

**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 A CERTIFICATE OF) PUBLIC CONVENIENCE AND NECESSITY) FOR THE BARKER SUBSTATION, 230 KV) UNDERGROUND TRANSMISSION LINE,) AND ASSOCIATED FINDINGS) REGARDING NOISE AND MAGNETIC) FIELD REASONABLENESS)	PROCEEDING NO. 25A-0069E
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UNOPPOSED AND COMPREHENSIVE SETTLEMENT AGREEMENT

I. INTRODUCTION AND IDENTIFICATION OF PARTIES

This Unopposed and Comprehensive Settlement Agreement (“Settlement Agreement” or “Settlement”) is filed on behalf of Public Service Company of Colorado (“Public Service” or the “Company”) and Trial Staff of the Colorado Public Utilities Commission (“Staff”) (collectively, the “Settling Parties”). The Colorado Office of the Utility Consumer Advocate (“UCA”) does not join but is not opposed to the Settlement.¹

This Settlement Agreement is intended to resolve all issues raised by Parties in this Proceeding with respect to the Company’s Application for a Certificate of Public Convenience and Necessity (“CPCN”) for the transmission facilities associated with the

¹ The Company, Staff, and the UCA are collectively referred to as the “Parties.”

Barker Substation and its associated 230 kV underground transmission line (“Barker Substation Project” or “Project”).

This Settlement Agreement represents a compromise among the Settling Parties on all issues. The diversity of interests represented in this proceeding helped ensure that this negotiated Settlement Agreement serves the public interest. If approved, this Settlement will result in just and reasonable result and this Settlement is consistent with Colorado law. All Parties are either Settling Parties or otherwise do not oppose approval of the Settlement. Therefore, the Commission should approve the Settlement Agreement.

II. SETTLEMENT TERMS

A. Approval of a CPCN for the Barker Substation Project

1. The Settling Parties agree that the Company has adequately supported its CPCN application through its Direct and Rebuttal Testimony and attachments, and has met its burden of proof of demonstrating that construction of the Barker Substation Project is reasonable and in the public interest.

2. The Settling Parties agree that the public convenience and necessity require the Barker Substation Project and that overall design for the Barker Substation Project, as presented in the Direct Testimony of Company witness Aaron D. Wilson (Hr. Ex. 104) and attachments, is reasonable and consistent with the public interest. The Settling Parties therefore agree that the Commission should issue a finding of need by granting the Company a CPCN to construct, own, and operate the Barker Substation Project as described in the Company’s CPCN Application and Direct Testimony, with the following modifications and clarifications:

B. Project Cost and Schedule

3. The Settling Parties agree that the Company has presented sufficient cost information as required by Rule 3102(b)(IV) in support of its \$100.4 million transmission cost estimate, as detailed in Attachment ASD-2 to the Direct Testimony of Amber S. Dedus (Hr. Ex. 102). This support is provided in the Company's Direct and Rebuttal Testimonies and attachments in this proceeding. The Settling Parties have had the opportunity to review the Company's highly confidential workpapers in support of the cost estimate, and no Settling Party disputes the reasonableness of the Company's cost estimates for the Barker Substation Project as set forth by the Company in this proceeding.

4. The Settling Parties further agree that the Company has presented sufficient information regarding the Barker Substation Project's anticipated construction schedule and in-service date as required by Rule 3102(b)(V). No Settling Party disputes the reasonableness of the Company's estimated project timeline.

C. Cost Recovery for the Barker Substation Project

5. The Company will recover the transmission costs of the Barker Substation Project through the Transmission Cost Adjustment ("TCA") as components are in-serviced, consistent with the terms of the TCA. The transmission costs of the Barker Substation Project will be transferred from the TCA to base rates in the first rate case after the Barker Substation Project is placed in service, consistent with the terms of the TCA. The Company will bring forward one or more future filings to recover the distribution

costs of the Barker Substation Project, and the Settling Parties take no position on the appropriate cost recovery mechanism for distribution costs.

