C12-0159”. It will provide information that enables the Commission and interested parties to assess the reasonableness and prudence of CACJA project costs in the manner contemplated by those orders.

The April 1 filing will also include but not be limited to an overview that provides a summary of the previous year’s CACJA costs and variances from the forecasted costs used to establish the CACJA Rider rates. The overview will include tables that summarize the following data:

- 1) Capital expenditures, forecasted versus actual for each of the CACJA projects;
- 2) Average plant in-service, forecasted versus actual for each of the CACJA projects;
- 3) Capital costs, forecasted versus actual for each of the CACJA projects;
- 4) Non-Fuel O&M expenses, forecasted versus actual for each of the CACJA projects;

5) Total revenue requirement, forecasted versus actual for each of the CACJA projects.

**vi. Are the Settling Parties assuming the use of provisions similar to those used for implementing the Company's PSIA as established in Proceeding Nos. 10AL-963G and 13M-0951G to apply for the CACJA Rider? If so, which of these provisions do the Settling Parties propose the Commission adopt?**

Yes, in part. As discussed in response to Question e, subparts iv to vi, certain elements of the PSIA process, adopted by the Commission in Proceeding No. 13M-0915G, will work well for the CACJA Rider process under the Settlement Agreement. The CACJA filings are intended to provide interested parties with detailed information to evaluate the costs that are being included in the rider and to evaluate the prudence of project costs. However, the PSIA filing requirements are gas industry specific and would not be applicable to the CACJA Rider filings. In response to the previous questions, the Settling Parties have presented a summarization of the information to be supplied in the CACJA filings and the process from the PSIA that should apply to the CACJA filings.

**f. Transmission Cost Adjustment**

**What is the basis of the \$15,610,346 annual revenue requirement to be recovered through the Transmission Cost Adjustment (TCA) in 2015? Is it a stipulated amount or was it calculated in accordance with the proposed TCA tariff sheets in Attachment L to the Settlement Agreement and reviewed by the Settling Parties?**

The \$15,610,346 annual revenue requirement to be recovered through the TCA effective concurrent with the implementation of rates from this proceeding is calculated in accordance with the proposed TCA Rider tariff sheets in Attachment L to the Settlement Agreement. For the purposes of the settlement, Attachment No. DAB-16 attached to the Direct Testimony of Ms. Deborah A. Blair was updated to incorporate



the proposed changes to the TCA tariff, and the terms included in the Settlement Agreement, including: 1) the projected net transmission plant was based on the thirteen month average balances for the year in which the TCA will be in effect (2015); 2) the baseline is the year-end December 31, 2013 plant in service balances; and 3) the capital structure is based on the agreed-to weighted average cost of capital at a 9.83 percent return on equity and a cost of debt of 4.67 percent. Attached to these responses to the Commissioners questions is [Settlement Attachment No. DAB-16] as Attachment B reflecting the TCA rider amount of \$15,610,346.

**g. Earnings Test**

- i. **Clarify the purpose of the Earnings Test. Given the terms of the Settlement Agreement, what factors do the Settling Parties see as potentially contributing to overearnings in the next three years (2015, 2016, and 2017)?**

The purpose of the Earnings Test is to protect customers through a sharing of earnings in the event sales volumes grow or other factors that would positively affect Public Service's return on equity occur, including but not limited to reductions in costs. The Settling Parties collectively did not agree to or contemplate any specific factors that potentially could contribute to overearnings in the next three years.

- ii. **On page 6 of the Settlement Agreement, the Settling Parties state that the agreed-to rates will be subject to an Earnings Test and Stay-Out provision, remaining in effect until replaced by new base rates resulting from Public Service's next base rate change filing in 2017 for rates expected to go into effect no earlier than January 1, 2018. By entering into the Settlement Agreement, is Public Service agreeing to file a 2017 Rate Case?**

Yes. One of the statutory requirements of the CACJA is that if an automatically adjusting recovery mechanism were put in place to recover CACJA related costs, the Company would be required to file a base rate case every two years from the date the

mechanism became effective. Therefore, the Company will need to file a rate case in calendar year 2017.

**h. Depreciation and Decommissioning**

**What are the approximate costs being deferred to the 2017 Rate Case associated with the decommissioning, dismantling, remediation, and restoration of the nine generation units recently or expected to be retired?**

In its Direct Testimony in this proceeding, the Company proposed an increase in depreciation and amortization expense of about \$4.7 million (from the current level of about \$21.25 million to about \$25.92 million) attributable to the twelve generating units that are either already retired or are planned to be retired soon "nine Retired" and "three Early Retiring" units). The Settling Parties ultimately agreed that the Company would not change its current depreciation rates applied to electric and common utility plant for ratemaking and accounting purposes. Because the Company's proposed rates incorporated both the reserve reallocation and four-year amortization period, it is not possible to determine in isolation the amount of decommissioning costs for these twelve Retired and Retiring Generating Units that would have been recovered if the Company's proposal had been approved as filed. From an accounting perspective the Company will not recognize and defer in 2015, 2016 or 2017 the difference between the annual expense resulting from the depreciation and amortization rates established in the Settlement Agreement and the depreciation and amortization expense the Company proposed in its Direct case in this proceeding.

However, in the 2016 Depreciation Case the Company will be allowed to revisit the need to collect unrecovered life and net salvage expenses associated with the twelve Retired and Retiring Generating Units beginning January 1, 2018. The annual

change in depreciation and amortization expense that will result from the application of the results of the 2016 Depreciation Case is unknown. But even if the exact change cannot be determined at this time, it is important to recognize two important impacts from the delay in the change of the depreciation rates.

First, the change in annual depreciation and amortization expense resulting from the change in depreciation rates approved in the 2016 Depreciation Case will almost certainly be different from the annual increase of \$4.7 million that the Company proposed in its Direct case in this proceeding. The primary drivers of this variance will be any approved updates to life and net salvage expenses from the levels the Company proposed in its Direct case in this proceeding; any differences between the approved reserve reallocations and the reserve reallocations the Company proposed in its Direct case in this proceeding; and any differences between the approved amortization period(s) for the costs associated with the twelve Retired and Retiring Generating Units and the amortization period the Company proposed in its Direct case in this proceeding.

Second, regardless of the level of the annual depreciation and amortization expense change resulting from the application of the 2016 Depreciation Case rates, the cost-recovery period for the twelve Retired and Retiring Generating Units will almost certainly extend beyond the recovery period that the Company proposed in its Direct case in this proceeding. The Company's proposal in its Direct case would have completed this recovery by the end of 2018 or very shortly thereafter. Since the change in depreciation and amortization expense attributable to the twelve Retired and Retiring Generating Units will likely now be deferred until no earlier than January 1, 2018, it is very unlikely that Public Service will propose to recover those costs by the end of 2018.

Consequently, cost recovery for the twelve Retired and Retiring Generating Units will likely extend beyond 2018. In this sense, cost recovery for the twelve units will be delayed or deferred until the period covered by the 2017 Rate Proceeding (beginning January 1, 2018) -- and perhaps beyond that period.

**i. Ponnequin Wind Farm**

- i. What Commission finding is Public Service seeking in this proceeding concerning the need to obtain a CPCN for the retirement of Ponnequin? Are there Settling Parties requesting a determination that retirement of Ponnequin is the “ordinary course of business”?**

In this proceeding, Public Service did not request any determinations regarding the need for a CPCN to retire the Ponnequin Wind Farm. Rather, the Company, through the testimony of Mr. Mark Fox, noted its intention to retire Ponnequin at the end of 2015 (Fox Direct Testimony at page 15), and the Company’s cost of service as presented by Ms. Deborah A. Blair reflected a number of adjustments to account for this retirement. (Blair Direct Testimony, Schedule 26). That led OCC witness Mr. Neil to take the position that:

[c]osts in the rate case should not be adjusted for the retirement of the Ponnequin Wind Farm because Public Service has not yet received a [CPCN] to retire Ponnequin. It is my understanding that Public Service may be required to obtain a CPCN to retire Ponnequin before these rate case adjustments are made. The OCC may want to argue that Ponnequin should not be retired.” (Neil Answer Testimony at 31).

In response to Mr. Neil’s testimony, Ms. Alice K. Jackson in her Rebuttal Testimony (at pages 125-126) explained why the retirement of the Ponnequin Wind Farm should be deemed to be in the ordinary course of business, and therefore not require a CPCN:

Rule 3103(a) states the following:

A utility seeking authority to do the following shall file an application pursuant to this rule: amend a certificate of public convenience and necessity in order to extend, to restrict, to curtail, or to abandon or to discontinue without equivalent replacement any service, service area, or facility. A utility shall not extend, restrict, curtail, or abandon or discontinue without equivalent replacement, any service, service area, or facility not in the ordinary course of business without authority from the Commission. [emphasis added]

Given the new resources coming onto our system (both wind and non-wind) – more than an equivalent replacement – and the age and condition of Ponnequin – it is at the end of its useful life for the Company and its customers – we believe the retirement of Ponnequin should be deemed in the ordinary course of business and therefore not require a CPCN. Of course, if the Commission agrees with Mr. Neil, we will file a separate application to seek the Commission’s authorization to retire Ponnequin.

In Section I.C.5 of the Settlement Agreement, the Settling Parties have agreed that no Settling Party would assert that a CPCN is required for the retirement of Ponnequin. Although Public Service did not request such a determination in this case, given that the issue of the need for a CPCN has been raised in this proceeding and addressed in the Settlement Agreement, the Settling Parties believe it would be appropriate for the Commission to make a ruling that no CPCN is required for the facility.

- ii. **Is it correct to read the Settlement Agreement to indicate that no settling party opposes the retirement of Ponnequin in the event a CPCN is required and that the costs of Ponnequin will not be included in any future rate case?**

Although not explicit, the Settling Parties believe it is implicit that none of the Settling Parties will oppose the retirement of Ponnequin in the event that the

Commission nonetheless determines that a CPCN is first required. This follows from the provision in the Settlement Agreement that “[t]he Settling Parties accept Public Service’s proposed retirement of the Ponnequin Wind Farm”.

Given that the costs of the Ponnequin Wind Farm are recovered through the Renewable Energy Standard Adjustment (“RESA”) and not base rates, no capital or operating costs for the unit will be reflected in future rate cases.

**j. Equivalent Availability Factor Performance Mechanism (“EAFPM”)**

**What is the regulatory process for the report filing to be made April 1 of each year concerning the Equivalent Availability Factor results for the preceding year? For instance, will these be expedited or standard application proceedings?**

As outlined in Attachment G (which is the Electric Commodity Adjustment Tariff) of the Settlement Agreement, the Company will file on or before April 1 of each year, 2016, 2017 and 2018, a report detailing the results of the EAFPM for the previous calendar year. The Company will file an Application along with the report requesting Commission approval of either the penalty, incentive or neither (if the EAFPM falls within a certain range, the Company will neither earn an incentive nor be assessed a penalty) as applicable. The Application requesting Commission approval of the incentive, penalty or neither will follow the Commission’s standard application process to allow Commission Staff and other interested parties time to review the Company’s EAFPM Report. The Company will not flow the incentive or penalty through the ECA mechanism until it receives a final Commission Decision on the Application.

Dated this 11<sup>th</sup> day of February, 2015.

Respectfully Submitted,

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**ATTORNEY FOR PUBLIC SERVICE  
COMPANY OF COLORADO**

Public Service Company of Colorado  
Revenue Requirements - Clean Air Clean Job Act  
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Colorado PUC E-Filings System

Line No.	CACJA Project	In-Service Dates	2015	2016	2017
1	Return on Equity		9.83%	9.83%	9.83%
2					
3	Pawnee SCR and Scrubber	August 2014	35,922	34,986	34,005
4					
5	Cherokee Combined Cycle 2x1	December 2015	21,951	24,764	23,744
6					
7	Cherokee Combined Cycle Unit 5	December 2015	10,886	15,611	14,890
8					
9	Cherokee Combined Cycle Unit 6	December 2015	10,833	15,535	14,818
10					
11	Cherokee Combined Cycle Unit 7	December 2015	9,258	13,151	12,585
12					
13	Hayden Selective Catalytic Reduction - Unit 1	September 2015	5,803	7,363	7,139
14					
15	Hayden Selective Catalytic Reduction - Unit 2	July 2016	1,423	3,254	4,293
16					
17	Total CACJA Revenue Requirements		96,076	114,665	111,474
18	Cherokee 3 O&M Expense		892	-	-
19	Total CACJA Revenue Requirements		96,968	114,665	111,474
20					
21	(Less) Amount Recovered in Base Rates		-	-	-
22	Annual Rider Amount		96,968	114,665	111,474



**Public Service Company of Colorado**  
**Total Revenue Requirements - Clean Air Clean Job Act**

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Line No.	Description	2015	2015	2015
		Total Electric	Retail Allocation	Retail Jurisdiction
1	<b><u>Rate Base</u></b>			
2	Electric Plant in Service	360,641,848		327,228,784
3	Plus: Construction Work In Progress (CWIP)	555,967,592		504,457,816
4	Plus: Prefunded AFUDC - Production	-		-
5	Plus: Excess AFUDC CWIP	7,534,855		7,534,855
6	Plus: Prefunded AFUDC CWIP	(14,826,044)		(14,826,044)
7	Less: Excess AFUDC Reserve	49,292		49,292
8	Less: Prefunded AFUDC Reserve	(5,512)		(5,512)
9	Plus: Excess AFUDC-Plant-In-Service	3,159,308		3,159,308
10	Plus: Prefunded AFUDC-Plant-In-Service	(3,076,302)		(3,076,302)
11	Less: Electric Production Accumulated Reserve for Depreciation	6,202,622		5,627,956
12	Net Plant	903,154,855		818,806,681
13				
14	Excess AFUDC Deferred Income Taxes	2,103,942		2,103,942
15	Prefunded AFUDC Deferred Income Taxes	(1,787,947)		(1,787,947)
	Interest on CWIP	(2,137,629)		(1,939,580)
16	Accumulated Deferred Income Taxes (Includes CWIP Interest Adj)	70,834,756		64,271,995
17				
18	Net Rate Base (In 12 - In 14 - In 15 - In 16)	829,866,475		752,279,111
19				
20	<b><u>Income Tax Expense</u></b>			
21	Net Rate Base			752,279,111
22	Rate of Return on Rate Base			7.55%
23	Earnings before Interest			56,797,073
24				
25	Net Rate Base			752,279,111
26	Cost of Debt			2.05%
27	Interest Expense			15,421,722
28				
29	Permanent Additions/(Deductions) for Taxes	(20,822,258)		(18,893,099)
30	Excess Permanent Additions/(Deductions) for Taxes	45,673		45,673
31	Prefunded Permanent Additions/(Deductions) for Taxes	(37,026)		(37,026)
32	Excess AFUDC Additions/(Deductions) for Taxes	20,897		20,896
33	Prefunded AFUDC Additions/(Deductions) for Taxes	9,407,770		9,407,771
34	Additions and Deductions for Taxes	(135,118,594)		(122,600,007)
35				
36	State Taxable Amount (In 23 - In 27 + In 29 thru In 34)			(90,680,441)
37	State Income Tax Rate			4.63%
38	State Income Taxes			(4,198,504)
39				
40	Net Federal Taxable Amount (In 36 - In 38)			(86,481,937)
41	Federal Income Tax Rate			35.00%
42	Federal Income Taxes			(30,268,678)
43				
44	Production Tax Credit - % Credit			9.00%
45	Credit Times Federal Taxable Amount (Line 40 x Line 44)			(7,783,374)
46	Federal Tax Rate			35.00%
47	Production Tax Credit Amount			2,724,181
48				
49	Excess AFUDC Deferred Income Taxes	(7,943)		(7,943)
50	Prefunded AFUDC Deferred Income Taxes	(3,575,894)		(3,575,894)
51	CWIP Interest Adjustment	4,275,258		3,879,160
52	Deferred Income Taxes	51,358,577		46,600,263
53				
54	Total Income Taxes (In 38 + In 42 + In 47 thru 52)			15,152,585
55	Tax Gross Up Factor			1.61316341
56	Total Income Tax Expense			24,443,595
57				
58	<b><u>Operating Expenses</u></b>			
59	O&M Expense and Payroll Expenses	7,248,823		6,577,228
60	Cherokee 3 O&M Expense	892,012		892,012
61	Excess AFUDC Depreciation Expense	66,578		66,578
62	Prefunded AFUDC Depreciation Expense	(50,519)		(50,519)
63	Depreciation Expense	9,084,063		8,242,434
64	Total Operating Deductions (In 56 through In 63)			40,171,328
65				
66	Return on Rate Base (line 23)			56,797,073
67				
68	Revenue Requirements (line 64 + In 66)			96,968,401

