Southwestern Public Service Company

Summary of the Overall Cost of Service and the Claimed Revenue Deficiency

Line No.	Description	New Mexico Adjusted Base Period[1]	New Mexico Adjustments from Base Period to Future Test Year	New Mexico Future Test Year	Reference
1	Total Rate Base	$ 601,091,755	$ 176,763,624	$ 777,855,379	Attachment APF-1 and APF-2, p. 13, line 357
2					
3	Return on Rate Base	50,070,943	12,935,343	63,006,286	Attachment APF-1 and APF-2, p. 2, line 5
4					
5	Federal Income Tax	(22,414,096)	34,518,571	12,104,475	Attachment APF-1 and APF-2, p. 26 line 467 and p. 28 line 541
6					
7	State Income Tax	(5,095,238)	7,661,829	2,566,591	Attachment APF-1 and APF-2, p. 26 line 461 and p. 28 line 541
8					
9	Deferred Income Tax	43,776,090	(33,467,580)	10,308,510	Attachments APF-1 and APF-2, p. 28 lines 533 and 541
10					
11	Operations & Maintenance Expense	86,993,508	25,568,472	112,561,980	Attachment APF-1 and APF-2, p. 22, line 315
12					
13	Depreciation & Amortization Expense	28,030,138	16,486,097	44,516,235	Attachment APF-1 and APF-2, p. 23, line 359
14					
15	Taxes Other Than Income	8,352,141	2,747,467	11,099,608	Attachment APF-1 and APF-2, p. 24, line 374
16					
17	Fuel in Base	157,070,906	12,322,189	169,393,095	Attachment APF-1 and APF-2, p. 14, line 10
18					
19	Other Allowable Expenses	20,971,865	3,257,664	24,229,529	Attachment APF-1 and APF-2, pp. 14 & 29
20					
21	Revenue Credits	(17,825,173)	(12,641,027)	(30,466,200)	Attachment APF-1 and APF-2, p. 30, line 609
22					
23	Total Revenue Requirement	**$ 349,931,084**	**$ 69,389,024**	**$ 419,320,108**	
24					
25	Test Year Revenue at Existing Rates - Fuel			199,502,413	Schedule O-1, p. 1, line 16
26					
27	Test Year Revenue at Existing Rates - Non-Fuel			218,416,018	Schedule O-1, p. 1, line 16
28					
29	Total Test Year Revenue at Existing Rates			417,918,431	APF-2, p. 2 and p. 30, line 617
30					
31	Revenue Deficiency at Existing Rates - Fuel			(30,109,318)	*line 17 - line 25*
32					
33	Revenue Deficiency at Existing Rates - Non-Fuel			31,510,995	*(line 23 - line 17) - line 27*
34					
35	Total Revenue Deficiency			**$ 1,401,677**	*line 31 / line 33*
36					
37	Total Revenue Deficiency Percent			**0.34%**	*line 35 / line 29*

[1] In accordance with Rule 17.1.3.6, SPS presents its New Mexico Adjusted Base Period data as defined in 17.1.3.7(A), rather than the cost of service for the Base Period on an unadjusted basis, as requested in 17.9.530.14(A)(1)(a). Please refer to the testimony of SPS witness Arthur P. Freitas for a discussion of the development of the Adjusted Base Period.

