

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO**

**RE: THE TARIFF SHEETS FILED BY PUBLIC)
SERVICE COMPANY OF COLORADO WITH) DOCKET NO. 04S-164E
ADVICE LETTER NO. 1411 - ELECTRIC)**

**SETTLEMENT AGREEMENT RESOLVING ISSUES ON
INTERRUPTIBLE ELECTRIC SERVICE**

Public Service Company of Colorado (“Public Service” or “Company”), the Staff of the Colorado Public Utilities Commission (“Staff”), the Colorado Energy Consumers Group (“CEC”), the Federal Executive Agencies (“FEA”), the Colorado Office of Consumer Counsel (“OCC”); and CF&I Steel, L.P. (collectively, the “Parties”)¹ hereby enter into this Settlement Agreement regarding the Company’s proposed electric interruptible service option credit (“ISOC”) program.

Introduction

On March 24, 2004, Public Service filed Advice Letter No. 1411 – Electric with the Commission, tendering revised tariff sheets in which the Company proposed its rate design to collect the revenue requirement authorized by the Commission in Decision No. C03-0877, the final order in Docket No. 02S-315EG. The Company also filed Direct Testimony and Exhibits in support of the proposed rate design. The Company’s revised tariff sheets are collectively referred to as

¹ Climax Molybdenum Company neither joins in nor opposes this Settlement Agreement.

its Phase 2 tariff sheets. Among the proposals made by the Company was a proposal to restructure its interruptible program for those customers who are willing to have their electric service interrupted for economic need or when system resources are constrained.

The Intervenors filed their Answer Testimony and Exhibits on October 12, 2004. On December 13, 2004, Public Service filed Rebuttal Testimony and Exhibits and other parties filed Cross-Answer Testimony and Exhibits.

Hearings were scheduled from January 10 through January 28, 2005. At the hearing on January 10, the Company requested suspension of hearings to afford time to negotiate settlement of some of the contested issues in this docket. The Commission agreed to continue the hearings until January 12, 2005 for the purpose of having the Company provide a status report regarding the progress of settlement discussions. On January 12, 2005, the Commission continued the hearings until January 18, 2005.

Subsequent to the Commission's suspension of the hearings in this proceeding, the Company has been engaged in settlement discussions with all intervenors who have taken a position in this proceeding regarding the ISOC program. These settlement discussions have been successful. The Parties have reached compromise and settlement on all contested issues relating to the ISOC program. If approved by the Commission, the ISOC program shall operate as described in the revised ISOC tariff that is attached to this Settlement Agreement as Exhibit A. Exhibit A to this Settlement Agreement is a further modified version of the proposed tariff language attached to the Rebuttal Testimony and Exhibits

of Public Service witness Timothy Sheesley as Exhibit TJS-6. The resolution of all contested issues relating to the ISOC program is set forth in this Settlement Agreement. The revised ISOC tariff that has been agreed to by the Parties is attached as Exhibit A.

Agreement

The Parties to this Settlement Agreement hereby agree to the following resolution of the issues raised in this proceeding relating to the Company's proposed ISOC program.

1. The Parties agree that the Contract Interruptible Load for each calendar year shall be equal to the median of the customer's maximum daily 15 minute integrated kW demands occurring between the hours of 12:00 noon and 8:00 p.m., Monday through Friday, excluding federal holidays, during the period June 1 through September 30 of the prior year. In extraordinary circumstances, a customer that has entered into an Interruptible Service Option Agreement may seek a ruling from the Commission that its Contract Interruptible Load should be calculated using load data from the year one year prior to the year normally used to calculate the Contract Interruptible Load under the tariff. In order to obtain such ruling, the customer must show that, due to extraordinary circumstances, the load data that would normally be used to calculate its Contract Interruptible Load under the tariff is less representative of what the customer's load is likely to be in the following year than its load data from the year one year prior to the period normally used.

2. CF&I has advised Staff, the OCC, and the Company that it intends to replace its two arc furnaces with a single larger furnace during the summer of 2005. This construction project will require CF&I to take its existing arc furnaces out of service in sequence during the 2005 summer season, reducing its peak demand by approximately 50% or more for approximately three months. CF&I expects to resume full operations at or near historic levels late in 2005 and continuing in 2006. The Company agrees to support a filing by CF&I to use load data from 2004 to calculate the Contract Interruptible Load for CF&I applicable in 2006 under the circumstances set forth in this paragraph. Staff and the OCC agree not to oppose a filing by CF&I that is consistent with the content of this Paragraph.

