

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO

IN THE MATTER OF THE APPLICATION OF)
PUBLIC SERVICE COMPANY OF)
COLORADO FOR AN ORDER EXTENDING) DOCKET NO.15A-0662EG
ITS APPROVED ELECTRIC AND GAS)
QUALITY OF SERVICE PLANS THROUGH)
DECEMBER 31, 2018)

STIPULATION AND SETTLEMENT AGREEMENT

I. INTRODUCTION

Public Service Company of Colorado (“Public Service” or the “Company”), the Trial Staff of the Public Utilities Commission (“Staff”), and the Colorado Energy Consumers (“CEC”) (individually, a “Party,” and collectively, the “Parties”) hereby enter into this Stipulation and Settlement Agreement (“Stipulation”) resolving all issues that have been raised or could have been raised in Docket No. 15A-0662EG. This Stipulation sets forth all the terms and conditions of such settlement.

The Parties to this Stipulation state that the results of the compromises reflected herein are a just and reasonable resolution of the issues addressed in this Stipulation, and that reaching agreement as set forth herein by means of a negotiated settlement is in the public interest. Each Party hereto pledges its support of this Stipulation. The Settling Parties respectfully request that the Public Utilities Commission of the State of Colorado (“Commission” or “PUC”) approve this Stipulation.

II. BACKGROUND

1. On August 10, 2015, Public Service filed an Application for approval to extend the current Quality of Service Plan (“QSP”) for an additional three years to December 31, 2018.

2. The QSP was originally put into effect on January 1, 2007 in compliance with Decision Nos. C06-1303 and C06-1487 issued in Proceeding No. 05A-288E. The QSP was subsequently extended through December 31, 2012 by Decision No. C09-1159 issued in Proceeding No. 09A-497EG. Most recently, the QSP was extended through December 31, 2015 by Decision No. R13-0734 issued in Proceeding No. 12A-0778EG. The QSP approved most recently in Proceeding No. 12A-778EG is the same QSP that is the subject of this Proceeding.

3. As part of the Commission’s decision approving the most recent extension of the QSP in Proceeding No. 12A-778EG, the Commission also approved a Settlement Agreement (“the Prior Settlement Agreement”) entered into between Public Service and CEC providing for a series of studies of power quality issues affecting certain of CEC’s members.

4. The Prior Settlement Agreement grew out of concerns raised by CEC regarding various power quality and reliability issues several of CEC’s members had been experiencing, including, but not limited to, outages, momentary outages, harmonic distortion, and voltage sags and surges. A copy of the Prior Settlement Agreement, approved by the Commission is attached as **Exhibit A** to this Stipulation. As provided in Exhibit A, although the Prior Settlement Agreement established an initial study period, it also allowed for extension of the studies based on the reasonable request from any of

the Study Participants. See Exhibit A. Based on discussions between one of the CEC Study Participants and Public Service, the Monitoring and Assessment Period associated with the final study will be extended through September 2016.¹ As provided in the Prior Settlement Agreement (Exhibit A), the final Monitoring and Assessment Period will be followed by a Mitigation Study Period expected to last approximately two (2) additional months.

5. With completion of the Mitigation Study Period associated with the final study expected not before the end of November 2016, Public Service and CEC are expected to submit a joint report on the results of the four studies to the Commission by or around the end of February 2017.²

6. Also, as required by the Prior Settlement Agreement, the Company and CEC will also be meeting to discuss whether, as a result of the information learned from the studies, “there are changes to Public Service’s tariffs or service agreements that are appropriate or whether other measures should be considered.”

III. TERMS OF SETTLEMENT

Public Service, CEC, and Trial Staff hereby stipulate and agree as follows:

1. The Parties agree that the continuation of Public Service’s QSP, to and including December 31, 2018, is in the public interest and should be approved as proposed in Public Service’s Application.

¹ At the time the Company filed its Application in this proceeding it was expected that the final power quality study being conducted under the Prior Settlement Agreement would be completed by January 2016. Since filing this Application, the Company has agreed to one of CEC’s member’s request to extend the monitoring study period an additional nine months through the end of September 2016.

² The deadline for filing the joint study report is 90 days following the end of the Mitigation Study Period and is therefore not exact.

2. The Parties further acknowledge and agree that the Prior Settlement Agreement entered into and approved by the Commission in Proceeding No. 12A-0778EG (Exhibit A) is still in force and in effect and that extension of the current QSP in this Proceeding No. 15A-0662EG through December 31, 2018 as agreed to in this Stipulation will not impede or thwart the progress of the power quality studies under the Prior Settlement Agreement, nor does it alleviate or modify any of the obligations under the Prior Settlement Agreement. Extension of the current QSP to and through December 31, 2018 does not compromise or limit CEC's rights under the Prior Settlement Agreement, and CEC expressly reserves all rights and opportunities available to it under the Prior Settlement Agreement, which reservation is not altered by the extension of the current QSP in this Proceeding. Specifically, by agreeing to a further extension of the current QSP through December 31, 2018, the Parties agree that CEC shall not be collaterally estopped from later seeking to amend the QSP or from taking any other action to have the Commission address any power quality or reliability concerns that CEC may have, whether before or after the filing with the Commission of the joint report required by the Prior Settlement Agreement. CEC, Public Service and Trial Staff reserve their rights to take whatever position they may deem appropriate regarding such power quality or reliability issues, or the results of the power quality studies under the Prior Settlement Agreement.

IV. GENERAL PROVISIONS

The Parties request the Commission to approve this Stipulation.

This Stipulation is a negotiated compromise of issues that were raised or could have been raised in this proceeding by the CEC and Trial Staff relating to the

Company's proposed extension of the QSP. By signing this Stipulation and by joining the motion for approval of the Stipulation, the Parties agree not to oppose the requested three-year extension of the QSP.

This Stipulation shall not become effective until the issuance of a final Commission Decision approving the Stipulation, which Decision does not contain any modification of its terms and conditions that is unacceptable to any of the Parties. In the event the Commission modifies this Stipulation in a manner unacceptable to any Party, that Party shall have the right to withdraw from this Stipulation. The withdrawing Party shall notify the Commission and the Parties to this Stipulation by e-mail within three business days of the Commission modification that the Party is withdrawing from the Stipulation and that the Party requests that the Commission schedule hearings on any issues that remain in dispute (the "Notice").

The withdrawal of a Party shall not automatically terminate this Stipulation as to the withdrawing Party or any other Party. However, within three business days of the date of the Notice from the first withdrawing Party, all Parties shall confer to arrive at a comprehensive list of issues that remain in dispute. Within five business days of the date of the Notice, the Parties shall file with the Commission a formal notice containing the list of disputed issues. The Parties shall have and be entitled to exercise all rights with respect to the disputed issues that they would have had in the absence of this Stipulation.

In the event that this Stipulation 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 Stipulation shall not be admissible into

evidence in this or any other proceeding, except as may be necessary in any proceeding to enforce this Stipulation.

Approval by the Commission of this Stipulation shall constitute a determination that the Stipulation represents a just, equitable and reasonable resolution of all issues that were or could have been contested among the Parties in the above-captioned proceeding. The Settling Parties state that reaching Stipulation in this Proceeding by means of a negotiated settlement is in the public interest and that the results of the compromises and settlements reflected by this Stipulation are just, reasonable and in the public interest.

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

This Stipulation may be executed in counterparts, all of which when taken together shall constitute the entire agreement with respect to the issues addressed by this Stipulation.

DATED this 18th day of November, 2015.

Agreed on behalf of:

PUBLIC SERVICE COMPANY OF COLORADO

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