

**SOAH DOCKET NO. 473-19-6677
DOCKET NO. 49831**

**APPLICATION OF SOUTHWESTERN § BEFORE THE STATE OFFICE
PUBLIC SERVICE COMPANY FOR § OF
AUTHORITY TO CHANGE RATES § ADMINISTRATIVE HEARINGS**

**UPDATE TESTIMONY
of
GARY J. O’HARA**

on behalf of

SOUTHWESTERN PUBLIC SERVICE COMPANY

(Filename: O’HaraRRUpdate.docx; Total Pages: 22)

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¹ For ease of cross-referencing this update testimony with the original direct testimony filed on August 8, 2019, the sections and subsections in this update testimony correspond with the original sections and subsections in the original direct testimony.

Attachment GJO-RR-UA (*filename: GJO-RR-UABCD.xlsx*) 19
Attachment GJO-RR-UB(CD) (*filename: GJO-RR-UABCD.xlsx*) 20
Attachment GJO-RR-UC (*filename: GJO-RR-UABCD.xlsx*) 21
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GLOSSARY OF ACRONYMS AND DEFINED TERMS

<u>Acronym/Defined Term</u>	<u>Meaning</u>
CAPS	Center for Advanced Purchasing Studies
SPS	Southwestern Public Service Company, a New Mexico corporation
Total Company or total company	Total SPS (before any jurisdictional allocation)
Update Period	April 1, 2019 through June 30, 2019
Updated Test Year	July 1, 2018 through June 30, 2019
Xcel Energy	Xcel Energy Inc.
XES	Xcel Energy Services Inc.

LIST OF ATTACHMENTS

<u>Attachment</u>	<u>Description</u>
GJO-RR-5	2019 CAPS Research Cross-Industry Report of Standard Benchmarks: Utilities Industry <i>(Non-native format)</i>
GJO-RR-UA (Updated Test Year)	Summary of XES Expenses to SPS by Affiliate Class and Billing Method <i>(Filename: GJO-RR-UABCD.xlsx)</i>
GJO-RR-UB(CD) (Updated Test Year)	XES Expenses by Affiliate Class, Activity, Billing Method, and FERC Account <i>(Filename: GJO-RR-UABCD.xlsx)</i>
GJO-RR-UC (Updated Test Year)	Exclusions from XES Expenses to SPS by Affiliate Class and FERC Account <i>(Filename: GJO-RR-UABCD.xlsx)</i>
GJO-RR-UD (Updated Test Year)	Pro Forma Adjustments to XES Expenses by Affiliate Class and FERC Account <i>(Filename: GJO-RR-UABCD.xlsx)</i>

**UPDATE TESTIMONY
OF
GARY J. O'HARA**

I. WITNESS IDENTIFICATION

1

2 **Q. Please state your name and business address.**

3 A. My name is Gary J. O'Hara. My business address is 414 Nicollet Mall,
4 Minneapolis, Minnesota 55401.

5 **Q. By whom are you employed and in what position?**

6 A. I am employed by Xcel Energy Services Inc. ("XES") as a Vice President, Supply
7 Chain.

8 **Q. On whose behalf are you testifying in this proceeding?**

9 A. I am filing testimony on behalf of Southwestern Public Service Company, a New
10 Mexico corporation ("SPS").

11 **Q. Are you the same Gary J. O'Hara who filed direct testimony on behalf of**
12 **SPS in this docket?**

13 A. Yes.

1 **II. ASSIGNMENT AND SUMMARY OF TESTIMONY AND**
2 **RECOMMENDATIONS**

3 **Q. What is your assignment in this update testimony?**

4 A. As explained in SPS’s direct testimony, SPS is using an Updated Test Year in this
5 case. The Updated Test Year is the period from July 1, 2018 through June 30,
6 2019. Because of the timing of the filing of this case, certain costs for the period
7 from April 1, 2019 through June 30, 2019 (“Update Period”) in my direct
8 testimony were estimated. My assignment in this update testimony is to replace
9 those estimated costs with actual costs. The result of this update is that the
10 Updated Test Year now consists of only actual information, and no estimates. For
11 ease of cross-referencing this update testimony with the my direct testimony filed
12 on August 8, 2019, the sections and subsections in this update testimony
13 correspond with the original sections and subsections in my direct testimony.

