BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF COLORADO

* * * * *

IN THE MATTER OF THE APPLICATION OF PUBLIC SERVICE COMPANY OF COLORADO FOR APPROVAL OF THE POWER PURCHASE AGREEMENT FOR 118.8 MW OF NATURAL GAS GENERATION, EARLY RETIREMENT OF ARAPAHOE UNIT 4, AND A GAS SALES AGREEMENT	)))))))))	DOCKET NO. 12A-_____E

VERIFIED APPLICATION OF PUBLIC SERVICE COMPANY OF COLORADO

Public Service Company of Colorado ("Public Service" or the "Company") hereby applies to the Commission for approval of Public Service's request to retire our Arapahoe Unit No. 4, coal-fired power plant ("Arapahoe 4") by the end of 2013, and enter into a multi-element transaction with Southwest Generation Operating Company, LLC ("SWG") and its affiliates SWG Arapahoe, LLC ("SWG Arapahoe") and SWG Fountain Valley Gas, LLC ("SWG Fountain Valley"). Specifically, the Company seeks an Order approving: 1) retirement of the 109 MW Arapahoe 4 unit no later than December 31, 2013; (2) a new ten-year, 118.8 MW, Power Purchase Agreement with SWG Arapahoe, LLC, under which Public Service will purchase the output from Arapahoe units 5, 6 and 7 from January 1, 2014 through December 31, 2023 (the "Arapahoe PPA"); and 3) a natural gas sales agreement with SWG Fountain Valley Gas, LLC, under which Public Service will sell natural gas for the Fountain Valley generation facility (the "Fountain Valley GSA"). Under the Commission's Electric Resource Planning Rule 3611 (b) and (c), Public Service is entitled to depart from all source bidding by proposing an "alternative plan for acquiring resources to meet the need specified identified in rule 3610." Rule 3611(c) requires Public Service to: 1) identify the specific resources that it wishes to acquire; 2) identify the reasons that the specific resource should not be acquired through an all-source competitive acquisition process; and 3) provide a cost-benefit analysis to demonstrate the reasons why the public interest would be served by acquiring the specific resource through an alternative method of acquisition. In the testimony accompanying this Application, Public Service has provided all the required information and has demonstrated why the public interest is served by acquiring this specific resource through this proposed alternative method of resource acquisition.

Accompanying this Application are the Direct Testimonies and Exhibits of Mr. Kurtis J. Haeger, Mr. James Hill, Mr. George Hess, Mr. Scott Brockett, Mr. Timothy J. Carter, and Ms. Lisa H. Perkett. The Arapahoe PPA is provided as Exhibit No. KJH-2 by Mr. Haeger. A copy of the transaction sales confirmation for the Fountain Valley GSA is provided as Exhibit No. TJC-1 by Mr. Carter. The Fountain Valley GSA is a standard NAESB gas sales agreement.

At the request of Southwest Generation, the pricing terms in these documents have been redacted from the public versions of these agreements. Concurrent with the filing of this Application we are filing a Joint Motion of Public Service Company of Colorado and Southwest Generation Operating Company, LLC for Extraordinary Protection, and accompanying affidavits, requesting protection for Highly Confidential bid information contained in these contracts and in all proposals the Company analyzed in reaching our recommended outcome.

BACKGROUND

In the Company's Clean Air Clean Jobs Act ("CACJA") plan, Docket No. 10M-245E, the Company requested, and the Commission approved, a plan to reduce nitrogen oxide emissions by retiring coal operations at Arapahoe 4 and switching operations of that plant to burning natural gas, beginning no later than January 1, 2014. The Company had proposed to continue to generate electricity at our Arapahoe Station in that docket due to the anticipated need to generate at the Arapahoe Station site to maintain transmission voltage stability in the Denver metropolitan area. In its order approving a CACJA emissions reduction plan, the Commission directed the Company to explore "alternative replacement capacity solutions" for Arapahoe 4, including whether the continued operation of this unit was necessary for the reliability of the transmission system. Decision No. C10-1328 at p. 42.

