BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO

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RE: IN THE MATTER OF THE COMMISSION'S CONSIDERATION OF THE IMPACT OF THE FEDERAL TAX CUTS AND JOBS ACT OF 2017 ON THE RATES OF COLORADO INVESTOR-OWNED ELECTRIC AND NATURAL GAS UTILITIES.)))))))	**PROCEEDING NO. 18M-0074EG**

REVISED STIPULATION AND SETTLEMENT AGREEMENT OF PUBLIC SERVICE COMPANY OF COLORADO, TRIAL STAFF OF THE COLORADO PUBLIC UTILITIES COMMISSION, AND THE OFFICE OF CONSUMER COUNSEL REGARDING INCORPORATING TCJA IMPACTS INTO PUBLIC SERVICE'S RATES, AND MOTION TO APPROVE SETTLEMENT ON EXPEDITED BASIS

This Revised Stipulation and Settlement Agreement Regarding Incorporating Tax Cuts and Jobs Act ("TCJA") Impacts Into Public Service's Rates ("Revised TCJA Settlement ") is entered into by and between Public Service Company of Colorado ("Public Service" or the "Company"), Trial Staff of the Colorado Public Utilities Commission ("Staff"), and the Colorado Office of Consumer Counsel ("OCC") (the "Settling Parties"). The Settling Parties submit this Revised TCJA Settlement in resolution of the issues related to the incorporation of the impacts of the TCJA into Public Service's rates for calendar years 2018 and 2019, for the period prior to the effective date of new rates from the Company's next rate case filing.

On April 10, 2018, the Settling Parties filed a Stipulation and Settlement Agreement Regarding Incorporating 2018 TCJA Impacts into Public Service's Rates, and Motion to Approve Settlement on Expedited Basis ("2018 TCJA Settlement"). The Revised TCJA Agreement proposed herein revises and supplants the 2018 TCJA Agreement in order to account for TCJA impacts during calendar years 2018 and 2019, for the period prior to the effective date of new rates from the Company's next rate case filing[1]. The Settling Parties respectfully request that the Colorado Public Utilities Commission ("Commission") approve this Revised TCJA Settlement on an expedited basis, with a waiver of response time.

As set forth in more detail below, the Settling Parties agree that the following TCJA benefits[2] be delivered to Public Service's electric customers beginning June 1, 2018:

- $42.0 million – reduction of base rate revenue with a negative General Rate Schedule Adjustment ("GRSA") of 4.19 percent from June 1, 2018 to December 31, 2018;
- Extension of the negative 4.19 percent GRSA from January 1, 2019 (annual $67.5 million rate reduction) until new rates take effect from the Company's next filed rate case;
- Recovery of the Legacy Pre-Paid Pension Asset[3]: $59.2 million during 2018; and for 2019, $33.7 million (annual) until new rates take effect from the Company's next filed rate case.

The Revised TCJA Settlement provides full and immediate TCJA benefits to customers with lower rates, the recovery of costs that will reduce future rates, and greater stability of rates over the longer-term. The Settling Parties agree that the terms of the Revised TCJA Settlement are just and reasonable, consistent with the public interest, and should be approved by the Commission.

[1] The 2018 TCJA Agreement and motion to approve the same filed on April 10, 2018 are hereby withdrawn.

[2] Bullet-point figures are approximate. Actual figures are provided below.

[3] In Public Service's 2014 Electric Rate Case, Proceeding No. 14AL-0660E ("2014 Electric Rate Case"), the 2014 Electric Rate Case Settlement defines Public Service's contributions to its pension plans recorded as a regulatory asset through December 31, 2014, as a "Legacy Pre-Paid Pension Asset."

I. Procedural Background

On February 1, 2018, the Commission opened this proceeding (the "TCJA Proceeding") to ensure that Colorado utility customers benefit from the reduction in the effective federal corporate incomes tax through lower rates. Decision No. C18-0075 ("Decision Opening TCJA Proceeding") ordered all Colorado investor-owned electric and natural gas utilities to record and track as deferred regulatory liabilities the difference in tax liabilities caused by enactment of the TCJA. The Commission ordered utilities to submit a filing that addresses: (1) the tracking and monitoring of the TCJA-related deferred regulatory liability; (2) proposals for implementing any refund due to customers associated with the deferred regulatory liability; and (3) the establishment of updated revenue requirements and rates that reflect the prospective impacts of the TCJA.

