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July 7, 2009

BY ELECTRONIC FILING

Honorable Kimberly Bose, Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, DC 20426

Re: Public Service Company of Colorado
Annual Report of Penalty Assessments and Distributions in accordance with
Order Nos. 890 and 890-A
Docket Nos. OA07-39 and OA08-71

Dear Secretary Bose:

Xcel Energy Services Inc. ("XES"), on behalf of its utility operating company affiliate Public Service Company of Colorado ("PSCo"),¹ hereby submits PSCo's Supplemental Annual Report of Penalty Distributions for partial year 2007 and 2008 in accordance with the requirements of Order Nos. 890 and 890-A.² Specifically, this filing provides PSCo's report of distribution of penalties for energy imbalance service, generator imbalance service, and late studies under the Xcel Energy Operating Companies Joint Open Access Transmission Tariff ("Joint OATT").³

Order No. 890 requires affected jurisdictional utilities to submit a compliance report contemporaneous with the filing of its Form 1 report. PSCo filed its Form 1 report on April 17, 2009. On April 28, 2009, XES and PSCo submitted a compliance report that, among other things, indicated that the first round of penalty distributions would be made on or before July 1,

¹ The other Xcel Energy Operating Companies are Northern States Power Company, a Minnesota corporation and Northern States Power Company, a Wisconsin corporation (jointly, the "NSP Companies"), and Southwestern Public Service Company ("SPS"). The Xcel Energy Operating Companies are all utility operating company subsidiaries of Xcel Energy Inc., a public utility holding company pursuant to the Public Utility Holding Company Act of 2005.

² *Preventing Undue Discrimination and Preference in Transmission Service*, 118 FERC 161,119 (2007) ("Final Rule"), *order on reh'g*, 121 FERC ¶ 61,297 (2007) ("Order No. 890-A"); *order on reh'g*, 123 FERC ¶ 61,299 (2008) ("Order No 890-B"); *order on reh'g* 126 FERC ¶ 61,228 (2009) ("Order No. 890-C") (collectively, "Order No 890"), *appeal docketed sub nom. Nat'l Rural Elec. Cooperative Assoc., et al. v. FERC*, No. 08-1278 (D.C. Cir. 2008).

³ The NSP Companies are transmission-owning members of the Midwest Independent Transmission System Operator, Inc. ("Midwest ISO"), a Commission-approved Regional Transmission Organization ("RTO"). SPS is a transmission-owning member of the Southwest Power Pool, Inc. ("SPP") RTO. The Midwest ISO and SPP provide transmission service, transmission service studies, Energy Imbalance Service and Generator Imbalance Service on the NSP Companies and SPS systems, respectively, so XES is not submitting compliance reports for the NSP Companies or SPS.

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2009. PSCo also committed to provide a report when the first round of penalty distributions had been completed. PSCo has now completed distribution of imbalance penalties collected in 2007 or 2008, with interest. Accordingly, Attachment 1 details the amount of energy imbalance fees collected between August 1, 2007 and December 31, 2008, as well as the distribution of said penalties to PSCo's transmission customers (including native load uses). PSCo has not collected any unreserved use penalties and has not incurred any late transmission service study fees or collected any generator imbalance fees during this period.

XES is posting an electronic copy of this supplemental filing on the PSCo OASIS. XES will also serve a copy of this filing on all parties to Docket Nos. OA07-35 and OA08-71. A certificate of service is attached.

XES and PSCo appreciate the Commission's prompt attention to this matter. Please direct any questions regarding this compliance filing to Mr. David Shomber at (303-273-4681) or the undersigned at (303-273-4878).

Respectfully submitted,

/s/ Terri K. Eaton

Terri K. Eaton
Director, Regulatory Administration and Compliance
Xcel Energy Services Inc.
On behalf of Public Service Company of Colorado
Attachments

Cc: Mr. Steve Rodgers
Director, Division of Tariffs and Market Development (West)

ATTACHMENT 1

**Public Service Company of Colorado
Imbalance Distributions
August 1, 2007 Through December 31, 2008**

Penalty Revenues Collected

Customer	Penalty Amount
<u>Affiliates</u>	
PSCo Merchant Function	\$ 166,577.19
<u>Non-Affiliates</u>	
Tri-State Generation and Transmission Assoc.	\$ 146,593.02
Municipal Energy Agency of Nebraska	\$ 4,876.13
Total	\$ 318,046.34

Penalty Revenues Distributed

Customer	Credited Amount	Interest	Total
PSCo Merchant Function	13,024.67	311.37	13,336.04
PSCo Native Load	299,476.29		299,476.29
Southwestern Public Service Co.	93.62	2.92	96.54
Tri-State Generation and Transmission Assoc.	1,148.89	18.67	1,167.56
Municipal Energy Agency of Nebraska	1,503.40	26.48	1,529.88
Bear Energy	0.71	0.02	0.73
Black Hills Colorado Electric	194.87	1.70	196.57
Black Hills Power	315.30	2.87	318.17
Citigroup Energy Inc.	56.40	1.17	57.57
Conoco Phillips	9.02	0.21	9.23
Cargill	357.04	8.90	365.94
Colorado Springs Utilities	1,441.12	23.63	1,464.75
Morgan Stanley Capital Group	26.42	0.33	26.75
BP Powerex	258.73	5.63	264.36
Sempra Energy Trading	0.17	0.00	0.17
Salt River Project	101.26	1.25	102.51
Integrays Energy	36.49	0.80	37.29
Total	\$ 318,044.40	\$ 405.95	\$ 318,450.35

CERTIFICATE OF SERVICE

I hereby certify that on this 7th day of July 2009, a copy of the foregoing document will be served by email upon all persons designated on the official service list compiled by the Secretary in these proceedings.

/S/ Deborah A. East

Deborah A. East
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