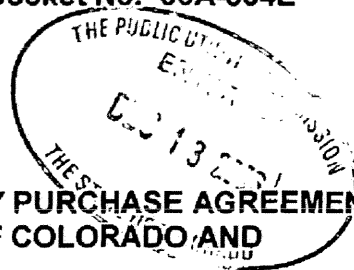


**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO**

2006 DEC 13 AM 8:45 Harris

IN THE MATTER OF THE APPLICATION)
PUBLIC SERVICE COMPANY OF COLORADO)
FOR AN ORDER APPROVING ITS SOLAR)
ENERGY PURCHASE AGREEMENT WITH)
SUN E ALAMOSAS1, LLC, DATED)
SEPTEMBER 1, 2006)

Docket No. 06A-534E



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(3)

**STIPULATION FOR APPROVAL OF SOLAR ENERGY PURCHASE AGREEMENT
BETWEEN PUBLIC SERVICE COMPANY OF COLORADO AND
SUN E ALAMOSAS1, LLC**

Public Service Company of Colorado ("Public Service"), the Staff of the Colorado Public Utilities Commission ("Staff"), the Colorado Office of Consumer Counsel ("OCC"), SunEdison, LLC ("Sun Edison"), and the Colorado Solar Energy Industries Association ("CoSEIA"), (collectively the "Stipulating Parties"), hereby enter into this Stipulation.

APPROVAL OF THE SOLAR ENERGY PURCHASE AGREEMENT

The Stipulating Parties hereby agree that the Commission should approve and find prudent, without conditions, the Solar Energy Purchase Agreement dated September 1, 2006 between Public Service Company of Colorado and SunE Alamosa1, LLC. (the "SEPA").

Staff agrees to the Commission approving the SEPA and finding it prudent, without conditions: 1) in recognition of the benefit to Colorado retail customers provided by the thirty percent federal investment tax credit that affects the pricing of the SEPA; 2) in consideration of the terms and conditions set forth below binding Public Service; and 3) in consideration of the terms and conditions binding Sun Edison in the Stipulation with Respect to Project Documents of even date herewith.

The Stipulating Parties agree to request that the Commission enter an order approving and finding prudent the SEPA, without conditions, at the earliest possible time.

TERMS AND CONDITIONS BINDING PUBLIC SERVICE

In recognition of Staff's concerns about the rigor and transparency of Public Service's bid and evaluation processes for soliciting resources under the Commission's Renewable Energy Standard Rules, 4 CCR 723-3-3650 through 3665 (the "RES Rules"), Public Service stipulates and agrees to the terms and conditions set forth in this Stipulation. This Stipulation shall apply only to Public Service's solicitations for new Renewable Energy Supply Contracts¹ from new renewable resources greater than 100 KW that will be acquired under the Commission's RES Rules² after the date of this Stipulation and that will be paid for, in whole or in part, by the monies made available to meet the Renewable Energy Standard.³ The resources that are encompassed by this Stipulation shall be called, for purposes of this Stipulation, the "New RES Resources." Except for the commitments in numbered paragraphs 1 and 9 of this section, the terms and conditions of this Stipulation shall also apply to the SunE Alamosa1, LLC project that is the subject of the SEPA in this Docket.

¹ Capitalized terms that are not defined in this Stipulation shall have the meaning afforded the term under the RES Rules.

² This Stipulation does not apply in any way to renewable resources acquired under the Commission's Least-cost Planning Rules, as discussed later in the Stipulation.

³ Public Service currently pays for new renewable resources required to meet the Renewable Energy Standard through a Renewable Energy Standard Adjustment ("RESA"). In Docket No. 06A-478E, currently pending before the Commission, Public Service has requested that a portion of the cost of the new renewable resources be paid for through the RESA and a portion of the cost be paid for through the Electric Commodity Adjustment ("ECA").

1. Public Service will meet with Staff and OCC to discuss process improvements that can be implemented both for the specification of the evaluation criteria that are set forth in the Request for Proposals for the New RES Resources and for the evaluation procedures used by Public Service of the New RES Resources after the bids are received. If Staff, OCC, and Public Service cannot reach consensus by April 16, 2007 on process improvements that will be implemented by Public Service, Public Service agrees to file on that date, together with Staff and OCC, a joint pleading for a Commission determination of acceptable RFP and evaluation procedures for soliciting and evaluating New RES Resources.

2. Once a contract for a New RES Resource is signed, Public Service agrees to provide timely notice to Staff and OCC of material changes from the winning proposal in the in-service date, price, quantity to be supplied, project technology, engineering, and/or design, as these changes become known to Public Service. This commitment will apply only to New RES Resources with nameplate ratings greater than 2 MW.

3. Public Service will provide to Staff and OCC information provided by the seller under a Renewable Energy Supply Contract for a New RES Resource with respect to all construction and/or other milestone requirements in the Renewable Energy Supply Contract. Public Service reserves the right to request that this information be treated by the Staff and the OCC as Highly Confidential Information. This commitment will apply only to New RES Resources with nameplate ratings greater than 2 MW.

4. Public Service will provide to Staff and to OCC verified monthly production data (i.e., RECs) from New RES Resources.

5. Public Service will provide to Staff and OCC all contracts signed by Public Service with the seller under a Renewable Energy Supply Contract for a New RES Resource. Public Service reserves the right to request that this information be treated by the Staff and the OCC as Highly Confidential Information.

6. Public Service will designate a person who will act as the central contact for Staff and OCC to discuss issues arising under the RES Rules.

