

BEFORE THE PUBLIC UTILITIES COMMISSION

STATE OF COLORADO

2000 DEC -3 PM 3:18

Docket No. 00S-492G

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**STIPULATION AND SETTLEMENT AGREEMENT**

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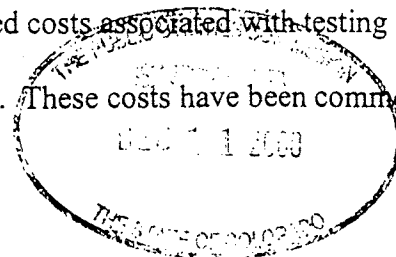
RE: THE INVESTIGATION AND SUSPENSION OF THE TARIFF SHEETS FILED BY PUBLIC SERVICE COMPANY OF COLORADO WITH ADVICE LETTER NO. 565 - GAS, AND ITS AMENDMENTS.

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Public Service Company of Colorado ("Public Service") and Staff of the Public Utilities Commission ("Staff") (collectively "parties") have resolved by agreement the issues raised in this docket. This Stipulation and Settlement Agreement ("Agreement") sets forth all of the terms and conditions of the settlement. Public Service and Staff hereby represent that they have resolved by settlement all outstanding issues between them relevant to Public Service's tariff filing in Advice Letter No. 565-Gas, as amended. Public Service and Staff state that reaching agreement as set forth herein by means of a negotiated settlement rather than through a formal adversarial process is in the public interest and, therefore, the compromises and settlements reflected in this Agreement are in the public interest. Public Service and Staff further state that approval and implementation of the compromises and settlements reflected in this Agreement constitute a just and reasonable resolution of the issues resolved hereby.

**I. BACKGROUND**

1. As part of Public Service's filing for a general rate increase for its natural gas sales and transportation services, filed with Advice Letter No. 543-Gas, in Docket No. 98S-518G, Public Service proposed to amortize estimated costs associated with testing and upgrading its systems in preparation for January 1, 2000. These costs have been commonly



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referred to as "Y2K expenses." On April 12, 1999, Public Service, Staff and the Office of Consumer Counsel) entered into a Stipulation and Settlement Agreement in Docket No. 98S-518G ("Rate Case Stipulation") in settlement of certain limited issues in that rate case, including the treatment of Y2K Costs for purposes of that proceeding. Specifically, paragraph 19 of the Rate Case Stipulation provides in pertinent part as follows:

The parties agree that PSCo should be entitled to full recovery of its prudently incurred Y2K expenses. The parties further agree that such recovery should occur through amortization of such expenses over a five-year period and that such recovery should not commence until the second half of the year 2000, after actual Y2K expenses are known. For purposes of this rate case, the parties agree that the full amount of the proposed Y2K expenses shall be removed, including the proposed pro forma amount of \$2,342,438 and the actual test year amount of \$81,867. The parties agree that PSCo shall file a separate tariff during the first half of the year 2000, to become effective on or after July 1, 2000, which proposes to implement new rate riders applicable to all gas rate schedules which is designed to implement the five-year amortization of Y2K expenses and to allow PSCo to recover Y2K expenses.

2. The Commission, by Decision No. C99-579, effective June 8, 1999, approved the Rate Case Stipulation. In that decision the Commission held as follows:

The Commission finds that the Agreement should be approved so long as Public Service agrees to file for a decrease to the rate rider authorized by this Decision and/or the future Phase II proceeding in the event the agreed upon amortization period is completed prior to the filing of Public Service's next Phase I rate case. This modification serves the public interest by ensuring that the inclusion of these unique expenses in Public Service's rates will not result in these amounts permanently becoming part of the Company's base rates.

3. On June 30, 2000, in accordance with the Rate Case Stipulation and Decision No. C99-579, Public Service filed Advice Letter No. 565-Gas. On July 27, 2000, Public Service filed Advice No. 565-Gas-Amended and on August 2, 2000, Public Service filed Advice No. 565-Gas-Second Amended. Public Service stated that the purpose of the filing, as amended, is to

implement a new rate rider designed to recover its Y2K expenses allocable to its Gas Department over a five-year amortization period, which would be applicable to base rates for all gas service rate schedules, excluding Rate Schedules TF-FRP and TI-FRP, in the Company's Colorado P.U.C. No. 6-Gas Tariff. The Y2K costs upon which the proposed riders were based did not include any carrying costs, or interest, to compensate Public Service for the delay in recovery of its incurred Y2K expenses. Further, the proposed tariff changes did not provide for a true-up to account for any over or under collections by Public Service or a provision to automatically terminate the rate rider once Public Service fully recovered its Y2K expenses.

