

BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION

**IN THE MATTER OF SOUTHWESTERN)
PUBLIC SERVICE COMPANY'S)
APPLICATION FOR: (1) REVISION OF)
ITS RETAIL RATES UNDER ADVICE)
NOTICE NO. 312; (2) AUTHORITY TO) **CASE NO. 22-00286-UT**
ABANDON THE PLANT X UNIT 1,)
PLANT X UNIT 2, AND CUNNINGHAM)
UNIT 1 GENERATING STATIONS AND)
AMEND THE ABANDONMENT DATE)
OF THE TOLK GENERATING)
STATION; AND (3) OTHER)
ASSOCIATED RELIEF,)
)
SOUTHWESTERN PUBLIC SERVICE)
COMPANY,)
)
APPLICANT.)**

DIRECT TESTIMONY

of

ADAM R. DIETENBERGER

on behalf of

SOUTHWESTERN PUBLIC SERVICE COMPANY

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GLOSSARY OF ACRONYMS AND DEFINED TERMS

<u>Acronym/Defined Term</u>	<u>Meaning</u>
A&G	Administrative and General
Adjusted Base Period	Base Period Adjusted for Known & Measurable Items
ADA	Americans with Disabilities Act
AV	Audio/Visual
Base Period	July 1, 2021 through June 30, 2022
CEO	Chief Executive Officer
CFO	Chief Financial Officer
Commission	New Mexico Public Regulation Commission
ESEM	Enterprise Security and Emergency Management
EV	Electric Vehicle
FERC	Federal Energy Regulatory Commission
Financial Forecasts	Xcel Energy's overall rolling five-year financial forecast
Future Test Year Period	July 1, 2023 through June 30, 2024
GAAP	Generally Accepted Accounting Principles
HR	Human Resources
Linkage Period	July 1, 2022 through June 30, 2023
NERC	North American Electric Reliability Corporation

<u>Acronym/Defined Term</u>	<u>Meaning</u>
O&M	Operation and Maintenance
Operating Companies	Northern States Power Company – Minnesota, a Minnesota corporation; Northern States Power Company – Wisconsin, a Wisconsin corporation; Public Service Company of Colorado, a Colorado corporation; and SPS
OT	Operations Technology
SEC	Securities and Exchange Commission
SPS	Southwestern Public Service Company, a New Mexico corporation
UPS	Uninterruptible Power Supply
VEBA	Voluntary Employees' Beneficiary Association
WBS	Work Breakdown Structure
Xcel Energy	Xcel Energy Inc.
XES	Xcel Energy Services Inc.

LIST OF ATTACHMENTS

<u>Attachment</u>	<u>Description</u>
ARD-1	Total Company Amounts and Jurisdictional Percentages (<i>Filename: ARD-1.xlsx</i>)
ARD-2	Capital Additions Closed to Plant-in-Service for the Base Period of July 1, 2021 through June 30, 2022 (<i>Filename: ARD-2.xlsx</i>)
ARD-3	Capital Additions Closed to or Expected to be Closed to Plant-in-Service for the Linkage Period of July 1, 2022 through June 30, 2023 (<i>Filename: ARD-3.xlsx</i>)
ARD-4	Capital Additions Expected to be Closed to Plant-in-Service for the Future Test Year Period of July 1, 2023 through June 30, 2024 (<i>Filename: ARD-4.xlsx</i>)
ARD-5	Comparison of Capital Additions Closed to Plant-in-Service in the Base Period with the Capital Additions Planned to be Closed to Plant-in-Service in the Future Test Year Period (<i>Filename: ARD-5.xlsx</i>)
ARD-6	Shared Corporate Services O&M Expenses by Business Area, FERC Account, and Cost Element (<i>Filename: ARD-6.xlsx</i>)

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of
Adam R. Dietenberger

1 **I. WITNESS IDENTIFICATION AND QUALIFICATIONS**

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

3 A. My name is Adam R. Dietenberger. My business address is 401 Nicollet Mall,
4 Minneapolis, Minnesota 55401.

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

6 A. I am filing testimony on behalf of Southwestern Public Service Company, a New
7 Mexico corporation (“SPS”). SPS is a wholly-owned electric utility subsidiary of
8 Xcel Energy Inc. (“Xcel Energy”).

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

10 A. I am employed by Xcel Energy Services Inc. (“XES”), the service company
11 subsidiary of Xcel Energy, as the Director, Business Area Finance, Shared Services.

12 **Q. Please briefly outline your responsibilities as Director, Business Area Finance,
13 Shared Services.**

14 A. As Director, Business Area Finance, Shared Services I am responsible for
15 supporting the financial aspects of Xcel Energy’s Shared Corporate Business Areas
16 (also known as “Shared Services” organizations), including the coordination of the
17 Shared Services organizations’ five-year operation and maintenance (“O&M”)
18 expense budgets, the five-year capital expenditure budgets, the monthly forecast

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1 updates of these five-year plans, and analyzing actual results against these budgets
2 and forecasts.

3 **Q. Please describe your educational background.**

4 A. I received a Bachelor of Science degree, with majors in accounting and finance,
5 from University of Minnesota in 2004.

6 **Q. Please describe your professional experience.**

7 A. From 2004 to 2008, I was employed by Deloitte LLP where I performed financial
8 statement audits for companies in various industries including energy and utilities,
9 healthcare, and manufacturing. In 2008, I joined XES as a Senior Accountant in
10 the Corporate Accounting group. I became Manager of Corporate Accounting in
11 2013. In 2014, I became Senior Manager of Service Company Accounting and
12 Cash Processes. In 2017, I was promoted to Director, Business Area Finance,
13 Shared Services and was assigned my responsibilities noted above.

14 **Q. Have you attended or taken any special courses or seminars relating to public
15 utilities?**

16 A. Yes. I have attended conferences and workshops sponsored by the Edison Electric
17 Institute and the North Central Electric Association covering accounting and
18 finance topics for public utilities. The topics covered included Securities and

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1 Exchange Commission (“SEC”), Financial and Accounting Standards, Federal
2 Energy Regulatory Commission (“FERC”) updates, information on ratemaking
3 issues, and general regulatory topics.

4 **Q. Do you hold any professional licenses?**

5 A. Yes, I am a Certified Public Accountant in the State of Minnesota (Inactive). My
6 certificate number is 24824.

7 **Q. Have you submitted pre-filed testimony before any regulatory authorities?**

8 A. Yes. I filed testimony before the New Mexico Public Regulation Commission
9 (“Commission”) on behalf of SPS in Case No. 15-00296-UT addressing the issues
10 of affiliate services and costs, including recording, assigning, and allocating XES
11 and Operating Company¹ costs. I have also filed testimony before: the Public
12 Utility Commission of Texas on behalf of SPS in Docket Nos. 45524, 47527,
13 49831, and 51802; the Minnesota Public Utilities Commission on behalf of
14 Northern States Power Company, a Minnesota corporation, in Docket No.
15 E002/GR-15-826; and the Colorado Public Utilities Commission on behalf of

¹ Xcel Energy’s Operating Companies include Northern States Power Company, a Minnesota corporation; Northern States Power Company, a Wisconsin corporation; Public Service Company of Colorado, a Colorado corporation; and SPS.

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1 Public Service Company of Colorado, a Colorado corporation, in Docket Nos.
2 17A-0363G, 19AL-0268E, 21AL-0317E, and 22AL-0046G on these same or
3 similar topics.

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

3 **Q. What is your assignment in this proceeding?**

4 A. I first present the Property Services and Enterprise Security and Emergency
5 Management (“ESEM”) capital investments for the Base Period from July 1, 2021
6 through June 30, 2022; the Linkage Period from July 1, 2022 through June 30,
7 2023; and the Future Test Year Period from July 1, 2023 through June 30, 2024. I
8 explain why this investment is reasonable and necessary for the provision of utility
9 service. In particular:

- 10 1. I explain how the Property Services and ESEM capital projects are
11 ranked, estimated, selected for funding, and managed; and
- 12 2. I present the major Property Services and ESEM capital additions from
13 July 1, 2021 through June 30, 2024, with separate attachments showing:
14 (1) cost data for the capital additions that closed to plant-in-service
15 during the Base Period, (2) cost data for the capital additions that have
16 closed or are expected to close to plant-in-service during the Linkage
17 Period, and (3) cost data for the capital additions that are expected to
18 close to plant-in-service during the Future Test Year Period.

19 Next, I support SPS’s request to recover its O&M expenses for the Shared
20 Corporate Services business areas. These business areas include: (1) Customer and
21 Innovation, (2) Financial Operations, (3) Human Resources (“HR”) and Employee
22 Services, (4) Strategy Planning and External Affairs, (5) General Counsel, (6)
23 Operations Services, (7) Chairman and Chief Executive Officer (“CEO”), (8) Risk

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1 Management, (9) Integrated System Planning, and (10) Corporate Other. I explain
2 that the O&M expenses for these 10 business areas are reasonable and necessary to
3 support the electric service SPS provides to its New Mexico retail customers and
4 are representative of future costs.

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

6 A. SPS's Property Services and ESEM capital additions for the Base Period, Linkage
7 Period, and Future Test Year Period are reasonable and necessary to provide,
8 maintain, and secure the properties and facilities that are used by SPS to provide
9 safe and reliable electric utility service for its customers. All of these prudently
10 incurred costs arise from reasonable and necessary capital projects to secure,
11 construct, equip, repair, and maintain SPS's service centers, call center, storage
12 facilities, and office facilities. They are necessary to provide functional and safe
13 facilities for SPS's operations and are used in providing service to customers.
14 Therefore, SPS requests that the Commission find these Property Services and
15 ESEM costs to be reasonable and necessary and authorize these capital additions to
16 be included in SPS's rate base.

17 Next, SPS's Future Test Year O&M expenses for the 10 business areas
18 under the Shared Corporate Services umbrella organization are reasonable and
19 necessary to support the electric service SPS provides to its New Mexico retail

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1 customers and are representative of SPS's future costs. These services, which are
2 described in detail below by cost center, allow SPS to meet the needs of its
3 customers and employees, as well as to operate safely, securely, and within
4 regulatory requirements governing SPS. SPS's standard practice includes efforts
5 to manage and minimize related O&M expense.

6 **Q. How were New Mexico retail jurisdictional amounts in your testimony and**
7 **attachments calculated?**

8 A. Where possible, I quantify the expense and asset amounts on a New Mexico retail
9 basis based upon the jurisdictional allocation percentages that SPS witness
10 Stephanie N. Niemi uses to develop the New Mexico retail revenue requirement
11 reflected in her Attachment SNN-6. Ms. Niemi is responsible for calculating
12 jurisdictional allocation percentages that apply to the various components in the
13 cost of service. My staff and I conferred with Ms. Niemi and her staff to determine
14 the New Mexico retail jurisdictional amounts presented in my testimony and
15 attachments. If the percentages used to allocate amounts to the New Mexico retail
16 jurisdiction change, those new allocation percentages will need to be applied to the
17 total company numbers to derive updated New Mexico retail amounts. Attachment
18 ARD-1 contains the total company numbers and the jurisdictional percentages used
19 to derive the New Mexico retail amounts in my testimony.

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1 **Q. Were Attachments ARD-1 through ARD-6 to your testimony prepared by you**
2 **or under your direct supervision and control?**

3 A. Attachment ARD-1, as discussed above, was prepared under my supervision and
4 includes jurisdictional percentages calculated by Ms. Niemi. Attachments ARD-2
5 through ARD-5 were prepared by my staff in conjunction with SPS witness Mark
6 P. Moeller, and the information in Attachments ARD-2 through ARD-5 is also
7 included in Mr. Moeller's Attachments MPM-3 through MPM-6. Attachment
8 ARD-6 was prepared under the supervision of Ms. Niemi and represents a portion
9 of the cost of service provided in Ms. Niemi's direct testimony, Attachment
10 SNN-10. I have reviewed each of the attachments to my direct testimony and
11 believe them to be accurate.

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1 **III. PROPERTY SERVICES AND ESEM CAPITAL INVESTMENT**

2 **Q. What topic do you discuss in this section of your testimony?**

3 A. In this section of my testimony, I will describe the Property Services and ESEM
4 capital investment and support the reasonableness and necessity of this investment
5 during the Base Period,² Linkage Period, and Future Test Year Period.³ In Sections
6 III.B, III.C, and III.D of my direct testimony, I describe the relevant elements of
7 cost for each of the pertinent time periods for the Property Services and ESEM cost
8 center. I also explain the variances between Base Period and Future Test Year
9 Period investment.

10 **Q. Please explain what you mean when you refer to a “cost center.”**

11 A. The Future Test Period Rule defines the phrase “cost center” to mean the
12 department, division, or organizational grouping of departments or divisions at
13 which operating expense planning and evaluation takes place.⁴ I use the term in
14 this manner throughout my testimony.

² The term “Base Period” is defined in the Future Test Year Period Rule as “a historical 12-month period terminating (1) at the end of a quarter and (2) no earlier than 150 days prior to filing.” 17.1.3.7(B) NMAC.

³ The term “Future Test Year Period” is defined in the Future Test Year Period Rule as “a 12-month period beginning no later than the date the proposed rate change is expected to take effect.” 17.1.3.7(G) NMAC.

⁴ 17.1.3.7(C) NMAC.

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1 **Q. Which cost center are you supporting related to capital investment placed in**
2 **service or estimated to be placed in service during the Base Period, Linkage**
3 **Period, and Future Test Year Period?**

4 A. In my testimony, I support the Property Services and ESEM cost center, which has
5 capital investments placed in service during the Base Period, Linkage Period, and
6 Future Test Year Period.

7 **Q. You also stated that you will be identifying “elements of cost” in subsequent**
8 **sections of your testimony. What is an “element of cost”?**

9 A. The Future Test Year Period Rule defines “elements of cost” as being types of cost
10 such as labor, materials, outside services, contract costs, important clearings, and
11 all other types of costs combined as one category.⁵ I use the term in this manner
12 throughout my testimony.

13 **Q. Are you supporting the elements of cost for the Property Services and ESEM**
14 **groups?**

15 A. Yes. I am supporting the elements of cost for the Base Period, Linkage Period, and
16 Future Test Year Period for the Property Services and ESEM groups. Mr. Moeller
17 and his staff have quantified the elements of cost for the various periods and have
18 provided those elements of cost to me.

⁵ 17.1.3.7(F) NMAC.

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1 **Q. You testified earlier that you are identifying “material variances” between the**
2 **Adjusted Base Period and Future Test Year Period balances. What is a**
3 **“material variance”?**

4 A. For investor-owned electric utilities such as SPS, the Future Test Year Period Rule
5 defines “material change” or “material variance” as a change or variance in cost
6 between the Adjusted Base Period and the Future Test Year Period for a cost center
7 that exceeds 6% and \$100,000 on a total company basis, assuming budget estimates
8 are being used, which they are for purposes of SPS’s capital additions.⁶

9 **Q. You also testified earlier that you will discuss the “cost driver” leading to the**
10 **material variances. What is a cost driver?**

11 A. The Future Test Year Period Rule defines “cost driver” to mean a “factor that
12 influences or contributes to the expense of a business activity or operation.”⁷ The
13 rule further provides that a business activity or operation can have more than one
14 cost driver attached to it.

⁶ 17.1.3.7(J) NMAC.

⁷ 17.1.3.7(D) NMAC.

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1 **Q. Are you presenting the information in the Base Period, Adjusted Base Period,**
2 **Linkage Period, and Future Test Year Period by FERC account?**

3 A. Yes. The Future Test Year Period Rule requires that information be presented by
4 FERC account,⁸ and I have complied with that rule. Mr. Moeller and his staff
5 provided me with the information by FERC account.

6 **Q. Are you presenting the capital investment information for Property Services**
7 **and ESEM on both a Total Company and New Mexico jurisdictional basis, as**
8 **required by 17.1.3.12(E) NMAC?**

9 A. Yes. My testimony and attachments provide both Total Company⁹ and New
10 Mexico jurisdictional amounts.

11 **A. Overview of Property Services and ESEM Capital Investment**

12 **Q. Please describe Property Services and ESEM and the work they perform to**
13 **support SPS's operations.**

14 A. Property Services and ESEM provide, maintain, and secure the properties and
15 facilities that are used by SPS to serve its customers. The work performed by these
16 business areas that is directly related to capital projects includes:

⁸ 17.1.3.15 NMAC.

⁹ The term "Total Company" means the costs of the utility's total operation without regard to jurisdiction. 17.1.3.7(L) NMAC.

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- 1 • Property – Responsible for real estate acquisition, building construction
2 projects, space coordination, employee move management, and the
3 provision of office equipment and support.
- 4 • ESEM – Responsible for implementation of both cyber and physical
5 security projects across all of Xcel Energy to monitor, detect, prevent, and
6 remediate unauthorized access to both our cyber and physical infrastructure.
7 Examples include card readers, cameras, sensors, and software assets to
8 gather and analyze data related to cybersecurity.

9 Capital additions are a necessary part of this work in order to provide a safe, secure,
10 and compliant workspaces for employees and to protect the Company’s cyber and
11 physical infrastructure, which allow SPS to provide safe and reliable electric utility
12 service to SPS customers.

13 **Q. What are the primary drivers of Property Services and ESEM capital**
14 **investment?**

15 A. For Property Services, there are two primary drivers of capital investments: (1)
16 projects undertaken in the normal course of business, and (2) facility renovations
17 and replacements. Generally, projects taken on in the normal course of business
18 include capital investments that improve safety and reliability or are normal
19 maintenance projects that are required to operate the facility. Examples of these
20 types of projects include roof replacements, replacement of heating ventilation and
21 air conditioning systems, paving parking lots and yards, and smaller interior
22 renovation projects. The second primary driver generally results in larger and more

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1 substantial construction projects to either build an entirely new facility or perform
2 a substantial renovation of an existing facility to meet operational needs or to
3 address an upcoming event, such as a lease expiration. Examples of these types of
4 projects include the Hobbs land acquisition, Plainview renovation, and the new
5 Amarillo Service Center. These facilities benefit all customers within the SPS
6 system, including New Mexico customers.

7 For ESEM, the primary driver of capital investments is the need to keep
8 both the physical and cyber environments secure from unwanted intrusions. These
9 investments can take the form of physical assets such as cameras, card readers, and
10 door locks, or can be intangible assets such as monitoring software to identify and
11 assist in the resolution of a cyber intrusion. These investments also help the
12 Company comply with various rules and regulations and help to mature our security
13 environment.

14 **Q. How do Property Services and ESEM create their budget and prioritize**
15 **investments?**

16 A. For Property Services, early each year, corporate facilities are evaluated to identify
17 projects for inclusion in the capital budget for the following year. New items
18 identified are categorized and prioritized along with existing multi-year capital
19 projects. The evaluation considers factors such as facility safety, opportunities for

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1 increased efficiencies, and urgency of equipment replacement in relation to
2 potential consequences of equipment failure. Projects that are related to safety are
3 the highest priority. Other projects are reviewed with relevant Operating Company
4 staff to verify need and priority. The final list is based on funding all projects
5 impacting safety, code, or regulatory requirements (e.g., Environmental Protection
6 Agency and Occupational Safety and Health Administration regulations) or
7 business growth. The remaining projects are ranked on a priority-basis in
8 consideration of the overall Xcel Energy capital guidelines.

9 Safety-related projects such as new or replacement fire alarm systems,
10 uninterruptible power supply, fire suppressing sprinkler systems, and building code
11 requirements are all funded to comply with safety requirements of local
12 governmental jurisdictions.

13 Projects, such as office consolidations, mechanical equipment
14 replacements, and structural projects that are not safety-related, receive funding
15 based on a highest cost-benefit analysis and return on investment. Cosmetic-related
16 projects or upgrades, such as office furniture, landscaping, and improvements to
17 common building areas, receive funding based on a comparison to existing building
18 standards. For example, projects that are most likely to bring facility conditions to
19 established standards are funded before those that have less benefit.

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1 For ESEM, annually the team evaluates the need for future capital
2 investment to maintain and improve both our cyber and physical security
3 environments. This evaluation results in a list of prioritized projects for inclusion
4 in the upcoming capital budget. New items identified are categorized and
5 prioritized along with existing multi-year capital projects. Projects are reviewed
6 against industry standards, internal and external assessment results, and overall
7 business need. The final list of projects is also reviewed in consideration of overall
8 Xcel Energy capital guidelines.

9 Property Services and ESEM conduct reviews on an ongoing basis as new
10 needs arise and priorities change, sometimes resulting in deferring projects in order
11 to match the available funds.

12 **Q. Please generally describe how Property Services and ESEM develop cost**
13 **estimates for proposed capital additions.**

14 A. Property Services and ESEM develop cost information in different ways depending
15 on the type of project involved.

16 For smaller projects, Property Services will use past project cost
17 information and historical data to approximate costs for similar work. These costs
18 are weighed against the active year's economic climate, and costs are adjusted
19 accordingly to reflect factors such as the construction industry activity in the area,

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1 the cost of materials/labor, oil prices, and the location of the work/access to labor.
2 For some larger projects, Property Services may hire a third-party estimator to
3 develop an estimate based on a defined scope of work or may issue a request for
4 proposal, for which various bids will be submitted and evaluated.

5 ESEM's development of its cost estimates begins with the scope of work
6 proposed by the Protection Services team and area owners. Through a collaborative
7 process, the scope is refined based on identification of the best technologies and
8 systems that deliver what the team has determined necessary. Once the scope and
9 technological solution is clearly defined, ESEM enlists its sole source vendor to
10 physically walk the facility and validate SPS's scoping decisions. The vendor then
11 develops a bid, which our team inspects to make sure it meets the needs described
12 in the scoping process. The team also compares the proposed scope of work to
13 other projects that have been completed across the enterprise and in the industry as
14 a check on the reasonableness of the costs. Upon inspection, the quote is either
15 rejected, modified, or accepted.

16 **Q. Please explain how Property Services and ESEM capital costs are managed.**

17 A. Initially, the estimates are developed and the projects are included in the annual
18 budget, which includes review and approval at the management, senior

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1 management, and executive levels. After this approval, the projects are reviewed
2 by project managers, area management, and corporate finance on a monthly basis
3 to compare the monthly budget to actual expenditures. Each project's budget is
4 updated as needed with a current forecast for all remaining months, including
5 current year-to-date spending. Further, year-to-date actual expenditures are
6 compared with year-to-date budget and year-end forecasts. Deviations are
7 identified, and recommendations are reviewed and approved. Changes to budgeted
8 project costs are reported to the finance department on a monthly basis.

9 When a project's actual costs will exceed the original budget or an
10 unbudgeted emergency occurs, all lower priority projects included in that year's
11 budget are reviewed by the proper business area's management to determine
12 whether they can be delayed or removed to cover the costs of those emergencies.
13 For example, a parking lot that is not draining correctly and is creating unsafe ice
14 patches would be a higher priority than replacing the lighting or windows to
15 increase efficiency, which can be delayed to a future year.

16 **B. Base Period Capital Investment**

17 **Q. What is the Base Period for purposes of this case?**

18 A. The Base Period for purposes of this case is the twelve-month period ending June
19 30, 2022.

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1 **Q. How much capital did Property Services and ESEM place in service during**
2 **the Base Period?**

3 A. During the Base Period, Property Services and ESEM placed \$1,957,028 of capital
4 investment in service on a New Mexico jurisdictional basis (\$6,017,024 total
5 company). My Attachment ARD-2 lists the Property Services and ESEM capital
6 investments placed in service during the Base Period.

7 **Q. What elements of cost are encompassed within the capital investment that the**
8 **Property Services and ESEM group placed in service during the Base Period?**

9 A. The elements of cost are primarily capitalized labor, contract work, supplies and
10 materials, and other. Attachment ARD-2, Tab 2 identifies the elements of cost for
11 the assets that Property Services and ESEM placed in service during the Base
12 Period.

13 **Q. Has SPS adjusted the Base Period capital investment to arrive at Adjusted**
14 **Base Period amounts?¹⁰**

15 A. No. There were no adjustments made to the Property Services and ESEM Base
16 Period capital investment amounts.

¹⁰ The “Adjusted Base Period” means a utility’s Base Period that includes fully explained annualizations, normalizations, and adjustments for known and measurable changes and regulatory requirements that occur within the Base Period. 17.1.3.7(A) NMAC.

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1 **Q. Have you prepared a list of SPS’s requested Property Services and ESEM**
2 **capital additions closed to plant in service during the Base Period?**

3 A. Yes. My Attachment ARD-2 lists SPS’s Property Services and ESEM capital
4 additions for the Base Period. It also contains the information listed in Table 1:

5 **Table 1**
6 **Information Contained in Attachment ARD-2**

Column A —	Asset Class	Identifies the type of asset.
Column B —	Witness	Identifies the witness supporting the project.
Column C —	Project Category	Provides the project category that is descriptive of the project’s type.
Column D —	Work Breakdown Structure (“WBS”) Level 2 Number	Provides the WBS Level 2 number for the project.
Column E —	Project Description (WBS Level 2 Description)	Provides a short title for the WBS Level 2 number for the project.
Column F —	In-Service Date	Provides the in-service date of the WBS Level 2 number of the project.
Column G —	Additions to Plant-in-Service Base Period Total Company	Provides the Total Company dollar amount for the plant additions for the period July 1, 2021 through June 30, 2022.

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Column H —	Additions to Plant-in-Service Base Period NM Retail	Provides the New Mexico retail dollar amount for the plant additions for the period July 1, 2021 through June 30, 2022.
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1 **Q. Please describe the types of Property Services and ESEM-related capital**
2 **additions closed to plant-in-service during the Base Period.**

3 A. As shown in Table 2, the capital additions for the Base Period fall within the
4 following categories: Buildings & Infrastructure, Reliability & Performance
5 Enhancement, Tools & Equipment, and Office Furniture & Equipment.

6 **Table 2**
Property Services and ESEM Capital Investment
for the Base Period

Project Category	New Mexico Retail	Total Company
Buildings & Infrastructure	\$1,644,318	\$5,069,287
Reliability & Performance Enhancement	\$211,002	\$634,178
Tools & Equipment	\$60,085	\$185,236
Office Furniture & Equipment	\$41,624	\$128,323
Total	\$1,957,028	\$6,017,024

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1 **Q. Please describe the types of projects included in the “Buildings &**
2 **Infrastructure” category.**

3 A. This category of investment contains the capital additions for constructing,
4 maintaining, renovating, and remodeling building facilities and infrastructure used
5 by or for the benefit of SPS in its provision of retail electric service to its customers.
6 For example, capital additions in this category include repairs to ensure code
7 compliance and safety of mechanical or structural equipment.

8 The total investment in this category amounts to \$1,644,318 on a New
9 Mexico retail basis (\$5,069,287 Total Company) during the period. Projects
10 included in this category are:

11 **Plainview Renovation** \$1,617,973 New Mexico retail (\$4,988,069 Total
12 Company) (WBS Level 2 Number D.0001813.023): This project involved
13 renovating the 60-year-old Plainview Service Center to ensure compliance
14 with federal, state, and local regulations for the health and safety of
15 company personnel. Primary work included required asbestos abatement;
16 renovation of restrooms for compliance with the Americans with
17 Disabilities Act (“ADA”); upgrades and replacement of flooring, wall
18 restructuring, ceilings, plumbing, HVAC, fire/life/safety, and furnishings;
19 and updates to the back-up distribution control center.

20 **SPS Employee EV Charging** \$30,139 New Mexico retail (\$92,915 Total
21 Company) (WBS Level 2 Number D.0002420.008): Installation of electric
22 vehicle (“EV”) chargers for employee use at various sites.

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1 Combined, these projects account for 100% of the total capital additions in
2 this category, as the remaining additions represent immaterial negative plant
3 additions related to trailing charges and project true-ups.

4 **Q. Please describe the types of projects included in the “Reliability &
5 Performance Enhancement” category.**

6 A. This category covers the replacement and installation of security system equipment
7 associated with SPS facilities and infrastructure. The total investment in this
8 category amounts to \$211,002 on a New Mexico retail basis (\$634,178 Total
9 Company) during the period. The projects included in this category are:

10 **Security Projects – Electric** \$211,002 New Mexico retail (\$634,178 Total
11 Company) (WBS Level 2 Number D.0001781.041, D.0001781.052,
12 D.0001781.054, D0001781.071, D0001781.074, D.0001781.077,
13 D.0002403.014, D.0002404.006): These projects involved the installation
14 of employee card readers at Plant X, Cunningham Station, Nichols Station,
15 Tucumcari Service Center, and Harrington Station. Also included are all of
16 the security cameras, card readers and equipment related to the Amarillo
17 Ops Renovation as well as a Security Lab space allocation to build,
18 maintain, and store critical equipment for physical security in the SPS
19 region.

20 These projects account for 100% of the total capital additions in this
21 category.

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1 **Q. Please describe the types of projects included in the “Tools & Equipment”**
2 **category.**

3 A. This category of investment contains the capital additions for furnishing and
4 equipping building facilities and infrastructure used by or for the benefit of SPS in
5 its provision of retail electric service to its customers. The total investment in this
6 category amounts to \$60,085 on a New Mexico retail basis (\$185,236 Total
7 Company) during the period. There is only one project in this category:

8 **Lubbock Ops UPS Upgrade** \$60,085 New Mexico retail (\$185,236 Total
9 Company) (WBS Level 2 Number D.0001814.091): This project involved
10 the engineering electrical load study of the existing system and
11 recommendations and design for upgrade of Uninterruptible Power Supply
12 (“UPS”) in order to avoid possible overload of the UPS for the new
13 Advanced Distribution Management System/Advanced Grid Intelligence &
14 Security (“ADMS/AGIS”) system. This work was necessary to ensure a
15 smooth transition when the ADMS/AGIS system comes online and to avoid
16 losing the grid management system during power outages, benefitting New
17 Mexico and Texas customers.

18 This project accounts for 100% of the total capital additions in this category.

19 **Q. Please describe the types of projects included in the “Office Furniture &**
20 **Equipment” category.**

21 A. This category of investment involves interior furnishings and non-facility specific
22 equipment, such as office furniture and Audio/Visual (“AV”) equipment. The total

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1 investment in this category amounts to \$41,624 on a New Mexico retail basis
2 (\$128,323 Total Company) during the period. The primary project included in this
3 category is:

4 **Office Furn & Equipment – Electric** \$37,711 New Mexico retail
5 (\$116,260 Total Company) (WBS Level 2 Number A.0005014.101): This
6 project involved the replacement of office furniture, including but not
7 limited to, full workstation replacements, new office chairs, adjustable
8 standing desks, and new conference room furniture at Amarillo Operations
9 Center, 790 Buchanan, and Plainview Service Center. It also included
10 upgrades to the AV system at Plainview Service Center.

11 This project accounts for approximately 91% of the total capital additions in this
12 category. The remaining project is similar in nature in that it is also for furniture
13 and AV equipment.

14 **Q. Your Attachment ARD-2 includes capitalized affiliate costs. Were those**
15 **affiliate costs necessary to complete the projects listed in Attachment ARD-2?**

16 A. Yes. These affiliate charges are for technical direction, management, safety, and
17 other related work to develop, procure, and install capital additions at SPS facilities.
18 In addition, the capital projects include overhead charges that reflect labor and other
19 costs as discussed by Mr. Moeller. When those projects are complete, the costs
20 (including the labor charges) are recorded as new assets.

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1 **Q. How are the affiliate charges assigned or allocated to SPS?**

2 A. As explained in detail in SPS witness Nicole L. Doyle's direct testimony, affiliate
3 costs are directly charged or allocated to SPS "at cost" pursuant to Appendix A to
4 the Service Agreement between XES, SPS, and the other Operating Companies.

5 **Q. Are the Property Services and ESEM-related capital additions listed on**
6 **Attachment ARD-2 that were closed to plant-in-service during the Base Period**
7 **reasonable and necessary?**

8 A. Yes. The capital projects listed in Attachment ARD-2 were reasonable and
9 necessary to provide and maintain facilities needed for SPS's operations and to
10 provide a safe, secure, and functional environment at each facility. These
11 investments are necessary to provide safe and reliable utility service to SPS's
12 customers. SPS also ensures that the costs are reasonable through its budgeting and
13 management process discussed in Section III.A above.

14 **Q. Does SPS anticipate any major capital additions after the end of the Base**
15 **Period?**

16 A. Yes. I discuss all of these projects in the Linkage Period and Future Test Year
17 Period of my direct testimony next.

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1 **Q. Do any of the future projects you just referred to qualify as “major plant**
2 **additions” as that term is defined in the Future Test Year Period Rule?**

3 A. No. The Future Test Year Period Rule defines a “major plant addition” as plant for
4 which a utility is required to file an application for a certificate of public
5 convenience and necessity or is required to provide prior notice pursuant to
6 17.5.440 NMAC.¹¹ None of the anticipated Property Services and ESEM capital
7 additions discussed in the Linkage Period and Future Test Year Period sections
8 meet this definition.

9 **Q. Does SPS anticipate any major plant retirements after the end of the Base**
10 **Period?**

11 A. To the extent the Future Test Year Rule uses the term “major plant retirements” to
12 mean a plant that SPS is required to file an application for a certificate of public
13 convenience and necessity or is required to provide prior notice pursuant to
14 17.5.440 NMAC, no SPS does not anticipate any major plant retirements for
15 Property Services and ESEM after the end of the Base Period. That said, as aging
16 facilities or equipment need to be renovated and/or replaced, various assets may
17 need to be decommissioned as a result.