3. The Parties agree that the Company shall calculate the credit per kWh for Avoided Energy Cost using a 50 percent load factor adjustment as proposed in the Company's Direct Testimony and Exhibits.

4. The Company agrees that the buy-through price paid by a customer who elects to buy-through an Economic Interruption shall be equal to the actual cost of the buy-through energy acquired by the Company plus 3 mils per kWh. The methodology for calculating the actual cost shall be as set forth in Exhibit A under the heading "Buy-Through – Economic Interruptions."

5. Once the Company has called an Economic Interruption, the Company agrees to provide interruptible customers, by electronic mail delivered to the address as specified in the Interruptible Service Option Agreement, with an updated estimate of the buy-through price once each hour during the interruption.

If the updated estimate exceeds the estimated buy-through price first provided to the interruptible customer(s), then any customer that elected initially to buy through the Economic Interruption will have 15 minutes after being notified of the updated estimate to advise the Company that such customer desires to be interrupted at the start of the next hour. The minimum duration of any Economic Interruption under this Paragraph shall be four hours from the time that the Company designated when it first called for the Economic Interruption.

6. The Company agrees to permit interruptible customers to provide advance election to buy-through up to a specified price. Such election shall be made no later than the last business day prior to the first day of the month to which the election will apply and shall be delivered to the customer's service representative by electronic mail as provided in the customer's Interruptible Service Option Agreement. Any customer with a standing buy-through order shall have the option, within the 15-minute notice period, to advise the Company that it desires to be interrupted. Further, in the event that the buy-through price exceeds the customer-specified price, the customer may nevertheless elect to buy-through the interruption by providing the Company with the required notice within 15 minutes.

7. Public Service agrees that it shall not call an Economic Interruption more than once each day.

8. Public Service shall include in the revised ISOC tariff a definition of Contingency Interruption, applicable only to interruptible customers receiving service under the less than ten-minute notice provision, to clarify that the

Company may interrupt such customers at any time when the Company believes, in its sole discretion, that interruption is necessary for the Company to be able to meet its disturbance control standard (“DCS”) criteria.

9. Capacity Interruptions shall include interruptions caused by capacity constraints and system disturbances on the Company’s generation and transmission systems, but shall not include interruptions due to constraints or disturbances on the Company’s distribution system.

10. The Parties agree that the Company shall be permitted to recover all credits paid under the ISOC program through the Demand Side Management Cost Adjustment (“DSMCA”) mechanism , or its successor mechanism. At the time the Company makes its annual filing to revise the DSMCA, it shall provide Staff with workpapers showing the level of credits the Company seeks to recover through the mechanism.

11. Public Service shall prepare a report setting forth the date, time and duration of all Economic, Contingency and Capacity interruptions occurring during the prior calendar year, including the date, time, duration and reason for any capacity interruption due to constraints or system disturbances on its transmission system. Public Service shall also perform an analysis of the costs and benefits of the ISOC program for the prior calendar year and for the entire period in which the ISOC has been in effect. Public Service shall provide its interruption data and the results of its cost/benefit analyses to the Commission and to the signatories to this Settlement Agreement annually beginning on April 1, 2006 and thereafter until the earlier of the date on which the Company

discontinues the ISOC program or the Commission issues a final order in the Company's next Phase 2 rate proceeding. The Company's cost/benefit analysis will consist of estimating the load on the system as if the interruption(s) had not occurred and determining the avoided energy cost using the Company's unit optimization model and including as inputs the market energy prices during the hours that the interruption(s) occurred. The Company will also estimate the capacity value of the program. The Company shall provide Staff with the workpapers supporting its cost/benefit analyses at the time it files its report with the Commission.

General Terms and Conditions

12. This Settlement Agreement reflects the compromise and settlement of all issues raised or that could have been raised in this docket in regard to the ISOC program.

13. All signatories agree to support this Settlement Agreement and to join in a motion that requests the Commission approve the Settlement Agreement and to comply with all provisions of this Settlement Agreement that are binding upon all Parties to this agreement.