Public Service has conducted the additional transmission studies requested by the Commission and we have determined that the continued operation of generation at our Arapahoe Station is not necessary from a transmission reliability standpoint. We reported this result in our 2011 Electric Resource Plan filing in Docket No. 11A-869E, made in October 2011. Because the operation of Arapahoe 4 is no longer required for transmission reliability and voltage stability, in our 2011 ERP filing the Company stated that we would conduct a preliminary test of all bids made in response to the Company's All-Source RFPs in ERP Phase II, against continued operation of Arapahoe 4 (on gas beginning January 1, 2014), prior to conducting the full resource evaluation. The best bid that could economically displace Arapahoe 4 would be accepted and then used in the evaluation of our remaining resource need.

As described in the testimony of Company witnesses in support of this Application, after the filing of the 2011 ERP, Public Service began to focus on the complexities of workforce planning that will result from implementation of the plant retirements required by CACJA. We became concerned that our employees at Arapahoe Station should be given more advance notice, as to whether we would be closing Arapahoe 4 at the end of 2013 or whether we would be continuing to operate this station by switching fuels to natural gas, than would be available if this decision were not made until the end of the ERP Phase II (third or fourth quarter 2013). At the same time, Public Service was hearing from potentially stranded Independent Power Producers ("IPPs") that they would like to move up the competition to replace Arapahoe Unit 4.

Arapahoe 4 is an old coal plant that is almost fully depreciated. It is already a dual fuel facility and can burn natural gas without the Company incurring significant conversions costs. Given the recently completed transmission studies that indicate that generation at Arapahoe Station is not needed for transmission voltage stability, there is no need to run Arapahoe 4 out of dispatch order for transmission reliability purposes. Consquently, Arapahoe 4 can operate as a peaking facility. The only generating facilities that could cost-effectively compete against operating Araphoe 4 as a peaker, and achieve the emission reductions required under CACJA, would be existing natural gas-fired facilities, without commited contracts, already connected to the Public Service system. There are only three companies that have such facilities. Because of the limited number of cost-effective competitors to operating Arapahoe 4 as a natural gas peaker, the Company's need to provide more notice and options for our plant employees, and the desires of local IPPs to bid against Arapahoe 4 sooner than later, Public Service decided to conduct the contemplated preliminary evaluation of Arapahoe 4 replacements earlier, while the Phase I ERP was pending. Because we were evaluating pretty much a like-for-like replacement of Arapahoe 4, the outcome of this early evaluation would not materially impact the resource need under discussion in the 2011 ERP.

THE SOLICITATION

As the Company's Direct Testimony describes, the Company began to compare the costs to operate Arapahoe 4 on natural gas from 2014 through 2023 with the costs of replacing Arapahoe 4 with a PPA. To evaluate the economics of entering into a PPA, the Company identified and contacted existing natural gas generators whose contracts with Public Service expire in or before 2018 and do not appear to have an off-taker for the 2017 to 2023 time period. On March 9, 2012, the Company sent solicitation letters to two generators[1] along with Dispatchable Request for Proposal bid forms, consistent with the Company's proposal in our 2011 ERP. These IPPs were asked to make a proposal that could substantially replace Arapahoe 4 through 2023, and comply with the

---

[1] As described by Mr. Haeger, during the time the Company was considering soliciting proposals from existing gas generators, the Company received a request from the owners of three Brush generating units that have PPAs with Public Service as to whether Public Service wished to consider purchasing these units. Owners of the limited liability companies holding these generators were filing for bankruptcy protection. Public Service ultimately negotiated a very good price for these units – and the purchase of these units is the subject of a separate application being filed contemporaneously with this Application. Because Public Service was negotiating the purchase of these generators, these IPPs did not participate in our solicitation for replacement capacity for Arapahoe 4.

terms and conditions in the Dispatchable Model PPA contained in the Company's 2011 ERP Volume 3.

Public Service received offers from each of these two IPPs. The offer from SWG contained the Arapahoe PPA for 118.8 MW of capacity from Arapahoe Units 5, 6, and 7 from January 1, 2014 through December 31, 2023, along with the request for natural gas to be provided to SWG at its Fountain Valley generation facility. Public Service is the current supplier of gas to the Fountain Valley generation facility and the current purchaser of the electricity from that facility under a "tolling" arrangement[2] that expires August 31, 2012. When this tolling arrangement expires, SWG will contract for a different purchaser of the power from this generation facility, but SWG will still need gas supplied to the facility. (collectively the "SWG Proposal").[3] The second offer received by Public Service was from Thermo UNC for 69 MW of capacity for the term of January 1, 2014 through December 31, 2023.