¹¹ 17.1.3.7(I) NMAC.

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1 **C. Linkage Period Capital Investment**

2 **Q. What is the Linkage Period for purposes of this rate case?**

3 A. The Linkage Period for purposes of this case is the twelve-month period beginning
4 on July 1, 2022 and ending on June 30, 2023. SPS is providing linkage data for
5 that period.

6 **Q. What is “linkage data”?**

7 A. The term “linkage data” refers to a specific and detailed description of all line items
8 for the period of time between the end of the Base Period and the beginning of the
9 Future Test Year Period required by the rule to create a “verifiable link” between
10 Future Test Year Period data and Base Period data.¹² The rule states that linkage
11 data does not constitute a test period, but instead is provided for the purpose of
12 validating the information contained in the Future Test Year Period.¹³ I use the
13 term in this manner throughout my testimony.

14 **Q. What amount of capital investment do Property Services and ESEM forecast**
15 **that they will place in service during the Linkage Period?**

16 A. Property Services and ESEM forecast that they will place \$4,793,069 of investment
17 in service during the Linkage Period on a New Mexico jurisdictional basis

¹² 17.1.3.7(H) NMAC.

¹³ *Id.*

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1 (\$13,613,536 Total Company). My Attachment ARD-3 lists the types of
2 investments that Property Services and ESEM plan to place in service during the
3 Linkage Period, along with the elements of cost for those investments.

4 **Q. How did Property Services and ESEM forecast the amount of capital**
5 **investment that will be placed in service during the Linkage Period?**

6 A. Property Services and ESEM forecasted the capital investment to be placed in
7 service during the Linkage Period based on their budgets for that period.

8 **Q. Is the forecast used for the Linkage Period capital investment based on**
9 **Property Services and ESEM's most recent budget information?**

10 A. Yes. Property Services and ESEM used the July 2022 budget to forecast the amount
11 of capital investment in the Linkage Period, which is the most recent budget
12 available.

13 **Q. What methodology did Property Services and ESEM use to develop their**
14 **budgets used to forecast the costs of projects placed in service during the**
15 **Linkage Period?**

16 A. I describe the budgeting methodology in Section III.A above.

17 **Q. Did the elements of cost change for the Property Services and ESEM**
18 **investment between the Base Period and the Linkage Period?**

19 A. No. The elements of costs are the same in the Linkage Period as they were in the
20 Base Period.

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1 **Q. Did the jurisdictional allocators change between the Base Period and the**
2 **Linkage Period, or between the Linkage Period and the Future Test Year**
3 **Period?**

4 A. The jurisdictional allocators did change between the Base Period and the Linkage
5 Period. The jurisdictional allocators did not change between the Linkage Period
6 and the Future Test Year Period. Ms. Niemi discusses the jurisdictional allocators
7 in her direct testimony.

8 **Q. Have you prepared a list of SPS's requested Property Services and ESEM**
9 **capital additions closed or expected to close to Plant-in-Service during the**
10 **Linkage Period?**

11 A. Yes. My Attachment ARD-3 lists SPS's Property Services and ESEM capital
12 additions for the Linkage Period. Attachment ARD-3 contains the information
13 listed in Table 3:

14 **Table 3**
15 **Information Contained in Attachment ARD-3**

Column A —	Asset Class	Identifies the type of asset.
Column B —	Witness	Identifies the witness supporting the project.
Column C —	Project Category	Provides the project category that is descriptive of the project's type.

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Column D —	WBS Level 2 Number	Provides the WBS Level 2 number for the project.
Column E —	Project Description (WBS Level 2 Description)	Provides a short title for the WBS Level 2 number for the project.
Column F —	Estimated In-Service Date	Provides the estimated in-service date of the WBS Level 2 number of the project.
Column G —	Additions to Plant-in-Service Linkage Period Total Company	Provides the Total Company dollar amount for the plant additions for the period July 1, 2022 through June 30, 2023.
Column H —	Additions to Plant-in-Service Linkage Period NM Retail	Provides the New Mexico retail dollar amount for the plant additions for the period July 1, 2022 through June 30, 2023.

- 1 **Q. Please describe the types of Property Services and ESEM-related capital**
2 **additions that SPS forecasts to be closed to plant-in-service during the Linkage**
3 **Period.**
- 4 A. Similar to the Base Period, the capital additions that SPS plans to place in service
5 during the Linkage Period fall within the following categories: Buildings &
6 Infrastructure, Reliability & Performance Enhancement, Tools & Equipment, and
7 Office Furniture & Equipment.

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1
2 **Table 4**
Property Services and ESEM Capital Investment for the Linkage Period

Project Category	New Mexico Jurisdictional	Total Company
Buildings & Infrastructure	\$2,905,609	\$8,252,670
Reliability & Performance Enhancement	\$1,324,926	\$3,763,128
Tools & Equipment	\$10,030	\$28,488
Office Furniture & Equipment	\$552,504	\$1,569,251
Total	\$4,793,069	\$13,613,536

3 **Q. Please describe the types of projects included in the “Buildings &**
4 **Infrastructure” category.**

5 A. As I explained in connection with the Base Period, this category of investment
6 contains the capital additions for constructing, maintaining, renovating, and
7 remodeling building facilities and infrastructure used by or for the benefit of SPS
8 in its provision of retail electric service to its customers.

9 **Unbudgeted Emergencies, SPS Energy Management and Misc**
10 **Building Projects-Electric** \$1,774,369 New Mexico retail (\$5,039,660
11 Total Company) (WBS Level 2 Number D.0001779.249, D.0001823.016,
12 D.0001823.050): The unbudgeted emergencies, energy management, and
13 miscellaneous building projects capital investment will be used to construct,
14 remodel, or maintain the buildings in the region as needed. For example,
15 these investments are for building remediation and restoration due to
16 unplanned events, such as floods, fires, hail, generator failures, etc.

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1 **Amarillo new service center or Bushland Service Center** \$704,486 New
2 Mexico retail (\$2,000,918 Total Company) (WBS Level 2 Number
3 D.0001810.143): A new service center will be built to accommodate space,
4 safety, technology, and response times that the existing service centers
5 cannot provide. This service center will serve SPS’s New Mexico and
6 Texas jurisdictions, including in responding to storm and emergency
7 situations.

8
9 **SPS Fleet and Employee EV Charging** \$288,251 New Mexico retail
10 (\$818,706 Total Company) (WBS Level 2 Number D.0002420.004,
11 D.0002420.008): This project is a continuation of the EV Charging project
12 described above for the installation of EV chargers for the Fleet department
13 and for employee use at various sites.

14 **Hobbs Land Acquisition** \$121,747 New Mexico retail (\$345,792 Total
15 Company) (WBS Level 2 Number D.0001810.147): Land will be acquired
16 in order to build a new service center to accommodate space, safety, and
17 technology needs that the existing service center cannot accommodate.

18 **Lubbock Distribution Control Center Remodel** \$16,560 New Mexico
19 retail (\$47,035 Total Company) (WBS Level 2 Number A.0005014.110):
20 This project is needed in order to meet space needs, update workstations to
21 meet ADA and Company standards, and update building infrastructure.
22 This project includes resizing the workstations and replacing outdated
23 furniture. This Distribution Control Center benefits both New Mexico and
24 Texas customers.

25 Combined, these projects account for 100% of the total capital additions in
26 this category.

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1 **Q. Please describe the types of projects included in the “Reliability &**
2 **Performance Enhancement” category.**

3 A. As I explained in connection with the Base Period, this category of investment
4 covers the replacement and installation of security system equipment associated
5 with SPS facilities and infrastructure.

6 **ITC-OT Monitoring 2021 SPS-OT** \$422,831 New Mexico retail
7 (\$1,200,946 Total Company) (WBS Level 2 Number D.0002515.006):
8 This Operations Technology (“OT”) Security Program project is to install
9 network sensors at Operations sites to monitor and alert suspicious activity.

10 **OTS Asset Management SPS** \$302,653 New Mexico retail (\$859,612
11 Total Company) (WBS Level 2 Number D.0002426.005): This OT
12 Security Program project is to improve the quality and accessibility of
13 information about the Company’s assets used in operations in order to better
14 protect them.

15 **Security Projects–Electric** \$244,853 New Mexico retail (\$695,444 Total
16 Company) (WBS Level 2 Number D.0001781.041): This is for physical
17 security updates or replacing end of life equipment such as cameras, card
18 readers, door locks, and access gates.

19 **OT Monitoring HW-SPS -OT** \$94,851 New Mexico retail (\$269,401
20 Total Company) (WBS Level 2 Number D.0001781.068): This OT
21 Security Program project is to install network sensors at Operations sites to
22 monitor and alert suspicious activity.

23 **SPS AMAG, Nichols Station AMAG, TX-AMA Fleet AMAG**
24 **Remediation, TX Borger Service Center AMAG** \$89,762 New Mexico
25 retail (\$254,946 Total Company) (WBS Level 2 Number D.0002403.006,
26 D0002403.013, D0002403.017, D.0002403.018): Replace end of life
27 equipment at Fleet sites, service centers, and other buildings throughout the
28 SPS region, including at the Nichols Station and Borger Service Center.

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1 **BUD–OT Security Program Co13** \$34,253 New Mexico retail (\$97,286
2 Total Company) (WBS Level 2 Number D.0001781.068): OT Security
3 Program, which is a portfolio of projects focused on improving the security
4 of the Operations business units (Energy Supply, Gas, Transmission, and
5 Distribution).

6 **OTS Response Planning SPS–OT** \$27,532 New Mexico retail (\$78,199
7 Total Company) (WBS Level 2 Number D.0002423.005): This OT
8 Security Program project is to improve the Company’s ability to respond to
9 potential cyber security events impacting Operations.

10 **OTS Info Protection SPS** \$17,562 New Mexico retail (\$49,881 Total
11 Company) (WBS Level 2 Number D.0002425.005): OT Security Program
12 work effort to identify and protect sensitive information in use by the
13 Operations business areas.

14 **Drill Tracking & Reporting SW SPS** \$905 New Mexico retail (\$2,570
15 Total Company) (WBS Level 2 Number D.0002423.011): Implementing
16 software for planning, tracking, and following up on drills SPS conducts to
17 practice our response to cyber, physical, weather, and other events.

18 These projects account for 93% of the total capital additions in this category.

19 The remaining 7% of the projects are similar in nature in that they are for software
20 assets used in the monitoring and analysis of potential security threats to our cyber
21 environment.

22 **Q. Please describe the types of projects included in the “Tools & Equipment”**
23 **category.**

24 A. As I explained in connection with the Base Period, this category of investment
25 contains the capital additions necessary for furnishing and equipping building

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1 facilities and infrastructure used by or for the benefit of SPS in its provision of retail
2 electric service to its customers.

3 **Tools & Equipment-Electric-TX, COS-CAP-UAS-SPS-TX-Electric**
4 **Tools** \$10,030 New Mexico retail (\$28,488 Total Company) (WBS Level
5 2 Number A.0006059.488, A.0001727.008): This category includes new
6 AV equipment to replace equipment past its life cycle or to meet on-site
7 needs.

8
9 This project accounts for 100% of the total capital additions in this category.

10 **Q. Please describe the types of projects included in the “Office Furniture &**
11 **Equipment” category.**

12 A. As I explained in connection with the Base Period, this category of investment
13 includes the capital additions necessary for interior furnishings and non-facility
14 specific equipment.

15 **NM-Subs Furniture Blanket, Office Furn & Equipment-Electric**
16 \$552,504 New Mexico retail (\$1,569,251 Total Company) (WBS Level 2
17 Number A.005014.050, A.0005014.101): The majority of this category
18 spend will be to upgrade furniture to meet new standards in order to
19 accommodate the transition to a more hybrid work environment and to use
20 the current space more efficiently, furnishing new service centers, and
21 replacing furniture that is at the end of its life cycle.

22
23 This project accounts for 100% of the total capital additions in this category.

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1 **Q. Your Attachment ARD-3 includes capitalized affiliate costs in the Linkage**
2 **period. Were those affiliate costs necessary to complete the projects listed in**
3 **Attachment ARD-3?**

4 A. Yes, for the same reasons discussed above in connection with the Base Period.

5 **Q. Are the Property Services and ESEM-related capital additions listed on**
6 **Attachment ARD-3 for the Linkage Period, including the capitalized affiliate**
7 **charges, reasonable and necessary?**

8 A. Yes. The capital investment listed in Attachment ARD-3 is reasonable and
9 necessary to provide and maintain facilities needed for SPS's operations and to
10 provide a safe, secure, and functional environment at each facility, which in turn is
11 necessary to provide safe and reliable utility service to SPS's customers. SPS also
12 ensures that the costs are reasonable through its budgeting and management process
13 discussed in Section III.A above.

14 **D. Future Test Year Period Capital Investment**

15 **Q. What is the Future Test Year Period for purposes of this rate case?**

16 A. The Future Test Year Period for purposes of this case is the twelve-month period
17 beginning on July 1, 2023 and ending on June 30, 2024.

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1 **Q. What amount of capital investment do Property Services and ESEM forecast**
2 **to be placed in service during the Future Test Year Period?**

3 A. During the Future Test Year Period, Property Services and ESEM plan to place in
4 service \$4,671,278 of capital investment on a New Mexico jurisdictional basis
5 (\$13,267,618 Total Company).¹⁴ My Attachment ARD-3 lists the types of
6 investment that Property Services and ESEM plan to place in service during the
7 Future Test Year Period.

8 **Q. How did Property Services and ESEM forecast the amount of capital**
9 **investment to be placed in service during the Future Test Year Period?**

10 A. Similar to the Linkage Period, Property Services and ESEM forecasted the amount
11 of capital investment to be placed in service based on their budgets for the Future
12 Test Year Period.

13 **Q. Is the forecast used for the Future Test Year Period capital investment based**
14 **on Property Services and ESEM's most recent budget information?**

15 A. Yes. Property Services and ESEM used the July 2022 budget to forecast the amount
16 of capital investment in the Future Test Year Period, which is the most recent
17 budget available.

¹⁴ It is my understanding that rate base for the Future Test Year Period must be calculated based on average rate base calculated on a 13-month average. 17.1.3.16(C)(1) NMAC. Therefore, the total plant-in-service amounts as of the end of the Future Test Year Period will not match the rate base amounts.

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1 **Q. What methodology did Property Services and ESEM use to develop the budget**
2 **used to estimate the cost of projects placed in service during the Future Test**
3 **Year Period?**

4 A. Property Services and ESEM used the same budgeting process to develop the
5 anticipated capital investment for the Future Test Year Period as they did for the
6 Linkage Period.

7 **Q. How, if at all, do the budgeted amounts for the Future Test Year Period relate**
8 **to the Linkage Period amounts?**

9 A. The Future Test Year Period capital investment budget was developed using the
10 same process used to develop the Linkage Period capital investment budget. The
11 amounts cover the same categories of projects and the same cost elements. In some
12 instances they even cover a continuation of the same projects.

13 **Q. How, if at all, do the budgeted amounts for the Future Test Year Period relate**
14 **to the Base Period amounts?**

15 A. The Future Test Year Period capital investment budget was developed using the
16 same process used to develop the Base Period capital investment budget. The
17 amounts cover the same categories of projects and the same cost elements. In some
18 instances they even cover a continuation of the same projects.

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1 **Q. Are the elements of cost forecasted during the Future Test Year Period similar**
2 **to the elements of cost during the Base Period and the Linkage Period?**

3 A. Yes. They are the same elements of cost.

4 **Q. Have you prepared a list of SPS's requested Property Services and ESEM**
5 **capital additions expected to close to plant in service during the Future Test**
6 **Year Period?**

7 A. Yes. My Attachment ARD-4 lists SPS's Property Services and ESEM capital
8 additions for the Future Test Year Period. Attachment ARD-4 contains the
9 information listed in Table 5:

10 **Table 5**
11 **Information Contained in Attachment ARD-4**

Column A —	Asset Class	Identifies the type of asset.
Column B —	Witness	Identifies the witness supporting the project.
Column C —	Project Category	Provides the project category that is descriptive of the project's type.
Column D —	WBS Level 2 Number	Provides the WBS Level 2 number for the project.
Column E —	Project Description (WBS Level 2 Description)	Provides a short title for the WBS Level 2 number for the project.

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Column F —	Estimated In-Service Date	Provides the estimated in-service date of the WBS Level 2 number of the project.
Column G —	Additions to Plant-in-Service Future Test Year Total Company	Provides the Total Company dollar amount for the plant additions for the period July 1, 2023 through June 30, 2024.
Column H —	Additions to Plant-in-Service Future Test Year NM Retail	Provides the New Mexico retail dollar amount for the plant additions for the period July 1, 2023 through June 30, 2024.

1 **Q. Please describe the types of Property Services and ESEM-related capital**
2 **additions that SPS forecasts to be closed to plant-in-service during the Future**
3 **Test Year Period.**

4 A. Similar to the Base Period and Linkage Period, the capital additions for the Future
5 Test Year Period fall within the following categories: Buildings & Infrastructure,
6 Reliability & Performance Enhancement, Tools & Equipment, and Office Furniture
7 & Equipment.

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1
2
3

Table 6
Property Services and ESEM Capital Investment for
the Future Test Year Period

Project Category	New Mexico Jurisdictional	Total Company
Buildings & Infrastructure	\$3,063,838	\$8,702,078
Reliability & Performance Enhancement	\$1,277,903	\$3,629,568
Tools & Equipment	\$1,649	\$4,684
Office Furniture & Equipment	\$327,888	\$931,287
Total	\$4,671,278	\$13,267,618

- 4 **Q. Please describe the types of projects included in the “Buildings &**
5 **Infrastructure” category.**
- 6 A. As I explained in connection with the Base Period and the Linkage Period, this
7 category of investment contains the capital additions for constructing, maintaining,
8 renovating, and remodeling building facilities and infrastructure used by or for the
9 benefit of SPS in its provision of retail electric service to its customers.

10 **Unbudgeted Emergencies, SPS Energy Management and Misc**
11 **Building Projects-Electric** \$1,642,144 New Mexico retail (\$4,664,107
12 Total Company) (WBS Level 2 Number D.0001779.249, D.0001823.016,
13 D.0001823.050): The unbudgeted emergencies, energy management, and
14 miscellaneous building projects will be used to construct, remodel, or
15 maintain the buildings in the region as needed.

16 **Lubbock Substation Renovation** \$1,298,465 New Mexico retail
17 (\$3,687,971 Total Company) (WBS Level 2 Number D.0001813.063):

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1 This project is needed in order to meet space needs, update workstations to
2 meet Company and ADA standards, and update building infrastructures.

3
4 **SPS Fleet and Employee EV Charging** \$123,228 New Mexico retail
5 (\$350,000 Total Company) (WBS Level 2 Number D.0002420.004,
6 D.0002420.008): This project is a continuation of the EV Charging project
7 described above for the installation of EV chargers for the Fleet department
8 and for employee use at various sites.

9
10 Combined, these projects account for 100% of the total capital additions in
11 this category.

12 **Q. Please describe the types of projects included in the “Reliability &
13 Performance Enhancement” category.**

14 A. As I explained in connection with the Base Period and the Linkage Period, this
15 category of investment includes the capital additions for the replacement and
16 installation of security system equipment associated with SPS facilities and
17 infrastructure.

18 **Security Projects–Electric:** \$782,824 New Mexico retail (\$2,223,420
19 Total Company) (WBS Level 2 Number D.0001781.041): This is for
20 physical security updates or replacing end of life equipment.

21
22 **BUD - OT Security Program Co13:** \$367,654 New Mexico retail
23 (\$1,044,232 Total Company) (WBS Level 2 Number D.0001781.068): OT
24 Security Program, which is a portfolio of projects focused on improving the
25 security of the Operations business units (Energy Supply, Gas,
26 Transmission, and Distribution).

27
28 **OTS Asset Management SPS:** \$127,414 New Mexico retail (\$361,889
29 Total Company) (WBS Level 2 Number D.0002426.005): This OT

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1 Security Program project is to improve the quality and accessibility of
2 information about the Company's assets used in operations, in order to
3 better protect them.
4

5 Combined, these projects account for 100% of the total capital additions in
6 this category.

7 **Q. Please describe the types of projects included in the "Tools & Equipment"**
8 **category.**

9 A. As I explained in connection with the Base Period and the Linkage Period, this
10 category of investment contains the capital additions necessary for furnishing and
11 equipping building facilities and infrastructure used by or for the benefit of SPS in
12 its provision of retail electric service to its customers.

13 **Tools & Equipment-Electric-TX, COS-CAP-UAS-SPS-TX-Electric**
14 **Tools** \$1,649 New Mexico retail (\$4,684 Total Company) (WBS Level 2
15 Number A.0006059.488, A.0001727.008): This category includes new AV
16 equipment to replace equipment past its life cycle or to meet on-site needs.
17

18 This project accounts for 100% of the total capital additions in this category.

19 **Q. Please describe the types of projects included in the "Office Furniture &**
20 **Equipment" category.**

21 A. As I explained in connection with the Base Period and the Linkage Period, this
22 category of investment includes the capital additions for interior furnishings and
23 non-facility specific equipment.

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1 **Office Furn & Equipment-Electric** \$327,888 New Mexico retail
2 (\$931,287 Total Company) (WBS Level 2 Number A.0005014.101): The
3 majority of this category spend will be to upgrade furniture to meet new
4 standards in order to accommodate the transition to a more hybrid work
5 environment and to use the current space more efficiently, furnishing new
6 service centers, and replacing furniture that is at the end of its life cycle.
7

8 This project accounts for 100% of the total capital additions in this category.

9 **Q. Your Attachment ARD-4 includes capitalized affiliate costs in the Future Test**
10 **Year Period. Will those affiliate costs be necessary to complete the projects**
11 **listed in Attachment ARD-4?**

12 A. Yes. The affiliate charges reflected in Attachment ARD-4 are for technical
13 direction, management, safety, and other related work to develop, procure, and
14 install capital additions at SPS facilities by XES during the Future Test Year Period.
15 These are the same types of services I described in the Base Period and Linkage
16 Period and are necessary for the same reasons.

17 **Q. Are the Property Services and ESEM-related capital additions included in**
18 **Attachment ARD-4 that will be closed to Plant-in-Service during the Future**
19 **Test Year Period, including the capitalized affiliate charges, reasonable and**
20 **necessary?**

21 A. Yes. The capital projects listed in Attachment ARD-4 are reasonable and necessary
22 to provide and maintain safe, secure, compliant, and functional facilities needed for

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1 SPS's operations, which is necessary to provide safe and reliable utility service to
2 SPS's customers. The process for developing the budgeted costs and managing
3 projects is discussed in Section III.A above.

4 **Q. Have you prepared an attachment showing the differences between the Base**
5 **Period and the Future Test Year Period for the Property Services and ESEM**
6 **cost center?**

7 A. Yes. My Attachment ARD-5 shows the differences between the Base Period and
8 the Future Test Year Period. As required by 17.1.3.18(B) NMAC, Attachment
9 ARD-5 contains:

- 10 1. a column showing actual expenditures during the Base Period;¹⁵
- 11 2. a column showing the estimated expenditures during the Future Test Year
12 Period;
- 13 3. a column showing the variance between the two; and
- 14 4. a column referencing back to my testimony for explanations of the
15 differences between the Base Period data and the Future Test Year Period
16 estimates, including estimates that took place in the Linkage Period.

¹⁵ Although this portion of the Future Test Year Period Rule refers to "expenditures," SPS assumes that the Commission is seeking information about the cost of capital assets actually placed in service during the Base Period and the Future Test Year Period in order to have an apples-to-apples comparison. Expenditures are measured at the time money is spent, which may be months or even years before an asset is placed in service.

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1 **Q. Please generally describe the variance seen between the Property Services and**
2 **ESEM Base Period capital investment and Future Test Year Period capital**
3 **investment.**

4 A. As shown on Attachment ARD-5, the total change between actual Base Period
5 Property Services and ESEM capital investment and anticipated Future Test Year
6 Property Services and ESEM capital investment is \$7,250,593 on a Total Company
7 basis. This change is driven by the specific capital projects within each period and
8 reflects the capital additions discussed above.

9 **Q. Does the variance you just described constitute a “material change” or**
10 **“material variance” as that term is defined in the Future Test Year Rule?**

11 A. Yes.

12 **Q. Have you identified the cost drivers for the material changes between the**
13 **amounts for the Base Period and the Future Test Year Period?**

14 A. Yes, the cost drivers for the material changes are primarily the individual projects
15 that make up the specific periods, i.e., Base Period, Linkage Period, and Future Test
16 Year Period. Each period has a unique set of capital projects that will have varying
17 budgets due to the overall size and scope of the projects and material requirements.

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1 **Q. Does the forecast of the Property Services and ESEM group's forecasted**
2 **capital additions during the Future Test Year Period assume that volumes,**
3 **costs, or price inputs will change between the Base Period and the Future Test**
4 **Year Period because of inflation or other factors?**

5 A. Due to the specific and discrete nature of the projects included in the Property
6 Services and ESEM budgets, there is not a general assumption on volumes or cost
7 inputs from year to year. However, changes in costs or prices are inherently
8 included as the projects are planned and the initial scope of work is developed.
9 When planning for a future project, the groups will look at recently completed
10 projects as a guide, as adjusted for the resource requirements of the particular
11 project, including consideration of the current economic and sourcing environment.

12 **Q. Do the Property Services and ESEM forecasted capital additions during the**
13 **Future Test Year Period include any types of escalation factors that were**
14 **applied to the Base Period amounts to arrive at the Future Test Year Period**
15 **amounts?**

16 A. No. No escalation factors were used in arriving at the capital additions in the Future
17 Test Year Period.

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1 **Q. Do the Property Services and ESEM forecasted capital additions during the**
2 **Future Test Year Period include any contingency provisions that were applied**
3 **to the Base Period amounts to arrive at the Future Test Year Period amounts?**

4 A. No. There were no contingencies added to the Base Period amounts to arrive at the
5 Future Test Year Period amounts. That said, the individual projects contained in
6 the budgets generally contain a contingency amount to reflect the uncertainty in the
7 estimated cost. As the planning continues and the project is undertaken, the
8 contingency amount is reduced to zero as the contracts are signed and the project
9 is placed in service.

10 **Q. Do the Property Services and ESEM forecasted capital additions during the**
11 **Future Test Year Period assume that the type or scope of work performed by**
12 **Property Services and ESEM will change between the Base Period and the**
13 **Future Test Year Period?**

14 A. Yes, to the extent that certain discreet projects are completed in one year and new
15 projects are started in a future period, those future projects will have a different
16 scope of work, and that has been incorporated into the forecasted Future Test Year
17 Period capital investment.

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IV. SHARED CORPORATE SERVICES O&M OVERVIEW

1 **Q. What topics do you cover in this section of your testimony?**

2 A. In this section, I will discuss O&M expenses associated with the Shared Corporate
3 Services business areas, as described below, and explain that these expenses are
4 reasonable and necessary for the provision of utility service. Consistent with the
5 Future Test Year Period Rule,¹⁶ for each of the (1) Base Period¹⁷ and Adjusted Base
6 Period,¹⁸ (2) Linkage Period,¹⁹ and (3) Future Test Year Period,²⁰ I break down
7 each Shared Corporate Services business area’s non-labor costs by FERC account,
8 detail the associated elements of cost, and fully explain, support, and justify this
9 data. I also support the labor-related expenses associated with each Shared
10 Corporate Services business area that were actually incurred during the Base
11 Period. Finally, I also identify each Shared Corporate Services business area’s

¹⁶ 17.1.3.1 NMAC *et seq.*

¹⁷ SPS’s base period in this proceeding begins July 1, 2021 and ends June 30, 2022 (the “Base Period”).

¹⁸ SPS’s adjusted base period in this proceeding is the Base Period adjusted as described by Ms. Niemi (the “Adjusted Base Period”).

¹⁹ SPS’s “Linkage Period” in this proceeding begins July 1, 2022 and ends June 30, 2023. Per the Future Test Year Period Rule, it covers the period of time between the end of the Base Period and the beginning of the Future Test Year Period and includes the required “Linkage Data” as that term is defined in 17.1.3.7(H) NMAC.

²⁰ SPS’s future test year period in this proceeding begins July 1, 2023 and ends June 30, 2024 (the “Future Test Year Period”).

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1 contribution to the material variances between the Adjusted Base Period and Future
2 Test Year Period costs identified by Ms. Niemi, and I describe the cost drivers
3 expected behind these contributions.

4 **A. Overview of Shared Corporate Services and Associated Expenses**

5 **Q. Describe generally the services associated with the Shared Corporate Services**
6 **business areas.**

7 A. The Shared Corporate Services business areas conduct a variety of activities on
8 behalf of Xcel Energy and its operating companies, including SPS. Below I
9 describe the 10 business areas that make up the Shared Corporate Services function
10 and the services they provide:

- 11 1. Customer and Innovation: Provides services to meet the needs of energy
12 customers of the Xcel Energy system companies, including those of SPS.
13 Customer and Innovation includes several functional groups, including the
14 Chief Customer and Innovation Office, Customer Care, Customer and
15 Brand, Customer Solutions and Innovation, and Clean Transportation and
16 Strategic Partnerships. These groups focus on providing billing,
17 collections, and customer service activities, as well as the development and
18 sustainment of customer-related programs and initiatives. This business
19 area also includes the four Xcel Energy Operating Company Presidents'

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1 areas, providing leadership to the individual utility companies as well as
2 customer and community outreach support.

3 2. Financial Operations: Leads financial governance for Xcel Energy and its
4 Operating Companies, including SPS, and delivers financial services.
5 Financial Operations consists of several functional groups, including the
6 Controller's organization, Investor Relations, Business Development, Tax
7 Services, Financial Planning and Analysis, Revenue Requirements, and the
8 Treasurer's Organization.

9 3. HR and Employee Services: Provides services to meet the needs of
10 employees of Xcel Energy and its Operating Companies, including SPS.
11 HR and Employee Services includes several functional groups, including
12 HR, Property Services, Aviation, Workforce Relations, and Corporate
13 Giving.

14 4. Strategy Planning, and External Affairs: Provides Xcel Energy's business
15 strategy development, communications, federal regulatory and legislative
16 initiatives, cyber and physical security services, and emergency
17 management and response planning.

18 5. General Counsel: Provides strategic services to Xcel Energy, its Operating
19 Companies, and its subsidiaries, in addition to legal and claims services.

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- 1 6. Operations Services: Provides a single, centralized operations support
2 organization that includes Supply Chain, Commercial Operations, Fuel
3 Supply, and Fleet, with a goal of using standardized processes, shared best
4 practices, and efficiencies of scale to ensure productivity and control
5 operating costs. Operations Services provides support to the Energy
6 Supply, Transmission, and Distribution business areas.
- 7 7. Chairman and CEO: Oversees the vision, mission, and values of Xcel
8 Energy, balancing the customer demands for reliable, affordable energy
9 with Xcel Energy's (and, in turn, SPS's) goal of creating a clean energy
10 future. This group includes the CEO and support staff as well as the budget
11 for the Chairman's Fund.
- 12 8. Risk Management: Helps to ensure the integrity of company finances and
13 operations through robust risk analytics, audit services, and compliance
14 with corporate ethics and other policies.
- 15 9. Integrated System Planning: Provides services for the long-term planning
16 of our generation, transmission, and distribution systems, with a focus on
17 strategic system-wide planning.
- 18 10. Corporate Other: This category includes costs that are not directly
19 attributable to a specific Shared Corporate Services group. Corporate Other

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1 contains the following types of costs, credits, and charges: company use
2 credits, overhead charges to affiliates, shared assets, Administrative &
3 General (“A&G”) charges to capital, non-regulated overheads, regulatory
4 entries, miscellaneous conservation and demand side management
5 expenses, and permanent income tax differences.

6 **Q. Do the Shared Corporate Services O&M expenses include native SPS costs?**
7 **If yes, please explain.**

8 A. Yes. Native SPS costs are those costs incurred directly by SPS associated with the
9 provision of electric service to customers. These costs include labor, materials, and
10 other non-fuel O&M costs. For example, the salaries of SPS executive employees
11 included in the Customer and Innovation business area are native costs.

12 **Q. Do the Shared Corporate Services O&M expenses include affiliate charges?**
13 **If yes, please explain.**

14 A. Yes. Affiliate charges are primarily those costs associated with services provided
15 by XES—Xcel Energy’s service company—to SPS. For example, the SEC
16 reporting group prepares the consolidated and each individual Operating
17 Company’s financial reports. This group is employed by XES to enable the
18 charging of each Operating Company for the work performed. These charges are
19 classified as affiliate charges as they are being charged or allocated from a company

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1 other than SPS. Affiliate charges can also include services provided to SPS by
2 other Operating Companies or affiliated interests. As explained above, Ms. Doyle
3 explains how affiliate costs are allocated to SPS in her direct testimony.

4 **Q. Are any of the Shared Corporate Services affiliate services provided to SPS**
5 **duplicated elsewhere in XES or in any other Xcel Energy subsidiary, such as**
6 **SPS itself?**

7 A. No. None of the services provided by the Shared Corporate Services business areas
8 are duplicated elsewhere. No other Xcel Energy subsidiary performs these services
9 for the Operating Companies. In addition, SPS does not perform these services for
10 itself.