4. By Decision No. C00-954, mailed August 31, 2000, the Commission suspended the tariffs filed by Public Service for 120 days until December 30, 2000, or until further order of the Commission. The Commission also set the tariffs for hearing before an Administrative Law Judge to be held on December 15, 2000.

5. On September 13, 2000, Staff filed a Notice of Intervention by Staff, Entry of Appearance, Notice Pursuant to Rule 9(d) and Rule 24(a)(1) and Request For Hearing.

6. On October 16, 2000, Public Service filed the Direct Testimony and Exhibits of Messrs. Timothy L. Willemsen and Robert C. Ray on behalf of Public Service in this docket.

7. Public Service and Staff have conducted discovery and have engaged in settlement negotiations, resulting in a comprehensive settlement of all issues in this proceeding, as set forth in this Agreement.

## II. ISSUES RESOLVED BY SETTLEMENT

### A. Y2K Expenses

8. The parties agreed in the Rate Case Stipulation that Public Service should be entitled to full recovery of its prudently incurred Y2K expenses. At such time, Public Service estimated these expenses to be \$4,848,609.

9. As outlined in the direct testimony of Public Service witness Timothy L. Willemsen, Public Service has calculated the actual portion of total Y2K expenses incurred from 1996 through 2000 and allocated to Public Service's gas department to be \$1,682,310.

10. For purposes of settlement, Staff agrees not to dispute the accuracy of this amount. The parties agree that Public Service is entitled to full recovery of \$1,682,310 as its prudently incurred Y2K expenses allocated to its gas department (hereinafter "Total Y2K Expenses").

### B. Carrying Costs

11. As set forth in the direct testimony of Public Service witness Timothy L. Willemsen, Public Service proposes modifying its original proposal to provide for recovery of \$564,672 in carrying costs in addition to its Total Y2K Expenses. Mr. Willemsen stated in his testimony that the recovery of carrying costs is proper in that it compensates Public Service for the delayed recovery of its Y2K expenses. Mr. Willemsen further contended that carrying costs merely keep Public Service whole for the time value of money and are particularly appropriate considering the "extraordinary delay" in the recovery of Y2K expenses. Public Service believes that its tariff filing, including the proposed recovery of carrying costs, is in full compliance with both the letter and spirit of the Rate Case Stipulation.

12. Staff points out that the Rate Case Stipulation did not specifically provide for carrying costs or interest to be recovered under the rider. Furthermore, Staff's position is that the suspension of the tariff sheets, and any resulting delay in recovery, were necessary because of Staff's belief that Public Service failed to fully comply with the Rate Case Stipulation in its filing. Staff objects to the addition of carrying costs to the amount to be recovered.

13. For purposes of settlement, Public Service agrees that the amount to be recovered will not include carrying costs. The rate rider agreed to herein shall be designed to provide for recovery by Public Service, as nearly as practicable, of \$1,682,310.

**C. Amortization Period**

14. The parties agreed in the Rate Case Stipulation that recovery of Y2K expenses should occur through amortization of such expenses over a five-year period. The parties further agreed in the Rate Case Stipulation that Public Service would file a separate tariff sheet during the first half of year 2000, to become effective on or after July 1, 2000, which would propose to implement new rate riders based on a five year amortization period.

15. As noted above, Public Service originally estimated its expenses at the time of the Rate Case Stipulation at \$4,848,609, which, based on test year revenues, would have yielded a Y2K cost adjustment rider of 0.35% over five years. Also noted above, actual expenses incurred were substantially less, \$1,682,310, which, based on test year revenues, would yield a Y2K cost adjustment rider of 0.12% over five years.

16. Staff's previous recommendation of a five-year amortization period was based on Public Service's estimated expenses and Staff's concern with the rate impact of a rate rider designed to recover the estimated amount. Staff now acknowledges that, given the lesser amount

of Total Y2K Expenses to be recovered, a shorter amortization period can be used and still result in a lesser rate impact on customers than previously anticipated. The shorter amortization period also provides for a closer matching between the period when the expenses were incurred by Public Service and the generation of customers from which those expenses will be recovered. In addition, the shorter amortization period reduces the level of carrying costs that Public Service would otherwise incur if the amortization period were longer.

17. For purposes of settlement, the parties agree to a two-year amortization period in calculating the rider.

**D. Base Rate Revenue**

18. As reflected in Exhibit No. TLW-3 attached to Mr. Willemsen's direct testimony, Public Service calculated the rate rider by amortizing the amount to be recovered over the applicable amortization period; then, dividing one year's amortized costs by total base rate revenue (exclusive of purchased gas costs) for the twelve months ending December 31, 1999. The amount of pro forma base rate revenue used in the calculation of the rider is \$274,557,018.

