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INDEPENDENT ACCOUNTANTS' REPORT

To the Board of Directors of
Southwestern Public Service Company
Amarillo, Texas

We have reviewed the historical financial information included in Schedules A through S, (the "Schedules") in the Electric Utility Rate Filing Package for Generating Utilities ("Rate Filing Package" or "RFP") of Southwestern Public Service Company (the "Company" or "SPS") for the twelve months ended September 30, 2020. The Company's management is responsible for presenting the Schedules and the Rate Filing Package in accordance with Section 22.243(b) of the Rules of Practice & Procedure of the Public Utility Commission of Texas (the "Commission" or "PUCT"). Our responsibility is to express a conclusion on the Schedules based on our review.

Our review was conducted in accordance with the attestation standards established by the American Institute of Certified Public Accountants and with the "Test Year Review" procedures established by the Public Utility Commission of Texas ("PUCT") pursuant to the PUCT Instructions for Completing Electric Utility Rate Filing Package For Generating Utilities, (the "Instructions") for Schedule S governed by Section 22.243(b) of the Procedural Rules of the PUCT. Those standards require that we plan and perform the review to obtain limited assurance about whether any material modifications should be made to the Schedules in order for them to be in accordance with Section 22.243(b). The Schedules were prepared solely for inclusion in the Rate Filing Package and are not intended to be a presentation in conformity with accounting principles generally accepted in the United States of America. A review is substantially less in scope than an examination, the objective of which is to obtain reasonable assurance about whether the Schedules are in accordance with Section 22.243(b) of the Rules of Practice & Procedure of the PUCT, in all material respects, in order to express an opinion. Accordingly, we do not express such an opinion. We believe that our review provides a reasonable basis for our conclusion.

The pro forma adjustments, as adjusted amounts, estimates, non-accounting, and non-financial information included in the Schedules in the Rate Filing Package were not reviewed by us and, accordingly, we do not express an opinion or any other form of assurance on such information.

Based on our review, we are not aware of any material modifications that should be made to the historical financial information included in the Schedules in the Rate Filing Package of the Company for the test year ended September 30, 2020, in order for it be in accordance with the provisions of the Instructions governed by Section 22.243(b) of the Procedural Rules of the PUCT.

This report is intended solely for the information and use of the management and Board of Directors of Southwestern Public Service Company, and the PUCT, and is not intended to be and should not be used by anyone other than these specified parties.

Deloitte & Touche LLP

February 5, 2021

**Schedule S-1
Rate Filing Package**

**SCOPE OF REVIEW
Southwestern Public Service Company
For the Test Year Ended September 30, 2020**

Deloitte & Touche LLP (“D&T” or “we” or “us” or “our”) has reviewed, in accordance with standards established by the American Institute of Certified Public Accountants and the “Test Year Review” procedures established by the Public Utility Commission of Texas (“PUCT”) pursuant to the PUCT Instructions for Completing Electric Utility Rate Filing Package For Generating Utilities, (the “Instructions”) for Schedule S, governed by Section 22.243(b) of the Procedural Rules of the PUCT, the historical financial information included in Schedules A through S, (the “Schedules”) in the Electric Utility Rate Filing Package for Generating Utilities (“Rate Filing Package” or “RFP”) of SPS for the test year ended September 30, 2020.

Except for the audit of the consolidated financial statements of SPS as of and for the year ended December 31, 2019, included in Schedule J-2, D&T did not audit and does not express an opinion on any financial and accounting information included in the RFP. The references detailed below refer to D&T’s working papers documenting the review of the Schedules. Schedule S-6 provides contact information with respect to how the PUCT staff may request access to review our workpapers.

Certain items included in the Minimum Procedures Required for the Test Year Review (“Minimum Procedures”), which are set forth in Schedule S of the Instructions, contain subjective terminology such as “perform adequate tests,” “prepare workpapers which adequately document,” and “perform sufficient procedures.” We have limited the responses below to the specific procedures we performed for purposes of our review of the RFP Schedules. It should be understood that we make no representation regarding questions of legal interpretation or regarding the sufficiency of the procedures we performed for the purposes of SPS or the PUCT in connection with the RFP review. Such procedures would not necessarily reveal any material misstatement of the historical financial information included in the RFP.

1. Review of the PUCT Regulations, Orders and Reports
[Workpaper series 13910]

We read the portions of the following documents which relate to financial and accounting matters: (a) the Public Utility Regulatory Act (as amended) effective as of September 1, 2019, (b) the Procedural Rules of the Public Utility Commission of Texas, (c) the Substantive Rules of the Public Utility Commission of Texas and (d) the Final Order and Proposal for Decision SPS’s last rate case (Docket No. 49831).