11 **Q. How does XES bill SPS for the services provided by the Shared Corporate**
12 **Services business areas?**

13 A. Each charge from XES for these services is billed at cost and is no higher than the
14 charge by XES to any other entity for the same or similar service.

15 **Q. Are the services grouped within Shared Corporate Services necessary for**
16 **SPS's operations?**

17 A. Yes. The services grouped within the Shared Corporate Services business areas are
18 performed on behalf of all Xcel Energy subsidiaries, including SPS. These services
19 are necessary to ensure that Xcel Energy and SPS are effectively, efficiently, and

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1 ethically managed. They are functions required by all utilities, and without them,
2 SPS would not be able to provide electric service to its customers.

3 **Q. Do SPS's New Mexico retail customers benefit from the services associated**
4 **with the specific Shared Corporate Services O&M expenses you sponsor?**

5 A. Yes. The Shared Corporate Services benefit SPS's customers in many ways, which
6 I describe below for each business area.

7 **Q. Are the Shared Corporate Services O&M expenses incurred reasonable and**
8 **necessary?**

9 A. Yes. The costs for the Shared Corporate Services are both reasonable and
10 necessary. It is typical for a corporate organization, such as Xcel Energy and its
11 subsidiaries, to centralize executive management in a shared services provider such
12 as XES. Shared Corporate Services provides the central services on a consolidated
13 basis for multiple Xcel Energy legal entities. As a result, SPS benefits from
14 sophisticated services, the consolidated costs of which are shared. The economies
15 of scale inherent in this system result in reasonable costs for SPS for these services.

16 **Q. How else do the Shared Corporate Services business areas ensure that their**
17 **O&M expenses are reasonable?**

18 A. The budgeting and monitoring process ensures that O&M expenses, including those
19 incurred during the Base Period, are reasonable. Xcel Energy annually prepares
20 five-year O&M budgets for each of the Operating Companies, including SPS,

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1 which become part of Xcel Energy’s overall rolling five-year financial forecast (the
2 “Financial Forecast”). The O&M budget and the five-year Financial Forecast are
3 used by executive management to prepare for and support each of the Operating
4 Companies’ financial needs and to make major strategic decisions. They are key
5 components of the overall framework used by Xcel Energy to develop supportable
6 and attainable financial plans for each Operating Company and Xcel Energy as a
7 whole. In addition, the O&M budget is the foundation for the financial oversight
8 process, which is the continuous monitoring of spending and financial performance
9 in comparison to the O&M budget.

10 I have described the budgeting process with respect to capital above in
11 Section III; this section and the remainder of my testimony relate specifically to
12 O&M expenses.

13 **Q. What are the major steps in the annual budget process?**

14 A. The first step in the budget process is the establishment of spending guidelines,
15 which set limits for O&M expenses for each business area and, on a consolidated
16 basis, for each Operating Company. The demand for budget dollars typically
17 exceeds financial capacity; therefore, the spending guidelines help to set
18 expectations for the business areas by making it clear that they will be expected to
19 justify and explain any significant deviations from the general budget guidance.

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1 **Q. What are the next steps in the budgeting process?**

2 A. Each business area develops an internal budget. This is done by budget managers
3 within each business area and directors from within the Financial Operations
4 organization who are appointed to work with the budget managers and oversee the
5 budget process in each business area. The business areas incorporate their strategic
6 priorities and annual plans into their budgets, reviewing their current five-year
7 forecast, and re-evaluating spending priorities. They must balance their strategic
8 and operational priorities, plans, and realities with the overall budget guidance to
9 develop a realistic and accurate forecast of expected costs.

10 Each business area has multiple internal reviews prior to finalizing the
11 budget, and business area management reviews the developed budget several times
12 during the budget cycle. These reviews include: the analysis of long-term trends;
13 discussion of what costs should be reduced based on process efficiencies or
14 changing business requirements; identification of cost pressures and business risks;
15 emerging regulatory requirements; and alignment with strategic objectives. The
16 process is intended to ensure that the budget includes a reasonable forecast of costs
17 and is as accurate as possible.

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1 **Q. What occurs after the business areas have developed their internal budgets?**

2 A. Once the business area budgets are complete, corporate analysis and review begins.
3 The budgets are reviewed and approved at the executive management level by the
4 Financial Council, which is chaired by the Chief Financial Officer (“CFO”) and
5 consists of ten additional senior officers of Xcel Energy. To prepare for the
6 presentation to the Financial Council, budget review sessions are held, and
7 information necessary for Financial Council review is gathered and summarized.
8 Each business area presents its proposed budget, explaining key strategic
9 objectives, cost trends, cost pressures, and how cost efficiencies or reductions were
10 incorporated into the budget. At the conclusion of the review sessions, the business
11 areas make any resulting adjustments and the budgets are considered final.

12 **Q. During the fiscal year, do the Shared Corporate Services business areas**
13 **monitor their actual expenditures versus their budgets?**

14 A. Yes. Actual versus expected expenditures are monitored on a monthly basis by
15 each organization. Deviations are evaluated each month to ensure that costs are
16 appropriate. In addition, action plans are developed to mitigate variations in actual
17 to budgeted expenditures. These mitigation plans may either reduce or delay other
18 expenditures so that the revised budget supports the authorized budget. If
19 authorized budget adjustments are required, they are identified and initiated.

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1 **Q. Are employees within the Shared Corporate Services business areas held**
2 **accountable for deviations from the budget?**

3 A. Yes. Each business area is responsible for measuring results on a monthly basis to
4 ensure adherence to the goals and to discuss actions necessary to address variances.

5 **B. Presentation of O&M Expense Data**

6 **Q. How did SPS arrive at the Linkage Period data and Future Test Year O&M**
7 **data generally?**

8 A. SPS did not use budgeting to identify expected Linkage Period and Future Test
9 Year Period O&M expenses. Instead, SPS made specific and discreet known and
10 measurable adjustments to the Adjusted Base Period O&M expenses to reflect
11 changes SPS expects to occur during these future periods based on SPS's most
12 recently available data. Therefore, SPS adjusted the per book Base Period expenses
13 first to ensure that the starting point for the discreet known and measurable
14 adjustments in the Linkage Period and Future Test Year Period was appropriate.

15 **Q. At a high level, how does SPS present O&M expenses in this proceeding?**

16 A. To comply with the Commission's Future Test Year Rule, SPS presents its O&M
17 data in three separate views. In Attachment SNN-10 Tab 2, Ms. Niemi presents
18 SPS's O&M expenses (Total Company) by FERC account or FERC account

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1 subcategory²¹ for the following periods: (1) the Base Period and Adjusted Base
2 Period, (2) the Linkage Period, and (3) the Future Test Year Period.²² This
3 attachment also identifies the variance between the Adjusted Base Period²³
4 expenses and Future Test Year Period expenses by FERC account or FERC account
5 subcategory and highlights where material variances exist.²⁴

²¹ Consistent with 17.1.3.16(B)(1) NMAC, each FERC account has been subdivided where necessary to a level that is sufficient to identify cost drivers and demonstrate where variations between the Adjusted Base Period and Future Test Year Period occur (a “FERC account subcategory”).

²² See 17.1.3.12 NMAC; 17.1.3.15 NMAC; 17.1.3.16(B) NMAC.

²³ SPS notes that 17.1.3.6 NMAC states that the objective of the rule is to “provide for a complete and comprehensive rate case filing that, by including full explanations and justifications of changes in items between the *adjusted base period*, linkage data and future test year period as required by this rule should minimize the amount of discovery needed by commission staff...and intervenors to analyze a filing.” 17.1.3.6 NMAC (emphasis added). 17.1.3.7 NMAC defines “material change” or “material variance” as “a change or variance in cost between the *adjusted base period* and the future test year period.” 17.1.3.7(J) NMAC (emphasis added). Later, however, 17.1.3.17(A) NMAC states that “[f]or any material changes between *base period* and future test year period, cost drivers shall be separately identified, explained and justified as well as linked to the historical base period and any linkage data.” 17.1.3.17(A) NMAC (emphasis added). And 17.1.3.18(B) NMAC directs an applicant to include in a side-by-side comparison with “a column showing actual expenditures during the *base period*; a column showing the estimated expenditures during the future test year period; a column showing the variance between the two; and a column providing an explanation (or a reference to the written testimony requirement under Subsection D of this section) for the differences between the *base period* data and the future test period estimates, including occurrences which took place in the linkage data.” 17.1.3.18(B) NMAC (emphasis added). Consistent with the Future Test Year Period Rule’s objective and the material variance definition and to ensure an apples-to-apples comparison throughout all relevant data, SPS focuses on Adjusted Base Period amounts, rather than Base Period amounts, when presenting variation data in testimony. Nonetheless, to ensure compliance with the Future Test Year Period Rule, SPS has included the variance between the Base Period expenses and Future Test Year expenses in Ms. Niemi’s Attachment SNN-10 Tab 2.

²⁴ See 17.1.3.16(B) NMAC; 17.1.3.18(B) NMAC.

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1 Separately, in Attachment SNN-10 Tab 3, Ms. Niemi presents a more
2 granular view of the general O&M data. There, the general O&M expenses
3 included in each FERC account or FERC account subcategory are further divided
4 into elements of cost, including labor-related cost elements.²⁵ This view of the
5 O&M data is presented on both a Total Company and New Mexico retail basis.²⁶

6 In Attachment SNN-10 Tab 4, Ms. Niemi separates out the labor-related
7 cost elements from the general O&M data for the Base Period. In conjunction with
8 the business area witnesses, SPS witness Michael P. Deselich supports the Base
9 Period labor amounts reflected in this tab. Mr. Deselich also identifies, fully
10 explains, and justifies any labor-related cost drivers that contributed to material
11 variances between the Adjusted Base Period and the Future Test Year Period
12 identified by Ms. Niemi.

13 Finally, in Attachment SNN-10 Tab 5, Ms. Niemi presents SPS's O&M
14 expenses for the same three periods by business area. Each business area's general
15 O&M (non-labor) expenses are presented by FERC account or FERC account

²⁵ See 17.1.3.16(B) NMAC.

²⁶ See *id.*

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1 subcategory, as appropriate.²⁷ Next, the expenses in each FERC account or FERC
2 account subcategory are further divided by non-labor cost element.²⁸ Generally,
3 SPS's business area witnesses fully explain, justify, and support the O&M data
4 presented by Ms. Niemi for their applicable business area(s) in Attachment SNN-10
5 Tab 5, including variances from period to period.²⁹ However, as noted throughout
6 testimony, Ms. Niemi sponsors many of the adjustments made to Base Period
7 amounts to arrive at the Adjusted Base Period amounts. Business area witnesses
8 also identify, fully explain, and justify any non-labor business area cost drivers that
9 contributed to material variances between the Adjusted Base Period and the Future
10 Test Year Period identified by Ms. Niemi.³⁰

11 **Q. Has SPS calculated the differences by FERC account between the Adjusted**
12 **Base Period and the Future Test Year Period?**

13 A. Yes. As noted above, Ms. Niemi's Attachment SNN-10 Tab 2 shows the
14 differences by FERC account or FERC account subcategory, as applicable, between

²⁷ See *id.*; 17.1.3.16(B)(1)-(2) NMAC.

²⁸ See 17.1.3.16(B) NMAC; 17.1.3.16(B)(1)-(2) NMAC.

²⁹ See 17.1.3.6 NMAC; 17.1.3.14 NMAC; 17.1.3.17 NMAC; 17.1.3.18 NMAC.

³⁰ See 17.1.3.17(A) NMAC; 17.1.3.17(D) NMAC.

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1 the Adjusted Base Period and the Future Test Year Period. This attachment
2 contains:

- 3 1. a column showing actual expenditures during the Adjusted Base Period;³¹
- 4 2. a column showing the estimated expenditures during the Future Test Year
5 Period;
- 6 3. a column showing the variance between the two; and
- 7 4. a column providing an explanation or reference to the written testimony that
8 explains the differences between the Adjusted Base Period data and the
9 Future Test Year Period estimates.

10 **Q. What does the Future Test Year Period Rule deem a material variance in cost**
11 **between the Adjusted Base Period and Future Test Year Period?**

12 A. The Future Test Year Period Rule defines “material change” or “material variance”
13 as a change or variance in cost between the Adjusted Base Period and Future Test
14 Year Period for a FERC account that exceeds 6% and \$100,000 Total Company.³²
15 I use the term in this manner throughout the rest of my testimony.

³¹ As described in my note above, SPS has focused on Adjusted Base Period amounts here, rather than Base Period amounts, to ensure an apples-to-apples comparison.

³² See 17.1.3.7(J)(1) NMAC.

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1 **C. Full Explanations, Justifications, and Support for Shared**
2 **Corporate Services Data**

3 **Q. Which business area O&M expenses do you sponsor?**

4 A. I sponsor the O&M expenses for the 10 business areas described above, which are
5 included in my Attachment ARD-6.

6 **Q. Does your testimony explain and justify quantities, assumptions, expectations,**
7 **activity changes and the like associated with each of the 10 business area's data**
8 **presented herein?**

9 A. Yes. In the sections below, I fully explain, justify, and support the data presented
10 for the Base Period and Adjusted Base Period, the Linkage Period, and the Future
11 Test Year Period as reflected in Attachment ARD-6 for each of the 10 Shared
12 Corporate Services business areas.

13 **Q. Does your testimony include full explanations and justifications of changes**
14 **between the Adjusted Base Period, the Linkage Period, and the Future Test**
15 **Year Period associated with each of the 10 business area's data presented**
16 **herein?**

17 A. Yes. In the sections below, I fully explain and justify changes seen between the
18 Adjusted Base Period, the Linkage Period, and the Future Test Year Period for each
19 of the 10 Shared Corporate Services business areas I support.

1 **V. CUSTOMER AND INNOVATION O&M EXPENSES**

2 **A. Overview of Customer and Innovation Services and Associated**
3 **Expenses**

4 **Q. Describe generally the services associated with Customer and Innovation**
5 **costs.**

6 A. The Customer and Innovation area provides, in general, the following services:

- 7 • leadership and oversight of the operational areas within the Customer and
8 Innovation organization, including leadership of business area-wide
9 projects, strategy, and overall area financials;
- 10 • operation of the customer contact centers and the billing and meter reading
11 services to SPS's customers;
- 12 • customer marketing services responsible for developing customer choice
13 options, such as load management programs for SPS; performing regulatory
14 compliance and assessments for SPS's customer programs; developing new
15 methods of customer engagement; and, improving customer satisfaction
16 with interactions with SPS;
- 17 • leadership, coordination, and maturation of the Company's clean
18 transportation strategy, as well as, developing strategic partnerships with
19 third parties; and
- 20 • overall leadership of the four Operating Company Presidents' areas,
21 including community relations and regulatory outreach.

22 **Q. Are the services grouped within Customer and Innovation necessary for SPS's**
23 **operations?**

24 A. Yes. The Customer and Innovation organization provides many essential services
25 that are necessary in order for SPS to provide electric service to its customers. The

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1 various services related to customer service, energy management, community and
2 stakeholder engagements, and compliance are required to ensure that service is
3 provided in a reliable and safe manner. These are functions required by all utilities,
4 without which, SPS would not be able to provide electric service to its customers.

5 **Q. Do SPS's New Mexico retail customers benefit from the services associated**
6 **with the specific Customer and Innovation O&M expenses you sponsor?**

7 A. Yes. As I explained earlier, the Customer and Innovation O&M expenses allow
8 SPS to provide efficient and effective customer services and programs that are
9 needed for the delivery of electric service to customers.

10 **Q. Please describe what you sponsor for the Customer and Innovation O&M**
11 **expenses.**

12 A. I sponsor (1) the labor-related expenses associated with Customer and Innovation
13 that were incurred during the Base Period (in conjunction with Mr. Deselich), (2)
14 the non-labor expenses associated with Customer and Innovation that were incurred
15 during the Base Period, and (3) the non-labor known and measurable adjustments
16 made to Adjusted Base Period data associated with Customer and Innovation to
17 reach the Future Test Year Period data. Attachment ARD-6 to my direct testimony
18 is an excerpt of Ms. Niemi's Attachment SNN-10 Tabs 4 and 5 that relates to the
19 business areas I sponsor specifically.

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1 **Q. What FERC accounts are captured within the Customer and Innovation**
2 **O&M expenses?**

3 A. Attachment ARD-6 Tabs 1 and 2 in Column C and the following table identify the
4 FERC accounts included within the Customer and Innovation O&M expenses.

5 **Table 7**
6 **FERC Accounts for the Customer and Innovation O&M Expenses**

FERC Account	Account Description
500	Operation Supervision and Engineering
546	Operation Supervision and Engineering
580	Operation Supervision and Engineering
588	Miscellaneous Distribution Expenses
593	Maintenance of Overhead Lines
901	Supervision
902	Meter Reading Expenses
903	Customer Records and Collection Expenses
904	Uncollectible Accounts – Commodity
904.001	Uncollectible Accounts – Non Commodity
908	Customer Assistance Expenses
909	Informational and Instruction Advertising Expenses
912	Demonstrating and Selling Expenses
920	Administrative and General Salaries
921	Office Supplies and Expenses
923	Outside Services Employed
925	Injuries and Damages
928	Regulatory Commission Expenses
930.1	General Advertising Expense
930.2	Miscellaneous General Expenses
931	Rents
935	Maintenance General Plant

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1 **Q. Do you detail the elements of cost included in each FERC account assigned to**
2 **Customer and Innovation?**

3 A. Yes. In Attachment ARD-6 Tab 1 in Column E, I identify the labor-related
4 elements of cost for each FERC account for the Base Period. In Attachment ARD-
5 6 Tab 2 in Column E, I identify the non-labor elements of cost for the Base Period
6 and Adjusted Base Period, Linkage Period, and Future Test Year Period.

7 **B. Full Explanations, Justifications, and Support for Customer and**
8 **Innovation Data**

9 *1. Base Period and Adjusted Base Period*

10 **Q. What were the actual Customer and Innovation expenses incurred by SPS**
11 **during the Base Period?**

12 A. During the Base Period, Customer and Innovation incurred \$33,848,105 of O&M
13 expenses on a Total Company basis. Ms. Niemi supports the O&M expenses
14 incurred on a New Mexico jurisdictional basis.

15 **Q. Please summarize the expenses reflected in the FERC accounts and elements**
16 **of cost encompassed within the Base Period data sponsored by you.**

17 A. The FERC accounts and elements of cost primarily consist of costs related to labor,
18 incentive compensation, uncollectible accounts, meter reading and customer
19 service, fees paid to our state commissions, advertising expenses, travel and other

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1 employee expenses, and other miscellaneous expenses. Attachment ARD-6
2 identifies all of the applicable FERC accounts and the associated elements of cost
3 and expense amounts.

4 **Q. What were the actual labor-related expenses associated with Customer and**
5 **Innovation incurred by SPS during the Base Period?**

6 A. During the Base Period, Customer and Innovation incurred \$13,512,575 in Total
7 Company labor-related expenses as reflected on Attachment ARD-6 Tab 1. Mr.
8 Deselich presents labor-related expenses on a New Mexico retail basis by FERC
9 account/FERC account subcategory.

10 **Q. Did SPS adjust the Base Period labor-related O&M expenses to arrive at**
11 **Adjusted Base Period amounts?**

12 A. Yes. Mr. Deselich and Ms. Niemi discuss these adjustments in detail in their
13 testimony.

14 **Q. Were the Customer and Innovation labor-related expenses incurred during**
15 **the Base Period reasonable and necessary?**

16 A. Yes. Customer and Innovation staffed approximately 1,532³³ people to support the
17 customer service needs of the Operating Companies, including SPS. The services

³³ This figure represents the average monthly staffing level over the Base Period. I use the same methodology in providing the staffing levels for the other business areas I sponsor below.

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1 provided to SPS are described above in Section V.A. These employees were
2 compensated during the Base Period at appropriate, market levels as discussed in
3 detail by Mr. Deselich.

4 **Q. What were the actual non-labor-related expenses associated with Customer
5 and Innovation incurred by SPS during the Base Period?**

6 A. During the Base Period, Customer and Innovation incurred \$20,335,530 in Total
7 Company non-labor-related expenses as reflected on Attachment ARD-6 Tab 2.
8 Ms. Niemi presents non-labor-related expenses on a New Mexico retail basis by
9 FERC account/FERC account subcategory.

10 **Q. Did SPS adjust the Base Period non-labor-related O&M expenses to arrive at
11 Adjusted Base Period amounts?**

12 A. Yes. As reflected on Attachment ARD-6 Tab 2, Customer and Innovation
13 non-labor O&M was adjusted downward by a total of \$441,179. Ms. Niemi
14 supports several of the adjustments made to arrive at the \$441,179 in her testimony
15 and attachments, while I sponsor an adjustment to FERC account 928. Specifically,
16 the Company reduced the Base Period expense by \$680,522 to remove the non-
17 recurring expense related to the execution of the construction of the assets under
18 the Customer Experience Transformation program.³⁴

³⁴ Attachment SNN-2 Tab B.1 at Line No. 511. SPS witness Michael O. Remington discusses this program in his direct testimony.

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1 **Q. Have you prepared an attachment showing the non-labor adjustments to**
2 **arrive at the Adjusted Base Period amounts?**

3 A. Yes. Attachment ARD-6 Tab 2 identifies all of the adjustments made to the
4 Customer and Innovation Base Period amounts.

5 **Q. Were the non-labor Customer and Innovation O&M expenses incurred during**
6 **the Base Period as adjusted in the Adjusted Base Period reasonable and**
7 **necessary?**

8 A. Yes. The Customer and Innovation area provides the essential services noted above
9 in support of the provision of electric service to SPS's customers. As discussed in
10 Section IV.A, the centralized structure of the Shared Corporate Services, including
11 the Customer and Innovation business area, reduces overall management and
12 administrative costs and allows costs to be shared by and distributed across multiple
13 Xcel Energy legal entities.

14 *2. Linkage Period and Future Test Year Period*

15 **Q. What are the expected Customer and Innovation non-labor expenses included**
16 **in the Future Test Year Period that SPS is requesting recovery of in this case?**

17 A. During the Future Test Year Period, Customer and Innovation expects to incur
18 \$24,806,662 in non-labor O&M expenses on a Total Company basis.

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1 **Q. How was this amount derived?**

2 A. The \$24,806,662 is the sum of the Adjusted Base Period of \$19,894,351, the
3 Linkage Period Adjustments of 0, and the Future Test Year Period Adjustments of
4 \$4,912,311. Attachment ARD-6 provides specific and detailed descriptions of all
5 line items for the Base Period, Adjusted Base Period, Linkage Period, and the
6 Future Test Year Period. In accordance with the Future Test Year Rule, the
7 Linkage Period provides verifiable information that allows Commission Staff and
8 Intervenors to assess the validity of the information contained in the Future Test
9 Year Period.

10 **Q. Please explain the Linkage Period Adjustments for Customer and Innovation.**

11 A. There were no Linkage Period Adjustments for Customer and Innovation's
12 non-labor O&M expenses. Therefore, the Adjusted Base Period expenses equal the
13 Linkage Period expenses.

14 **Q. Please explain the Future Test Year Period Adjustments for Customer and
15 Innovation.**

16 A. There were two Future Test Year Adjustments for known and measurable changes
17 to FERC accounts 904 and 928.

18 For FERC account 904, the Company adjusted the Future Test Year expense
19 related to uncollectible accounts to reflect the portion of the new revenue

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1 requirement that will ultimately not be collected from customers and will have to
2 be written off as an expense.³⁵ Please refer to Ms. Niemi's testimony for a
3 description of how the known and measurable adjustment was calculated.

4 For FERC account 928, the Company adjusted the Future Test Year expense
5 related to fees paid to the Commission.³⁶ These fees are calculated as a percentage
6 of revenue. Please refer to Ms. Niemi's testimony for a description of how the
7 known and measurable adjustment was calculated.

8 **Q. Are the FERC accounts and elements of cost used for the Future Test Year**
9 **Period the same or similar to those appearing in the Base Period and Linkage**
10 **Period?**

11 A. Yes. Further, the expenses reflected in these accounts are largely the same.

12 **Q. Did Customer and Innovation contribute to any material changes between the**
13 **Adjusted Base Period and Future Test Year Period?**

14 A. Yes, there were material changes for FERC accounts 904 and 928, which I
15 described above.

³⁵ Attachment SNN-6, Tab B.1 at Line No. 822 (\$1,092,691).

³⁶ Attachment SNN-6, Tab B.1 at Line No. 998 (\$1,135,752).

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1 **Q. Please separately identify, explain, and justify the cost driver(s) for each**
2 **material change and link it to the Adjusted Base Period and Linkage Period**
3 **data.**

4 A. The drivers of the material changes between the Adjusted Base Period and the
5 Future Test Year are the known and measurable adjustments to FERC accounts 904
6 and 928 that I discuss above. Please see Attachment ARD-6 for the amount of the
7 adjustments and the periods applied.

8 **Q. In conclusion, what is the total dollar amount of non-labor Customer and**
9 **Innovation costs SPS requests in this case on a Total Company basis?**

10 A. The total dollar amount of non-labor Customer and Innovation costs SPS requests
11 in this case on a Total Company basis is \$24,806,662, as reflected in Attachment
12 ARD-6 Tab 2 in Column L.

13 **Q. Are these Customer and Innovation O&M expenses reasonable and**
14 **necessary?**

15 A. Yes. The Customer and Innovation O&M expenses enable the operational areas
16 necessary to provide electric service to SPS's customers and allow for the strategic
17 alignment across operational areas in connection with enterprise-wide resources
18 and processes. The centralized structure, shared costs among the Xcel Energy legal
19 entities, and the economies of scale inherent in the Shared Corporate Services,

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1 including Customer and Innovation, ensure the O&M expenses are reasonable. The
2 budget planning and monitoring process also control costs, providing additional
3 support for the reasonableness of these expenses.

1 **VI. FINANCIAL OPERATIONS O&M EXPENSES**

2 **A. Overview of Financial Operations Services and Associated**
3 **Expenses**

4 **Q. Describe generally the services associated with Financial Operations costs.**

5 A. The Financial Operations area provides, in general, the following services for Xcel
6 Energy and its subsidiaries, including SPS:

- 7 • establishing and coordinating consistent financial policies and practices;
- 8 • providing oversight of accounting and reporting functions, including
9 preparation and filing of financial statements, establishing and
10 implementing corporate-wide regulatory accounting policy and
11 compliance, and activities related to the Audit Committee of the Board of
12 Directors;
- 13 • maintaining the books and records of the Operating Companies,
14 intermediate holding companies, and Xcel Energy and its various
15 subsidiaries;
- 16 • oversight, governance, and consolidation of budgets and forecasts at the
17 corporate and business area levels, including compiling budget
18 documentation, preparing financial analysis and scenarios modeling, and
19 revenue and demand forecasting;
- 20 • administering and maintaining relationships with credit rating agencies,
21 analysts, current and prospective investors, and other organizations within
22 the investment community;
- 23 • preparing and filing federal and state income tax returns and payments,
24 monitoring tax legislation at both the federal and state level, and
25 administrating various tax audits, protests, and appeals; and

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- 1 • developing and executing Xcel Energy’s financing plans, daily liquidity and
2 cash management, coordination and oversight of investments advisors for
3 the pension, nuclear decommissioning, and Voluntary Employees’
4 Beneficiary Association (“VEBA”) trust assets.

5 **Q. Are the services grouped within Financial Operations necessary for SPS’s**
6 **operations?**

7 A. Yes. The services grouped in the Financial Operations business area are performed
8 on behalf of all Xcel Energy subsidiaries, including SPS. They are necessary to
9 ensure that the financial objectives set by the Board of Directors for SPS are carried
10 out and that the financial integrity of SPS is maintained. The services are also
11 necessary to ensure that financial records of the Company are accurate and comply
12 with Generally Accepted Accounting Principles (“GAAP”), regulatory, and
13 legislative requirements. Additionally, the services ensure that SPS has appropriate
14 cash liquidity and that both short- and long-term financing needs are met. These
15 services are required by all utilities.

16 **Q. Do SPS’s New Mexico retail customers benefit from the services associated**
17 **with the specific Financial Operations O&M expenses you sponsor?**

18 A. Yes. The services of the Financial Operations business area benefit SPS’s
19 customers in many ways. These services are instrumental in ensuring the financial
20 integrity of SPS, the accuracy of the financial records of SPS, and the ongoing

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1 business operations through planning and capital allocation activities, which are all
2 essential functions required to support the provision of electric service to SPS's
3 customers.

4 **Q. Please describe what you sponsor for the Financial Operations O&M**
5 **expenses.**

6 A. I sponsor (1) the labor-related expenses associated with Financial Operations that
7 were incurred during the Base Period (in conjunction with Mr. Deselich), (2) the
8 non-labor expenses associated with Financial Operations that were incurred during
9 the Base Period, and (3) the non-labor known and measurable adjustments made to
10 Adjusted Base Period data associated with Financial Operations to reach the Future
11 Test Year Period data. Attachment ARD-6 to my direct testimony is an excerpt of
12 Ms. Niemi's Attachment SNN-10 Tabs 4 and 5 that relates to the business areas I
13 sponsor specifically.

14 **Q. What FERC accounts are captured within the Financial Operations O&M**
15 **expenses?**

16 A. Attachment ARD-6 Tabs 1 and 2 in Column C and the following table identify the
17 FERC accounts included within the Financial Operations O&M expenses.

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1
2

Table 8
FERC Accounts for the Financial Operations O&M Expenses

FERC Account	Account Description
506	Miscellaneous Seam Power Expenses
560	Operation Supervision and Engineering
566	Miscellaneous Transmission Expenses
580	Operation Supervision and Engineering
581	Load Dispatching
588	Miscellaneous Distribution Expenses
903	Customer and Collection Expenses
920	Administrative and General Salaries
921	Office Supplies and Expenses
922	Administrative Expenses Transferred – Credit
923	Outside Services Employed
924	Property Insurance
925	Injuries and Damages
928	Regulatory Commission Expenses
930.1	General Advertising Expenses
930.2	Miscellaneous General Expenses
931	Rents

3 **Q. Do you detail the elements of cost included in each FERC account assigned to**
4 **Financial Operations?**

5 A. Yes. In Attachment ARD-6 Tab 1 in Column E, I identify the labor-related
6 elements of cost for each FERC account for the Base Period. In Attachment ARD-6
7 Tab 2 in Column E, I identify the non-labor elements of cost for the Base Period
8 and Adjusted Base Period, Linkage Period, and Future Test Year Period.

1 **B. Full Explanations, Justifications, and Support for Financial**
2 **Operations Data**

3 *1. Base Period and Adjusted Base Period*

4 **Q. What were the actual Financial Operations expenses incurred by SPS during**
5 **the Base Period?**

6 A. During the Base Period, Financial Operations incurred \$25,720,827 of O&M
7 expenses on a Total Company basis. Ms. Niemi supports the O&M expenses
8 incurred on a New Mexico jurisdictional basis.

9 **Q. Please summarize the expenses reflected in the FERC accounts and elements**
10 **of cost encompassed within the Base Period data sponsored by you.**

11 A. The FERC accounts and elements of cost primarily consist of premiums for the
12 purchase of various insurance policies, labor costs related to internal resources that
13 provide the various Financial Operations services, fees paid related to various
14 financing activities, and costs related to external service providers. Attachment
15 ARD-6 identifies all of the applicable FERC accounts and the associated elements
16 of cost and expense amounts.

17 **Q. What were the actual labor-related expenses associated with Financial**
18 **Operations incurred by SPS during the Base Period?**

19 A. During the Base Period, Financial Operations incurred \$8,176,348 in Total
20 Company labor-related expenses as reflected on Attachment ARD-6 Tab 1. Mr.

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1 Deselich presents labor-related expenses on a New Mexico retail basis by FERC
2 account/FERC account subcategory.

3 **Q. Did SPS adjust the Base Period labor-related O&M expenses to arrive at**
4 **Adjusted Base Period amounts?**

5 A. Yes, Mr. Deselich and Ms. Niemi discuss these adjustments in detail in their
6 testimony.

7 **Q. Were the Financial Operations labor-related expenses incurred during the**
8 **Base Period reasonable and necessary?**

9 A. Yes. Financial Operations staffed approximately 414 people to support the
10 Operating Companies', including SPS's, needs. The services provided to SPS are
11 described above in Section VI.A. These employees were compensated during the
12 Base Period at appropriate, market levels as discussed in detail by Mr. Deselich.

13 **Q. What were the actual non-labor-related expenses associated with Financial**
14 **Operations incurred by SPS during the Base Period?**

15 A. During the Base Period, Financial Operations incurred \$17,544,479 in Total
16 Company non-labor-related expenses as reflected on Attachment ARD-6 Tab 2.
17 Ms. Niemi presents non-labor-related expenses on a New Mexico retail basis by
18 FERC account/FERC account subcategory.

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1 **Q. Did SPS adjust the Base Period non-labor-related O&M expenses to arrive at**
2 **Adjusted Base Period amounts?**

3 A. Yes. As reflected on Attachment ARD-6 Tab 2, Financial Operations non-labor
4 O&M was adjusted downward by a total of \$924 to eliminate brand and general
5 advertising. Ms. Niemi supports this adjustment in her testimony and attachments.