14 Regarding the Supply Chain affiliate costs I support, my direct testimony
15 provided actual figures for April and May 2019 and estimated figures for June
16 based on the forecasted budget. In this testimony, I replace the June 2019
17 estimates with actuals. In addition, the April through June 2019 expenses have
18 now gone through the full pro forma adjustment review process. Thus, I provide
19 updated figures for those Update Period expenses. My update testimony includes
20 Attachments GJO-RR-UA through GJO-RR-UD in support of the Supply Chain
21 affiliate costs I support.

22 In addition, in my direct testimony on pages 27 through 31, I cited to
23 preliminary data from a then-forthcoming 2019 Center for Advanced Purchasing
24 Studies (“CAPS”) report. The 2019 CAPS report shows, among other things, that

1 Xcel Energy Inc.’s (“Xcel Energy”) cost avoidance efforts exceed the utility
2 industry mean and median. SPS has received the final version of that report,
3 which is attached to this testimony as Attachment GJO-RR-5.

4 **Q. Please summarize your update testimony and recommendations.**

5 A. *Affiliate Costs* - The estimated Updated Test Year costs for the services of the
6 Supply Chain affiliate class that SPS sought to recover were \$1,137,608 (total
7 SPS before jurisdictional allocations, or “total company”). The actual Updated
8 Test Year costs for the services of the Supply Chain affiliate class that SPS seeks
9 to recover are \$1,471,250. Please refer to Attachments GJO-RR-UA through
10 GJO-RR-UD. In addition to providing updated SPS numbers, those attachments
11 also reflect the total updated XES class expenses for the Supply Chain affiliate
12 class. The actual costs are reasonable and necessary for the reasons I provided in
13 my direct testimony.

14 **Q. Were Attachments GJO-RR-UA through GJO-RR-UD prepared by you or
15 under your direct supervision and control?**

16 A. Attachments GJO-RR-UA through GJO-RR-UD were prepared as described by
17 SPS witness Melissa L. Schmidt. My staff and I have reviewed these attachments
18 and I believe them to be accurate. Although the information I have described also
19 is present in Ms. Schmidt’s attachments, I have presented this information in the
20 attachments to my update testimony for the convenience of those reviewing it.

21 **Q. Is Attachment GJO-RR-5 a true and correct copy of the document
22 referenced in your testimony?**

23 A. Yes.

III. UPDATED AFFILIATE EXPENSES FOR THE SUPPLY CHAIN CLASS OF SERVICES

A. Summary of Affiliate Expenses for the Supply Chain Class of Services

Q. What is the dollar amount of the Updated Test Year XES charges that SPS requests, on a total company basis, for the Supply Chain affiliate class?

A. The following table summarizes the dollar amount of the actual Updated Test Year XES charges for the Supply Chain affiliate class.

Table GJO-RR-U1

Class of Services	Total XES Class Expenses	Requested Amount of XES Class Expenses Billed to SPS (Total Company)		
		Requested Amount	% Direct Billed	% Allocated
Supply Chain	\$12,211,694	\$1,471,250	79.58%	20.42%

Total XES Class Expenses Dollar amount of total Updated Test Year expenses that XES charged to all Xcel Energy companies for the services provided by this affiliate class. This is the amount from Column E in Attachment GJO-RR-UA.

Requested Amount of XES Class Expenses Billed to SPS (Total Company) Requested dollar amount of XES expenses to SPS (total company) for this affiliate class after exclusions and pro forma adjustments. This is the amount from Column K in Attachment GJO-RR-UA.

% Direct Billed The percentage of SPS’s requested XES expenses (total company) for this class that were billed 100% to SPS.

% Allocated The percentage of SPS’s requested XES expenses (total company) for this class that were allocated to SPS.

1 **Q. Please describe the updated attachments that support the information**
2 **provided on Table GJO-RR-U1.**

3 A. Attachments GJO-RR-UA through GJO-RR-UD present the updated information
4 about the requested SPS affiliate expenses for the Supply Chain affiliate class.
5 The detailed descriptions for Attachments GJO-RR-A through GJO-RR-D that
6 were provided in my direct testimony remain applicable to these updated
7 attachments.