Public Service Company of Colorado  
Total Revenue Requirements - Clean Air Clean Job Act2nd Revised Attachment No. DAB-15  
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Line No.	Description	2016	2016	2016
		Total Electric	Retail Allocation	Retail Jurisdiction
1	<b>Rate Base</b>			
2	Electric Plant in Service	971,706,787		880,529,191
3	Plus: Construction Work In Progress (CWIP)	14,081,764		12,760,438
4	Plus: Prefunded AFUDC - Production	-		-
5	Plus: Excess AFUDC CWIP	82,027		82,027
6	Plus: Prefunded AFUDC CWIP	(936,900)		(936,900)
7	Less: Excess AFUDC Reserve	218,271		218,271
8	Less: Prefunded AFUDC Reserve	(490,518)		(490,518)
9	Plus: Excess AFUDC-Plant-In-Service	10,608,982		10,608,982
10	Plus: Prefunded AFUDC-Plant-In-Service	(34,897,736)		(34,897,736)
11	Less: Electric Production Accumulated Reserve for Depreciation	23,435,800		21,312,216
12	Net Plant	937,481,372		847,106,034
13				
14	Excess AFUDC Deferred Income Taxes	2,075,198		2,075,198
15	Prefunded AFUDC Deferred Income Taxes	(3,610,659)		(3,610,659)
	Interest on CWIP	(52,034)		(47,152)
16	Accumulated Deferred Income Taxes (Includes CWIP Interest Adj)	105,012,448		95,158,876
17				
18	Net Rate Base (In 12 - In 14 - In 15 - In 16)	833,952,350		753,435,466
19				
20	<b>Income Tax Expense</b>			
21	Net Rate Base			753,435,466
22	Rate of Return on Rate Base			7.58%
23	Earnings before Interest			57,110,408
24				
25	Net Rate Base			753,435,466
26	Cost of Debt			2.07%
27	Interest Expense			15,596,114
28				
29	Permanent Additions/(Deductions) for Taxes	2,744,539		2,487,012
30	Excess Permanent Additions/(Deductions) for Taxes	132,496		132,496
31	Prefunded Permanent Additions/(Deductions) for Taxes	(651,045)		(651,045)
32	Excess AFUDC Additions/(Deductions) for Taxes	130,350		130,350
33	Prefunded AFUDC Additions/(Deductions) for Taxes	182,926		182,928
34	Additions and Deductions for Taxes	(44,716,664)		(40,520,791)
35				
36	State Taxable Amount (In 23 - In 27 + In 29 thru In 34)			3,275,244
37	State Income Tax Rate			4.63%
38	State Income Taxes			151,644
39				
40	Net Federal Taxable Amount (In 36 - In 38)			3,123,600
41	Federal Income Tax Rate			35.00%
42	Federal Income Taxes			1,093,260
43				
44	Production Tax Credit - % Credit			9.00%
45	Credit Times Federal Taxable Amount (Line 40 x Line 44)			281,124
46	Federal Tax Rate			35.00%
47	Production Tax Credit Amount			(98,393)
48				
49	Excess AFUDC Deferred Income Taxes	(49,546)		(49,546)
50	Prefunded AFUDC Deferred Income Taxes	(69,530)		(69,530)
51	CWIP Interest Adjustment	104,069		94,304
52	Deferred Income Taxes	16,996,804		15,401,953
53				
54	Total Income Taxes (In 38 + In 42 + In 47 thru 52)			16,523,691
55	Tax Gross Up Factor			1.61316341
56	Total Income Tax Expense			26,655,413
57				
58	<b>Operating Expenses</b>			
59	O&M Expense and Payroll Expenses	9,063,877		8,213,391
60	Cherokee 3 O&M Expense	-		-
61	Excess AFUDC Depreciation Expense	262,900		262,900
62	Prefunded AFUDC Depreciation Expense	(890,404)		(890,404)
63	Depreciation Expense	25,727,080		23,313,046
64	Total Operating Deductions (In 56 through In 63)			57,554,347
65				
66	Return on Rate Base (line 23)			57,110,408
67				
68	Revenue Requirements (line 64 + In 66)			114,664,755

**Public Service Company of Colorado**  
**Total Revenue Requirements - Clean Air Clean Job Act**

**2nd Revised Attachment No. DAB-15**  
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Line No.	Description	2017	2017	2017
		Total Electric	Retail Allocation	Retail Jurisdiction
1	<b>Rate Base</b>			
2	Electric Plant in Service	992,858,015		897,860,162
3	Plus: Construction Work In Progress (CWIP)	-		-
4	Plus: Prefunded AFUDC - Production	-		-
5	Plus: Excess AFUDC CWIP	-		-
6	Plus: Prefunded AFUDC CWIP	-		-
7	Less: Excess AFUDC Reserve	482,820		482,820
8	Less: Prefunded AFUDC Reserve	(1,405,613)		(1,405,613)
9	Plus: Excess AFUDC-Plant-In-Service	10,694,164		10,694,164
10	Plus: Prefunded AFUDC-Plant-In-Service	(36,173,442)		(36,173,442)
11	Less: Electric Production Accumulated Reserve for Depreciation	49,669,047		44,916,653
12	Net Plant	918,632,483		828,387,024
13				
14	Excess AFUDC Deferred Income Taxes	2,025,507		2,025,507
15	Prefunded AFUDC Deferred Income Taxes	(3,597,208)		(3,597,208)
	Interest on CWIP	-		-
16	Accumulated Deferred Income Taxes (Includes CWIP Interest Adj)	121,243,960		109,643,192
17				
18	Net Rate Base (In 12 - In 14 - In 15 - In 16)	798,960,224		720,315,533
19				
20	<b>Income Tax Expense</b>			
21	Net Rate Base			720,315,533
22	Rate of Return on Rate Base			7.57%
23	Earnings before Interest			54,527,886
24				
25	Net Rate Base			720,315,533
26	Cost of Debt			2.16%
27	Interest Expense			15,558,816
28				
29	Permanent Additions/(Deductions) for Taxes	2,927,552		2,647,441
30	Excess Permanent Additions/(Deductions) for Taxes	134,335		134,335
31	Prefunded Permanent Additions/(Deductions) for Taxes	(675,572)		(675,572)
32	Excess AFUDC Additions/(Deductions) for Taxes	131,113		131,113
33	Prefunded AFUDC Additions/(Deductions) for Taxes	(253,703)		(253,702)
34	Additions and Deductions for Taxes	(40,689,877)		(36,796,620)
35				
36	State Taxable Amount (In 23 - In 27 + In 29 thru In 34)			4,156,064
37	State Income Tax Rate			4.63%
38	State Income Taxes			192,426
39				
40	Net Federal Taxable Amount (In 36 - In 38)			3,963,639
41	Federal Income Tax Rate			35.00%
42	Federal Income Taxes			1,387,274
43				
44	Production Tax Credit - % Credit			9.00%
45	Credit Times Federal Taxable Amount (Line 40 x Line 44)			356,727
46	Federal Tax Rate			35.00%
47	Production Tax Credit Amount			(124,855)
48				
49	Excess AFUDC Deferred Income Taxes	(49,836)		(49,836)
50	Prefunded AFUDC Deferred Income Taxes	96,432		96,432
51	CWIP Interest Adjustment	-		-
52	Deferred Income Taxes	15,466,222		13,986,396
53				
54	Total Income Taxes (In 38 + In 42 + In 47 thru 52)			15,487,836
55	Tax Gross Up Factor			1.61316341
56	Total Income Tax Expense			24,984,411
57				
58	<b>Operating Expenses</b>			
59	O&M Expense and Payroll Expenses	9,643,932		8,721,189
60	Cherokee 3 O&M Expense	-		-
61	Excess AFUDC Depreciation Expense	265,503		265,503
62	Prefunded AFUDC Depreciation Expense	(929,381)		(929,381)
63	Depreciation Expense	26,433,527		23,904,335
64	Total Operating Deductions (In 56 through In 63)			56,946,057
65				
66	Return on Rate Base (line 23)			54,527,886
67				
68	Revenue Requirements (line 64 + In 66)			111,473,943

**Public Service Company of Colorado  
Revenue Requirements - Clean Air Clean Job Act  
Pawnee SCR and Scrubber**

**2nd Revised Attachment No. DAB-15  
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Line No.	Description	2015 Total Electric	2015 Retail Allocation	2015 Retail Jurisdiction
1	<b><u>Rate Base</u></b>			
2	Electric Plant in Service	296,828,684	90.74%	269,327,838
3	Plus: Construction Work In Progress (CWIP)	-	90.74%	-
4	Plus: Prefunded AFUDC - Production	-	100.00%	-
5	Plus: Excess AFUDC CWIP	-	100.00%	-
6	Plus: Prefunded AFUDC CWIP	-	100.00%	-
7	Less: Excess AFUDC Reserve	48,042	100.00%	48,042
8	Less: Prefunded AFUDC Reserve	-	100.00%	-
9	Plus: Excess AFUDC-Plant-In-Service	2,439,484	100.00%	2,439,484
10	Plus: Prefunded AFUDC-Plant-In-Service	-	100.00%	-
11	Less: Electric Production Accumulated Reserve for Depreciation	<u>6,223,026</u>	90.74%	<u>5,646,470</u>
12	Net Plant	292,997,100		266,072,810
13				
14	Excess AFUDC Deferred Income Taxes	372,093	100.00%	372,093
15	Prefunded AFUDC Deferred Income Taxes	-	100.00%	-
16	Interest on CWIP	-	90.74%	-
17	Accumulated Deferred Income Taxes (Includes CWIP Interest Adj)	54,140,981	90.74%	49,124,880
18				
19	Net Rate Base (In 12 - In 14 - In 15 - In 16)	238,484,026		216,575,838
20				
21	<b><u>Income Tax Expense</u></b>			
22	Net Rate Base			216,575,838
23	Rate of Return on Rate Base			<u>7.55%</u>
24	Earnings before Interest			16,351,476
25				
26	Net Rate Base			216,575,838
27	Cost of Debt			<u>2.05%</u>
28	Interest Expense			4,439,805
29				
30	Permanent Additions/(Deductions) for Taxes	465,213	90.74%	422,111
31	Excess Permanent Additions/(Deductions) for Taxes	39,570	100.00%	39,570
32	Prefunded Permanent Additions/(Deductions) for Taxes	-	100.00%	-
33	Excess AFUDC Additions/(Deductions) for Taxes	15,329	100.00%	15,329
34	Prefunded AFUDC Additions/(Deductions) for Taxes	-	100.00%	-
35	Additions and Deductions for Taxes	(8,661,807)	90.74%	(7,859,300)
36				
37	State Taxable Amount (In 23 - In 27 + In 29 thru In 34)			4,529,381
38	State Income Tax Rate			<u>4.63%</u>
39	State Income Taxes			209,710
40				
41	Net Federal Taxable Amount (In 36 - In 38)			4,319,670
42	Federal Income Tax Rate			<u>35.00%</u>
43	Federal Income Taxes			1,511,885
44				
45	Production Tax Credit - % Credit			9.00%
46	Credit Times Federal Taxable Amount (Line 40 x Line 44)			388,770
47	Federal Tax Rate			<u>35.00%</u>
48	Production Tax Credit Amount			(136,070)
49				
50	Excess AFUDC Deferred Income Taxes	(5,827)	100.00%	(5,827)
51	Prefunded AFUDC Deferred Income Taxes	-	100.00%	-
52	CWIP Interest Adjustment	-	90.74%	-
53	Deferred Income Taxes	3,292,353	90.74%	2,987,320
54				
55	Total Income Taxes (In 38 + In 42 + In 47 thru 52)			4,567,019
56	Tax Gross Up Factor			<u>1.6131504</u>
57	Total Income Tax Expense			7,367,288
58				
59	<b><u>Operating Expenses</u></b>			
60	O&M Expense and Payroll Expenses	5,504,063	90.74%	4,994,118
61	Excess AFUDC Depreciation Expense	54,905	100.00%	54,905
62	Prefunded AFUDC Depreciation Expense	-	100.00%	-
63	Depreciation Expense	7,884,660	90.74%	<u>7,154,155</u>
64	Total Operating Deductions (In 56 through In 63)			19,570,466
65				
66	Return on Rate Base (line 23)			<u>16,351,476</u>
67				
68	Revenue Requirements (line 64 + In 66)			<u><u>35,921,942</u></u>