On February 21, 2018, Public Service made its Initial Filing in this TCJA Proceeding. Among other things, the Company suggested that it would begin the tax liability deferral as of January 1, 2018, and for the Electric Department recommended that the determination of net TCJA impacts be determined as part of the 2017 Electric Rate Case, Proceeding No. 17AL-0649E.[4] The Company stated that it was also open to discussing a methodology by which TCJA benefits could be fairly offered to customers prior to June 1, 2018. On or about March 7, 2018, various parties filed petitions to intervene in this proceeding, as well as comments concerning

[4] During oral deliberations at the Commissioners Weekly Meeting on April 11, 2018, the Commission voted to dismiss the 2017 Electric Rate Case. As of this writing, a written decision has not been issued. The Company is in the process of considering the form and timing of a future rate proceeding. If the Company has not filed a rate case by May 1, 2019, the Company commits that it will work with the parties to address TCJA impacts for January 1, 2020 going forward.

utility filings made on February 21, 2018. Relevant to Public Service's Electric Department,[5] the following stakeholders filed intervention requests: OCC; Climax Molybdenum Company ("Climax"); Energy Outreach Colorado ("EOC"); International Brotherhood of Electrical Workers, Local No. 111 ("Local 111"), Wal-Mart Stores, Inc. and Sam's West, Inc. ("Walmart"); and, Western Resource Advocates ("WRA").[6] Other stakeholders that filed intervention requests are Colorado Springs Utilities/Southern Delivery System ("CSU/SDS"), Cripple Creek & Victor Gold Mining Company LLC ("CC&V"), and the City of Pueblo, Colorado, the Board of Water Works of Pueblo, and the Fountain Valley Authority ("City/Pueblo/FVA").

Public Service, Staff, and OCC engaged in a series of meetings, among themselves and with other parties, in an attempt to account for and address the impacts of the TCJA for 2018 and 2019, until the effective date of new base rates. The Settling Parties subsequently reached agreement as to the amount of TCJA impacts and how such impacts should be returned to customers. The Settling Parties believe that the Revised TCJA Settlement addresses the Commission's goal of ensuring that Public Service's utility customers benefit from the reduction in the federal corporate incomes taxes through lower rates.

Conferral: CC&V, the City/Pueblo/FVA, Climax, CSU/SDS, EOC, Local 111, Walmart, and WRA were sent the Revised TCJA Agreement and attachments, and a meeting was held to

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5 The proposed Revised TCJA Settlement applies only to Public Service's Electric Department, not its Gas or Steam departments.

6 Staff and all rate-regulated utilities were made parties to this proceeding by Decision No. C18-0075. While the Commission has not ruled upon intervention requests in this proceeding, the Settling Parties believe that the only would-be intervenors that may have an interest in the Revised TCJA Settlement are Climax, EOC, Local 111, Walmart, and WRA. To be sure, some of these stakeholders seek intervention for purposes beyond Public Service's Electric Department, but for purposes of the Revised TCJA Settlement, only these stakeholders either mentioned Public Service in its intervention request or have previously intervened in Public Service rate cases.

answer questions from these parties.[7] The following parties indicate no objection to the Revised TCJA Agreement and to the request for waiver of response time: CC&V, the City/Pueblo/FVA, Climax, EOC[8], Local 111, and Walmart. The following parties have taken no position on the Revised TCJA Agreement, and have not indicated any objection to waiver of response time: CSU/SDS and WRA. Therefore, no parties oppose the Revised TCJA Agreement and no parties oppose the request for waiver of response time.

II. Revised TCJA Settlement Terms and Conditions

1. For purposes of this settlement, the Settling Parties agree that the Public Service Electric Department's deferred regulatory liability is $101,223,739 for calendar year 2018, and $101,223,739 for calendar year 2019.[9] Pursuant to the Commission's Decision Opening TCJA Proceeding, the Company calculated the difference between the Company's tax liabilities before and after the TCJA, based on a 2013 test year. (The Company's last Phase I electric rate case, the 2014 Electric Rate Case, used a 2013 test year to set rates.) Attachment A to this Revised TCJA Settlement ("Public Service 2014 Electric Rate Case as Adopted vs. TCJA Impact") quantifies the impacts of the TCJA on current base rates, and is the basis of the deferred regulatory liability calculation agreed to for purposes of settlement. In the determination of the $101.2 million

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[7] As indicated above, while the Commission has not ruled upon intervention requests in this proceeding, the Settling Parties believe that the only would-be intervenors that may have an interest in the Revised TCJA Settlement are Climax, EOC, Local 111, Walmart, and WRA. In the interest of completeness, the Revised TCJA Agreement was also sent to CC&V, the City/Pueblo/FVA, and CSU for their review and position.

[8] EOC does not oppose the Revised TCJA Agreement; however, consistent with its Initial Comments filed in Proceeding No. 18M-0074EG, EOC's support of a limited, interim GRSA use is based on the unique facts presented in these circumstances and does not have precedential value. PSCo agrees that the use of a GRSA as a result of this Revised Settlement Agreement is based on unique facts and does not have precedential value.