ANALYSIS OF ALTERNATIVES

As discussed by Mr. Hill in his Direct Testimony, Public Service identified five case alternatives to consider in our evaluation of these proposals. First, we developed the baseline case (Case 1) of converting Arapahoe 4 to natural gas in 2014 and continuing to use Arapahoe 4 through 2023 as a peaking resource. In Case 2, we retire Arapahoe 4 at the end of 2013 but do not replace it with any proposal received in this recent solicitation and instead we replace it with resources selected through the All

[2] A tolling arrangement is a power purchase agreement where the purchaser of the electricity also supplies the fuel to the generator.

[3] We were advised that the elements of the SWG Proposal must be combined and that both the PPA and GSA must be considered as a package. SWG has stated that both elements must be included as a package proposal. Public Service agrees that the PPA and GSA together provide value to our customers that each contract on its own would not provide.

Source RFP. For this Case 2, STRATEGIST was allowed to select from among the generic resources used in the model runs provided in the 2011 ERP Phase I filing (as surrogates for the bids we are likely to receive in the All Source RFP). In Case 3, Public Service retires Arapahoe 4 at the end of 2013 and replaces it with the SWG proposal. Case 4 retires Arapahoe 4 at the end of 2013 and replaces it with the Thermo UNC proposal. Case 5 retires Arapahoe 4 at the end of 2013 and replaces it with both the SWG and Thermo UNC proposals.

As discussed by Mr. Hill, these alternative cases were modeled using the same assumptions Public Service included in its 2011 ERP, except Public Service updated certain assumptions in the model, similar to the updates in assumptions that Public Service always makes when evaluating Phase II bids.[4] Our evaluation showed that Case 3, the SWG Proposal, has the lowest present value of revenue requirements. In fact, the modeling showed that the SWG proposal creates savings as early as 2013.

Table 1: Alternative Case 2012-2023 PVRR Deltas versus the Baseline Case

		Alternatives			
Case #	1	2	3	4	5
Description	Baseline	Retire Arapahoe 4	G001	G002	G001 + G002
Arapahoe 4	Convert to gas on 1/1/2014, run on gas through 2023	Retire at the end of 2013	Retire at the end of 2013	Retire at the end of 2013	Retire at the end of 2013
G001	N/A	N/A	Proposal	N/A	Proposal
G002	N/A	N/A	N/A	Proposal	Proposal
2012-2023 PVRR Net Customer Costs (Savings) from the Baseline Case in Millions of Dollars		($5)	($18)	$1	($7)

[4] In evaluating bids received in All Source solitications in Phase II of ERPs, Public Service always updates our load forecast, our then existing resources, and our fuel prices.

As a result of this evaluation, Public Service chose to move forward with the SWG Proposal. We have successfully negotiated a new 10 year PPA for 118.8 MW of capacity from the fuel-efficient Arapahoe Units 5, 6 and 7. This capacity effectively would replaces the 109 MW of capacity from a retired Arapahoe 4 coal unit. Further, as described by Mr. Carter's testimony, we also successfully negotiated the Fountain Valley GSA, which will provide value to Public Service's customers by providing gas sales revenue, using existing pipeline capacity contracted by Public Service, to offset some of the cost of the Arapahoe PPA. As discussed by Mr. Hill, the SWG Proposal is the lowest cost alternative to the continued operation of Arapahoe 4, and it results in approximately $18 million net present value savings to customers when compared with operating Arapahoe 4 as a gas peaking unit.

THE ARAPAHOE PPA AND THE FOUNTAIN VALLEY GSA

The Arapahoe PPA provides for 118.8 MW of capacity. The economic analysis of the Arapahoe PPA and its comparison with other alternatives is outlined by Mr. Hill. Energy is provided on a tolling basis with Public Service supplying the natural gas to the plant. The Arapahoe PPA is based upon the Company's Model Dispatchable form that has been filed in the ERP Docket. This contract contains a security fund under which the seller is required to provide a letter of credit to secure performance and provide Public Service with adequate security for nonperformance. The Arapahoe PPA also includes specially-negotiated conditions precedent making the PPA contingent upon Commission approval of all aspects of the transaction, as well as approval from SWG's lenders.