**Public Service Company of Colorado  
Revenue Requirements - Clean Air Clean Job Act  
Pawnee SCR and Scrubber**

**2nd Revised Attachment No. DAB-15  
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Line No.	Description	2016 Total Electric	2016 Retail Allocation	2016 Retail Jurisdiction
1	<b><u>Rate Base</u></b>			
2	Electric Plant in Service	296,828,684	90.62%	268,976,531
3	Plus: Construction Work In Progress (CWIP)	-	90.62%	-
4	Plus: Prefunded AFUDC - Production	-	100.00%	-
5	Plus: Excess AFUDC CWIP	-	100.00%	-
6	Plus: Prefunded AFUDC CWIP	-	100.00%	-
7	Less: Excess AFUDC Reserve	102,948	100.00%	102,948
8	Less: Prefunded AFUDC Reserve	-	100.00%	-
9	Plus: Excess AFUDC-Plant-In-Service	2,439,484	100.00%	2,439,484
10	Plus: Prefunded AFUDC-Plant-In-Service	-	100.00%	-
11	Less: Electric Production Accumulated Reserve for Depreciation	<u>14,107,686</u>	91.15%	<u>12,859,381</u>
12	Net Plant	285,057,534		258,453,686
13				
14	Excess AFUDC Deferred Income Taxes	366,266	100.00%	366,266
15	Prefunded AFUDC Deferred Income Taxes	-	100.00%	-
16	Interest on CWIP	-	90.62%	-
17	Accumulated Deferred Income Taxes (Includes CWIP Interest Adj)	57,373,854	90.62%	51,990,327
18				
19	Net Rate Base (In 12 - In 14 - In 15 - In 16)	227,317,414		206,097,093
20				
21	<b><u>Income Tax Expense</u></b>			
22	Net Rate Base			206,097,093
23	Rate of Return on Rate Base			<u>7.58%</u>
24	Earnings before Interest			15,622,160
25				
26	Net Rate Base			206,097,093
27	Cost of Debt			<u>2.07%</u>
28	Interest Expense			4,266,210
29				
30	Permanent Additions/(Deductions) for Taxes	465,213	90.62%	421,561
31	Excess Permanent Additions/(Deductions) for Taxes	39,570	100.00%	39,570
32	Prefunded Permanent Additions/(Deductions) for Taxes	-	100.00%	-
33	Excess AFUDC Additions/(Deductions) for Taxes	15,329	100.00%	15,329
34	Prefunded AFUDC Additions/(Deductions) for Taxes	-	100.00%	-
35	Additions and Deductions for Taxes	(8,348,836)	90.62%	(7,565,445)
36				
37	State Taxable Amount (In 23 - In 27 + In 29 thru In 34)			4,266,965
38	State Income Tax Rate			<u>4.63%</u>
39	State Income Taxes			197,560
40				
41	Net Federal Taxable Amount (In 36 - In 38)			4,069,404
42	Federal Income Tax Rate			<u>35.00%</u>
43	Federal Income Taxes			1,424,291
44				
45	Production Tax Credit - % Credit			9.00%
46	Credit Times Federal Taxable Amount (Line 40 x Line 44)			366,246
47	Federal Tax Rate			<u>35.00%</u>
48	Production Tax Credit Amount			(128,186)
49				
50	Excess AFUDC Deferred Income Taxes	(5,827)	100.00%	(5,827)
51	Prefunded AFUDC Deferred Income Taxes	-	100.00%	-
52	CWIP Interest Adjustment	-	90.62%	-
53	Deferred Income Taxes	3,173,392	90.62%	2,875,625
54				
55	Total Income Taxes (In 38 + In 42 + In 47 thru 52)			4,363,464
56	Tax Gross Up Factor			<u>1.6131504</u>
57	Total Income Tax Expense			7,038,924
58				
59	<b><u>Operating Expenses</u></b>			
60	O&M Expense and Payroll Expenses	5,656,273	90.62%	5,125,531
61	Excess AFUDC Depreciation Expense	54,905	100.00%	54,905
62	Prefunded AFUDC Depreciation Expense	-	100.00%	-
63	Depreciation Expense	7,884,660	90.62%	<u>7,144,824</u>
64	Total Operating Deductions (In 56 through In 63)			19,364,185
65				
66	Return on Rate Base (line 23)			<u>15,622,160</u>
67				
68	Revenue Requirements (line 64 + In 66)			<u><u>34,986,344</u></u>

**Public Service Company of Colorado  
Revenue Requirements - Clean Air Clean Job Act  
Pawnee SCR and Scrubber**

**2nd Revised Attachment No. DAB-15  
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Line No.	Description	2017 Total Electric	2017 Retail Allocation	2017 Retail Jurisdiction
1	<b><u>Rate Base</u></b>			
2	Electric Plant in Service	296,828,684	90.43%	268,427,757
3	Plus: Construction Work In Progress (CWIP)	-	90.43%	-
4	Plus: Prefunded AFUDC - Production	-	100.00%	-
5	Plus: Excess AFUDC CWIP	-	100.00%	-
6	Plus: Prefunded AFUDC CWIP	-	100.00%	-
7	Less: Excess AFUDC Reserve	157,853	100.00%	157,853
8	Less: Prefunded AFUDC Reserve	-	100.00%	-
9	Plus: Excess AFUDC-Plant-In-Service	2,439,484	100.00%	2,439,484
10	Plus: Prefunded AFUDC-Plant-In-Service	-	100.00%	-
11	Less: Electric Production Accumulated Reserve for Depreciation	21,992,346	90.43%	19,888,092
12	Net Plant	277,117,969		250,821,296
13				
14	Excess AFUDC Deferred Income Taxes	360,440	100.00%	360,440
15	Prefunded AFUDC Deferred Income Taxes	-	100.00%	-
16	Interest on CWIP	0	90.43%	-
17	Accumulated Deferred Income Taxes (Includes CWIP Interest Adj)	60,492,376	90.43%	54,704,392
18				
19	Net Rate Base (In 12 - In 14 - In 15 - In 16)	216,265,153		195,756,464
20				
21	<b><u>Income Tax Expense</u></b>			
22	Net Rate Base			195,756,464
23	Rate of Return on Rate Base			7.57%
24	Earnings before Interest			14,818,764
25				
26	Net Rate Base			195,756,464
27	Cost of Debt			2.16%
28	Interest Expense			4,228,340
29				
30	Permanent Additions/(Deductions) for Taxes	465,213	90.43%	420,701
31	Excess Permanent Additions/(Deductions) for Taxes	39,570	100.00%	39,570
32	Prefunded Permanent Additions/(Deductions) for Taxes	0	100.00%	-
33	Excess AFUDC Additions/(Deductions) for Taxes	15,329	100.00%	15,329
34	Prefunded AFUDC Additions/(Deductions) for Taxes	-	100.00%	-
35	Additions and Deductions for Taxes	(8,060,117)	90.43%	(7,288,915)
36				
37	State Taxable Amount (In 23 - In 27 + In 29 thru In 34)			3,777,109
38	State Income Tax Rate			4.63%
39	State Income Taxes			174,880
40				
41	Net Federal Taxable Amount (In 36 - In 38)			3,602,228
42	Federal Income Tax Rate			35.00%
43	Federal Income Taxes			1,260,780
44				
45	Production Tax Credit - % Credit			9.00%
46	Credit Times Federal Taxable Amount (Line 40 x Line 44)			324,201
47	Federal Tax Rate			35.00%
48	Production Tax Credit Amount			(113,470)
49				
50	Excess AFUDC Deferred Income Taxes	(5,827)	100.00%	(5,827)
51	Prefunded AFUDC Deferred Income Taxes	-	100.00%	-
52	CWIP Interest Adjustment	-	90.43%	-
53	Deferred Income Taxes	3,063,650	90.43%	2,770,517
54				
55	Total Income Taxes (In 38 + In 42 + In 47 thru 52)			4,086,880
56	Tax Gross Up Factor			1.6131504
57	Total Income Tax Expense			6,592,752
58				
59	<b><u>Operating Expenses</u></b>			
60	O&M Expense and Payroll Expenses	5,981,000	90.43%	5,408,731
61	Excess AFUDC Depreciation Expense	54,905	100.00%	54,905
62	Prefunded AFUDC Depreciation Expense	-	100.00%	-
63	Depreciation Expense	7,884,660	90.43%	7,130,247
64	Total Operating Deductions (In 56 through In 63)			19,186,635
65				
66	Return on Rate Base (line 23)			14,818,764
67				
68	Revenue Requirements (line 64 + In 66)			34,005,399

**Public Service Company of Colorado  
Revenue Requirements - Clean Air Clean Job Act  
Cherokee Combined Cycle 2x1**

**2nd Revised Attachment No. DAB-15  
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Line No.	Description	2015 Total Electric	2015 Retail Allocation	2015 Retail Jurisdiction
1	<b><u>Rate Base</u></b>			
2	Electric Plant in Service	18,726,218	90.74%	16,991,255
3	Plus: Construction Work In Progress (CWIP)	201,336,308	90.74%	182,682,724
4	Plus: Prefunded AFUDC - Production	-	100.00%	-
5	Plus: Excess AFUDC CWIP	2,547,424	100.00%	2,547,424
6	Plus: Prefunded AFUDC CWIP	(5,585,726)	100.00%	(5,585,726)
7	Less: Excess AFUDC Reserve	223	100.00%	223
8	Less: Prefunded AFUDC Reserve	(1,063)	100.00%	(1,063)
9	Plus: Excess AFUDC-Plant-In-Service	212,285	100.00%	212,285
10	Plus: Prefunded AFUDC-Plant-In-Service	(1,012,000)	100.00%	(1,012,000)
11	Less: Electric Production Accumulated Reserve for Depreciation	19,979	90.74%	18,128
12	Net Plant	216,205,370		195,818,674
13				
14	Excess AFUDC Deferred Income Taxes	496,857	100.00%	496,857
15	Prefunded AFUDC Deferred Income Taxes	(666,404)	100.00%	(666,404)
16	Interest on CWIP	(772,564)	90.74%	(700,987)
17	Accumulated Deferred Income Taxes	16,269,619	90.74%	14,762,257
18				
19	Net Rate Base (In 12 - In 14 - In 15 - In 16)	199,332,734		180,524,978
20				
21	<b><u>Income Tax Expense</u></b>			
22	Net Rate Base			180,524,978
23	Rate of Return on Rate Base			7.55%
24	Earnings before Interest			13,629,636
25				
26	Net Rate Base			180,524,978
27	Cost of Debt			2.05%
28	Interest Expense			3,700,762
29				
30	Permanent Additions/(Deductions) for Taxes	(7,747,095)	90.74%	(7,029,335)
31	Excess Permanent Additions/(Deductions) for Taxes	1,525	100.00%	1,525
32	Prefunded Permanent Additions/(Deductions) for Taxes	(10,132)	100.00%	(10,132)
33	Excess AFUDC Additions/(Deductions) for Taxes	1,374	100.00%	1,374
34	Prefunded AFUDC Additions/(Deductions) for Taxes	3,506,466	100.00%	3,506,466
35	Additions and Deductions for Taxes	(99,430,751)	90.74%	(90,218,603)
36				
37	State Taxable Amount (In 23 - In 27 + In 29 thru In 34)			(83,819,832)
38	State Income Tax Rate			4.63%
39	State Income Taxes			(3,880,858)
40				
41	Net Federal Taxable Amount (In 36 - In 38)			(79,938,973)
42	Federal Income Tax Rate			35.00%
43	Federal Income Taxes			(27,978,641)
44				
45	Production Tax Credit - % Credit			9.00%
46	Credit Times Federal Taxable Amount (Line 40 x Line 44)			(7,194,508)
47	Federal Tax Rate			35.00%
48	Production Tax Credit Amount			2,518,078
49				
50	Excess AFUDC Deferred Income Taxes	(522)	100.00%	(522)
51	Prefunded AFUDC Deferred Income Taxes	(1,332,808)	100.00%	(1,332,808)
52	CWIP Interest Adjustment	1,545,128	90.74%	1,401,973
53	Deferred Income Taxes	37,793,628	90.74%	34,292,091
54				
55	Total Income Taxes (In 38 + In 42 + In 47 thru 52)			5,019,313
56	Tax Gross Up Factor			1.6131504
57	Total Income Tax Expense			8,096,907
58				
59	<b><u>Operating Expenses</u></b>			
60	O&M Expense and Payroll Expenses	-	90.74%	-
61	Excess AFUDC Depreciation Expense	2,899	100.00%	2,899
62	Prefunded AFUDC Depreciation Expense	(13,821)	100.00%	(13,821)
63	Depreciation Expense	259,731	90.74%	235,667
64	Total Operating Deductions (In 56 through In 63)			8,321,653
65				
66	Return on Rate Base (line 23)			13,629,636
67				
68	Revenue Requirements (line 64 + In 66)			21,951,289



**Public Service Company of Colorado**  
**Revenue Requirements - Clean Air Clean Job Act**  
**Cherokee Combined Cycle 2x1**

**2nd Revised Attachment No. DAB-15**  
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Line No.	Description	2016 Total Electric	2016 Retail Allocation	2016 Retail Jurisdiction
1	<b><u>Rate Base</u></b>			
2	Electric Plant in Service	245,180,032	90.62%	222,174,197
3	Plus: Construction Work In Progress (CWIP)	-	90.62%	-
4	Plus: Prefunded AFUDC - Production	-	100.00%	-
5	Plus: Excess AFUDC CWIP	-	100.00%	-
6	Plus: Prefunded AFUDC CWIP	-	100.00%	-
7	Less: Excess AFUDC Reserve	37,689	100.00%	37,689
8	Less: Prefunded AFUDC Reserve	(179,672)	100.00%	(179,672)
9	Plus: Excess AFUDC-Plant-In-Service	2,759,710	100.00%	2,759,710
10	Plus: Prefunded AFUDC-Plant-In-Service	(13,156,003)	100.00%	(13,156,003)
11	Less: Electric Production Accumulated Reserve for Depreciation	3,464,976	90.62%	3,139,849
12	Net Plant	231,460,746		208,780,038
13				
14	Excess AFUDC Deferred Income Taxes	490,329	100.00%	490,329
15	Prefunded AFUDC Deferred Income Taxes	(1,315,988)	100.00%	(1,315,988)
16	Interest on CWIP	-	90.62%	-
17	Accumulated Deferred Income Taxes	36,574,746	90.62%	33,142,849
18				
19	Net Rate Base (In 12 - In 14 - In 15 - In 16)	195,711,659		176,462,848
20				
21	<b><u>Income Tax Expense</u></b>			
22	Net Rate Base			176,462,848
23	Rate of Return on Rate Base			7.58%
24	Earnings before Interest			13,375,884
25				
26	Net Rate Base			176,462,848
27	Cost of Debt			2.07%
28	Interest Expense			3,652,781
29				
30	Permanent Additions/(Deductions) for Taxes	503,209	90.62%	455,992
31	Excess Permanent Additions/(Deductions) for Taxes	36,592	100.00%	36,592
32	Prefunded Permanent Additions/(Deductions) for Taxes	(243,164)	100.00%	(243,164)
33	Excess AFUDC Additions/(Deductions) for Taxes	32,975	100.00%	32,975
34	Prefunded AFUDC Additions/(Deductions) for Taxes	(88,501)	100.00%	(88,501)
35	Additions and Deductions for Taxes	(7,410,222)	90.62%	(6,714,903)
36				
37	State Taxable Amount (In 23 - In 27 + In 29 thru In 34)			3,202,093
38	State Income Tax Rate			4.63%
39	State Income Taxes			148,257
40				
41	Net Federal Taxable Amount (In 36 - In 38)			3,053,836
42	Federal Income Tax Rate			35.00%
43	Federal Income Taxes			1,068,843
44				
45	Production Tax Credit - % Credit			9.00%
46	Credit Times Federal Taxable Amount (Line 40 x Line 44)			274,845
47	Federal Tax Rate			35.00%
48	Production Tax Credit Amount			(96,196)
49				
50	Excess AFUDC Deferred Income Taxes	(12,534)	100.00%	(12,534)
51	Prefunded AFUDC Deferred Income Taxes	33,639	100.00%	33,639
52	CWIP Interest Adjustment	-	90.62%	-
53	Deferred Income Taxes	2,816,626	90.62%	2,552,335
54				
55	Total Income Taxes (In 38 + In 42 + In 47 thru 52)			3,694,344
56	Tax Gross Up Factor			1.6131504
57	Total Income Tax Expense			5,959,533
58				
59	<b><u>Operating Expenses</u></b>			
60	O&M Expense and Payroll Expenses	-	90.62%	-
61	Excess AFUDC Depreciation Expense	69,581	100.00%	69,581
62	Prefunded AFUDC Depreciation Expense	(331,702)	100.00%	(331,702)
63	Depreciation Expense	6,279,635	90.62%	5,690,402
64	Total Operating Deductions (In 56 through In 63)			11,387,813
65				
66	Return on Rate Base (line 23)			13,375,884
67				
68	Revenue Requirements (line 64 + In 66)			24,763,697



