The Company has listed below any material changes that have taken effect since January 1, 2017.

I. FERC Uniform System of Accounts Changes

There were no material changes.

II. FERC Form No. 1 Reporting Requirements Changes

There were no material changes.

III. Accounting Policy/Practice Changes

Purchasing and Warehouse Overheads - With the implementation of SAP in 2016, purchasing and warehouse overhead costs are cleared monthly from the cost pools instead of quarterly. Effective 2017 with the implementation of the Work Asset Management ("WAM") system, the $3,500 cap of purchasing and warehouse loads per invoice has been eliminated. In addition, costs for wind farms will no longer incur additional purchasing and warehouse overheads since they are not utilizing Xcel Energy traditional warehouses that stock inventory and use of the accounts payable system is limited to a few large milestone payments.

Capital and expense allocations – With the implementation of WAM, effective in 2017, charges on Distribution capital blanket structures are now allocated to Construction Work in Progress ("CWIP"), Retirement Work in Progress ("RWIP"), and Operating and Maintenance ("O&M") expense via a pre-defined template split for each routine work orders. The capital and expense splits are based on historical averages of work done under these work orders and will be monitored and in updated on an ongoing basis. Previously, charges were allocated based on the monthly Unit Estimate split for each work order, which reflected the actual CWIP, RWIP and O&M expense splits of the work orders completed for the month.

Capital policy changes – Effective April 1, 2017:

1. The minimum dollar guideline for general plant was decreased from $1,000 of materials charges to $750 of materials charges.
2. The 75 horsepower threshold was removed from the motor policy. Instead, the motor must simply meet the minimum dollar guidelines to be capital.
3. Plant specialty doors were added as a capital property unit in the Building, Structure policy.

Capital Changes for Land/Water Rights – The regulated utility operating companies have land, water and wind rights, which are considered limited-term interest and should be recorded to FERC Account 111, Accumulated Provision for Amortization of Electric Utility Plant and FERC Account 404, Amortization of Limited-Term Electric Plant. Effective January 1, 2017, balances of land and water rights previously recorded in FERC Account 108, Accumulated Provision for Depreciation of Electric Utility Plant, in error were transferred to FERC Account 111 in the amount of $30.4M. Future amortization of these rights will be recorded to FERC Account 404 rather than FERC Account 403, Depreciation Expense.

Capital Changes for Clean Air/Clean Jobs Act ("CACJA") – At the request of FERC staff in the Depreciation Rates Filing, the amortization costs for CACJA were reclassified from FERC account 407.3, Regulatory Debit, for $19.1M and from FERC account 407.4, Regulatory Credit, for $10.8M to FERC account 407, Amortization of Unrecovered Plant, for $8.3M per a directive from the Federal Energy Regulatory Commission since the CACJA asset is booked to FERC account 182.2, Unrecovered Plant and Regulatory Study Costs.

Prepaid Credit Facility Fee – Prepaid Credit Facility Fees were reclassified from FERC Account 165 to FERC Account 186 in 4Q 2017 per recent FERC audits of other utility companies. $2.3M was reclassified.

IV. GAAP-Related Items

Comprehensive Income — In February 2018, the Financial Accounting Standards Board issued Accounting Standards Update No. 2018-02 Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income, which addresses the stranded amounts of accumulated other comprehensive income or loss (accumulated "OCI") which may result from a change in tax rates. Though accumulated OCI is presented on a net-of-tax basis, existing GAAP accounting guidance generally requires that the impact of a tax rate change on deferred taxes for items in accumulated OCI be recognized without a corresponding adjustment to accumulated OCI, and instead recorded to income tax expense. The new guidance permits stranded amounts of accumulated OCI specifically resulting from the 2017 Tax Cuts and Jobs Act to be removed from accumulated OCI and reclassified to retained earnings, such that the remaining net-of-tax amount of accumulated OCI reflects tax rates expected to be effect when accumulated OCI is reclassified to earnings. PSCo adopted the new accounting guidance in Q4 of 2017, resulting in a $4,737,289 debit to FERC Account 219 Accumulated Other Comprehensive Income and an equal credit to retained earnings. The impact to retained earnings was recorded in FERC Account 439 Adjustments to Retained Earnings, pending FERC approval of EEI's accounting change request.

V. FERC Ratemaking Orders Applicable to the Formula Rate

Advanced Grid Intelligence and Security ("AGIS") – On September 7, 2017, the Company filed revisions to the Production and Transmission formula rate templates to exclude costs associated with the AGIS initiative from the determination of the wholesale revenue requirement as these costs benefit retail customers only, in Docket Nos. ER17-2447 and ER17-2448, effective January 1, 2017. On November 2, 2017, the Commission issued a Letter Order approving the Company's filings.

Rush Creek Wind Project – On October 27, 2017, the Company filed revisions to the Production formula rate template that included: i) enable the allocation of the Rush Creek Wind Project based on Energy; and ii) credits in the calculation of income taxes associated with the Federal Production Tax Credits and the Colorado Enterprise Zone Investment Tax Credit, effective January 1, 2018. On December 27, 2017, the Commission issued a Letter Order approving the Company's filing.