The Fountain Valley GSA is a full requirements contract (to the agreed-upon volume limits) that obligates Public Service to sell natural gas to the SWG Fountain Valley generation facility. As Mr. Carter testifies, Public Service determined that its portfolio of natural gas transportation and supply contracts will support this gas sale to the Fountain Valley generation facility. The demand and commodity charges under the Fountain Valley GSA are sufficient to cover costs incurred by Public Service. The Fountain Valley GSA provides incremental charges for upstream pipeline fuel, upstream lost and unaccounted for charges, a balancing fee, and an agency fee.

The Fountain Valley GSA includes a letter of credit from the purchaser in the to secure SWG's obligation to pay. This contract is structured so that Public Service has the right to monitor its deliveries and require additional security or prepayment if it is determined that the available security is insufficient to cover the Company's commodity and other costs associated with the delivery of this gas.

The Arapahoe PPA and the Fountain Valley GSA are both contingent upon obtaining Commission approval for both contracts as well as a commitment that the two contracts are in good standing at the time of such approval.

THIS PUBLIC INTEREST IS SERVED BY THIS RESOURCE ACQUISITION

Public Service is proposing this alternative method of resource acquisition – the accelerated retirement and replacement plan for Arapahoe 4 at this time -- for these primary reasons: 1) the SWG proposal will provide substantial savings to our Company and our customers over the *status quo* of operating Arapahoe 4 as a gas peaker; 2) the SWG proposal will provide incremental environmental benefits in the form of decreased emissions compared to keeping Arapahoe 4 on line; 3) the advance determination of whether Arapahoe 4 should be retired will provide workforce planning benefits to the Company and our employees; and 4) the earlier determination of whether to replace Arapahoe 4 will benefit the IPP (SWG) by providing revenue streams sooner to support its otherwise stranded generation. This early retirement and replacement plan is clearly in the public interest.

Mr. Hill shows that we estimate the savings to retail customers from the SWG Proposal to be $18 million on a net present value basis (when compared to operating Arapahoe 4 on gas). Mr. Haeger testifies that the SWG proposal is equivalent to obtaining dispatchable generation capacity at a net average cost of approximately $4.30/kw-month for ten years and that he is not aware of any generation project that could be constructed for such a low capacity price.

Mr. Brockett explains how our retail customers will quickly benefit from the SWG Proposal. Base electric rates have been set through 2014 under a multi-year plan recently approved by the Commission in Docket No. 11AL-947E. However, the vast majority of the costs and benefits from this transaction flow through adjustment clauses in the Company's retail rates. Through these adjustment clauses, Mr. Brockett calculates that our retail customers will see a decrease in cost of $3.3 million in 2013 and only as slight increase ($400,000) in 2014. These rate changes result from the net effect of a decrease in the Electric Commodity Adjustment ("ECA") and an increase in the Purchased Capacity Cost Adjustment ("PCCA"). To pass on to retail customers the net revenues received under the Fountain Valley GSA, changes to the terms of the Company's ECA tariff are necessary. Mr. Brockett explains those changes and presents the proposed tariff changes. When electric base rates are adjusted in 2015, Mr. Brockett explains that our retail customers will see additional savings from the retirement of Arapahoe 4. This transaction is estimated to create both short term and long term cost savings for our customers.

CONCLUSION

Public Service Company of Colorado respectfully requests that this Application be granted and that the Commission find the actions requested herein are in the public interest. Public Service requests that the Commission approve the retirement of Arapahoe 4 at the end of 2013, the Arapahoe PPA, and the Fountain Valley GSA. Public Service also requests that the Commission approve the Company's proposed changes to our ECA tariff so that the savings created by the Fountain Valley GSA may be passed back to retail customers.

ADDITIONAL INFORMATION REQUIRED BY COMMISSION RULE 3002

Public Service Company of Colorado is an operating public utility subject to the jurisdiction of this Commission, engaged, inter alia, in the generation, transmission, distribution, and purchase of electricity in various areas in the State of Colorado.