6 **Q. Have you prepared an attachment showing the non-labor adjustments to**
7 **arrive at the Adjusted Base Period amounts?**

8 A. Yes. Attachment ARD-6 Tab 2 identifies all of the adjustments made to the
9 Financial Operations Base Period amounts.

10 **Q. Were the non-labor Financial Operations O&M expenses incurred during the**
11 **Base Period as adjusted in the Adjusted Base Period reasonable and**
12 **necessary?**

13 A. Yes. The Financial Operations area provides the essential services noted above in
14 support of the provision of electric service to SPS's customers. As discussed in
15 Section IV.A, the centralized structure of the Shared Corporate Services, including
16 Financial Operations, reduces overall management and administrative costs and
17 allows costs to be shared by and distributed across multiple Xcel Energy legal
18 entities.

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1 2. *Linkage Period and Future Test Year Period*

2 **Q. What are the expected Financial Operations non-labor expenses included in**
3 **the Future Test Year Period that SPS is requesting recovery of in this case?**

4 A. During the Future Test Year Period, Financial Operations expects to incur
5 \$22,655,622 in non-labor O&M expenses on a Total Company basis.

6 **Q. How was this amount derived?**

7 A. The \$22,655,622 is the sum of the Adjusted Base Period of \$17,543,555, the
8 Linkage Period Adjustments of \$3,200,746, and the Future Test Year Period
9 Adjustments of \$1,911,321. Attachment ARD-6 provides specific and detailed
10 descriptions of all line items for the Base Period, Adjusted Base Period, Linkage
11 Period, and the Future Test Year Period. In accordance with the Future Test Year
12 Rule, the Linkage Period provides verifiable information that allows Commission
13 Staff and Intervenors to assess the validity of the information contained in the
14 Future Test Year Period.

15 **Q. Please explain the Linkage Period Adjustments for Financial Operations.**

16 A. There were two Linkage Period Adjustments for known and measurable changes to
17 FERC accounts 924 and 925, which are related to the Company's insurance
18 premium expenses for its various insurance policies.³⁷ Generally, the Company's

³⁷ Attachment SNN-6 Tab B.1 at Line Nos. 964 and 971 (\$994,814 and \$2,205,932).

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1 insurance policies are for a 12-month period and must be renewed annually.
2 Therefore, the insurance premium amount is known at the beginning of the policy
3 period and will be recognized as an expense over the next 12 months. The
4 Company has reviewed the insurance policies that will be in effect during the
5 Linkage Period and included a known and measurable adjustment to reflect the
6 expected insurance premium expense for that time period.

7 **Q. Please explain the Future Test Year Period Adjustments for Financial**
8 **Operations.**

9 A. There were two Future Test Year Adjustments for known and measurable changes
10 to FERC accounts 924 and 925.³⁸ The Future Test Year Adjustments for FERC
11 accounts 924 and 925 are similar to the Linkage Period Adjustments in that they
12 are also related to the Company's insurance premium expenses. The Company has
13 reviewed the policies that will be in effect during the Future Test Year Period and
14 included a known and measurable adjustment to reflect the updated premium
15 expense expected for that time period.

³⁸ Attachment SNN-6 Tab B.1 at Line Nos. 965 and 972 (\$525,949 and \$1,385,372).

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1 **Q. Are the FERC accounts and elements of cost used for the Future Test Year**
2 **Period the same or similar to those appearing in the Base Period and Linkage**
3 **Period?**

4 A. Yes. Further, the expenses reflected in these accounts are largely the same.

5 **Q. Did Financial Operations contribute to any material changes between the**
6 **Adjusted Base Period and Future Test Year Period?**

7 A. Yes, there were material changes for FERC accounts 924 and 925, which I
8 described above.

9 **Q. Please separately identify, explain, and justify the cost driver(s) for each**
10 **material change and link it to the Adjusted Base Period and Linkage Period**
11 **data.**

12 A. The drivers of the material changes between the Adjusted Base Period and the
13 Future Test Year are the known and measurable adjustments to FERC accounts 924
14 and 925 that I discuss above. Please see Attachment ARD-6 for the amount of the
15 adjustments and the periods applied.

16 **Q. In conclusion, what is the total dollar amount of non-labor Financial**
17 **Operations costs SPS requests in this case on a Total Company basis?**

18 A. The total dollar amount of non-labor Financial Operations costs SPS requests in
19 this case on a Total Company basis is \$22,655,622, as reflected in Attachment
20 ARD-6 Tab 2 in Column L.

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1 **Q. Are these Financial Operations O&M expenses reasonable and necessary?**

2 A. Yes. The Financial Operations O&M expenses enable the operational areas
3 necessary to provide electric service to SPS's customers and allow for the strategic
4 alignment across operational areas in connection with enterprise-wide resources
5 and processes. The centralized structure, shared costs among the Xcel Energy legal
6 entities, and the economies of scale inherent in the Shared Corporate Services,
7 including Financial Operations, ensure the O&M expenses are reasonable. The
8 budget planning and monitoring process also control costs, providing additional
9 support for the reasonableness of these expenses.

1 **VII. HR AND EMPLOYEE SERVICES O&M EXPENSES**

2 **A. Overview of HR and Employee Services and Associated Expenses**

3 **Q. Describe generally the services associated with HR and Employee Services**
4 **costs.**

5 A. The HR and Employee Services area provides, in general, the following services
6 for Xcel Energy and its subsidiaries, including SPS:

- 7 • acquiring, constructing, operating, and maintaining office buildings and
8 service center facilities;
- 9 • assessing real estate and facility needs, identifying cost effective acquisition
10 of real estate, construction of facilities, and providing the mechanical,
11 electrical, plumbing, architectural, engineering, construction, janitorial,
12 housekeeping, and landscaping services for the buildings and facilities;
- 13 • providing flight services required for business travel by Company personnel
14 using two leased Cessna Sovereign aircraft;
- 15 • HR activities including managing employee hiring and retention activities,
16 establishing day-to-day personnel and workplace practices, and establishing
17 and implementing compensation and benefit programs;
- 18 • providing centralized training and internal education services through our
19 Enterprise Learning Organization, which supports the training and
20 certification needs across both operations and corporate staff; and
- 21 • developing, implementing, and oversight of the Company's various safety
22 programs, as well as, public education around the safety issues related to
23 electrical hazards.

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1 **Q. Are the services grouped within HR and Employee Services necessary for**
2 **SPS's operations?**

3 A. Yes. The services grouped in the HR and Employee Services business area are
4 necessary to ensure that SPS can effectively acquire, train, and retain its workforce,
5 and the compensation is competitive with the overall market. Additionally, the area
6 maintains the Company's facilities to be effective for employee use and compliant
7 with the various codes and workplace standards. The services also ensure that
8 electric service is provided to SPS's retail customers in a safe manner. These are
9 functions required by all utilities, without which, SPS would not be able to provide
10 electric service to its customers.

11 **Q. Do SPS's New Mexico retail customers benefit from the services associated**
12 **with the specific HR and Employee Services O&M expenses you sponsor?**

13 A. Yes. The services of the HR and Employee Services area benefit the New Mexico
14 retail customers by supporting the safe and reliable operation of the electric system
15 and ultimately the delivery of electric service to New Mexico customers.

16 **Q. Please describe what you sponsor for the HR and Employee Services O&M**
17 **expenses.**

18 A. I sponsor (1) the labor-related expenses associated with HR and Employee Services
19 that were incurred during the Base Period (in conjunction with Mr. Deselich), (2)

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1 the non-labor expenses associated with HR and Employee Services that were
2 incurred during the Base Period, and (3) the non-labor known and measurable
3 adjustments made to Adjusted Base Period data associated with HR and Employee
4 Services to reach the Future Test Year Period data. Attachment ARD-6 to my direct
5 testimony is an excerpt of Ms. Niemi's Attachment SNN-10 Tabs 4 and 5 that
6 relates to the business areas I sponsor specifically.

7 **Q. What FERC accounts are captured within the HR and Employee Services**
8 **O&M expenses?**

9 A. Attachment ARD-6 Tabs 1 and 2 in Column C and the following table identify the
10 FERC accounts included within the HR and Employee Services O&M expenses.

11 **Table 9**
12 **FERC Accounts for the HR and Employee Services O&M Expenses**

FERC Account	Account Description
500	Operation Supervision and Engineering
502	Steam Expenses
506	Miscellaneous Steam Power Expenses
507	Rents
512	Maintenance of Boiler Plant
549	Miscellaneous Other Power Generation Expenses
550	Rents
560	Operations Supervision and Engineering
566	Miscellaneous Transmission Expenses
567	Rents
575.1	Operation Supervision

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FERC Account	Account Description
575.8	Rents
580	Operation Supervision and Engineering
588	Miscellaneous Distribution Expenses
589	Rents
903	Customer Records and Collection Expenses
905	Miscellaneous Customer Accounts Expenses
910	Miscellaneous Customer Service and Informational Expense
916	Miscellaneous Sales Expense
920	Administrative and General Salaries
921	Office Supplies and Expenses
922	Administrative Expenses Transferred – Credit
923	Outside Services Employed
924	Property Insurance
930.1	General Advertising Expenses
930.2	Miscellaneous General Expenses
931	Rents
935	Maintenance of General Plant

1 **Q. Do you detail the elements of cost included in each FERC account assigned to**
2 **HR and Employee Services?**

3 **A.** Yes. In Attachment ARD-6 Tab 1 in Column E, I identify the labor-related
4 elements of cost for each FERC account for the Base Period. In Attachment ARD-6
5 Tab 2 in Column E, I identify the non-labor elements of cost for the Base Period
6 and Adjusted Base Period, Linkage Period, and Future Test Year Period.

1 **B. Full Explanations, Justifications, and Support for HR and**
2 **Employee Services Data**

3 *1. Base Period and Adjusted Base Period*

4 **Q. What were the actual HR and Employee Services expenses incurred by SPS**
5 **during the Base Period?**

6 A. During the Base Period, HR and Employee Services incurred \$16,881,732 of O&M
7 expenses on a Total Company basis. Ms. Niemi supports the O&M expenses
8 incurred on a New Mexico jurisdictional basis.

9 **Q. Please summarize the expenses reflected in the FERC accounts and elements**
10 **of cost encompassed within the Base Period data sponsored by you.**

11 A. The FERC accounts and elements of cost primarily consist of labor costs related to
12 internal resources that provide the various HR and Employee services; lease and
13 facility maintenance costs required to operate and maintain the Company's
14 buildings, warehouses, and yards; and costs related to external service providers.
15 Attachment ARD-6 identifies all of the applicable FERC accounts and the
16 associated elements of cost and expense amounts.

17 **Q. What were the actual labor-related expenses associated with HR and**
18 **Employee Services incurred by SPS during the Base Period?**

19 A. During the Base Period, HR and Employee Services incurred \$4,903,692 in Total
20 Company labor-related expenses as reflected on Attachment ARD-6 Tab 1. Mr.

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1 Deselich presents labor-related expenses on a New Mexico retail basis by FERC
2 account/FERC account subcategory.

3 **Q. Did SPS adjust the Base Period labor-related O&M expenses to arrive at**
4 **Adjusted Base Period amounts?**

5 A. Yes. Mr. Deselich and Ms. Niemi discuss these adjustments in detail in their
6 testimony.

7 **Q. Were the HR and Employee Services labor-related expenses incurred during**
8 **the Base Period reasonable and necessary?**

9 A. Yes. HR and Employee Services staffed approximately 431 people to support the
10 Operating Companies', including SPS's, needs. The services provided to SPS are
11 described above in Section VII.A. These employees were compensated during the
12 Base Period at appropriate, market levels as discussed in detail by Mr. Deselich.

13 **Q. What were the actual non-labor-related expenses associated with HR and**
14 **Employee Services incurred by SPS during the Base Period?**

15 A. During the Base Period, HR and Employee Services incurred \$11,978,040 in Total
16 Company non-labor-related expenses as reflected on Attachment ARD-6 Tab 2.
17 Ms. Niemi presents non-labor-related expenses on a New Mexico retail basis by
18 FERC account/FERC account subcategory.

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1 **Q. Did SPS adjust the Base Period non-labor-related O&M expenses to arrive at**
2 **Adjusted Base Period amounts?**

3 A. Yes. As reflected on Attachment ARD-6 Tab 2, HR and Employee Services non-
4 labor O&M was adjusted downward by a total of \$4,459. Ms. Niemi supports these
5 adjustments in her testimony and attachments.

6 **Q. Have you prepared an attachment showing the non-labor adjustments to**
7 **arrive at the Adjusted Base Period amounts?**

8 A. Yes. Attachment ARD-6 Tab 2 identifies all of the adjustments made to the HR
9 and Employee Services Base Period amounts.

10 **Q. Were the non-labor HR and Employee Services O&M expenses incurred**
11 **during the Base Period as adjusted in the Adjusted Base Period reasonable**
12 **and necessary?**

13 A. Yes. The HR and Employee Services area provides the essential services noted
14 above in support of the provision of electric service to SPS's customers. As
15 discussed in Section IV.A, the centralized structure of the Shared Corporate
16 Services, including HR and Employee Services, reduces overall management and
17 administrative costs and allows costs to be shared by and distributed across multiple
18 Xcel Energy legal entities.

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1 2. *Linkage Period and Future Test Year Period*

2 **Q. What are the expected HR and Employee Services non-labor expenses**
3 **included in the Future Test Year Period that SPS is requesting recovery of in**
4 **this case?**

5 A. During the Future Test Year Period, HR and Employee Services expects to incur
6 \$11,973,581 in non-labor O&M expenses on a Total Company basis.

7 **Q. How was this amount derived?**

8 A. The \$11,973,581 is equal to the Adjusted Base Period of \$11,973,581.

9 **Q. Please explain the Linkage Period Adjustments for HR and Employee**
10 **Services.**

11 A. There were no Linkage Period Adjustments for HR and Employee Services' non-
12 labor O&M expenses. Therefore, the Adjusted Base Period expenses equal the
13 Linkage Period expenses.

14 **Q. Please explain the Future Test Year Period Adjustments for HR and Employee**
15 **Services.**

16 A. There were no Future Test Year Adjustments for HR and Employee Services' non-
17 labor O&M expenses. Therefore, the Linkage Period expenses equal the Future
18 Test Year Period expenses.

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1 **Q. Are the FERC accounts and elements of cost used for the Future Test Year**
2 **Period the same or similar to those appearing in the Base Period and Linkage**
3 **Period?**

4 A. Yes. Further, the expenses reflected in these accounts are largely the same.

5 **Q. Did HR and Employee Services contribute to any material changes between**
6 **the Adjusted Base Period and Future Test Year Period?**

7 A. No.

8 **Q. In conclusion, what is the total dollar amount of non-labor HR and Employee**
9 **Services costs SPS requests in this case on a Total Company basis?**

10 A. The total dollar amount of non-labor HR and Employee Services costs SPS requests
11 in this case on a Total Company basis is \$11,973,581, as reflected in Attachment
12 ARD-6 Tab 2 in Column L.

13 **Q. Are these HR and Employee Services O&M expenses reasonable and**
14 **necessary?**

15 A. Yes. The HR and Employee Services O&M expenses enable the operational areas
16 necessary to provide electric service to SPS's customers and allow for the strategic
17 alignment across operational areas in connection with enterprise-wide resources
18 and processes. The centralized structure, shared costs among the Xcel Energy legal
19 entities, and the economies of scale inherent in the Shared Corporate Services,

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1 including HR and Employee Services, ensure the O&M expenses are reasonable.
2 The budget planning and monitoring process also control costs, providing
3 additional support for the reasonableness of these expenses.

1 **VIII. STRATEGY PLANNING AND EXTERNAL**
2 **AFFAIRS O&M EXPENSES**

3 **A. Overview of Strategy Planning and External Affairs Services and**
4 **Associated Expenses**

5 **Q. Describe generally the services associated with Strategy Planning and**
6 **External Affairs costs.**

7 **A. The Strategy Planning and External Affairs area provides, in general, the following**
8 **services for Xcel Energy and its subsidiaries, including SPS:**

- 9 • providing a robust team of cyber security specialists that enable monitoring
10 and incident response capabilities, security engineering services, identity
11 and access management, and threat intelligence monitoring and reporting;
- 12 • providing a diverse suite of physical security tools, tactics, and procedures
13 for the enterprise to ensure regulated and non-regulated physical security
14 requirements are met;
- 15 • overseeing Governance, Risk, and Compliance management, developing
16 business continuity plans and engaging with external emergency
17 management partners;
- 18 • providing executive and corporate communications functions, promoting
19 programs and tariffs, and certain corporate strategy activities;
- 20 • developing the annual Corporate Responsibility Report;
- 21 • working on federal policies, such as energy tax incentives, regulations on
22 greenhouse gas emissions, cybersecurity, and grid modernization; and
- 23 • managing the corporate level FERC and North American Electric
24 Reliability Corporation (“NERC”) compliance programs and engaging in
25 rulemakings.

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1 **Q. Are the services grouped within Strategy Planning and External Affairs**
2 **necessary for SPS's operations?**

3 A. Yes. The services grouped within Strategy Planning and External Affairs are
4 necessary for SPS to operate securely and within regulatory requirements
5 governing the cyber and physical security of our electrical facilities. Further, the
6 services allow SPS to assess and respond to proposed energy policies and ultimately
7 implement and comply with the final rules and regulations in support of providing
8 electric service to SPS's customers.

9 **Q. Do SPS's New Mexico retail customers benefit from the services associated**
10 **with the specific Strategy Planning and External Affairs O&M expenses you**
11 **sponsor?**

12 A. Yes. The services of the Strategy Planning and External Affairs area benefit the
13 New Mexico retail customers by securing and protecting the assets that support the
14 electric system and performing the planning activities necessary for the delivery of
15 electric service to New Mexico customers.

16 **Q. Please describe what you sponsor for the Strategy Planning and External**
17 **Affairs O&M expenses.**

18 A. I sponsor (1) the labor-related expenses associated with Strategy Planning and
19 External Affairs that were incurred during the Base Period (in conjunction with Mr.

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1 Deselich), (2) the non-labor expenses associated with Strategy Planning and
2 External Affairs that were incurred during the Base Period, and (3) the non-labor
3 known and measurable adjustments made to Adjusted Base Period data associated
4 with Strategy Planning and External Affairs to reach the Future Test Year Period
5 data. Attachment ARD-6 to my direct testimony is an excerpt of Ms. Niemi's
6 Attachment SNN-10 Tabs 4 and 5 that relates to the business areas I sponsor
7 specifically.

8 **Q. What FERC accounts are captured within the Strategy Planning and External**
9 **Affairs O&M expenses?**

10 A. Attachment ARD-6 Tabs 1 and 2 in Column C and the following table identify the
11 FERC accounts included within the Strategy Planning and External Affairs O&M
12 expenses.

13 **Table 10**
14 **FERC Accounts for the Strategy Planning and**
15 **External Affairs O&M Expenses**

FERC Account	Account Description
560	Operation Supervision and Engineering
561.2	Load Dispatch-Monitor and Operation Transmission System
902	Meter Reading Expenses
903	Customer Records and Collection Expenses
908	Customer Assistance Expenses
920	Administrative and General Salaries
921	Office Supplies and Expenses

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FERC Account	Account Description
923	Outside Services Employed
930.1	General Advertising Expenses
930.2	Miscellaneous General Expenses
931	Rents

1 **Q. Do you detail the elements of cost included in each FERC account assigned to**
2 **Strategy Planning and External Affairs?**

3 A. Yes. In Attachment ARD-6 Tab 1 in Column E, I identify the labor-related
4 elements of cost for each FERC account for the Base Period. In Attachment ARD-6
5 Tab 2 in Column E, I identify the non-labor elements of cost for the Base Period
6 and Adjusted Base Period, Linkage Period, and Future Test Year Period.

7 **B. Full Explanations, Justifications, and Support Strategy Planning**
8 **and External Affairs Data**

9 *1. Base Period and Adjusted Base Period*

10 **Q. What were the actual Strategy Planning and External Affairs expenses**
11 **incurred by SPS during the Base Period?**

12 A. During the Base Period, Strategy Planning and External Affairs incurred
13 \$5,661,569 of O&M expenses on a Total Company basis. Ms. Niemi supports the
14 O&M expenses incurred on a New Mexico jurisdictional basis.

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1 **Q. Please summarize the expenses reflected in the FERC accounts and elements**
2 **of cost encompassed within the Base Period data sponsored by you.**

3 A. The FERC accounts and elements of cost primarily consist of labor costs related to
4 internal resources that provide the various services of the area, costs related to
5 external service providers primarily for security assessments/expertise that is not
6 available in-house, and other A&G expenses incurred to support the services
7 provided by the area. Attachment ARD-6 identifies all of the applicable FERC
8 accounts and the associated elements of cost and expense amounts.

9 **Q. What were the actual labor-related expenses associated with Strategy**
10 **Planning and External Affairs incurred by SPS during the Base Period?**

11 A. During the Base Period, Strategy Planning and External Affairs incurred
12 \$3,668,161 in Total Company labor-related expenses as reflected on Attachment
13 ARD-6 Tab 1. Mr. Deselich presents labor-related expenses on a New Mexico
14 retail basis by FERC account/FERC account subcategory.

15 **Q. Did SPS adjust the Base Period labor-related O&M expenses to arrive at**
16 **Adjusted Base Period amounts?**

17 A. Yes. Mr. Deselich and Ms. Niemi discuss these adjustments in detail in their
18 testimony.

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1 **Q. Were the Strategy Planning and External Affairs labor-related expenses**
2 **incurred during the Base Period reasonable and necessary?**

3 A. Yes. Strategy Planning and External Affairs staffed approximately 227 people to
4 support the needs of the Operating Companies, including SPS. The services
5 provided to SPS are described above in Section VIII.A. These employees were
6 compensated during the Base Period at appropriate, market levels as discussed in
7 detail by Mr. Deselich.

8 **Q. What were the actual non-labor-related expenses associated with Strategy**
9 **Planning and External Affairs incurred by SPS during the Base Period?**

10 A. During the Base Period, Strategy Planning and External Affairs incurred
11 \$1,993,407 in Total Company non-labor-related expenses as reflected on
12 Attachment ARD-6 Tab 2. Ms. Niemi presents non-labor-related expenses on a
13 New Mexico retail basis by FERC account/FERC account subcategory.

14 **Q. Did SPS adjust the Base Period non-labor-related O&M expenses to arrive at**
15 **Adjusted Base Period amounts?**

16 A. Yes. As reflected on Attachment ARD-6 Tab 2, Strategy Planning and External
17 Affairs non-labor O&M was adjusted downward by a total of \$306 to eliminate
18 brand and general advertising. Ms. Niemi supports this adjustment in her testimony
19 and attachments.

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1 **Q. Have you prepared an attachment showing the adjustments to arrive at the**
2 **Adjusted Base Period amounts?**

3 A. Yes. Attachment ARD-6 Tab 2 identifies all of the adjustments made to the
4 Strategy Planning and External Affairs Base Period amounts.

5 **Q. Were the non-labor Strategy Planning and External Affairs O&M expenses**
6 **incurred during the Base Period as adjusted in the Adjusted Base Period**
7 **reasonable and necessary?**

8 A. Yes. The Strategy Planning and External Affairs area provides the essential
9 services noted above in support of the provision of electric service to SPS's
10 customers. As discussed in Section IV.A, the centralized structure of the Shared
11 Corporate Services, including Strategy Planning and External Affairs, reduces
12 overall management and administrative costs and allows costs to be shared by and
13 distributed across multiple Xcel Energy legal entities.

14 *2. Linkage Period and Future Test Year Period*

15 **Q. What are the expected Strategy Planning and External Affairs non-labor**
16 **expenses included in the Future Test Year Period that SPS is requesting**
17 **recovery of in this case?**

18 A. During the Future Test Year Period, Strategy Planning and External Affairs expects
19 to incur \$1,993,102 in non-labor O&M expenses on a Total Company basis.

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1 **Q. How was this amount derived?**

2 A. The \$1,993,102 is equal to the Adjusted Base Period of \$1,993,102.

3 **Q. Please explain the Linkage Period Adjustments for Strategy Planning and**
4 **External Affairs.**

5 A. There were no Linkage Period Adjustments for Strategy Planning and External
6 Affairs' non-labor O&M expenses. Therefore, the Adjusted Base Period expenses
7 equal the Linkage Period expenses.

8 **Q. Please explain the Future Test Year Period Adjustments for Strategy Planning**
9 **and External Affairs.**

10 A. There were no Future Test Year Period Adjustments for Strategy Planning and
11 External Affairs' non-labor O&M expenses. Therefore, the Linkage Period
12 expenses equal the Future Test Year Period expenses.

13 **Q. Are the FERC accounts and elements of cost used for the Future Test Year**
14 **Period the same or similar to those appearing in the Base Period and Linkage**
15 **Period?**

16 A. Yes. Further, the expenses reflected in these accounts are largely the same.

17 **Q. Did Strategy Planning and External Affairs contribute to any material**
18 **changes between the Adjusted Base Period and Future Test Year Period?**

19 A. No.

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1 **Q. In conclusion, what is the total dollar amount of non-labor Strategy Planning**
2 **and External Affairs costs SPS requests in this case on a Total Company basis?**

3 A. The total dollar amount of non-labor Strategy Planning and External Affairs costs
4 SPS requests in this case on a Total Company basis is \$1,993,102, as reflected in
5 Attachment ARD-6 Tab 2 in Column L.

6 **Q. Are these Strategy Planning and External Affairs O&M expenses reasonable**
7 **and necessary?**

8 A. Yes. The Strategy Planning and External Affairs O&M expenses enable the
9 operational areas necessary to provide electric service to SPS's customers and allow
10 for the strategic alignment across operational areas in connection with enterprise-
11 wide resources and processes. The centralized structure, shared costs among the
12 Xcel Energy legal entities, and the economies of scale inherent in the Shared
13 Corporate Services, including Strategy Planning and External Affairs, ensure the
14 O&M expenses are reasonable. The budget planning and monitoring process also
15 control costs, providing additional support for the reasonableness of these expenses.

1 **IX. GENERAL COUNSEL O&M EXPENSES**

2 **A. Overview of General Counsel Services and Associated Expenses**

3 **Q. Describe generally the services associated with General Counsel costs.**

4 A. The General Counsel area provides, in general the following services for Xcel
5 Energy and its subsidiaries, including SPS:

- 6 • investigating and evaluating the extent of losses resulting from injuries to
7 persons or damages to property;
- 8 • defending pending or threatened litigation against SPS, prosecuting actions
9 against third parties on SPS's behalf and managing or assisting outside
10 counsel as necessary in these tasks;
- 11 • preparing regulatory pleadings, appearing before regulatory bodies, and
12 overseeing work by outside counsel on regulatory matters;
- 13 • coordination and management of the meetings of the SPS Operating
14 Company Board of Directors, the Xcel Energy Board of Directors meetings,
15 and board committee meetings
- 16 • retention and oversight of the process for compensating the independent
17 directors of the Xcel Energy Board of Directors, including the filing of
18 appropriate forms at the SEC and reporting in annual proxy and other
19 financial reports; and
- 20 • evaluating and improving risk management, internal controls, corporate
21 governance processes, promoting ethical conduct, and the implementation
22 of best practices and internal investigations of fraud, conflicts of interest, or
23 other potential violations of the Xcel Energy Code of Conduct (harassment,
24 discrimination, etc.), among other matters.

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1 **Q. Are the services grouped within General Counsel necessary for SPS's**
2 **operations?**

3 A. Yes. The General Counsel organization provides many essential services that are
4 necessary to ensure that SPS can deal with a myriad of complex legal issues related
5 to corporate governance, business transactions, employment, and liability claims,
6 among other things. In addition, SPS is regulated by multiple agencies, including
7 this Commission, the Public Utility Commission of Texas, and FERC. General
8 Counsel personnel provide valuable assistance in ensuring compliance with
9 regulatory requirements and advocating on SPS's behalf before those regulatory
10 bodies. These are functions required by all utilities and without which SPS would
11 not be able to provide electric service to its customers.

12 **Q. Do SPS's New Mexico retail customers benefit from the services associated**
13 **with the specific General Counsel O&M expenses you sponsor?**

14 A. Yes. The services of the General Counsel area benefit New Mexico customers in
15 many ways. For example, the services performed help SPS to acquire the goods
16 and services it needs to ensure an adequate supply of power to customers. In
17 addition, the services provided by the General Counsel area aid SPS in protecting
18 its assets and recovering losses caused by others, thereby keeping costs lower.

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1 Lastly, the services support the functions of the SPS and Xcel Energy Boards of
2 Directors. All publicly traded corporations are required to have a board of directors
3 in order to function as legal entities. These services are critical to the ongoing
4 operations of Xcel Energy and SPS, ensuring their ability to operate and provide
5 electric service to customers.

6 **Q. Please describe what you sponsor for the General Counsel O&M expenses.**

7 A. I sponsor (1) the labor-related expenses associated with General Counsel that were
8 incurred during the Base Period (in conjunction with Mr. Deselich), (2) the non-
9 labor expenses associated with General Counsel that were incurred during the Base
10 Period, and (3) the non-labor known and measurable adjustments made to Adjusted
11 Base Period data associated with General Counsel to reach the Future Test Year
12 Period data. Attachment ARD-6 to my direct testimony is an excerpt of Ms.
13 Niemi's Attachment SNN-10 Tabs 4 and 5 that relates to the business areas I
14 sponsor specifically.

15 **Q. What FERC accounts are captured within the General Counsel O&M**
16 **expenses?**

17 A. Attachment ARD-6 Tabs 1 and 2 in Column C and the following table identify the
18 FERC accounts included within the General Counsel O&M expenses.

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1
2

Table 11
FERC Accounts for the General Counsel O&M Expenses

FERC Account	Account Description
500	Operation Supervision and Engineering
546	Operation Supervision and Engineering
549	Miscellaneous Other Power Generation Expenses
566	Miscellaneous Transmission Expenses
920	Administrative and General Salaries
921	Office Supplies and Expenses
922	Administrative Expenses Transferred – Credit
923	Outside Services Employed
928	Regulatory Commission Expenses
930.2	Miscellaneous General Expenses
931	Rents

3 **Q. Do you detail the elements of cost included in each FERC account assigned to**
4 **General Counsel?**

5 A. Yes. In Attachment ARD-6 Tab 1 in Column E, I identify the labor-related
6 elements of cost for each FERC account for the Base Period. In Attachment ARD-6
7 Tab 2 in Column E, I identify the non-labor elements of cost for the Base Period
8 and Adjusted Base Period, Linkage Period, and Future Test Year Period.

1 **B. Full Explanations, Justifications, and Support for General**
2 **Counsel Data**

3 *1. Base Period and Adjusted Base Period*

4 **Q. What were the actual General Counsel expenses incurred by SPS during the**
5 **Base Period?**

6 A. During the Base Period, General Counsel incurred \$3,810,103 of O&M expenses
7 on a Total Company basis. Ms. Niemi supports the O&M expenses incurred on a
8 New Mexico jurisdictional basis.

9 **Q. Please summarize the expenses reflected in the FERC accounts and elements**
10 **of cost encompassed within the Base Period data sponsored by you.**

11 A. The FERC accounts and elements of cost primarily consist of labor costs related to
12 internal resources that provide the various services of the area and costs related to
13 external service providers primarily for expertise regarding legal matters that is not
14 available in-house. Attachment ARD-6 identifies all of the applicable FERC
15 accounts and the associated elements of cost and expense amounts.

16 **Q. What were the actual labor-related expenses associated with General Counsel**
17 **incurred by SPS during the Base Period?**

18 A. During the Base Period, General Counsel incurred \$2,183,538 in Total Company
19 labor-related expenses as reflected on Attachment ARD-6 Tab 1. Mr. Deselich

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1 presents labor-related expenses on a New Mexico retail basis by FERC
2 account/FERC account subcategory.

3 **Q. Did SPS adjust the Base Period labor-related O&M expenses to arrive at**
4 **Adjusted Base Period amounts?**

5 A. Yes. Mr. Deselich and Ms. Niemi discuss these adjustments in detail in their
6 testimony.

7 **Q. Were the General Counsel labor-related expenses incurred during the Base**
8 **Period reasonable and necessary?**

9 A. Yes. General Counsel staffed approximately 105 people to support the needs of the
10 Operating Companies, including SPS. The services provided to SPS are described
11 above in Section IX.A. These employees were compensated during the Base Period
12 at appropriate, market levels as discussed in detail by Mr. Deselich.

13 **Q. What were the actual non-labor-related expenses associated with General**
14 **Counsel incurred by SPS during the Base Period?**

15 A. During the Base Period, General Counsel incurred \$1,626,564 in Total Company
16 non-labor-related expenses as reflected on Attachment ARD-6 Tab 2. Ms. Niemi
17 presents non-labor-related expenses on a New Mexico retail basis by FERC
18 account/FERC account subcategory.