Southwestern Public Service Company

Summary of the Revenue Increase or Decrease at the Proposed Rates by Rate Class

(b)Future Test Year Information

Line No.	Proposed Rate	kWh	(i) Base Revenue Under Existing Rates	(i) Base Revenue Under Proposed Rates	(ii) Fuel & Purchased Power Revenues Under Existing Rates	(ii) Fuel & Purchased Power Revenues Under Proposed Rates	(iii) Other Revenue Under Existing Rates[1]	(iii) Other Revenue Under Proposed Rates[1]	(iv) Total Revenue Under Existing Rates	(iv) Total Revenue Under Proposed Rates	(v) Proposed $ Increase	(v) Proposed % Increase
1	Residential Service	618,257,111	$ 41,608,922	$ 48,190,139	$ 20,071,717	$ 16,977,959	$ 4,635,991	$ 4,635,991	$ 66,316,630	$ 69,804,088	$ 3,487,458	5.259%
2	Residential Space Heating	533,281,943	26,790,548	32,544,039	17,312,998	14,644,455	$ 3,706,667	$ 3,706,667	47,810,214	50,895,161	3,084,948	6.452%
3	Small General Service	173,863,789	9,095,860	10,735,902	5,644,488	4,774,473	$ 1,220,080	$ 1,220,080	15,960,428	16,730,456	770,028	4.825%
4	Secondary General	679,617,273	31,060,472	33,707,206	22,063,775	18,662,970	$ 4,531,925	$ 4,531,925	57,656,171	56,902,101	(754,070)	-1.308%
5	Irrigation Service	81,736,289	4,132,512	4,877,741	2,653,569	2,244,560	$ 568,970	$ 568,970	7,355,050	7,691,271	336,221	4.571%
6	Primary General	1,826,115,951	55,192,818	61,878,345	58,200,141	49,199,216	$ 9,491,298	$ 9,491,298	122,884,258	120,568,859	(2,315,399)	-1.884%
7	LGS-T, 69-115 kV	408,445,099	8,062,114	9,039,865	12,082,214	10,340,196	$ 631,289	$ 631,289	20,775,618	20,011,351	(764,267)	-3.679%
8	LGS-T, 115 kV +	1,909,082,009	33,098,095	37,888,283	56,054,466	47,965,685	$ 2,866,344	$ 2,866,344	92,018,904	88,720,312	(3,298,592)	-3.585%
9	Small Municipal and School	13,365,257	631,932	745,866	433,903	367,023	$ 91,630	$ 91,630	1,157,465	1,204,520	47,054	4.065%
10	Large Municipal and School	123,917,633	5,294,424	6,249,258	4,022,986	3,402,902	$ 831,436	$ 831,436	10,148,846	10,483,596	334,750	3.298%
11	Street Lighting	13,421,501	1,619,293	1,911,006	435,729	368,568	$ 123,625	$ 123,625	2,178,647	2,403,198	224,551	10.307%
12	Area Lighting	16,215,207	1,829,028	2,159,160	526,427	445,286	$ 145,270	$ 145,270	2,500,724	2,749,716	248,992	9.957%
13	*Rounding*	-	-	*3*	-	-	-	-	-	*3*	*3*	0.000%
14	**Total Retail**	**6,397,319,061**	**$ 218,416,018**	**$ 249,926,814**	**$ 199,502,413**	**$ 169,393,294**	**$ 28,844,525**	**$ 28,844,525**	**$ 446,762,955**	**$ 448,164,633**	**$ 1,401,677**	**0.314%**

[1] Other Revenue totals $11.5 million revenues through SPS's Energy Efficiency Rider and $17.4 million through SPS's RPS Rider.

(c) Explanation of Adjustments

Please refer to the section IV (C) in the Direct Testimony of SPS witness Richard M. Luth for support of the revenue increase at proposed rates.