8 **Q. Are there updated exclusions for the Supply Chain affiliate class?**

9 A. Yes. The actual exclusions are provided on Attachment GJO-RR-UC.

10 **Q. Are there updated pro forma adjustments to SPS's per book expenses for the**
11 **Supply Chain affiliate class?**

12 A. Yes. As I mentioned in my direct testimony, pro forma adjustments are revisions
13 to Updated Test Year expenses for known and measurable changes. Pro forma
14 adjustments are shown on Attachment GJO-RR-UA, Column J, and on
15 Attachment GJO-RR-UB, Column M. The details for the pro forma adjustments,
16 including the witness or witnesses who sponsor each pro forma adjustment, are
17 provided in Attachment GJO-RR-UD.

18 **Q. Attachment GJO-RR-UD shows that you sponsor pro forma adjustments for**
19 **expenses for the Supply Chain affiliate class during the Updated Test Year**
20 **that result in a net decrease for the Supply Chain affiliate class of \$73.02.**
21 **Please explain the adjustments.**

22 A. The adjustments that I sponsor remove expenses for alcohol (a decrease of
23 \$10.01), for holiday party (a decrease of \$21.55), for life events (a decrease of
24 \$24.67), and for recognition (a decrease of \$16.79).

1 **C. The Supply Chain Class of Services are Provided at a Reasonable**
2 **Cost**

3 **Q. What is the purpose of this section of your update testimony?**

4 A. In this section of my direct testimony, several numbers were based on estimates
5 for the Update Period. In this update testimony, I replace those estimates with
6 actual numbers, and explain that the actual costs for the Supply Chain affiliate
7 class are reasonable.

8 *1. Additional Evidence*

9 **Q. Is there additional support for a portion of the expenses that you present in**
10 **this testimony?**

11 A. Yes. Of the Updated Test Year costs for the Supply Chain class, 70.34% are
12 compensation and benefits costs for XES personnel. SPS witnesses Michael T.
13 Knoll and Richard R. Schrubbe establish that the level of Xcel Energy's
14 compensation and benefits is reasonable and necessary.

15 *3. Cost Trends*

16 **Q. Please state the dollar amounts of the actual charges (per book) from XES to**
17 **SPS for the Supply Chain class of services for the three fiscal years preceding**
18 **the end of the Updated Test Year and the charges (per book) for the Updated**
19 **Test Year.**

20 A. The following table shows, for the fiscal years 2016, 2017, and 2018 (calendar
21 years), and for the Updated Test Year, the actual per book affiliate charges
22 (Column I on Attachment GJO-RR-UA) from XES to SPS for the services
23 grouped in the Supply Chain affiliate class:

1

Table GJO-RR-U2

	(Per Book) Charges Over Time				
Class of Services	2016	2017	2018	Updated Test Year (Estimated)	Updated Test Year (Actual)
Supply Chain	\$439,489	\$1,490,556	\$1,155,319	\$1,118,293	\$1,445,973

2

4. Staffing Trends

3 **Q.**

Please provide the staffing levels for the Supply Chain class of services for the three fiscal years preceding the end of the Updated Test Year and the Updated Test Year.

4
5
6 **A.**

The following table shows, for the fiscal years 2016, 2017, and 2018 (calendar years) and for the Updated Test Year, the average of the end of month staffing levels for the Supply Chain class of services.

7
8
9

Table GJO-RR-U3

	Average of End of Month # of Staff				
Class of Services	2016	2017	2018	Updated Test Year (Estimated)	Updated Test Year (Actual)
Supply Chain	181	185	187	186	184

10

11 **D.**

The Costs for the Supply Chain Class of Services are Priced in a Fair Manner

12

13 **Q.**

Have any of the predominant allocation methods for the Supply Chain affiliate operation and maintenance expenses changed?

14

15 **A.**

No. The predominant allocation methods have remained the same, but the percentages and amounts have changed as follows:

16

1

Table GJO-RR-U4

Allocation Method	Estimated Percentage of XES charges to SPS/Amount (total company) in Direct Testimony	Actual Percentage of XES charges to SPS/Amount (total company) in Update Filing
Direct Billing	73.96% / \$841,384.72	79.58% / \$1,170,768.06
Invoice Transactions	25.86% / \$294,204.08	20.28% / \$298,437.57
Assets, Revenue, and Numbers of Employees	0.01% / \$150.52	0.14% / \$2,043.95
Number of Employees	0%	0%

2 **Q. Does this conclude your pre-filed update testimony?**

3 A. Yes.

AFFIDAVIT

STATE OF MINNESOTA)
)
COUNTY OF Hennipen)

GARY J. O’HARA, first being sworn on his oath, states:

I am the witness identified in the preceding Update Testimony. I have read the Update Testimony and the accompanying attachment(s) and am familiar with the contents. Based upon my personal knowledge, the facts stated in the testimony are true. In addition, in my judgment and based upon my professional experience, the opinions and conclusions stated in the Update Testimony are true, valid, and accurate.