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1 **Q. Did SPS adjust the Base Period non-labor-related O&M expenses to arrive at**
2 **Adjusted Base Period amounts?**

3 A. No.

4 **Q. Were the non-labor General Counsel O&M expenses incurred during the Base**
5 **Period reasonable and necessary?**

6 A. Yes. The General Counsel area provides the essential services noted above in
7 support of the provision of electric service to SPS's customers. As discussed in
8 Section IV.A, the centralized structure of the Shared Corporate Services, including
9 General Counsel, reduces overall management and administrative costs and allows
10 costs to be shared by and distributed across multiple Xcel Energy legal entities.

11 *2. Linkage Period and Future Test Year Period*

12 **Q. What are the expected General Counsel non-labor expenses included in the**
13 **Future Test Year Period that SPS is requesting recovery of in this case?**

14 A. During the Future Test Year Period, General Counsel expects to incur \$1,626,564
15 in non-labor O&M expenses on a Total Company basis.

16 **Q. How was this amount derived?**

17 A. The \$1,626,564 is equal to the Adjusted Base Period of \$1,626,564.

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1 **Q. Please explain the Linkage Period Adjustments for General Counsel.**

2 A. There were no Linkage Period Adjustments for General Counsel's non-labor O&M
3 expenses. Therefore, the Adjusted Base Period expenses equal the Linkage Period
4 expenses.

5 **Q. Please explain the Future Test Year Period Adjustments for General Counsel.**

6 A. There were no Future Test Year Adjustments for General Counsel's non-labor
7 O&M expenses. Therefore, the Linkage Period expenses equal the Future Test
8 Year Period expenses.

9 **Q. Are the FERC accounts and elements of cost used for the Future Test Year
10 Period the same or similar to those appearing in the Base Period and Linkage
11 Period?**

12 A. Yes. Further, the expenses reflected in these accounts are largely the same.

13 **Q. Did General Counsel contribute to any material changes between the Adjusted
14 Base Period and Future Test Year Period?**

15 A. No.

16 **Q. In conclusion, what is the total dollar amount of non-labor General Counsel
17 costs SPS requests in this case on a Total Company basis?**

18 A. The total dollar amount of non-labor General Counsel costs SPS requests in this
19 case on a Total Company basis is \$1,626,564, as reflected in Attachment ARD-6
20 Tab 2 in Column L.

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1 **Q. Are these General Counsel O&M expenses reasonable and necessary?**

2 A. Yes. The General Counsel O&M expenses enable the operational areas necessary
3 to provide electric service to SPS's customers and allow for the strategic alignment
4 across operational areas in connection with enterprise-wide resources and
5 processes. The centralized structure, shared costs among the Xcel Energy legal
6 entities, and the economies of scale inherent in the Shared Corporate Services,
7 including General Counsel, ensure the O&M expenses are reasonable. The budget
8 planning and monitoring process also control costs, providing additional support
9 for the reasonableness of these expenses.

1 **X. OPERATIONS SERVICES O&M EXPENSES**

2 **A. Overview of Operations Services and Associated Expenses**

3 **Q. Describe generally the services associated with Operations Services costs.**

4 A. The Operations Services area provides, in general, the following services for Xcel
5 Energy and its subsidiaries, including SPS:

- 6 • sourcing and procurement of goods and services, materials management,
7 and fleet management;
- 8 • negotiates contracts for day-to-day business necessities and capital items
9 used to construct, operate, and maintain generation and transmission assets;
- 10 • implements vendor, supplier, and contractor management strategies and
11 policies;
- 12 • implements Xcel Energy-wide sourcing and procurement strategies to
13 achieve cost savings;
- 14 • responsible for the processing of invoices from vendors, including receipt,
15 validation, and payment metric reporting;
- 16 • managing supply risk through SPS's portfolio of generation and long-term
17 purchased power contracts to minimize energy costs to customers; and
- 18 • buying and selling wholesale physical electric capacity and energy for long-
19 term transactions for both system and non-system sales and dispatching
20 SPS's electric generation resources.

21 **Q. Are the services grouped within Operations Services necessary for SPS's
22 operations?**

23 A. Yes. The services grouped in the Operations Services area are necessary to ensure
24 that the goods and services needed for SPS's operations are procured in the most

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1 cost-effective manner, that fleet and warehouse services are managed cost
2 effectively, and that invoices are paid. Additionally, the services are necessary to
3 ensure sufficient fuel is available to operate generating facilities; to reliably operate
4 SPS's electric system; to provide low-cost electric energy supplies for SPS
5 customers; to dispatch the SPS power generation facilities and other contracted
6 resources in the SPS control area appropriately; and to operate as a member of
7 Southwest Power Pool. These are functions required by all utilities and without
8 which SPS would not be able to provide electric service to its customers.

9 **Q. Do SPS's New Mexico retail customers benefit from the services associated**
10 **with the specific Operations Services O&M expenses you sponsor?**

11 A. Yes. The services of the Operations Services area benefit SPS's customers in many
12 ways. The area actively manages costs and negotiates better project and unit prices
13 for the goods and services used by SPS in providing electric service to customers.
14 Also, the area ensures that the SPS electric system operates in a reliable manner by
15 adhering to the NERC standards and minimizes the SPS system energy costs
16 through cost-effective offering of, and delivery from, the SPS generation resources
17 into the Southwest Power Pool Integrated Marketplace and wholesale energy
18 trading activities.

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1 **Q. Please describe what you sponsor for the Operations Services O&M expenses.**

2 A. I sponsor (1) the labor-related expenses associated with Operations Services that
3 were incurred during the Base Period (in conjunction with Mr. Deselich), (2) the
4 non-labor expenses associated with Operations Services that were incurred during
5 the Base Period, and (3) the non-labor known and measurable adjustments made to
6 Adjusted Base Period data associated with Operations Services to reach the Future
7 Test Year Period data. Attachment ARD-6 to my direct testimony is an excerpt of
8 Ms. Niemi's Attachment SNN-10 Tabs 4 and 5 that relates to the business areas I
9 sponsor specifically.

10 **Q. What FERC accounts are captured within the Operations Services O&M**
11 **expenses?**

12 A. Attachment ARD-6 Tabs 1 and 2 in Column C and the following table identify the
13 FERC accounts included within the Operations Services O&M expenses.

14 **Table 12**
15 **FERC Accounts for the Operations Services O&M Expenses**

FERC Account	Account Description
549	Miscellaneous Other Power Generation Expenses
556	System Control and Load Dispatching
561.7	Generation Interconnection Studies
575.1	Operation Supervision
575.2	Day-ahead and Real-time Market Administration
575.5	Ancillary Services Market Administration
575.6	Market Monitoring and Compliance

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FERC Account	Account Description
920	Administrative and General Salaries
921	Office Supplies and Expenses
923	Outside Services Employed
930.1	General Advertising Expenses
930.2	Miscellaneous General Expenses

1 **Q. Do you detail the elements of cost included in each FERC account assigned to**
2 **Operations Services?**

3 A. Yes. In Attachment ARD-6 Tab 1 in Column E, I identify the labor-related
4 elements of cost for each FERC account for the Base Period. In Attachment ARD-
5 6 Tab 2 in Column E, I identify the non-labor elements of cost for the Base Period
6 and Adjusted Base Period, Linkage Period, and Future Test Year Period.

7 **B. Full Explanations, Justifications, and Support for Operations**
8 **Services Data**

9 *1. Base Period and Adjusted Base Period*

10 **Q. What were the actual Operations Services expenses incurred by SPS during**
11 **the Base Period?**

12 A. During the Base Period, Operations Services incurred \$2,498,112 of O&M
13 expenses on a Total Company basis. Ms. Niemi supports the O&M expenses
14 incurred on a New Mexico jurisdictional basis.

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1 **Q. Please summarize the expenses reflected in the FERC accounts and elements**
2 **of cost encompassed within the Base Period data sponsored by you.**

3 A. The FERC accounts and elements of cost primarily consist of labor costs related to
4 internal resources that provide the various services of the area. Attachment ARD-
5 6 identifies all of the applicable FERC accounts and the associated elements of cost
6 and expense amounts.

7 **Q. What were the actual labor-related expenses associated with Operations**
8 **Services incurred by SPS during the Base Period?**

9 A. During the Base Period, Operations Services incurred \$2,412,506 in Total
10 Company labor-related expenses as reflected on Attachment ARD-6 Tab 1. Mr.
11 Deselich presents labor-related expenses on a New Mexico retail basis by FERC
12 account/FERC account subcategory.

13 **Q. Did SPS adjust the Base Period labor-related O&M expenses to arrive at**
14 **Adjusted Base Period amounts?**

15 A. Yes. Mr. Deselich and Ms. Niemi discuss these adjustments in detail in their
16 testimony.

17 **Q. Were the Operations Services labor-related expenses incurred during the Base**
18 **Period reasonable and necessary?**

19 A. Yes. Operations Services staffed approximately 106 people to support the needs of
20 the Operating Companies, including SPS. The services provided to SPS are

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1 described above in Section X.A. These employees were compensated during the
2 Base Period at appropriate, market levels as discussed in detail by Mr. Deselich.

3 **Q. What were the actual non-labor-related expenses associated with Operations**
4 **Services incurred by SPS during the Base Period?**

5 A. During the Base Period, Operations Services incurred \$85,606 in Total Company
6 non-labor-related expenses as reflected on Attachment ARD-6 Tab 2. Ms. Niemi
7 presents non-labor-related expenses on a New Mexico retail basis by FERC
8 account/FERC account subcategory.

9 **Q. Did SPS adjust the Base Period non-labor-related O&M expenses to arrive at**
10 **Adjusted Base Period amounts?**

11 A. Yes. As reflected on Attachment ARD-6 Tab 2, Operations Services non-labor
12 O&M was adjusted downward by a total of \$1,816 to eliminate brand and general
13 advertising. Ms. Niemi supports this adjustment in her testimony and attachments.

14 **Q. Have you prepared an attachment showing the adjustments to arrive at the**
15 **Adjusted Base Period amounts?**

16 A. Yes. Attachment ARD-6 Tab 2 identifies all of the adjustments made to the
17 Operations Services Base Period amounts.

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1 **Q. Were the Operations Services non-labor O&M expenses incurred during the**
2 **Base Period as adjusted in the Adjusted Base Period reasonable and**
3 **necessary?**

4 A. Yes. The Operations Services area provides the essential services noted above in
5 support of the provision of electric service to SPS's customers. As discussed in
6 Section IV.A, the centralized structure of the Shared Corporate Services, including
7 Operations Services, reduces overall management and administrative costs and
8 allows costs to be shared by and distributed across multiple Xcel Energy legal
9 entities.

10 *2. Linkage Period and Future Test Year Period*

11 **Q. What are the expected Operations Services non-labor expenses included in the**
12 **Future Test Year Period that SPS is requesting recovery of in this case?**

13 A. During the Future Test Year Period, Operations Services expects to incur \$83,790
14 in non-labor O&M expenses on a Total Company basis.

15 **Q. How was this amount derived?**

16 A. The \$83,790 is equal to the Adjusted Base Period of \$83,790.

17 **Q. Please explain the Linkage Period Adjustments for Operations Services.**

18 A. There were no Linkage Period Adjustments for Operations Services' non-labor
19 O&M expenses. Therefore, the Adjusted Base Period expenses equal the Linkage
20 Period expenses.

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1 **Q. Please explain the Future Test Year Period Adjustments for Operations**
2 **Services.**

3 A. There were no Future Test Year Adjustments for Operations Services' non-labor
4 O&M expenses. Therefore, the Linkage Period expenses equal the Future Test
5 Year Period expenses.

6 **Q. Are the FERC accounts and elements of cost used for the Future Test Year**
7 **Period the same or similar to those appearing in the Base Period and Linkage**
8 **Period?**

9 A. Yes. Further, the expenses reflected in these accounts are largely the same.

10 **Q. Did Operations Services contribute to any material changes between the**
11 **Adjusted Base Period and Future Test Year Period?**

12 A. No.

13 **Q. In conclusion, what is the total dollar amount of non-labor Operations Services**
14 **costs SPS requests in this case on a Total Company basis?**

15 A. The total dollar amount of non-labor Operations Services costs SPS requests in this
16 case on a Total Company basis is \$83,790, as reflected in Attachment ARD-6 Tab 2
17 in Column L.

18 **Q. Are these Operations Services O&M expenses reasonable and necessary?**

19 A. Yes. The Operations Services O&M expenses enable the operational areas
20 necessary to provide electric service to SPS's customers and allow for the strategic

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1 alignment across operational areas in connection with enterprise-wide resources
2 and processes. The centralized structure, shared costs among the Xcel Energy legal
3 entities, and the economies of scale inherent in the Shared Corporate Services,
4 including Operations Services, ensure the O&M expenses are reasonable. The
5 budget planning and monitoring process also control costs, providing additional
6 support for the reasonableness of these expenses.

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XI. CHAIRMAN AND CEO O&M EXPENSES

A. Overview of Chairman and CEO Services and Associated Expenses

Q. Describe generally the services associated with Chairman and CEO costs.

A. The Chairman and CEO Services area provides, in general, the following services:

- implementation of decisions adopted by the Xcel Energy Board of Directors;
- execution of business strategy;
- execution of corporate governance;
- oversight of the operations of the Operating Companies, including SPS;
- preservation of financial integrity of the Operating Companies, including SPS;
- oversight of the corporate organizational structure and corporate staff that is necessary to carrying out the Chief Executive Officer functions; and
- payment of compensation to the independent directors of the Xcel Energy Board of Directors.

Q. Are the services grouped within Chairman and CEO necessary for SPS's operations?

A. Yes. The Chairman and CEO organization provides many essential services that are necessary in order for SPS to provide electric service to its customers. The various services related to providing overall business strategy, a robust governance

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1 process, and the overall role of the Board of Directors is essential to ensure that
2 Xcel Energy and SPS are effectively, efficiently, and ethically managed. These are
3 functions required by all utilities and without which SPS would not be able to
4 provide electric service to its customers.

5 **Q. Do SPS's New Mexico retail customers benefit from the services associated**
6 **with the specific Chairman and CEO O&M expenses you sponsor?**

7 A. Yes. The services of the Chairman and CEO business area benefit SPS's customers
8 in many ways. For example, through the leadership of the Chief Executive Officer,
9 operations are put in place to optimize performance for customers, employees,
10 shareholders, and the environment; strategies are implemented to ensure the
11 financial integrity of Xcel Energy and SPS is maintained; and ethical business
12 policies and practices are institutionalized. This leadership assures that Xcel
13 Energy and SPS are operated as successful business entities in compliance with
14 laws and standards required of publicly-held corporations for the provision of
15 supplying reliable and affordable electricity to customers.

16 **Q. Please describe what you sponsor for the Chairman and CEO O&M expenses.**

17 A. I sponsor (1) the labor-related expenses associated with Chairman and CEO that
18 were incurred during the Base Period (in conjunction with Mr. Deselich), (2) the
19 non-labor expenses associated with Chairman and CEO that were incurred during

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1 the Base Period, and (3) the non-labor known and measurable adjustments made to
2 Adjusted Base Period data associated with Chairman and CEO to reach the Future
3 Test Year Period data. Attachment ARD-6 to my direct testimony is an excerpt of
4 Ms. Niemi's Attachment SNN-10 Tabs 4 and 5 that relates to the business areas I
5 sponsor specifically.

6 **Q. What FERC accounts and account subcategories are captured within the**
7 **Chairman and CEO O&M expenses?**

8 A. Attachment ARD-6 Tabs 1 and 2 in Column C and the following table identify the
9 FERC accounts included within the Chairman and CEO O&M expenses.

10 **Table 13**
11 **FERC Accounts for the Chairman and CEO O&M Expenses**

FERC Account	Account Description
920	Administrative and General Salaries
921	Office Supplies and Expenses
923	Outside Services Employed
930.1	General Advertising Expenses
930.2	Miscellaneous General Expenses
931	Rents

12 **Q. Do you detail the elements of cost included in each FERC account assigned to**
13 **Chairman and CEO?**

14 A. Yes. In Attachment ARD-6 Tab 1 in Column E, I identify the labor-related
15 elements of cost for each FERC account for the Base Period. In Attachment ARD-6

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1 Tab 2 in Column E, I identify the non-labor elements of cost for the Base Period
2 and Adjusted Base Period, Linkage Period, and Future Test Year Period.

3 **B. Full Explanations, Justifications, and Support for Chairman and**
4 **CEO Data**

5 *1. Base Period and Adjusted Base Period*

6 **Q. What were the actual Chairman and CEO expenses incurred by SPS during**
7 **the Base Period?**

8 A. During the Base Period, Chairman and CEO incurred \$1,650,624 of O&M expenses
9 on a Total Company basis. Ms. Niemi supports the O&M expenses incurred on a
10 New Mexico jurisdictional basis.

11 **Q. Please summarize the expenses reflected in the FERC accounts and elements**
12 **of cost encompassed within the Base Period data sponsored by you.**

13 A. The FERC accounts and elements of cost primarily consist of labor representing
14 the salary and other compensation of employees in this area, utility association
15 dues, and costs related to the Board of Directors of Xcel Energy. Attachment ARD-
16 6 identifies all of the applicable FERC accounts and the associated elements of cost
17 and expense amounts.

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1 **Q. What were the actual labor-related expenses associated with Chairman and**
2 **CEO incurred by SPS during the Base Period?**

3 A. During the Base Period, Chairman and CEO incurred \$378,084 in Total Company
4 labor-related expenses as reflected on Attachment ARD-6 Tab 1. Mr. Deselich
5 presents labor-related expenses on a New Mexico retail basis by FERC
6 account/FERC account subcategory.

7 **Q. Did SPS adjust the Base Period labor-related O&M expenses to arrive at**
8 **Adjusted Base Period amounts?**

9 A. Yes. Mr. Deselich and Ms. Niemi discuss these adjustments in detail in their
10 testimony.

11 **Q. Were the Chairman and CEO labor-related expenses incurred during the Base**
12 **Period reasonable and necessary?**

13 A. Yes. Chairman and CEO staffed approximately 2 people to support the needs of
14 the Operating Companies, including SPS. The services provided to SPS are
15 described above in Section XI.A. These employees were compensated during the
16 Base Period at appropriate, market levels as discussed in detail by Mr. Deselich.

17 **Q. What were the actual non-labor-related expenses associated with Chairman**
18 **and CEO incurred by SPS during the Base Period?**

19 A. During the Base Period, Chairman and CEO incurred \$1,272,540 in Total Company
20 non-labor-related expenses as reflected on Attachment ARD-6 Tab 2. Ms. Niemi

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1 presents non-labor-related expenses on a New Mexico retail basis by FERC
2 account/FERC account subcategory.

3 **Q. Did SPS adjust the Base Period non-labor-related O&M expenses to arrive at**
4 **Adjusted Base Period amounts?**

5 A. Yes. As reflected on Attachment ARD-6 Tab 2, Chairman and CEO non-labor
6 O&M was adjusted downward by a total of \$517 primarily to eliminate brand and
7 general advertising. Ms. Niemi supports these adjustments in her testimony and
8 attachments.

9 **Q. Have you prepared an attachment showing the adjustments to arrive at the**
10 **Adjusted Base Period amounts?**

11 A. Yes. Attachment ARD-6 Tab 2 identifies all of the adjustments made to the
12 Chairman and CEO Base Period amounts.

13 **Q. Were the non-labor Chairman and CEO O&M expenses incurred during the**
14 **Base Period as adjusted in the Adjusted Base Period reasonable and**
15 **necessary?**

16 A. Yes. The costs of the Chairman and CEO services are reasonable. The Chief
17 Executive Officer provides these functions and services on a consolidated basis for
18 multiple Xcel Energy legal entities. As a result, SPS benefits from professional

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1 managerial services, the consolidated costs of which are shared. The economies of
2 scale inherent in this system result in reasonable costs to SPS for these services. As
3 discussed in Section IV.A, the centralized structure of the Shared Corporate
4 Services, including Chairman and CEO, reduces overall management and
5 administrative costs and allows costs to be shared by and distributed across multiple
6 Xcel Energy legal entities.

7 *2. Linkage Period and Future Test Year Period*

8 **Q. What are the expected Chairman and CEO non-labor expenses included in the**
9 **Future Test Year Period that SPS is requesting recovery of in this case?**

10 A. During the Future Test Year Period, Chairman and CEO Services expects to incur
11 \$1,272,024 in non-labor O&M expenses on a Total Company basis.

12 **Q. How was this amount derived?**

13 A. The \$1,272,024 is equal to the Adjusted Base Period of \$1,272,024.

14 **Q. Please explain the Linkage Period Adjustments for Chairman and CEO.**

15 A. There were no Linkage Period Adjustments for Chairman and CEO's non-labor
16 O&M expenses. Therefore, the Adjusted Base Period expenses equal the Linkage
17 Period expenses.

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1 **Q. Please explain the Future Test Year Period Adjustments for Chairman and**
2 **CEO.**

3 A. There were no Future Test Year Adjustments for Chairman and CEO's non-labor
4 O&M expenses. Therefore, the Linkage Period expenses equal the Future Test
5 Year Period expenses.

6 **Q. Are the FERC accounts and elements of cost used for the Future Test Year**
7 **Period the same or similar to those appearing in the Base Period and Linkage**
8 **Period?**

9 A. Yes. Further, the expenses reflected in these accounts are largely the same.

10 **Q. Did Chairman and CEO contribute to any material changes between the**
11 **Adjusted Base Period and Future Test Year Period?**

12 A. No.

13 **Q. In conclusion, what is the total dollar amount of non-labor Chairman and**
14 **CEO costs SPS requests in this case on a Total Company basis?**

15 A. The total dollar amount of non-labor Chairman and CEO costs SPS requests in this
16 case on a Total Company basis is \$1,272,024, as reflected in Attachment ARD-6
17 Tab 2 in Column L.

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1 **Q. Are these Chairman and CEO O&M expenses reasonable and necessary?**

2 A. Yes. The Chairman and CEO O&M expenses enable the operational areas
3 necessary to provide electric service to SPS's customers and allow for the strategic
4 alignment across operational areas in connection with enterprise-wide resources
5 and processes. The centralized structure, shared costs among the Xcel Energy legal
6 entities, and the economies of scale inherent in the Shared Corporate Services,
7 including Chairman and CEO, ensure the O&M expenses are reasonable. The
8 budget planning and monitoring process also control costs, providing additional
9 support for the reasonableness of these expenses.

1 **XII. RISK MANAGEMENT O&M EXPENSES**

2 **A. Overview of Risk Management Services and Associated Expenses**

3 **Q. Describe generally the services associated with Risk Management costs.**

4 A. The Risk Management area provides, in general, the following services:

- 5 • serving in an independent, objective assurance and consulting function to
6 evaluate and improve risk management, internal controls, corporate
7 governance processes; promoting ethical conduct; and implementing best
8 practices;
- 9 • evaluating commodity, credit, and contractual risk for non-retail
10 transactions, evaluating contracts, and implementing risk exposure
11 measures;
- 12 • performing analytic modeling to support resource planning by modeling the
13 longer term SPS system requirements as driven by forecasts of the economy
14 and customer-specific growth along with the associated peak demands; and
- 15 • processing of invoices from vendors, including receipt, validation, and
16 payment metric reporting.

17 **Q. Are the services grouped within Risk Management necessary for SPS's**
18 **operations?**

19 A. Yes. Along with the Board of Directors, management, and external auditors, the
20 services grouped in the Risk Management area play a key role in the corporate
21 governance of Xcel Energy and its subsidiaries, including SPS, and ensure that the
22 SPS system is modeled accurately, fuel usage is forecasted accurately, energy
23 commodity transactions are consummated prudently with financially viable

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1 counterparties, certain capital allocation is performed efficiently, and assurance
2 functions are provided by the Board of Directors and executive management. The
3 services are necessary to ensure that quality control measures are implemented
4 throughout Xcel Energy and SPS effectively. These are functions required by all
5 utilities.

6 **Q. Do SPS's New Mexico retail customers benefit from the services associated**
7 **with the specific Risk Management O&M expenses you sponsor?**

8 A. Yes. The services of the Risk Management area class benefit New Mexico's
9 customers in many ways. For example, by assisting Xcel Energy and SPS in
10 improving business performance and effectively managing financial, operational,
11 and compliance risks, the services of the Risk Management area support the
12 ongoing operations of SPS and the provision of electric service to customers.

13 **Q. Please describe what you sponsor for the Risk Management O&M expenses.**

14 A. I sponsor (1) the labor-related expenses associated with Risk Management that were
15 incurred during the Base Period (in conjunction with Mr. Deselich), (2) the non-
16 labor expenses associated with Risk Management that were incurred during the
17 Base Period, and (3) the non-labor known and measurable adjustments made to
18 Adjusted Base Period data associated with Risk Management to reach the Future
19 Test Year Period data. Attachment ARD-6 to my direct testimony is an excerpt of

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1 Ms. Niemi's Attachment SNN-10 Tabs 4 and 5 that relates to the business areas I
2 sponsor specifically.

3 **Q. What FERC accounts are captured within the Risk Management O&M**
4 **expenses?**

5 A. Attachment ARD-6 Tabs 1 and 2 in Column C and the following table identify the
6 FERC accounts included within the Risk Management O&M expenses.

7 **Table 14**
8 **FERC Accounts for the Risk Management O&M Expenses**

FERC Account	Account Description
506	Miscellaneous Steam Power Expenses
511	Maintenance of Structures
512	Maintenance of Boiler Plant
513	Maintenance of Electric Plant
580	Operation Supervision and Engineering
588	Miscellaneous Distribution Expenses
920	Administrative and General Salaries
921	Office Supplies and Expenses
923	Outside Services Employed
930.1	General Advertising Expenses
930.2	Miscellaneous General Expenses

9 **Q. Do you detail the elements of cost included in each FERC account assigned to**
10 **Risk Management?**

11 A. Yes. In Attachment ARD-6 Tab 1 in Column E, I identify the labor-related
12 elements of cost for each FERC account for the Base Period. In Attachment ARD-6

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1 Tab 2 in Column E, I identify the non-labor elements of cost for the Base Period
2 and Adjusted Base Period, Linkage Period, and Future Test Year Period.

3 **B. Full Explanations, Justifications, and Support for Risk**
4 **Management Data**

5 *1. Base Period and Adjusted Base Period*

6 **Q. What were the actual Risk Management expenses incurred by SPS during the**
7 **Base Period?**

8 A. During the Base Period, Risk Management incurred \$1,137,659 of O&M expenses
9 on a Total Company basis. Ms. Niemi supports the O&M expenses incurred on a
10 New Mexico jurisdictional basis.

11 **Q. Please summarize the expenses reflected in the FERC accounts and elements**
12 **of cost encompassed within the Base Period data sponsored by you.**

13 A. The FERC accounts and elements of cost primarily consist of labor costs related to
14 internal resources that provide the various services of the area and costs related to
15 external service providers primarily for expertise that is not available in-house.
16 Attachment ARD-6 identifies all of the applicable FERC accounts and the
17 associated elements of cost and expense amounts.

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1 **Q. What were the actual labor-related expenses associated with Risk**
2 **Management incurred by SPS during the Base Period?**

3 A. During the Base Period, Risk Management incurred \$920,756 in Total Company
4 labor-related expenses as reflected on Attachment ARD-6 Tab 1. Mr. Deselich
5 presents labor-related expenses on a New Mexico retail basis by FERC
6 account/FERC account subcategory.

7 **Q. Did SPS adjust the Base Period labor-related O&M expenses to arrive at**
8 **Adjusted Base Period amounts?**

9 A. Yes. Mr. Deselich and Ms. Niemi discuss these adjustments in detail in their
10 testimony.

11 **Q. Were the Risk Management labor-related expenses incurred during the Base**
12 **Period reasonable and necessary?**

13 A. Yes. Risk Management staffed approximately 615 people to support the needs of
14 the Operating Companies, including SPS. The services provided to SPS are
15 described above in Section XII.A. These employees were compensated during the
16 Base Period at appropriate, market levels as discussed in detail by Mr. Deselich.

17 **Q. What were the actual non-labor-related expenses associated with Risk**
18 **Management incurred by SPS during the Base Period?**

19 A. During the Base Period, Risk Management incurred \$216,903 in Total Company
20 non-labor-related expenses as reflected on Attachment ARD-6 Tab 2. Ms. Niemi

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1 presents non-labor-related expenses on a New Mexico retail basis by FERC
2 account/FERC account subcategory.

3 **Q. Did SPS adjust the Base Period non-labor-related O&M expenses to arrive at**
4 **Adjusted Base Period amounts?**

5 A. Yes. As reflected on Attachment ARD-6 Tab 2, Risk Management non-labor O&M
6 was adjusted downward by a total of \$2,045 to eliminate brand and general
7 advertising. Ms. Niemi supports this adjustment in her testimony and attachments.

8 **Q. Have you prepared an attachment showing the adjustments to arrive at the**
9 **Adjusted Base Period amounts?**

10 A. Yes. Attachment ARD-6 Tab 2 identifies all of the adjustments made to the Risk
11 Management Base Period amounts.

12 **Q. Were the non-labor Risk Management O&M expenses incurred during the**
13 **Base Period as adjusted in the Adjusted Base Period reasonable and**
14 **necessary?**

15 A. Yes. The Risk Management area provides the essential services noted above in
16 support of the provision of electric service to SPS's customers. As discussed in
17 Section IV.A, the centralized structure of the Shared Corporate Services, including
18 Risk Management, reduces overall management and administrative costs and
19 allows costs to be shared by and distributed across multiple Xcel Energy legal
20 entities.

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1 2. *Linkage Period and Future Test Year Period*

2 **Q. What are the expected Risk Management non-labor expenses included in the**
3 **Future Test Year Period that SPS is requesting recovery of in this case?**

4 A. During the Future Test Year Period, Risk Management expects to incur \$214,859
5 in non-labor O&M expenses on a Total Company basis.

6 **Q. How was this amount derived?**

7 A. The \$214,859 is equal to the Adjusted Base Period of \$214,859.

8 **Q. Please explain the Linkage Period Adjustments for Risk Management.**

9 A. There were no Linkage Period Adjustments for Risk Management's non-labor
10 O&M expenses. Therefore, the Adjusted Base Period expenses equal the Linkage
11 Period expenses.

12 **Q. Please explain the Future Test Year Period Adjustments for Risk**
13 **Management.**

14 A. There were no Future Test Year Adjustments for Risk Management's non-labor
15 O&M expenses. Therefore, the Linkage Period expenses equal the Future Test
16 Year Period expenses.

17 **Q. Are the FERC accounts and elements of cost used for the Future Test Year**
18 **Period the same or similar to those appearing in the Base Period and Linkage**
19 **Period?**

20 A. Yes. Further, the expenses reflected in these accounts are largely the same.

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1 **Q. Did Risk Management contribute to any material changes between the**
2 **Adjusted Base Period and Future Test Year Period?**

3 A. No.

4 **Q. In conclusion, what is the total dollar amount of non-labor Risk Management**
5 **costs SPS requests in this case on a Total Company basis?**

6 A. The total dollar amount of non-labor Risk Management costs SPS requests in this
7 case on a Total Company is \$214,859, as reflected in Attachment ARD-6 Tab 2 in
8 Column L.

9 **Q. Are these Risk Management O&M expenses reasonable and necessary?**

10 A. Yes. The Risk Management O&M expenses enable the operational areas necessary
11 to provide electric service to SPS's customers and allow for the strategic alignment
12 across operational areas in connection with enterprise-wide resources and
13 processes. The centralized structure, shared costs among the Xcel Energy legal
14 entities, and the economies of scale inherent in the Shared Corporate Services,
15 including Risk Management, ensure the O&M expenses are reasonable. The budget
16 planning and monitoring process also control costs, providing additional support
17 for the reasonableness of these expenses.

1 **XIII. INTEGRATED SYSTEM PLANNING O&M EXPENSES**

2 **A. Overview of Integrated System Planning Services and Associated**
3 **Expenses**

4 **Q. Describe generally the services associated with Integrated System Planning**
5 **costs.**

6 A. The Integrated System Planning area provides, in general, the following services:

- 7 • aligning and analyzing customer load forecasts with available resources to
8 determine resource needs, and evaluating alternative capacity and energy
9 resources that could be used to meet the forecasted resource needs;
- 10 • developing and implementing comprehensive integrated electric resource plans
11 that ensure adequate generation sources are developed or acquired on a timely
12 basis; and
- 13 • developing generation plans that align with long-term transmission plans to
14 deliver energy and capacity from owned and contracted generation to system
15 loads.

16 **Q. Are the services grouped within Integrated System Planning necessary for**
17 **SPS's operations?**

18 A. Yes. The services grouped within Integrated System Planning result in the prudent
19 acquisition of resources, including power purchase agreements, to meet the needs
20 of SPS's customers in a reliable and safe manner. These are functions required by
21 all utilities and without which SPS would not be able to provide electric service to
22 its customers.

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1 **Q. Do SPS's New Mexico retail customers benefit from the services associated**
2 **with the specific Integrated System Planning O&M expenses you sponsor?**

3 A. Yes. The services of the Integrated System Planning area benefit New Mexico
4 customers, primarily through having sufficient resources to meet the energy needs
5 of the customers and acquiring these resources in a prudent and transparent manner.

