

Public Service Company of Colorado
Transmission Formula Rate Template
Twelve Months Ended December 31, 2014
Annual Transmission Revenue Requirements- Actual vs. Estimate

Line No.	RATE BASE & RETURN CALCULATION	Reference/Notes	Total	Allocator (Note O)		Actual	Estimate	Difference	Ref
				Col. (1)	Col. (2)	Transmission	Transmission	Transmission	
			Col. (3)	Col. (4)	Col. (5)				
1	GROSS PLANT IN SERVICE	(Note A)							
2	Production	WP_B-1 Col. (d), Line 2	4,578,133,054	NA	0.00%	-	-	-	
3	Transmission	WP_B-1 Col. (d), Line 3	1,741,930,805	DA	100%	1,741,930,805	1,802,982,162	(61,051,357)	1
4	Distribution	WP_B-1 Col. (d), Line 4	4,043,932,469	NA	0.00%	-	-	-	
5	General Plant	WP_B-1 Col. (d), Line 5	150,292,373	W/S	11.39%	17,116,798	15,493,604	1,623,194	
6	Intangible Plant	WP_B-1 Col. (d), Line 6	37,361,875	W/S	11.39%	4,255,144	4,043,655	211,489	
7	Common Intangible	WP_B-1 Col. (d), Line 7	183,892,550	CE	6.99%	12,850,667	15,425,638	(2,574,972)	
8	Common General	WP_B-1 Col. (d), Line 8	353,308,444	CE	6.99%	24,689,684	28,578,200	(3,888,516)	
9	TOTAL GROSS PLANT	Sum Lines 2 through 8	11,088,851,570			1,800,843,098	1,866,523,260	(65,680,162)	
10		Line 9, Col. (5) divided by Col. (3)		GP=	16.24%				
11									
12	ACCUMULATED DEPRECIATION	(Note A)							
13	Production	WP_B-1 Col. (d), Line 12	1,647,995,445	NA	0.00%	-	-	-	
14	Transmission	WP_B-1 Col. (d), Line 13	381,716,657	DA	100%	381,716,657	382,425,508	(708,852)	
15	Distribution	WP_B-1 Col. (d), Line 14	1,208,775,200	NA	0.00%	-	-	-	
16	General Plant	WP_B-1 Col. (d), Line 15	62,729,690	W/S	11.39%	7,144,284	6,441,895	702,390	
17	Intangible Plant	WP_B-1 Col. (d), Line 16	28,444,209	W/S	11.39%	3,239,511	2,918,719	320,792	
18	Common Intangible	WP_B-1 Col. (d), Line 17	144,762,175	CE	6.99%	10,116,182	11,351,929	(1,235,747)	
19	Common General	WP_B-1 Col. (d), Line 18	168,155,761	CE	6.99%	11,750,958	14,357,539	(2,606,581)	
20	TOTAL ACCUMULATED DEPRECIATION	Sum Lines 13 through 19	3,642,579,137			413,967,592	417,495,589	(3,527,998)	
21									
22	NET ACQUISITION ADJUSTMENT	(Note B)							
23	Production	WP_B-4 Col. (i) Line 15	191,756,756	NA	0.00%	-	-	-	
24	Transmission Serving Production	WP_B-4 Col. (j) Line 15	9,461,460	NA	0.00%	-	-	-	
25	Transmission Serving Transmission	WP_B-4 Col. (k) Line 15	4,970,457	DA	100.00%	4,970,457	4,970,459	(2)	
26	TOTAL NET ACQUISITION ADJUSTMENT	Sum Lines 23 through 25	206,188,673			4,970,457	4,970,459	(2)	
27									
28	NET PLANT IN SERVICE	(Note A)							
29	Production	Line 2 minus 13 plus 23 plus 24	3,131,355,825			-	-	-	
30	Transmission	Line 3 minus 14 plus 25	1,365,184,605			1,365,184,605	1,425,527,112	(60,342,507)	1
31	Distribution	Line 4 minus 15	2,835,157,269			-	-	-	
32	General Plant	Line 5 minus 16	87,562,683			9,972,514	9,051,710	920,804	