[9] In Public Service's February 21, 2018 filing in the TCJA Proceeding, the Company estimated this figure to be approximately $97 million. With agreement of the Settling Parties, the Company has since adjusted that amount to $101.2 million, mainly because the $97 million did not include Flow-back of Excess ADIT - Non-Plant Pension. See Attachment A, Line 31.

annual deferred regulatory liability, the Company has calculated the flowback of the excess accumulated deferred income taxes ("ADIT") for plant accounts using the average remaining life method, or ARAM, for non-plant pension and benefit accounts over 10 years and for non-plant – all other accounts over 5 years.[10]

2. Of this $101.2 million deferred regulatory liability, the annual amount attributable to the change of the federal income tax rate from 35% to 21% is $41,988,959 on a revenue requirements basis as modeled in the total impact presented in Attachment A. The Settling Parties agree that this entire amount of approximately $42.0 million will be returned to customers through a negative GRSA effective June 1, 2018 through December 31, 2018. Within 60 to 90 days after the end of 2018, the Company will make a compliance filing to true up this amount (based only on variances in estimated revenues) and any over- or under-recovery amount will be returned or charged to customers either through a GRSA or a credit through an existing cost recovery mechanism.[11] This $42.0 million reduction will reduce the existing GRSA[12] by approximately 4.19 percent for the last 7 months of 2018. The calculation of the GRSA is provided in Attachment B.

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[10] Agreement to the use of the average remaining life method for purposes of this Settlement does not bind or otherwise restrict the Settling Parties' abilities to advocate for alternative amortization periods in a future rate case. The Settling Parties also have agreed to the amortization for the flowback of Excess ADIT – Non-plant specified above only for purposes of this settlement. The Settling Parties have the right to argue for different treatment for these deferred assets in a future rate case. If these amortization periods are modified in a future rate case, it will affect the amount of the TCJA impact in 2018 and 2019. Any increase or decrease to the $101.2 million TCJA impact will require an adjustment to the recovery of the Pre-Paid Pension Asset as discussed below.

[11] If the Company files an electric rate case with rates that would be projected go into effect by June 1, 2019 then the compliance filing to true up any over or under recovery amounts for 2018 will not be made and the amounts of any over or under recovery for 2018 will be part of the true up calculation described in paragraph 4 of this Section II, Revised TCJA Settlement Terms and Conditions.

[12] The "existing GRSA" as listed on customer bills is 0.12%, which is a true-up amount from the Electric Sharing Adjustment ("ESA") (i.e., the earnings test from the 2014 Electric Rate Case). Thus, the "existing GRSA" as used here is in actuality the ESA rider. This ESA rider expires July 31, 2018.

3. The Settling Parties agree that the remaining deferred regulatory liability amount for 2018 of $59,234,780 will be applied to the Legacy Pre-Paid Pension Asset. The recovery of the Legacy Pre-Paid Pension Asset was previously approved in the Company's 2014 Electric Rate Case.[13] As presented in Attachment C, the Net Legacy Prepaid Pension Asset balance, inclusive of ADIT, agreed to for purposes of settlement was $139,137,447 at the end of 2014, which will be recovered through an annual amortization of $9,275,830 in customer rates over fifteen years. At the current balance and amortization rate, the balance will not be fully amortized until early 2030. The result of application of $59,234,780 to the Legacy Pre-Paid Pension Asset balance will reduce the required amortization period.

4. The Settling Parties agree that the 4.19 percent negative GRSA will continue in effect into 2019 ($67.5 million annual rate reduction) until new rates take effect from the next rate case filing. Within 60 to 90 days after new base rates take effect or the end of 2019, whichever is later, the Company will make a compliance filing to true up this amount (based only on variances in estimated revenues) and any over- or under-recovery amount will be returned or charged to customers either through a GRSA or a credit through an existing cost recovery mechanism. The calculation of the GRSA is provided in Attachment B.

5. The Settling Parties agree that the remaining deferred regulatory liability amount for the 2019 period (after taking into account the negative 4.19 percent GRSA) will be applied to the Legacy Pre-Paid Pension Asset until new rates take effect from the Company's next filed rate proceeding. The monthly amounts are shown in Attachment B.

[13] The 2014 Rate Case settlement provides that from January 1, 2015 until rates become effective from the next rate case, the Legacy Pre-Paid Pension Asset will earn a rate of return equal to the Company's Cost of Debt used in that Settlement Agreement – i.e., 4.67%. In a future rate proceeding and afterwards, Public Service and other parties are free to argue for a different going-forward rate of return for the remaining balance on the Legacy Pre-Paid Pension Asset.

