



PUBLIC SERVICE COMPANY 2009 SEP -3 PM 4:31
September 3, 2009

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

Doug Dean, Director
Colorado Public Utilities Commission
1560 Broadway, Suite 250
Denver, CO 80202

Re: Proposed Formal Complaint of the Commission Staff Regarding Alleged
Over-earnings of Public Service's Gas Department for 2007 and 2008

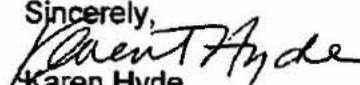
Dear Mr. Dean:

By letter dated August 4, 2009, you provided notice of a proposed formal complaint to Public Service Company of Colorado ("the Company") related to alleged earnings in excess of the Company's authorized return on equity for its gas utility operations. Rule 1302(h)(II) of the Commission's Rules of Practice and Procedure provides the Company an opportunity to satisfy or cure the allegations within 30 days, or to seek an extension of this 30-day period. By this letter, the Company is requesting a 14-day extension of time, or until September 17, 2009, to submit our response to the proposed formal complaint.

While analyzing costs and revenues for purposes of responding to the draft complaint, the Company discovered an error in the financial information provided for the gas utility in both its 2007 and 2008 Appendix A Reports. Specifically, the Company discovered that it allocated certain Permanent Tax Differences between its gas and electric utility departments when in fact these differences should have been assigned to the electric utility department. The Company is in the process of quantifying the impact of this error. In the interest of providing the most complete and accurate information, the Company seeks additional time for filing its response to the Staff's proposed formal complaint.

On or before September 17, the Company will also file revisions to its 2007 and 2008 Appendix A Reports to correct errors regarding the assignment of Permanent Tax Differences. The Company believes these corrections to the financial information provided for the gas utility will extend to the electric utility as well. The Company is in the process of notifying parties in our current electric rate case (Docket No. 09AL-299E) of the need for corrections to its 2008 historical cost of service.

Sincerely,


Karen Hyde
Vice President

