



P.O. Box 840
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September 17, 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 Ron Binz, which occurred from 1pm to 2:30pm on September 15, 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,

A handwritten signature in black ink, appearing to read "Scott Brockett".

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Attachment

**SUMMARY DESCRIPTION OF CONVERSATION WITH
COMMISSIONER RON BINZ ON SEPTEMBER 15**

- I. REGULATORY GOALS**
 - A. Efficacy of Regulation
 - B. Vital Role of Incentives

- II. IMPORTANCE OF BENCHMARKING**
 - A. Benchmarks the Company Uses
 - B. Trending Analyses vs. Cross-Sectional Analyses

- III. IMPACT OF RATE-BASE, ROR REGULATION ON COMPANY INCENTIVE TO OWN VS. PURCHASE OR LEASE**
 - A. Impact of Regulatory Lag on Decision
 - B. Impact of Overall Capital Expenditures

- IV. IS RETURN APPLIED TO RATE BASE THE BEST WAY TO SET UTILITY EARNINGS?**
 - A. Issues w/ Large Transmission Investments
 - B. Need to Facilitate Increasing Investments in Future

- V. PROs AND CONs OF REVENUE DECOUPLING**

- VI. THIRD-PARTY ADMINISTRATION OF DSM PROGRAMS**
 - A. Difficulty in Assessing Performance
 - B. Xcel Energy's DSM Expertise
 - C. Value Xcel Energy Derives From DSM

- VII. OVER TIME, INCREASED COSTS AND SLOWER SALES GROWTH WILL INCREASE EARNINGS DEFICIENCIES**

- VIII. EXPLANATION OF MN MERP RIDER**

- IX. IMPORTANT ELEMENTS OF REGULATORY APPROACH THAT ENSURES UTILITY'S FINANCIAL HEALTH**
 - A. Timely Cost Recovery
 - B. Reasonable Return on Equity
 - C. Regulatory Buy-In on Major Decisions

- X. NEED TO ALIGN UTILITY INCENTIVES WITH PUBLIC-POLICY GOALS**