33	Intangible Plant	Line 6 minus 17	8,917,666			1,015,633	1,124,936	(109,303)	
34	Common Intangible	Line 7 minus 18	39,130,374			2,734,485	4,073,710	(1,339,225)	
35	Common General	Line 8 minus 19	185,152,683			12,938,726	14,220,662	(1,281,935)	
36	TOTAL NET PLANT IN SERVICE	Sum Lines 29 through 35	7,652,461,106			1,391,845,964	1,453,998,129	(62,152,166)	
37		Line 36, Col (5) divided by Col (3)		NP=	18.19%				
38									
39	OTHER RATE BASE ITEMS	(Note C)							
40	Account No. 281	WP_B-2 Col. (c) & (e), Line 3	(76,835,962)	DA	0.00%	-	-	-	
41	Account No. 282	WP_B-2 Col. (c) & (e), Line 28	(2,045,561,101)	DA		(383,690,294)	(381,646,848)	(2,043,446)	
42	Account No. 283	WP_B-2 Col. (c) & (e), Line 81	(176,779,173)	DA		(3,638,399)	(6,694,941)	3,056,542	
43	Account No. 190	WP_B-3 Col. (c) & (e), Line 82	520,572,249	DA		55,140,183	52,534,206	2,605,977	
44	Regulatory Liabilities- FERC Account No. 254 (Note C)	WP_B-7 Line 14	(1,158,111)	W/S	11.39%	(131,897)	(216,758)	84,861	
45	Account No. 255	267.8.h	29,489,085	DA	100.00%	-	-	-	
46	Account No. 107 (CWIP) (Note E)	WP_B-8 Col. (a), Line 16	-	DA	100.00%	-	-	-	
47	Net Pre-Funded AFUDC on CWIP included (Note E)	WP_B-8 Col. (d), Line 16	-	DA	100.00%	-	-	-	
48	Unamortized Balance of Abandoned Incentive Plant (Note E)	WP_B-Inputs Act. Line 142	-	DA	100.00%	-	-	-	
49	Unamortized Balance of Extraordinary Property Loss (Note E)	WP_B-Inputs Act. Line 142	-	DA	100.00%	-	-	-	
50	TOTAL OTHER RATE BASE ITEMS	Sum Lines 40 through 49	(1,750,273,012)			(332,320,406)	(336,024,341)	3,703,935	
51									
52	LAND HELD FOR FUTURE USE (Note F)	WP_B-Inputs Act. Line 142	-	TP	96.74%	-	-	-	
53									
54	WORKING CAPITAL								
55	Cash Working Capital	(Note G)	-			-	-	-	
56	Materials & Supplies - Transmission	WP_B-6 Line 29	844,022	TP	96.74%	816,464	376,035	440,429	
57	Materials & Supplies - Other	WP_B-6 Line 31	(1,579,694)	NP	18.19%	(287,318)	(300,256)	12,938	
58	Prepayments (Account 165) Plant Related	WP_B-5 Line 8	7,610,524	NP	18.19%	1,384,218	1,386,807	(2,588)	
59	Prepayments (Account 165) Labor Related	WP_B-5 Line 16	572,593	W/S	11.39%	65,213	53,409	11,804	
60	Prepayments (Account 165) Transmission Related	WP_B-5 Line 20	869,069	TP	96.74%	840,694	599,278	241,415	
61	Prepayments (Account 165) Other Not Allocated	WP_B-5 Line 37	5,033,310	NA	0.00%	-	-	-	
62	TOTAL WORKING CAPITAL	Sum Lines 55 through 61	13,349,823			2,819,271	2,115,273	703,998	
63									
64	RATE BASE	Line 36 plus 50 plus 52 plus 62	5,915,537,917			1,062,344,828	1,120,089,061	(57,744,233)	
65									
66	Rate of Return	Line 158	7.45%			7.45%	7.50%	-0.05%	
67									
68	RETURN (Rate Base * Rate of Return)	Line 64 times Line 66	440,707,575			79,144,690	84,006,680	(4,861,990)	