6. The Settling Parties agree that the TCJA benefits applied to the regulatory liability and the annual amortization of the Legacy Pre-Paid Pension Asset will work to reduce rate base. This benefits customers as the reduction will lower the Company's requested rate increase in the next rate case, promoting rate stability, and reducing overall customer payments on the Legacy Pre-Paid Pension Asset balance.

7. The Company will accrue a carrying cost to the TCJA-related deferred regulatory liability amounts starting January 1, 2018. An illustration of this calculation is set forth in Attachment B. The refund portion of this deferred regulatory liability will accrue interest based on the current monthly Federal Reserve Bank Prime Loan Rate[14] (at the time of this settlement that rate is 4.75 percent, and this interest rate was used for illustration purposes in Attachment B) through December 31, 2018, and the portion applicable to the Legacy Pre-Paid Pension Asset will accrue interest at the currently authorized cost of debt of 4.67 percent until new base rates take effect.

8. The balance sheet and income statement impacts for 2018 associated with the Revised TCJA Settlement are summarized in Attachment D.

9. Public Service also agrees to waive its right to claim retroactive ratemaking or single issue ratemaking as part of this Revised TCJA Settlement.

10. If this Revised TCJA Settlement is approved, Staff will withdraw the recommendation in its March 7, 2018 comments in the TCJA Proceeding that a pre-hearing conference be held regarding the disposition of TCJA benefits for Public Service's Electric Department. The Settling Parties agree that the Commission can rule on the Revised TCJA

[14] Federal Reserve Release H.15 Selected Interest Rates.

Settlement with whatever process it deems appropriate, with the hope that 2018 TCJA benefits to customers can commence by June 1, 2018.

11. The Settling Parties agree that the Company will file an advice letter and GRSA tariff, together with a motion for alternative form of notice, in a separate pleading contemporaneously with the filing of this Revised TCJA Agreement. This will open a new proceeding to allow the proposed negative GRSA to be noticed and go into effect after 30 days, on June 1, 2018.

III. General Terms and Conditions

12. The Settling Parties believe that this Revised TCJA Settlement is in the public interest and will be supported by the Settling Parties in this proceeding. The Settling Parties agree to support this Revised TCJA Settlement as being in the public interest in proceedings before the Commission and to advocate in good faith that the Commission approve this Revised TCJA Settlement in its entirety.

13. The Settling Parties agree that this Revised TCJA Settlement represents a compromise in the positions of all Settling Parties and has been negotiated as a full settlement of the issues addressed. As such, the Settling Parties acknowledge that their support and advocacy of the Revised TCJA Settlement is based upon the Revised TCJA Settlement as a whole and not based upon its individual components viewed in isolation. Additionally, evidence of conduct or statements made in the negotiation and discussion phases of this Revised TCJA Settlement will not be admissible as evidence in any proceeding before the Commission or any court.

14. The Settling Parties agree that all negotiations relating to this Revised TCJA Settlement are privileged and confidential, and that no party will be bound by any position

asserted in the negotiations, except to the extent expressly stated in this Revised TCJA Settlement.

15. The Settling Parties agree that except as otherwise expressly noted in this Revised TCJA Settlement: (a) the execution of this Revised TCJA Settlement will not be deemed to constitute an acknowledgment of any Settling Party of the validity or invalidity of any particular method, theory or principle of ratemaking or regulation, account balances, and no Settling Party will be deemed to have agreed that any principle, method or theory of regulation employed, or account balances in arriving at this Revised TCJA Settlement is appropriate for resolving any issue in any other proceeding; (b) the execution of the Revised TCJA Settlement will not constitute the basis of estoppel or waiver in future proceedings by any Settling Party; and (c) no Settling Party will be deemed to be bound by any position asserted by any other Settling Party, and no finding of fact or conclusion of law other than those expressly stated will be deemed to be implicit in this Revised TCJA Settlement. Any specific reservation of future litigation rights contained in the Revised TCJA Settlement should not be deemed to waive the applicability of this general reservation of litigation rights in future proceedings as to all matters contained in the Revised TCJA Settlement.

16. The Settling Parties acknowledge that their support and advocacy of the Revised TCJA Settlement may be compromised by material alterations thereto. In the event the Commission rejects or materially alters the Revised TCJA Settlement, the Settling Parties agree that within seven days of such Commission Decision any Settling Party may provide notice to the other Settling Parties of its objection to the Revised TCJA Settlement as modified. Upon such objection, the Settling Parties will no longer be bound by its terms and will not be deemed to have waived any of their respective procedural or due process rights under Colorado law. If a

Settling Party objects to the Revised TCJA Settlement as modified, it may withdraw from the Revised TCJA Settlement.