14. This Settlement Agreement is a negotiated compromise of issues related to the Company's proposed ISOC program that is supported by the Parties.. Nothing contained herein shall be deemed to constitute an admission or an acceptance by any Party of any fact, principle, or position contained herein. Notwithstanding the foregoing, by signing this Settlement Agreement and by joining in the motion to approve the agreement, the Parties acknowledge that

they pledge support for Commission approval and subsequent implementation of these provisions.

15. This Settlement Agreement shall be treated as a complete package as it relates to the Company's ISOC program. To accommodate the interests of different Parties on various issues, the Parties acknowledge that changes, concessions, or compromises by a Party or Parties in one section of this Settlement Agreement necessitated changes, concessions, or compromises by other Parties in other sections.

16. The Parties agree that all pre-filed testimony and exhibits relating to the Company's proposed ISOC program and tariff shall be admitted into evidence in this docket without cross-examination.

17. This Settlement Agreement shall not become effective until the issuance of a final Commission Order approving the agreement which Order does not contain any modification of the terms and conditions of this Settlement Agreement that is unacceptable to any of the Parties. In the event the Commission modifies this Settlement Agreement in a manner unacceptable to any Party, that Party shall have the right to withdraw from this agreement and proceed to hearing on the issues that may be appropriately raised by that Party in this docket. The withdrawing Party shall notify the Commission and the other Parties to the Settlement Agreement by e-mail within 3 business days of the Commission-ordered modification that the Party is withdrawing from the Settlement Agreement and that the Party is ready to proceed to hearing; the e-

mail shall designate the precise issue or issues upon which the Party desires to proceed to hearing (the "Hearing Notice").

18. The withdrawal of a Party shall not automatically terminate this Settlement Agreement as to the withdrawing Party or any other Party. However, within 3 business days of the date of the Hearing Notice from the first withdrawing Party, all Parties shall confer to arrive at a comprehensive list of issues that shall proceed to hearing and a list of issues that remain settled as a result of the first Party's withdrawal from this Settlement Agreement. Within 5 business days of the date of the Hearing Notice, the Parties shall file with the Commission a formal notice containing the list of issues that shall proceed to hearing and the list of issues that remain settled. The Parties who proceed to hearing shall have and be entitled to exercise all rights with respect to the issues that are heard that they would have had in the absence of this Settlement Agreement. Hearings shall be scheduled on all of the issues designated in the formal notice filed with the Commission as soon as practicable.

19. In the event that this Settlement Agreement is not approved, or is approved with conditions that are unacceptable to any Party who subsequently withdraws, the negotiations or discussions undertaken in conjunction with the agreement shall not be admissible into evidence in this or any other proceeding for any purpose, except as may be necessary in any proceeding to enforce this Settlement Agreement.

20. Approval by the Commission of this Settlement Agreement shall constitute a determination that the agreement represents a just, equitable, and

reasonable resolution of all issues that were or could have been contested among the Parties in this proceeding relating to the Company's proposed ISOC program and tariff. The Parties state that reaching agreement in this docket by means of a negotiated settlement is in the public interest and that the results of the compromises and settlements reflected by this Settlement Agreement are just, reasonable, and in the public interest.

21. All Parties to this Settlement Agreement have had the opportunity to participate in the drafting of this agreement. There shall be no legal presumption that any specific Party was the drafter of this agreement.

22. This 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 agreement.

Dated this 18th day of January, 2005.

PUBLIC SERVICE COMPANY OF
COLORADO

STAFF OF THE COLORADO
PUBLIC UTILITIES COMMISSION

By: 

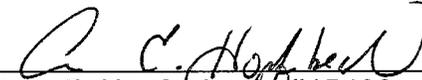
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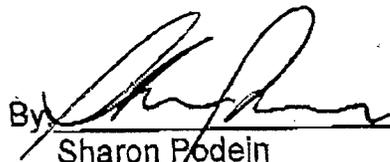
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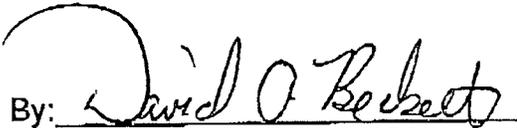
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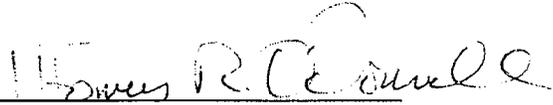
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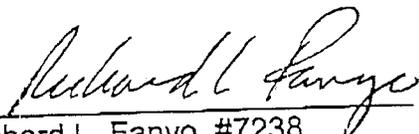
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Attachment A
Decision No. C05-0412
DOCKET NO. 04S-164E
Page 15 of 22

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Attorneys for CF&I Steel, L.P.