19. The parties agree to use the pro forma base rate revenue of \$274,557,018 in calculating the rider.

**E. Rate Rider Percentage**

20. The Total Y2K Expenses amount of \$1,682,310, when amortized over two years, equals \$841,155 per year. When this amount is divided by total base rate revenue of \$274,557,018, the resulting rate rider is 0.31% over two years. The Total Y2K Expenses amount

is lower than Public Service's original estimate of \$4,848,609, which would have resulted in a rate rider of 0.35% over five years.

21. For purposes of settlement, the parties agree to a rate rider of 0.31% which shall remain in effect until the amount of \$1,682,310 is collected, as provided in Section G of Part II of this Agreement.

**F. Application of Rider to Front Range Pipeline Gas Transportation Service**

22. As outlined in the direct testimony of Public Service witness Timothy Willemsen, Public Service did not propose to apply the Y2K rider to Rate Schedules TF-FRP and TI-FRP, which provide for an additional surcharge rate for gas transportation service that requires use of the Front Range Pipeline. Exclusion of these rate schedules is consistent with Public Service's original proposal to recover Y2K expenses in Docket No. 98S-518G. All gas that is physically transported on the Front Range Pipeline flows into Public Service's system and is thereafter subject to one of Public Service's other gas sales or transportation rate schedules for which the Y2K rider will apply. Staff agrees not to challenge the exemption of Rate Schedules TF-FRP and TI-FRP from application of the rider.

23. For purposes of settlement, the parties agree that the Y2K rider will not apply to Rate Schedules TF-FRP and TI-FRP.

**G. True-Up Mechanism/Termination of Rider**

24. In his direct testimony, Public Service Witness Timothy L. Willemsen testifies that Public Service does not believe that the Rate Case Stipulation requires or contemplated the rider to include a true-up mechanism. Public Service believes that the Rate Case Stipulation only

requires the rate rider to be “designed” to recover actual Y2K expenses over five years. Public Service further believes that it would comply with this provision of the Rate Case Stipulation if it maintains the rider in place for exactly five years, regardless of whether Public Service ultimately recovers more or less than its actual Y2K expenses.

25. Staff’s position is that the purpose of the rider, as set forth in the Rate Case Stipulation, is to allow Public Service to recover its Y2K expenses, no more and no less. Staff’s opinion is that, given the rate of growth Public Service’s gas department is experiencing, allowing the proposed rider to continue for a full five years is likely to result in Public Service recovering significantly more than its Total Y2K Expenses. Staff believes that while the Rate Case Stipulation did not expressly provide for a true-up or rider termination, it is implicit in the Rate Case Stipulation that there be some mechanism to ensure that Public Service does not recover in excess of its actual Y2K expenses.

26. Both Public Service and Staff acknowledge that a true-up is a somewhat complex and costly mechanism that is likely not warranted in this instance. However, Staff’s position is that the rider should terminate at such time as Public Service has fully recovered its Total Y2K Expenses. Staff acknowledges that, for practical reasons considering Public Service’s billing cycles and the size of its customer base, it is impossible for the rider to terminate precisely at the moment that full recovery occurs. Therefore, Staff is amenable to the termination provisions provided below. Staff understands that these termination provisions will allow Public Service to recover in excess of its Total Y2K Expenses, but believes that such excess will be nominal. Public Service believes that any such excess recovery may appropriately be used to partially compensate Public Service for its carrying costs related to the delay in recovering its Total Y2K Expenses.



27. For purposes of settlement, the parties agree that there will not be a true up mechanism for the rider.

28. For purposes of settlement, the parties agree that the Y2K rider will terminate no later than ten (10) business days after the calendar month in which Public Service fully recovers its Total Y2K Expenses. Specifically, the parties agree that Sheet No. 47 shall provide that the Year 2000 Cost Adjustment rider will be automatically terminated effective on a date no later than ten (10) business days after the calendar month in which collection of the \$1,682,310 in Total Y2K Expenses is completed. In accordance with such tariff provision, Public Service shall cease the collection of monies under the Y2K rider no later than ten (10) business days after the calendar month in which Public Service completes collection of \$1,682,310 in revenues under the Y2K rider. Public Service agrees to closely monitor the revenues collected pursuant to Y2K rider and, within 30 days following the end of the calendar month in which Public Service recovers the full amount of the Total Y2K Expenses, Public Service shall file the necessary revised tariff sheets, on not less than one day's notice, to remove all references to the Y2K rider from its Colorado PUC gas tariff.

**H. Footnote Reference to Y2K Rider In Gas Tariff**

29. As outlined in the direct testimony of Public Service witness Timothy Willemsen, Public Service did not specifically reference the Y2K rider in the footnote contained on Sheet Nos. 11, 11A and 11B of its gas tariff. Mr. Willemsen testifies that Public Service is not opposed to revising the footnote to specifically reference the Y2K rider. Staff believes that a reference in the footnotes is appropriate.