**Public Service Company of Colorado**  
**Revenue Requirements - Clean Air Clean Job Act**  
**Cherokee Combined Cycle 2x1**

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Line No.	Description	2017 Total Electric	2017 Retail Allocation	2017 Retail Jurisdiction
1	<b><u>Rate Base</u></b>			
2	Electric Plant in Service	245,461,292	90.43%	221,975,259
3	Plus: Construction Work In Progress (CWIP)	-	90.43%	-
4	Plus: Prefunded AFUDC - Production	-	100.00%	-
5	Plus: Excess AFUDC CWIP	-	100.00%	-
6	Plus: Prefunded AFUDC CWIP	-	100.00%	-
7	Less: Excess AFUDC Reserve	107,270	100.00%	107,270
8	Less: Prefunded AFUDC Reserve	(511,374)	100.00%	(511,374)
9	Plus: Excess AFUDC-Plant-In-Service	2,759,710	100.00%	2,759,710
10	Plus: Prefunded AFUDC-Plant-In-Service	(13,156,003)	100.00%	(13,156,003)
11	Less: Electric Production Accumulated Reserve for Depreciation	9,769,989	90.43%	8,835,185
12	Net Plant	225,699,114		203,147,886
13				
14	Excess AFUDC Deferred Income Taxes	477,795	100.00%	477,795
15	Prefunded AFUDC Deferred Income Taxes	(1,282,349)	100.00%	(1,282,349)
16	Interest on CWIP	-	90.43%	-
17	Accumulated Deferred Income Taxes	39,159,009	90.43%	35,412,228
18				
19	Net Rate Base (In 12 - In 14 - In 15 - In 16)	187,344,659		168,540,212
20				
21	<b><u>Income Tax Expense</u></b>			
22	Net Rate Base			168,540,212
23	Rate of Return on Rate Base			7.57%
24	Earnings before Interest			12,758,494
25				
26	Net Rate Base			168,540,212
27	Cost of Debt			2.16%
28	Interest Expense			3,640,469
29				
30	Permanent Additions/(Deductions) for Taxes	503,661	90.43%	455,470
31	Excess Permanent Additions/(Deductions) for Taxes	36,592	100.00%	36,592
32	Prefunded Permanent Additions/(Deductions) for Taxes	(243,164)	100.00%	(243,164)
33	Excess AFUDC Additions/(Deductions) for Taxes	32,975	100.00%	32,975
34	Prefunded AFUDC Additions/(Deductions) for Taxes	(88,501)	100.00%	(88,501)
35	Additions and Deductions for Taxes	(6,187,587)	90.43%	(5,595,551)
36				
37	State Taxable Amount (In 23 - In 27 + In 29 thru In 34)			3,715,846
38	State Income Tax Rate			4.63%
39	State Income Taxes			172,044
40				
41	Net Federal Taxable Amount (In 36 - In 38)			3,543,803
42	Federal Income Tax Rate			35.00%
43	Federal Income Taxes			1,240,331
44				
45	Production Tax Credit - % Credit			9.00%
46	Credit Times Federal Taxable Amount (Line 40 x Line 44)			318,942
47	Federal Tax Rate			35.00%
48	Production Tax Credit Amount			(111,630)
49				
50	Excess AFUDC Deferred Income Taxes	(12,534)	100.00%	(12,534)
51	Prefunded AFUDC Deferred Income Taxes	33,639	100.00%	33,639
52	CWIP Interest Adjustment	-	90.43%	-
53	Deferred Income Taxes	2,351,902	90.43%	2,126,869
54				
55	Total Income Taxes (In 38 + In 42 + In 47 thru 52)			3,448,719
56	Tax Gross Up Factor			1.6131504
57	Total Income Tax Expense			5,563,303
58				
59	<b><u>Operating Expenses</u></b>			
60	O&M Expense and Payroll Expenses	-	90.43%	-
61	Excess AFUDC Depreciation Expense	69,581	100.00%	69,581
62	Prefunded AFUDC Depreciation Expense	(331,702)	100.00%	(331,702)
63	Depreciation Expense	6,285,282	90.43%	5,683,898
64	Total Operating Deductions (In 56 through In 63)			10,985,080
65				
66	Return on Rate Base (line 23)			12,758,494
67				
68	Revenue Requirements (line 64 + In 66)			23,743,574

**Public Service Company of Colorado  
Revenue Requirements - Clean Air Clean Job Act  
Cherokee Combined Cycle Unit 5**

**2nd Revised Attachment No. DAB-15  
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Line No.	Description	2015 Total Electric	2015 Retail Allocation	2015 Retail Jurisdiction
1	<b><u>Rate Base</u></b>			
2	Electric Plant in Service	9,744,208	90.74%	8,841,418
3	Plus: Construction Work In Progress (CWIP)	108,641,339	90.74%	98,575,840
4	Plus: Prefunded AFUDC - Production	-	100.00%	-
5	Plus: Excess AFUDC CWIP	1,615,662	100.00%	1,615,662
6	Plus: Prefunded AFUDC CWIP	(2,911,988)	100.00%	(2,911,988)
7	Less: Excess AFUDC Reserve	141	100.00%	141
8	Less: Prefunded AFUDC Reserve	(551)	100.00%	(551)
9	Plus: Excess AFUDC-Plant-In-Service	134,639	100.00%	134,639
10	Plus: Prefunded AFUDC-Plant-In-Service	(524,768)	100.00%	(524,768)
11	Less: Electric Production Accumulated Reserve for Depreciation	10,396	90.74%	9,433
12	Net Plant	116,689,106		105,721,780
13				
14	Excess AFUDC Deferred Income Taxes	403,657	100.00%	403,657
15	Prefunded AFUDC Deferred Income Taxes	(345,547)	100.00%	(345,547)
16	Interest on CWIP	(418,213)	90.74%	(379,466)
17	Accumulated Deferred Income Taxes	(1,124,114)	90.74%	(1,019,966)
18				
19	Net Rate Base (In 12 - In 14 - In 15 - In 16)	117,336,896		106,304,170
20				
21	<b><u>Income Tax Expense</u></b>			
22	Net Rate Base			106,304,170
23	Rate of Return on Rate Base			7.55%
24	Earnings before Interest			8,025,965
25				
26	Net Rate Base			106,304,170
27	Cost of Debt			2.05%
28	Interest Expense			2,179,235
29				
30	Permanent Additions/(Deductions) for Taxes	(4,164,280)	90.74%	(3,778,464)
31	Excess Permanent Additions/(Deductions) for Taxes	722	100.00%	722
32	Prefunded Permanent Additions/(Deductions) for Taxes	(5,254)	100.00%	(5,254)
33	Excess AFUDC Additions/(Deductions) for Taxes	1,116	100.00%	1,116
34	Prefunded AFUDC Additions/(Deductions) for Taxes	1,818,189	100.00%	1,818,189
35	Additions and Deductions for Taxes	(2,655,402)	90.74%	(2,409,382)
36				
37	State Taxable Amount (In 23 - In 27 + In 29 thru In 34)			1,473,657
38	State Income Tax Rate			4.63%
39	State Income Taxes			68,230
40				
41	Net Federal Taxable Amount (In 36 - In 38)			1,405,426
42	Federal Income Tax Rate			35.00%
43	Federal Income Taxes			491,899
44				
45	Production Tax Credit - % Credit			9.00%
46	Credit Times Federal Taxable Amount (Line 40 x Line 44)			126,488
47	Federal Tax Rate			35.00%
48	Production Tax Credit Amount			(44,271)
49				
50	Excess AFUDC Deferred Income Taxes	(424)	100.00%	(424)
51	Prefunded AFUDC Deferred Income Taxes	(691,094)	100.00%	(691,094)
52	CWIP Interest Adjustment	836,427	90.74%	758,933
53	Deferred Income Taxes	1,009,318	90.74%	915,806
54				
55	Total Income Taxes (In 38 + In 42 + In 47 thru 52)			1,499,080
56	Tax Gross Up Factor			1.6131504
57	Total Income Tax Expense			2,418,241
58				
59	<b><u>Operating Expenses</u></b>			
60	O&M Expense and Payroll Expenses	358,090	90.74%	324,914
61	Excess AFUDC Depreciation Expense	1,839	100.00%	1,839
62	Prefunded AFUDC Depreciation Expense	(7,167)	100.00%	(7,167)
63	Depreciation Expense	135,151	90.74%	122,630
64	Total Operating Deductions (In 56 through In 63)			2,860,456
65				
66	Return on Rate Base (line 23)			8,025,965
67				
68	Revenue Requirements (line 64 + In 66)			10,886,421

**Public Service Company of Colorado  
Revenue Requirements - Clean Air Clean Job Act  
Cherokee Combined Cycle Unit 5**

**2nd Revised Attachment No. DAB-15  
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Line No.	Description	2016 Total Electric	2016 Retail Allocation	2016 Retail Jurisdiction
1	<b><u>Rate Base</u></b>			
2	Electric Plant in Service	127,059,836	90.62%	115,137,504
3	Plus: Construction Work In Progress (CWIP)	-	90.62%	-
4	Plus: Prefunded AFUDC - Production	-	100.00%	-
5	Plus: Excess AFUDC CWIP	-	100.00%	-
6	Plus: Prefunded AFUDC CWIP	-	100.00%	-
7	Less: Excess AFUDC Reserve	23,904	100.00%	23,904
8	Less: Prefunded AFUDC Reserve	(93,168)	100.00%	(93,168)
9	Plus: Excess AFUDC-Plant-In-Service	1,750,301	100.00%	1,750,301
10	Plus: Prefunded AFUDC-Plant-In-Service	(6,821,980)	100.00%	(6,821,980)
11	Less: Electric Production Accumulated Reserve for Depreciation	1,761,488	90.62%	1,596,203
12	Net Plant	120,295,933		108,538,886
13				
14	Excess AFUDC Deferred Income Taxes	398,353	100.00%	398,353
15	Prefunded AFUDC Deferred Income Taxes	(682,372)	100.00%	(682,372)
16	Interest on CWIP	-	90.62%	-
17	Accumulated Deferred Income Taxes	1,036,228	90.62%	938,996
18				
19	Net Rate Base (In 12 - In 14 - In 15 - In 16)	119,543,724		107,883,909
20				
21	<b><u>Income Tax Expense</u></b>			
22	Net Rate Base			107,883,909
23	Rate of Return on Rate Base			7.58%
24	Earnings before Interest			8,177,600
25				
26	Net Rate Base			107,883,909
27	Cost of Debt			2.07%
28	Interest Expense			2,233,197
29				
30	Permanent Additions/(Deductions) for Taxes	654,820	90.62%	593,376
31	Excess Permanent Additions/(Deductions) for Taxes	17,330	100.00%	17,330
32	Prefunded Permanent Additions/(Deductions) for Taxes	(126,093)	100.00%	(126,093)
33	Excess AFUDC Additions/(Deductions) for Taxes	26,790	100.00%	26,790
34	Prefunded AFUDC Additions/(Deductions) for Taxes	(45,890)	100.00%	(45,890)
35	Additions and Deductions for Taxes	(8,711,826)	90.62%	(7,894,374)
36				
37	State Taxable Amount (In 23 - In 27 + In 29 thru In 34)			(1,484,458)
38	State Income Tax Rate			4.63%
39	State Income Taxes			(68,730)
40				
41	Net Federal Taxable Amount (In 36 - In 38)			(1,415,728)
42	Federal Income Tax Rate			35.00%
43	Federal Income Taxes			(495,505)
44				
45	Production Tax Credit - % Credit			9.00%
46	Credit Times Federal Taxable Amount (Line 40 x Line 44)			(127,416)
47	Federal Tax Rate			35.00%
48	Production Tax Credit Amount			44,595
49				
50	Excess AFUDC Deferred Income Taxes	(10,183)	100.00%	(10,183)
51	Prefunded AFUDC Deferred Income Taxes	17,443	100.00%	17,443
52	CWIP Interest Adjustment	-	90.62%	-
53	Deferred Income Taxes	3,311,365	90.62%	3,000,652
54				
55	Total Income Taxes (In 38 + In 42 + In 47 thru 52)			2,488,272
56	Tax Gross Up Factor			1.6131504
57	Total Income Tax Expense			4,013,957
58				
59	<b><u>Operating Expenses</u></b>			
60	O&M Expense and Payroll Expenses	660,880	90.62%	598,868
61	Excess AFUDC Depreciation Expense	44,130	100.00%	44,130
62	Prefunded AFUDC Depreciation Expense	(172,002)	100.00%	(172,002)
63	Depreciation Expense	3,253,830	90.62%	2,948,516
64	Total Operating Deductions (In 56 through In 63)			7,433,469
65				
66	Return on Rate Base (line 23)			8,177,600
67				
68	Revenue Requirements (line 64 + In 66)			15,611,069

**Public Service Company of Colorado**  
**Revenue Requirements - Clean Air Clean Job Act**  
**Cherokee Combined Cycle Unit 5**

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Line No.	Description	2017 Total Electric	2017 Retail Allocation	2017 Retail Jurisdiction
1	<b><u>Rate Base</u></b>			
2	Electric Plant in Service	127,129,774	90.43%	114,965,844
3	Plus: Construction Work In Progress (CWIP)	-	90.43%	-
4	Plus: Prefunded AFUDC - Production	-	100.00%	-
5	Plus: Excess AFUDC CWIP	-	100.00%	-
6	Plus: Prefunded AFUDC CWIP	-	100.00%	-
7	Less: Excess AFUDC Reserve	68,034	100.00%	68,034
8	Less: Prefunded AFUDC Reserve	(265,171)	100.00%	(265,171)
9	Plus: Excess AFUDC-Plant-In-Service	1,750,301	100.00%	1,750,301
10	Plus: Prefunded AFUDC-Plant-In-Service	(6,821,980)	100.00%	(6,821,980)
11	Less: Electric Production Accumulated Reserve for Depreciation	<u>5,016,624</u>	90.43%	<u>4,536,627</u>
12	Net Plant	117,238,607		105,554,673
13				
14	Excess AFUDC Deferred Income Taxes	388,170	100.00%	388,170
15	Prefunded AFUDC Deferred Income Taxes	(664,929)	100.00%	(664,929)
16	Interest on CWIP	-	90.43%	-
17	Accumulated Deferred Income Taxes	4,129,979	90.43%	3,734,818
18				
19	Net Rate Base (In 12 - In 14 - In 15 - In 16)	113,385,387		102,096,614
20				
21	<b><u>Income Tax Expense</u></b>			
22	Net Rate Base			102,096,614
23	Rate of Return on Rate Base			<u>7.57%</u>
24	Earnings before Interest			7,728,714
25				
26	Net Rate Base			102,096,614
27	Cost of Debt			<u>2.16%</u>
28	Interest Expense			2,205,287
29				
30	Permanent Additions/(Deductions) for Taxes	655,112	90.43%	592,430
31	Excess Permanent Additions/(Deductions) for Taxes	17,330	100.00%	17,330
32	Prefunded Permanent Additions/(Deductions) for Taxes	(126,093)	100.00%	(126,093)
33	Excess AFUDC Additions/(Deductions) for Taxes	26,790	100.00%	26,790
34	Prefunded AFUDC Additions/(Deductions) for Taxes	(45,890)	100.00%	(45,890)
35	Additions and Deductions for Taxes	<u>(7,566,793)</u>	90.43%	<u>(6,842,793)</u>
36				
37	State Taxable Amount (In 23 - In 27 + In 29 thru In 34)			(854,800)
38	State Income Tax Rate			<u>4.63%</u>
39	State Income Taxes			(39,577)
40				
41	Net Federal Taxable Amount (In 36 - In 38)			(815,222)
42	Federal Income Tax Rate			<u>35.00%</u>
43	Federal Income Taxes			(285,328)
44				
45	Production Tax Credit - % Credit			9.00%
46	Credit Times Federal Taxable Amount (Line 40 x Line 44)			(73,370)
47	Federal Tax Rate			<u>35.00%</u>
48	Production Tax Credit Amount			25,680
49				
50	Excess AFUDC Deferred Income Taxes	(10,183)	100.00%	(10,183)
51	Prefunded AFUDC Deferred Income Taxes	17,443	100.00%	17,443
52	CWIP Interest Adjustment	-	90.43%	-
53	Deferred Income Taxes	2,876,138	90.43%	2,600,946
54				
55	Total Income Taxes (In 38 + In 42 + In 47 thru 52)			2,308,980
56	Tax Gross Up Factor			<u>1.6131504</u>
57	Total Income Tax Expense			3,724,732
58				
59	<b><u>Operating Expenses</u></b>			
60	O&M Expense and Payroll Expenses	686,619	90.43%	620,922
61	Excess AFUDC Depreciation Expense	44,130	100.00%	44,130
62	Prefunded AFUDC Depreciation Expense	(172,002)	100.00%	(172,002)
63	Depreciation Expense	<u>3,255,285</u>	90.43%	<u>2,943,815</u>
64	Total Operating Deductions (In 56 through In 63)			7,161,598
65				
66	Return on Rate Base (line 23)			<u>7,728,714</u>
67				
68	Revenue Requirements (line 64 + In 66)			<u><u>14,890,311</u></u>

