

A representative of Public Service Company of Colorado and Xcel Energy was quoted in recent newspaper articles regarding the City of Boulder's municipalization plans as making statements about the availability of transmission service for Boulder and saying that our company is not obligated to provide transmission service or construct new transmission facilities to meet Boulder's or others needs. The company has notified the reporter and media outlets that have published the story that this is not correct and does not represent the position of the company. We have provided the following statement:

Xcel Energy would like to correct comments made by one of our representatives, in response to follow-up questions after the meeting Monday morning at the Boulder Area Commercial Real Estate Brokers and Developers meeting.

Under Federal Energy Regulatory Commission (FERC) open access transmission tariff rules (FERC Order 888), Public Service Co. of Colorado (PSCo), an Xcel Energy company, is obligated to plan for and seek to construct transmission capacity expansions for wholesale transmission-only customers in a manner comparable to expansions to serve our retail customers in Colorado. The expansions can include new transmission to deliver new generating resources to a municipal distribution utility. The proposed Boulder municipal utility, if created, would be a wholesale transmission customer of PSCo.

While PSCo has an "obligation to serve" under its FERC-regulated tariff, there is less certainty around other issues, such as whether any new transmission project will receive necessary state and local approvals, and who will be responsible for the expansion costs. An expansion project would typically require a "certificate of public convenience and necessity" from the Colorado Public Utilities. That process takes time and approval is not certain. Permits also are required from impacted local (county and municipal) jurisdictions. In addition, the cost of a newly constructed transmission capacity expansion might be charged only to the entity requesting the additional service. Virtually all transmission expansion projects can face these same issues, irrespective of who is requesting the expansion. It should also be noted that FERC transmission planning and cost allocation rules are evolving under FERC Order 1000, issued in 2012 and now being implemented, which may add uncertainty.

Xcel Energy did not want to leave you with the impression or imply that PSCo would not build transmission to serve a new Boulder municipal utility per applicable rules and regulations. We treat wholesale customer requests comparably to our retail customers needs with respect to transmission service and capacity expansions, as FERC requires.

If you would like to use this information for a correction or future stories, please feel free to do so. If you need to speak further with an expert from Xcel Energy, please let us know.