



Jay Herrmann
*Regional Vice President
Customer and Community Service*

1225 17th Street, Suite 1200
Denver, CO 80202

June 3, 2010

Jane Brautigam
City Manager
City of Boulder
P.O. Box 791
Boulder CO 80306-0791

VIA Email

Re: Extension of Current Franchise Agreement between Xcel Energy and the
City of Boulder

Dear Jane:

Xcel Energy has reviewed your letter dated May 24, 2010, in which you requested that Xcel Energy agree to extend the current franchise agreement with the City of Boulder through December 31, 2010. The current agreement expires on August 3, 2010.

Xcel Energy was encouraged by the Council vote on Tuesday June 1, 2010 to pass on first reading a proposed new franchise agreement. Xcel Energy believes that the people of Boulder should be given the opportunity to vote on a franchise agreement this November. As you know, Xcel Energy has not agreed to all the terms and conditions in the draft agreement presented to the Council on June 1. Our negotiating team has continued to work with the City's negotiating team to resolve remaining areas of disagreement. We remain hopeful that we will reach an acceptable agreement in time for Council and voter consideration.

So that there will be no disruption to City revenues while we complete these negotiation and approval processes, Xcel Energy agrees to extend the current franchise agreement through December 31, 2010. Please provide us with an appropriate extension agreement. Xcel Energy is required to file any extension agreement with the Colorado Public Utilities Commission.

We look forward to a continued partnership with the City of Boulder.

Sincerely,

A handwritten signature in black ink, appearing to read 'Jay Herrmann', with a long horizontal flourish extending to the right.