Depreciation Rates – On December 20, 2017, the Company filed revisions to the Production and Transmission formula rate templates to update the depreciation rates based on a new depreciation study, and request to recover a regulatory asset for costs associated with the early retirement of Craig Unit 1 generating unit. The Company asked for an effective date of May 1, 2018 to correspond with the effective date of the retail rates. On April 9, 2018, the Company filed a request for the Commission to defer action on the case. The effective date of retail changes has been delay until at least January 1, 2019, and we requested to delay the effective date of the depreciation rates until that date.

Tax Reform – On February 9, 2018, PSCo submitted a request for waiver of the Implementation Procedures to allow PSCo to bill updated Estimated Charges effective January 1, 2018, to reflect the change in the federal corporate income tax rate from 35 percent to 21 percent and to remove the Section 199 Domestic Production Deduction from the Production Formula Rate Template, rather than reflect the impact in the 2018 true-up to be calculated in June 2019. On March 15,

2018, the Commission issued its Order granting the request for waiver (162 FERC ¶ 61,216). On February 12, 2018, the Company made a supplemental Information Filing to revise its Annual Update of Estimated Charges for 2018 for both its transmission and production formula rates to reflect the reduced federal corporate income tax rate.

VI. Service Company Statistical Change to Specific Allocators

There were no material changes.

VII. Other

Federal Tax Reform — On December 22, 2017, the Tax Cuts and Jobs Act ("TCJA") was signed into law. While the legislation will require interpretations and regulations to be issued by the IRS, the key provisions impacting PSCo, generally beginning in 2018, include:

- Corporate federal tax rate reduction from 35 percent to 21 percent;
- Normalization of resulting plant-related excess deferred taxes;
- Elimination of the corporate alternative minimum tax;
- Continued interest expense deductibility;
- Discontinued bonus depreciation for regulated public utilities;
- Limitations on certain executive compensation deductions;
- Limitations on certain deductions for NOLs arising after Dec. 31, 2017 (limited to 80 percent of taxable income);
- Repeal of the section 199 manufacturing deduction; and
- Reduced deductions for meals and entertainment as well as state and local lobbying.

Entities are required under ASC Topic 740 to recognize the accounting impacts of a tax law change, including the impacts of a change in tax rates on deferred tax assets and liabilities, in the period including the date of the tax law enactment. The SEC staff issued guidance in SAB 118 that supplements the accounting requirements of ASC Topic 740 if elements of the TCJA assessment are not complete, and provides for up to a one year period to finalize the required accounting. Xcel Energy has estimated the effects of the TCJA, which have been reflected in the Dec. 31, 2017 consolidated financial statements. Issuance of U.S. Treasury regulations interpreting the TCJA, other U.S. Treasury and IRS guidance or interpretations of the application of ASC Topic 740 may result in changes to these estimates.

Overall for PSCo, reductions in deferred tax assets and liabilities due to the reduction in corporate federal tax rates result in a net tax benefit. However, as a result of IRS requirements and past regulatory treatment of deferred taxes in the determination of PSCo's regulated rates, including deferred taxes related to regulated plant and certain other deferred tax assets and liabilities, the impact was primarily recognized as a regulatory liability refundable to utility customers.

The fourth quarter 2017 estimated accounting impacts of the December 2017 enactment of the new tax law at PSCo included:

- $1.1 billion ($1.5 billion grossed-up for tax) of reclassifications of plant-related excess deferred taxes to regulatory liabilities upon valuation at the new 21 percent federal rate. The regulatory liabilities will be amortized consistent with IRS normalization requirements, resulting in customer refunds over the average remaining life of the related property;

- $54 million and $50 million of reclassifications (grossed-up for tax) of excess deferred taxes for non-plant related deferred tax assets and liabilities, respectively, to regulatory assets and liabilities;

- $18 million of total estimated income tax benefit related to the federal tax reform implementation, and a $4 million reduction to net income related to the allocation of Xcel Energy Services Inc.'s tax rate change on its deferred taxes.

PSCo has accounted for the state tax impacts of federal tax reform based on currently enacted state tax laws. Any future state tax law changes related to the TCJA will be accounted for in the periods state laws are enacted.

Generally, PSCo has not included the impacts of the TCJA in the 2017 Formula Rate True-Ups, with the exception of the elimination of bonus depreciation effective September 27, 2017, which results in a decrease in the Accumulated Deferred Income Tax ("ADIT") credit to rate base. In addition, as noted above, PSCo recorded the excess deferred taxes for non-plant related deferred tax assets and liabilities to regulatory assets and liabilities, FERC Accounts 182.3 and 254. The current Production formula rate template does not include these accounts in rate base at this time. The current Transmission formula rate template includes these accounts in rate base. Reference footnote C on the ATRR Act tab for additional details regarding the inclusion of these accounts. The FERC Notice of Inquiry, Docket No. RM18-12, is addressing this issue. Also, Xcel Energy Service Inc. recorded the tax rate change on its deferred taxes. This was allocated to all of the Xcel Energy Operating Companies including PSCo, recorded in FERC Account 921, and has been included in the 2017 Formula rate true-ups.