17. If the Commission chooses to adopt and approve this Revised TCJA Settlement, any settled matters will be deemed resolved to the extent that the Revised TCJA Settlement is not compromised by material alterations.

18. Except as otherwise expressly provided in this Revised TCJA Settlement, the issuance of a Decision approving this Revised TCJA Settlement will not be deemed to work as an estoppel upon the Settling Parties or the Commission, or otherwise establish, or create any limitation on or precedent of the Commission, in future proceedings.

19. This Revised TCJA Settlement will not become effective and will be given no force and effect until the issuance of a final written Commission decision that accepts and approves this Revised TCJA Settlement.

20. This Revised TCJA Settlement may be executed in one or more counterparts and each counterpart will have the same force and effect as an original document and as if all the Settling Parties had signed the same document. Any signature page of this Revised TCJA Settlement may be detached from any counterpart of this Revised TCJA Settlement without impairing the legal effect of any signatures thereon, and may be attached to another counterpart of the Revised TCJA Settlement identical in form hereto but having attached to it one or more signature page(s). The Settling Parties agree that "pdf' signature pages exchanged by e-mail will satisfy the requirements for execution.

IV. Motion to Approve Revised TCJA Settlement Agreement on Expedited Basis

21. For the reasons stated above, the Settling Parties move that the Commission approve this Revised TCJA Settlement on an expedited basis, with a waiver of response time. A waiver of response time is appropriate to allow the rate reductions set forth above to commence on June 1, 2018.

DATED this 27th day of April, 2018.

Respectfully submitted,

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PUBLIC SERVICE COMPANY OF COLORADO

BY: ______________________________
David L. Eves
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Respectfully submitted,

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PSCo Electric 2014 Rate Case
As Adopted vs. TCJA Impact

Line No.	Revenue Requirement Category	CPUC Allocation 2014 Rate Case Adopted 2013 YE HTY	CPUC Allocation 2014 Rate Case Adjusted for Tax Reform - TCJA	Difference TCJA - Adopted
1	**Rate Base**			
2	Rate Base	5,586,798,412	5,589,899,689	3,101,277
3	Flowback of Excess DIT (ARAM) - Plant		15,353,644	15,353,644
4	Flowback of Excess DIT - Non-Plant All Other		(1,510,715)	(1,510,715)
5	Flowback of Excess DIT - Non-Plant Pension		3,288,807	3,288,807
6	Total Rate Base	5,586,798,412	5,607,031,424	20,233,012
7	Allowed Rate of Return	7.55%	7.55%	0.00%
8	Required Earnings	421,803,280	423,082,568	1,279,288
9				
10	**Operating Earnings**			
11	Rate Base	5,586,798,412	5,603,742,618	16,944,206
12	Cost of Debt	2.05%	2.05%	0.00%
13	Interest Expense	114,529,367	114,876,724	347,356
14				
15	Schedule M Adjustments			
16	Temporary Differences	(235,407,323)	(235,339,687)	67,636
17	Permanent Differences	(2,696,105)	(2,696,105)	0
18				
19	State Taxable Income (Loss)	69,170,485	70,170,052	999,567
20	State Tax Rate	4.63%	4.63%	0.00%
21	State Tax Expense - Current	3,202,593	3,248,873	46,280
22				
23	Less: Section 199 Deduction	16,366,677	0	(16,366,677)
24	Federal Taxable Income	49,601,214	66,921,178	17,319,964
25	Federal Tax Rate	35.00%	21.00%	-14.00%
26	Federal Tax Expense - Current	17,360,425	14,053,447	(3,306,978)
27				
28	Deferred Income Taxes (DIT)	90,048,557	55,628,604	(34,419,953)
29	Flowback of Excess DIT (ARAM) - Plant (Note 1)		(15,353,644)	(15,353,644)
30	Flowback of Excess DIT - Non-Plant All Other (Note 1)		1,510,715	1,510,715
31	Flowback of Excess DIT - Non-Plant Pension (Note 1)		(3,288,807)	(3,288,807)
32	Total Deferred Income Taxes, incl. ARAM	90,048,557	38,496,868	(51,551,689)
33	ITC Amortized	(2,388,943)	(2,388,943)	0
34	Tax Credit	(4,149,633)	(4,149,633)	0
35	Other Adjustments	23	(0)	(23)
36				
37	**Total Income Tax Expense**	104,073,022	49,260,612	(54,812,410)
38	Gross up factor	1.61315	1.32728	(0.28587)
39	Gross Total Tax Expense	167,885,438	65,382,411	(102,503,027)
40				
41	Total Operating Expenses	1,005,167,513	1,005,167,513	0
42				
43	Operating Deductions	1,173,052,951	1,070,549,924	(102,503,027)
44	Revenue Credits	(36,829,903)	(36,829,903)	0
45				
46	Total Revenue Requirement	1,558,026,328	1,456,802,589	(101,223,739)
47	Operating Revenue	1,558,026,328	1,558,026,328	0
48	Revenue Deficiency (Excess)	(0)	(101,223,739)	(101,223,739)
49				

Note 1: The Excess ADIT flowback amounts are based on the December 31, 2013 Test Year balances reflecting the change in the Federal tax rate from 35% to 21%.

