BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO

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IN THE MATTER OF THE APPLICATION OF PUBLIC SERVICE COMPANY OF COLORADO FOR AN ORDER APPROVING EXPENSES INCURRED FOR THE PERIOD JANUARY 2019 THROUGH DECEMBER 2019 THAT ARE RECOVERED THROUGH THE ELECTRIC COMMODITY ADJUSTMENT AND APPROVING THE CALCULATION OF 2019 SHORT TERM SALES MARGINS	**PROCEEDING NO. 20A-0327E**

UNOPPOSED COMPREHENSIVE SETTLEMENT AGREEMENT

Introduction and Identification of Parties

Public Service Company of Colorado ("Public Service" or the "Company") and Trial Staff of the Colorado Public Utilities Commission ("Staff") (collectively, the "Settling Parties") hereby enter into this unopposed comprehensive Settlement Agreement ("Agreement") to resolve all issues that have been raised in this proceeding. This Agreement is not opposed by the Colorado Office of Consumer Counsel ("OCC").

Background

On August 3, 2020, Public Service initiated this proceeding by filing a Verified Application for Approval of its Electric Commodity Adjustment Prudence Review ("Application"). On that same day, Public Service also filed the Direct Testimony and attachments of five witnesses in support of its Application.

Both Staff and OCC intervened in the proceeding, and the parties developed a consensus procedural schedule at the direction of the Administrative Law Judge ("ALJ"). The ALJ adopted this procedural schedule with minor modifications by Decision No. R20-0742-I.

Staff and OCC filed Answer Testimony and attachments on November 20, 2020. Staff submitted Answer Testimony from two witnesses, while OCC submitted testimony from one witness. The Answer Testimony covered a variety of topics, from enhanced reporting on must-run designations and curtailments to proposed cost disallowances.

The parties to the proceeding commenced settlement negotiations and ultimately reached a settlement in principle, with Staff supporting the settlement in principle and OCC unopposed to the settlement in principle. The Agreement filed here represents the comprehensive agreements to resolve the issues in this Proceeding No. 20A-0327E that were raised or could have been raised by the parties.

Settlement Terms

I. Historic Must-Run Data and Annual Filing

The Settling Parties agree that, in ECA annual prudence reviews going forward, the Company will provide the following historic must-run information for the prior year:

- Plant name;
- Unit name;
- A description of the system reliability issue;
- Start time;
- End time;
- Total days under must-run designation;

- Minimum output under must-run designation;
- Maximum output under must-run designation;
- Hours of day the unit must be operating;
- Total generation (in MWh) of the unit during the must-run period;
- Total production costs (in dollars) incurred by the unit during the must-run period; and
- A description of all planned and unplanned outages the unit experienced during the must-run designation, including start and end time of the outage.

In addition, the Company will work with Staff and OCC to develop a presentation format ahead of the next ECA annual prudence review filing.

II. Hourly Datasets and Annual Filing

The Settling Parties agree that, in ECA annual prudence reviews going forward, the Company will provide hourly datasets for the prior year as follows:

- Retail load;
- All resources used to serve retail load including owned fossil and renewable generation, PPAs, purchases and sales, and any other resource serving retail load;
- Interchange energy;
- Imbalance purchase and sale energy;
- System lambda; and
- The cost of all resources used to serve retail load with appropriate aggregation.

The Company will provide this data in a single file similar to the format of the analysis provided in response to Discovery Request CPUC 4-4 in this proceeding, which is attached to this Agreement as Exhibit 1. Resources will be reported for each hour within the calendar year subject to the ECA annual prudence review.

III. Curtailment Data and Annual Filing

The Settling Parties agree that, in ECA annual prudence reviews going forward, the Company will provide the level and cost of renewable curtailments for the prior year. This information will include the following information:

- Curtailment volumes by unit on an hourly integrated basis in the format provided in response to Discovery Request CPUC 4-1(a) in this proceeding, which is attached to this Agreement as Exhibit 2;
- Monthly curtailment costs for renewable resources on purchase power agreements ("PPAs") including any applicable workpapers;
- Monthly levels of curtailment impacts on production tax credits ("PTCs") for owned renewable resources; and
- Monthly levels of curtailment volumes with causation information based on actual curtailments over the course of the year.