PUBLIC SERVICE COMPANY OF COLORADO

Sheet No. 90

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

Cancels
Sheet No.

Attachment A
Decision No. C05-0412
DOCKET NO. 04S-164E
Page 16 of 22

ELECTRIC RATES	RATE
INTERRUPTIBLE SERVICE OPTION CREDIT	
SCHEDULE ISOC	
<p><u>APPLICABILITY</u></p>	
<p>Applicable as an interruptible service option to customers who receive electric service under the Company's General Service rate Schedules SG, PG or TG. Not applicable to customers who receive electric service under the Company's Standby Service rate Schedules SST, PST, or TST.</p>	
<p><u>AVAILABILITY</u></p>	
<p>Optional service under this rate schedule is available to customers that have entered into a written, signed and dated Interruptible Service Option Agreement that specifies the Contract Firm Demand, as well as the customer specific data necessary for the Company to calculate the customer's Monthly Credit as set forth below.</p>	
<p>To qualify under this schedule, a customer must have a Contract Interruptible Load of 500 kilowatts or greater, as defined below. Also, customer must achieve an Interruptible Demand of at least 500 kilowatts during each of the four summer peak season months of June, July, August and September of the prior year.</p>	
<p>Customers receiving service under the less than ten-minute notice provision of this schedule must provide the Company with physical control of their interruptible load.</p>	
<p>Customers receiving service under this schedule shall be billed on a calendar month basis, such that the first day of each month shall be the beginning and the last day of each month shall be the end of the monthly billing period.</p>	
<p><u>CONTRACT INTERRUPTIBLE LOAD</u></p>	
<p>The Contract Interruptible Load for each calendar year shall be equal to the median of the customer's maximum daily 15 minute integrated kW demands occurring between the hours of 12:00 noon and 8:00 p.m., Monday through Friday, excluding federal holidays, during the period June 1 through September 30 of the prior year. The Company shall calculate the Contract Interruptible Load before January 1st of each year. If the Company determines that the Contract Interruptible Load is less than 500 kilowatts, then the Interruptible Service Option Agreement shall terminate at the end of the then current contract term.</p>	
<p>(Continued on Sheet No. 90A)</p>	

ADVICE LETTER NUMBER _____

ISSUE DATE _____

DECISION NUMBER _____

VICE PRESIDENT,
Policy Development

EFFECTIVE DATE _____

PUBLIC SERVICE COMPANY OF COLORADO

Sheet No. 90A

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

Cancels
Sheet No.

Attachment A
Decision No. C05-0412
DOCKET NO. 04S-164E
Page 17 of 22

ELECTRIC RATES INTERRUPTIBLE SERVICE OPTION CREDIT	RATE
SCHEDULE ISOC	
<p><u>CONTRACT INTERRUPTIBLE LOAD cont.</u></p> <p>In extraordinary circumstances, a customer that has entered into an Interruptible Service Option Agreement may seek a ruling from the Commission that its Contract Interruptible Load should be calculated using load data from the year one year prior to the year normally used to calculate the Contract Interruptible Load under the tariff. In order to obtain such ruling, the customer must show that, due to extraordinary circumstances, the load data that would normally be used to calculate its Contract Interruptible Load under the tariff is less representative of what the customer's load is likely to be in the following year than its load data from the year one year prior to the period normally used.</p> <p><u>CONTRACT FIRM DEMAND</u></p> <p>The Contract Firm Demand is that portion of the customer's total load that is not subject to interruptions by Company, as specified in the Interruptible Service Option Agreement.</p> <p><u>INTERRUPTIBLE DEMAND</u></p> <p>The Interruptible Demand, determined by meter measurement, shall be the maximum fifteen (15) minute integrated kilowatt demand used during the month, less the Contract Firm Demand, if any, but not less than zero. Interruptible Demand is measured between the hours of 12:00 noon to 8:00 p.m. Monday through Friday, excluding federal holidays.</p> <p style="text-align: center;">(Continued on Sheet No. 90B)</p>	
<p>ADVICE LETTER NUMBER _____</p> <p>DECISION NUMBER _____</p> <p style="text-align: center;">VICE PRESIDENT, Policy Development</p> <p>ISSUE DATE _____</p> <p>EFFECTIVE DATE _____</p>	