Public Service Company of Colorado
Transmission Formula Rate Template
Twelve Months Ended December 31, 2014

Line No.	EXPENSE, TAXES & REVENUE REQUIREMENTS CALCULATION		Reference/Notes	Total	Allocator (Note O)	Total Transmission		
	Col. (1)	Col. (2)				Col. (3)	Col. (4)	Col. (5)
69	OPERATION & MAINTENANCE EXPENSE							
70	Transmission		WP_C-1 Line 31	58,060,942				
71	Less Total Account 561		WP_C-1 Line 36	(8,060,634)				
72	Add Back Account 561.4		WP_C-1 Line 5	-				
73	Add Back Account 561.5		WP_C-1 Line 6	409,775				
74	Add Back Account 561.6		WP_C-1 Line 7	111,022				
75	Add Back Account 561.7		WP_C-1 Line 8	(49,688)				
76	Add Back Account 561.8		WP_C-1 Line 9	2,884,239				
77	Less Total Account 565 (Note H)		WP_C-1 Line 13	(15,683,269)				
78	Add Back Account 565.25 - System Integration Costs		WP_C-1 Line 34	283,085				
79	Transmission Subtotal		Sum Lines 70 through 78	37,955,473	TP	96.74%	36,716,226	33,359,501
80								3,356,725
81	Administrative and General (Note I)		WP_C-2 Line 15	148,453,424				
82	Less: Acc. 924, Property Insurance		WP_C-2 Line 5	(5,463,943)				
83	Balance of A & G		Sum Lines 81 through 82	142,989,481	W/S	11.39%	16,285,072	15,284,378
84	Plus: Account 924, Property Insurance		Line 82	5,463,943	NP	18.19%	993,794	1,169,167
85	Account 928 - Transmission Specific		WP_C-4 Line 15	865,589	DA	100.00%	865,589	264,667
86	A & G Subtotal		Sum Lines 81 through 85	149,319,013			18,144,455	16,718,212
87								1,426,243
88	TOTAL O & M EXPENSE		Line 79 plus Line 86	187,274,486			54,860,681	50,077,713
89								4,782,968
90								
91	DEPRECIATION AND AMORTIZATION EXPENSE							
92	Transmission		WP_B-1 Line 24 Col. (d)	28,433,219	DA	100.00%	28,433,219	29,634,989
93	Plus: Pre-Funded AFUDC Amortization (Note E)		WP_B-8 Col (f), Line 16	-	DA	100.00%	-	-
94	Plus: Recovery of Abandoned Incentive Plant (Note E)		WP_B-Inputs Act. Line 142	-	DA	100.00%	-	-
95	Plus: Recovery of Extraordinary Property Loss (Note E)		WP_B-Inputs Act. Line 142	-	DA	100.00%	-	-
96	General		WP_B-1 Line 26 Col. (d)	5,264,759	W/S	11.39%	599,603	1,049,636
97	Intangible		WP_B-1 Line 27 Col. (d)	2,305,724	W/S	11.39%	262,599	272,430
98	Common Intangible		WP_B-1 Line 28 Col. (d)	10,995,345	CE	6.99%	768,370	1,485,090
99	Common General		WP_B-1 Line 29 Col. (d)	17,015,386	CE	6.99%	1,189,059	1,983,152
100	Acquisition Adjustment Amortization (Note F)		WP_B-4 Line 15 Col. (o)	96,515	DA	100.00%	96,515	96,504
101	TOTAL DEPRECIATION AND AMORTIZATION		Sum Lines 92 through 100	64,110,948			31,349,365	34,521,801
102								(3,172,436)
103	TAXES OTHER THAN INCOME		(Note J)					
104	Labor Related		WP_D-1 Line 5	13,135,344	W/S	11.39%	1,495,984	1,326,755
105	Plant Related		WP_D-1 Line 9	120,368,370	NP	18.19%	21,892,856	24,611,865
106	Miscellaneous		WP_D-1 Line 12	-	NA	0.00%	-	-
107	TOTAL OTHER TAXES		Sum Lines 104 through 106	133,503,714			23,388,840	25,938,619
108								(2,549,779)
109	INCOME TAXES		(Note K)					
110	T=1 - (((1 - SIT) * (1 - FIT)) / (1 - SIT * FIT * p)) =			36.46%				
111	CIT=(T/1-T) * (1-(WCLTD/R)) =			42.21%				
112	where WCLTD=(line 153) and R=(line 156)							
113	and FIT, SIT & p are as given in Note K.							
114	1 / (1 - T) = (from In 110)			1.5738				
115	Amortized Investment Tax Credit (enter negative)		FF1 266.8.f	(2,935,304)				
116								
117	Income Tax Calculation		Line 68 times Line 111	186,022,667			33,406,974	37,634,992
118	ITC adjustment		Line 114 times Line 115	(4,619,581)	NP	18.19%	(940,219)	(905,275)
119	TOTAL INCOME TAXES		Sum Lines 117 through 118	181,403,086			32,566,755	36,729,717
120								(4,162,963)
121								
122	REVENUE CREDITS		(Note L)					
123	Account No. 454 (Rent from Transmission Facilities)		WP_E-1 Line 4	2,020,968	DA	100%	2,020,968	2,012,834
124	Account No. 421.1 (Gain From Disposition of Utility Plant)		WP_E-1 Line 9	1,742,058	WS	11.39%	198,403	236,463
125	Account No. 456.1 (Revenue from Trans. of Elect. of Others)		WP_F-1 Line 39 Col. (b)	2,641,382	DA	100%	2,641,382	2,716,261
126	Account No. 456.1 (Revenue from Trans. of Elect. of Others)		WP_F-1 Line 39 Col. (c)	267,905	DA	100%	267,905	224,400
127	Settlement Credit		Note P	726,905	DA	100%	726,905	726,905
128	Total Revenue Credits			6,672,313			5,855,563	5,916,863
129								(61,300)
130	REVENUE REQUIREMENT			1,000,327,496			215,454,768	225,357,667
								(9,902,899)