IV. Generation Availability Data System ("GADS") Reporting and Annual Filing

The Settling Parties agree that, in ECA annual prudence reviews going forward, the Company will provide unit-level annual equivalent availability percentages and complete GADS data for the Company's owned fossil generation assets for the prior year. In addition, for renewable resources, the Company will provide owned renewable resource GADS data for the prior year consistent with the North American Electric

Reliability Corporation ("NERC") GADS Wind Data Reporting Instructions, as well as the annual Equipment Equivalent Availability Factor excluding Outside Management Control (xEEAF). As NERC GADS mandatory reporting evolves, Public Service will provide additional data at the time it is required by NERC. Finally, for owned renewable resources, the Company will provide a comparison of the forecasted generation to the actual production.

V. Operations Analyses, Must-Run Designations, and Annual Filing

The Settling Parties agree that the Company will archive the operations analysis performed for each instance of a must-run designation for reliability purposes beginning with calendar year 2021. In addition, the Settling Parties agree that the Company will provide a summary report of the reliability analyses as part of each ECA annual prudence review filing going forward. The Company will maintain these archives for five (5) years.

VI. Must-Run Solutions Analysis

The Settling Parties agree that when a single reliability issue causes multiple must-run designations of a Company-owned generating unit such that its aggregate production costs in must-run status during a calendar year exceeds $5 million in incremental costs, the Company will make a determination as to whether the must-run usage was an isolated occurrence or whether the Company expects similar designation(s) in the future. If the Company expects similar must-run designations to occur in the future, the Company will provide a Must-Run Solutions Analysis report in an appropriate proceeding to be determined by the in the meetings discussed in Section VIII below. The Must-Run Solutions Analysis report will include a description of the underlying reliability issue(s) causing the must-run designation(s), and identify feasible alternative solutions.

Alternative solutions may include transmission upgrades, demand-side resources, electric storage devices, new generation resources, and/or temporary operating procedures. The Company will estimate the costs of implementing the alternative solution(s), compare them to the costs of continuing must-run operation, and provide an estimate of the in-service date for the alternative solution(s).

VII. Rush Creek Wind Project

The Settling Parties agree that, in the Company's June 1, 2021 report for the Rush Creek Wind Project required by Decision No. C16-0958 in Proceeding No. 16A-0117E, the Company will provide a detailed update regarding engineering, operation and performance of the Rush Creek Wind Project since it achieved commercial operation. In addition, the Company will provide a discussion of steps taken to address any operational or performance challenges in the first two years of operation. This discussion in the June 1, 2021 report will address both 2019 and 2020.

VIII. Curtailment and System Operations Meetings

The Settling Parties agree that they will hold quarterly meetings, and more frequently if needed, regarding the generation fleet to generally discuss curtailment issues and protocols, how curtailment protocols are implemented, and other system operations issues (*e.g.,* unit commitment and decommitment, seasonal dispatch, and operation of owned renewable resources such as the Rush Creek Wind Project). In addition, the Settling Parties will work in good faith to continue to discuss the data included in Section 2 above and reconciling the presentation format provided in response to Discovery Request CPUC 4-4, and determine the appropriate proceeding in which to present any Must-Run Solutions Analysis as contemplated in Section 6 above. These meetings will

occur with the Company, Staff, and OCC present, and each Settling Party shall appoint a single representative as the coordinating representative for these meetings. The coordinating representatives will confer on topics and agenda for each meeting, and these meetings will occur starting in in 2021. The meetings will be reassessed at the end of 2021 and the Settling Parties will determine whether they should continue.

IX. True-Up Entry Reporting

The Settling Parties agree that significant true-up accounting entries will be identified as part of the Company's RES Report process. A significant true-up entry is defined as an entry in excess of $2 million and within the prior calendar year, and such entries will be expressly identified as part of the RES Report. In addition, the Company will make a good faith efforts to identify these entries to the Staff and OCC ahead of the filing of a RES Report that identifies any relevant entries. To the extent that an entry is outside of the prior calendar year, then the Company will report on any entry in excess of $1 million.

