The Company has listed below any material changes that have taken effect since January 1, 2013. For additional information, please refer to the Public Service Company of Colorado FERC 2012 Form No. 1, Notes to Financial Statements.

I. FERC Uniform System of Accounts Changes

FERC Order No. 784 — In July 2013, the FERC issued a Final Rule in Docket No. RM11-24-000, *Order No. 784 (144 FERC ¶ 61,056) — Third-Party Provision of Ancillary Services; Accounting and Financial Reporting for New Electric Storage Technologies* which revised certain aspects of its current market-based rate regulations, ancillary service requirements under the *pro forma* open-access transmission tariff ("OATT"), and the accounting and reporting requirements for new electric storage technologies. The accounting and reporting revisions in the Final Rule adopted new and revised existing electric plant accounts and associated Operation and Maintenance ("O&M") expense accounts, including a purchased power account. In addition, the Commission adopted new schedules in the Form Nos. 1 and 1-F and revised existing schedules in the FERC Forms. In February 2014, the FERC issued *Order No. 784-A* granting clarification in part and denying clarification in part (146 FERC ¶ 61,114). In addition, PSCo implemented the new requirements as of Jan. 1, 2013. Due to software limitations which prevented the new and revised schedules from being incorporated in the FERC Forms, the Chief Accountant issued interim guidance in February 2014 for the financial accounting and reporting of new electric storage technologies. PSco followed this interim guidance in its 2013 Form No. 1 filed April 11, 2014 with the FERC.

II. FERC Form No. 1 Reporting Requirements Changes

Correction to Common Plant Depreciation and Amortization Expense as Reported in the FERC Form No. 1 page 356 – In 2013, The FERC division of Audits within the Office of Enforcement notified PSCo they were commencing an operations audit to evaluate PSCo's compliance with requirements in the Xcel Joint Open Access Transmission Tariff ("OATT"), including tariff sheets with PSCo's formula rate (Attachment O – PSCO). Specifically, the audit is evaluating whether PSCo complies with: (1) various accounts incorporated into its formula rate and accounting regulations in the Uniform System of Accounts under 18 C.F.R. Part 101 (2012); (2) Annual Report of Major Electric Utilities under 18 C.F. R. § 141.1 (2012); and, (3) procedures and transactions under the OATT. As a result of responding to questions from the FERC Staff, PSCo has found it had incorrectly reported common plant depreciation and amortization expense as reported in the FERC Form No. 1, page 356. The 2012 FERC Form No. 1 is correct. This correction impacts the transmission formula rate template for the years 2005 through 2011. This also impacts the production formula rate template for the 2011. PSCo has corrected all prior years (2005 through 2011) and included these amounts in the 2014 transmission formula rate Estimate, plus interest, as shown on Workpaper A-2, Prior Period Corrections. PSCo has corrected the 2011 production formula rate template and has provided that information to the Customer's in the 2012 True-Up.

Asset Retirement Obligations Reporting - In previous years, PSCo recorded one Asset Retirement Obligation ("ARO") in total for the distribution function since individually each is immaterial but in aggregate they are significant. This ARO included individually immaterial ARO's related to other functions. During 2013, the Company participated in a FERC audit which resulted in an agreement to separately report these ARO's in their appropriate functions. In order to separately present these ARO's by function, new ARO's will be recorded in the PowerPlant (the Company's Capital Asset Accounting System) at year-end 2013 and will be reported accordingly in the 2013 PSCo FERC Form No. 1. The Company is now using FERC Account

359.1, Asset Retirement Costs for Transmission Plant. All ARO's are excluded from the formula rate calculations, therefore there is no impact of this change.

III. Accounting Policy/Practice Changes

Energy Supply Combustion Turbine Parts Program Accounting - Xcel Energy signed two long term agreements with preferred supplier Power Systems Manufacturing, LLC to purchase replacement combustion turbine parts for the fleet of General Electric 7FA.03 and Siemens 501F combustion turbines. The General Electric parts agreement was effective December 19, 2012 and the Siemens agreement effective June 26, 2013. The components will be used during routine overhauls. This change is the result of Energy Supply standardizing the overhaul process on Combustion Turbines. Prior to this change, Energy Supply would purchase a set of spare parts (usually 1 set per turbine and facility) and then would exchange the components from the shelf with the components in the turbine. The worn components coming out of the turbine would then be shipped to a refurbishment facility where they would be refurbished and then returned to Energy Supply. The components would sit in storage until the next scheduled overhaul. Initial purchase of a set of new components would be charged to capital, while the cost to refurbish the components would be charged to expense. Under the new exchange arrangement, the preferred supplier will purchase the worn components coming out of the turbine during an overhaul. Energy Supply will purchase a replacement set of warranted components (may be a combination of new and refurbished parts) for the overhaul. Due to this arrangement, Energy Supply does not need to own extra sets of spare parts. In addition, since title is transferred with the sale and purchase of components, the cost of the new set of components is capitalized. The impact of this change based on the signed long term agreement is a reduction to FERC Account 553, Maintenance of Miscellaneous Other Power Generation Plant. Below is an estimate of the impact of this change on 2012 and 2013.