6 **Q. Please describe what you sponsor for the Integrated System Planning O&M**
7 **expenses.**

8 A. I sponsor (1) the labor-related expenses associated with Integrated System Planning
9 that were incurred during the Base Period (in conjunction with Mr. Deselich), (2)
10 the non-labor expenses associated with Integrated System Planning that were
11 incurred during the Base Period, and (3) the non-labor known and measurable
12 adjustments made to Adjusted Base Period data associated with Integrated System
13 Planning to reach the Future Test Year Period data. Attachment ARD-6 to my
14 direct testimony is an excerpt of Ms. Niemi's Attachment SNN-10 Tabs 4 and 5
15 that relates to the business areas I sponsor specifically.

16 **Q. What FERC accounts are captured within the Integrated System Planning**
17 **O&M expenses?**

18 A. Attachment ARD-6 Tabs 1 and 2 in Column C and the following table identify the
19 FERC accounts included within the Integrated System Planning O&M expenses.

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1
2 **Table 15**
FERC Accounts for the Integrated System Planning O&M Expenses

FERC Accounts	Account Description
506	Miscellaneous Steam Power Expenses
920	Administrative and General Salaries
921	Office supplies and expenses

3 **Q. Do you detail the elements of cost included in each FERC assigned to**
4 **Integrated System Planning?**

5 A. Yes. In Attachment ARD-6 Tab 1 in Column E, I identify the labor-related
6 elements of cost for each FERC account for the Base Period. In Attachment ARD-
7 6 Tab 2 in Column E, I identify the non-labor elements of cost for the Base Period
8 and Adjusted Base Period, Linkage Period, and Future Test Year Period.

9 **B. Full Explanations, Justifications, and Support for Integrated**
10 **System Planning Data**

11 *1. Base Period and Adjusted Base Period*

12 **Q. What were the actual Integrated System Planning expenses incurred by SPS**
13 **during the Base Period?**

14 A. During the Base Period, Integrated System Planning incurred \$153,966 of O&M
15 expenses on a Total Company basis. Ms. Niemi supports the O&M expenses
16 incurred on a New Mexico jurisdictional basis.

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1 **Q. Please summarize the expenses reflected in the FERC accounts and elements**
2 **of cost encompassed within the Base Period data sponsored by you.**

3 A. The FERC accounts and elements of cost primarily consist of labor costs related to
4 internal resources that provide the various services of the area. Attachment ARD-
5 6 identifies all of the applicable FERC accounts and the associated elements of cost
6 and expense amounts.

7 **Q. What were the actual labor-related expenses associated with Integrated**
8 **System Planning incurred by SPS during the Base Period?**

9 A. During the Base Period, Integrated System Planning incurred \$151,785 in Total
10 Company labor-related expenses as reflected on Attachment ARD-6 Tab 1. Mr.
11 Deselich presents labor-related expenses on a New Mexico retail basis by FERC
12 account/FERC account subcategory.

13 **Q. Did SPS adjust the Base Period labor-related O&M expenses to arrive at**
14 **Adjusted Base Period amounts?**

15 A. Yes. Mr. Deselich and Ms. Niemi discuss these adjustments in detail in their
16 testimony.

17 **Q. Were the Integrated System Planning labor-related expenses incurred during**
18 **the Base Period reasonable and necessary?**

19 A. Yes. Integrated System Planning staffed approximately 23 people to support the
20 needs of the Operating Companies, including SPS. The services provided to SPS

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1 are described above in Section XIII.A. These employees were compensated during
2 the Base Period at appropriate, market levels as discussed in detail by Mr. Deselich.

3 **Q. What were the actual non-labor-related expenses associated with Integrated**
4 **System Planning incurred by SPS during the Base Period?**

5 A. During the Base Period, Integrated System Planning incurred \$2,182 in Total
6 Company non-labor-related expenses as reflected on Attachment ARD-6 Tab 2.
7 Ms. Niemi presents non-labor-related expenses on a New Mexico retail basis by
8 FERC account/FERC account subcategory.

9 **Q. Did SPS adjust the Base Period non-labor-related O&M expenses to arrive at**
10 **Adjusted Base Period amounts?**

11 A. No.

12 **Q. Have you prepared an attachment showing the adjustments to arrive at the**
13 **Adjusted Base Period amounts?**

14 A. Yes. Attachment ARD-6 Tab 2 identifies all of the adjustments made to the
15 Integrated System Planning Base Period amounts.

16 **Q. Were the non-labor Integrated System Planning O&M expenses incurred**
17 **during the Base Period reasonable and necessary?**

18 A. Yes. The Integrated System Planning area provides the essential services noted
19 above in support of the provision of electric service to SPS's customers. As

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1 discussed in Section IV.A, the centralized structure of the Shared Corporate
2 Services, including Integrated System Planning, reduces overall management and
3 administrative costs and allows costs to be shared by and distributed across multiple
4 Xcel Energy legal entities.

5 *2. Linkage Period and Future Test Year Period*

6 **Q. What are the expected Integrated System Planning non-labor expenses**
7 **included in the Future Test Year Period that SPS is requesting recovery of in**
8 **this case?**

9 A. During the Future Test Year Period, Integrated System Planning expects to incur
10 \$2,182 in non-labor O&M expenses on a Total Company basis.

11 **Q. How was this amount derived?**

12 A. The \$2,182 is equal to the Adjusted Base Period of \$2,182.

13 **Q. Please explain the Linkage Period Adjustments for Integrated System**
14 **Planning.**

15 A. There were no Linkage Period Adjustments for Integrated System Planning's non-
16 labor O&M expenses. Therefore, the Adjusted Base Period expenses equal the
17 Linkage Period expenses.

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1 **Q. Please explain the Future Test Year Period Adjustments for Integrated System**
2 **Planning.**

3 A. There were no Future Test Year Adjustments for Integrated System Planning's non-
4 labor O&M expenses. Therefore, the Linkage Period expenses equal the Future
5 Test Year Period expenses.

6 **Q. Are the FERC accounts and elements of cost used for the Future Test Year**
7 **Period the same or similar to those appearing in the Base Period and Linkage**
8 **Period?**

9 A. Yes. Further, the expenses reflected in these accounts are largely the same.

10 **Q. Did Integrated System Planning contribute to any material changes between**
11 **the Adjusted Base Period and Future Test Year Period?**

12 A. No.

13 **Q. In conclusion, what is the total dollar amount of non-labor Integrated System**
14 **Planning costs SPS requests in this case on a Total Company basis?**

15 A. The total dollar amount of non-labor Integrated System Planning costs SPS requests
16 in this case on a Total Company basis is \$2,182, as reflected in Attachment ARD-6
17 Tab 2 in Column L.

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1 **Q. Are these Integrated System Planning O&M expenses reasonable and**
2 **necessary?**

3 A. Yes. The Integrated System Planning O&M expenses enable the operational areas
4 necessary to provide electric service to SPS's customers and allow for the strategic
5 alignment across operational areas in connection with enterprise-wide resources
6 and processes. The centralized structure, shared costs among the Xcel Energy legal
7 entities, and the economies of scale inherent in the Shared Corporate Services,
8 including Integrated System Planning, ensure the O&M expenses are reasonable.
9 The budget planning and monitoring process also control costs, providing
10 additional support for the reasonableness of these expenses.

1 **XIV. CORPORATE OTHER O&M EXPENSES**

2 **A. Overview of Corporate Other Services and Associated Expenses**

3 **Q. Describe generally the Corporate Other costs.**

4 A. Corporate Other includes costs that are not directly attributable to a specific Shared
5 Corporate Services group. Corporate Other contains the following types of costs,
6 credits, and charges: company use credits, overhead charges to affiliates, shared
7 assets, A&G charges to capital, regulatory reclasses, and permanent income tax
8 differences. In addition, the Corporate Other affiliate class includes miscellaneous
9 expenses, which are corporate in nature, such as miscellaneous write-offs for
10 balances in the retired Accounts Payable system.

11 **Q. Are the costs grouped within Corporate Other necessary for SPS's operations?**

12 A. Yes. The costs grouped in Corporate Other are for necessary business expenses.
13 They are related to functions required by all utilities and are necessary for SPS to
14 be able to provide electric service to its customers.

15 **Q. Do SPS's New Mexico retail customers benefit from the services or activities
16 associated with the specific Corporate Other O&M expenses you sponsor?**

17 A. Yes. As noted above, the Corporate Other O&M expenses are primarily related to
18 the net accrual amount during the Updated Test Year of expenses made on the
19 corporate credit card, tax related transactions, as well as, other miscellaneous items
20 required to serve SPS's customers.

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1 **Q. Please describe what you sponsor for the Corporate Other O&M expenses.**

2 A. I sponsor (1) the labor-related expenses associated with Corporate Other that were
3 incurred during the Base Period (in conjunction with Mr. Deselich), (2) the non-
4 labor expenses associated with Corporate Other that were incurred during the Base
5 Period, and (3) the non-labor known and measurable adjustments made to Adjusted
6 Base Period data associated with Corporate Other to reach the Future Test Year
7 Period data. Attachment ARD-6 to my direct testimony is an excerpt of Ms.
8 Niemi's Attachment SNN-10 Tabs 4 and 5 that relates to the business areas I
9 sponsor specifically.

10 **Q. What FERC accounts are captured within the Corporate Other O&M**
11 **expenses?**

12 A. Attachment ARD-6 Tabs 1 and 2 in Column C and the following table identify the
13 FERC accounts included within the Corporate Other O&M expenses.

14 **Table 16**
15 **FERC Accounts for the Corporate Other O&M Expenses**

FERC Account	Account Description
502	Steam Expenses
506	Misc Steam Power Expenses
507	Rents
511	Maintenance of Structures
512	Maintenance of Boiler Plant
513	Maintenance of Electrical Plant
514	Maintenance of Miscellaneous Plant

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FERC Account	Account Description
549	Miscellaneous other Power Generation Expenses
550	Rents
552	Maintenance of Structures
553	Maintenance of Generating and Electrical Plant
554	Maint of Misc Other Power Generation Plant
560	Operation Supervision and Engineering
562	Station Expenses
563	Overhead Line Expenses
566	Miscellaneous Transmission Plant
567	Rents
570	Maintenance of Station Equipment
571	Maintenance of Overhead Lines
575.1	Operation Supervision
575.8	Rents
582	Station Expenses
583	Overhead Line Expenses
584	Underground Line Expenses
585	Street Lighting and Signal System Expenses
586	Meter Expenses
587	Customer Installation Expenses
588	Miscellaneous Distribution Expenses
589	Rents
592	Maintenance of Station Equipment
592.2	Maintenance of Energy Storage Equipment
593	Maintenance of Overhead Lines
594	Maintenance of Underground Lines
596	Maintenance of Street Lighting and Signal Systems

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FERC Account	Account Description
597	Maintenance of Meters
902	Meter Reading Expenses
903	Customer Records and Collection Expenses
905	Miscellaneous Customer Accounts Expenses
908	Customer Assistance Expenses
910	Miscellaneous Customer Service and Informational Expenses
916	Miscellaneous Sales Expense
920	Administrative and General Salaries
921	Office Supplies and Expenses
922	Administrative Expenses Transferred - Credit
923	Outside Services Employed
929	Duplicate Charges - Credit
930.1	General Advertising Expenses
930.2	Miscellaneous General Expenses
931	Rents
935	Maintenance of General Plant

1 **Q. Do you detail the elements of cost included in each FERC account assigned to**
2 **Corporate Other?**

3 **A.** Yes. In Attachment ARD-6 Tab 1 in Column E, I identify the labor-related
4 elements of cost for each FERC account for the Base Period. In Attachment ARD-6
5 Tab 2 in Column E, I identify the non-labor elements of cost for the Base Period
6 and Adjusted Base Period, Linkage Period, and Future Test Year Period.

1 **B. Full Explanations, Justifications, and Support for Corporate**
2 **Other Data**

3 *1. Base Period and Adjusted Base Period*

4 **Q. What were the actual Corporate Other expenses incurred by SPS during the**
5 **Base Period?**

6 A. During the Base Period, Corporate Other incurred \$23,321,173 of O&M expenses
7 on a Total Company basis. Ms. Niemi supports the O&M expenses incurred on a
8 New Mexico jurisdictional basis.

9 **Q. Please summarize the expenses reflected in the FERC accounts and elements**
10 **of cost encompassed within the Base Period data sponsored by you.**

11 A. The FERC accounts and elements of cost primarily consist of the amortization of
12 per book energy efficiency costs, various regulatory reclass entries, accruals related
13 to unclassified charges on the corporate credit card, and other miscellaneous
14 activity. Attachment ARD-6 identifies all of the applicable FERC accounts and the
15 associated elements of cost and expense amounts.

16 **Q. What were the actual labor-related expenses associated with Corporate Other**
17 **incurred by SPS during the Base Period?**

18 A. During the Base Period, Corporate Other incurred \$2,274,224 in Total Company
19 labor-related expenses as reflected on Attachment ARD-6 Tab 1. Mr. Deselich

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1 presents labor-related expenses on a New Mexico retail basis by FERC
2 account/FERC account subcategory.

3 **Q. Did SPS adjust the Base Period labor-related O&M expenses to arrive at**
4 **Adjusted Base Period amounts?**

5 A. Yes. Mr. Deselich and Ms. Niemi discuss these adjustments in detail in their
6 testimony.

7 **Q. Were the Corporate Other labor-related expenses incurred during the Base**
8 **Period reasonable and necessary?**

9 A. Yes. There were some labor-related expenses booked to Corporate Other related
10 primarily to various incentive compensations plans, such as our long-term incentive
11 program, restricted stock grants, and other compensations programs. The structure
12 and reasonableness for the compensation program is discussed by Mr. Deselich.
13 Additionally, Mr. Deselich supports a Base Period Adjustment to the requested
14 amount, which is included in the cost of service model supported by Ms. Niemi.
15 The types of costs included in Corporate Other are described in Section XIV.A.
16 The labor-related expenses incurred during the Base Period are at appropriate,
17 market levels as discussed in detail by Mr. Deselich.

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1 **Q. What were the actual non-labor-related expenses associated with Corporate**
2 **Other incurred by SPS during the Base Period?**

3 A. During the Base Period, Corporate Other incurred \$21,046,949 in Total Company
4 non-labor-related expenses as reflected on Attachment ARD-6 Tab 2. Ms. Niemi
5 presents non-labor-related expenses on a New Mexico retail basis by FERC
6 account/FERC account subcategory.

7 **Q. Did SPS adjust the Base Period non-labor-related O&M expenses to arrive at**
8 **Adjusted Base Period amounts?**

9 A. Yes. As reflected on Attachment ARD-6 Tab 2, Corporate Other non-labor O&M
10 was adjusted downward by a total of \$19,922,298. Ms. Niemi supports these
11 adjustments in her testimony and attachments.

12 **Q. Have you prepared an attachment showing the adjustments to arrive at the**
13 **Adjusted Base Period amounts?**

14 A. Yes. Attachment ARD-6 Tab 2 identifies all of the adjustments made to the
15 Corporate Other Base Period amounts.

16 **Q. Were the non-labor Corporate Other O&M expenses incurred during the Base**
17 **Period as adjusted in the Adjusted Base Period reasonable and necessary?**

18 A. Yes. The Corporate Other O&M expenses are primarily related to costs, credits,
19 and charges for miscellaneous items required to serve SPS's customers. As

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1 discussed in Section IV.A, the centralized structure of the Shared Corporate
2 Services, including Corporate Other, reduces overall administrative costs and
3 allows costs to be shared by and distributed across multiple Xcel Energy legal
4 entities.

5 2. *Linkage Period and Future Test Year Period*

6 **Q. What are the expected Corporate Other non-labor expenses included in the**
7 **Future Test Year Period that SPS is requesting recovery of in this case?**

8 A. During the Future Test Year Period, Corporate Other expects to incur \$1,124,651
9 in non-labor O&M expenses on a Total Company basis.

10 **Q. How was this amount derived?**

11 A. The \$1,124,651 is equal to the Adjusted Base Period of \$1,124,651.

12 **Q. Please explain the Linkage Period Adjustments for Corporate Other.**

13 A. There were no Linkage Period Adjustments for Corporate Other's non-labor O&M
14 expenses. Therefore, the Adjusted Base Period expenses equal the Linkage Period
15 expenses.

16 **Q. Please explain the Future Test Year Period Adjustments for Corporate Other.**

17 A. There were no Future Test Year Period Adjustments for Corporate Other's non-
18 labor O&M expenses. Therefore, the Linkage Period expenses equal the Future
19 Test Year Period expenses.

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1 **Q. Are the FERC accounts and elements of cost used for the Future Test Year**
2 **Period the same or similar to those appearing in the Base Period and Linkage**
3 **Period?**

4 A. Yes. Further, the expenses reflected in these accounts are largely the same.

5 **Q. Did Corporate Other contribute to any material changes between the Adjusted**
6 **Base Period and Future Test Year Period?**

7 A. No.

8 **Q. In conclusion, what is the total dollar amount of non-labor Corporate Other**
9 **costs SPS requests in this case on a Total Company basis?**

10 A. The total dollar amount of non-labor Corporate Other costs SPS requests in this
11 case on a Total Company basis is \$1,124,651, as reflected in Attachment ARD-6
12 Tab 2 in Column L.

13 **Q. Are these Corporate Other O&M expenses reasonable and necessary?**

14 A. Yes. The Corporate Other O&M expenses enable the operational areas necessary
15 to provide electric service to SPS's customers and allow for the strategic alignment
16 across operational areas in connection with enterprise-wide process, people, and
17 technology deployments. The centralized structure, shared costs among the Xcel
18 Energy legal entities, and the economies of scale inherent in the Shared Corporate
19 Services, including Corporate Other, ensure the O&M expenses are reasonable.

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1 The budget planning and monitoring process also control costs, providing
2 additional support for the reasonableness of these expenses.

3 **Q. Does this conclude your pre-filed direct testimony?**

4 **A. Yes.**

BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION

**IN THE MATTER OF SOUTHWESTERN)
PUBLIC SERVICE COMPANY’S)
APPLICATION FOR: (1) REVISION OF)
ITS RETAIL RATES UNDER ADVICE)
NOTICE NO. 312; (2) AUTHORITY TO)
ABANDON THE PLANT X UNIT 1,) CASE NO. 22-00286-UT
PLANT X UNIT 2, AND CUNNINGHAM)
UNIT 1 GENERATING STATIONS AND)
AMEND THE ABANDONMENT DATE)
OF THE TOLK GENERATING)
STATION; AND (3) OTHER)
ASSOCIATED RELIEF,)
)
SOUTHWESTERN PUBLIC SERVICE)
COMPANY,)
)
APPLICANT.)**

VERIFICATION

On this day, November 18, 2022, I, Adam R. Dietenberger, swear and affirm under penalty of perjury under the law of the State of New Mexico, that my testimony contained in Direct Testimony of Adam R. Dietenberger is true and correct.

/s/ Adam R. Dietenberger

ADAM R. DIETENBERGER

Southwestern Public Service Company

Total Company Amounts and Jurisdictional Percentages

Line No.	Witness	Description	Page No.	Line No.	Total Company Amount	Number Scale	Allocator	Allocator	NM Amount ⁽¹⁾
1	Dietenberger	Property Services and ESEM group Capital Investment Base Period	26	3 & 4	\$ 6,017,024	Dollars	Various	Various	\$ 1,957,028
2	Dietenberger	Buildings and Infrastructure	28	Table 2	\$ 5,069,287	Dollars	LABXAG	32.44%	\$ 1,644,318
3	Dietenberger	Reliability & Performance Enhancement	28	Table 2	\$ 634,178	Dollars	Various	Various	\$ 211,002
4	Dietenberger	Tools & Equipment	28	Table 2	\$ 185,236	Dollars	LABXAG	32.44%	\$ 60,085
5	Dietenberger	Office Furniture & Equipment	28	Table 2	\$ 128,323	Dollars	LABXAG	32.44%	\$ 41,624
6	Dietenberger	Total	28	Table 2	\$ 6,017,024	Dollars	Various	Various	\$ 1,957,028
7	Dietenberger	Buildings & Infrastructure	29	8 & 9	\$ 5,069,287	Dollars	LABXAG	32.44%	\$ 1,644,318
8	Dietenberger	Plainview Renovation	29	11	\$ 4,988,069	Dollars	LABXAG	32.44%	\$ 1,617,973
9	Dietenberger	SPS Employee EV Charging	29	20	\$ 92,915	Dollars	LABXAG	32.44%	\$ 30,139
10	Dietenberger	Reliability & Performance Enhancement	30	8	\$ 634,178	Dollars	Various	Various	\$ 211,002
11	Dietenberger	Security Projects – Electric	30	20	\$ 634,178	Dollars	Various	Various	\$ 211,002
12	Dietenberger	Tools and Equipment	31	6	\$ 185,236	Dollars	LABXAG	32.44%	\$ 60,085
13	Dietenberger	Lubbock Ops UPS Upgrade	31	8	\$ 185,236	Dollars	LABXAG	32.44%	\$ 60,085
14	Dietenberger	Office Furniture & Equipment	32	1 & 2	\$ 128,323	Dollars	LABXAG	32.44%	\$ 41,624
15	Dietenberger	Office Furniture & Equipment - Electric	32	4 & 5	\$ 116,260	Dollars	LABXAG	32.44%	\$ 37,711
16	Dietenberger	Property Services and ESEM group Capital Investment Linkage Period	35 & 36	16 & 1	\$ 13,613,536	Dollars	LABXAG	35.21%	\$ 4,793,069
17	Dietenberger	Buildings & Infrastructure	39	Table 4	\$ 8,252,670	Dollars	LABXAG	35.21%	\$ 2,905,609
18	Dietenberger	Reliability & Performance Enhancement	39	Table 4	\$ 3,763,128	Dollars	LABXAG	35.21%	\$ 1,324,926
19	Dietenberger	Tools & Equipment	39	Table 4	\$ 28,488	Dollars	LABXAG	35.21%	\$ 10,030
20	Dietenberger	Office Furniture & Equipment	39	Table 4	\$ 1,569,251	Dollars	LABXAG	35.21%	\$ 552,504
21	Dietenberger	Total	39	Table 4	\$ 13,613,536	Dollars	LABXAG	35.21%	\$ 4,793,069
22	Dietenberger	Unbudgeted Emergencies, SPS Energy Management and Misc Building Projects-Electric	39	10	\$ 5,039,660	Dollars	LABXAG	35.21%	\$ 1,774,369
23	Dietenberger	Amarillo new service center or Bushland Service Center	40	1 & 2	\$ 2,000,918	Dollars	LABXAG	35.21%	\$ 704,485
24	Dietenberger	SPS Fleet and Employee EV Charging	40	9 & 10	\$ 818,706	Dollars	LABXAG	35.21%	\$ 288,251
25	Dietenberger	Hobbs Land Acquisition	40	14	\$ 345,792	Dollars	LABXAG	35.21%	\$ 121,747
26	Dietenberger	Lubbock Distribution Control Center Remodel	40	18 & 19	\$ 47,035	Dollars	LABXAG	35.21%	\$ 16,560
27	Dietenberger	ITC-OT Monitoring 2021 SPS-OT	41	6 & 7	\$ 1,200,946	Dollars	LABXAG	35.21%	\$ 422,831
28	Dietenberger	OTS Asset Management SPS	41	10	\$ 859,612	Dollars	LABXAG	35.21%	\$ 302,653
29	Dietenberger	Security Projects-Electric	41	15	\$ 695,444	Dollars	LABXAG	35.21%	\$ 244,853
30	Dietenberger	OT Monitoring HW-SPS -OT	41	19	\$ 269,401	Dollars	LABXAG	35.21%	\$ 94,851
31	Dietenberger	SPS AMAG, Nichols Station AMAG, TX-AMA Fleet AMAG Remediation, TX Borger Service Center AMAG	41	23 & 24	\$ 254,946	Dollars	LABXAG	35.21%	\$ 89,762
32	Dietenberger	BUD - OT Security Program Co13	42	1	\$ 97,286	Dollars	LABXAG	35.21%	\$ 34,253
33	Dietenberger	OTS Response Planning SPS-OT	42	6	\$ 78,199	Dollars	LABXAG	35.21%	\$ 27,532
34	Dietenberger	OTS Info Protection SPS	42	10	\$ 49,881	Dollars	LABXAG	35.21%	\$ 17,562
35	Dietenberger	Drill Tracking & Reporting SW SPS	42	14	\$ 2,570	Dollars	LABXAG	35.21%	\$ 905
36	Dietenberger	Tools & Equipment-Electric-TX, COS-CAP-UAS-SPS-TX- Electric Tools	43	4	\$ 28,488	Dollars	LABXAG	35.21%	\$ 10,030

Southwestern Public Service Company

Total Company Amounts and Jurisdictional Percentages

Line No.	Witness	Description	Page No.	Line No.	Total Company Amount	Number Scale	Allocator	Allocator	NM Amount ⁽¹⁾
37	Dietenberger	NM-Subs Furniture Blanket, Office Furn & Equipment-Electric	43	16	\$ 1,569,251	Dollars	LABXAG	35.21%	\$ 552,504
38	Dietenberger	Property Services ESEM Capital Investments Future Test Year Period	45	4 & 5	\$ 13,267,618	Dollars	LABXAG	35.21%	\$ 4,671,278
39	Dietenberger	Building & Infrastructure	49	Table 6	\$ 8,702,078	Dollars	LABXAG	35.21%	\$ 3,063,838
40	Dietenberger	Reliability & Performance Enhancement	49	Table 6	\$ 3,629,568	Dollars	LABXAG	35.21%	\$ 1,277,903
41	Dietenberger	Tools & Equipment	49	Table 6	\$ 4,684	Dollars	LABXAG	35.21%	\$ 1,649
42	Dietenberger	Office Furniture & Equipment	49	Table 6	\$ 931,287	Dollars	LABXAG	35.21%	\$ 327,888
43			49	Table 6	\$ 13,267,618	Dollars	LABXAG	35.21%	\$ 4,671,278
44	Dietenberger	Unbudgeted Emergencies, SPS Energy Management and Misc Building Projects-Electric	49	10	\$ 4,664,107	Dollars	LABXAG	35.21%	\$ 1,642,144
45	Dietenberger	Lubbock Substation Renovation	49	15 & 16	\$ 3,687,971	Dollars	LABXAG	35.21%	\$ 1,298,465
46	Dietenberger	SPS Fleet and Employee EV Charging	50	4 & 5	\$ 350,000	Dollars	LABXAG	35.21%	\$ 123,228
47	Dietenberger	Security Projects-Electric	50	18	\$ 2,223,420	Dollars	LABXAG	35.21%	\$ 782,824
48	Dietenberger	BUD - OT Security Program Co13	50	22 & 23	\$ 1,044,232	Dollars	LABXAG	35.21%	\$ 367,654
49	Dietenberger	OTS Asset Management SPS	50	28	\$ 361,889	Dollars	LABXAG	35.21%	\$ 127,414
50	Dietenberger	Tools & Equipment-Electric-TX, COS-CAP-UAS-SPS-TX, Electric Tools	51	14	\$ 4,684	Dollars	LABXAG	35.21%	\$ 1,649
51	Dietenberger	Office Furn & Equipment-Electric	52	1 & 2	\$ 931,287	Dollars	LABXAG	35.21%	\$ 327,889

⁽¹⁾ Derived by allocating each functional class as described below.

Production Assets allocated using 12CP-PROD (33.73% for Base Period, 38.47% for Linkage Period and Future Test Year), other than Sagamore and Hale which are allocated using ENERGY (35.73% for Base Period, 39.19% for Linkage Period and Future Test Year).

General Plant allocated using LABXAG (32.44% for Base Period, 35.21% for Linkage Period and Future Test Year) with a few items allocated by CUST-RET (31.26% for Base Period and 31.39% for Linkage Period and Future Test Year).

Southwestern Public Service Company

Capital Additions Closed to Plant-in-Service for the
Base Period of July 1, 2021 through June 30, 2022

Plant Additions by Asset Class and Witness
Base Period

	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
Line No.	Asset Class	Witness	Project Category	WBS Level 2	Project Description (WBS Level 2 Description)	In-Service Date	Additions to Plant-in-Service Base Period Total Company	Additions to Plant-in-Service Base Period NM Retail
1	Steam Production	Dietenberger	Reliability & Performance Enhancement	D.0001781.054	Plant X AMAG Upgrade	8/31/2021	\$ 307,197	\$ 103,612
2	Steam Production	Dietenberger	Reliability & Performance Enhancement	D.0001781.071	SPS NM Cunningham Station - AMAG	5/31/2022	101,651	34,285
3	Steam Production	Dietenberger	Reliability & Performance Enhancement	D.0001781.074	TX Nichols Station AMAG	1/31/2022	1,138	384
4	Steam Production Total						\$ 409,986	\$ 138,281
5	Electric General	Dietenberger	Office Furniture & Equipment	A.0005014.050	NM-Subs Furniture Blanket	Routine	\$ 12,064	\$ 3,913
6	Electric General	Dietenberger	Office Furniture & Equipment	A.0005014.101	Office Furn & Equipment - Electric	Routine	116,260	37,711
7	Electric General	Dietenberger	Reliability & Performance Enhancement	D.0001781.041	Security Projects - Electric -	Routine	9,904	3,212
8	Electric General	Dietenberger	Reliability & Performance Enhancement	D.0001781.052	Tucumcari Security Install	5/28/2021	619	201
9	Electric General	Dietenberger	Building & Infrastructure	D.0001781.056	TX - Austin New Office	5/28/2021	(11,307)	(3,668)
10	Electric General	Dietenberger	Reliability & Performance Enhancement	D.0001781.077	SPS-Security Lab	5/31/2022	40,160	13,027
11	Electric General	Dietenberger	Building & Infrastructure	D.0001813.023	Amarillo Ops Center Renovation	12/20/2020	(390)	(126)
12	Electric General	Dietenberger	Building & Infrastructure	D.0001813.183	Plainview Renovation	1/31/2022	4,988,069	1,617,973
13	Electric General	Dietenberger	Tools & Equipment	D.0001814.091	Lubbock Ops UPS Upgrade	1/31/2022	185,236	60,085
14	Electric General	Dietenberger	Reliability & Performance Enhancement	D.0002403.014	TX Harrington Station AMAG	5/31/2022	145,278	47,124
15	Electric General	Dietenberger	Reliability & Performance Enhancement	D.0002404.006	Patented Key Replacement Tx	5/31/2022	28,232	9,157
16	Electric General	Dietenberger	Building & Infrastructure	D.0002420.008	SPS Employee EV Charging	Routine	92,915	30,139
17	Electric General Total						\$ 5,607,039	\$ 1,818,748
18	Grand Total						\$ 6,017,024	\$ 1,957,028

Southwestern Public Service Company

Capital Additions Closed to Plant-in-Service for the
Base Period of July 1, 2021 through June 30, 2022

Plant Additions by Project and Elements of Cost
Rule Reference 17.1.3.16

Line No.	Asset Class	Witness	WBS Level 2	Project Description (WBS Level 2 Description)	Base Period Total	Base Period Labor	Base Period Contract Work	Base Period Supplies and Materials	Base Period Other
1	Steam Production	Dietenberger	D.0001781.054	Plant X AMAG Upgrade	\$ 307,197	\$ (32)	\$ 17,538	\$ (16,306)	\$ 305,997
2	Steam Production	Dietenberger	D.0001781.071	SPS NM Cunningham Station - AMAG	101,651	589	3,933	94,904	2,226
3	Steam Production	Dietenberger	D.0001781.074	TX Nichols Station AMAG	1,138	0	-	-	1,138
4	Electric General	Dietenberger	D.0001813.183	Plainview Renovation	4,988,069	90,531	894,886	1,372,766	2,629,886
5	Electric General	Dietenberger	D.0001814.091	Lubbock Ops UPS Upgrade	185,236	16,925	72,303	113,875	(17,867)
6	Electric General	Dietenberger	D.0002403.014	TX Harrington Station AMAG	145,278	1,792	155,993	1,517	(14,024)
7	Electric General	Dietenberger	A.0005014.101	Office Furn & Equipment - Electric	116,260	194	46,736	357,795	(288,466)
8	Electric General	Dietenberger	D.0002420.008	SPS Employee EV Charging	92,915	-	34,563	59,632	(1,280)
9	Electric General	Dietenberger	D.0001781.077	SPS-Security Lab	40,160	3,325	18,811	21,741	(3,716)
10	Electric General	Dietenberger	D.0002404.006	Patented Key Replacement Tx	28,232	647	19,685	10,791	(2,892)
11	Electric General	Dietenberger	A.0005014.050	NM-Subs Furniture Blanket	12,064	-	-	-	12,064
12	Electric General	Dietenberger	D.0001781.041	Security Projects - Electric -	9,904	651	4,704	6,467	(1,918)
13	Electric General	Dietenberger	D.0001781.052	Tucumcari Security Install	619	-	-	617	3
14	Electric General	Dietenberger	D.0001813.023	Amarillo Ops Center Renovation	(390)	(341)	-	-	(49)
15	Electric General	Dietenberger	D.0001781.056	TX - Austin New Office	(11,307)	-	(12,875)	(150)	1,718
16	Grand Total				\$ 6,017,024	\$ 114,281	\$ 1,256,276	\$ 2,023,648	\$ 2,622,819

Southwestern Public Service Company

Capital Additions Closed to or Expected to be Closed to
Plant-in-Service for the Linkage Period of July 1, 2022 through June 30, 2023