Attachment B

PSCo Electric Base Rate Impact - GRSA Calculations
January 2018 - December 2019

Ln No	Month	Base Revenues	Base % Total	Monthly TCJA Deferral Liability	2018 Reduction to Prepaid Pension Asset	2019 Reduction to Prepaid Pension Asset	TCJA Refund Liability	GRSA Calculation: 2018 Reduction to Base Rates	GRSA Calculation: 2019 Reduction to Base Rates
1	Jan	134,764,737	8.37%	(8,467,784)	(4,955,234)	(2,821,873)	(3,512,550)		(5,645,911)
2	Feb	114,356,863	7.10%	(7,185,479)	(4,204,846)	(2,394,547)	(2,980,633)		(4,790,932)
3	Mar	126,529,483	7.85%	(7,950,331)	(4,652,428)	(2,649,433)	(3,297,904)		(5,300,899)
4	Apr	111,021,761	6.89%	(6,975,922)	(4,082,216)	(2,324,713)	(2,893,706)		(4,651,209)
5	May	113,382,293	7.04%	(7,124,243)	(4,169,012)	(2,374,141)	(2,955,231)		(4,750,103)
6	Jun	131,215,119	8.15%	(8,244,748)	(4,824,716)	(2,747,547)	(3,420,032)	(5,450,071)	(5,497,201)
7	Jul	173,454,092	10.77%	(10,898,784)	(6,377,823)	(3,631,999)	(4,520,961)	(7,204,483)	(7,266,785)
8	Aug	184,841,905	11.47%	(11,614,324)	(6,796,547)	(3,870,451)	(4,817,777)	(7,677,480)	(7,743,872)
9	Sep	153,063,463	9.50%	(9,617,563)	(5,628,069)	(3,205,035)	(3,989,494)	(6,357,550)	(6,412,528)
10	Oct	141,106,439	8.76%	(8,866,257)	(5,188,415)	(2,954,663)	(3,677,842)	(5,860,911)	(5,911,594)
11	Nov	111,330,670	6.91%	(6,995,332)	(4,093,575)	(2,331,181)	(2,901,757)	(4,624,162)	(4,664,151)
12	Dec	115,908,458	7.19%	(7,282,972)	(4,261,898)	(2,427,037)	(3,021,074)	(4,814,303)	(4,855,935)
13	**Total**	$ 1,610,975,284	100.00%	$ (101,223,739)	$ (59,234,780)	$ (33,732,619)	$ (41,988,959)	$ (41,988,959)	$ (67,491,120)
14					58.52%		41.48%		
15									
16	Total Reduction to Base Rates (Before Interest)							$ (41,988,959)	$ (67,491,120)
17	Interest Calculation on Refund Liability							$ (363,107)	0
18	Total Reduction to Base Rates (With Interest)							**$ (42,352,067)**	**$ (67,491,120)**
19									
20	2018 Jun-Dec Base Rate Revenue & 2019 Base Rate Revenue							**$ 1,010,920,146**	**$ 1,610,975,284**
21									
22	TCJA Settlement GRSA Effective June 1, 2018 (ln 18 / ln 20)							**-4.19%**	**-4.19%**
23									
24									
25									

26 **Interest Calculation on the Refund Portion**

Ln No	Month	Reduction to Base Rates	Refund to Customers	Balance Owed to Customers	Monthly % Bank Prime Rate	Monthly Interest Expense
27						
28	Jan	$ (3,512,550)	-	$ (3,512,550)	0.40%	$ (6,952)
29	Feb	$ (2,980,633)	-	$ (6,493,183)	0.40%	$ (19,803)
30	Mar	$ (3,297,904)	-	$ (9,791,086)	0.40%	$ (32,229)
31	Apr	$ (2,893,706)	-	$ (12,684,792)	0.40%	$ (44,484)
32	May	$ (2,955,231)	-	$ (15,640,023)	0.40%	$ (56,060)
33	Jun	$ (3,420,032)	5,450,071	$ (13,609,984)	0.40%	$ (57,891)
34	Jul	$ (4,520,961)	7,204,483	$ (10,926,462)	0.40%	$ (48,562)
35	Aug	$ (4,817,777)	7,677,480	$ (8,066,759)	0.40%	$ (37,591)
36	Sep	$ (3,989,494)	6,357,550	$ (5,698,702)	0.40%	$ (27,244)
37	Oct	$ (3,677,842)	5,860,911	$ (3,515,634)	0.40%	$ (18,237)
38	Nov	$ (2,901,757)	4,624,162	$ (1,793,228)	0.40%	$ (10,507)
39	Dec	$ (3,021,074)	4,814,303	$ 0	0.40%	$ (3,549)
40	**Total**	$ (41,988,959)	$ 41,988,959	$ 0	4.75%	**$ (363,107)**
41						
42						