The name and address of the Applicant is:

Public Service Company of Colorado
1800 Larimer Street, Suite 1400
Denver, CO 80202-5533

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

Robin Kittel
Director, Regulatory Administration
Xcel Energy Services, Inc.
1800 Larimer Street, Suite 1400
Denver, CO 80202-5533
Tel: 303-294-2242
Fax: 303-294-2329
Email: robin.kittel@xcelenergy.com

And

Michael C. Krikava (# 33614)
Briggs and Morgan
2200 IDS Center
80 South 8th Street
Minneapolis, MN 55402
Tel: 612-977-8566
Fax: 612-977-8650
Cell: 612-961-7138
Email: Mkrikava@briggs.com

And

Paula M. Connelly (#14451)
Managing Attorney
Xcel Energy Services Inc.
Suite 1100
1800 Larimer Street
Denver, CO 80202
Tel: 303-294-2222
Fax: 303-294-2988
Email: paula.connelly@xcelenergy.com

Public Service agrees to answer all questions propounded by the Commission or its Staff concerning this Application. The Commission or any member of its Staff may inspect Public Service's books and records as part of the investigation into this Application. Public Service understands that if any portion of this Application is found to be false or to contain material misrepresentations, any authorities granted pursuant to the Application may be revoked upon Commission order.

Public Service's existing operations and general service areas in Colorado are set forth in the Company's tariffs on file with the Commission.

Public Service requests that this Application be granted without hearing. However, if a hearing is held, Public Service requests that it be held in Denver, Colorado.

Public Service has read and agrees to abide by the provisions of subparagraphs (b)(IV) through (VI) of Commission Rule 4 CCR 723-3-3002.

Public Service acknowledges that the Company has read and agrees to abide by the provisions of Rule 3002(b)(XI)(A) through (C). Pursuant to 3002(c) of the Commission's Electric Rules, Public Service hereby incorporates by reference the following information, which is on file with the Commission in Docket No. 06M-525EG:

A copy of Public Service's Amended Articles of Incorporation, which was last filed on October 3, 2006;

The name, business address and title of each of Public Service's Officers and directors, which was last filed on September 23, 2011;

The names and addresses of affiliated companies that conduct business with Public Service, which was last filed on March 23, 2011;

The name and address of Public Service's agent for service of process, which was last filed on October 3, 2006; and

A copy of Public Service's most recent audited balance sheet, income statement, and statement of retained earnings last filed on April 20, 2012.

Dated this 5th day of July, 2012

Respectfully submitted

By: ______________________

Paula M. Connelly
Managing Attorney
Xcel Energy Services Inc.
1800 Larimer Street, Suite 1100
Denver, CO 80202
Tel: 303-294-2222
Fax: 303-294-2988
Email: paula.connelly @xcelenergy.com

Michael C. Krikava (#33614)
Briggs and Morgan
2200 IDS Center
80 South 8th Street
Minneapolis, MN 55402
Tel: 612-977-8566
Fax: 612-977-8650
Email: Mkrikava@briggs.com

ATTORNEYS FOR PUBLIC SERVICE COMPANY OF COLORADO

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO

* * * * *

IN THE MATTER OF THE APPLICATION OF PUBLIC SERVICE COMPANY OF COLORADO FOR APPROVAL OF THE POWER PURCHASE AGREEMENT FOR 118.8 MW OF NATURAL GAS GENERATION, EARLY RETIREMENT OF ARAPAHOE UNIT 4, AND A GAS SALES AGREEMENT	**)))))))**	**DOCKET NO. 12A-___E**

STATE OF COLORADO)
CITY ANDCOUNTY OF DENVER) SS:

VERIFICATION

I, Karen T. Hyde, being duly sworn, do hereby depose and state that I am Vice President, Rates and Regulatory Affairs – Colorado, Xcel Energy Services Inc., agent for Public Service Company of Colorado, Applicant in the foregoing Application; that I have read the foregoing Application; and that the facts set forth therein are true and correct to the best of my knowledge, information, and belief.

Karen T Hyde
____
Karen T. Hyde
Vice President
Rates and Regulatory Affairs - Colorado

Subscribed and sworn to before me this 5th day of July, 2012.

My Commission expires:
4/28/2013
____
Barbara J. Hamblin
____
Notary Public

BARBARA J. HAMBLIN
NOTARY
PUBLIC
STATE OF COLORADO
My Commission Expires 04/28/2013

Date of Notice: July 5, 2012

NOTICE OF PUBLIC SERVICE COMPANY OF COLORADO
1800 LARIMER STREET, DENVER, COLORADO 80202
OF AN APPLICATION TO RETIRE ARAPAHOE UNIT 4 AND TO ENTER INTO A TRANSACTION WITH SOUTHWEST GENERATION TO REPLACE THE ELECTRICITY GENERATED BY ARAPAHOE UNIT 4, INCLUDING CHANGES TO PUBLIC SERVICE'S ELECTRIC COMMODITY ADJUSTMENT RIDER