2. Documentation of Materiality
[Workpaper series 13100]

We performed the review, including the Minimum Procedures, using a materiality level of \$50 million. Materiality was based on four benchmarks based on the Instructions of profit before tax, total assets, revenue, and other revenue requirements.

3. Consistency of RFP Schedules with Audited Financials and Annual Reports
[Workpaper series 28500]

The completed portions of the RFP schedules that contain historical financial or accounting information are consistent with any similar data or disclosures included in the Company’s audited financial statements, annual and interim reports.

4. Compliance of RFP Schedules with the Instructions
[Workpaper series 28500]

In the course of performing our review of the RFP Schedules, we reviewed each RFP Schedule that relates to historical financial and accounting matters for compliance with the Instructions for preparation. We noted the following discrepancies between the Schedules and the Instructions.

Schedule #	Schedule	Discrepancy
D-7	Summary of Book Salvage	The Company included additional columns in the schedule that are not required by the Instructions.
E-3.1	Fuel Oil Burns	The Company included additional columns in the schedule that are not required by the Instructions.
H-5.3b	Fossil Production Plant Capital Costs	The Company did not include descriptions of projects listed in the schedule as required by the Instructions.
I-7	Natural Gas Storage Description	The Company did not include monthly injections and withdrawals in dollars as required by the Instructions.

5. Propriety of RFP Schedules Classified as “Not Applicable”
[Workpaper 13900A]

We reviewed the propriety of the classification of all RFP Schedules related to financial and accounting matters classified as “Not Applicable.”

6. Consistency of Workpapers with the Filed RFP
[Workpaper series 28500]

We compared the historical financial and accounting information in the RFP Schedules subject to our review with the production ready version expected to be filed with the PUCT.

7. Procedural and Internal Control Documentation
[Workpaper series 13900]

In the course of performing our annual audit of SPS for the year ended December 31, 2020, D&T updated its documentation of the Company’s accounting procedures and internal controls procedures through September 30, 2020.

8. Update Permanent File Information
[Workpaper series 14102]

In the course of performing our interim review for the three, six, and nine months periods ended March 31, June 30, and September 30, 2020 and annual audit of SPS for the year ended December 31, 2020, we updated permanent file information.

9. The Minutes of the Board of Directors of the Company
[Workpaper series 21010]

We read the minutes of meetings of the Board of Directors of the Company that were available.

10. Management Representations
[Workpaper series 30100]

We received a management representation letter for the test year ended September 30, 2020.

11. Attorney’s Letters
[Workpaper series 30100]

We obtained correspondence from the Company's legal department for any outstanding litigation, claims, and assessments.

12. Cut-Off Procedures
[Workpaper series 22120]

We performed cut-off procedures for balances at the beginning and end of the test year.

13. Working Capital Fluctuation Analysis
[Workpaper series 22130]

We analyzed and documented all material monthly fluctuations during the test year period of working capital accounts and other items of invested capital that had fluctuations in account balances that met the following criteria: 1) greater than 20% of the recorded balance and 2) greater than \$25 million. Working capital accounts consisted of all current assets and current liabilities as defined by the Federal Energy Regulatory Commission's Uniform System of Accounts ("FERC USOA").

14. Income Statement Fluctuation Analysis
[Workpaper series 22140]

We analyzed and documented all material annual fluctuations for the test year ended September 30, 2020 of all revenue and expense accounts related to utility operations that had fluctuations in account balances that met the following criteria: 1) greater than 20% of the recorded balance and 2) greater than \$25 million.

15. Cost of Service Fluctuation Analysis
[Workpaper series 22150]

We analyzed and documented all material monthly fluctuations during the test year period of cost of service accounts that had fluctuations in account balances that met the following criteria: 1) greater than 20% of the recorded balance and 2) greater than \$25 million.

16. Balance Sheet Accounts Included in Invested Capital
[Workpaper series 22160]

We performed procedures on balance sheet accounts included in invested capital as of September 30, 2020.

17. Revenue and Expense Accounts Related to Utility Operations
[Workpaper series 22170]

In the course of performing our annual audit procedures for the year ended December 31, 2019 and interim review for the three, six, and nine months ended March 31, June 30, and September 30, 2020, respectively, related to the financial statements of the Company, D&T performed analytical procedures on revenue and expense accounts related to utility operations for such periods.

18. Balance Sheet Accounts Related to Capital Structure
[Workpaper series 22180]

We performed procedures on balance sheet accounts related to capital structure as of September 30, 2020.

19. Deferred Cost Analysis
[Workpaper series 22190]

We performed procedures on deferred cost accounts and related amortization as of September 30, 2020.