Plant/Unit/Overhaul	2012 Original Overhaul Budgets	2012 Overhaul Budgets after CT Parts Reduction	2012 CT Parts Exchange Impact to Overhaul Budgets		2013 Original Overhaul Budgets	2013 Overhaul Budgets after CT Parts Reduction	2013 CT Parts Exchange Impact to Overhaul Budgets
Station - Ft. St. Vrain							
Unit 2 Hot Gas Path	2,415,530	1,715,530	(700,000)				
Unit 3 Combustion Inspection	695,250	695,250					
Unit 4 Major					4,765,033	1,634,033	(3,131,000)
Unit 3 Hot Gas Path					3,600,000	1,305,000	(2,295,000)
Unit 5 Combustion Inspection					1,060,000	0	(1,060,000)
Station - Rocky Mountain							
Unit 1 Hot Gas Path	4,567,075	2,603,075	(1,964,000)				
Unit 2 Hot Gas Path					5,483,046	3,519,046	(1,964,000)
Station - Blue Spruce							
Unit 1 Combustion Inspection	1,135,250	684,250	(451,000)				
Total decrease in FERC Account 553	**10,503,505**	**6,937,505**	**(3,566,000)**		**14,908,079**	**6,458,079**	**(8,450,000)**

Post-Employment Benefits Other than Pensions ("PBOP") – Beginning January 1, 2013, PBOP expenses recorded in FERC Account 926 are expected to be significantly lower than in previous years due to the expiration of the amortization of the transition obligation and a plan design change for the retiree medical plan. Xcel Energy is transitioning retirees to plans on the external markets which are less expensive. In other words, instead of Xcel continuing to be self insured for these plans, we will be fully insured and will be paying a premium to a company on the external market.

Transmission Loss Revenues Accounting – Transmission Loss Revenues associated with point-to-point transactions were reclassified in 2013 from FERC account 456.1, Revenues from Transmission of Electricity of Others, to FERC account 447, Sales for Resale. FERC account 447 is a more appropriate account for transmission loss revenue because these revenues are related to the cost of the energy that is lost during transmission. If a transmission customer elects to settle all losses financially, the loss amount is determined by multiplying the transmission customer's loss obligation for the applicable period by PSCo's incremental cost of generation for the same period. The total amount of transmission loss revenue in 2013 for PSCo was approximately $1.9 million.

Occupational Tax Accounting – The accounting for Occupational Taxes was changed as of December 31, 2013 to reflect the appropriate segregation of amounts due to the cities and amounts over/under collected from customers. Two PSCo cities, Ft. Collins and Boulder, require a set annual Occupational Tax be remitted to the cities according to a payment schedule stated in their Occupational Tax agreement. Amounts are collected from city residents to offset the amounts paid to the cities. Since amounts collected will vary depending on customer usage and customer growth/decline, there will always be an over/under collected amount due to or from customers in excess of or less than, the amount paid to the cities. In order to properly reflect the portion of the balance that is a liability to the cities and to reflect the portion of the balance that is a receivable/liability to or from our customers, these amounts were broken up into separate accounts. The amount due to or from our customers is a regulatory asset/liability (FERC accounts 182.3, 254) and collection of this amount is achieved through adjustments to a customer surcharge as per the applicable tariff. As of December 31, 2013, FERC 182.3 (Regulatory Asset) had a balance of $798,134 and a credit balance in FERC 236 (Taxes Accrued) of $620,000 for the Ft. Collins and Boulder Occupational Taxes. Under the previous method, $178,134 would have been recorded as a debit in FERC 241, Tax Collections Payable.

IV. GAAP-Related Items

Balance Sheet Offsetting — In December 2011, the FASB issued *Balance Sheet (Topic 210) — Disclosures about Offsetting Assets and Liabilities (ASU No. 2011-11)*, which requires disclosures regarding netting arrangements in agreements underlying derivatives, certain financial instruments and related collateral amounts, and the extent to which an entity's financial statement presentation policies related to netting arrangements impact amounts recorded to the financial statements. In January 2013, the FASB issued *Balance Sheet (Topic 210) – Clarifying the Scope of Disclosures about Offsetting Assets and Liabilities (ASU No. 2013-01)* to clarify the specific instruments that should be considered in these disclosures. These disclosure requirements do not affect the presentation of amounts in the consolidated balance sheets, and were effective for annual reporting periods beginning on or after Jan. 1, 2013, and interim periods within those annual reporting periods. PSCo implemented the disclosure guidance effective Jan. 1, 2013, and the implementation did not have a material impact on its consolidated financial statements.

Comprehensive Income Disclosures — In February 2013, the FASB issued *Comprehensive Income (Topic 220) — Reporting of Amounts Reclassified Out of Accumulated Other Comprehensive Income ("OCI") (ASU No. 2013-02),* which requires detailed disclosures regarding changes in components of accumulated OCI and amounts reclassified out of accumulated OCI. These disclosure requirements do not change how net income or comprehensive income is presented in the consolidated financial statements. These disclosure requirements were effective for annual reporting periods beginning on or after Dec. 15, 2012, and interim periods within those annual reporting periods. PSCo implemented the disclosure guidance effective Jan. 1, 2013, and the implementation did not have a material impact on its consolidated financial statements.

VI. FERC Ratemaking Orders Applicable to the Formula Rate

None

V. Service Company Statistical Change to Specific Allocators

None

VI. Other

None