



P.O. Box 84
Denver, Colorado 80201-0840

July 15, 2013

Advice No. 1644 - Electric

Public Utilities Commission
of the State Of Colorado
1560 Broadway, Suite 250
Denver, Colorado 80202

The accompanying tariff sheet issued by Public Service Company of Colorado is sent to you for filing in accordance with the requirements of the Public Utilities Law:

COLORADO P.U.C. NO. 7 - ELECTRIC

and the following sheet is attached:

<u>Colorado P.U.C. Sheet No.</u>	<u>Title of Sheet</u>	<u>Cancels</u>	<u>Colorado P.U.C. Sheet No.</u>
Seventh Revised 111E	Electric Commodity Adjustment		Sub. Sixth Revised 111E

The principal proposed change is: to add language to the Electric Commodity Adjustment ("ECA") tariff in the Company's Colorado P.U.C. No. 7 - Electric Tariff to allow the Company to collect through the ECA Deferred Account the component of avoided energy costs and incremental cost adjustments that should have been charged to the ECA for the period 2010 through 2012.

On a monthly basis transfers occur between the Renewable Energy Standard Adjustment ("RESA") and the ECA in order to collect the appropriate costs in the deferred account of each adjustment. The Company discovered the amount of avoided energy costs and incremental cost adjustments being recovered through the ECA for Solar*Rewards® production was less than what it should have been for years 2010 through 2012. As a result, too much of the Solar*Rewards® costs were being charged to the RESA and not enough was being charged to the ECA.

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The Company is contemporaneously filing its 2012 Renewable Energy Standard Compliance Report ("2012 RES Compliance Report") in Docket No. 11A-418E, which details among other things the errors in transfers between the RESA and the ECA. The Company is also filing a motion in that docket seeking Commission approval of the accounting adjustments detailed in the report.

If and when the Commission approves the correction of avoided energy costs and incremental cost adjustments that should have been charged to the ECA for the period of 2010 through 2012 represented in the 2012 RES Compliance Report, the proposed tariff revision will allow the Company to collect through the ECA Deferred Account over a twelve month period, the component of avoided energy costs and incremental cost adjustments that should have been charged to the ECA for the period 2010 through 2012 to correct for the over allocation of Solar*Rewards costs allocated to the RESA Deferred Account.

If all of the relief the Company seeks in its motion is granted, the total estimated effect of this filing on average customers' monthly bills on an annualized basis for the period April 1, 2014 through March 31, 2015 will be an increase as follows¹:

<u>Rate Schedule</u>	<u>Estimated % Increase</u>
Residential General Service - Schedule R	0.77%
Commercial Service - Schedule C	0.82%
Secondary General Service - Schedule SG	0.97%
Primary General Service - Schedule PG	1.16%
Transmission General Service - Schedule TG	1.38%

Notice of this filing will be placed in the Legal Classified section of the Denver Post. A copy of the notice is attached. Contemporaneously filed with this Advice No. 1644 - Electric, the Company has included an Application for an Alternative Form of Notice seeking authority to provide notice of the filing as set forth therein.

It is desired that the changed tariff accompanying this advice letter become effective August 15, 2013.

¹ The estimated impact assumes the Company starts collecting the avoided energy costs and incremental cost adjustments through the ECA Deferred Account beginning December 2013. If the Company starts collection of such costs prior to or later than December 2013, it may take longer than one year to collect these cost in the ECA due to timing of when the ECA Deferred Account Balance is included in rate design.

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seeking authority to provide notice of the filing as set forth therein.

It is desired that the changed tariff accompanying this advice letter become effective August 15, 2013.

Please send copies of all notices, pleadings, correspondence, and other documents regarding this filing to:

Scott B. Brockett
Director, Regulatory Administration
and Compliance
Xcel Energy Services Inc.
1800 Larimer, Suite 1400
Denver, Colorado 80202
303-294-2164 Phone
303-294-2329 Fax
Scott.B.Brockett@xcelenergy.com

and

David W. McGann, #34521
Assistant General Counsel
Xcel Energy Services Inc.
1800 Larimer Street, Suite 1100
Denver, Colorado 80202
Telephone: (303) 294-2035
Fax: (303) 294-2988
Email: david.w.mcgann@xcelenergy.com



Director

SBB:mcc
Enclosure

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

Seventh Revised

Sheet No. 111E

Sub. Sixth Revised

Cancels
Sheet No. 111E

ELECTRIC RATES
ELECTRIC COMMODITY ADJUSTMENT

ADJUSTMENT FOR SHORT-TERM SALES MARGIN - Cont'd

The Company shall include in its quarterly filing for effect April 1 of each year a report setting forth the retail customer share of positive short-term sales margins from the prior calendar year. The total positive short-term sales margins will be divided by three (3), and the quotient shall be subtracted from each quarterly ECARR for the remainder of the calendar year.

ADJUSTMENT FOR SO₂ ALLOWANCE MARGINS

Margins earned from the sale of SO₂ allowances by the Company shall be shared with retail customers in accord with Commission orders. The Company shall include in its quarterly filing for effect April 1 of each year a report setting forth the retail customer share of the SO₂ allowance margins from the prior calendar year. The margins to be shared will be divided by three (3), and the quotient shall be subtracted from each quarterly ECARR for the remainder of the calendar year.

PUEBLO INCENTIVE PROPERTY TAX CREDIT

An adjustment shall be made to the Deferred Account Balance to include the flow-through to customers of the amount of any incentive property tax credit or payment received by the Company from the City of Pueblo or Pueblo County pursuant to agreements entered into by the Company with the City of Pueblo and Pueblo County in 2005, commencing with incentive property tax credits or payments attributable to property taxes payable for tax year 2012. As to each regular quarterly ECA application, the adjustment to the applicable Deferred Account Balance shall include all such incentive property tax credits and payments received by the Company during the quarterly period ending as of the last day of the calendar month immediately preceding the date of the ECA application.

ADJUSTMENT FOR TRUE-UP OF COSTS BETWEEN THE RESA AND ECA

An adjustment shall be made to the ECA Deferred Account Balance to collect the component of costs that were charged to the Renewable Energy Standard Adjustment ("RESA") that should have been charged to the ECA for the period 2010 - 2012. An adjustment to the ECA Deferred Account Balance shall commence beginning with the subsequent month after the Company receives Commission approval of said adjustment and shall be collected in the ECA Deferred Account Balance equally over a period of twelve months.

(Continued on Sheet No. 111F)

ADVICE LETTER
NUMBER 1644

DECISION
NUMBER

VICE PRESIDENT,
Rates & Regulatory Affairs

ISSUE
DATE July 15, 2013

EFFECTIVE
DATE August 15, 2013