Plant Additions by Asset Class and Witness
Linkage Period

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)		
Line No.	Asset Class	Witness	Project Category	WBS Level 2	Project Description (WBS Level 2 Description)	In-Service Date	Additions to Plant-in-Service Linkage Period Total Company	Additions to Plant-in-Service Linkage Period NM Retail	
1	Electric General	Dietenberger	Tools & Equipment	A.0001727.008	COS-CAP-UAS-SPS-TX-Electric Tools	Routine	\$ 1,667	\$ 587	
2	Electric General	Dietenberger	Office Furniture & Equipment	A.0005014.050	NM-Subs Furniture Blanket	Routine	7,037	2,477	
3	Electric General	Dietenberger	Office Furniture & Equipment	A.0005014.101	Office Furn & Equipment - Electric	Routine	1,562,214	550,026	
4	Electric General	Dietenberger	Building & Infrastructure	A.0005014.110	Remodel SPS Lubbock Dist Control Ce	6/30/2018	47,035	16,560	
5	Electric General	Dietenberger	Tools & Equipment	A.0006059.488	Tools & Equipment - Electric - TX	Routine	26,821	9,443	
6	Electric General	Dietenberger	Building & Infrastructure	D.0001779.249	Unbudgeted Emergencies - Electric -	Routine	4,771,344	1,679,900	
7	Electric General	Dietenberger	Reliability & Performance Enhancement	D.0001781.041	Security Projects - Electric -	Routine	695,444	244,853	
8	Electric General	Dietenberger	Building & Infrastructure	D.0001781.108	TX-Borger Refresh	12/31/2022	558	196	
9	Electric General	Dietenberger	Building & Infrastructure	D.0001810.143	Amarillo Service Center New	12/31/2024	2,000,918	704,486	
10	Electric General	Dietenberger	Building & Infrastructure	D.0001810.147	Hobbs New SC Land Acquisition	6/30/2022	345,792	121,747	
11	Electric General	Dietenberger	Building & Infrastructure	D.0001823.016	SPS Energy Management	Routine	173,071	60,935	
12	Electric General	Dietenberger	Building & Infrastructure	D.0001823.050	Misc Building Projects - Electric -	Routine	95,245	33,534	
13	Electric General	Dietenberger	Reliability & Performance Enhancement	D.0002403.006	BUD - SPS AMAG	Routine	75,273	26,502	
14	Electric General	Dietenberger	Reliability & Performance Enhancement	D.0002403.013	Nichols Station AMAG	12/31/2021	165,667	58,328	
15	Electric General	Dietenberger	Reliability & Performance Enhancement	D.0002403.017	TX-AMA Fleet AMAG Remediation	12/30/2022	13,448	4,735	
16	Electric General	Dietenberger	Reliability & Performance Enhancement	D.0002403.018	TX-Borger Service Center AMAG	12/31/2022	558	196	
17	Electric General	Dietenberger	Building & Infrastructure	D.0002420.004	SPS Fleet EV Charging	Routine	772,350	271,930	
18	Electric General	Dietenberger	Building & Infrastructure	D.0002420.008	SPS Employee EV Charging	12/31/2022	46,357	16,321	
19	Electric General	Dietenberger	Reliability & Performance Enhancement	D.0002515.014	OT Monitoring HW-SPS	12/31/2022	269,401	94,851	
20	Electric General Total						\$	11,070,200	\$ 3,897,608
21	Electric Intangible	Dietenberger	Reliability & Performance Enhancement	D.0001781.068	BUD - OT Security Program Co13	Routine	\$ 97,286	\$ 34,253	
22	Electric Intangible	Dietenberger	Reliability & Performance Enhancement	D.0001816.006	SPS Analyst1 Threat Intel Cap	12/30/2022	56,504	19,894	
23	Electric Intangible	Dietenberger	Reliability & Performance Enhancement	D.0002382.006	Axio Risk Dashboards SPS	12/31/2020	198,338	69,831	
24	Electric Intangible	Dietenberger	Reliability & Performance Enhancement	D.0002423.005	OTS Response Planning SPS	12/30/2022	78,199	27,532	
25	Electric Intangible	Dietenberger	Reliability & Performance Enhancement	D.0002423.011	Drill Tracking & Reporting SW SPS	4/30/2023	2,570	905	
26	Electric Intangible	Dietenberger	Reliability & Performance Enhancement	D.0002425.005	OTS Info Protection SPS	12/30/2022	49,881	17,562	
27	Electric Intangible	Dietenberger	Reliability & Performance Enhancement	D.0002426.005	OTS Asset Management SPS	Routine	859,612	302,653	
28	Electric Intangible	Dietenberger	Reliability & Performance Enhancement	D.0002515.006	ITC - OT Monitoring 2021 SPS	12/31/2022	1,200,946	422,831	
29	Electric Intangible Total						\$	2,543,337	\$ 895,461
30	Grand Total						\$	13,613,536	\$ 4,793,069

Southwestern Public Service Company

Capital Additions Closed to or Expected to be Closed to
Plant-in-Service for the Linkage Period of July 1, 2022 through June 30, 2023

Plant Additions by Project and Elements of Cost
Rule Reference 17.1.3.16

Line No.	Asset Class	Witness	WBS Level 2	Project Description (WBS Level 2 Description)	Linkage Period Total	Linkage Period Labor	Linkage Period Contract Work	Linkage Period Supplies and Materials	Linkage Period Other
1	Electric General	Dietenberger	D.0001779.249	Unbudgeted Emergencies - Electric -	\$ 4,771,343.57	\$ 415,177	\$ 1,732,288	\$ 1,617,364	\$ 1,006,514
2	Electric General	Dietenberger	D.0001810.143	Amarillo Service Center New	2,000,918	174,109	726,455	678,260	422,093
3	Electric General	Dietenberger	A.0005014.101	Office Furn & Equipment - Electric	1,562,214	135,936	567,179	529,551	329,549
4	Electric General	Dietenberger	D.0002420.004	SPS Fleet EV Charging	772,350	67,206	280,410	261,807	162,927
5	Electric General	Dietenberger	D.0001781.041	Security Projects - Electric -	695,444	60,514	252,489	235,738	146,704
6	Electric General	Dietenberger	D.0001810.147	Hobbs New SC Land Acquisition	345,792	30,089	125,544	117,215	72,945
7	Electric General	Dietenberger	D.0002515.014	OT Monitoring HW-SPS	269,401	23,442	97,809	91,320	56,830
8	Electric General	Dietenberger	D.0001823.016	SPS Energy Management	173,071	15,060	62,835	58,667	36,509
9	Electric General	Dietenberger	D.0002403.013	Nichols Station AMAG	165,667	14,415	60,147	56,157	34,948
10	Electric General	Dietenberger	D.0001823.050	Misc Building Projects - Electric -	95,245	8,288	34,580	32,286	20,092
11	Electric General	Dietenberger	D.0002403.006	BUD - SPS AMAG	75,273	6,550	27,329	25,516	15,879
12	Electric General	Dietenberger	A.0005014.110	Remodel SPS Lubbock Dist Control Ce	47,035	4,093	17,077	15,944	9,922
13	Electric General	Dietenberger	D.0002420.008	SPS Employee EV Charging	46,357	4,034	16,830	15,714	9,779
14	Electric General	Dietenberger	A.0006059.488	Tools & Equipment - Electric - TX	26,821	2,334	9,738	9,092	5,658
15	Electric General	Dietenberger	D.0002403.017	TX-AMA Fleet AMAG Remediation	13,448	1,170	4,883	4,559	2,837
16	Electric General	Dietenberger	A.0005014.050	NM-Subs Furniture Blanket	7,037	612	2,555	2,385	1,484
17	Electric General	Dietenberger	A.0001727.008	COS-CAP-UAS-SPS-TX-Electric Tools	1,667	145	605	565	352
18	Electric General	Dietenberger	D.0002403.018	TX-Borger Service Center AMAG	558	49	202	189	118
19	Electric General	Dietenberger	D.0001781.108	TX-Borger Refresh	558	49	202	189	118
20	Electric Intangible	Dietenberger	D.0002515.006	ITC - OT Monitoring 2021 SPS	1,200,946	72,209	468,401	983	659,353
21	Electric Intangible	Dietenberger	D.0002426.005	OTS Asset Management SPS	859,612	51,686	335,272	704	471,951
22	Electric Intangible	Dietenberger	D.0002382.006	Axio Risk Dashboards SPS	198,338	11,925	77,357	162	108,893
23	Electric Intangible	Dietenberger	D.0001781.068	BUD - OT Security Program Co13	97,286	5,850	37,944	80	53,413
24	Electric Intangible	Dietenberger	D.0002423.005	OTS Response Planning SPS	78,199	4,702	30,500	64	42,933
25	Electric Intangible	Dietenberger	D.0001816.006	SPS Analyst1 Threat Intel Cap	56,504	3,397	22,038	46	31,022
26	Electric Intangible	Dietenberger	D.0002425.005	OTS Info Protection SPS	49,881	2,999	19,455	41	27,386
27	Electric Intangible	Dietenberger	D.0002423.011	Drill Tracking & Reporting SW SPS	2,570	155	1,003	2	1,411
28	Grand Total				\$ 13,613,536	\$ 1,116,193	\$ 5,011,127	\$ 3,754,598	\$ 3,731,619

Southwestern Public Service Company

Capital Additions Expected to be Closed to Plant-in-Service for the Future Test Year Period of July 1, 2023 through June 30, 2024
Plant Additions by Asset Class and Witness
Future Test Year

	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	
Line No.	Asset Class	Witness	Project Category	WBS Level 2	Project Description (WBS Level 2 Description)	In-Service Date	Additions to Plant-in-Service Future Test Year Total Company	Additions to Plant-in-Service Future Test Year NM Retail	
1	Electric General	Dietenberger	Tools & Equipment	A.0001727.008	COS-CAP-UAS-SPS-TX-Electric Tools	Routine	\$ 1,667	\$ 587	
2	Electric General	Dietenberger	Office Furniture & Equipment	A.0005014.101	Office Furn & Equipment - Electric	Routine	931,287	327,888	
3	Electric General	Dietenberger	Tools & Equipment	A.0006059.488	Tools & Equipment - Electric - TX	Routine	3,018	1,062	
4	Electric General	Dietenberger	Building & Infrastructure	D.0001779.249	Unbudgeted Emergencies - Electric -	Routine	798,812	281,246	
5	Electric General	Dietenberger	Reliability & Performance Enhancement	D.0001781.041	Security Projects - Electric -	Routine	2,223,420	782,824	
6	Electric General	Dietenberger	Building & Infrastructure	D.0001813.063	Lubbock Substation Renovation	12/31/2023	3,687,971	1,298,465	
7	Electric General	Dietenberger	Building & Infrastructure	D.0001823.016	SPS Energy Management	Routine	200,388	70,553	
8	Electric General	Dietenberger	Building & Infrastructure	D.0001823.050	Misc Building Projects - Electric -	Routine	3,664,907	1,290,345	
9	Electric General	Dietenberger	Reliability & Performance Enhancement	D.0002403.006	BUD - SPS AMAG	Routine	27	10	
10	Electric General	Dietenberger	Building & Infrastructure	D.0002420.004	SPS Fleet EV Charging	Routine	250,000	88,020	
11	Electric General	Dietenberger	Building & Infrastructure	D.0002420.008	SPS Employee EV Charging	12/31/2022	100,000	35,208	
12	Electric General Total							\$ 11,861,497	\$ 4,176,209
13	Electric Intangible	Dietenberger	Reliability & Performance Enhancement	D.0001781.068	BUD - OT Security Program Col3	Routine	\$ 1,044,232	\$ 367,654	
14	Electric Intangible	Dietenberger	Reliability & Performance Enhancement	D.0002426.005	OTS Asset Management SPS	Routine	361,889	127,414	
15	Electric Intangible Total							\$ 1,406,121	\$ 495,069
16	Grand Total							\$ 13,267,618	\$ 4,671,278

Southwestern Public Service Company

Capital Additions Expected to be Closed to Plant-in-Service for the Future Test Year Period of July 1, 2023 through June 30, 2024

Plant Additions by Project and Elements of Cost

Rule Reference 17.1.3.16

Line No.	Asset Class	Witness	WBS Level 2	Project Description (WBS Level 2 Description)	Future Test Year Total	Future Test Year Labor	Future Test Year Contract Work	Future Test Year Supplies and Materials	Future Test Year Other
1	Electric General	Dietenberger	D.0001813.063	Lubbock Substation Renovation	\$ 3,687,971.39	\$ 320,908	\$ 1,338,958	\$ 1,250,128	\$ 777,977
2	Electric General	Dietenberger	D.0001823.050	Misc Building Projects - Electric -	3,664,907	318,901	1,330,585	1,242,310	773,112
3	Electric General	Dietenberger	D.0001781.041	Security Projects - Electric -	2,223,420	193,470	807,237	753,683	469,030
4	Electric General	Dietenberger	A.0005014.101	Office Furn & Equipment - Electric	931,287	81,036	338,114	315,683	196,455
5	Electric General	Dietenberger	D.0001779.249	Unbudgeted Emergencies - Electric -	798,812	69,508	290,017	270,777	168,509
6	Electric General	Dietenberger	D.0002420.004	SPS Fleet EV Charging	250,000	21,754	90,765	84,744	52,737
7	Electric General	Dietenberger	D.0001823.016	SPS Energy Management	200,388	17,437	72,753	67,927	42,272
8	Electric General	Dietenberger	D.0002420.008	SPS Employee EV Charging	100,000	8,701	36,306	33,897	21,095
9	Electric General	Dietenberger	A.0006059.488	Tools & Equipment - Electric - TX	3,018	263	1,096	1,023	637
10	Electric General	Dietenberger	A.0001727.008	COS-CAP-UAS-SPS-TX-Electric Tools	1,667	145	605	565	352
11	Electric General	Dietenberger	D.0002403.006	BUD - SPS AMAG	27	2	10	9	6
12	Electric Intangible	Dietenberger	D.0001781.068	BUD - OT Security Program Co13	1,044,232	62,786	407,279	855	573,312
13	Electric Intangible	Dietenberger	D.0002426.005	OTS Asset Management SPS	361,889	21,759	141,147	296	198,687
14	Grand Total				\$ 13,267,618	\$ 1,116,670	\$ 4,854,871	\$ 4,021,897	\$ 3,274,180

Southwestern Public Service Company

**Comparison of Capital Additions Closed to Plant-in-Service in the Base Period with the Capital Additions Planned to be Closed to Plant-in-Service in the Future Test Year Period
Plant Addition Variances by Period by Cost Center**

Rule References

17.1.3.7(J), 17.1.3.17 A, 17.1.3.18 B, 17.1.3.18 D, 17.1.3.16 B

Witness/ Business Area/ Cost Center	Asset Class	FERC Account	Account Description	Base Period	Base Period	Adjusted Base	Linkage	Future Test	
				Plant Additions		Adjustments	Period Plant	Period Plant	Year Period
				July 1, 2021 - June 30, 2022			July 1, 2022 - June 30, 2023	July 1, 2023 - June 30, 2024	
Dietenberger - Property Services and ESEM	Electric General	389	Land Rights			\$ -	\$ 345,792		
		390	Structures and Improvements	5,202,387		5,202,387	7,055,142	8,352,078	
		391	Office Furniture and Equipment	311,736		311,736	2,822,070	3,154,735	
		393	Stores Equipment			-	43	7	
		394	Tools, Shop and Garage Equipment	91,564		91,564	834,396	349,681	
		395	Laboratory Equipment	1,140		1,140	10,578	4,184	
		398	Miscellaneous Equipment	212		212	2,177	813	
	Electric General Total				\$ 5,607,039		\$ 5,607,039	\$ 11,070,199	\$ 11,861,497
	Electric Intangible	303	Miscellaneous Intangible Plant				-	2,543,337	1,406,121
	Electric Intangible Total						\$ -	\$ 2,543,337	\$ 1,406,121
	Steam Production	311	Structures and Improvements	\$ 187,279		\$ 187,279			
		312	Boiler Plant Equipment	118,626		118,626			
		314	Turbogenerator Units	60,088		60,088			
		315	Accessory Electric Equipment	12,692		12,692			
	316	Miscellaneous Power Plant Equipment	31,301		31,301				
Steam Production Total				\$ 409,986		\$ 409,986			
Total Dietenberger - Property Services and ESEM				\$ 6,017,024		\$ 6,017,024	\$ 13,613,536	\$ 13,267,618	

Southwestern Public Service Company

Linkage Period v. Adjusted Base Period (\$)	Linkage Period v. Adjusted Base Period (%)	Material Variance? (by Cost Center)	Future Test Year v. Base Period (\$)	Future Test Year v. Adjusted Base Period (\$)	Future Test Year v. Adjusted Base Period (%)	Material Variance? (by Cost Center)	Reference
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\$	7,596,511	126%	YES	\$	7,250,593	\$	7,250,593	121%	YES	Major capital additions discussed in the direct testimony of Adam R. Dietenberger.
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Southwestern Public Service Company

Shared Corporate Services O&M Expenses by Business Area, FERC Account, and Cost Element

General O&M Labor

Witness	Business Area	FERC Account	Account Description	Cost Element	Total Company
					Base Period July 1, 2021 - June 30, 2022
Dietenberger	Chairman and CEO	920000	Administrative and general salaries	INCENTIVE	28,088
	Chairman and CEO			LABOR	349,996
	Chairman and CEO	920000 Total			378,084
Chairman and CEO Total					378,084
Dietenberger	Customer and Innovation	500000	Operation supervision and engineering	LABOR	84
	Customer and Innovation	500000 Total			84
	Customer and Innovation	546000	Operation supervision and engineering	LABOR	28
	Customer and Innovation	546000 Total			28
	Customer and Innovation	580000	Operation supervision and engineering	LABOR	113
	Customer and Innovation	580000 Total			113
	Customer and Innovation	588000	Miscellaneous distribution expenses	LABOR	16
	Customer and Innovation	588000 Total			16
	Customer and Innovation	593000	Maintenance of overhead lines	LABOR	72
	Customer and Innovation	593000 Total			72
	Customer and Innovation	901000	Supervision	INCENTIVE	3,774
	Customer and Innovation			LABOR	30,220
	Customer and Innovation	901000 Total			33,994
	Customer and Innovation	902000	Meter reading expenses	INCENTIVE	94,469
	Customer and Innovation			LABOR	3,246,338
	Customer and Innovation	902000 Total			3,340,808
	Customer and Innovation	903000	Customer records and collection expenses	INCENTIVE	304,790
	Customer and Innovation			LABOR	2,820,485
	Customer and Innovation	903000 Total			3,125,275
	Customer and Innovation	908000	Customer assistance expenses	INCENTIVE	74,216
	Customer and Innovation			LABOR	2,105,774
	Customer and Innovation	908000 Total			2,179,990
	Customer and Innovation	912000	Demonstrating and selling expenses	INCENTIVE	12,274
	Customer and Innovation			LABOR	272,101
	Customer and Innovation	912000 Total			284,375
	Customer and Innovation	920000	Administrative and general salaries	INCENTIVE	205,850
	Customer and Innovation			LABOR	4,341,009
Customer and Innovation	920000 Total			4,546,859	
Customer and Innovation	921000	Office supplies and expenses	INCENTIVE	963	
Customer and Innovation	921000 Total			963	
Customer and Innovation Total					13,512,575

Southwestern Public Service Company

Shared Corporate Services O&M Expenses by Business Area, FERC Account, and Cost Element

General O&M Labor

Witness	Business Area	FERC Account	Account Description	Cost Element	Total Company
					Base Period July 1, 2021 - June 30, 2022
Dietenberger	Financial Operations	506000	Miscellaneous steam power expenses	INCENTIVE	15,403
	Financial Operations			LABOR	132,217
	Financial Operations	506000 Total			147,620
	Financial Operations	560000	Operation supervision and engineering	LABOR	526
	Financial Operations	560000 Total			526
	Financial Operations	566000	Miscellaneous transmission expenses	INCENTIVE	(8)
	Financial Operations			LABOR	(846)
	Financial Operations	566000 Total			(854)
	Financial Operations	580000	Operation supervision and engineering	LABOR	3,934
	Financial Operations	580000 Total			3,934
	Financial Operations	588000	Miscellaneous distribution expenses	INCENTIVE	5,466
	Financial Operations			LABOR	45,236
	Financial Operations	588000 Total			50,702
	Financial Operations	903000	Customer records and collection expenses	INCENTIVE	236
	Financial Operations			LABOR	(112)
	Financial Operations	903000 Total			124
	Financial Operations	920000	Administrative and general salaries	INCENTIVE	827,157
	Financial Operations			LABOR	7,146,918
	Financial Operations	920000 Total			7,974,075
	Financial Operations	921000	Office supplies and expenses	INCENTIVE	221
Financial Operations	921000 Total			221	
Financial Operations Total					8,176,348
Dietenberger	General Counsel	500000	Operation supervision and engineering	LABOR	137
	General Counsel	500000 Total			137
	General Counsel	546000	Operation supervision and engineering	LABOR	71
	General Counsel	546000 Total			71
	General Counsel	566000	Miscellaneous transmission expenses	INCENTIVE	11,381
	General Counsel			LABOR	91,963
	General Counsel	566000 Total			103,343
	General Counsel	920000	Administrative and general salaries	INCENTIVE	214,262
	General Counsel			LABOR	1,865,725
	General Counsel	920000 Total			2,079,987
General Counsel Total					2,183,538

Southwestern Public Service Company

Shared Corporate Services O&M Expenses by Business Area, FERC Account, and Cost Element

General O&M Labor

Witness	Business Area	FERC Account	Account Description	Cost Element	Total Company
					Base Period July 1, 2021 - June 30, 2022
Dietenberger	HR and Employee Services	500000	Operation supervision and engineering	LABOR	2,028
	HR and Employee Services	500000 Total			2,028
	HR and Employee Services	506000	Miscellaneous steam power expenses	INCENTIVE	50,233
	HR and Employee Services			LABOR	427,707
	HR and Employee Services	506000 Total			477,940
	HR and Employee Services	512000	Maintenance of boiler plant	INCENTIVE	89
	HR and Employee Services			LABOR	6,630
	HR and Employee Services	512000 Total			6,719
	HR and Employee Services	549000	Miscellaneous other power generation expenses	INCENTIVE	1,708
	HR and Employee Services			LABOR	14,707
	HR and Employee Services	549000 Total			16,415
	HR and Employee Services	566000	Miscellaneous transmission expenses	INCENTIVE	36,801
	HR and Employee Services			LABOR	314,026
	HR and Employee Services	566000 Total			350,827
	HR and Employee Services	575100	Operation Supervision	INCENTIVE	132
	HR and Employee Services			LABOR	1,158
	HR and Employee Services	575100 Total			1,290
	HR and Employee Services	580000	Operation supervision and engineering	INCENTIVE	6,359
	HR and Employee Services			LABOR	56,394
	HR and Employee Services	580000 Total			62,752
	HR and Employee Services	588000	Miscellaneous distribution expenses	INCENTIVE	31,012
	HR and Employee Services			LABOR	260,226
	HR and Employee Services	588000 Total			291,238
	HR and Employee Services	903000	Customer records and collection expenses	LABOR	22
	HR and Employee Services	903000 Total			22
	HR and Employee Services	905000	Miscellaneous customer accounts expenses	INCENTIVE	2,112
	HR and Employee Services			LABOR	18,113
	HR and Employee Services	905000 Total			20,225
	HR and Employee Services	910000	Miscell customer service and informational expense	INCENTIVE	612
	HR and Employee Services			LABOR	5,411
	HR and Employee Services	910000 Total			6,024
	HR and Employee Services	916000	Miscellaneous Sales Expense	INCENTIVE	80
	HR and Employee Services			LABOR	695
HR and Employee Services	916000 Total			775	
HR and Employee Services	920000	Administrative and general salaries	INCENTIVE	425,823	
HR and Employee Services			LABOR	3,240,984	
HR and Employee Services	920000 Total			3,666,807	

Southwestern Public Service Company

Shared Corporate Services O&M Expenses by Business Area, FERC Account, and Cost Element

General O&M Labor

Witness	Business Area	FERC Account	Account Description	Cost Element	Total Company
					Base Period July 1, 2021 - June 30, 2022
	HR and Employee Services	921000	Office supplies and expenses	INCENTIVE	631
	HR and Employee Services	921000 Total			631
	HR and Employee Services Total				4,903,692
Dietenberger	Integrated System Planning	506000	Miscellaneous steam power expenses	LABOR	572
	Integrated System Planning	506000 Total			572
	Integrated System Planning	920000	Administrative and general salaries	INCENTIVE	6,958
	Integrated System Planning			LABOR	144,255
	Integrated System Planning	920000 Total			151,213
	Integrated System Planning Total				151,785
Dietenberger	Operations Services	549000	Miscellaneous other power generation expenses	INCENTIVE	6,308
	Operations Services			LABOR	54,255
	Operations Services	549000 Total			60,563
	Operations Services	556000	System control and load dispatching	INCENTIVE	80,502
	Operations Services			LABOR	819,583
	Operations Services	556000 Total			900,084
	Operations Services	561700	Generation interconnection studies	INCENTIVE	11,877
	Operations Services			LABOR	98,969
	Operations Services	561700 Total			110,846
	Operations Services	575100	Operation Supervision	INCENTIVE	14,909
	Operations Services			LABOR	127,755
	Operations Services	575100 Total			142,664
	Operations Services	575200	Day-ahead and real-time market administration	INCENTIVE	39,572
	Operations Services			LABOR	344,011
	Operations Services	575200 Total			383,583
	Operations Services	575500	Ancillary services market administration	INCENTIVE	101
	Operations Services			LABOR	808
	Operations Services	575500 Total			908
	Operations Services	575600	Market monitoring and compliance	INCENTIVE	101
	Operations Services			LABOR	808
	Operations Services	575600 Total			908
	Operations Services	920000	Administrative and general salaries	INCENTIVE	94,591
	Operations Services			LABOR	718,357
	Operations Services	920000 Total			812,949
	Operations Services Total				2,412,506

Southwestern Public Service Company

Shared Corporate Services O&M Expenses by Business Area, FERC Account, and Cost Element

General O&M Labor

Witness	Business Area	FERC Account	Account Description	Cost Element	Total Company
					Base Period July 1, 2021 - June 30, 2022
Dietenberger	Risk Management	506000	Miscellaneous steam power expenses	LABOR	3,744
	Risk Management	506000 Total			3,744
	Risk Management	511000	Maintenance of structures	LABOR	127
	Risk Management	511000 Total			127
	Risk Management	512000	Maintenance of boiler plant	LABOR	6,338
	Risk Management	512000 Total			6,338
	Risk Management	513000	Maintenance of electric plant	LABOR	7,965
	Risk Management	513000 Total			7,965
	Risk Management	514000	Maintenance of miscellaneous steam plant	LABOR	472
	Risk Management	514000 Total			472
	Risk Management	580000	Operation supervision and engineering	LABOR	14,272
	Risk Management	580000 Total			14,272
	Risk Management	920000	Administrative and general salaries	INCENTIVE	90,683
	Risk Management			LABOR	797,156
	Risk Management	920000 Total			887,839
Risk Management Total					920,756
Dietenberger	Strategy Plng and Ext Affairs	560000	Operation supervision and engineering	LABOR	1,790
	Strategy Plng and Ext Affairs	560000 Total			1,790
	Strategy Plng and Ext Affairs	561200	Load dispatch-Monitor and operate transmiss system	LABOR	90
	Strategy Plng and Ext Affairs	561200 Total			90
	Strategy Plng and Ext Affairs	902000	Meter reading expenses	INCENTIVE	86
	Strategy Plng and Ext Affairs			LABOR	841
	Strategy Plng and Ext Affairs	902000 Total			927
	Strategy Plng and Ext Affairs	903000	Customer records and collection expenses	INCENTIVE	215
	Strategy Plng and Ext Affairs			LABOR	2,268
	Strategy Plng and Ext Affairs	903000 Total			2,483
	Strategy Plng and Ext Affairs	908000	Customer assistance expenses	LABOR	14
	Strategy Plng and Ext Affairs	908000 Total			14
	Strategy Plng and Ext Affairs	920000	Administrative and general salaries	INCENTIVE	385,132
	Strategy Plng and Ext Affairs			LABOR	3,277,711
	Strategy Plng and Ext Affairs	920000 Total			3,662,843
Strategy Plng and Ext Affairs	921000	Office supplies and expenses	INCENTIVE	14	
Strategy Plng and Ext Affairs	921000 Total			14	
Strategy Plng and Ext Affairs Total					3,668,161

Southwestern Public Service Company

Shared Corporate Services O&M Expenses by Business Area, FERC Account, and Cost Element

General O&M Labor

Witness	Business Area	FERC Account	Account Description	Cost Element	Total Company
					Base Period July 1, 2021 - June 30, 2022
Dietenberger	Corporate Other	506000	Miscellaneous steam power expenses	INCENTIVE	(490)
	Corporate Other			LABOR	(4,272)
	Corporate Other	506000 Total			(4,762)
	Corporate Other	511000	Maintenance of structures	(blank)	(1,077)
	Corporate Other	511000 Total			(1,077)
	Corporate Other	512000	Maintenance of boiler plant	(blank)	(10,357)
	Corporate Other	512000 Total			(10,357)
	Corporate Other	513000	Maintenance of electric plant	(blank)	(16,735)
	Corporate Other	513000 Total			(16,735)
	Corporate Other	514000	Maintenance of miscellaneous steam plant	(blank)	(4,580)
	Corporate Other	514000 Total			(4,580)
	Corporate Other	549000	Miscellaneous other power generation expenses	INCENTIVE	20
	Corporate Other			LABOR	13
	Corporate Other	549000 Total			33
	Corporate Other	552000	Maintenance of structures	(blank)	11,433
	Corporate Other	552000 Total			11,433
	Corporate Other	553000	Maintenance of generating and electric plant	(blank)	16,735
	Corporate Other	553000 Total			16,735
	Corporate Other	554000	Maint of misc other power generation plant	(blank)	4,580
	Corporate Other	554000 Total			4,580
	Corporate Other	560000	Operation supervision and engineering	INCENTIVE	(12,283)
	Corporate Other			LABOR	(136,806)
	Corporate Other	560000 Total			(149,089)
	Corporate Other	566000	Miscellaneous transmission expenses	INCENTIVE	(262)
	Corporate Other			LABOR	(2,312)
	Corporate Other	566000 Total			(2,573)
	Corporate Other	571000	Maintenance of overhead lines	INCENTIVE	164
	Corporate Other			LABOR	623
	Corporate Other	571000 Total			787
	Corporate Other	575100	Operation Supervision	INCENTIVE	(6)
	Corporate Other			LABOR	(56)
	Corporate Other	575100 Total			(62)
Corporate Other	583000	Overhead line expenses	(blank)	160,404	
Corporate Other	583000 Total			160,404	
Corporate Other	584000	Underground line expenses	(blank)	14,818	
Corporate Other	584000 Total			14,818	
Corporate Other	586000	Meter expenses	(blank)	35,691	

Southwestern Public Service Company

Shared Corporate Services O&M Expenses by Business Area, FERC Account, and Cost Element

General O&M Labor

Witness	Business Area	FERC Account	Account Description	Cost Element	Total Company
					Base Period July 1, 2021 - June 30, 2022
	Corporate Other	586000 Total			35,691
	Corporate Other	588000	Miscellaneous distribution expenses	INCENTIVE	(342)
	Corporate Other			LABOR	(3,020)
	Corporate Other			(blank)	(498)
	Corporate Other	588000 Total			(3,860)
	Corporate Other	592200	Maintenance of Energy Storage Equipment	(blank)	(790)
	Corporate Other	592200 Total			(790)
	Corporate Other	593000	Maintenance of overhead lines	(blank)	(178,128)
	Corporate Other	593000 Total			(178,128)
	Corporate Other	594000	Maintenance of underground lines	(blank)	4,194
	Corporate Other	594000 Total			4,194
	Corporate Other	903000	Customer records and collection expenses	(blank)	(35,691)
	Corporate Other	903000 Total			(35,691)
	Corporate Other	905000	Miscellaneous customer accounts expenses	INCENTIVE	205
	Corporate Other			LABOR	1,290
	Corporate Other	905000 Total			1,495
	Corporate Other	908000	Customer assistance expenses	INCENTIVE	216
	Corporate Other			LABOR	200
	Corporate Other			LBR_PR_TAX	(144)
	Corporate Other	908000 Total			272
	Corporate Other	910000	Miscell customer service and informational expense	INCENTIVE	(29)
	Corporate Other			LABOR	(258)
	Corporate Other	910000 Total			(287)
	Corporate Other	916000	Miscellaneous Sales Expense	INCENTIVE	(3)
	Corporate Other			LABOR	(31)
	Corporate Other	916000 Total			(35)
	Corporate Other	920000	Administrative and general salaries	INCENTIVE	1,910,964
	Corporate Other			LABOR	99,645
	Corporate Other	920000 Total			2,010,609
	Corporate Other	921000	Office supplies and expenses	INCENTIVE	421,198
	Corporate Other	921000 Total			421,198
	Corporate Other Total				2,274,224
Dietenberger Total					38,581,669