Public Service Company of Colorado
 Transmission Formula Rate Template
 Twelve Months Ended December 31, 2014

Line No.	SUPPORTING CALCULATIONS	Reference/Notes	Total	Allocator (Note O)		Total Transmission
	Col. (1)	Col. (2)	Col. (3)	Col. (4)		Col. (5)
131	TRANSMISSION PLANT INCLUDED IN THE ATRR	(Note M)				
132	Transmission plant	WP_B-1 Col. (a), Line 3				1,800,895,063
133	Transmission related Acquisition Adjustment	WP_B-4 Col. (c), Line 15				5,308,257
134	Total Transmission Plant	Sum Lines 131 through 132				1,806,203,320
135	Eliminate Generator Step-up facilities	WP_B-Inputs Act. Line 117				(58,964,258)
136	Transmission plant included in OATT Trans Rate	Sum Lines 133 through 134				1,747,239,062
137	Percent of Transmission Plant in the ATRR	Line 136 divided by Line 134			TP=	96.74%
138						
139	WAGES & SALARY ALLOCATOR (W/S)					
140	Production	FF1_354.20.b	72,449,426	NA	0.00%	-
141	Transmission	WP_C-1 Line 31 Col. (b)	16,997,475	TP	96.74%	16,442,508
142	Regional Market	FF1_354.22.b	220,146	NA	0.00%	-
143	Distribution	FF1_354.23.b	40,675,202	NA	0.00%	-
144	Other	FF1_354.24.b	14,025,736	NA	0.00%	-
145	Total	Sum Lines 140 through 144	144,367,985			16,442,508
146						
147	W/S Allocator	Line 145, Col. (5) divided by Col. (3)			W/S=	11.39%
148						
149	Common to Electric Transmission Allocator	FF1_356				71.98%
150		W/S Allocator, Line 147				9.71%
151		Line 149 times Line 150			CE=	6.99%
152						
153						
154	RETURN	(Note N)	\$	%	Cost	Weighted
155	Long Term Debt	WP_G-1 Line 6	3,744,884,615	43.83%	4.51%	0.0197
156	Preferred Stock	WP_G-1 Line 8	-	0.00%	0.00%	0.0000
157	Common Stock	WP_G-1 Line 14	4,837,460,505	56.37%	9.72%	0.0548
158	Total	Sum Lines 155 through 157	8,582,345,120		ROR=	0.0745
159						
160						
161	PREPAYMENTS ALLOCATION FACTOR TO ELECTRIC		2014 FERC Form No. 1			
162						
163	Total Electric Plant in Service	207, Ln.100, Col. (g)	11,069,962,451			
164	Common PIS Allocated to Electric	356	491,472,495			
165	Electric Plant Held for Future Use	214, Ln. 47, Col. (d)	32,130,829			
166	Electric Construction Work in Progress	216, Ln. 43, Col. (b)	736,029,405			
167	Common CWIP Allocated to Electric	356	27,734,022			
168	Total Electric Plant	Sum Lines 163 through 167	12,357,329,202			
169	Total Utility Plant	110, Ln. 4, Col. (c), plus Ln. 16, Col. (c)	16,081,255,275			
170						
171	Electric Plant to Total Plant Allocation Factor	Line 168 divided by Line 169				76.84%