30. For purposes of settlement, the parties agree that Public Service will revise the footnote contained on Sheet Nos. 11, 11A and 11B of its gas tariff to specifically reference the Y2K rider.

**I. Pro Forma Tariff Sheets**

31. Attached hereto as Appendix A are *pro forma* tariff Sheet Nos. 3, 10A, 11, 11A, 11B, 47 and 48-49. The parties agree that the *pro forma* tariff sheets attached hereto as Appendix A accurately reflect the resolution of issues between the parties in accordance with this Agreement. The parties further agree that revised tariff sheets in identical form to the *pro forma* tariff sheets contained in Appendix A should be approved by the Commission in conjunction with the Commission's approval of this Agreement and that Public Service should be entitled to implement such revised tariff sheets on not less than one day's notice following a Commission order approving this Agreement.

32. Finally, the parties agree that if this Agreement is approved in its entirety, the tariff sheets filed by Public Service in conjunction with Advice Letter No. 565-Gas and its amendments should be permanently suspended.

**III. IMPLEMENTATION AND PROCEDURAL SCHEDULE**

33. This Agreement shall not become effective until the issuance of a final Commission decision approving this Agreement, which does not require modification of the settlement rates, terms or conditions in this Agreement not acceptable to either of the parties. In the event that the Commission imposes such modified rates, terms or conditions which are unacceptable to either party hereto, then this Agreement shall be considered null and void and of

no force and effect in this or any other proceeding. In the event that this Agreement is not approved, this Agreement, the settlement rates, terms and conditions, as well as the negotiations or discussions undertaken in conjunction with the Agreement, shall not be admissible into evidence in this or any other proceeding.

34. The parties hereto agree that, within ten (10) days of a final Commission decision approving this Agreement, including the *pro forma* tariff sheets attached hereto in Appendix A, Public Service shall file an advice letter in compliance with such final order to implement, on not less than one day's notice, tariff sheets in identical form as the *pro forma* tariff sheets contained in Appendix A. These settlement rates, terms and conditions shall then become final rates, terms and conditions and shall not be subject to modification except in accordance with the Colorado Public Utilities Law and the Commission's Rules and Regulations promulgated thereunder.

35. The parties hereto agree that this Agreement shall be submitted to Administrative Law Judge Dale E. Isley for his review prior to the time now established for hearing in this proceeding, i.e., December 15, 2000.

36. The parties understand that, if Administrative Law Judge Isley issues a recommended decision approving this Agreement in all respects, such recommended decision will not become a decision of the Commission until 20 days thereafter pursuant to § 40-6-114, C.R.S., if no exceptions are filed within 20 days after service or within any extended period of time authorized, or unless the decision is stayed by the Commission upon its own motion. In recognition of the fact that the 120-day suspension period ordered by the Commission in Decision No. C00-954, mailed August 31, 2000, will expire on December 30, 2000, the parties further recognize that the Commission will likely act pursuant to its authority under § 40-6-111(1), C.R.S., to further suspend the effective date of the tariff sheets filed by Public

Service in conjunction with Advice Letter No. 565-Gas and its amendments before such date.

#### IV. GENERAL PROVISIONS

37. The parties agree that all matters that were raised or could have been raised in this docket relating to the issues specifically identified herein have been resolved by this Agreement.

38. Notwithstanding the resolution of the issues set forth in this Agreement, none of the methodologies or ratemaking principles herein contained shall be deemed by the parties to constitute a settled practice or precedent in any future proceeding, and nothing herein shall constitute a waiver by either party with respect to any matter not specifically addressed herein. Further, by entering into this Agreement, no party shall be deemed to have agreed to any principle or method of ratemaking or rate design.

39. The parties acknowledge that the terms set forth in this Agreement are just and reasonable, and reasonably balance the interests of the parties and are in the public interest. In addition, the parties submit that reaching the agreement set forth herein by means of a negotiated settlement, rather than through a formal adversarial process, is also in the public interest. The parties state that approval and implementation of the compromises and settlements reflected in this Agreement will result in savings to all concerned by avoiding litigation, and that the results of such compromises are a just and reasonable resolution of this proceeding.

40. The parties acknowledge that this Agreement represents a compromise of the positions each would assert if the issues resolved herein were litigated. Accordingly, evidence of conduct or statements made in negotiations and discussions in connection with this Agreement shall not be admissible in any proceeding. The parties further agree that nothing contained in this Agreement shall constitute a precedent, admission, concession, acknowledgement or

agreement that may be used by or against the parties in any subsequent proceedings before the Commission or otherwise.

