

**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
MICHAEL T. KNOLL**

on behalf of

SOUTHWESTERN PUBLIC SERVICE COMPANY

(Filename: KnollRRUpdate.doc; Total Pages: 25)

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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.

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GLOSSARY OF ACRONYMS AND DEFINED TERMS

<u>Acronym/Defined Term</u>	<u>Meaning</u>
O&M	Operation and Maintenance
RFP	Rate Filing Package
SPS	Southwestern Public Service Company, a New Mexico corporation
SS	Shared Services
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>
MTK-RR-U1	Summary of Compensation Costs for Updated Test Year (Filename: MTK-RR-U1.docx)
MTK-RR-UA (Updated Test Year)	Summary of XES Expenses to SPS by Affiliate Class and Billing Method (Filename: MTK-RR-UABCD.xlsx)
MTK-RR-UB(CD) (Updated Test Year)	XES Expenses by Affiliate Class, Activity, Billing Method, and FERC Account (Filename: MTK-RR-UABCD.xlsx)
MTK-RR-UC (Updated Test Year)	Exclusions from XES Expenses to SPS by Affiliate Class and FERC Account (Filename: MTK-RR-UABCD.xlsx)
MTK-RR-UD (Updated Test Year)	Pro Forma Adjustments to XES Expenses by Affiliate Class and FERC Account (Filename: MTK-RR-UABCD.xlsx)

**UPDATE TESTIMONY
OF
MICHAEL T. KNOLL**

I. WITNESS IDENTIFICATION

1

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

3 A. My name is Michael T. Knoll. My business address is 401 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”), the service company
7 subsidiary of Xcel Energy Inc. (“Xcel Energy”) as Director, Compensation.

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 Michael T. Knoll 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 my 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 cost information and no estimates.
11 For ease of cross-referencing this update testimony with 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 Human Resources and Shared Services (“SS”) Company
15 Benefits classes of affiliate costs I support, my direct testimony provided actual
16 figures for April and May 2019 and estimated figures for June based on the
17 forecasted budget. In this testimony, I replace the June 2019 estimates with
18 actuals. In addition, the April through June 2019 expenses have now gone
19 through the full pro forma adjustment review process. Thus, I provide updated
20 figures for those Update Period expenses. My update testimony includes
21 Attachments MTK-RR-UA through MTK-RR-UD in support of the Human
22 Resources and SS Company Benefits affiliate costs I support.

1 **Q. Are any of the Rate Filing Package (“RFP”) schedules that you sponsor or**
2 **co-sponsor updated in this filing?**

3 A. Yes. The RFP schedules that I sponsor or co-sponsor that are updated in this
4 filing are Schedules G-U1.1 through G-U1.6.

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

6 A. *Affiliate Costs* – The estimated Updated Test Year costs for the services of the
7 following affiliate classes that SPS sought to recover (total SPS before
8 jurisdictional allocations, or “total company”) were:

- 9 • Human Resources - \$2,401,800
- 10
- 11 • SS Company Benefits - \$2,530,918
- 12

13 The actual Updated Test Year costs for the services of the following affiliate
14 classes that SPS seeks to recover are:

- 15 • Human Resources - \$2,429,158
- 16
- 17 • SS Company Benefits - \$2,503,972
- 18

19 Please refer to Attachments MTK-RR-UA through MTK-RR-UD. In addition to
20 providing updated SPS numbers, those attachments also reflect the total updated
21 XES class expenses for the Human Resources and SS Company Benefits affiliate
22 classes. The actual costs are reasonable and necessary for the reasons I provided
23 in my direct testimony.

24 **Q. Were Attachments MTK-RR-U1 and MTK-RR-UA through MTK-RR-UD**
25 **prepared by you or under your direct supervision and control?**

26 A. Attachment MTK-RR-U1 was prepared by SPS witness Arthur P. Freitas and his
27 staff, is based on the Cost of Service Study, and reflects the updated

1 compensation and benefits amounts included in the Updated Test Year. My staff
2 and I have reviewed this attachment and I believe it to be accurate. Attachments
3 MTK-RR-UA through MTK-RR-UD were prepared as described by SPS witness
4 Melissa L. Schmidt. My staff and I have reviewed these attachments and I
5 believe them to be accurate. Although the information I have described also is
6 present in Ms. Schmidt's attachments, I have presented this information in the
7 attachments to my update testimony for the convenience of those reviewing it.