Southwestern Public Service Company

Summary of the Cost of Service Adjustments by Functional Classification

Future Test Year - Calendar Year 2016

Line No.	Description	New Mexico Adjusted Base Period	Adjustments from Base Period to Future Test Year	New Mexico Future Test Year	Reference
1	Operations and Maintenance Expense:				
2	Production	$ 25,889,102	$ 5,453,985	$ 31,343,087	Attachment APF-1, p. 16 and APF-2, p. 16
3	Transmission	19,180,044	14,311,865	33,491,909	Attachment APF-1, p. 18 and APF-2, p. 18
4	Distribution	11,806,323	1,054,731	12,861,054	Attachment APF-1, p. 20 and APF-2, p. 20
5	Regional Market	1,991,560	(112,482)	1,879,078	Attachment APF-1, p. 18 and APF-2, p. 18
6	Customer Accounting	4,843,865	90,731	4,934,596	Attachment APF-1, p. 21 and APF-2, p. 21
7	Customer Service & Information	846,487	50,980	897,467	Attachment APF-1, p. 21 and APF-2, p. 21
8	Sales	57,672	1,601	59,273	Attachment APF-1, p. 21 and APF-2, p. 21
9	Administrative & General	22,378,455	4,717,061	27,095,516	Attachment APF-1, p. 22 and APF-2, p. 22
10	Total Operations and Maintenance Expense	**$ 86,993,508**	**$ 25,568,472**	**$ 112,561,980**	
11					
12	Depreciation and Amortization Expense:				
13	Production	$ 8,574,722	$ 3,468,543	$ 12,043,265	Attachment APF-1, p. 23 and APF-2, p. 23
14	Transmission	7,462,827	4,955,210	12,418,037	Attachment APF-1, p. 23 and APF-2, p. 23
15	Distribution	7,889,038	2,749,512	10,638,550	Attachment APF-1, p. 23 and APF-2, p. 23
16	General & Intangible	4,103,551	5,312,832	9,416,383	Attachme tAPF-1, p. 23 and APF-2, p. 23
17	Total Depreciation and Amortization Expense	**$ 28,030,138**	**$ 16,486,097**	**$ 44,516,235**	
18					
19	Taxes Other Than Income:				
20	Property	$ 6,615,589	$ 2,517,996	$ 9,133,585	Attachment APF-1, p. 24 and APF-2, p. 24
21	Payroll	1,735,032	229,335	1,964,367	Attachment APF-1, p. 24 and APF-2, p. 24
22	Sales and Use	(5,339)	(473)	(5,812)	Attachment APF-1, p. 24 and APF-2, p. 24
23	Franchise and Revenue	3,037	270	3,307	Attachment APF-1, p. 24 and APF-2, p. 24
24	Other	3,822	339	4,161	Attachment APF-1, p. 24 and APF-2, p. 24
25	Total Taxes Other Than Income	**$ 8,352,141**	**$ 2,747,467**	**$ 11,099,608**	
26					
27	Fuel and Purchased Power Expense	$ 178,042,771	$ 15,579,853	$ 193,622,624	Attachment APF-1, p. 13 & p. 14 and APF-2, p. 13 & p. 14
28					
29	Other Allowable Expense	-	-	-	Attachment APF-1, p. 13, p. 14 & p. 29 and APF-2, p. 13, p. 14 & p. 29
30					

Southwestern Public Service Company

Summary of the Cost of Service Adjustments
by Functional Classification

31	Federal Income Tax	(22,414,096)	34,518,571	12,104,475	Attachment APF-1, p. 26 & p. 28 and APF-2, p. 26 & p. 28
32					
33	State Income Tax	(5,095,238)	7,661,829	2,566,591	Attachment APF-1, p. 26 & p. 28 and APF-2, p. 26 & p. 28
34					
35	Deferred Income Tax	43,776,090	(33,467,580)	10,308,510	Attachment APF-1, p. 28 and APF-2, p. 28
36					
37	Return on Rate Base	50,070,943	12,935,343	63,006,286	Attachment APF-2, p. 2
38					
39	Revenue Credit	(17,825,173)	(12,641,027)	(30,466,200)	Attachment APF-1, p. 30 and APF-2, p. 30
40					
41	Total Revenue Requirements	**$ 349,931,083**	**$ 69,389,025**	**$ 419,320,108**	