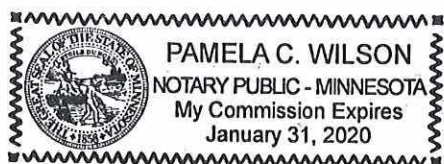


GARY J. O’HARA

Subscribed and sworn to before me this 16th day of September, 2019 by GARY J. O’HARA.



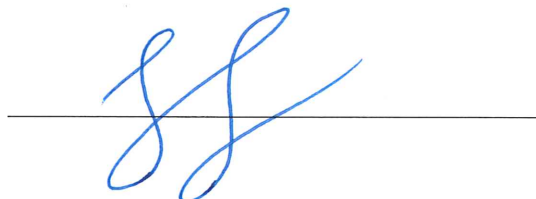
Notary Public, State of Minnesota



My Commission Expires: 1-31-2020

CERTIFICATE OF SERVICE

I certify that on the 20th day of September 2019, a true and correct copy of the foregoing update testimony was served on all parties of record by electronic service and by either hand delivery, Federal Express, regular first class mail, certified mail, or facsimile transmission.

A handwritten signature in blue ink is positioned above a solid horizontal line. The signature consists of two large, stylized, overlapping loops.

Xcel Energy Inc.

Utilities Industry Profile

Process Sector Profile

Population

Spend	Utilities Industry Profile					Process Sector Profile					Population	
	Minimum	Median	Mean	Maximum	Number of Participants	Minimum	Median	Mean	Maximum	Number of Participants	Population Average	Number of Participants
1 Sourceable spend as a percent of revenue	20.1%	38.7%	39.4%	69.2%	16	2.8%	34.0%	36.2%	75.3%	41	37.2%	107
2 Percent of sourceable spend managed/controlled by supply management	64.7%	89.7%	89.4%	100.0%	15	33.3%	94.2%	86.9%	100.0%	42	87.5%	108
3 Percent of sourceable spend that is direct	<i>i.d.</i>	<i>i.d.</i>	<i>i.d.</i>	<i>i.d.</i>	3	0.0%	50.9%	50.2%	100.0%	26	51.0%	74
4 Percent of sourceable spend that is indirect	<i>i.d.</i>	<i>i.d.</i>	<i>i.d.</i>	<i>i.d.</i>	3	0.0%	49.6%	49.3%	100.0%	26	48.7%	74
5 Percent of managed spend that is direct	<i>i.d.</i>	<i>i.d.</i>	<i>i.d.</i>	<i>i.d.</i>	2	0.0%	67.5%	53.8%	100.0%	24	50.5%	60
6 Percent of managed spend that is indirect	<i>i.d.</i>	<i>i.d.</i>	<i>i.d.</i>	<i>i.d.</i>	2	0.0%	32.5%	46.2%	100.0%	24	49.5%	60
7 For those companies that track domestic spend with diverse suppliers, domestic spend with diverse suppliers as a percent of sourceable spend	0.4%	10.2%	30.3%	38.7%	16	0.1%	9.3%	6.3%	38.7%	26	6.8%	48
8 For those companies that track domestic spend with diverse suppliers, domestic spend with suppliers that are formally certified as diverse, as a percent of sourceable spend	<i>i.d.</i>	<i>i.d.</i>	<i>i.d.</i>	<i>i.d.</i>	2	0.1%	8.4%	4.9%	28.2%	6	5.8%	18
9 For those companies that track domestic spend with diverse suppliers, domestic spend with suppliers who self-report as diverse, as a percent of sourceable spend	<i>i.d.</i>	<i>i.d.</i>	<i>i.d.</i>	<i>i.d.</i>	2	<i>i.d.</i>	<i>i.d.</i>	1.8%	<i>i.d.</i>	4	1.8%	10
10 For those companies that track domestic spend with diverse suppliers, diversity spend with small businesses as a percent of sourceable spend	<i>i.d.</i>	<i>i.d.</i>	<i>i.d.</i>	<i>i.d.</i>	4	2.2%	7.1%	6.3%	69.1%	11	6.8%	28