V. UPDATED AFFILIATE EXPENSES FOR THE HUMAN RESOURCES CLASS OF SERVICES

A. Summary of Affiliate Expenses for the Human Resources 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 Human Resources affiliate class?

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

Table MTK-RR-U1

		Requested Amount of XES Class Expenses Billed to SPS (Total Company)		
Class of Services	Total XES Class Expenses	Requested Amount	% Direct Billed	% Allocated
Human Resources	\$18,402,221	\$2,429,158	5.44%	94.56%

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 MTK-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 MTK-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 in Table MTK-RR-U1.**

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

8 **Q. Are there updated exclusions for the Human Resources affiliate class?**

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

10 **Q. Are there updated pro forma adjustments to SPS's per book expenses for the**
11 **Human Resources 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 MTK-RR-UA, Column J, and on
15 Attachment MTK-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 MTK-RR-UD.

18 **Q. Attachment MTK-RR-UD shows that you sponsor pro forma adjustments**
19 **for expenses for the Human Resources affiliate class during the Updated Test**
20 **Year result in a net decrease for the Human Resources affiliate class of**
21 **\$5,860.40. Please explain the adjustments.**

22 A. The adjustments that I sponsor remove alcohol charges (a decrease of \$961.80),
23 costs not benefiting SPS (a decrease of \$4,669.77), and costs associated with life
24 events (a decrease of \$228.83). Along with these adjustments to business

1 expenses, I also co-sponsor with Mr. Freitas the adjustments to compensation
2 related to both base pay and incentive compensation.

3 **C. The Human Resources Class of Services are Provided at a**
4 **Reasonable Cost**

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

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

10 *1. Additional Evidence*

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

13 A. Yes. Of the Updated Test Year costs for the Human Resources class, 83.46% are
14 compensation and benefits costs for XES personnel. For the reasons I addressed
15 in my direct testimony, Xcel Energy's compensation and benefits costs are a
16 reasonable and necessary expense. SPS witness Richard R. Schrubbe also
17 establishes that the level of Xcel Energy's compensation and benefits costs is
18 reasonable and necessary.

19 *2. Cost Trends*

20 **Q. Please state the dollar amounts of the actual charges (per book) from XES to**
21 **SPS for the Human Resources class of services for the three fiscal years**
22 **preceding the end of the Updated Test Year and the charges (per book) for**
23 **the Updated Test Year.**

24 A. The following table shows, for the fiscal years 2016, 2017, and 2018 (calendar
25 years), and for the Updated Test Year, the actual per book affiliate charges

(Column I on Attachment MTK-RR-UA) from XES to SPS for the services grouped in the Human Resources affiliate class:

Table MTK-RR-U2

	(Per Book) Charges Over Time				
Class of Services	2016	2017	2018	Updated Test Year (Estimated)	Updated Test Year (Actual)
Human Resources	\$2,641,581	\$2,594,752	\$2,491,797	\$2,441,052	\$2,527,750

3. Staffing Trends

Q. Please provide the staffing levels for the Human Resources class of services for the three fiscal years preceding the end of the Updated Test Year and the Updated Test Year.

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 Human Resources class of services.

Table MTK-RR-U3

	Average of End of Month # of Staff				
Class of Services	2016	2017	2018	Updated Test Year (Estimated)	Updated Test Year (Actual)
Human Resources	132	131	129	129	128

1 **D. The Costs for the Human Resources Class of Services are Priced**
2 **in a Fair Manner**

3 **Q. Have any of the predominant allocation methods for the Human Resources**
4 **affiliate operation and maintenance (“O&M”) expenses changed?**

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

7 **Table MTK-RR-U4**

Allocation Method	Estimated Percentage of XES charges to SPS/Amount Requested (total company) in Direct Testimony	Actual Percentage of XES charges to SPS/Amount Requested (total company) in Update Filing
Number of Employees	79.72% / \$1,914,628.93	80.27% / \$1,949,947
Assets, Revenue, and Number of Employees	15.28% / \$366,939.35	14.29% / \$347,185.16
Direct Billing	5.01% / \$120,232.47	5.44% / \$132,026.15

1 **VI. UPDATED AFFILIATE EXPENSES FOR THE SS COMPANY**
2 **BENEFITS CLASS OF SERVICES**

3 **A. Summary of Affiliate Expenses for the SS Company Benefits**
4 **Class of Services**

5 **Q. What is the dollar amount of the Updated Test Year XES charges that SPS**
6 **requests, on a total company basis, for the SS Company Benefits affiliate**
7 **class?**

8 A. The following table summarizes the dollar amount of the actual Updated Test
9 Year XES charges for the SS Company Benefits affiliate class.