Explanations:

1 The primary drivers in the Transmission Plant Balance were changes in the scheduled and actual in-service dates of several projects, including Poncha Junction 115/230 kV Line and Malta 230/115 kV Transformer

Public Service Company of Colorado
Transmission Formula Rate Template
Twelve Months Ended December 31, 2014
Section 4.a.(vi) - Variance Analysis

Line No.	Description	FERC	Labor	Non-Labor	2014 Actuals		2014 Estimated		\$ Change	% Change	Explain (Increases) (a)	Explain (Decreases) (a)	Ref
					Total Electric	Total Electric							
1	OPERATION												
2	Supervision and Engineering	560	4,485,252	2,335,708	6,820,960	8,638,229	(1,817,269)	-21.04%	NO	YES		1	
3	Load Dispatching - Reliability	561.1	4,300	3,917	8,217	54,555	(46,338)	-84.94%	NO	NO			
4	Load Dispatching - Monitor & Operate Transmission System	561.2	3,395,369	1,223,990	4,619,359	2,357,273	2,262,086	95.96%	YES	NO		2	
5	Load Dispatching - Transmission Service & Scheduling	561.3	77,710	-	77,710	801,244	(723,534)	-90.30%	NO	YES		3	
6	Scheduling, System Control & Dispatch Services	561.4	-	-	-	-	-	0.00%	NO	NO			
7	Reliability, Planning and Standards Development	561.5	408,543	1,232	409,775	659,887	(250,112)	-37.90%	NO	NO			
8	Transmission Service Studies	561.6	46,355	64,668	111,022	115,919	(4,897)	-4.22%	NO	NO			
9	Generation Interconnection Studies	561.7	113,364	(163,052)	(49,688)	112,284	(161,971)	-144.25%	NO	NO			
10	Reliability, Planning & Standards Development Services	561.8	30,397	2,853,842	2,884,239	2,310,571	573,667	24.83%	YES	NO		4	
11	Station Expenses	562	958,953	345,218	1,304,171	985,547	318,624	32.33%	NO	NO			
12	Overhead Line Expenses	563	1,161,314	1,126,139	2,287,453	2,140,305	147,148	6.88%	NO	NO			
13	Underground Lines Expense	564	-	269	269	-	269	0.00%	NO	NO			
14	Transmission of Electricity by Others	565	-	15,683,269	15,683,269	17,672,602	(1,989,334)	-11.26%	NO	NO			
15	Miscellaneous Transmission Expenses	566	2,295,360	1,529,226	3,824,586	2,896,293	928,293	32.05%	YES	NO		5	
16	Rents	567	5,685	2,185,586	2,191,271	2,339,733	(148,463)	-6.35%	NO	NO			
17	Total Operation		12,982,601	27,190,011	40,172,612	41,084,442							
18													
19	MAINTENANCE												
20	Supervision and Engineering	568	67,053	81	67,134	56,214	10,921	19.43%	NO	NO			
21	Structures	569	-	-	-	-	-	0.00%	NO	NO			
22	Computer Hardware	569.1	-	-	-	-	-	0.00%	NO	NO			
23	Computer Software	569.2	-	-	-	-	-	0.00%	NO	NO			
24	Communication Equipment	569.3	-	-	-	-	-	0.00%	NO	NO			
25	Miscellaneous Regional Transmission Plant	569.4	-	-	-	-	-	0.00%	NO	NO			
26	Station Equipment	570	3,540,530	2,192,882	5,733,412	5,265,899	467,513	8.88%	NO	NO			
27	Overhead Lines	571	379,595	11,246,249	11,625,844	8,918,288	2,707,555	30.36%	YES	NO		6	
28	Underground Lines	572	21,203	403,148	424,351	-	424,351	0.00%	NO	NO			
29	Miscellaneous Transmission Plant	573	6,494	31,095	37,589	-	37,589	0.00%	NO	NO			
30	Total Maintenance		4,014,875	13,873,455	17,888,330	14,240,401							
31													
32	TOTAL TRANSMISSION												

Note (a): Per the Implementation Procedures Section 4.a.(vi) Variance Analysis- explanations are needed when an "expense or revenue component, when trued-up is both 5% and \$500,000 above or below the projected value."

