



P.O. Box 840
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September 12, 2008

Public Utilities Commission
of the State Of Colorado
1560 Broadway, Suite 250
Denver, Colorado 80202

Re: Disclosure Letter, Docket No. 08I-113EG

Public Service Company of Colorado ("Public Service") submits this disclosure letter in Docket No. 08I-113EG, pursuant to Commission Decision No. C08-0903, paragraph 21. This disclosure is being filed within two business days following a permitted *ex parte* communication with a Commissioner. As required, this disclosure letter states the time, date and place of the meeting, lists the persons attending, and contains a summary description of the topics discussed. This disclosure also provides a copy of all written materials, if any, provided to the Commissioner.

This letter shall serve as disclosure of the communications between Public Service and Commissioner Matt Baker, which occurred from noon to 2:00 on September 10, 2008, at the offices of the Colorado Public Utilities Commission ("Commission"). Scott Wilensky, Roy Palmer, and Scott Brockett represented Public Service. Commission Staff members Geri Santos-Rach and Mike Hydock also attended. Public Service has attached a list of the subject matters discussed. No written materials were provided at the meeting.

Very truly yours,

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Attachment

**PUBLIC SERVICE COMPANY OF COLORADO
SUMMARY DESCRIPTION OF CONVERSATION WITH
COMMISSIONER MATT BAKER ON
SEPTEMBER 10, 2008**

Docket: 08I-113EG

- I. INVESTMENT COMMUNITY'S PERSPECTIVE ON SUPPORTIVE REGULATORY STRUCTURE
 - A. Stakeholder Agreement on Need for Large Investments
 - B. Timely Cost Recovery
 - C. Reasonable Return on Equity

- II. LIKELY TRENDS AND KEY CONCERNS OF COMPANY
 - A. Large Levels of Capital Investments Over Foreseeable Future
 1. Need to Replace Basic Infrastructure
 2. Escalating Costs for Labor, Materials, Etc.
 3. Increasing Obligations for Public-Benefits Programs
 - B. Could Be Approaching Limits on Ability to Raise Capital at Reasonable Rates
 - C. Need for Regulatory Environment That Can instill Confidence in Investment Community and Minimize Financing Costs
 - D. Regulatory Clarification About Which "Path" Utility Should Be Taking to Meet Long-Term Public-Policy Objectives
 - E. Will Regulators Continue to Support This Path As Costs Escalate?

- III. ADVANTAGES AND DISADVANTAGES OF VARIOUS ALTERNATIVES TO CURRENT REGULATORY REGIME IN COLORADO
 - A. Price Cap Regulation
 - B. Multi-year, Forecasted Cost of Service and Revenues w/ Corresponding Rate Changes
 - C. Formula Rates
 - D. Forecasted Test Years With Set Filing Schedules
 - E. Need for Riders Under Each Alternative

- IV. EXAMPLES OF STATES USING THESE ALTERNATIVE APPROACHES

- V. CAN VARIOUS REGULATORY ALTERNATIVES BE RANKED?

- VI. IMPORTANCE AND WAYS OF ENSURING OPTIMAL MIX OF UTILITY-OWNED AND PURCHASED RESOURCES

- VII. SHOULD SECURITIZATION BE CONSIDERED AS MEANS OF REDUCING FINANCING COSTS?