Southwestern Public Service Company

Summary of Rate Base
Calendar Year 2014

Line No.	Description		New Mexico Adjusted Base Period [1]		Adjustments from Base Period to Future Test Year		New Mexico Future Test Year	References
1	Net Plant in Service:							
2	Production	$	165,683,574	$	29,381,338	$	195,064,912	Attachment APF-1 and APF-2, p. 8, line 147
3	Transmission		281,747,653		116,135,758		397,883,411	Attachment APF-1 and APF-2, p. 8, line 148
4	Distribution		248,978,290		40,877,454		289,855,744	Attachment APF-1 and APF-2, p. 8, line 149
5	General & Intangible		52,272,973		21,755,062		74,028,035	Attachment APF-1 and APF-2, p. 8, line 150
6								
7	Total Net Plant in Service	**$**	**748,682,490**	**$**	**208,149,612**	**$**	**956,832,102**	
8								
9	Plant Held for Future Use:							
10	Production	$	-	$	-	$	-	Attachment APF-1 and APF-2, p. 8, line 156
11	Transmission		-		-		-	Attachment APF-1 and APF-2, p. 8, line 157
12	Distribution		-		-		-	Attachment APF-1 and APF-2, p. 8, line 158
13	General		-		-		-	Attachment APF-1 and APF-2, p. 8, line 160
14								
15	Total Plant Held for Future Use	**$**	**-**	**$**	**-**	**$**	**-**	
16								
17	Construction Work in Progress:							
18	Production	$	-	$	-	$	-	Attachment APF-1 and APF-2, p. 8, line 166
19	Transmission		-		-		-	Attachment APF-1 and APF-2, p. 8, line 167
20	Distribution		-		-		-	Attachment APF-1 and APF-2, p. 8, line 168
21	General & Intangible		-		-		-	Attachment APF-1 and APF-2, p. 8, line 169
22								
23	Total Construction Work in Progress	$	-	$	-	$	-	
24								
25	Total Plant	**$**	**748,682,490**	**$**	**208,149,612**	**$**	**956,832,102**	*sum(lines 7+15+23)*
26								
27	Accumulated Deferred Income Taxes	$	(181,267,936)	$	(30,862,838)	$	(212,130,774)	Attachment APF-1 and APF-2, p. 13, line 343
28								
29	Other Rate Base Items	$	(6,371,881)	$	205,034	$	(6,166,847)	Attachement APF-1 and APF-2, p. 10, lines 232-239 & p. 13, lines 348-350 & 355
30								
31	Working Capital:							
32	Materials & Supplies NO_X	$	4,185,959	$	558,445	$	4,744,404	Attachment APF-1 and APF-2, p. 9, line 180
33	Fuel Inventory and Nox Inventory		2,696,634		(244,770)		2,451,864	Attachment APF-1 and APF-2, p. 9, lines 174-75
34	Prepayments		36,548,270		346,670		36,894,940	Attachment APF-1 and APF-2, p. 10, line 231
35	Cash Working Capital		(3,381,783)		(1,388,527)		(4,770,310)	Attachment APF-1 and APF-2, p. 9, line 209
36								
37	Total Working Capital	**$**	**40,049,080**	**$**	**(728,182)**	**$**	**39,320,898**	
38								
39	Total Rate Base	**$**	**601,091,753**	**$**	**176,763,626**	**$**	**777,855,379**	*sum(lines 25+27+29+37)*

[1] In accordance with Rule 17.1.3.6, SPS presents its New Mexico Adjusted Base Period data as defined in 17.1.3.7(A), rather than the rate base for the Base Period on an unadjusted basis, as requested in 17.9.530.14(A)(1)(a). Please refer to the direct testimony of SPS witness Arthur P. Freitas for a discussion of the development of the Adjusted Base Period.

(c) Explanation of Adjustments

Please refer to the attachment of SPS witness Lisa H. Perkett for support of forecasted plant-in-service balances.

Please refer to the attachments of Lisa H. Perkett, Alan J. Davidson, John S. Fulton, Brad Baldridge, David C. Harkness, and Gregory J. Robinson for support of forecasted plant additions for production, transmission, distribution, and general plant capital additions, respectively.

Southwestern Public Service Company

Summary of Total Capitalization and the Weighted Average Cost of Capital

(a) Base Period Information
Base Period - 12 Months Ending 12/31/14

Line No.	Capital Component	Base Period Regulated Capitalization	Base Period Percentage of Total Capitalization	Base Period Component Capital Cost	Base Period Weighted Average Cost	Reference
1	Common Equity	$1,561,460,000	54.09%	10.25%	5.54%	Schedule G-1 Base Period Information, Line 1
2	Preferred Trust Securities	-	0.00%	0.00%	0.00%	Schedule G-1 Base Period Information, Line 2
3	Long Term Debt	1,325,276,778	45.91%	6.09%	2.79%	Schedule G-1 Base Period Information, Line 2
4	**Totals**	**$2,886,736,778**	**100.00%**		**8.34%**	

NOTE: Equity line is less Accumulated Other Comprehensive Income loss of $1 million.