Explanations:

- 1 The Control Center labor was shifted to FERC 561.2 to more accurately align with work performed.
- 2 Monitoring and Operating costs increased primarily due to shifting Control Center labor and expenses to better align with the work performed. This shift was offset in FERC accounts 560 & 561.3.
- 3 The Control Center labor was shifted to FERC 561.2 to more accurately align with work performed.
- 4 The annual FERC fees were previously being paid from FERC 526, but were changed to be paid from FERC 561.8 to better align the expense with the cost.
- 5 Small tool replenishment \$220K; FERC Order 1000 related regional planning engagement increased \$250K; Various expenses related to cancelled capital projects
- 6 Increase driven by Mountain Pine Beetle contractor costs for outside the epidemic area.

Public Service Company of Colorado
Transmission Formula Rate Template
Twelve Months Ended December 31, 2014
Section 4.a.(vi) - Variance Analysis
Administrative and General Expenses

Line No.	FERC	Account Description	2014 Actuals Total	2014 Estimated Total	\$ Change	% Change	Explain	Explain	Ref
			Electric	Electric			(Increases)	(Decreases)	
			(a)	(a)			(a)	(a)	
1	920	Administrative and general salaries	40,627,391	39,845,173	782,218	1.96%	NO	NO	
2	921	Office supplies and expenses	29,566,206	30,044,190	(477,984)	-1.59%	NO	NO	
3	922	Administrative expenses transferred— Credit	(32,762,628)	(35,941,447)	3,178,819	-8.84%	NO	NO	
4	923	Outside services employed	13,205,526	17,517,482	(4,311,956)	-24.62%	NO	YES	1
5	924	Property insurance	5,463,943	6,164,622	(700,679)	-11.37%	NO	YES	2
6	925	Injuries and damages	9,057,647	9,157,157	(99,510)	-1.09%	NO	NO	
7	926	Employee pensions and benefits	57,123,554	68,000,930	(10,877,376)	-16.00%	NO	YES	3
8	927	Franchise requirements	-	-	-	0.00%	NO	NO	
9	928	Regulatory commission expenses	8,587,106	7,407,374	1,179,732	15.93%	NO	NO	
10	929	Duplicate charges—Credit	(2,496,279)	(2,331,440)	(164,839)	7.07%	NO	NO	
11	930.1	General Advertising Expenses	5,120,948	3,766,345	1,354,603	35.97%	YES	NO	4
12	930.2	Miscellaneous general expenses	7,131,341	8,024,473	(893,132)	-11.13%	NO	YES	5
13	931	Rents	21,520,579	23,813,091	(2,292,512)	-9.63%	NO	YES	6
14	935	Maintenance of general plant	869,010	486,797	382,213	78.52%	NO	NO	
15		Subtotal	\$ 163,014,344	\$ 175,954,747	\$ (12,940,403)	-7.35%			

Note (a): Per the Implementation Procedures Section 4.a.(vi) Variance Analysis- explanations are need when an "expense or revenue component, when trued-up is both 5% and \$500,000 above or below the projected value."

Explanations:

- 1 2014 actuals had Lower Regulatory consulting legal costs than the estimate mainly due to the Boulder Municipalization proceedings
- 2 The main component in the property insurance reduction is the improvement in loss experience, with PSCo for jointly owned assets
- 3 Lower retiree medical costs overall mainly due to higher savings from PSCo bargaining contract change than budgeted and to favorable asset returns and demographic
- 4 Increase in actual compared to budgeted costs in the PSCo Solar Advertising Campaign and PR Firm costs
- 5 The primary driver for the reduction in miscellaneous general expenses from forecasted amounts to actual was the Craiq shared partnership costs were lower than budgeted
- 6 Business Systems Shared asset shifts between Operating Companies, some application double counted/funded