



NEWS RELEASE

May 28, 2009
For immediate release

News Release Contact:
Terry Bote, 303-894-2827

PUC APPROVES XCEL ENERGY ELECTRIC RATE CASE SETTLEMENT

DENVER – The Colorado Public Utilities Commission (PUC) today approved a settlement that will increase Xcel Energy electric rates by \$112.2 million, or about 5 percent. The new rates are expected to go into effect on July 1.

The settlement, reached by the company and a majority of parties, including PUC staff and the Office of Consumer Counsel, will increase electric bills by about \$2.94 a month for typical residential customers, based on usage of 625 kilowatt-hours. Rates for small commercial customers would increase by \$4.42 a month, based on usage of 1,025 kilowatt-hours.

Xcel Energy had originally sought \$159.3 million to pay for investments over the last four years in its electric generation and distribution system, including expenses associated with construction of a third generating unit at the Comanche coal plant in Pueblo and additional pollution control equipment for the two existing units; and costs for two new natural gas units at the Fort St. Vrain generating station in Platteville. Negotiations between the parties resulted in a settlement that reduced the proposed increase by \$47 million.

The Commission said the investments and expenses reflected in the settlement, including bringing the new Comanche unit on line in November, were reasonable and necessary, given population and electric demand growth in Colorado. Some public witnesses in the case had called for the Comanche unit to be cancelled or delayed.

“The Commission is committed to a trajectory of reducing carbon emissions produced by utilities over time, and we are taking steps to do that,” PUC Chairman Ron Binz said. “But mothballing a plant with the capacity and efficiency of Comanche would have a jarring effect on rates, and consumers would pay dearly for it. We don’t want to go out of our way to raise rates.”

Xcel Energy also has filed for an additional \$180 million electric rate increase to recover its continuing expenses in generation and utility operations in Colorado. Hearings on that request are expected to be held this fall, with new rates taking effect at the first of the year.

The Colorado Public Utilities Commission (PUC) regulates investor-owned electric, gas and telecommunications utilities in Colorado. The PUC is a division of the Department of Regulatory Agencies (DORA), which is dedicated to preserving the integrity of the marketplace and is committed to promoting a fair and competitive business environment in Colorado. Consumer protection is our mission.

###