**Public Service Company of Colorado**  
**Revenue Requirements - Clean Air Clean Job Act**  
**Cherokee Combined Cycle Unit 6**

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Line No.	Description	2015 Total Electric	2015 Retail Allocation	2015 Retail Jurisdiction
1	<b><u>Rate Base</u></b>			
2	Electric Plant in Service	9,700,676	90.74%	8,801,919
3	Plus: Construction Work In Progress (CWIP)	108,132,443	90.74%	98,114,093
4	Plus: Prefunded AFUDC - Production	-	100.00%	-
5	Plus: Excess AFUDC CWIP	1,616,448	100.00%	1,616,448
6	Plus: Prefunded AFUDC CWIP	(2,926,258)	100.00%	(2,926,258)
7	Less: Excess AFUDC Reserve	142	100.00%	142
8	Less: Prefunded AFUDC Reserve	(554)	100.00%	(554)
9	Plus: Excess AFUDC-Plant-In-Service	134,704	100.00%	134,704
10	Plus: Prefunded AFUDC-Plant-In-Service	(527,296)	100.00%	(527,296)
11	Less: Electric Production Accumulated Reserve for Depreciation	10,350	90.74%	9,391
12	Net Plant	116,120,779		105,204,631
13				
14	Excess AFUDC Deferred Income Taxes	403,724	100.00%	403,724
15	Prefunded AFUDC Deferred Income Taxes	(347,212)	100.00%	(347,212)
16	Interest on CWIP	(416,178)	90.74%	(377,620)
17	Accumulated Deferred Income Taxes	(1,108,593)	90.74%	(1,005,883)
18				
19	Net Rate Base (In 12 - In 14 - In 15 - In 16)	116,756,682		105,776,382
20				
21	<b><u>Income Tax Expense</u></b>			
22	Net Rate Base			105,776,382
23	Rate of Return on Rate Base			7.55%
24	Earnings before Interest			7,986,117
25				
26	Net Rate Base			105,776,382
27	Cost of Debt			2.05%
28	Interest Expense			2,168,416
29				
30	Permanent Additions/(Deductions) for Taxes	(4,144,917)	90.74%	(3,760,895)
31	Excess Permanent Additions/(Deductions) for Taxes	723	100.00%	723
32	Prefunded Permanent Additions/(Deductions) for Taxes	(5,279)	100.00%	(5,279)
33	Excess AFUDC Additions/(Deductions) for Taxes	1,116	100.00%	1,116
34	Prefunded AFUDC Additions/(Deductions) for Taxes	1,826,949	100.00%	1,826,949
35	Additions and Deductions for Taxes	(2,644,166)	90.74%	(2,399,187)
36				
37	State Taxable Amount (In 23 - In 27 + In 29 thru In 34)			1,481,127
38	State Income Tax Rate			4.63%
39	State Income Taxes			68,576
40				
41	Net Federal Taxable Amount (In 36 - In 38)			1,412,551
42	Federal Income Tax Rate			35.00%
43	Federal Income Taxes			494,393
44				
45	Production Tax Credit - % Credit			9.00%
46	Credit Times Federal Taxable Amount (Line 40 x Line 44)			127,130
47	Federal Tax Rate			35.00%
48	Production Tax Credit Amount			(44,495)
49				
50	Excess AFUDC Deferred Income Taxes	(424)	100.00%	(424)
51	Prefunded AFUDC Deferred Income Taxes	(694,423)	100.00%	(694,423)
52	CWIP Interest Adjustment	832,356	90.74%	755,239
53	Deferred Income Taxes	1,005,047	90.74%	911,931
54				
55	Total Income Taxes (In 38 + In 42 + In 47 thru 52)			1,490,796
56	Tax Gross Up Factor			1.6131504
57	Total Income Tax Expense			2,404,879
58				
59	<b><u>Operating Expenses</u></b>			
60	O&M Expense and Payroll Expenses	358,090	90.74%	324,914
61	Excess AFUDC Depreciation Expense	1,840	100.00%	1,840
62	Prefunded AFUDC Depreciation Expense	(7,201)	100.00%	(7,201)
63	Depreciation Expense	134,548	90.74%	122,082
64	Total Operating Deductions (In 56 through In 63)			2,846,513
65				
66	Return on Rate Base (line 23)			7,986,117
67				
68	Revenue Requirements (line 64 + In 66)			10,832,629

**Public Service Company of Colorado**  
**Revenue Requirements - Clean Air Clean Job Act**  
**Cherokee Combined Cycle Unit 6**

**2nd Revised Attachment No. DAB-15**  
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Line No.	Description	2016 Total Electric	2016 Retail Allocation	2016 Retail Jurisdiction
1	<b><u>Rate Base</u></b>			
2	Electric Plant in Service	126,494,246	90.62%	114,624,985
3	Plus: Construction Work In Progress (CWIP)	-	90.62%	-
4	Plus: Prefunded AFUDC - Production	-	100.00%	-
5	Plus: Excess AFUDC CWIP	-	100.00%	-
6	Plus: Prefunded AFUDC CWIP	-	100.00%	-
7	Less: Excess AFUDC Reserve	23,916	100.00%	23,916
8	Less: Prefunded AFUDC Reserve	(93,617)	100.00%	(93,617)
9	Plus: Excess AFUDC-Plant-In-Service	1,751,152	100.00%	1,751,152
10	Plus: Prefunded AFUDC-Plant-In-Service	(6,854,854)	100.00%	(6,854,854)
11	Less: Electric Production Accumulated Reserve for Depreciation	<u>1,753,643</u>	90.62%	<u>1,589,094</u>
12	Net Plant	119,706,603		108,001,891
13				
14	Excess AFUDC Deferred Income Taxes	398,419	100.00%	398,419
15	Prefunded AFUDC Deferred Income Taxes	(685,660)	100.00%	(685,660)
16	Interest on CWIP	-	90.62%	-
17	Accumulated Deferred Income Taxes	1,042,254	90.62%	944,457
18				
19	Net Rate Base (In 12 - In 14 - In 15 - In 16)	118,951,589		107,344,674
20				
21	<b><u>Income Tax Expense</u></b>			
22	Net Rate Base			107,344,674
23	Rate of Return on Rate Base			<u>7.58%</u>
24	Earnings before Interest			8,136,726
25				
26	Net Rate Base			107,344,674
27	Cost of Debt			<u>2.07%</u>
28	Interest Expense			2,222,035
29				
30	Permanent Additions/(Deductions) for Taxes	649,691	90.62%	588,729
31	Excess Permanent Additions/(Deductions) for Taxes	17,347	100.00%	17,347
32	Prefunded Permanent Additions/(Deductions) for Taxes	(126,701)	100.00%	(126,701)
33	Excess AFUDC Additions/(Deductions) for Taxes	26,794	100.00%	26,794
34	Prefunded AFUDC Additions/(Deductions) for Taxes	(46,111)	100.00%	(46,111)
35	Additions and Deductions for Taxes	(8,673,105)	90.62%	(7,859,287)
36				
37	State Taxable Amount (In 23 - In 27 + In 29 thru In 34)			(1,484,537)
38	State Income Tax Rate			<u>4.63%</u>
39	State Income Taxes			(68,734)
40				
41	Net Federal Taxable Amount (In 36 - In 38)			(1,415,803)
42	Federal Income Tax Rate			<u>35.00%</u>
43	Federal Income Taxes			(495,531)
44				
45	Production Tax Credit - % Credit			9.00%
46	Credit Times Federal Taxable Amount (Line 40 x Line 44)			(127,422)
47	Federal Tax Rate			<u>35.00%</u>
48	Production Tax Credit Amount			44,598
49				
50	Excess AFUDC Deferred Income Taxes	(10,184)	100.00%	(10,184)
51	Prefunded AFUDC Deferred Income Taxes	17,527	100.00%	17,527
52	CWIP Interest Adjustment	-	90.62%	-
53	Deferred Income Taxes	3,296,647	90.62%	2,987,315
54				
55	Total Income Taxes (In 38 + In 42 + In 47 thru 52)			2,474,990
56	Tax Gross Up Factor			<u>1.6131504</u>
57	Total Income Tax Expense			3,992,531
58				
59	<b><u>Operating Expenses</u></b>			
60	O&M Expense and Payroll Expenses	660,880	90.62%	598,868
61	Excess AFUDC Depreciation Expense	44,152	100.00%	44,152
62	Prefunded AFUDC Depreciation Expense	(172,831)	100.00%	(172,831)
63	Depreciation Expense	3,239,348	90.62%	<u>2,935,392</u>
64	Total Operating Deductions (In 56 through In 63)			7,398,112
65				
66	Return on Rate Base (line 23)			<u>8,136,726</u>
67				
68	Revenue Requirements (line 64 + In 66)			<u><u>15,534,838</u></u>

**Public Service Company of Colorado  
Revenue Requirements - Clean Air Clean Job Act  
Cherokee Combined Cycle Unit 6**

**2nd Revised Attachment No. DAB-15  
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Line No.	Description	2017 Total Electric	2017 Retail Allocation	2017 Retail Jurisdiction
1	<b><u>Rate Base</u></b>			
2	Electric Plant in Service	126,564,285	90.43%	114,454,461
3	Plus: Construction Work In Progress (CWIP)	-	90.43%	-
4	Plus: Prefunded AFUDC - Production	-	100.00%	-
5	Plus: Excess AFUDC CWIP	-	100.00%	-
6	Plus: Prefunded AFUDC CWIP	-	100.00%	-
7	Less: Excess AFUDC Reserve	68,067	100.00%	68,067
8	Less: Prefunded AFUDC Reserve	(266,448)	100.00%	(266,448)
9	Plus: Excess AFUDC-Plant-In-Service	1,751,152	100.00%	1,751,152
10	Plus: Prefunded AFUDC-Plant-In-Service	(6,854,854)	100.00%	(6,854,854)
11	Less: Electric Production Accumulated Reserve for Depreciation	4,994,298	90.43%	4,516,438
12	Net Plant	116,664,667		105,032,704
13				
14	Excess AFUDC Deferred Income Taxes	388,235	100.00%	388,235
15	Prefunded AFUDC Deferred Income Taxes	(668,133)	100.00%	(668,133)
16	Interest on CWIP	-	90.43%	-
17	Accumulated Deferred Income Taxes	4,122,258	90.43%	3,727,835
18				
19	Net Rate Base (In 12 - In 14 - In 15 - In 16)	112,822,307		101,584,766
20				
21	<b><u>Income Tax Expense</u></b>			
22	Net Rate Base			101,584,766
23	Rate of Return on Rate Base			7.57%
24	Earnings before Interest			7,689,967
25				
26	Net Rate Base			101,584,766
27	Cost of Debt			2.16%
28	Interest Expense			2,194,231
29				
30	Permanent Additions/(Deductions) for Taxes	649,984	90.43%	587,792
31	Excess Permanent Additions/(Deductions) for Taxes	17,347	100.00%	17,347
32	Prefunded Permanent Additions/(Deductions) for Taxes	(126,701)	100.00%	(126,701)
33	Excess AFUDC Additions/(Deductions) for Taxes	26,794	100.00%	26,794
34	Prefunded AFUDC Additions/(Deductions) for Taxes	(46,111)	100.00%	(46,111)
35	Additions and Deductions for Taxes	(7,533,176)	90.43%	(6,812,393)
36				
37	State Taxable Amount (In 23 - In 27 + In 29 thru In 34)			(857,536)
38	State Income Tax Rate			4.63%
39	State Income Taxes			(39,704)
40				
41	Net Federal Taxable Amount (In 36 - In 38)			(817,832)
42	Federal Income Tax Rate			35.00%
43	Federal Income Taxes			(286,241)
44				
45	Production Tax Credit - % Credit			9.00%
46	Credit Times Federal Taxable Amount (Line 40 x Line 44)			(73,605)
47	Federal Tax Rate			35.00%
48	Production Tax Credit Amount			25,762
49				
50	Excess AFUDC Deferred Income Taxes	(10,184)	100.00%	(10,184)
51	Prefunded AFUDC Deferred Income Taxes	17,527	100.00%	17,527
52	CWIP Interest Adjustment	-	90.43%	-
53	Deferred Income Taxes	2,863,360	90.43%	2,589,390
54				
55	Total Income Taxes (In 38 + In 42 + In 47 thru 52)			2,296,550
56	Tax Gross Up Factor			1.6131504
57	Total Income Tax Expense			3,704,680
58				
59	<b><u>Operating Expenses</u></b>			
60	O&M Expense and Payroll Expenses	686,619	90.43%	620,922
61	Excess AFUDC Depreciation Expense	44,152	100.00%	44,152
62	Prefunded AFUDC Depreciation Expense	(172,831)	100.00%	(172,831)
63	Depreciation Expense	3,240,805	90.43%	2,930,721
64	Total Operating Deductions (In 56 through In 63)			7,127,643
65				
66	Return on Rate Base (line 23)			7,689,967
67				
68	Revenue Requirements (line 64 + In 66)			14,817,610