6. The Settling Parties agree that no presumption of prudence will attach to the cost estimates for the Barker Substation Project, and the Company will bear the burden going forward of demonstrating actual costs incurred are prudent and reasonable when it brings Barker Substation Project costs forward for recovery in base rates. The Settling Parties agree that the cost estimates and evidence presented in this proceeding will be used as a reference point in such future base rate recovery proceeding(s), and the Company will be permitted to recover all costs that the Commission deems were reasonably and prudently incurred to construct the Barker Substation Project.

7. The Company further agrees to specifically identify the actual costs of the Barker Substation Project in its next base rate case following the in-servicing of the Barker Substation Project, in at least as much detail as provided in this Proceeding.

D. Magnetic Field and Noise Levels

8. The Settling Parties agree that, under Rule 3206(e) – (f), and as detailed in Mr. Wilson’s Direct Testimony (Hr. Ex. 104) and Confidential Attachment ADW-6C, the expected maximum magnetic field and noise levels associated with the Barker Substation Project are reasonable and should require no further mitigation or prudent avoidance measures. No Settling Party disputes the reasonableness of the Company’s estimated noise and magnetic field levels presented in this proceeding.

E. Performance Incentive Mechanism

9. The Settling Parties agree, on the basis of the current state of development of the Project and the overall Project cost, that a performance incentive mechanism is not appropriate to be implemented for the Barker Substation Project.

10. The Company will continue to engage with the Settling Parties to provide additional details of its efforts to increase the accuracy of cost estimates for transmission projects.

F. Reporting

11. The Settling Parties agree that, beginning 90 days after the final Commission decision approving this Settlement Agreement and every six months thereafter, the Company will file into this proceeding semi-annual Project progress reports, including a narrative description of the Project's current status including progress towards and/or completion of Project milestones, updated detailed Project schedules with a narrative description of any material changes since the previous filing, and an updated Project cost estimate in a format similar to Hr. Ex. 102, Attachment ASD-2 and actual expenditures in a format similar to the workpapers of Ms. Dedus, including an explanation of material changes to the Project's costs since the previous filing, the description of any allocations of or releases from the Risk Reserve, the identification of potential or experienced cost impacts due to tariffs, and a description of the Company's efforts to reduce Project costs.

12. The Company's final semi-annual progress report shall also include copies of as-built facility drawings, with confidentiality designations requested as appropriate and

necessary, and actual Project costs presented in a format similar to Hr. Ex. 102, Attachment ASD-2.

13. The Company shall also continue to report on the Barker Substation Project as part of its project updates included in the Company's annual Rule 3206 Report filings, and may reference the semi-annual reports in its' Rule 3206 Report filings as appropriate.

G. Workshop on the Future of the Downtown Denver Distribution System

14. The Company agrees to host one workshop with the Settling Parties and UCA that includes the Company's technical experts in distribution planning, transmission planning, and transmission line and/or substation engineering, as relevant, to facilitate further discussions about the Company's approach to identifying, evaluating, and meeting future customer needs in and around downtown Denver. The Company will schedule this workshop at a time mutually agreeable to the Settling Parties and UCA within 180 days of the issuance of a final decision approving this Settlement Agreement.

III. GENERAL PROVISIONS

15. Except as expressly set forth herein, nothing in this Settlement Agreement is intended to have precedential effect or bind the Settling Parties with respect to positions they may take in any other proceeding regarding any of the issues addressed in this Settlement Agreement. No Settling Party concedes the validity or correctness of any regulatory principle or methodology directly or indirectly incorporated in this Settlement Agreement. Furthermore, this Settlement Agreement does not constitute agreement, by any Settling Party, that any principle or methodology contained within or used to reach

this Settlement Agreement may be applied to any situation other than the above-captioned proceeding, except as expressly set forth herein.

16. The Settling Parties agree the provisions of this Settlement Agreement, as well as the negotiation process undertaken to reach this Settlement Agreement, are just, reasonable, and consistent with and not contrary to the public interest and should be approved and authorized by the Commission.