41. The parties agree to present, to support and to defend this Agreement before the Commission and the courts. The parties agree, if necessary, to present testimony and exhibits to the Commission to secure approval of this Agreement. The parties believe that the issues specifically identified herein need no longer be addressed in the hearing in this docket currently scheduled to commence on December 15, 2000.

42. This Agreement shall not become effective until the issuance of a final Commission order approving this Agreement which does not require any modification of the settlement terms or conditions in this Agreement unacceptable to any of the parties hereto. In the event the Commission imposes such modified terms or conditions which are unacceptable to any party hereto, then this Agreement shall be considered null and void and of no force and effect in this or any other proceeding. The parties acknowledge that in anticipation of this Agreement being approved by the Commission, Staff has not filed testimony in this proceeding in accordance with the procedural schedule in place. In the event that this Agreement is not approved by the Commission and the scheduled hearing has not been vacated, the parties agree to jointly petition the Commission to modify the procedural schedule to allow Staff time to file testimony and the parties time to prepare for hearing. In the event that this Agreement is not approved, the settlement terms and conditions, as well as the negotiations or discussions undertaken in conjunction with this Agreement, shall not be admissible into evidence in this or any other proceeding.

Respectfully submitted this 8th day of December, 2000.

**PUBLIC SERVICE COMPANY OF COLORADO**



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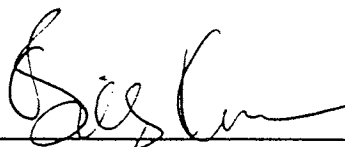


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# APPENDIX

# A

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

Sheet No. 3  
Cancels  
Sheet No. \_\_\_\_\_

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MANAGING DIRECTOR,  
Regulatory Administration

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DATE \_\_\_\_\_



P.O. Box 840  
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Sheet No. 10A

Cancels  
 Sheet No.

NATURAL GAS RATES  
 RULE 10(f) RATE COMPONENTS

| Rate Schedule              | Sheet No. | Type of Charge           | Billing Units | Rate/Charge |   |        |   |
|----------------------------|-----------|--------------------------|---------------|-------------|---|--------|---|
| RG                         | 14        | Metering & Billing       | --            | \$9.13      | I |        |   |
|                            |           | Commodity Costs:         |               |             |   |        |   |
|                            |           | Distribution System      | Therm         | \$0.09916   | I |        |   |
|                            |           | Natural Gas cost         | Therm         | \$0.42660   |   |        |   |
|                            |           | Interstate Pipeline Cost | Therm         | \$0.06690   |   |        |   |
|                            |           | Total                    |               | \$0.59266   | I |        |   |
| CG                         | 16        | Metering & Billing       | --            | \$16.44     | I |        |   |
|                            |           | Commodity Costs:         |               |             |   |        |   |
|                            |           | Distribution System      | Therm         | \$0.09307   | I |        |   |
|                            |           | Natural Gas cost         | Therm         | \$0.42660   |   |        |   |
|                            |           | Interstate Pipeline Cost | Therm         | \$0.06650   |   |        |   |
|                            |           | Total                    |               | \$0.58617   | I |        |   |
| IG                         | 18        | Metering & Billing       | --            | \$91.34     | I |        |   |
|                            |           | On-Peak Demand Cost:     |               |             |   |        |   |
|                            |           | Distribution System      | DTH           | \$6.68      | I |        |   |
|                            |           | Natural Gas cost         | DTH           | \$0.03      |   |        |   |
|                            |           | Interstate Pipeline Cost | DTH           | \$2.77      |   |        |   |
|                            |           |                          |               | Total       |   | \$9.48 | I |
|                            |           | Commodity Costs:         |               |             |   |        |   |
|                            |           | Distribution System      | DTH           | \$0.4425    | I |        |   |
|                            |           | Natural Gas cost         | DTH           | \$4.2610    |   |        |   |
|                            |           | Interstate Pipeline Cost | DTH           | \$0.4630    |   |        |   |
|                            |           | Total                    |               | \$5.1665    | I |        |   |
| Unauthorized Overrun Cost: |           |                          |               |             |   |        |   |
| For Each Occurrence:       |           |                          |               |             |   |        |   |
|                            |           | Distribution System      | DTH           | \$25.37     | I |        |   |

Note: The above rates and charges are for informational bill presentation purposes only in accordance with Commission Rule 10(f) and include the base rates and charges plus all applicable gas rate adjustments. For billing purposes however, reference should be made to the appropriate rate schedules set forth herein.