PUBLIC SERVICE COMPANY OF COLORADO

Sheet No. 90B

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

Cancels
Sheet No.

Attachment A
Decision No. C05-0412
DOCKET NO. 04S-164E
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ELECTRIC RATES	RATE																								
INTERRUPTIBLE SERVICE OPTION CREDIT																									
SCHEDULE ISOC																									
<u>DEFINITIONS</u>																									
<p><u>Number of Interruptible Hours (Ha).</u> The number of hours in the year that each customer elects as interruptible as set forth in the Interruptible Service Option Agreement. The options for Ha are 40 hours, 80 hours, 160 hours, and 200 hours.</p>																									
<p><u>Capacity Availability (Ca).</u> A percentage based on the Number of Interruptible Hours (Ha) set forth in the Interruptible Service Option Agreement. The Ca applicable to each Ha option is as follows:</p>																									
<table border="0"> <tr> <td colspan="4"><u>Interruption Hours</u></td> </tr> <tr> <td style="text-align: center;"><u>Ha</u></td> <td style="text-align: center;"><u>Ca <10 Min.</u></td> <td style="text-align: center;"><u>Ca 1-hour</u></td> <td style="text-align: center;"><u>Ca 8 hours</u></td> </tr> <tr> <td style="text-align: center;">40 hours</td> <td style="text-align: center;">57%</td> <td style="text-align: center;">40%</td> <td style="text-align: center;">24%</td> </tr> <tr> <td style="text-align: center;">80 hours</td> <td style="text-align: center;">75%</td> <td style="text-align: center;">55%</td> <td style="text-align: center;">35%</td> </tr> <tr> <td style="text-align: center;">160 hours</td> <td style="text-align: center;">82%</td> <td style="text-align: center;">64%</td> <td style="text-align: center;">45%</td> </tr> <tr> <td style="text-align: center;">200 hours</td> <td style="text-align: center;">84%</td> <td style="text-align: center;">67%</td> <td style="text-align: center;">51%</td> </tr> </table>		<u>Interruption Hours</u>				<u>Ha</u>	<u>Ca <10 Min.</u>	<u>Ca 1-hour</u>	<u>Ca 8 hours</u>	40 hours	57%	40%	24%	80 hours	75%	55%	35%	160 hours	82%	64%	45%	200 hours	84%	67%	51%
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<p><u>Notice Factor (Nf).</u> A percentage based on the amount of advance notice that each customer elects to receive prior to interruption, as set forth in the Interruptible Service Option Agreement. The Nf is as follows:</p>																									
<table border="0"> <tr> <td style="text-align: center;"><u>Advance Notice</u></td> <td style="text-align: center;"><u>Nf</u></td> </tr> <tr> <td style="text-align: center;">Less than 10 minutes</td> <td style="text-align: center;">182%</td> </tr> <tr> <td style="text-align: center;">Less than one hour</td> <td style="text-align: center;">100%</td> </tr> <tr> <td style="text-align: center;">Less than eight hours</td> <td style="text-align: center;">68%</td> </tr> </table>		<u>Advance Notice</u>	<u>Nf</u>	Less than 10 minutes	182%	Less than one hour	100%	Less than eight hours	68%																
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<p><u>System Loss Factors (Slf).</u> The System Loss Factors are as follows:</p>																									
<table border="0"> <tr> <td style="text-align: center;"><u>Delivery Level</u></td> <td style="text-align: center;"><u>Slf</u></td> </tr> <tr> <td style="text-align: center;">Secondary Distribution Voltage</td> <td style="text-align: center;">1.0456</td> </tr> <tr> <td style="text-align: center;">Primary Distribution Voltage</td> <td style="text-align: center;">1.0229</td> </tr> <tr> <td style="text-align: center;">Transmission voltage</td> <td style="text-align: center;">1.0000</td> </tr> </table>		<u>Delivery Level</u>	<u>Slf</u>	Secondary Distribution Voltage	1.0456	Primary Distribution Voltage	1.0229	Transmission voltage	1.0000																
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Secondary Distribution Voltage	1.0456																								
Primary Distribution Voltage	1.0229																								
Transmission voltage	1.0000																								
<p><u>Avoided Energy Cost (Av).</u> The Avoided Energy Cost is \$0.00114 per kilowatt-hour (\$/kWh). The Avoided Energy Cost shall be updated annually on January 1 at the time the Company updates its Electric Commodity Adjustment ("ECA") to reflect gas prices in the ECA.</p>																									
(Continued on Sheet No. 90C)																									