**Public Service Company of Colorado  
Revenue Requirements - Clean Air Clean Job Act  
Cherokee Combined Cycle Unit 7**

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Line No.	Description	2015 Total Electric	2015 Retail Allocation	2015 Retail Jurisdiction
1	<b><u>Rate Base</u></b>			
2	Electric Plant in Service	7,896,774	90.74%	7,165,147
3	Plus: Construction Work In Progress (CWIP)	89,818,317	90.74%	81,496,750
4	Plus: Prefunded AFUDC - Production	-	100.00%	-
5	Plus: Excess AFUDC CWIP	1,349,341	100.00%	1,349,341
6	Plus: Prefunded AFUDC CWIP	(2,404,938)	100.00%	(2,404,938)
7	Less: Excess AFUDC Reserve	118	100.00%	118
8	Less: Prefunded AFUDC Reserve	(453)	100.00%	(453)
9	Plus: Excess AFUDC-Plant-In-Service	112,445	100.00%	112,445
10	Plus: Prefunded AFUDC-Plant-In-Service	(431,605)	100.00%	(431,605)
11	Less: Electric Production Accumulated Reserve for Depreciation	8,425	90.74%	7,644
12	Net Plant	96,332,244		87,279,831
13				
14	Excess AFUDC Deferred Income Taxes	376,647	100.00%	376,647
15	Prefunded AFUDC Deferred Income Taxes	(284,193)	100.00%	(284,193)
16	Interest on CWIP	(345,817)	90.74%	(313,778)
17	Accumulated Deferred Income Taxes	(877,087)	90.74%	(795,826)
18				
19	Net Rate Base (In 12 - In 14 - In 15 - In 16)	96,771,059		87,669,424
20				
21	<b><u>Income Tax Expense</u></b>			
22	Net Rate Base			87,669,424
23	Rate of Return on Rate Base			7.55%
24	Earnings before Interest			6,619,042
25				
26	Net Rate Base			87,669,424
27	Cost of Debt			2.05%
28	Interest Expense			1,797,223
29				
30	Permanent Additions/(Deductions) for Taxes	(3,440,649)	90.74%	(3,121,877)
31	Excess Permanent Additions/(Deductions) for Taxes	494	100.00%	494
32	Prefunded Permanent Additions/(Deductions) for Taxes	(4,321)	100.00%	(4,321)
33	Excess AFUDC Additions/(Deductions) for Taxes	1,042	100.00%	1,042
34	Prefunded AFUDC Additions/(Deductions) for Taxes	1,495,357	100.00%	1,495,357
35	Additions and Deductions for Taxes	(2,110,484)	90.74%	(1,914,950)
36				
37	State Taxable Amount (In 23 - In 27 + In 29 thru In 34)			1,277,563
38	State Income Tax Rate			4.63%
39	State Income Taxes			59,151
40				
41	Net Federal Taxable Amount (In 36 - In 38)			1,218,412
42	Federal Income Tax Rate			35.00%
43	Federal Income Taxes			426,444
44				
45	Production Tax Credit - % Credit			9.00%
46	Credit Times Federal Taxable Amount (Line 40 x Line 44)			109,657
47	Federal Tax Rate			35.00%
48	Production Tax Credit Amount			(38,380)
49				
50	Excess AFUDC Deferred Income Taxes	(396)	100.00%	(396)
51	Prefunded AFUDC Deferred Income Taxes	(568,385)	100.00%	(568,385)
52	CWIP Interest Adjustment	691,634	90.74%	627,555
53	Deferred Income Taxes	802,195	90.74%	727,872
54				
55	Total Income Taxes (In 38 + In 42 + In 47 thru 52)			1,233,862
56	Tax Gross Up Factor			1.6131504
57	Total Income Tax Expense			1,990,404
58				
59	<b><u>Operating Expenses</u></b>			
60	O&M Expense and Payroll Expenses	610,080	90.74%	553,556
61	Excess AFUDC Depreciation Expense	1,536	100.00%	1,536
62	Prefunded AFUDC Depreciation Expense	(5,894)	100.00%	(5,894)
63	Depreciation Expense	109,528	90.74%	99,380
64	Total Operating Deductions (In 56 through In 63)			2,638,982
65				
66	Return on Rate Base (line 23)			6,619,042
67				
68	Revenue Requirements (line 64 + In 66)			9,258,024



**Public Service Company of Colorado**  
**Revenue Requirements - Clean Air Clean Job Act**  
**Cherokee Combined Cycle Unit 7**

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Line No.	Description	2016 Total Electric	2016 Retail Allocation	2016 Retail Jurisdiction
1	<b><u>Rate Base</u></b>			
2	Electric Plant in Service	102,850,781	90.62%	93,200,044
3	Plus: Construction Work In Progress (CWIP)	-	90.62%	-
4	Plus: Prefunded AFUDC - Production	-	100.00%	-
5	Plus: Excess AFUDC CWIP	-	100.00%	-
6	Plus: Prefunded AFUDC CWIP	-	100.00%	-
7	Less: Excess AFUDC Reserve	19,964	100.00%	19,964
8	Less: Prefunded AFUDC Reserve	(76,628)	100.00%	(76,628)
9	Plus: Excess AFUDC-Plant-In-Service	1,461,786	100.00%	1,461,786
10	Plus: Prefunded AFUDC-Plant-In-Service	(5,610,863)	100.00%	(5,610,863)
11	Less: Electric Production Accumulated Reserve for Depreciation	<u>1,426,120</u>	90.62%	<u>1,292,304</u>
12	Net Plant	97,332,248		87,815,326
13				
14	Excess AFUDC Deferred Income Taxes	371,698	100.00%	371,698
15	Prefunded AFUDC Deferred Income Taxes	(561,212)	100.00%	(561,212)
16	Interest on CWIP	-	90.62%	-
17	Accumulated Deferred Income Taxes	867,111	90.62%	785,748
18				
19	Net Rate Base (In 12 - In 14 - In 15 - In 16)	96,654,651		87,219,093
20				
21	<b><u>Income Tax Expense</u></b>			
22	Net Rate Base			87,219,093
23	Rate of Return on Rate Base			<u>7.58%</u>
24	Earnings before Interest			6,611,207
25				
26	Net Rate Base			87,219,093
27	Cost of Debt			<u>2.07%</u>
28	Interest Expense			1,805,435
29				
30	Permanent Additions/(Deductions) for Taxes	517,470	90.62%	468,915
31	Excess Permanent Additions/(Deductions) for Taxes	11,849	100.00%	11,849
32	Prefunded Permanent Additions/(Deductions) for Taxes	(103,709)	100.00%	(103,709)
33	Excess AFUDC Additions/(Deductions) for Taxes	24,997	100.00%	24,997
34	Prefunded AFUDC Additions/(Deductions) for Taxes	(37,742)	100.00%	(37,742)
35	Additions and Deductions for Taxes	<u>(7,067,090)</u>	90.62%	<u>(6,403,968)</u>
36				
37	State Taxable Amount (In 23 - In 27 + In 29 thru In 34)			(1,233,887)
38	State Income Tax Rate			<u>4.63%</u>
39	State Income Taxes			(57,129)
40				
41	Net Federal Taxable Amount (In 36 - In 38)			(1,176,758)
42	Federal Income Tax Rate			<u>35.00%</u>
43	Federal Income Taxes			(411,865)
44				
45	Production Tax Credit - % Credit			9.00%
46	Credit Times Federal Taxable Amount (Line 40 x Line 44)			(105,908)
47	Federal Tax Rate			<u>35.00%</u>
48	Production Tax Credit Amount			37,068
49				
50	Excess AFUDC Deferred Income Taxes	(9,501)	100.00%	(9,501)
51	Prefunded AFUDC Deferred Income Taxes	14,346	100.00%	14,346
52	CWIP Interest Adjustment	-	90.62%	-
53	Deferred Income Taxes	2,686,201	90.62%	2,434,148
54				
55	Total Income Taxes (In 38 + In 42 + In 47 thru 52)			2,007,066
56	Tax Gross Up Factor			<u>1.6131504</u>
57	Total Income Tax Expense			3,237,700
58				
59	<b><u>Operating Expenses</u></b>			
60	O&M Expense and Payroll Expenses	1,125,944	90.62%	1,020,294
61	Excess AFUDC Depreciation Expense	36,856	100.00%	36,856
62	Prefunded AFUDC Depreciation Expense	(141,467)	100.00%	(141,467)
63	Depreciation Expense	2,633,765	90.62%	<u>2,386,633</u>
64	Total Operating Deductions (In 56 through In 63)			6,540,016
65				
66	Return on Rate Base (line 23)			<u>6,611,207</u>
67				
68	Revenue Requirements (line 64 + In 66)			<u><u>13,151,223</u></u>

**Public Service Company of Colorado**  
**Revenue Requirements - Clean Air Clean Job Act**  
**Cherokee Combined Cycle Unit 7**

**2nd Revised Attachment No. DAB-15**  
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Line No.	Description	2017 Total Electric	2017 Retail Allocation	2017 Retail Jurisdiction
1	<b><u>Rate Base</u></b>			
2	Electric Plant in Service	102,885,898	90.43%	93,041,651
3	Plus: Construction Work In Progress (CWIP)	-	90.43%	-
4	Plus: Prefunded AFUDC - Production	-	100.00%	-
5	Plus: Excess AFUDC CWIP	-	100.00%	-
6	Plus: Prefunded AFUDC CWIP	-	100.00%	-
7	Less: Excess AFUDC Reserve	56,820	100.00%	56,820
8	Less: Prefunded AFUDC Reserve	(218,094)	100.00%	(218,094)
9	Plus: Excess AFUDC-Plant-In-Service	1,461,786	100.00%	1,461,786
10	Plus: Prefunded AFUDC-Plant-In-Service	(5,610,863)	100.00%	(5,610,863)
11	Less: Electric Production Accumulated Reserve for Depreciation	4,060,541	90.43%	3,672,024
12	Net Plant	<u>94,837,554</u>		<u>85,381,825</u>
13				
14	Excess AFUDC Deferred Income Taxes	362,197	100.00%	362,197
15	Prefunded AFUDC Deferred Income Taxes	(546,867)	100.00%	(546,867)
16	Interest on CWIP	-	90.43%	-
17	Accumulated Deferred Income Taxes	3,375,508	90.43%	3,052,535
18				
19	Net Rate Base (In 12 - In 14 - In 15 - In 16)	91,646,716		82,513,959
20				
21	<b><u>Income Tax Expense</u></b>			
22	Net Rate Base			82,513,959
23	Rate of Return on Rate Base			<u>7.57%</u>
24	Earnings before Interest			6,246,307
25				
26	Net Rate Base			82,513,959
27	Cost of Debt			<u>2.16%</u>
28	Interest Expense			1,782,302
29				
30	Permanent Additions/(Deductions) for Taxes	517,614	90.43%	468,088
31	Excess Permanent Additions/(Deductions) for Taxes	11,849	100.00%	11,849
32	Prefunded Permanent Additions/(Deductions) for Taxes	(103,709)	100.00%	(103,709)
33	Excess AFUDC Additions/(Deductions) for Taxes	24,997	100.00%	24,997
34	Prefunded AFUDC Additions/(Deductions) for Taxes	(37,742)	100.00%	(37,742)
35	Additions and Deductions for Taxes	(6,131,523)	90.43%	(5,544,851)
36				
37	State Taxable Amount (In 23 - In 27 + In 29 thru In 34)			(717,364)
38	State Income Tax Rate			<u>4.63%</u>
39	State Income Taxes			(33,214)
40				
41	Net Federal Taxable Amount (In 36 - In 38)			(684,150)
42	Federal Income Tax Rate			<u>35.00%</u>
43	Federal Income Taxes			(239,452)
44				
45	Production Tax Credit - % Credit			9.00%
46	Credit Times Federal Taxable Amount (Line 40 x Line 44)			(61,573)
47	Federal Tax Rate			<u>35.00%</u>
48	Production Tax Credit Amount			21,551
49				
50	Excess AFUDC Deferred Income Taxes	(9,501)	100.00%	(9,501)
51	Prefunded AFUDC Deferred Income Taxes	14,346	100.00%	14,346
52	CWIP Interest Adjustment	-	90.43%	-
53	Deferred Income Taxes	2,330,592	90.43%	2,107,598
54				
55	Total Income Taxes (In 38 + In 42 + In 47 thru 52)			1,861,327
56	Tax Gross Up Factor			<u>1.6131504</u>
57	Total Income Tax Expense			3,002,600
58				
59	<b><u>Operating Expenses</u></b>			
60	O&M Expense and Payroll Expenses	1,169,794	90.43%	1,057,867
61	Excess AFUDC Depreciation Expense	36,856	100.00%	36,856
62	Prefunded AFUDC Depreciation Expense	(141,467)	100.00%	(141,467)
63	Depreciation Expense	2,634,496	90.43%	<u>2,382,425</u>
64	Total Operating Deductions (In 56 through In 63)			6,338,281
65				
66	Return on Rate Base (line 23)			<u>6,246,307</u>
67				
68	Revenue Requirements (line 64 + In 66)			<u><u>12,584,588</u></u>

**Public Service Company of Colorado**  
**Revenue Requirements - Clean Air Clean Job Act**  
**Hayden Selective Catalytic Reduction - Unit 1**

**2nd Revised Attachment No. DAB-15**  
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Line No.	Description	2015 Total Electric	2015 Retail Allocation	2015 Retail Jurisdiction
1	<b><u>Rate Base</u></b>			
2	Electric Plant in Service	17,745,288	90.74%	16,101,207
3	Plus: Construction Work In Progress (CWIP)	31,500,114	90.74%	28,581,664
4	Plus: Prefunded AFUDC - Production	-	100.00%	-
5	Plus: Excess AFUDC CWIP	282,940	100.00%	282,940
6	Plus: Prefunded AFUDC CWIP	(568,685)	100.00%	(568,685)
7	Less: Excess AFUDC Reserve	626	100.00%	626
8	Less: Prefunded AFUDC Reserve	(2,890)	100.00%	(2,890)
9	Plus: Excess AFUDC-Plant-In-Service	125,751	100.00%	125,751
10	Plus: Prefunded AFUDC-Plant-In-Service	(580,633)	100.00%	(580,633)
11	Less: Electric Production Accumulated Reserve for Depreciation	(69,554)	90.74%	(63,110)
12	Net Plant	<u>48,576,594</u>		<u>44,007,618</u>
13				
14	Excess AFUDC Deferred Income Taxes	39,931	100.00%	39,931
15	Prefunded AFUDC Deferred Income Taxes	(95,056)	100.00%	(95,056)
16	Interest on CWIP	(121,610)	90.74%	(110,343)
17	Accumulated Deferred Income Taxes	3,724,921	90.74%	3,379,811
18				
19	Net Rate Base (In 12 - In 14 - In 15 - In 16)	44,785,187		40,572,589
20				
21	<b><u>Income Tax Expense</u></b>			
22	Net Rate Base			40,572,589
23	Rate of Return on Rate Base			<u>7.55%</u>
24	Earnings before Interest			3,063,230
25				
26	Net Rate Base			40,572,589
27	Cost of Debt			<u>2.05%</u>
28	Interest Expense			831,738
29				
30	Permanent Additions/(Deductions) for Taxes	(1,178,618)	90.74%	(1,069,420)
31	Excess Permanent Additions/(Deductions) for Taxes	2,640	100.00%	2,640
32	Prefunded Permanent Additions/(Deductions) for Taxes	(12,039)	100.00%	(12,039)
33	Excess AFUDC Additions/(Deductions) for Taxes	919	100.00%	919
34	Prefunded AFUDC Additions/(Deductions) for Taxes	500,166	100.00%	500,166
35	Additions and Deductions for Taxes	(20,048,768)	90.74%	(18,191,272)
36				
37	State Taxable Amount (In 23 - In 27 + In 29 thru In 34)			(16,537,514)
38	State Income Tax Rate			<u>4.63%</u>
39	State Income Taxes			(765,687)
40				
41	Net Federal Taxable Amount (In 36 - In 38)			(15,771,827)
42	Federal Income Tax Rate			<u>35.00%</u>
43	Federal Income Taxes			(5,520,140)
44				
45	Production Tax Credit - % Credit			9.00%
46	Credit Times Federal Taxable Amount (Line 40 x Line 44)			(1,419,464)
47	Federal Tax Rate			<u>35.00%</u>
48	Production Tax Credit Amount			496,813
49				
50	Excess AFUDC Deferred Income Taxes	(349)	100.00%	(349)
51	Prefunded AFUDC Deferred Income Taxes	(190,113)	100.00%	(190,113)
52	CWIP Interest Adjustment	243,221	90.74%	220,687
53	Deferred Income Taxes	7,620,537	90.74%	6,914,502
54				
55	Total Income Taxes (In 38 + In 42 + In 47 thru 52)			1,155,713
56	Tax Gross Up Factor			<u>1.6131504</u>
57	Total Income Tax Expense			1,864,339
58				
59	<b><u>Operating Expenses</u></b>			
60	O&M Expense and Payroll Expenses	418,500	90.74%	379,726
61	Excess AFUDC Depreciation Expense	3,560	100.00%	3,560
62	Prefunded AFUDC Depreciation Expense	(16,436)	100.00%	(16,436)
63	Depreciation Expense	560,445	90.74%	<u>508,520</u>
64	Total Operating Deductions (In 56 through In 63)			2,739,709
65				
66	Return on Rate Base (line 23)			<u>3,063,230</u>
67				
68	Revenue Requirements (line 64 + In 66)			<u><u>5,802,940</u></u>