GENERAL PROVISIONS

1. This Agreement is made for settlement purposes only. No Settling Party concedes the validity or correctness of any regulatory principle or methodology directly or indirectly incorporated in this Agreement. Furthermore, this Agreement does not constitute agreement, by any Settling Party, that any principle or methodology contained within or used to reach this Agreement may be applied to any situation other than the above-captioned proceeding, except as expressly set forth herein. No binding precedential effect or other significance, except as may be necessary to enforce this Agreement or a Commission order concerning the Agreement, shall attach to any

principle or methodology contained in or used to reach this Agreement, except as expressly set forth herein.

2. Each Settling Party understands and agrees that this Agreement represents a negotiated resolution of all issues the Settling Party either raised or could have raised in this proceeding. The Settling Parties agree this Agreement, as well as the negotiation process undertaken to reach this Agreement, are just, reasonable, and consistent with and not contrary to the public interest and should be approved and authorized by the Commission.

3. The discussions among the Settling Parties that produced this Agreement have been conducted in accordance with Rule 408 of the Colorado Rules of Evidence ("CRE").

4. Nothing in this Agreement shall constitute a waiver by any Settling Party with respect to any matter not specifically addressed in this Agreement. In the event this Agreement becomes null and void or in the event the Commission does not approve this Agreement, this Agreement, as well as the negotiations or discussions undertaken in conjunction with this Agreement, shall remain inadmissible into evidence in these or any other proceedings in accordance with CRE 408.

5. The Settling Parties will support all aspects of this Agreement embodied in this document in any hearing conducted to determine whether the Commission should approve this Agreement, and/or in any other hearing, proceeding, or judicial review relating to this Agreement or the implementation or enforcement of its terms and conditions. Each Settling Party also agrees that, except as expressly provided in this Agreement, it will take no action in any administrative or judicial proceeding, or otherwise,

which would have the effect, directly or indirectly, of contravening the provisions or purposes of this Agreement. However, each Settling Party expressly reserves the right to advocate positions different from those stated in this Agreement in any proceeding other than one necessary to obtain approval of, or to implement or enforce, this Agreement or its terms and conditions.

6. The Settling Parties do not believe any waiver or variance of Commission Rules is required to effectuate this Agreement, but agree jointly to apply to the Commission for a waiver of compliance with any requirements of the Commission's current Rules and Regulations if necessary to permit all provisions of this Agreement to be approved, carried out and effectuated.

7. This Agreement is an integrated agreement that may not be altered by the unilateral determination of any Settling Party. There are no terms, representations or agreements among the parties which are not set forth in this Agreement (including attachments).

8. This Agreement shall not become effective until the Commission issues a final decision addressing the Agreement. In the event the Commission modifies this Agreement in a manner unacceptable to any Settling Party, that Settling Party may withdraw from the Agreement and shall so notify the Commission and the other Settling Parties in writing within ten (10) days of the date of the Commission order. In the event a Settling Party exercises its right to withdraw from the Agreement, this Agreement shall be null and void and of no effect in this or any other proceeding.

9. There shall be no legal presumption that any specific Settling Party was the drafter of this Agreement.

10. This Agreement may be executed in counterparts, all of which when taken together shall constitute the entire Agreement with respect to the issues addressed by this Agreement. This Agreement may be executed and delivered electronically and the Settling Parties agree that such electronic execution and delivery, whether executed in counterparts or collectively, shall have the same force and effect as delivery of an original document with original signatures, and that each Settling Party may use such facsimile signatures as evidence of the execution and delivery of this Agreement by the Settling Parties to the same extent that an original signature could be used.

Dated this 18th day of December, 2020.

Agreed on behalf of:

PUBLIC SERVICE COMPANY OF COLORADO

By: *__/s/ Brooke A. Trammell__*
Brooke A. Trammell
Regional Vice President,
Rates and Regulatory Affairs
Public Service Company of Colorado

Approved as to form:

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