43 **Interest Calculation on the Prepaid Pension Asset**

Ln No	Month	2018 Prepaid Pension Asset: 2018 Reduction to Prepaid Pension Asset	Balance Owed to Customers	Monthly % LT Debt Rate (2014 case)	Monthly Interest Expense	2019 Prepaid Pension Asset: 2019 Reduction to Prepaid Pension Asset	Balance Owed to Customers	Monthly % LT Debt Rate (2014 case)	Monthly Interest Expense
44									
45	Jan	$ (4,955,234)	$ (4,955,234)	0.39%	$ (9,642)	(2,821,873)	$ (62,056,653)	0.39%	$ (236,013)
46	Feb	$ (4,204,846)	$ (9,160,080)	0.39%	$ (27,466)	(2,394,547)	$ (64,451,200)	0.39%	$ (246,163)
47	Mar	$ (4,652,428)	$ (13,812,508)	0.39%	$ (44,701)	(2,649,433)	$ (67,100,633)	0.39%	$ (255,978)
48	Apr	$ (4,082,216)	$ (17,894,724)	0.39%	$ (61,697)	(2,324,713)	$ (69,425,346)	0.39%	$ (265,657)
49	May	$ (4,169,012)	$ (22,063,736)	0.39%	$ (77,753)	(2,374,141)	$ (71,799,486)	0.39%	$ (274,800)
50	Jun	$ (4,824,716)	$ (26,888,453)	0.39%	$ (95,253)	(2,747,547)	$ (74,547,033)	0.39%	$ (284,766)
51	Jul	$ (6,377,823)	$ (33,266,276)	0.39%	$ (117,051)	(3,631,999)	$ (78,179,032)	0.39%	$ (297,179)
52	Aug	$ (6,796,547)	$ (40,062,823)	0.39%	$ (142,686)	(3,870,451)	$ (82,049,484)	0.39%	$ (311,778)
53	Sep	$ (5,628,069)	$ (45,690,892)	0.39%	$ (166,862)	(3,205,035)	$ (85,254,518)	0.39%	$ (325,546)
54	Oct	$ (5,188,415)	$ (50,879,307)	0.39%	$ (187,910)	(2,954,663)	$ (88,209,182)	0.39%	$ (337,531)
55	Nov	$ (4,093,575)	$ (54,972,882)	0.39%	$ (205,971)	(2,331,181)	$ (90,540,363)	0.39%	$ (347,817)
56	Dec	$ (4,261,898)	$ (59,234,780)	0.39%	$ (222,229)	(2,427,037)	$ (92,967,399)	0.39%	$ (357,076)
57	**Total**	$ (59,234,780)	$ (59,234,780)	4.67%	**$ (1,359,220)**	$ (33,732,619)	$ (92,967,399)	4.67%	**$ (3,540,304)**
58			$ (1,359,220)	2018 Interest			$ (3,540,304)	2019 Interest	
59			$ (60,594,000)	2018 Reduction to Prepaid Pension Asset			$ (1,359,220)	2018 Interest	
60							$ (97,866,923)	Total Reduction to Prepaid Pension Asset	
61							$ (37,272,923)	2019 Reduction to Prepaid Pension Asset	

Public Service Company of Colorado **Attachment C**
Prepaid Pension Asset with Remaining TCJA Impacts
Forecasted Balances Through December 31, 2019