You are hereby notified that Public Service Company of Colorado has filed with the Colorado Public Utilities Commission of the State of Colorado an Application seeking the following approvals: 1) to retire its 109 MW Arapahoe Unit No. 4, coal fired power plant by the end of 2013; 2) to enter into a new ten-year, 118.8 MW Power Purchase Agreement with SWG Arapahoe LLC under which Public Service will purchase the output from Arapahoe Units 5, 6, and 7 from January 1, 2014 through December 31, 2023; and 3) to enter into a natural gas sales agreement with SWG Fountain Valley Gas, LLC under which Public Service will sell natural gas for the Fountain Valley generation facility ("the Fountain Valley GSA"). In connection with these transactions, Public Service is requesting Commission authorization to change the formula in the Company's Electric Commodity Adjustment tariff to enable the Company to pass through to retail customers the costs and revenues associated with the Fountain Valley GSA. This proposed tariff change will reduce the ECA rates.

The estimated net effect of this application on the Company's annual electric revenues is a decrease of $3.3 million in 2013 and a slight increase of $400,000 in 2014. The actual effect will depend upon customer electric usage.

The following table shows the estimated total monthly charge for the major rate schedules, assuming average usage and average demand, under both current rates and as a result of the proposed transactions contemplated by the Company's application.

Rate Class	**Monthly Average Use**	**2013 Average Bill Current**	**2013 Average Bill Proposed**	**Monthly Difference**	**Monthly Impact**
Residential R	632 kWh	$69.60	$69.53	$(0.07)	(0.10)%
Commercial C	1123 kWh	$116.63	$116.50	$(0.13)	(0.11)%
Secondary General SG	51.49% L.F. 26,685 kWh 71.00kW	$2,301.68	$2,298.69	$(2.99)	(0.13)%
Primary General PG	64.82% L.F. 492,079 kWh 1040.00 kW	$34,012.65	$33,959.74	$(52.91)	(0.16)%
Transmission General TG	72.68% L.F. 12,889,873 kWh 24,294 kW	$710,926.70	$709,540.69	$(1,366.01)	(0.19)%

Rate Class	Monthly Average Use	2014 Average Bill Current	2014 Average Bill Proposed	Monthly Difference	Monthly Impact
Residential R	632 kWh	$70.35	$70.40	$0.05	0.07%
Commercial C	1123 kWh	$117.84	$117.92	$0.08	0.07%
Secondary General SG	51.49% L.F. 26,685 kWh 71.00kW	$2,323.23	$2,324.49	$1.26	0.05%
Primary General PG	64.82% L.F. 492,079 kWh 1040.00 kW	$34,295.37	$34,292.51	$(2.86)	(0.01)%
Transmission General TG	72.68% L.F. 12,889,873 kWh 24,294 kW	$715,777.21	$715,275.39	$(501.82)	(0.07)%

The Company's present tariffs and the Company's application with respect to this transaction 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. The Company's application may also be viewed on the Company's web-site at www.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 with respect to this Application.

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 within the next 30 days.

The Public Utilities Commission may hold a hearing on the Company's application.

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.

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

Karen T. Hyde
Vice President
Rates and Regulatory Affairs - Colorado

CERTIFICATE OF SERVICE
12A-XXXE

I hereby certify that on this 5th day of July, 2012, the foregoing **"VERIFIED APPLICATION OF PUBLIC SERVICE COMPANY OF COLORADO FOR APPROVAL OF THE POWER PURCHASE AGREEMENT FOR 118.8 MW OF NATURAL GAS GENERATION, EARLY RETIREMENT OF ARAPAHOE UNIT 4, AND A GAS SALES AGREEMENT"** was e-filed with the Colorado Public Utilities Commission in accordance with applicable law:

Doug Dean, Director
Colorado Public Utilities Commission
1560 Broadway, Suite 250
Denver, CO 80202

and served upon each of the persons appearing below throuqh the Colorado Public Utilities Commission e-filing system or by other means in accordance with applicable law:

Levis, William	bill.levis@dora.state.co.us	Office of Consumer Counsel
Magner, Kevin	kevin.magner@denvergov.org	City & County of Denver
Deora, T.J.	tanuj.deora@state.co.us	Colorado Energy Office

_____________________/s/_________________
William W. Wright