The Supply Management Group

11 Percent of companies with the following supply management functional alignment:

a Centralized	X	71%	5	21	48
b Decentralized		0%	0	2	9
c Center-led		29%	2	16	39
d Hybrid		0%	0	1	9
e Other		0%	0	0	1

12 Percent of companies with supply management functional alignment for the following durations:

a Less than 1 year		0%	0	0	1
b 1-3 years		0%	0	3	10
c 3-5 years		14%	1	8	17
d More than 5 years	X	86%	6	24	67

i.d., indicates insufficient data. ^ = Calculated using sums of aggregated data

CAPS Research - The Metrics of Supply Management
(Cross-Industry) 2019 Comparative Report

Xcel Energy Inc. Utilities Industry Profile Process Sector Profile Population

The Supply Management Group	Utilities Industry Profile					Process Sector Profile					Population	
	Minimum	Median	Mean	Maximum	Number of Participants	Minimum	Median	Mean	Maximum	Number of Participants	Population Average	Number of Participants
13					7			11.4%		35	14%	94
14	No	0.3%	0.6%	0.7%	7	0.1%	0.6%	0.9%	7.5%	33	1.2%	89
15	0.5%	0.3%	0.8%	0.8%	6	0.1%	0.6%	1.0%	7.7%	34	1.3%	89
16	79.3%	40.9%	74.0%	93.1%	7	40.9%	79.1%	78.0%	95.0%	30	76.8%	69
17	1.8%	0.5%	1.0%	2.7%	18	0.3%	1.2%	1.5%	4.5%	46	1.5%	119
18	48.3%	11.1%	24.5%	72.3%	6	5.5%	27.5%	36.2%	80.4%	30	37.7%	77
19	51.7%	27.7%	75.5%	88.9%	6	19.6%	71.1%	63.0%	94.5%	31	61.9%	78
Value Metrics												
20	1454.4%	26.0%	600.4%	860.3%	5	26.0%	641.5%	597.7%	1980.0%	32	635.9%	67
21	1140.5%	i.d.	i.d.	608.4%	4	6.7%	351.1%	570.1%	1192.6%	27	541.8%	60
Percent of companies that calculate each of the following:												
a	X			43%	3			44%		15	41%	31
b				57%	4			56%		19	59%	44
c	X			50%	3			48%		15	48%	38
d				50%	3			52%		16	53%	42
23	1833.6%*	i.d.	i.d.	1150.1%	4	33.0%	779.3%	988.8%	1673.7%	26	907.7%	54
24	6.1%	0.1%	1.4%	1.9%	10	0.1%	1.7%	2.5%	13.6%	35	2.9%	74
25	i.d.	i.d.	i.d.	i.d.	0	0.0%	38.4%	46.8%	100.0%	16	46.2%	40
26	i.d.	i.d.	i.d.	i.d.	0	0.0%	61.6%	53.2%	100.0%	16	53.8%	40
27	1.7%	0.02%	2.7%	3.9%	11	0.02%	1.7%	3.0%	15.8%	33	2.8%	62
28	i.d.	i.d.	i.d.	i.d.	0	0.0%	28.3%	38.3%	100.0%	15	35.0%	33
29	i.d.	i.d.	i.d.	i.d.	0	0.0%	71.7%	61.7%	100.0%	15	65.0%	33

Cross-Industry Comparison of Metrics

i.d. indicates insufficient data. * = Calculated using sums of aggregated data. * = indicates data removed from final report as outlier.

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Xcel Energy Inc.