Line No.	Description		Asset / (Liability)
1	**TCJA Impact on Current Base Rates**		
2	TCJA Regulatory Liability - Total Revenue Deferral - 2018	$	(101,223,739)
3	Less: TCJA Impact - 35% Federal Tax Rate changed to 21% - Refunded to Customers in 2018		(41,988,959)
4	Remaining TCJA Impacts in 2018 (ln 2 - ln 3)	$	(59,234,780)
5			
6	TCJA Regulatory Liability - Total Revenue Deferral - 2019	$	(101,223,739)
7	Less: TCJA Impact Refunded to Customers in 2019 (Attachment B)		(67,491,120)
8	Remaining TCJA Impacts in 2019 (ln 6 - ln 7)	$	(33,732,619)
9			
10			
11	**Prepaid Pension Asset**		
12	Legacy Prepaid Pension Asset at December 31, 2014	$	226,415,754
13	New Prepaid Pension Asset (Note 1)		(56,212,269)
14	Prepaid Pension Asset for GAAP Reporting		170,203,485
15	Regulatory Amortization / Regulatory Liability (February 2015 - December 31, 2018)		(35,999,054)
16	2018 TCJA Impact Applied to Regulatory Liability (ln 4)		(59,234,780)
17	Carrying Charge on TCJA Impacts applied to Regulatory Liability (Attachment B)		(1,359,220)
18	Regulatory Tracker (Note 1)		1,020,068
19	Prepaid Pension Asset for Ratemaking Purposes at December 31, 2018	$	74,630,499
20			
21	Regulatory Amortization (January 1, 2019 - December 31, 2019)	$	(9,275,830)
22	2019 TCJA Impact Applied to Regulatory Liability (ln 8)(Note 2)	$	(33,732,619)
23	Carrying Charge on TCJA Impacts applied to Regulatory Liability (Attachment B)	$	(3,540,304)
24	Prepaid Pension Asset for Ratemaking Purposes at December 31, 2019	$	28,081,746
25			
26			
27	**Annual Amortization of Prepaid Pension Asset**		
28	Net Legacy Prepaid Pension Asset, Inclusive of ADIT, at December 31, 2014 (Note 3)	$	139,137,447
29	Amortization Period (15 years) beginning February, 2015		15
30	Annual Amortization Amount consistent with 2014 Rate Case Settlement	$	9,275,830
31			
32			
33	**Excess Accumulated Deferred Income Taxes Related to Pension**		
34	Regulatory Liability - Excess ADIT related to Pension (Note 4)	$	(27,178,000)
35	Amortization to Income Tax Expense over 10 years - 2018 Amortization	$	2,717,800
36	Regulatory Liability - Excess ADIT related to Pension at December 31, 2018	$	(24,460,200)
37			
38	Amortization to Income Tax Expense over 10 years - 2019 Amortization	$	2,717,800
39	Regulatory Liability - Excess ADIT related to Pension at December 31, 2019	$	(21,742,400)

Note 1: The Commission has not yet determined the appropriate regulatory treatment for the New Prepaid Pension Asset or the Regulatory Tracker. The regulatory treatment will be determined in a future Electric Rate Case pursuant to Commission Decision No. C15-0292.

Note 2: This is an annual amount that assumes new base rates are not effective until January 1, 2020.

Note 3: The Net Legacy Prepaid Pension Asset amount is the Legacy Prepaid Pension asset of $226,415,754 (in line 8) less the ADIT of $87,278,307, for a Net Legacy Prepaid Pension Asset amount of $139,137,447.

Note 4: The Excess ADIT related to Pension is based on the December 31, 2017 balance reflecting the change in the Federal tax rate from 35% to 21%. This amount differs from the one used in Attachment A because it is calculated with a 2017 test year.

PSCo Electric TCJA Accounting Entries ($ in millions)
January 2018 - December 2018

Attachment D

	Entries: Debits (Credits)	**Balance Sheet Accounts**						**Income Statement Accounts**					
Ln No	**Journal Entry Description**	**TCJA Deferral Regulatory Liability**	**Regulatory Liability - Prepaid Pension Asset Offset**	**TCJA Refund Liability**	**Income Tax Liabiity - Current**	**Accumulated Deferred Income Taxes (ADIT)**	**Cash**	**Electric Revenues**	**Regulatory Amortization Expense**	**Interest Expense**	**Income Tax Expense - Current**	**Income Tax Expense - Deferred**	**PROOF**
1													
2	Record annual TCJA liability for 2018 (Note 1)	(101.2)			25.0			101.2			(25.0)		0.0
3													
4	Allocate the TCJA Liability per the Settlement	101.2	(59.2)	(42.0)	(14.6)	14.6		(59.2)	59.2		14.6	(14.6)	0.0
5													
6	Record a carrying charge on the TCJA related liabilities		(1.4)	(0.3)	0.07	0.3				1.7	(0.07)	(0.3)	0.0
7													
8	Base Rate Refund through the GRSA			42.2			(42.2)						0.0
9													
10	Totals	0.0	(60.6)	(0.1)	10.4	15.0	(42.2)	42.0	59.2	1.7	(10.4)	(15.0)	

Note 1: Revenue Requirements as calculated on Attachment A. This amount includes the flowback of Excess ADIT amounts.