LOOKING AHEAD

1. How long will each phase of this process take and how much is it expected to cost?

- **PUC Ruling on Transfer of Assets:** Approx. 300 days from when the application is ruled complete.
- **Acquisition/Condemnation:** 12 to 18 months, approx. $150 M
- **Transition Period:** Two to three years, approx. $53 M

2. Who will run the system during the transition period?

Boulder proposes to contract with Xcel Energy to control, operate and maintain the systems through the transition period until the separation plan construction is complete. To insure continuity of operations, the city has proposed that the commission approve 12 key principles that will serve as the basis for an agreement between the city and Xcel Energy.

Upon the acquisition of the system, the city will become your utility and point of contact. During the transition period the city will provide all of the billing and customer service functions related to the utility, while Xcel Energy performs the operations and maintenance functions.

3. Who do I call if I have a question about my bill, service, etc. after the city takes over but Xcel is operating the system?

The City of Boulder.

4. I've been hearing about parallel paths, and know that the city is engaging in settlement discussions with Xcel Energy; what is the status of the talks and how does the recent supplemental PUC application affect them?

Settlement negotiations are still ongoing between Xcel Energy and Boulder. This application does not put a stop to those negotiations but merely provides an alternate route to achieve the community's energy goals.

More information is available at www.BoulderEnergyFuture.com

Boulder Energy Future

Municipalization Frequently Asked Questions

SEPARATION PLAN

1. What were the goals of the separation plan?

- The city will serve all customers within the city limits
- Xcel Energy will serve all customers outside the city limits with Xcel Energy-owned facilities
- Reliability for both systems must be maintained or improved
- Both systems must be capable of being operated safely and reliably
- Designs are consistent with sound engineering practices and industry standards

2. What does the design look like?

New infrastructure and reconfiguration of existing infrastructure is proposed in order for the city and Xcel Energy to operate as two independent electrical systems. Where possible, the design utilizes existing poles and places a second feeder on existing pole locations. This is a common practice between utilities called joint-use of poles. In areas that an overhead line could not be put on an existing pole, the construction will be underground.

3. When will the transfer of the electric system begin?

There are several steps that must occur before the transfer can be executed. It is anticipated that the transfer will not occur until sometime after January 2018.

4. Will you be installing new meters?

No installations of new meters will be implemented until the separation plan is complete and a full assessment has been made.

5. Will the reliability of my electric service be negatively affected once the electric system is transferred to the city?

No, the reliability of your electric service will not be negatively affected by the transfer of the electric system to the city.

6. I've read that the separation costs are estimated at approximately $53 million – what does this cost constitute and is this in addition to the costs of acquisition of the electric system assets ?

The $53 million covers the cost of separating (reconfiguring) the existing system into two discrete systems that meet the same or better reliability criteria as exists today. The reconfiguration will allow Xcel Energy to serve their customers in unincorporated Boulder County and allow Boulder to serve the customers within the city limits. A significant portion of this cost represents upgrades and equipment replacement that would otherwise be scheduled to occur in the future. The separation plan construction costs are in addition to the costs of acquisition. The charter limits the portion of those costs for the acquisition of the existing electric system assets to $214 M. Similar to a mortgage, these costs will be spread over 30 years and paid for by utility revenues.

7. W ill there be any new transmission lines and/or substations constructed?

No, the existing transmission lines and substations are sufficient to serve both systems. The separation plan may require Boulder to build additional facilites within existing substations.

CLIMATE AND RENEWABLE ENERGY

1. How quickly can Boulder increase its percentage of renewable electricity with a muni vs. Xcel Energy?

Boulder's renewable electricity supply will depend on two factors: (1) the generation mix of the power supply contract and (2) the rate of growth of local, renewable generation. Boulder's supplemental application proposes to purchase all power from Xcel Energy for the first four years of operation of the municipal electric utility, then gradually reduce purchases from Xcel Energy and increase purchases of renewables.

Years one through four: Renewable electricity equal to Xcel's renewables mix (which must be 30% by 2020 in order to comply with the Colorado Renewable Energy Standard)

Years five through 20: Assuming Boulder purchases 50% of its power from Xcel and 50% from wind or solar, the percentage of renewable energy will quickly grow to nearly 80%.

2. How can Boulder achieve 100 MW of local generation by 2030 with a muni vs. Xcel Energy?

Key to increasing Boulder's percentage of renewables in Boulder is local generation. The power supply contract (above) does not include local renewable generation such as rooftop solar, which would reduce purchases from Xcel Energy and other sources as well as increase the percentage of renewable electricity in Boulder's total generation mix.

As of year-end 2015, Boulder customers had installed at least 18 MW of local solar, which generated approximately 2% of Boulder's total consumption. To reach 100 MW by 2030, Boulder will need to install an average of 5.8 MW of local generation per year. This could include a mix of rooftop solar, community solar, combined heat and power or even fuel cells (depending on the fuel).

A critical feature of a municipal electric utility is the ability to design rates in a way that captures the value of all attributes of local generation while offering incentives and changing existing regulations that could limit our ability to install 100 MW of local generation by 2030. For example, state law currently prohibits customers from sizing net metered rooftop solar systems to 120% of the customer's electric consumption as well as from sharing excess solar with neighbors.

3. Why can't the city buy its own renewable electricity power without buying the entire distribution system?

Under Colorado law, without owning the poles and wires for the delivery system, Boulder cannot access and purchase the mix of renewable electric power it needs to meet its carbon emissions reduction goals.