Utilities Industry Profile

Process Sector Profile

Population

Value Metrics	Utilities Industry Profile				Process Sector Profile				Population		
	Minimum	Median	Mean	Maximum	Minimum	Median	Mean	Maximum	Number of Participants	Population Average	Number of Participants
30	0.9%	5.0%	5.3%	10.7%	0.6%	5.1%	6.4%	23.3%	44	6.8%	100
31			72%				48%		42	39%	97
32			i.d.				33%		9	41%	27
Supply Management Employees											
33	\$87,081	\$135,811	\$136,721	\$205,085	\$30,094	\$135,437	\$134,541	\$320,513	32	\$137,485	92
34	\$70,271	\$79,250	\$96,308	\$141,531	\$26,358	\$97,503	\$103,769	\$294,872	31	\$107,672	72
35	\$9.9	\$28.8	\$28.5	\$52.6	\$5.0	\$28.3	\$36.3	\$153.8	43	\$25.3	110
36	\$0.2	\$27.5	\$25.1	\$40.7	\$0.2	\$23.7	\$28.5	\$113.5	46	\$20.9	112
37	i.d.	i.d.	\$2.8	i.d.	\$0.2	\$2.2	\$2.4	\$5.3	25	\$2.5	59
38	i.d.	i.d.	i.d.	i.d.	\$0.1	\$1.1	\$1.3	\$4.1	23	\$1.3	52
39	\$39.5	\$52.9	\$54.4	\$78.3	\$9.4	\$53.4	\$66.5	\$392.1	26	\$64.8	66
40	\$5.6	\$144.9	\$209.2	\$562.0	\$5.6	\$115.4	\$185.8	\$562.0	33	\$147.5	74
41	^ Percent of supply management FTEs in the following roles: Does not represent all roles in supply management.										
a	27%		14%				12%		35	12%	83
b	35%		9%				39%		28	38%	76
c	2%		0.2%				13%		18	5%	49
d	1%		0.3%				1%		16	1%	48
e	1%		0.2%				0%		13	1%	48
f	6%		1%				3%		24	2%	74
g	1%		0.2%				1%		21	2%	63
42	Percent of companies in which the supply management headcount increased, decreased, or remained unchanged during the reporting period:										
a	X		43%				35%		12	38%	35
b			0%				18%		6	22%	20
c			57%				47%		16	40%	37

i.d. indicates insufficient data. ^ = Calculated using sums of aggregated data

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		Xcel Energy Inc.				Utilities Industry Profile				Process Sector Profile				Population				
		Minimum	Median	Mean	Maximum	Number of Participants	Minimum	Median	Mean	Maximum	Number of Participants	Minimum	Median	Mean	Maximum	Number of Participants	Average	Number of Participants
Supply Management Employees																		
43	For companies in which supply management headcount increased, percent increased		<i>i.d.</i>	<i>i.d.</i>	<i>i.d.</i>	3										9	11.1%	28
44	For companies in which supply management headcount decreased, percent decreased		<i>i.d.</i>	<i>i.d.</i>	<i>i.d.</i>	0										4	8.1%	13
45	Percent of companies in which the headcount in other functional areas (e.g. HR, Marketing, Finance) increased, decreased, or remained unchanged during the reporting period:																	
a	Increased			29%		2										11		40
b	Decreased	X		43%		3										9		24
c	Remained unchanged			29%		2										13		25
Technology																		
46	Percent of companies that utilize the following within supply management:																	
a	RPA's	No		39%		18										50		115
b	Blockchain technology	No		0%		18										49		114
47	For the companies utilizing RPAs, percent that required a reallocation of FTE hours	<i>n/a</i>		0%		1										17		35
48	Percent of companies reporting that their organization is at the following level of supply management analytics activity:																	
a	Level 1 - Data Collection			14%		1										5		20
b	Level 2 - Descriptive Analytics	X		71%		5										28		60
c	Level 3 - Predictive Analytics			0%		0										5		17
d	Level 4 - Prescriptive Analytics			14%		1										2		4
e	Level 5 - Automation			0%		0										1		2

i.d. indicates insufficient data. *n/a* = not applicable

Release Date: August 2019

Summary of XES Expenses to SPS by Affiliate Class and Billing Method
For Twelve Months ended June 30, 2019
O'Hara