**Public Service Company of Colorado  
Revenue Requirements - Clean Air Clean Job Act  
Hayden Selective Catalytic Reduction - Unit 1**

**2nd Revised Attachment No. DAB-15  
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Line No.	Description	2016 Total Electric	2016 Retail Allocation	2016 Retail Jurisdiction
1	<b><u>Rate Base</u></b>			
2	Electric Plant in Service	57,865,420	90.62%	52,435,768
3	Plus: Construction Work In Progress (CWIP)	-	90.62%	-
4	Plus: Prefunded AFUDC - Production	-	100.00%	-
5	Plus: Excess AFUDC CWIP	-	100.00%	-
6	Plus: Prefunded AFUDC CWIP	-	100.00%	-
7	Less: Excess AFUDC Reserve	9,662	100.00%	9,662
8	Less: Prefunded AFUDC Reserve	(44,611)	100.00%	(44,611)
9	Plus: Excess AFUDC-Plant-In-Service	408,691	100.00%	408,691
10	Plus: Prefunded AFUDC-Plant-In-Service	(1,887,056)	100.00%	(1,887,056)
11	Less: Electric Production Accumulated Reserve for Depreciation	797,352	90.62%	722,535
12	Net Plant	<u>55,624,653</u>		<u>50,269,819</u>
13				
14	Excess AFUDC Deferred Income Taxes	39,158	100.00%	39,158
15	Prefunded AFUDC Deferred Income Taxes	(187,249)	100.00%	(187,249)
16	Interest on CWIP	-	90.62%	-
17	Accumulated Deferred Income Taxes	8,269,282	90.62%	7,493,355
18				
19	Net Rate Base (In 12 - In 14 - In 15 - In 16)	47,503,463		42,924,555
20				
21	<b><u>Income Tax Expense</u></b>			
22	Net Rate Base			42,924,555
23	Rate of Return on Rate Base			<u>7.58%</u>
24	Earnings before Interest			3,253,681
25				
26	Net Rate Base			42,924,555
27	Cost of Debt			<u>2.07%</u>
28	Interest Expense			888,538
29				
30	Permanent Additions/(Deductions) for Taxes	93,893	90.62%	85,083
31	Excess Permanent Additions/(Deductions) for Taxes	9,052	100.00%	9,052
32	Prefunded Permanent Additions/(Deductions) for Taxes	(41,278)	100.00%	(41,278)
33	Excess AFUDC Additions/(Deductions) for Taxes	3,151	100.00%	3,151
34	Prefunded AFUDC Additions/(Deductions) for Taxes	(15,067)	100.00%	(15,067)
35	Additions and Deductions for Taxes	(3,862,629)	90.62%	(3,500,189)
36				
37	State Taxable Amount (In 23 - In 27 + In 29 thru In 34)			(1,094,105)
38	State Income Tax Rate			<u>4.63%</u>
39	State Income Taxes			(50,657)
40				
41	Net Federal Taxable Amount (In 36 - In 38)			(1,043,448)
42	Federal Income Tax Rate			<u>35.00%</u>
43	Federal Income Taxes			(365,207)
44				
45	Production Tax Credit - % Credit			9.00%
46	Credit Times Federal Taxable Amount (Line 40 x Line 44)			(93,910)
47	Federal Tax Rate			<u>35.00%</u>
48	Production Tax Credit Amount			32,869
49				
50	Excess AFUDC Deferred Income Taxes	(1,198)	100.00%	(1,198)
51	Prefunded AFUDC Deferred Income Taxes	5,727	100.00%	5,727
52	CWIP Interest Adjustment	-	90.62%	-
53	Deferred Income Taxes	1,468,185	90.62%	1,330,422
54				
55	Total Income Taxes (In 38 + In 42 + In 47 thru 52)			951,956
56	Tax Gross Up Factor			<u>1.6131504</u>
57	Total Income Tax Expense			1,535,648
58				
59	<b><u>Operating Expenses</u></b>			
60	O&M Expense and Payroll Expenses	959,900	90.62%	869,830
61	Excess AFUDC Depreciation Expense	12,204	100.00%	12,204
62	Prefunded AFUDC Depreciation Expense	(56,351)	100.00%	(56,351)
63	Depreciation Expense	1,928,886	90.62%	1,747,894
64	Total Operating Deductions (In 56 through In 63)			<u>4,109,225</u>
65				
66	Return on Rate Base (line 23)			<u>3,253,681</u>
67				
68	Revenue Requirements (line 64 + In 66)			<u><u>7,362,907</u></u>

**Public Service Company of Colorado**  
**Revenue Requirements - Clean Air Clean Job Act**  
**Hayden Selective Catalytic Reduction - Unit 1**

**2nd Revised Attachment No. DAB-15**  
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Line No.	Description	2017 Total Electric	2017 Retail Allocation	2017 Retail Jurisdiction
1	<b><u>Rate Base</u></b>			
2	Electric Plant in Service	57,865,420	90.43%	52,328,787
3	Plus: Construction Work In Progress (CWIP)	-	90.43%	-
4	Plus: Prefunded AFUDC - Production	-	100.00%	-
5	Plus: Excess AFUDC CWIP	-	100.00%	-
6	Plus: Prefunded AFUDC CWIP	-	100.00%	-
7	Less: Excess AFUDC Reserve	21,866	100.00%	21,866
8	Less: Prefunded AFUDC Reserve	(100,963)	100.00%	(100,963)
9	Plus: Excess AFUDC-Plant-In-Service	408,691	100.00%	408,691
10	Plus: Prefunded AFUDC-Plant-In-Service	(1,887,056)	100.00%	(1,887,056)
11	Less: Electric Production Accumulated Reserve for Depreciation	<u>2,726,238</u>	90.43%	<u>2,465,388</u>
12	Net Plant	53,739,914		48,464,131
13				
14	Excess AFUDC Deferred Income Taxes	37,960	100.00%	37,960
15	Prefunded AFUDC Deferred Income Taxes	(181,522)	100.00%	(181,522)
16	Interest on CWIP	-	90.43%	-
17	Accumulated Deferred Income Taxes	9,721,700	90.43%	8,791,516
18				
19	Net Rate Base (In 12 - In 14 - In 15 - In 16)	44,161,776		39,816,177
20				
21	<b><u>Income Tax Expense</u></b>			
22	Net Rate Base			39,816,177
23	Rate of Return on Rate Base			<u>7.57%</u>
24	Earnings before Interest			3,014,085
25				
26	Net Rate Base			39,816,177
27	Cost of Debt			<u>2.16%</u>
28	Interest Expense			860,029
29				
30	Permanent Additions/(Deductions) for Taxes	93,893	90.43%	84,909
31	Excess Permanent Additions/(Deductions) for Taxes	9,052	100.00%	9,052
32	Prefunded Permanent Additions/(Deductions) for Taxes	(41,278)	100.00%	(41,278)
33	Excess AFUDC Additions/(Deductions) for Taxes	3,151	100.00%	3,151
34	Prefunded AFUDC Additions/(Deductions) for Taxes	(15,067)	100.00%	(15,067)
35	Additions and Deductions for Taxes	(3,779,668)	90.43%	(3,418,025)
36				
37	State Taxable Amount (In 23 - In 27 + In 29 thru In 34)			(1,223,202)
38	State Income Tax Rate			<u>4.63%</u>
39	State Income Taxes			(56,634)
40				
41	Net Federal Taxable Amount (In 36 - In 38)			(1,166,568)
42	Federal Income Tax Rate			<u>35.00%</u>
43	Federal Income Taxes			(408,299)
44				
45	Production Tax Credit - % Credit			9.00%
46	Credit Times Federal Taxable Amount (Line 40 x Line 44)			(104,991)
47	Federal Tax Rate			<u>35.00%</u>
48	Production Tax Credit Amount			36,747
49				
50	Excess AFUDC Deferred Income Taxes	(1,198)	100.00%	(1,198)
51	Prefunded AFUDC Deferred Income Taxes	5,727	100.00%	5,727
52	CWIP Interest Adjustment	-	90.43%	-
53	Deferred Income Taxes	1,436,652	90.43%	1,299,191
54				
55	Total Income Taxes (In 38 + In 42 + In 47 thru 52)			875,535
56	Tax Gross Up Factor			<u>1.6131504</u>
57	Total Income Tax Expense			1,412,369
58				
59	<b><u>Operating Expenses</u></b>			
60	O&M Expense and Payroll Expenses	1,119,900	90.43%	1,012,747
61	Excess AFUDC Depreciation Expense	12,204	100.00%	12,204
62	Prefunded AFUDC Depreciation Expense	(56,351)	100.00%	(56,351)
63	Depreciation Expense	1,928,886	90.43%	<u>1,744,328</u>
64	Total Operating Deductions (In 56 through In 63)			4,125,297
65				
66	Return on Rate Base (line 23)			<u>3,014,085</u>
67				
68	Revenue Requirements (line 64 + In 66)			<u><u>7,139,381</u></u>

**Public Service Company of Colorado**  
**Revenue Requirements - Clean Air Clean Job Act**  
**Hayden Selective Catalytic Reduction - Unit 2**

**2nd Revised Attachment No. DAB-15**  
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Line No.	Description	2015 Total Electric	2015 Retail Allocation	2015 Retail Jurisdiction
1	<b><u>Rate Base</u></b>			
2	Electric Plant in Service	-	90.74%	-
3	Plus: Construction Work In Progress (CWIP)	16,539,071	90.74%	15,006,745
4	Plus: Prefunded AFUDC - Production	-	100.00%	-
5	Plus: Excess AFUDC CWIP	123,040	100.00%	123,040
6	Plus: Prefunded AFUDC CWIP	(428,448)	100.00%	(428,448)
7	Less: Excess AFUDC Reserve	-	100.00%	-
8	Less: Prefunded AFUDC Reserve	-	100.00%	-
9	Plus: Excess AFUDC-Plant-In-Service	-	100.00%	-
10	Plus: Prefunded AFUDC-Plant-In-Service	-	100.00%	-
11	Less: Electric Production Accumulated Reserve for Depreciation	-	90.74%	-
12	Net Plant	16,233,663		14,701,336
13				
14	Excess AFUDC Deferred Income Taxes	11,033	100.00%	11,033
15	Prefunded AFUDC Deferred Income Taxes	(49,535)	100.00%	(49,535)
16	Interest on CWIP	(63,246)	90.74%	(57,386)
17	Accumulated Deferred Income Taxes	(190,971)	90.74%	(173,278)
18				
19	Net Rate Base (In 12 - In 14 - In 15 - In 16)	16,399,890		14,855,730
20				
21	<b><u>Income Tax Expense</u></b>			
22	Net Rate Base			14,855,730
23	Rate of Return on Rate Base			7.55%
24	Earnings before Interest			1,121,608
25				
26	Net Rate Base			14,855,730
27	Cost of Debt			2.05%
28	Interest Expense			304,542
29				
30	Permanent Additions/(Deductions) for Taxes	(611,912)	90.74%	(555,219)
31	Excess Permanent Additions/(Deductions) for Taxes	-	100.00%	-
32	Prefunded Permanent Additions/(Deductions) for Taxes	-	100.00%	-
33	Excess AFUDC Additions/(Deductions) for Taxes	-	100.00%	-
34	Prefunded AFUDC Additions/(Deductions) for Taxes	260,644	100.00%	260,644
35	Additions and Deductions for Taxes	432,784	90.74%	392,687
36				
37	State Taxable Amount (In 23 - In 27 + In 29 thru In 34)			915,177
38	State Income Tax Rate			4.63%
39	State Income Taxes			42,373
40				
41	Net Federal Taxable Amount (In 36 - In 38)			872,805
42	Federal Income Tax Rate			35.00%
43	Federal Income Taxes			305,482
44				
45	Production Tax Credit - % Credit			9.00%
46	Credit Times Federal Taxable Amount (Line 40 x Line 44)			78,552
47	Federal Tax Rate			35.00%
48	Production Tax Credit Amount			(27,493)
49				
50	Excess AFUDC Deferred Income Taxes	-	100.00%	-
51	Prefunded AFUDC Deferred Income Taxes	(99,071)	100.00%	(99,071)
52	CWIP Interest Adjustment	126,492	90.74%	114,773
53	Deferred Income Taxes	(164,501)	90.74%	(149,260)
54				
55	Total Income Taxes (In 38 + In 42 + In 47 thru 52)			186,802
56	Tax Gross Up Factor			1.6131504
57	Total Income Tax Expense			301,340
58				
59	<b><u>Operating Expenses</u></b>			
60	O&M Expense and Payroll Expenses	-	90.74%	-
61	Excess AFUDC Depreciation Expense	-	100.00%	-
62	Prefunded AFUDC Depreciation Expense	-	100.00%	-
63	Depreciation Expense	-	90.74%	-
64	Total Operating Deductions (In 56 through In 63)			301,340
65				
66	Return on Rate Base (line 23)			1,121,608
67				
68	Revenue Requirements (line 64 + In 66)			1,422,948

**Public Service Company of Colorado  
Revenue Requirements - Clean Air Clean Job Act  
Hayden Selective Catalytic Reduction - Unit 2**

