

**NOTICE OF A CHANGE IN THE ELECTRIC 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 Demand Side Management Cost Adjustment tariff to increase electric rates for residential and commercial customers through the Demand-Side Management Cost Adjustment, to become effective July 1, 2012.

With this filing, the Company is increasing the DSMCA rider based on the net effect of the changes described below. At the end of 2011, Public Service had an over collected balance in the DSM tracker of \$6,468,648 consisting of over collected 2011 expenditures for Demand-Side Management, Interruptible Service Option Credits and the Third-Party Demand Response Program largely due to lower than forecast DSM expenditures. In addition, the Company is filing to return \$47,737 which are the carrying charges for over collected monthly balances occurring over the course of 2011. The Company is also filing to recover Prior Period Demand-Side Management Costs of \$6,163,817, the Disincentive Offset components of the electric DSM incentive of \$3,226,327, 60% of the 2011 performance component of the electric DSM incentive (Financial Incentive) of \$9,312,192 and the remaining 40% of the 2009 Financial Incentive of 2,218,623. The net effect of these changes is an increase in collections through the DSMCA of \$2,771,868, from \$28,405,148 to \$31,177,017 based on the forecast billing demands and energy usage over the twelve month period of July 1, 2012 through June 30, 2013.

The proposed 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
Residential R	632 kWh	\$ 62.21	\$ 62.28	\$ 0.07	0.11%
Commercial C	1123 kWh	\$ 101.26	\$ 101.40	\$ 0.14	0.14%
Secondary General SG	51.49% L.F. 26,685 kWh 71 kW	\$ 2,137.81	\$ 2,140.70	\$ 2.89	0.14%
Primary General PG	64.82% L.F. 492,079 kWh 1040 kW	\$ 31,699.96	\$ 31,731.78	\$ 31.82	0.10%
Transmission General TG	72.68% L.F. 12,889,873 kWh 24,294 kW	\$668,418.85	\$669,162.25	\$743.40	0.11%

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 increase, whether or not he or she has filed an objection or intervention.

Scott B. Brockett
Director, Regulatory Administration and Compliance