10 **Table MTK-RR-U5**

		Requested Amount of XES Class Expenses Billed to SPS (Total Company)		
Class of Services	Total XES Class Expenses	Requested Amount	% Direct Billed	% Allocated
SS Company Benefits	\$63,139,613	\$2,503,972	0.0%	100%

11 **Q. Please describe the updated attachments that support the information**
12 **provided on Table MTK-RR-U1.**

13 A. Attachments MTK-RR-UA through MTK-RR-UD present the updated
14 information about the requested SPS affiliate expenses for the SS Company
15 Benefits affiliate class. The detailed descriptions for Attachments MTK-RR-A
16 through MTK-RR-D that were provided in my direct testimony remain applicable
17 to these updated attachments.

18 **Q. Are there updated exclusions for the SS Company Benefits affiliate class?**

19 A. Yes. The actual exclusions are provided on Attachment MTK-RR-UC.

1 **Q. Are there updated pro forma adjustments to SPS's per book expenses for the**
2 **SS Company Benefits affiliate class?**

3 A. Yes. As I mentioned in my direct testimony, pro forma adjustments are revisions
4 to Updated Test Year expenses for known and measurable changes. Pro forma
5 adjustments are shown on Attachment MTK-RR-UA, Column J, and on
6 Attachment MTK-RR-UB, Column M. The details for the pro forma adjustments,
7 including the witness or witnesses who sponsor each pro forma adjustment, are
8 provided in Attachment MTK-RR-UD.

9 **Q. Attachment MTK-RR-UD shows that you sponsor pro forma adjustments**
10 **for expenses for the SS Company Benefits affiliate class during the Updated**
11 **Test Year result in a net decrease for the SS Company Benefits affiliate class**
12 **of \$3.09. Please explain the adjustments.**

13 A. The adjustments that I sponsor remove costs associated with life events. In
14 addition, I co-sponsor with Mr. Freitas the pro forma adjustments related to the
15 removal of portions of long-term incentive costs and the pro forma adjustments
16 related to compensation.

17 **C. The SS Company Benefits Class of Services are Provided at a**
18 **Reasonable Cost**

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

20 A. In this section of my direct testimony, several numbers were based on estimates
21 for the Update Period. In this update testimony, I replace those estimates with
22 actual numbers, and explain that the actual costs for the SS Company Benefits
23 affiliate class are reasonable.

1 *I. Additional Evidence*

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

4 A. Yes. Of the Updated Test Year costs for the SS Company Benefits class, 99.06%
5 are compensation and benefits costs for XES personnel. My direct testimony
6 establishes that the level of Xcel Energy's compensation and benefits costs is a
7 reasonable and necessary expense. Mr. Schrubbe also establishes that the level of
8 Xcel Energy's compensation and benefits is reasonable and necessary.

9 *3. Cost Trends*

10 **Q. Please state the dollar amounts of the actual charges (per book) from XES to**
11 **SPS for the SS Company Benefits class of services for the three fiscal years**
12 **preceding the end of the Updated Test Year and the charges (per book) for**
13 **the Updated Test Year.**

14 A. The following table shows, for the fiscal years 2016, 2017, and 2018 (calendar
15 years), and for the Updated Test Year, the actual per book affiliate charges
16 (Column I on Attachment MTK-RR-UA) from XES to SPS for the services
17 grouped in the SS Company Benefits affiliate class:

18 **Table MTK-RR-U6**

	(Per Book) Charges Over Time				
Class of Services	2016	2017	2018	Updated Test Year (Estimated)	Updated Test Year (Actual)
SS Company Benefits	\$4,872,583	\$6,333,126	\$6,213,363	\$7,595,758	\$8,105,587

1 **Q. Has the trend in the per book charges over time changed with the**
2 **replacement of the estimated charges with the actual charges for the period**
3 **of time between 2018 and the Updated Test Year?**

4 A. Yes, consistent with my direct testimony, the actual charges for this period of time
5 are primarily due to a higher amount of annual incentive accrual adjustments and
6 to higher Long Term Incentive compensation costs, the latter of which are not
7 included in the cost of service in this case.