ADVICE LETTER  
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DECISION  
 NUMBER \_\_\_\_\_

MANAGING DIRECTOR,  
 Regulatory Administration

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PUBLIC SERVICE COMPANY OF COLORADO

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Sheet No. 11

Cancels  
Sheet No. \_\_\_\_\_

NATURAL GAS RATES  
RATE SCHEDULE SUMMATION SHEET

| Rate Schedule | Sheet No. | Type of Charge   | Billing Units           | Base Rate                         | Adjustments (Percent) (1)                | Gas Cost Adjustment        |
|---------------|-----------|--|-------------------------|-----------------------------------|--|----------------------------|
| RG            | 14        | Service and Facility<br>Commodity  | --<br>Therm             | \$9.00<br>0.0977                  | 1.4900%<br>1.4900%                       | \$ --<br>0.4935            |
| RGL           | 15        | One or Two Mantles per month<br>Additional Mantle<br>Commodity                     | <br><br>Therm           | \$5.58<br>2.79                    | 1.4900%<br>1.4900%<br>1.4900%            | --<br>--<br>0.4724         |
| CG            | 16        | Service and Facility<br>Commodity  | --<br>Therm             | \$16.20<br>0.0917                 | 1.4900%<br>1.4900%                       | --<br>0.4931               |
| CGL           | 17        | One or Two Mantles per month<br>Additional Mantle<br>Commodity                     | <br><br>Therm           | \$5.58<br>2.79                    | 1.4900%<br>1.4900%<br>1.4900%            | --<br>--<br>0.4724         |
| IG            | 18        | Service and Facility<br>On-Peak Demand Charge<br>Commodity<br>Unauthorized Overrun | --<br>DTH<br>DTH<br>DTH | \$90.00<br>6.58<br>0.436<br>25.00 | 1.4900%<br>1.4900%<br>1.4900%<br>1.4900% | --<br>2.800<br>4.724<br>-- |

(1) The Rate Adjustment is the sum of the Demand Side Management Cost Adjustment (DSMCA), the Year 2000 Cost Adjustment and any applicable General Rate Schedule Adjustments (GRSA).

ADVICE LETTER  
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Sheet No. 11A  
Cancels  
Sheet No. \_\_\_\_\_

NATURAL GAS RATES  
RATE SCHEDULE SUMMATION SHEET

| Rate Schedule | Sheet No. | Type of Charge                    | Billing Units | Base Rate | Adjustments (Percent) (1) | Gas Cost Adjustment |   |
|---------------|-----------|-----------------------------------|---------------|-----------|---------------------------|---------------------|---|
| TF            | 30        | Service and Facility              | --            | \$60.00   | 1.4900%                   | \$ --               | I |
|               |           | Firm Capacity Reservation Charge: | --            |           |                           |                     |   |
|               |           | Standard                          | DTH           | 4.070     | 1.4900%                   | --                  | I |
|               |           | Minimum                           | DTH           | 0.940     | 1.4900%                   | --                  | I |
|               |           | Transportation:                   |               |           |                           |                     |   |
|               |           | Standard                          | DTH           | 0.250     | 1.4900%                   | 0.047               | I |
|               |           | Minimum                           | DTH           | 0.010     | 1.4900%                   | 0.047               | I |
|               |           | Authorized Overrun                | DTH           | 0.250     | 1.4900%                   | 0.047               | I |
|               |           | Unauthorized Overrun              |               |           |                           |                     |   |
|               |           | Transportation:                   |               |           |                           |                     |   |
|               |           | Standard                          | DTH           | 25.00     | 1.4900%                   | 0.047               | I |
|               |           | Minimum                           | DTH           | 0.250     | 1.4900%                   | 0.047               | I |
|               |           | Firm Supply Reservation           | DTH           | 0.000     | 1.4900%                   | 2.800               | I |
|               |           | Backup Supply                     | DTH           | 0.436     | 1.4900%                   | (2)                 | I |
|               |           | Authorized Overrun                | DTH           | 0.436     | 1.4900%                   | (2)                 | I |
|               |           | Unauthorized Overrun              |               |           |                           |                     |   |
|               |           | Sales:                            |               |           |                           |                     |   |
|               |           | Standard                          | DTH           | 25.00     | 1.4900%                   | --                  | I |
|               |           | Minimum                           | DTH           | 0.436     | 1.4900%                   | --                  | I |

- (1) The Rate Adjustment is the sum of the Demand Side Management Cost Adjustment (DSMCA), the Year 2000 Cost Adjustment and any applicable General Rate Schedule Adjustments (GRSA).
- (2) The Gas Cost Adjustment applicable to this rate is subject to monthly revision as provided for on Sheet No. 50H.