20. Analysis of Deferred Fuel Accounts

[Workpaper series 22200]

We performed an analysis of deferred fuel accounts as of September 30, 2020. We also reviewed deferred fuel entries for each month during the test year and for each month from October 2020 to December 2020 to analyze the propriety of the deferred fuel entries.

21. Historical Financial and Accounting Matters Included in RFP Schedules
[Workpaper series 28500]

In the course of performing our review of the RFP Schedules, we compared test-year historical financial and accounting information to SPS's accounting records, which include the general ledger, sub-ledgers, and other accounting records.

22. Mathematical Accuracy of RFP Schedules
[Workpaper series 28500]

We tested the mathematical accuracy of financial information included in the RFP Schedules that relate to historical financial and accounting matters.

23. Compliance with PUCT Final Orders
[Workpaper series 28500]

We read the Final Order and Proposal for Decision from SPS's last rate case (Docket No. 49831) to identify whether there were any matters that SPS should take into consideration in reporting the historical financial information in the RFP Schedules to comply with the Commission Final Order; no such matters came to our attention.

24. Compliance with PUCT Rules
[Workpaper series 28500]

We compared the amounts related to historical financial and accounting matters that are presented in the RFP Schedules for consistency with the Company's books and for presentation in accordance with applicable commission rules.

25. Compliance with System of Accounts
[Workpaper series 22250]

On a test basis, we compared SPS's account classifications for compliance with the PUCT-approved system of accounts.

26. RFP Workpapers
[Workpaper series 30000]

We documented the nature, scope and results of the review procedures performed, including the evaluation and conclusion as to the disposition of all errors, exceptions, and omissions noted during the course of the review as noted herein on Schedules S-1, S-2, S-3, S-4, and S-5.

**Schedule S-2
Rate Filing Package**

**ERRORS AND EXCEPTIONS
NOTED BY INDEPENDENT ACCOUNTANTS
Southwestern Public Service Company
For the Test Year Ended September 30, 2020**

No uncorrected errors, exceptions, or omissions related to the historical financial and accounting information were identified by Deloitte & Touche LLP during our review of the RPF Schedules for the test year period ended September 30, 2020.

Discrepancies identified between the Schedules and the Instructions in conjunction with the Minimum Procedures for SPS's Rate Filing Package for the twelve months ended September 30, 2020, are outlined in procedure 4 of Schedule S-1.

**Schedule S-3
Rate Filing Package**

**COMMUNICATIONS FROM INDEPENDENT ACCOUNTANTS
Southwestern Public Service Company
For the Test Year Ended September 30, 2020**

PCAOB Auditing Standard No. 2201, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*. PCAOB Auditing Standard No. 2201, defines the term “significant deficiency” and requires the auditor to communicate all significant deficiencies, in writing, to management and those charged with governance as a part of each audit, including significant deficiencies and material weaknesses that were communicated to management and those charged with governance in previous audits and have not yet been remediated.

There were no such communications regarding significant deficiencies or material weaknesses in SPS’s internal control over financial reporting from the annual audit of SPS’s financial statements as of and for the year ended December 31, 2019, nor from the interim reviews of SPS’s interim financial information for the periods ended March 31, 2020, June 30, 2020, and September 30, 2020.

**Schedule S-4
Rate Filing Package**

**ADJUSTING JOURNAL ENTRIES
Southwestern Public Service Company
For the Test Year Ended September 30, 2020**

No adjusting journal entries were identified by Deloitte & Touche LLP and provided to management to post to the Company's general ledger in conjunction with the audit of the financial statements of the Company for the year ended December 31, 2019 and the interim reviews for the three, six, and nine months periods ended March 31, June 30, and September 30, 2020.

**Schedule S-5
Rate Filing Package**

**PASSED ADJUSTING JOURNAL ENTRIES
Southwestern Public Service Company
For the Test Year Ended September 30, 2020**

There were no passed adjusting journal entries that were identified by Deloitte & Touche LLP, but not recorded by management, during the course of the audit of the Company's financial statements for the year ended December 31, 2019 and the interim reviews for the three, six, and nine months periods ended March 31, June 30, and September 30, 2020.

**Schedule S-6
Rate Filing Package**

**WORKPAPER REVIEW
Southwestern Public Service Company
For the Test Year Ended September 30, 2020**

In order to make arrangements with Deloitte & Touche LLP to obtain access to the workpapers that support our review of the RFP Schedules, please contact:

Mr. Jeffrey Savage
Xcel Energy, Inc.
414 Nicollet Mall
Minneapolis, Minnesota 55401

Phone: (612) 330-5658

If electronic access to workpapers is not acceptable to the Commission, arrangements can be made for access to take place in the Deloitte & Touche LLP, Austin, Texas office.