8 *4. Staffing Trends*

9 **Q. Please provide the staffing levels for the SS Company Benefits class of**
10 **services for the three fiscal years preceding the end of the Updated Test Year**
11 **and the Updated Test Year.**

12 A. The following table shows, for the fiscal years 2016, 2017, and 2018 (calendar
13 years) and for the Updated Test Year, the average of the end of month staffing
14 levels for the SS Company Benefits class of services.

15 **Table MTK-RR-U7**

	Average of End of Month # of Staff				
Class of Services	2016	2017	2018	Updated Test Year (Estimated)	Updated Test Year (Actual)
SS Company Benefits	10	10	10	10	10

1 **D. The Costs for the SS Company Benefits Class of Services are**
2 **Priced in a Fair Manner**

3 **Q. Have any of the predominant allocation methods for the SS Company**
4 **Benefits affiliate O&M expenses changed?**

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

7 **Table MTK-RR-U8**

Allocation Method	Estimated Percentage of XES charges to SPS/Amount Requested (total company) in Direct Testimony	Actual Percentage of XES charges to SPS/Amount Requested (total company) in Update Filing
Assets, Revenue, and Number of Employees	102.28% / \$2,588,628	99.70% / \$2,496,383.78
Number of Employees	(1.13%) / \$28,596.85	1.18% / \$29,368.49
Direct	0.0% / \$0	(0.87)% / (\$21,780)

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

9 A. Yes.

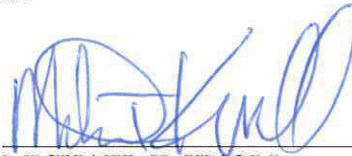
AFFIDAVIT

STATE OF MINNESOTA)

COUNTY OF HENNEPIN)

MICHAEL T. KNOLL, 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.



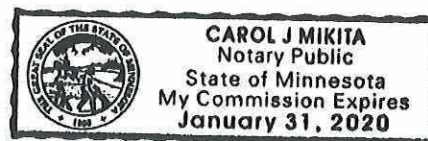
MICHAEL T. KNOLL

Subscribed and sworn to before me this 12 day of September, 2019 by MICHAEL T. KNOLL.


Notary Public, State of Minnesota

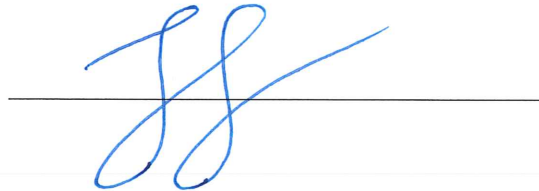
My Commission Expires:

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 written over a horizontal line. The signature consists of two large, stylized loops followed by a short horizontal stroke.

Compensation and Benefit Amounts for the Updated Test Year

Total Company	Per Book	Adjustments	Requested
Base Salaries	\$112,026,550	\$3,544,379	\$115,570,929
Annual Incentive Plan	\$6,509,331	(\$3,770,273)	\$2,739,058
Spot On Recognition	\$756,426	\$0	\$756,426
Other Compensation	\$238,253	\$0	\$238,253
Pension and Benefits	\$38,307,365	(\$6,925,270)	\$31,382,094
Total Labor	\$157,837,925	(\$7,151,165)	\$150,686,760

This attachment contains costs for the period of July 1, 2018 through June 30, 2019, which is referred to as the “Updated Test Year.”