**2nd Revised Attachment No. DAB-15  
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Line No.	Description	2016 Total Electric	2016 Retail Allocation	2016 Retail Jurisdiction
1	<b><u>Rate Base</u></b>			
2	Electric Plant in Service	15,427,788	90.62%	13,980,161
3	Plus: Construction Work In Progress (CWIP)	14,081,764	90.62%	12,760,438
4	Plus: Prefunded AFUDC - Production	-	100.00%	-
5	Plus: Excess AFUDC CWIP	82,027	100.00%	82,027
6	Plus: Prefunded AFUDC CWIP	(936,900)	100.00%	(936,900)
7	Less: Excess AFUDC Reserve	188	100.00%	188
8	Less: Prefunded AFUDC Reserve	(2,822)	100.00%	(2,822)
9	Plus: Excess AFUDC-Plant-In-Service	37,858	100.00%	37,858
10	Plus: Prefunded AFUDC-Plant-In-Service	(566,981)	100.00%	(566,981)
11	Less: Electric Production Accumulated Reserve for Depreciation	124,535	90.62%	112,850
12	Net Plant	28,003,655		25,246,388
13				
14	Excess AFUDC Deferred Income Taxes	10,973	100.00%	10,973
15	Prefunded AFUDC Deferred Income Taxes	(178,177)	100.00%	(178,177)
16	Interest on CWIP	(52,034)	90.62%	(47,152)
17	Accumulated Deferred Income Taxes	(151,027)	90.62%	(136,856)
18				
19	Net Rate Base (In 12 - In 14 - In 15 - In 16)	28,269,851		25,503,295
20				
21	<b><u>Income Tax Expense</u></b>			
22	Net Rate Base			25,503,295
23	Rate of Return on Rate Base			7.58%
24	Earnings before Interest			1,933,150
25				
26	Net Rate Base			25,503,295
27	Cost of Debt			2.07%
28	Interest Expense			527,918
29				
30	Permanent Additions/(Deductions) for Taxes	(139,757)	90.62%	(126,643)
31	Excess Permanent Additions/(Deductions) for Taxes	757	100.00%	757
32	Prefunded Permanent Additions/(Deductions) for Taxes	(10,100)	100.00%	(10,100)
33	Excess AFUDC Additions/(Deductions) for Taxes	314	100.00%	314
34	Prefunded AFUDC Additions/(Deductions) for Taxes	416,239	100.00%	416,239
35	Additions and Deductions for Taxes	(642,956)	90.62%	(582,626)
36				
37	State Taxable Amount (In 23 - In 27 + In 29 thru In 34)			1,103,173
38	State Income Tax Rate			4.63%
39	State Income Taxes			51,077
40				
41	Net Federal Taxable Amount (In 36 - In 38)			1,052,097
42	Federal Income Tax Rate			35.00%
43	Federal Income Taxes			368,234
44				
45	Production Tax Credit - % Credit			9.00%
46	Credit Times Federal Taxable Amount (Line 40 x Line 44)			94,689
47	Federal Tax Rate			35.00%
48	Production Tax Credit Amount			(33,141)
49				
50	Excess AFUDC Deferred Income Taxes	(119)	100.00%	(119)
51	Prefunded AFUDC Deferred Income Taxes	(158,212)	100.00%	(158,212)
52	CWIP Interest Adjustment	104,069	90.62%	94,304
53	Deferred Income Taxes	244,388	90.62%	221,456
54				
55	Total Income Taxes (In 38 + In 42 + In 47 thru 52)			543,598
56	Tax Gross Up Factor			1.6131504
57	Total Income Tax Expense			876,905
58				
59	<b><u>Operating Expenses</u></b>			
60	O&M Expense and Payroll Expenses	-	90.62%	-
61	Excess AFUDC Depreciation Expense	1,072	100.00%	1,072
62	Prefunded AFUDC Depreciation Expense	(16,049)	100.00%	(16,049)
63	Depreciation Expense	506,954	90.62%	459,386
64	Total Operating Deductions (In 56 through In 63)			1,321,313
65				
66	Return on Rate Base (line 23)			1,933,150
67				
68	Revenue Requirements (line 64 + In 66)			3,254,463



**Public Service Company of Colorado**  
**Revenue Requirements - Clean Air Clean Job Act**  
**Hayden Selective Catalytic Reduction - Unit 2**

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Line No.	Description	2017 Total Electric	2017 Retail Allocation	2017 Retail Jurisdiction
1	<b><u>Rate Base</u></b>			
2	Electric Plant in Service	36,122,662	90.43%	32,666,402
3	Plus: Construction Work In Progress (CWIP)	-	90.43%	-
4	Plus: Prefunded AFUDC - Production	-	100.00%	-
5	Plus: Excess AFUDC CWIP	-	100.00%	-
6	Plus: Prefunded AFUDC CWIP	-	100.00%	-
7	Less: Excess AFUDC Reserve	2,909	100.00%	2,909
8	Less: Prefunded AFUDC Reserve	(43,563)	100.00%	(43,563)
9	Plus: Excess AFUDC-Plant-In-Service	123,040	100.00%	123,040
10	Plus: Prefunded AFUDC-Plant-In-Service	(1,842,687)	100.00%	(1,842,687)
11	Less: Electric Production Accumulated Reserve for Depreciation	<u>1,109,011</u>	90.43%	<u>1,002,899</u>
12	Net Plant	33,334,657		29,984,509
13				
14	Excess AFUDC Deferred Income Taxes	10,709	100.00%	10,709
15	Prefunded AFUDC Deferred Income Taxes	(253,408)	100.00%	(253,408)
16	Interest on CWIP	-	90.43%	-
17	Accumulated Deferred Income Taxes	243,130	90.43%	219,867
18				
19	Net Rate Base (In 12 - In 14 - In 15 - In 16)	33,334,226		30,007,341
20				
21	<b><u>Income Tax Expense</u></b>			
22	Net Rate Base			30,007,341
23	Rate of Return on Rate Base			<u>7.57%</u>
24	Earnings before Interest			2,271,556
25				
26	Net Rate Base			30,007,341
27	Cost of Debt			<u>2.16%</u>
28	Interest Expense			648,159
29				
30	Permanent Additions/(Deductions) for Taxes	42,076	90.43%	38,050
31	Excess Permanent Additions/(Deductions) for Taxes	2,597	100.00%	2,597
32	Prefunded Permanent Additions/(Deductions) for Taxes	(34,627)	100.00%	(34,627)
33	Excess AFUDC Additions/(Deductions) for Taxes	1,077	100.00%	1,077
34	Prefunded AFUDC Additions/(Deductions) for Taxes	(20,391)	100.00%	(20,391)
35	Additions and Deductions for Taxes	<u>(1,431,013)</u>	90.43%	<u>(1,294,092)</u>
36				
37	State Taxable Amount (In 23 - In 27 + In 29 thru In 34)			316,011
38	State Income Tax Rate			<u>4.63%</u>
39	State Income Taxes			14,631
40				
41	Net Federal Taxable Amount (In 36 - In 38)			301,379
42	Federal Income Tax Rate			<u>35.00%</u>
43	Federal Income Taxes			105,483
44				
45	Production Tax Credit - % Credit			9.00%
46	Credit Times Federal Taxable Amount (Line 40 x Line 44)			27,124
47	Federal Tax Rate			<u>35.00%</u>
48	Production Tax Credit Amount			(9,493)
49				
50	Excess AFUDC Deferred Income Taxes	(409)	100.00%	(409)
51	Prefunded AFUDC Deferred Income Taxes	7,750	100.00%	7,750
52	CWIP Interest Adjustment	-	90.43%	-
53	Deferred Income Taxes	543,928	90.43%	491,884
54				
55	Total Income Taxes (In 38 + In 42 + In 47 thru 52)			609,846
56	Tax Gross Up Factor			<u>1.6131504</u>
57	Total Income Tax Expense			983,773
58				
59	<b><u>Operating Expenses</u></b>			
60	O&M Expense and Payroll Expenses	-	90.43%	-
61	Excess AFUDC Depreciation Expense	3,674	100.00%	3,674
62	Prefunded AFUDC Depreciation Expense	(55,026)	100.00%	(55,026)
63	Depreciation Expense	1,204,113	90.43%	<u>1,088,902</u>
64	Total Operating Deductions (In 56 through In 63)			2,021,323
65				
66	Return on Rate Base (line 23)			<u>2,271,556</u>
67				
68	Revenue Requirements (line 64 + In 66)			<u><u>4,292,879</u></u>



2015	Pawnee	Cherokee 2x1	Cherokee 5C	Cherokee 6C	Cherokee 7C	Hayden 1	Hayden 2	Total
CWIP	-	201,336,308	108,641,339	108,132,443	89,818,317	31,500,114	16,539,071	555,967,592
Excess AFUDC CWIP	-	2,547,424	1,615,662	1,616,448	1,349,341	282,940	123,040	7,534,855
Prefunded AFUDC CWIP	-	(5,585,726)	(2,911,988)	(2,926,258)	(2,404,938)	(568,685)	(428,448)	(14,826,044)
Total CWIP	-	198,298,006	107,345,013	106,822,633	88,762,720	31,214,369	16,233,663	548,676,403
Weighted Cost of Debt	2.05%	2.05%	2.05%	2.05%	2.05%	2.05%	2.05%	
Synchronized Interest	-	4,065,109	2,200,573	2,189,864	1,819,636	639,895	332,790	
Combined Income Tax Rate	38.01%	38.01%	38.01%	38.01%	38.01%	38.01%	38.01%	
Deferred Income Tax on CWIP Interest	-	1,545,128	836,427	832,356	691,634	243,221	126,492	4,275,258
ADIT Adjustment	-	772,564	418,213	416,178	345,817	121,610	63,246	2,137,629
2016	Pawnee	Cherokee 2x1	Cherokee 5C	Cherokee 6C	Cherokee 7C	Hayden 1	Hayden 2	Total
CWIP	-	-	-	-	-	-	14,081,764	14,081,764
Excess AFUDC CWIP	-	-	-	-	-	-	82,027	82,027
Prefunded AFUDC CWIP	-	-	-	-	-	-	(936,900)	(936,900)
Total CWIP	-	-	-	-	-	-	13,226,891	13,226,891
Weighted Cost of Debt	2.07%	2.07%	2.07%	2.07%	2.07%	2.07%	2.07%	
Synchronized Interest	-	-	-	-	-	-	273,797	
Combined Income Tax Rate	38.01%	38.01%	38.01%	38.01%	38.01%	38.01%	38.01%	
Deferred Income Tax on CWIP Interest	-	-	-	-	-	-	104,069	104,069
ADIT Adjustment	-	-	-	-	-	-	52,034	52,034
2017	Pawnee	Cherokee 2x1	Cherokee 5C	Cherokee 6C	Cherokee 7C	Hayden 1	Hayden 2	Total
CWIP	-	-	-	-	-	-	-	-
Excess AFUDC CWIP	-	-	-	-	-	-	-	-
Prefunded AFUDC CWIP	-	-	-	-	-	-	-	-
Total CWIP	-	-	-	-	-	-	-	-
Weighted Cost of Debt	2.16%	2.16%	2.16%	2.16%	2.16%	2.16%	2.16%	
Synchronized Interest	-	-	-	-	-	-	-	
Combined Income Tax Rate	38.01%	38.01%	38.01%	38.01%	38.01%	38.01%	38.01%	
Deferred Income Tax on CWIP Interest	-	-	-	-	-	-	-	-
ADIT Adjustment	-	-	-	-	-	-	-	-

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**Tax Rates**

Total Colorado Composite Tax Rate	38.01%
Total Corporate Composite Tax Rate	38.01%
Colorado State Tax Rate	4.63%
Federal Rate	35.00%
Revenue Conversion Factor	1.6131504
Production Tax Reduction-Section 199 credit	0.00%

<b>Forecast 2015</b>			
	Rate	Ratio	Cost
Long Term Debt	4.67%	44.00%	2.0500%
Short Term Debt	0.00%	0.00%	0.0000%
Preferred Stock	0.00%	0.00%	0.0000%
Common Equity	9.83%	56.00%	5.5000%
Calculated Return on Rate Base			7.5500%

<b>Forecast 2016</b>			
	Rate	Ratio	Cost
Long Term Debt	4.71%	44.00%	2.0700%
Short Term Debt	0.00%	0.00%	0.0000%
Preferred Stock	0.00%	0.00%	0.0000%
Common Equity	9.83%	56.00%	5.5100%
Calculated Return on Rate Base			7.5800%

<b>Forecast 2017</b>			
	Rate	Ratio	Cost
Long Term Debt	4.79%	45.00%	2.1600%
Short Term Debt	0.00%	0.00%	0.0000%
Preferred Stock	0.00%	0.00%	0.0000%
Common Equity	9.83%	55.00%	5.4100%
Calculated Return on Rate Base			7.5700%

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Allocation Factor 2015				
12CP-PROD	P-Demand	90.735%	9.265%	100.000%
Retail Only	Retail	100.000%	0.000%	100.000%
Allocation Factor 2016				
12CP-PROD	P-Demand	90.617%	9.383%	100.000%
Retail Only	Retail	100.000%	0.000%	100.000%
Allocation Factor 2017				
12CP-PROD	P-Demand	90.432%	9.568%	100.000%
Retail Only	Retail	100.000%	0.000%	100.000%

**Public Service Company of Colorado  
Total TCA Revenue Requirement  
For 2015  
RETAIL Amount**

<b>Line No.</b>	<b>Description</b>	<b>Amount</b>
1	Net Plant Component	\$ 9,726,123
2		
3	CWIP Component	\$ 4,707,655
4		
5	Total	<u>\$ 14,433,778</u>
6		
7	True-up of 2013 Rider Plant (Filed Nov 1, 2013)	\$ 1,650,647
8		
9	True-up of 2013 Rider Collection	\$ (474,079)
10		
11	Total	<u>\$ 15,610,346</u>

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Public Service Company of Colorado  
Net Plant Component of TCA  
For 2015  
RETAIL Amount

Line No.	Description	Projected Balance	Amounts Included in Rate Base	Change
		2015 13Mth Avg	Proceeding No. 14AL-0660E End of Period As of 12/31/2013	
1	Plant in Service (Note 1)	1,513,014,677	1,381,297,052	
2	Depreciation Reserve (Note 2)	337,142,776	301,774,273	
3	Net Plant in Service	1,175,871,901	1,079,522,779	96,349,122
4				
5				
6	Pre-Funded AFUDC Transmission (3)	(14,421,287)	(10,996,700)	(3,424,587)
7				
8	Accumulated Deferred Taxes	(311,491,037)	(283,062,439)	(28,428,597)
9				
10	Total	849,959,578	785,463,640	64,495,938
11				
12	Return on Rate Base			7.55%
13				
14	Required Earnings			4,869,443
15				
16	Depreciation Expense	27,587,166	24,905,546	2,681,620
17	Acquisition Adjustment Amortization Exp			0
18				
19	Income Tax Expense			2,175,060
20				
21	Revenue Requirement			9,726,123

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Public Service Company of Colorado  
 CWIP Component of TCA  
 For 2015  
 RETAIL Amount

Line No.	Description	December 31, 2014 Year End Balance	Projected 13 Mo. Average Balance	Change
1	CWIP	43,100,933	0	43,100,933
2				
3	Prefunded AFUDC	0	0	0
4				
5	Total			<u>43,100,933</u>
6				
7	RORB			7.55%
8				
9	Required Earnings			3,254,120
10				
11	Income Tax Expense			1,453,535
12				
13	Revenue Requirement			<b>4,707,655</b>

<b>2014 Rate Case Settlement</b>			
<b>Capital Structure</b>			
<b>Description</b>	<b>Rate</b>	<b>Ratio</b>	<b>Cost</b>
Long Term Debt	4.67%	44.00%	2.05%
Short Term Debt	0.00%	0.00%	0.00%
Preferred Stock	0.00%	0.00%	0.00%
Common Equity	9.83%	56.00%	5.50%
<b>Calculated Return on Rate Base</b>			<b>7.55%</b>