Southwestern Public Service Company

Summary of Total Capitalization and the Weighted Average Cost of Capital

(b) Future Test Year Information
Future Test Year - Average of 13 Months Ending 12/31/16

Line No.	Capital Component	2014 Base Period Regulated Capitalization	Adjustments	2016 Future Test Year Regulated Capitalization	2016 Future Test Year Percentage of Total Capitalization	2016 Future Test Year Component Capital Cost	2016 Future Test Year Weighted Average Cost	Reference
1	Common Equity	$ 1,561,460,000	$ 336,696,299 [1]	$ 1,898,156,299	53.97%	10.25%	5.53%	Schedule G-1 Future Test Year 2016, Line 1
2	Preferred Trust Securities	-		-	0.00%	0.00%	0.00%	Schedule G-1 Future Test Year 2016, Line 2
3	Long Term Debt	1,325,276,778	293,634,397 [2]	1,618,911,175	46.03%	5.58%	2.57%	Schedule G-1 Future Test Year 2016, Line 3
4	**Totals**	**$2,886,736,778**	**$630,330,695**	**$3,517,067,474**	**100.00%**		**8.10%**	

NOTE: Equity line is less Accumulated Other Comprehensive Income loss of $0.9 million.

[1] The adjustments from the Base Period to the Future Test Year include income of $307M, equity infusions of $276M, and dividends of $215M.

[2] The adjustments from the Base Period to the Future Test Year include a debt issuances of $250M in 9/15 and $300M in 9/16, and retirement of $200M in 10/16.
Adjustment explanations are total dollar amounts and do not represent the effects of a 13 month average.

Southwestern Public Service Company

Summary of Total Capitalization and the Weighted Average Cost of Capital

(b) 2017 Projected Information
2017 Projected - Average of 13 Months Ending 12/31/17

Line No.	Capital Component	2014 Base Period Regulated Capitalization	Adjustments	2017 Regulated Capitalization	2017 Percentage of Total Capitalization	2017 Component Capital Cost	2017 Weighted Average Cost	Reference
1	Common Equity	$ 1,561,460,000	$ 512,928,486 [1]	$ 2,074,388,486	53.97%	10.25%	5.53%	Schedule G-1 Projected 2017 Information, Line 1
2	Preferred Trust Securities	-		-	0.00%	0.00%	0.00%	Schedule G-1 Projected 2017 Information, Line 2
3	Long Term Debt	1,325,276,778	443,608,027 [2]	1,768,884,806	46.03%	5.38%	2.48%	Schedule G-1 Projected 2017 Information, Line 3
4	**Totals**	**$2,886,736,778**	**$956,536,513**	**$3,843,273,291**	**100.00%**		**8.01%**	

NOTE: Equity line is less Accumulated Other Comprehensive Income loss of $0.9 million.

[1] The adjustments from the Base Period to the 2017 Projections include income of $488M, equity infusions of $504M, and dividends of $341M.

[2] The adjustments from the Base Period to the 2017 Projections include a debt issuances of $250M on 9/15, $300M on 9/16 and $250M on 8/17, and retirement of $200M on 10/16.
Adjustment explanations are total dollar amounts and do not represent the effects of a 13 month average.

Southwestern Public Service Company

Summary of Total Capitalization and the Weighted Average Cost of Capital

(b) 2018 Projected Information
2018 Projected - Average of 13 Months Ending 12/31/18

Line No.	Capital Component	2014 Base Period Regulated Capitalization	Adjustments	2018 Regulated Capitalization	2018 Percentage of Total Capitalization	2018 Component Capital Cost	2018 Weighted Average Cost	Reference
1	Common Equity	$ 1,561,460,000	$ 811,476,474 (1)	$ 2,372,936,474	53.97%	10.25%	5.53%	Schedule G-1 Projected 2018 Information, Line 1
2	Preferred Trust Securities	-		-	0.00%	0.00%	0.00%	Schedule G-1 Projected 2018 Information, Line 2
3	Long Term Debt	1,325,276,778	698,834,056 (2)	2,024,110,834	46.03%	5.32%	2.45%	Schedule G-1 Projected 2018 Information, Line 2
4	**Totals**	**$2,886,736,778**	**$1,510,310,530**	**$4,397,047,308**	**100.00%**		**7.98%**	

NOTE: Equity line is less Accumulated Other Comprehensive Income loss of $0.9 million.

(1) The adjustments from the Base Period to the 2018 Projections include income of $689M, equity infusions of $607M, and dividends of $482M.

(2) The adjustments from the Base Period to the 2018 Projections include a debt issuances of $250M on 9/15, $300M on 9/16, $250M on 8/17 and $400M on 9/18 and retirements of $200M on 10/16 and $250M on 12/18.

Adjustment explanations are total dollar amounts and do not represent the effects of a 13 month average.