ADVICE LETTER NUMBER _____

ISSUE DATE _____

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VICE PRESIDENT,
Policy Development

EFFECTIVE DATE _____

PUBLIC SERVICE COMPANY OF COLORADO

Sheet No. 90C

P.O. Box 840
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Cancels
Sheet No.

Attachment A
Decision No. C05-0412
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ELECTRIC RATES	RATE
INTERRUPTIBLE SERVICE OPTION CREDIT	
SCHEDULE ISOC	
<p><u>MONTHLY CREDIT</u></p> <p>The Monthly Credit shall be calculated by multiplying the Monthly Credit Rate (MCR) by the lesser of the customer's Contract Interruptible Load or the actual Interruptible Demand during the billing month.</p> <p>The MCR shall be revised effective January 1st each year, and shall remain in effect for the calendar year. The MCR shall vary by season. The summer season shall be June 1 through September 30, and the winter season shall be October 1 through May 31. The MCR shall be calculated separately for each customer using the following equation:</p> <p style="padding-left: 40px;">Summer Monthly Credit, per kW-month:</p> $MCR = [(\$4.83 * Ca * Nf) + (\$0.00114 * Ha)] * Slf * 130\%$ <p style="padding-left: 40px;">Winter Monthly Credit, pr kW-month:</p> $MCR = [(\$4.83 * Ca * Nf) + (\$0.00114 * Ha)] * Slf * 85\%$	
<p><u>SERVICE PERIOD</u></p> <p>All contracts for service under this schedule shall be for an initial two-year term, with automatic one-year renewal terms. A customer must provide the Company six months written notice to cancel service under this schedule.</p> <p>Any time during the first year of service under this schedule a customer may opt to cancel its contract by returning all monthly credits paid by the Company up until the date of cancellation. No additional payment will be assessed.</p>	
<p><u>EARLY TERMINATION PENALTY</u></p> <p>Any customer who cancels service without complying with the Service Period requirements under this schedule shall be required to pay the Company, as a penalty, an amount equal to the product of one hundred and ten percent (110%) times the customer's Contract Interruptible Load times the customer's MCR for each of the remaining months of the unexpired contract term.</p>	
<p>(Continued on Sheet No. 90D)</p>	

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ELECTRIC RATES	RATE
<p>INTERRUPTIBLE SERVICE OPTION CREDIT</p>	
<p style="text-align: center;">SCHEDULE ISOC</p> <p><u>EARLY TERMINATION PENALTY cont.</u> In addition, the customer shall reimburse the Company for the direct cost incurred by the Company for equipment (including its installation cost, less salvage value) to measure the customer's Interruptible Demand and to interrupt the customer.</p> <p><u>OBLIGATION TO INTERRUPT</u> When the Company asks the customer to interrupt its available interruptible load, the customer must be willing to reduce its load to the level of customer's Contract Firm Demand.</p> <p><u>ECONOMIC INTERRUPTIONS</u> The Company reserves the right to call an Economic Interruption for one or more customers once per day when the Company believes, in its sole discretion, that calling an interruption will lower its overall system costs compared to what the overall system cost would be in the absence of the interruption. The duration of any Economic Interruption shall not be less than four hours. Customers under the less than 10-minute and 1-hour notice provisions will have at least 1-hour notice of an Economic Interruption. Customers under the 8-hour notice provision will have 8-hours notice of an Economic Interruption.</p> <p><u>BUY THROUGH - ECONOMIC INTERRUPTIONS</u> Customers will have 15 minutes after being notified of an economic interruption to elect to buy-through all or a portion of their available interruptible load. Such notice shall advise customers of the Company's best estimate of the buy-through price. The buy-through price shall be the actual cost of buy-through energy incurred by the Company. The actual cost shall be calculated by taking the weighted average cost, as determined by the Company's Cost Calculator or its successor, plus 3 mils per kWh, for the block of electricity used to serve the customer(s) who elected to buy-through. For purposes of this calculation, the Company shall assume that the block of electricity used is the highest cost block of electricity consumed in each buy-through hour.</p> <p style="text-align: center;">(Continued on Sheet No. 90E)</p>	