(Continued on Sheet No. 11B)

ADVICE LETTER  
NUMBER \_\_\_\_\_

ISSUE  
DATE \_\_\_\_\_

DECISION  
NUMBER \_\_\_\_\_

MANAGING DIRECTOR,  
Regulatory Administration

EFFECTIVE  
DATE \_\_\_\_\_

PUBLIC SERVICE COMPANY OF COLORADO

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

Sheet No. 11B  
Cancels \_\_\_\_\_  
Sheet No. \_\_\_\_\_

NATURAL GAS RATES  
RATE SCHEDULE SUMMATION SHEET

| Rate Schedule | Sheet No. | Type of Charge                                 | Billing Units | Base Rate | Adjustments (Percent) | Gas Cost (1) Adjustment |   |
|---------------|-----------|--|---------------|-----------|-----------------------|-------------------------|---|
| TI            | 31        | Service and Facility Charge With Phone Line    |               | \$240.00  | 1.4900%               | \$ --                   | I |
|               |           | Service and Facility Charge Without Phone Line |               | \$195.00  | 1.4900%               | \$ --                   | I |
|               |           | Transportation:                                |               |           |                       |                         |   |
|               |           | Standard                                       | DTH           | 0.384     | 1.4900%               | 0.047                   | I |
|               |           | Minimum  | DTH           | 0.010     | 1.4900%               | 0.047                   | I |
|               |           | Authorized Overrun                             |               |           |                       |                         |   |
|               |           | Transportation                                 | DTH           | 0.384     | 1.4900%               | 0.047                   | I |
|               |           | Unauthorized Overrun                           |               |           |                       |                         |   |
|               |           | Transportation:                                |               |           |                       |                         |   |
|               |           | Standard                                       | DTH           | 25.00     | 1.4900%               | 0.047                   | I |
|               |           | Minimum  | DTH           | 0.384     | 1.4900%               | 0.047                   | I |
|               |           | On-Peak Demand                                 | DTH           | 6.58      | 1.4900%               | 2.800                   | I |
|               |           | Backup Supply                                  | DTH           | 0.436     | 1.4900%               | (2)                     | I |
|               |           | Unauthorized Overrun                           |               |           |                       |                         |   |
|               |           | Sales:   |               |           |                       |                         |   |
|               |           | Standard                                       | DTH           | 25.00     | 1.4900%               | --                      | I |
|               |           | Minimum  | DTH           | 0.436     | 1.4900%               | --                      | I |

- (1) The Rate Adjustment is the sum of the Demand Side Management Cost Adjustment (DSMCA), the Year 2000 Cost Adjustment and any applicable General Rate Schedule Adjustments (GRSA).
- (2) The Gas Cost Adjustment applicable to this rate is subject to monthly revision as provided for on Sheet No. 50H.

(Continued on Sheet No. 11C)

ADVICE LETTER NUMBER \_\_\_\_\_  
DECISION NUMBER \_\_\_\_\_

MANAGING DIRECTOR,  
Regulatory Administration

ISSUE DATE \_\_\_\_\_  
EFFECTIVE DATE \_\_\_\_\_

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

Sheet No. 47

Cancels  
Sheet No.

NATURAL GAS RATES  
YEAR 2000 COST ADJUSTMENT

The charge for gas service calculated under Company's gas base rate schedules shall be increased 0.31 percent. Said increase shall not apply to charges determined by the Gas Cost Adjustment provision on Sheet No. 50. The rider shall terminate no later than ten business days following the end of the calendar month in which the Company has fully recovered \$1,682,310.