7. Public Service agrees that all proceeds, net of collection costs, collected by Public Service under security fund provisions in new Renewable Energy Supply Contracts for New RES Resources shall be used to acquire new Eligible Renewable Energy, including the costs of such acquisition. If not needed for such purpose, these monies shall be credited against the accounts used to collect money from retail customers to pay for resources acquired to meet the Renewable Energy Standard.

8. Public Service agrees, with respect to the transfer of the land to SunE Alamosa1, LLC, that all monies received for the land shall be credited to the accounts charged by Public Service for monies used for acquiring and improving the site.⁴

9. Public Service agrees that in all future solicitations for Renewable Energy from Solar Electric Generation Technologies with individual facility nameplate ratings greater than 100 kW, Public Service will not restrict in its Request for Proposals the eligible technologies in a way that would exclude solar thermal technologies.

⁴ To the extent that Public Service charged the Renewable Energy Standard Adjustment account for the purchase or improvement of the property to be sold to SunE Alamosa1, LLC, the monies received from SunE Alamosa1, LLC shall be credited against the RESA account. To the extent that Public Service charged other Company accounts, the monies received from the land transfer shall be credited against those other Company accounts.

10. All of the information that Public Service is required to provide Staff and OCC under this Stipulation shall be provided within 30 days of its receipt and verification by Public Service.

ISSUES RESERVED FOR DOCKET NO. 06A-478E

The Stipulating Parties agree that the following issues raised in this Docket 06A-534E should be addressed instead as part of the Commission review of Public Service's 2007 Renewable Energy Standard Compliance Plan, pending before the Commission in Docket No. 06A-478E:

1. Whether Public Service should be required by the Commission to sell each year any Renewable Energy Credits produced by the SunE Alamosa1, LLC project that are in excess of what Public Service needs to comply with the Renewable Energy Standard in that Compliance Year.

2. How Public Service should calculate and track its administrative costs of conducting solicitations, evaluating bids, pursuing Commission approval of contracts, and administering contracts under the RES Rules.

3. The form of cost recovery for the payments made to SunE Alamosa1, LLC under the SEPA.

RELATIONSHIP TO LEAST-COST PLANNING RULES

Nothing in this Stipulation shall be deemed to apply in any way to solicitations or evaluations conducted, the resulting agreements reached, or the power supplies acquired, with respect to resources selected by Public Service under the Commission Least-cost Planning Rules, 4 CCR 723-3-3600 through 3615, even if the resources selected generate or are Eligible Renewable Energy.

GENERAL TERMS AND CONDITIONS

These Stipulations shall be filed as soon as possible with the Commission for approval. Because these two Stipulations settle the issues disputed in this Docket among the Stipulating Parties, the Stipulating Parties agree that the remainder of the evidentiary hearing should be vacated and that the pre-filed testimony and exhibits of Dr. Mignogna should be admitted into evidence without cross-examination.

This Stipulation shall not become effective until the issuance of a final Commission Order approving the SEPA as prudent, without conditions. In the event the Commission does not approve the SEPA as prudent, without conditions, or in the event that the Commission rejects or modifies either this Stipulation or the Stipulation with Respect to Project Documents in a manner unacceptable to any signatory to the stipulation, the concerned Party shall have the right to withdraw from one or both of the stipulations and request that the evidentiary hearing be resumed as if this Stipulation had not been filed. In such event, all Parties may resume their advocacy for their respective interests, including cross-examining Dr. Mignogna on his filed testimony and exhibits. Because time is of the essence, if a Stipulating Party decides to withdraw from either stipulation under this paragraph, that Party shall provide email notice to the other Parties, within three business days of the Commission modification, that the party is withdrawing from the stipulation and that the Party is ready to proceed to hearing.

The Stipulating Parties agree to defend this Stipulation at the hearing scheduled on December 13, 2006.

Approval by the Commission of this Stipulation shall constitute a determination that the Stipulation, together with the Stipulation with Respect to Project Documents,

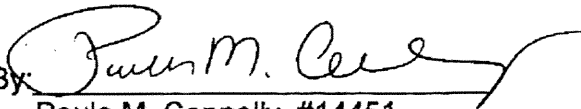
represents a just, equitable and reasonable resolution of all issues that were or could have been contested among the Stipulating Parties in this proceeding.

The Stipulating 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 Stipulation and in the Stipulation with Respect to Project Documents are just, reasonable and in the public interest.

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 12th day of December 2006.

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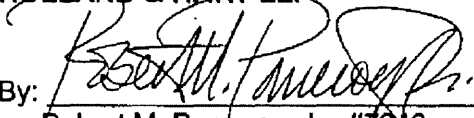
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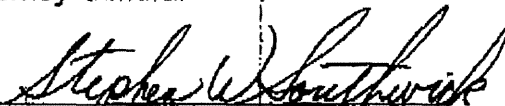
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CERTIFICATE OF SERVICE

06A-534E

I hereby certify that on this, the 13th day of December 2006, the original and seven (7) copies of the foregoing **STIPULATION FOR APPROVAL OF SOLAR ENERGY PURCHASE AGREEMENT BETWEEN PUBLIC SERVICE COMPANY OF COLORADO** were served via hand delivery on:

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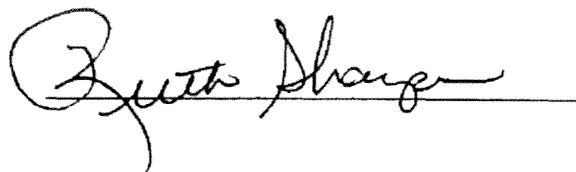
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*indicates those persons who have signed
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A handwritten signature in black ink, appearing to read "Keith Shaper", is written over a horizontal line.