

**NOTICE OF A CHANGE IN THE GAS RATES OF
 PUBLIC SERVICE COMPANY OF COLORADO
 1800 LARIMER STREET, DENVER, COLORADO 80202**

You are hereby notified that Public Service Company of Colorado has filed with the Colorado Public Utilities Commission an advice letter seeking approval to change its gas Demand-Side Management Cost Adjustment tariff to increase gas rates for Residential customers and to decrease the rates for Commercial and Gas Transportation customers through the Demand-Side Management Cost Adjustment, to become effective July 1, 2012.

The G-DSMCA rates proposed in this filing have been designed to recover the approved Prior Demand-Side Management Cost Adjustment (“PDSMCA”), the DSM deferred amount from the preceding year, including applicable DSM interest (Gas DSM Tracker), the DSM Bonus, and the Acknowledgement of Lost Revenue values (“ALR”).

The effect of this filing on the Company’s customers is an increase in the current gas DSMCA rate for Residential customers from 6.60 percent to 7.05 percent and a decrease in the current gas DSMCA rate for Commercial customers from 4.58 percent to 3.94 percent effective July 1, 2012. The effect of this filing on the Company’s Transportation customers is a decrease in the current gas DSMCA rate from 0.51 percent to 0.30 percent effective July 1, 2012.

The combined average monthly impact for customers by rate class is projected to be as follows:

Rate Class	Monthly Average Use	Monthly Current Bill	Monthly Proposed Bill	Monthly Difference	Monthly Impact
Schedule RG	65 Therms	\$ 40.16	\$ 40.24	\$0.08	0.20%
Schedule RGL(1)	29 Therms	\$ 35.38	\$ 35.50	\$0.12	0.34%
Schedule RGL(2)	9.5 Therms	\$ 9.58	\$ 9.61	\$0.03	0.31%
Schedule CSG	270 Therms	\$ 160.09	\$ 159.69	(\$0.40)	(0.25%)
Schedule CLG	619 DTH	\$2,612.19	\$2,608.09	(\$4.10)	(0.16%)
Schedule IG	1,944 DTH	\$5,074.82	\$5,070.86	(\$3.96)	(0.08%)
Schedule CGL (1)	29 Therms	\$ 35.10	\$ 34.94	(\$0.16)	(0.46%)
Schedule CGL (2)	0 Therms	\$ 0.01	\$ 0.01	\$0.00	0.00%
Schedule TFS	163 DTH	\$ 247.22	\$ 246.72	(\$0.50)	(0.20%)
Schedule TFL	1,173 DTH	\$1,200.72	\$1,198.39	(\$2.33)	(0.19%)
Schedule TI	8,488 DTH	\$3,295.84	\$3,290.20	(\$5.64)	(0.17%)

The proposed and present tariffs are available for examination and explanation at the business office of Public Service Company located at 1800 Larimer Street, Suite 1400, Denver, CO and at the office of the Public Utilities Commission in Denver, Colorado. Customers who have questions may call the Commission at (303) 894-2000, Xcel Energy at 1-800-895-4999, fax to Xcel Energy at 1-800-895-2895, or e-mail to inquire@xcelenergy.com.

Anyone who desires may file written objection. The filing of a written objection by itself will not allow you to participate as a party in any proceeding on the proposed rate changes.

If you wish to participate as a party in any proceeding established in these matters, you must file written intervention documents under Rule 1401 of the Commission Rules of Practice and Procedure or any applicable Commission orders.

Anyone who desires to file written objection to the proposed action, shall file it with the Colorado Public Utilities Commission, 1560 Broadway, Suite 250, Denver, Colorado, 80202, or

email it to PUC@dora.state.co.us on or before 10 days before the proposed effective date of July 1, 2012.

The Public Utilities Commission may hold a hearing to determine what rates, rules and regulations will be authorized. If a hearing is held, the Commission may suspend the proposed rates, rules or regulations.

The rates, rules and regulations ultimately authorized may or may not be the same as those proposed and may include rates higher or lower than those proposed or currently in effect.

Anyone who desires to receive notice of any hearing shall file a written request for notice with the Public Utilities Commission at the above address or alternatively shall contact the External Affairs Section of the Public Service Utilities Commission at 303 894-2070 or toll free 1-800-456-0858 on or before 10 days before the proposed effective date of July 1, 2012.

If a hearing is held, any member of the public may attend and may make a statement under oath about the proposed changes, whether or not he or she has filed an objection or intervention.

Scott B. Brockett
Director, Regulatory Administration and Compliance