ADVICE LETTER  
NUMBER \_\_\_\_\_

DECISION  
NUMBER \_\_\_\_\_

MANAGING DIRECTOR,  
Regulatory Administration

ISSUE  
DATE \_\_\_\_\_

EFFECTIVE  
DATE \_\_\_\_\_

PUBLIC SERVICE COMMISSION OF COLORADO

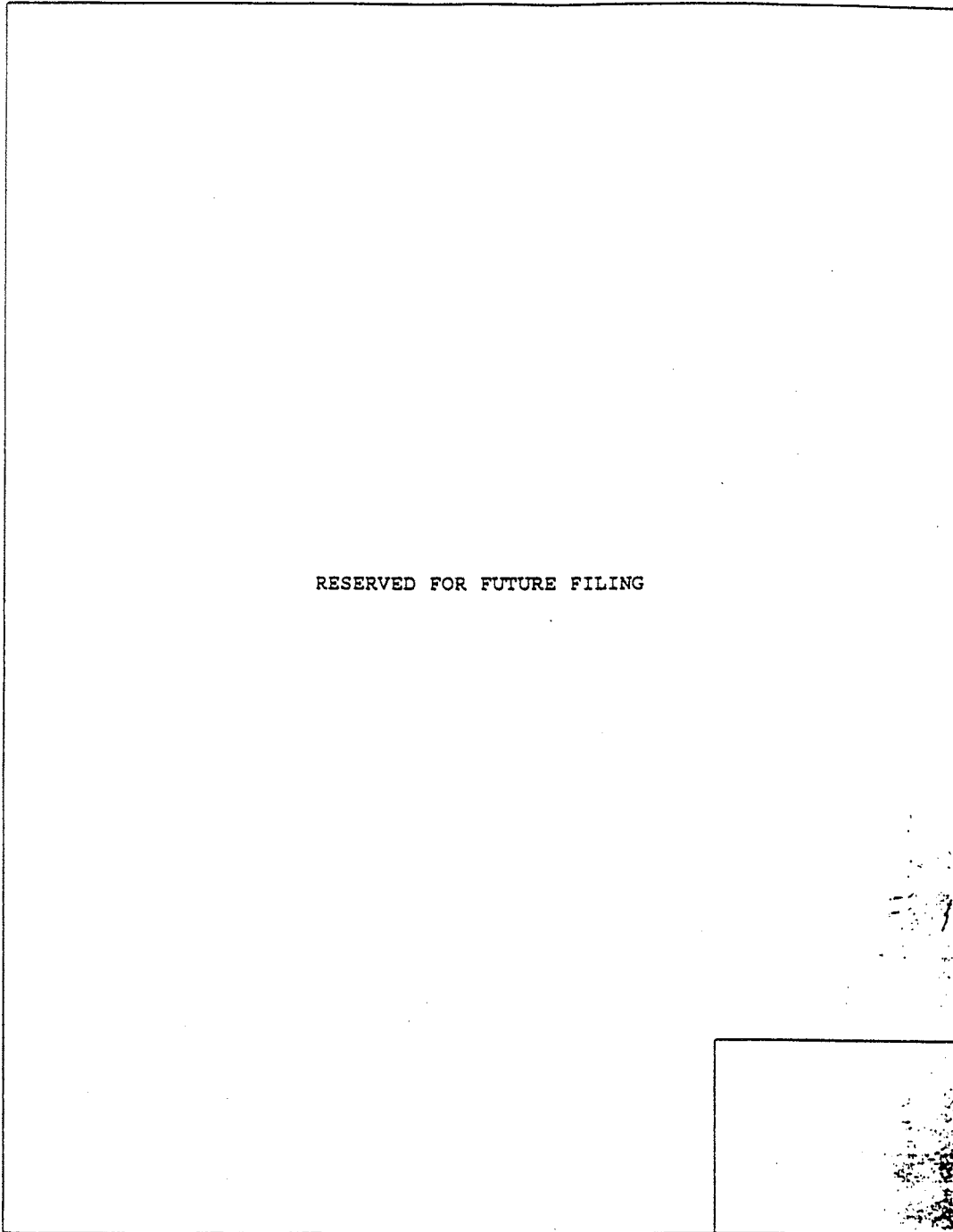
P.O. Box 840  
Denver, CO 80201-0840

Sheet No. 48-49

Cancels

Sheet No. \_\_\_\_\_

Appendix A  
Docket No. 00S-492C  
Decision R00-1473  
December 28, 2000  
Page 22 of 23



RESERVED FOR FUTURE FILING

ADVICE LETTER  
NUMBER \_\_\_\_\_

DECISION  
NUMBER \_\_\_\_\_

MANAGING DIRECTOR,  
Regulatory Administration

ISSUE  
DATE \_\_\_\_\_

EFFECTIVE  
DATE \_\_\_\_\_

CERTIFICATE OF SERVICE

I hereby certify that on the 8<sup>th</sup> day of December, 2000, an original and three (3) copies of the foregoing "STIPULATION AND SETTLEMENT AGREEMENT" were served via hand delivery on:

Bruce Smith, Director  
Colorado Public Utilities Commission  
1580 Logan, OL2  
Denver, CO 80203

and copies were faxed, hand delivered, or placed in the United States Mail, postage prepaid, addressed to:

Billy Kwan  
Public Utilities Commission  
1580 Logan Street, OL2  
Denver, CO 80203

Robert Bergman  
Public Utilities Commission  
1580 Logan Street, OL2  
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Anthony Marquez, Esq.  
Assistant Attorney General  
State Services Section  
1525 Sherman Street, 5th Floor  
Denver, CO 80203

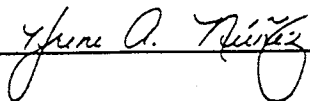
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Director, Revenue Analysis  
Xcel Energy Services Inc.  
1225 Seventeenth Street, Suite 900  
Denver, CO 80202

  
\_\_\_\_\_