



NEWS RELEASE

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March 17, 2008

Xcel Energy proposes quarterly electric adjustment, monthly natural gas adjustment

DENVER – Local wholesale natural gas prices that have nearly quadrupled in the last six months with the addition of pipeline capacity out of the region – which in turn has led to higher generation fuel and purchased energy costs for Xcel Energy – will result in higher electricity bills in Colorado next quarter.

In a filing made today with the Colorado Public Utilities Commission (CPUC), Xcel Energy has proposed 15 percent increase in electricity bills through June 30, 2008.

In a separate but related filing, however, Xcel Energy proposed to lower natural gas bills by 27-31 percent in April, through a regular monthly filing with the CPUC. Natural gas prices still will be higher next month due to the same market forces that are increasing electricity bills, but the price increase will be offset by significantly lower use.

“Several factors have led to large fluctuations in the wholesale price of natural gas in Colorado, including the recent opening of the Rockies Express pipeline, which has mostly eliminated the lower-than-national-average prices that have benefited Colorado customers for most of 2007,” said Roy Palmer, Xcel Energy managing director of government and regulatory affairs.

The electricity filing made today is through a “rider” known as the Electric Commodity Adjustment (ECA). It largely is a pass-through of costs. The Monthly Gas Cost Adjustment (MGCA) rider reflects anticipated natural gas prices, and impact on customer bills, for next month only. Both filings must be approved by the CPUC and would take effect April 1.

Electric Commodity Adjustment

The ECA, required by regulation to be filed every quarter, will address the higher costs associated with natural gas and coal prices affecting the electricity generated by Xcel Energy, and the electricity purchased from independent power producers, in both the first and second calendar quarters of 2008.

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