17. The discussions among the Settling Parties that produced this Settlement Agreement have been conducted in accordance with Rule 408 of the Colorado Rules of Evidence.

18. Nothing in this Settlement Agreement shall constitute a waiver by any Settling Party with respect to any matter not specifically addressed in this Settlement Agreement.

19. The Settling Parties agree to use good faith efforts to support all aspects of the Settlement Agreement embodied in this document in any hearing conducted to determine whether the Commission should approve this Settlement Agreement, and/or in any other hearing, proceeding, or judicial review relating to this Settlement Agreement or the implementation or enforcement of its terms and conditions. Each Settling Party also agrees that, except as expressly provided in this Settlement Agreement, it will take no formal action in any administrative or judicial proceeding that would have the effect, directly or indirectly, of contravening the provisions or purposes of this Settlement Agreement. However, except as expressly provided herein, each Settling Party expressly reserves the right to advocate positions different from those stated in this Settlement

Agreement in any proceeding other than one necessary to obtain approval of, or to implement or enforce, this Settlement Agreement or its terms and conditions.

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

21. This Settlement 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 Settlement Agreement. This Settlement Agreement may be modified by the Settling Parties so long as any modification is agreed to or unopposed by all Settling Parties, in writing.

22. This Settlement Agreement shall not become effective until the Commission issues a final decision addressing the Settlement Agreement. In the event the Commission modifies this Settlement Agreement in a manner unacceptable to any Settling Party, that Settling Party may withdraw from the Settlement 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 Settlement Agreement, the Settling Party may exercise its right to file exceptions and/or an application for rehearing, reargument or reconsideration to address any unacceptable modifications.

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


24. This Settlement 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 Settlement Agreement. This Settlement 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 Settlement Agreement by the Settling Parties to the same extent that an original signature could be used.

Dated this 31st day of July, 2025.

Hearing Exhibit 109, Settlement Agreement
Proceeding No. 25A-0069E
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Agreed on behalf of:

PUBLIC SERVICE COMPANY OF COLORADO

By: 

Michael V. Pascucci
Director, Regulatory Policy
Public Service Company of Colorado
3500 Blake Street
Denver, Colorado 80205
Telephone: (303) 294-2257
Email: michael.v.pascucci@xcelenergy.com

Approved as to form:

**ATTORNEYS FOR PUBLIC SERVICE COMPANY
OF COLORADO**

By: s/ Emily A. Giraldo

Emily A. Giraldo, #53481
Principal Attorney
Xcel Energy Services Inc.
Legal Services, CO1453-04-MCB
3500 Blake Street
Denver, Colorado 80205
Telephone: (303) 285-6804
Email: Emily.Giraldo@xcelenergy.com

Valerie T. Herring #53258
Taft Stettinius & Hollister LLP
675 Fifteenth Street
Suite 2300
Denver, CO 80202
Telephone: (612) 977-8501
Email: VHerring@taftlaw.com

Trial Staff of the Colorado Public Utilities Commission

Approved as to form:

PHILIP J. WEISER
Attorney General

By: /s/ William Dalton
William Dalton
Professional Engineer
Energy Section
Colorado Public Utilities Commission
Email: Bill.Dalton@state.co.us

1560 Broadway, Suite 250
Denver, Colorado 80202

/s/ Justin Larson
Bryan D. Kreykes, #50608*
Senior Assistant Attorney General
Justin Larson, #60262*
Assistant Attorney General
Revenue & Regulatory Law Section

*Attorneys for Trial Staff of the Public
Utilities Commission*

Ralph L. Carr Colorado Judicial Center
1300 Broadway, 8th Floor
Denver, Colorado 80203
Telephone: (720) 508-6762 (Kreykes)
Telephone: (720) 508-6350 (Larson)
Email: Bryan.Kreykes@coag.gov
Email: Justin.Larson@coag.gov
*Counsel of Record