(A) Line No.	(B) Affiliate Class	(C) Billing Method (Cost Center)	(D) Allocation Method	(E) Total XES Billings for Class to all Legal Entities (FERC Acct. 400-935)	(F) XES Billings for Class to All Legal Entities Except SPS (FERC Acct. 400-935)	(G) XES Billings for Class to SPS (Total Company) (FERC Acct. 400-935)	(H) Exclusions	(I) Per Book	(J) Pro Formas	(K) Requested Amount (Total Company)	(L) % of Class Charges
1	Supply Chain	200094 - Supply Chain	Assets/Revenue/No. of employees	\$ 14,161.18	\$ 12,107.91	\$ 2,053.27	\$ -	\$ 2,053.27	\$ (9.32)	\$ 2,043.95	0.14%
2	Supply Chain	200132 - Payment and Reporting	Invoice Transactions	3,096,188.48	2,790,342.58	305,845.90	(4.32)	305,841.58	(7,404.01)	298,437.57	20.28%
3	Supply Chain	Direct		9,101,344.20	7,956,609.67	1,144,734.52	(6,656.83)	1,138,077.70	32,690.37	1,170,768.06	79.58%
4	Supply Chain Total			\$ 12,211,693.86	\$ 10,759,060.17	\$ 1,452,633.69	\$ (6,661.15)	\$ 1,445,972.55	\$ 25,277.04	\$ 1,471,249.58	100.00%
5	Total Witness - Gary O'Hara			\$ 12,211,693.86	\$ 10,759,060.17	\$ 1,452,633.69	\$ (6,661.15)	\$ 1,445,972.55	\$ 25,277.04	\$ 1,471,249.58	
Amounts may not add or tie to other schedules due to rounding											

Southwestern Public Service Company

XES Expenses by Affiliate Class, Activity, Billing Method and FERC Account

Gary J. O'Hara

SOAH Docket No. 473-19-6677

Docket No. 49831

**APPLICATION OF
SOUTHWESTERN PUBLIC SERVICE COMPANY
FOR AUTHORITY TO CHANGE RATES**

GJO-RR-UB(CD)

**Exclusions from XES Expenses to SPS by Affiliate Class and FERC Account
For Twelve Months ended June 30, 2019
O'Hara**

(A) Line No.	(B) Affiliate Class	(C) FERC Account	(D) Explanation for Exclusions	(E) Exclusions (Total Company)
1	Supply Chain	417.1 - Expenses of nonutility operations	Below the Line	\$ (208.20)
2	Supply Chain	426.4 - Life Insurance	Below the Line	(6,448.63)
3	Supply Chain	426.5 - Other Deductions	Below the Line	(4.32)
4	Supply Chain Total			\$ (6,661.15)
5	Total Witness Gary O'Hara			\$ (6,661.15)
			Amounts may not add or tie to other schedules due to rounding	

**Pro Forma Adjustments to XES Expenses by Affiliate Class and FERC Account
For Twelve Months ended June 30, 2019
O'Hara**

(A) Line No.	(B) Affiliate Class	(C) FERC Account	(D) Explanation for Pro Formas	(E) Sponsor	(F) Pro Formas (Total Company)
1	Supply Chain	507 - Rents	3% Wage Adjustment	Arthur Freitas/Michael Knoll	\$ 11,904.05
2	Supply Chain	550 - Rents	3% Wage Adjustment	Arthur Freitas/Michael Knoll	933.21
3	Supply Chain	566 - Miscellaneous transmission expenses	223.62% Incentive	Arthur Freitas/Michael Knoll	(958.03)
4	Supply Chain	566 - Miscellaneous transmission expenses	3% Wage Adjustment	Arthur Freitas/Michael Knoll	91.91
5	Supply Chain	567 - Rents	3% Wage Adjustment	Arthur Freitas/Michael Knoll	2,740.34
6	Supply Chain	575.8 - Rents	3% Wage Adjustment	Arthur Freitas/Michael Knoll	132.60
7	Supply Chain	589 - Rents	3% Wage Adjustment	Arthur Freitas/Michael Knoll	4,298.90
8	Supply Chain	920 - Administrative and general salaries	223.62% Incentive	Arthur Freitas/Michael Knoll	(9,284.81)
9	Supply Chain	920 - Administrative and general salaries	3% Wage Adjustment	Arthur Freitas/Michael Knoll	12,864.11
10	Supply Chain	921 - Office supplies and expenses	Business Area Adjustment	Gary O'Hara	(73.02)
11	Supply Chain	926 - Employee pensions and benefits	Pension & Benefits Adjustment	William Grant	(1,678.84)
12	Supply Chain	930.1 - General advertising expenses	Advertising	Arthur Freitas	(73.27)
13	Supply Chain	931 - Rents	3% Wage Adjustment	Arthur Freitas/Michael Knoll	4,379.88
14	Supply Chain Total				\$ 25,277.04
15	Total Witness - Gary O'Hara				\$ 25,277.04
	Amounts may not add or tie to other schedules due to rounding				