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

(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	Human Resources	200164 - Payroll	Number of Employees	\$ 112,612.18	\$ 96,426.27	\$ 16,185.91	\$ -	\$ 16,185.91	\$ (106.03)	\$ 16,079.88	0.66%
2	Human Resources	Direct		1,416,129.36	1,278,867.27	137,262.09	-	137,262.09	(5,235.94)	132,026.15	5.44%
3	Human Resources	200073 - Human Resources (HR) - Corporate Governance	Assets/Revenue/No. of employees	2,806,835.92	2,444,713.68	362,122.24	(864.25)	361,257.99	(14,072.83)	347,185.16	14.29%
4	Human Resources	200166 - Human Resources (Diversity/Safety/Emp Relations)	Number of Employees	14,066,643.94	12,041,902.07	2,024,741.87	(11,697.64)	2,013,044.23	(79,177.11)	1,933,867.12	79.61%
5	Human Resources Total			\$ 18,402,221.40	\$ 15,861,909.29	\$ 2,540,312.11	\$ (12,561.89)	\$ 2,527,750.22	\$ (98,591.91)	\$ 2,429,158.31	100.00%
6	SS Company Benefits	Direct		\$ (459,308.45)	\$ (358,451.62)	\$ (100,856.83)	\$ -	\$ (100,856.83)	\$ 79,076.83	\$ (21,780.00)	-0.87%
7	SS Company Benefits	200166 - Human Resources (Diversity/Safety/Emp Relations)	Number of Employees	24,774.28	21,214.44	3,559.84	-	3,559.84	81.47	3,641.31	0.15%
8	SS Company Benefits	200164 - Payroll	Number of Employees	206,819.36	177,097.41	29,721.95	(20.64)	29,701.31	(3,974.12)	25,727.18	1.03%
9	SS Company Benefits	200063 - Executive - Corporate Governance	Assets/Revenue/No. of employees	63,367,328.61	55,194,146.31	8,173,182.30	-	8,173,182.30	(5,676,798.52)	2,496,383.78	99.70%
10	SS Company Benefits Total			\$ 63,139,613.80	\$ 55,034,006.55	\$ 8,105,607.25	\$ (20.64)	\$ 8,105,586.61	\$ (5,601,614.33)	\$ 2,503,972.28	100.00%
11	Total Witness - Michael Knoll			\$ 81,541,835.20	\$ 70,895,915.84	\$ 10,645,919.36	\$ (12,582.53)	\$ 10,633,336.83	\$ (5,700,206.24)	\$ 4,933,130.58	
	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

Michael T. Knoll

SOAH Docket No. 473-19-6677

Docket No. 49831

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

MTK-RR-UB(CD)

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

(A) Line No.	(B) Affiliate Class	(C) FERC Account	(D) Explanation for Exclusions	(E) Exclusions (Total Company)
1	Human Resources	426.1 - Donations	Below the Line	\$ (8,447.65)
2	Human Resources	426.4 - Life Insurance	Below the Line	(42.74)
3	Human Resources	426.5 - Other Deductions	Below the Line	(4,071.50)
4	Human Resources Total			\$ (12,561.89)
5	SS Company Benefits	426.5 - Other Deductions	Below the Line	(20.64)
6	SS Company Benefits Total			\$ (20.64)
7	Total Witness - Michael Knoll			\$ (12,582.53)
	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
Knoll**

(A) Line No.	(B) Affiliate Class	(C) FERC Account	(D) Explanation for Pro Formas	(E) Sponsor	(F) Pro Formas (Total Company)
1	Human Resources	920 - Administrative and general salaries	223.62% Incentive	Arthur Freitas/Michael Knoll	\$ (106,503.36)
2	Human Resources	920 - Administrative and general salaries	3% Wage Adjustment	Arthur Freitas/Michael Knoll	40,454.74
3	Human Resources	921 - Office supplies and expenses	Business Area Adjustment	Michael Knoll	(5,860.40)
4	Human Resources	926 - Employee pensions and benefits	Pension & Benefits Adjustment	William Grant	(17,914.18)
5	Human Resources	930.1 - General advertising expenses	Advertising	Arthur Freitas	(8,768.72)
6	Human Resources Total				\$ (98,591.91)
7	SS Company Benefits	920 - Administrative and general salaries	223.62% Incentive	Arthur Freitas/Michael Knoll	\$ 75,933.33
8	SS Company Benefits	920 - Administrative and general salaries	3% Wage Adjustment	Arthur Freitas/Michael Knoll	1,888.41
9	SS Company Benefits	920 - Administrative and general salaries	LTI	Arthur Freitas/Michael Knoll	(5,677,096.84)
10	SS Company Benefits	921 - Office supplies and expenses	Business Area Adjustment	Michael Knoll	(3.09)
11	SS Company Benefits	926 - Employee pensions and benefits	Pension & Benefits Adjustment	William Grant	(2,336.14)
12	SS Company Benefits Total				\$ (5,601,614.33)
13	Total Witness - Michael Knoll				\$ (5,700,206.25)
	Amounts may not add or tie to other schedules due to rounding				