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<p>INTERRUPTIBLE SERVICE OPTION CREDIT</p>	
<p style="text-align: center;">SCHEDULE ISOC</p> <p><u>BUY THROUGH - ECONOMIC INTERRUPTIONS cont.</u></p> <p>Once the Company has called an Economic Interruption, the Company agrees to provide interruptible customers, by electronic mail delivered to the address as specified in the Interruptible Service Option Agreement, with an updated estimate of the buy-through price once each hour during the interruption. If the updated estimate exceeds the estimated buy-through price first provided to the interruptible customer(s), then any customer that elected initially to buy through the Economic Interruption will have 15 minutes after being notified of the updated estimate to advise the Company that such customer desires to be interrupted at the start of the next hour. The minimum duration of any Economic Interruption under this Paragraph shall be four hours from the time that the Company designated when it first called for the Economic Interruption.</p> <p>Customers may provide advance election to buy-through up to a specified price. Such election shall be made no later than the last business day prior to the first day of the month to which the election will apply and shall be delivered to the customer's service representative by electronic mail as provided in the customer's Interruptible Service Option Agreement. Any customer with a standing buy-through order shall have the option, within the 15 minute notice period, to advise the Company that it desires to be interrupted. Further, in the event that the buy-through price exceeds the customer-specified price, the customer may nevertheless elect to buy-through the interruption by providing the Company with the required notice within 15 minutes.</p> <p><u>FAILURE TO INTERRUPT - ECONOMIC INTERRUPTIONS</u></p> <p>In the event that any customer fails to interrupt during an Economic Interruption, the customer will be deemed by the Company to have failed to interrupt for all demand that the customer was obligated to interrupt but did not interrupt. The failure-to-interrupt charge shall be equal to the highest incremental price for power during the Economic Interruption, as determined by the Company after the fact, including market costs, unit start-up cost, spinning reserve costs and reserve penalty costs, if any. The charge will only apply to the portion of the load the customer fails to interrupt.</p>	
<p>(Continued on Sheet No. 90F)</p>	

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INTERRUPTIBLE SERVICE OPTION CREDIT	
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<p><u>CAPACITY INTERRUPTIONS</u></p>	
<p>The Company reserves the right to call a Capacity Interruption for one or more customers at any time when the Company believes, in its sole discretion, that generation or transmission capacity is not sufficiently available to serve its firm load obligations other than obligations to make intra-day energy sales. The duration of any Capacity Interruption shall not be less than four hours.</p>	
<p><u>CONTINGENCY INTERRUPTION</u></p>	
<p>The Company reserves the right to call a Contingency Interruption for one or more customers receiving service under the less than 10-minute notice provision at any time when the Company believes, in its sole discretion, that interruption is necessary for the Company to be able to meet its disturbance control standard (DCS) criteria. The duration of any Contingency Interruption shall not be less than four hours.</p>	
<p><u>FAILURE TO INTERRUPT - CAPACITY & CONTINGENCY INTERRUPTIONS</u></p>	
<p>In the event the customer fails to interrupt during a capacity or contingency interruption, the customer shall pay the Company fifty percent (50%) percent of the customer's expected annual credit for all demand that the customer was obligated to interrupt but did not interrupt. The penalty will apply only to the portion of the load that the customer fails to interrupt. After the customer fails to interrupt twice, the Company shall have the option to cancel the Interruptible Service Option Agreement. If the contract is cancelled, the customer shall not be eligible for service under this rate schedule for a minimum of one year.</p>	

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