Southwestern Public Service Company

Shared Corporate Services O&M Expenses by Business Area, FERC Account, and Cost Element

General O&M Non-Labor

					Total Company						
Witness	Business Area	FERC Account	Account Description	Cost Element	Base Period	Base Period	Adjusted Base	Linkage Period	Linkage Period	Future Test	Future Test
					July 1, 2021 - June 30, 2022				Adjustments		Period
Dietenberger	Chairman and CEO	921000	Office supplies and expenses	EMPLOY_EXP	9,708						
	Chairman and CEO			MATERIALS	1,349						
	Chairman and CEO			MISC_OTHER	1,919						
	Chairman and CEO			OVERHEAD	2,307						
	Chairman and CEO	921000 Total			15,282	-	15,282	-	15,282	-	15,282
	Chairman and CEO	923000	Outside services employed	CONSULTING	328,585						
	Chairman and CEO	923000 Total			328,585	-	328,585	-	328,585	-	328,585
	Chairman and CEO	930100	General advertising expenses	MISC_OTHER	514						
	Chairman and CEO	930100 Total			514	(514)	-	-	-	-	-
	Chairman and CEO	930200	Miscellaneous general expenses	CONSULTING	30,716						
	Chairman and CEO			EMPLOY_EXP	700						
	Chairman and CEO			MISC_OTHER	895,452						
	Chairman and CEO			OVERHEAD	412						
	Chairman and CEO	930200 Total			927,280	(3)	927,277	-	927,277	-	927,277
	Chairman and CEO	931000	Rents	MISC_OTHER	880						
	Chairman and CEO	931000 Total			880	-	880	-	880	-	880
	Chairman and CEO Total					1,272,540	(517)	1,272,024	-	1,272,024	-
Dietenberger	Customer and Innovation	901000	Supervision	CONTR_LABR	56						
	Customer and Innovation			CONTR_VEND	93						
	Customer and Innovation			EMPLOY_EXP	5,155						
	Customer and Innovation			MATERIALS	45						
	Customer and Innovation			MISC_OTHER	6						
	Customer and Innovation			OVERHEAD	1						
	Customer and Innovation	901000 Total			5,356	(82)	5,274	-	5,274	-	5,274
	Customer and Innovation	902000	Meter reading expenses	CONTR_LABR	880,193						
	Customer and Innovation			CONTR_VEND	15,269						
	Customer and Innovation			EMPLOY_EXP	52,023						
	Customer and Innovation			MATERIALS	52,479						
	Customer and Innovation			MISC_OTHER	36,970						
	Customer and Innovation			OVERHEAD	10,569						
	Customer and Innovation			TRANSPORT	749,378						
	Customer and Innovation	902000 Total			1,796,882	(0)	1,796,881	-	1,796,881	-	1,796,881
	Customer and Innovation	903000	Customer records and collection expenses	CONSULTING	1,205						
	Customer and Innovation			CONTR_LABR	306						
	Customer and Innovation			CONTR_VEND	1,155,219						
	Customer and Innovation			EMPLOY_EXP	14,278						
	Customer and Innovation			MATERIALS	3,156						
	Customer and Innovation			MISC_OTHER	1,219,778						
	Customer and Innovation			OVERHEAD	13,475						
	Customer and Innovation	903000 Total			2,407,416	(681,593)	1,725,823	-	1,725,823	-	1,725,823
	Customer and Innovation	904000	Uncollectable Accounts - Commodity	MISC_OTHER	8,238,222						
	Customer and Innovation	904000 Total			8,238,222	1,521,658	9,759,880	-	9,759,880	1,092,691	10,852,571
	Customer and Innovation	904001	Uncollectable Accounts - Non Commodity	MISC_OTHER	75,877						
	Customer and Innovation	904001 Total			75,877	-	75,877	-	75,877	-	75,877
	Customer and Innovation	908000	Customer assistance expenses	CONTR_VEND	9,544						
	Customer and Innovation			EMPLOY_EXP	63,455						
	Customer and Innovation			MATERIALS	16,462						
Customer and Innovation			MISC_OTHER	(32,893)							
Customer and Innovation			OVERHEAD	80							
Customer and Innovation			TRANSPORT	90,937							

Southwestern Public Service Company

Shared Corporate Services O&M Expenses by Business Area, FERC Account, and Cost Element

General O&M Non-Labor

Witness	Business Area	FERC Account	Account Description	Cost Element	Linkage Period v. Adjusted Base Period (\$)	Linkage Period v. Adjusted Base Period (%)	Material Variance? (by FERC Account)	Future Test Year v. Base Period (\$)	Future Test Year v. Adjusted Base Period (%)	Material Variance? (by FERC Account)	
Dietenberger	Chairman and CEO	921000	Office supplies and expenses	EMPLOY_EXP	-	0%	FALSE	-	-	0%	FALSE
	Chairman and CEO			MATERIALS							
	Chairman and CEO			MISC_OTHER							
	Chairman and CEO			OVERHEAD							
	Chairman and CEO	921000 Total									
	Chairman and CEO	923000	Outside services employed	CONSULTING	-	0%	FALSE	-	-	0%	FALSE
	Chairman and CEO			923000 Total							
	Chairman and CEO	930100	General advertising expenses	MISC_OTHER	-	0%	FALSE	(514)	-	0%	FALSE
	Chairman and CEO			930100 Total							
	Chairman and CEO			930200							
	Chairman and CEO	930200		EMPLOY_EXP	-	0%	FALSE	(3)	-	0%	FALSE
	Chairman and CEO			MISC_OTHER							
	Chairman and CEO			OVERHEAD							
	Chairman and CEO			930200 Total							
	Chairman and CEO	931000	Rents	MISC_OTHER	-	0%	FALSE	-	-	0%	FALSE
	Chairman and CEO			931000 Total							
	Chairman and CEO Total										
Dietenberger	Customer and Innovation	901000	Supervision	CONTR_LABR	-	0%	FALSE	(82)	-	0%	FALSE
	Customer and Innovation			CONTR_VEND							
	Customer and Innovation			EMPLOY_EXP							
	Customer and Innovation			MATERIALS							
	Customer and Innovation			MISC_OTHER							
	Customer and Innovation			OVERHEAD							
	Customer and Innovation	901000 Total									
	Customer and Innovation	902000	Meter reading expenses	CONTR_LABR	-	0%	FALSE	(0)	-	0%	FALSE
	Customer and Innovation			CONTR_VEND							
	Customer and Innovation			EMPLOY_EXP							
	Customer and Innovation			MATERIALS							
	Customer and Innovation			MISC_OTHER							
	Customer and Innovation	OVERHEAD									
	Customer and Innovation	TRANSPORT									
	Customer and Innovation	902000 Total									
	Customer and Innovation	903000	Customer records and collection expenses	CONSULTING	-	0%	FALSE	(681,593)	-	0%	FALSE
	Customer and Innovation			CONTR_LABR							
	Customer and Innovation	904000	Uncollectable Accounts - Commodity	CONTR_VEND	-	0%	FALSE	2,614,350	1,092,691	11%	TRUE
	Customer and Innovation			EMPLOY_EXP							
	Customer and Innovation			MATERIALS							
	Customer and Innovation			MISC_OTHER							
Customer and Innovation	904001 Total										
Customer and Innovation	908000	Customer assistance expenses	CONTR_VEND	-	0%	FALSE	-	-	0%	FALSE	
Customer and Innovation			EMPLOY_EXP								
Customer and Innovation			MATERIALS								
Customer and Innovation			MISC_OTHER								
Customer and Innovation			OVERHEAD								
Customer and Innovation	TRANSPORT										

Southwestern Public Service Company

Shared Corporate Services O&M Expenses by Business Area, FERC Account, and Cost Element

General O&M Non-Labor

		Total Company									
Witness	Business Area	FERC Account	Account Description	Cost Element	Base Period	Base Period	Adjusted Base	Linkage Period	Linkage Period	Future Test	Future Test
					July 1, 2021 - June 30, 2022				Adjustments	Period	Adjustments
					July 1, 2021 - June 30, 2022	Adjustments	Period	Adjustments	June 30, 2023	Adjustments	July 1, 2023 - June 30, 2024
	Customer and Innovation	908000 Total			147,584	-	147,584	-	147,584	-	147,584
	Customer and Innovation	909000	Informational and instruction advertising expense	MISC_OTHER	297,826						
	Customer and Innovation	909000 Total			297,826	(26,891)	270,936	-	270,936	-	270,936
	Customer and Innovation	912000	Demonstrating and selling expenses	CONSULTING	9,065						
	Customer and Innovation			CONTR_LABR	10,839						
	Customer and Innovation			EMPLOY_EXP	985						
	Customer and Innovation			MISC_OTHER	42,744						
	Customer and Innovation			OVERHEAD	183						
	Customer and Innovation			TRANSPORT	5,813						
	Customer and Innovation	912000 Total			69,630	(26,898)	42,731	-	42,731	-	42,731
	Customer and Innovation	921000	Office supplies and expenses	EMPLOY_EXP	236,245						
	Customer and Innovation			MATERIALS	30,101						
	Customer and Innovation			MISC_OTHER	240,224						
	Customer and Innovation			OVERHEAD	6,572						
	Customer and Innovation			TRANSPORT	9,180						
	Customer and Innovation	921000 Total			522,321	-	522,321	-	522,321	-	522,321
	Customer and Innovation	923000	Outside services employed	CONSULTING	(50,968)						
	Customer and Innovation			CONTR_LABR	77,279						
	Customer and Innovation			CONTR_VEND	321,498						
	Customer and Innovation	923000 Total			347,809	-	347,809	-	347,809	-	347,809
	Customer and Innovation	925000	Injuries and damages	MISC_OTHER	12,014						
	Customer and Innovation	925000 Total			12,014	-	12,014	-	12,014	-	12,014
	Customer and Innovation	928000	Regulatory commission expenses	MISC_OTHER	4,748,592						
	Customer and Innovation	928000 Total			4,748,592	-	4,748,592	-	4,748,592	3,819,620	8,568,211
	Customer and Innovation	930100	General advertising expenses	MISC_OTHER	1,227,373						
	Customer and Innovation	930100 Total			1,227,373	(1,227,373)	-	-	-	-	-
	Customer and Innovation	930200	Miscellaneous general expenses	MISC_OTHER	385,856						
	Customer and Innovation	930200 Total			385,856	-	385,856	-	385,856	-	385,856
	Customer and Innovation	931000	Rents	MISC_OTHER	23,451						
	Customer and Innovation	931000 Total			23,451	-	23,451	-	23,451	-	23,451
	Customer and Innovation	935000	Maintenance of general plant	MISC_OTHER	29,323						
	Customer and Innovation	935000 Total			29,323	-	29,323	-	29,323	-	29,323
	Customer and Innovation Total				20,335,530	(441,179)	19,894,351	-	19,894,351	4,912,311	24,806,662
Dietenberger	Financial Operations	560000	Operation supervision and engineering	CONSULTING	2,255						
	Financial Operations			OVERHEAD	27						
	Financial Operations	560000 Total			2,282		2,282		2,282		2,282
	Financial Operations	566000	Miscellaneous transmission expenses	EMPLOY_EXP	82						
	Financial Operations	566000 Total			82		82		82		82
	Financial Operations	581000	Load dispatching	CONSULTING	18,438						
	Financial Operations			OVERHEAD	196						
	Financial Operations	581000 Total			18,634		18,634		18,634		18,634
	Financial Operations	588000	Miscellaneous distribution expenses	CONSULTING	75						
	Financial Operations			OVERHEAD	1						
	Financial Operations	588000 Total			76		76		76		76
	Financial Operations	903000	Customer records and collection expenses	CONSULTING	484,012						
	Financial Operations			CONTR_LABR	1,714						
	Financial Operations			EMPLOY_EXP	1,834						
	Financial Operations			MISC_OTHER	184,409						
	Financial Operations			OVERHEAD	8,551						
	Financial Operations	903000 Total			680,522		680,522		680,522		680,522

Southwestern Public Service Company

Shared Corporate Services O&M Expenses by Business Area, FERC Account, and Cost Element

General O&M Non-Labor

Witness	Business Area	FERC Account	Account Description	Cost Element	Linkage Period v. Adjusted Base Period (\$)	Linkage Period v. Adjusted Base Period (%)	Material Variance? (by FERC Account)	Future Test Year v. Base Period (\$)	Future Test Year v. Adjusted Base Period (%)	Material Variance? (by FERC Account)	
	Customer and Innovation	908000 Total			-	0%	FALSE	-	-	0% FALSE	
	Customer and Innovation	909000	Informational and instruction advertising expense	MISC_OTHER							
	Customer and Innovation	909000 Total			-	0%	FALSE	(26,891)	-	0% FALSE	
	Customer and Innovation	912000	Demonstrating and selling expenses	CONSULTING							
	Customer and Innovation			CONTR_LABR							
	Customer and Innovation			EMPLOY_EXP							
	Customer and Innovation			MISC_OTHER							
	Customer and Innovation			OVERHEAD							
	Customer and Innovation			TRANSPORT							
	Customer and Innovation	912000 Total			-	0%	FALSE	(26,898)	-	0% FALSE	
	Customer and Innovation	921000	Office supplies and expenses	EMPLOY_EXP							
	Customer and Innovation			MATERIALS							
	Customer and Innovation			MISC_OTHER							
	Customer and Innovation			OVERHEAD							
	Customer and Innovation			TRANSPORT							
	Customer and Innovation	921000 Total			-	0%	FALSE	-	-	0% FALSE	
	Customer and Innovation	923000	Outside services employed	CONSULTING							
	Customer and Innovation			CONTR_LABR							
	Customer and Innovation			CONTR_VEND							
	Customer and Innovation	923000 Total			-	0%	FALSE	-	-	0% FALSE	
	Customer and Innovation	925000	Injuries and damages	MISC_OTHER							
	Customer and Innovation	925000 Total			-	0%	FALSE	-	-	0% FALSE	
	Customer and Innovation	928000	Regulatory commission expenses	MISC_OTHER							
	Customer and Innovation	928000 Total			-	0%	FALSE	3,819,620	3,819,620	80% TRUE	
	Customer and Innovation	930100	General advertising expenses	MISC_OTHER							
	Customer and Innovation	930100 Total			-	0%	FALSE	(1,227,373)	-	0% FALSE	
	Customer and Innovation	930200	Miscellaneous general expenses	MISC_OTHER							
	Customer and Innovation	930200 Total			-	0%	FALSE	-	-	0% FALSE	
	Customer and Innovation	931000	Rents	MISC_OTHER							
	Customer and Innovation	931000 Total			-	0%	FALSE	-	-	0% FALSE	
	Customer and Innovation	935000	Maintenance of general plant	MISC_OTHER							
	Customer and Innovation	935000 Total			-	0%	FALSE	-	-	0% FALSE	
	Customer and Innovation Total										
Dietenberger	Financial Operations	560000	Operation supervision and engineering	CONSULTING							
	Financial Operations			OVERHEAD							
	Financial Operations	560000 Total			-	0%	FALSE	-	-	0% FALSE	
	Financial Operations	566000	Miscellaneous transmission expenses	EMPLOY_EXP							
	Financial Operations	566000 Total			-	0%	FALSE	-	-	0% FALSE	
	Financial Operations	581000	Load dispatching	CONSULTING							
	Financial Operations			OVERHEAD							
	Financial Operations	581000 Total			-	0%	FALSE	-	-	0% FALSE	
	Financial Operations	588000	Miscellaneous distribution expenses	CONSULTING							
	Financial Operations			OVERHEAD							
	Financial Operations	588000 Total			-	0%	FALSE	-	-	0% FALSE	
	Financial Operations	903000	Customer records and collection expenses	CONSULTING							
	Financial Operations			CONTR_LABR							
	Financial Operations			EMPLOY_EXP							
	Financial Operations			MISC_OTHER							
	Financial Operations			OVERHEAD							
	Financial Operations	903000 Total			-	0%	FALSE	-	-	0% FALSE	

Southwestern Public Service Company

Shared Corporate Services O&M Expenses by Business Area, FERC Account, and Cost Element

General O&M Non-Labor

					Total Company						
Witness	Business Area	FERC Account	Account Description	Cost Element	Base Period	Base Period	Adjusted Base	Linkage Period	Linkage Period	Future Test	Future Test
					July 1, 2021 - June 30, 2022						Adjustments
	Financial Operations	921000	Office supplies and expenses	EMPLOY_EXP	64,429						
	Financial Operations			MATERIALS	6,378						
	Financial Operations			MISC_OTHER	874,350						
	Financial Operations			OVERHEAD	11,682						
	Financial Operations	921000 Total			956,840		956,840		956,840		956,840
	Financial Operations	922000	Administrative expenses transferred-Credit	MISC_OTHER	(122,743)						
	Financial Operations	922000 Total			(122,743)		(122,743)		(122,743)		(122,743)
	Financial Operations	923000	Outside services employed	CONSULTING	954,740						
	Financial Operations			CONTR_LABR	100,015						
	Financial Operations			CONTR_VEND	6,094						
	Financial Operations	923000 Total			1,060,849		1,060,849		1,060,849		1,060,849
	Financial Operations	924000	Property insurance	MISC_OTHER	4,743,547						
	Financial Operations	924000 Total			4,743,547		4,743,547	994,814	5,738,360	525,949	6,264,310
	Financial Operations	925000	Injuries and damages	MISC_OTHER	9,054,863						
	Financial Operations	925000 Total			9,054,863		9,054,863	2,205,932	11,260,795	1,385,372	12,646,167
	Financial Operations	928000	Regulatory commission expenses	MISC_OTHER	1,573						
	Financial Operations			OTHOPEX_OT	1,078,963						
	Financial Operations	928000 Total			1,080,536		1,080,536		1,080,536		1,080,536
	Financial Operations	930100	General advertising expenses	MISC_OTHER	924						
	Financial Operations	930100 Total			924	(924)	-	-	-	-	-
	Financial Operations	930200	Miscellaneous general expenses	MISC_OTHER	52,932						
	Financial Operations	930200 Total			52,932		52,932		52,932		52,932
	Financial Operations	931000	Rents	MISC_OTHER	15,136						
	Financial Operations	931000 Total			15,136		15,136		15,136		15,136
	Financial Operations Total				17,544,479	(924)	17,543,555	3,200,746	20,744,301	1,911,321	22,655,622
Dietenberger	General Counsel	549000	Miscellaneous other power generation expenses	CONSULTING	16,263						
	General Counsel			OVERHEAD	160						
	General Counsel	549000 Total			16,422		16,422		16,422		16,422
	General Counsel	566000	Miscellaneous transmission expenses	CONSULTING	18,983						
	General Counsel			OVERHEAD	831						
	General Counsel	566000 Total			19,814		19,814		19,814		19,814
	General Counsel	921000	Office supplies and expenses	EMPLOY_EXP	39,960						
	General Counsel			MATERIALS	6,590						
	General Counsel			MISC_OTHER	89,373						
	General Counsel			OVERHEAD	9,721						
	General Counsel	921000 Total			145,644		145,644		145,644		145,644
	General Counsel	922000	Administrative expenses transferred-Credit	MISC_OTHER	(114,219)						
	General Counsel	922000 Total			(114,219)		(114,219)		(114,219)		(114,219)
	General Counsel	923000	Outside services employed	CONSULTING	790,438						
	General Counsel			CONTR_LABR	7,106						
	General Counsel			CONTR_VEND	1,884						
	General Counsel	923000 Total			799,427		799,427		799,427		799,427
	General Counsel	928000	Regulatory commission expenses	CONSULTING	738,099						
	General Counsel			CONTR_LABR	915						
	General Counsel			MISC_OTHER	25						
	General Counsel			OVERHEAD	4,472						
	General Counsel	928000 Total			743,511		743,511		743,511		743,511
	General Counsel	930200	Miscellaneous general expenses	MISC_OTHER	26						
	General Counsel	930200 Total			26		26		26		26
	General Counsel	931000	Rents	MISC_OTHER	15,938						

Southwestern Public Service Company

Shared Corporate Services O&M Expenses by Business Area, FERC Account, and Cost Element

General O&M Non-Labor

Witness	Business Area	FERC Account	Account Description	Cost Element	Linkage Period v. Adjusted Base Period (\$)	Linkage Period v. Adjusted Base Period (%)	Material Variance? (by FERC Account)	Future Test Year v. Base Period (\$)	Future Test Year v. Adjusted Base Period (\$)	Future Test Year v. Adjusted Base Period (%)	Material Variance? (by FERC Account)
	Financial Operations	921000	Office supplies and expenses	EMPLOY_EXP							
	Financial Operations			MATERIALS							
	Financial Operations			MISC_OTHER							
	Financial Operations			OVERHEAD							
		921000 Total			-	0%	FALSE	-	-	0%	FALSE
	Financial Operations	922000	Administrative expenses transferred-Credit	MISC_OTHER							
		922000 Total			-	0%	FALSE	-	-	0%	FALSE
	Financial Operations	923000	Outside services employed	CONSULTING							
	Financial Operations			CONTR_LABR							
	Financial Operations			CONTR_VEND							
		923000 Total			-	0%	FALSE	-	-	0%	FALSE
	Financial Operations	924000	Property insurance	MISC_OTHER							
		924000 Total			994,814	21%	TRUE	1,520,763	1,520,763	32%	TRUE
	Financial Operations	925000	Injuries and damages	MISC_OTHER							
		925000 Total			2,205,932	24%	TRUE	3,591,304	3,591,304	40%	TRUE
	Financial Operations	928000	Regulatory commission expenses	MISC_OTHER							
	Financial Operations			OTHOPEX_OT							
		928000 Total			-	0%	FALSE	-	-	0%	FALSE
	Financial Operations	930100	General advertising expenses	MISC_OTHER							
		930100 Total			-	0%	FALSE	(924)	-	0%	FALSE
	Financial Operations	930200	Miscellaneous general expenses	MISC_OTHER							
		930200 Total			-	0%	FALSE	-	-	0%	FALSE
	Financial Operations	931000	Rents	MISC_OTHER							
		931000 Total			-	0%	FALSE	-	-	0%	FALSE
	Financial Operations Total										
Dietenberger	General Counsel	549000	Miscellaneous other power generation expenses	CONSULTING							
	General Counsel			OVERHEAD							
		549000 Total			-	0%	FALSE	-	-	0%	FALSE
	General Counsel	566000	Miscellaneous transmission expenses	CONSULTING							
	General Counsel			OVERHEAD							
		566000 Total			-	0%	FALSE	-	-	0%	FALSE
	General Counsel	921000	Office supplies and expenses	EMPLOY_EXP							
	General Counsel			MATERIALS							
	General Counsel			MISC_OTHER							
	General Counsel			OVERHEAD							
		921000 Total			-	0%	FALSE	-	-	0%	FALSE
	General Counsel	922000	Administrative expenses transferred-Credit	MISC_OTHER							
		922000 Total			-	0%	FALSE	-	-	0%	FALSE
	General Counsel	923000	Outside services employed	CONSULTING							
	General Counsel			CONTR_LABR							
	General Counsel			CONTR_VEND							
		923000 Total			-	0%	FALSE	-	-	0%	FALSE
	General Counsel	928000	Regulatory commission expenses	CONSULTING							
	General Counsel			CONTR_LABR							
	General Counsel			MISC_OTHER							
	General Counsel			OVERHEAD							
		928000 Total			-	0%	FALSE	-	-	0%	FALSE
	General Counsel	930200	Miscellaneous general expenses	MISC_OTHER							
		930200 Total			-	0%	FALSE	-	-	0%	FALSE
	General Counsel	931000	Rents	MISC_OTHER							

Southwestern Public Service Company

Shared Corporate Services O&M Expenses by Business Area, FERC Account, and Cost Element

General O&M Non-Labor

					Total Company						
Witness	Business Area	FERC Account	Account Description	Cost Element	Base Period	Base Period	Adjusted Base	Linkage Period	Linkage Period	Future Test	Future Test
					July 1, 2021 - June 30, 2022				Adjustments	Period	Adjustments
					July 1, 2023 - June 30, 2024						
	General Counsel	931000 Total			15,938		15,938		15,938		15,938
	General Counsel Total				1,626,564	-	1,626,564	-	1,626,564	-	1,626,564
Dietenberger	HR and Employee Services	502000	Steam expenses	MATERIALS	1,217						
	HR and Employee Services	502000 Total			1,217		1,217		1,217		1,217
	HR and Employee Services	506000	Miscellaneous steam power expenses	CONSULTING	5,928						
	HR and Employee Services			CONTR_LABR	86,630						
	HR and Employee Services			CONTR_VEND	128,699						
	HR and Employee Services			EMPLOY_EXP	24,612						
	HR and Employee Services			MATERIALS	43,813						
	HR and Employee Services			MISC_OTHER	920,441						
	HR and Employee Services			OVERHEAD	2,636						
	HR and Employee Services			TRANSPORT	13,318						
	HR and Employee Services	506000 Total			1,226,077		1,226,077		1,226,077		1,226,077
	HR and Employee Services	507000	Rents	MISC_OTHER	2,675,190						
	HR and Employee Services	507000 Total			2,675,190		2,675,190		2,675,190		2,675,190
	HR and Employee Services	549000	Miscellaneous other power generation expenses	CONSULTING	1,289						
	HR and Employee Services			CONTR_LABR	(6)						
	HR and Employee Services			CONTR_VEND	20,847						
	HR and Employee Services			EMPLOY_EXP	726						
	HR and Employee Services			MATERIALS	5,784						
	HR and Employee Services			MISC_OTHER	180,550						
	HR and Employee Services			OVERHEAD	365						
	HR and Employee Services			TRANSPORT	202						
	HR and Employee Services	549000 Total			209,757		209,757		209,757		209,757
	HR and Employee Services	550000	Rents	MISC_OTHER	432,086						
	HR and Employee Services	550000 Total			432,086		432,086		432,086		432,086
	HR and Employee Services	560000	Operation supervision and engineering	EMPLOY_EXP	3,134						
	HR and Employee Services			MISC_OTHER	13						
	HR and Employee Services	560000 Total			3,147		3,147		3,147		3,147
	HR and Employee Services	566000	Miscellaneous transmission expenses	CONSULTING	9,605						
	HR and Employee Services			CONTR_LABR	(106)						
	HR and Employee Services			CONTR_VEND	72,925						
	HR and Employee Services			EMPLOY_EXP	28,772						
	HR and Employee Services			MATERIALS	29,335						
	HR and Employee Services			MISC_OTHER	596,044						
	HR and Employee Services			OVERHEAD	1,182						
	HR and Employee Services			TRANSPORT	848						
	HR and Employee Services	566000 Total			738,604	111	738,715		738,715		738,715
	HR and Employee Services	567000	Rents	MISC_OTHER	1,476,532						
	HR and Employee Services	567000 Total			1,476,532		1,476,532		1,476,532		1,476,532
	HR and Employee Services	575100	Operation Supervision	CONSULTING	69						
	HR and Employee Services			CONTR_LABR	(5)						
	HR and Employee Services			CONTR_VEND	1,623						
	HR and Employee Services			EMPLOY_EXP	38						
	HR and Employee Services			MATERIALS	399						
	HR and Employee Services			MISC_OTHER	10,967						
	HR and Employee Services			OVERHEAD	21						
	HR and Employee Services			TRANSPORT	23						
	HR and Employee Services	575100 Total			13,135	(5)	13,130		13,130		13,130
	HR and Employee Services	575800	Rents	MATERIALS	100						

Southwestern Public Service Company

Shared Corporate Services O&M Expenses by Business Area, FERC Account, and Cost Element

General O&M Non-Labor

Witness	Business Area	FERC Account	Account Description	Cost Element	Linkage Period v. Adjusted Base Period (\$)	Linkage Period v. Adjusted Base Period (%)	Material Variance? (by FERC Account)	Future Test Year v. Base Period (\$)	Future Test Year v. Adjusted Base Period (%)	Material Variance? (by FERC Account)
	General Counsel	931000 Total			-	0%	FALSE	-	-	0% FALSE
		General Counsel Total								
Dietenberger	HR and Employee Services	502000	Steam expenses	MATERIALS						
	HR and Employee Services	502000 Total			-	0%	FALSE	-	-	0% FALSE
	HR and Employee Services	506000	Miscellaneous steam power expenses	CONSULTING						
	HR and Employee Services			CONTR_LABR						
	HR and Employee Services			CONTR_VEND						
	HR and Employee Services			EMPLOY_EXP						
	HR and Employee Services			MATERIALS						
	HR and Employee Services			MISC_OTHER						
	HR and Employee Services			OVERHEAD						
	HR and Employee Services			TRANSPORT						
	HR and Employee Services	506000 Total			-	0%	FALSE	-	-	0% FALSE
	HR and Employee Services	507000	Rents	MISC_OTHER						
	HR and Employee Services	507000 Total			-	0%	FALSE	-	-	0% FALSE
	HR and Employee Services	549000	Miscellaneous other power generation expenses	CONSULTING						
	HR and Employee Services			CONTR_LABR						
	HR and Employee Services			CONTR_VEND						
	HR and Employee Services			EMPLOY_EXP						
	HR and Employee Services			MATERIALS						
	HR and Employee Services			MISC_OTHER						
	HR and Employee Services			OVERHEAD						
	HR and Employee Services			TRANSPORT						
	HR and Employee Services	549000 Total			-	0%	FALSE	-	-	0% FALSE
	HR and Employee Services	550000	Rents	MISC_OTHER						
	HR and Employee Services	550000 Total			-	0%	FALSE	-	-	0% FALSE
	HR and Employee Services	560000	Operation supervision and engineering	EMPLOY_EXP						
	HR and Employee Services			MISC_OTHER						
	HR and Employee Services	560000 Total			-	0%	FALSE	-	-	0% FALSE
	HR and Employee Services	566000	Miscellaneous transmission expenses	CONSULTING						
	HR and Employee Services			CONTR_LABR						
	HR and Employee Services			CONTR_VEND						
	HR and Employee Services			EMPLOY_EXP						
	HR and Employee Services			MATERIALS						
	HR and Employee Services			MISC_OTHER						
	HR and Employee Services			OVERHEAD						
	HR and Employee Services			TRANSPORT						
	HR and Employee Services	566000 Total			-	0%	FALSE	111	-	0% FALSE
	HR and Employee Services	567000	Rents	MISC_OTHER						
	HR and Employee Services	567000 Total			-	0%	FALSE	-	-	0% FALSE
	HR and Employee Services	575100	Operation Supervision	CONSULTING						
	HR and Employee Services			CONTR_LABR						
	HR and Employee Services			CONTR_VEND						
	HR and Employee Services			EMPLOY_EXP						
	HR and Employee Services			MATERIALS						
	HR and Employee Services			MISC_OTHER						
	HR and Employee Services			OVERHEAD						
	HR and Employee Services			TRANSPORT						
	HR and Employee Services	575100 Total			-	0%	FALSE	(5)	-	0% FALSE
	HR and Employee Services	575800	Rents	MATERIALS						

Southwestern Public Service Company

Shared Corporate Services O&M Expenses by Business Area, FERC Account, and Cost Element

General O&M Non-Labor

					Total Company						
Witness	Business Area	FERC Account	Account Description	Cost Element	Base Period	Base Period	Adjusted Base	Linkage Period	Linkage Period	Future Test	Future Test
					July 1, 2021 - June 30, 2022				Adjustments	Period	July 1, 2022 - June 30, 2023
	HR and Employee Services			MISC_OTHER	34,584						
	HR and Employee Services	575800 Total			34,684			34,684			34,684
	HR and Employee Services	580000	Operation supervision and engineering	EMPLOY_EXP	8,252						
	HR and Employee Services			MATERIALS	53						
	HR and Employee Services			MISC_OTHER	20						
	HR and Employee Services	580000 Total			8,324		8,324		8,324		8,324
	HR and Employee Services	588000	Miscellaneous distribution expenses	CONSULTING	3,891						
	HR and Employee Services			CONTR_LABR	14,419						
	HR and Employee Services			CONTR_VEND	179,977						
	HR and Employee Services			EMPLOY_EXP	27,325						
	HR and Employee Services			MATERIALS	37,042						
	HR and Employee Services			MISC_OTHER	637,919						
	HR and Employee Services			OVERHEAD	2,566						
	HR and Employee Services			TRANSPORT	32,207						
	HR and Employee Services	588000 Total			935,346		935,346		935,346		935,346
	HR and Employee Services	589000	Rents	MISC_OTHER	1,870,639						
	HR and Employee Services	589000 Total			1,870,639		1,870,639		1,870,639		1,870,639
	HR and Employee Services	905000	Miscellaneous customer accounts expenses	CONSULTING	2,268						
	HR and Employee Services			CONTR_LABR	(41)						
	HR and Employee Services			CONTR_VEND	26,406						
	HR and Employee Services			EMPLOY_EXP	599						
	HR and Employee Services			MATERIALS	6,281						
	HR and Employee Services			MISC_OTHER	131,718						
	HR and Employee Services			OVERHEAD	539						
	HR and Employee Services			TRANSPORT	175						
	HR and Employee Services	905000 Total			167,944		167,944		167,944		167,944
	HR and Employee Services	909000	Informational and instruction advertising expense	MISC_OTHER	43,587						
	HR and Employee Services	909000 Total			43,587		43,587		43,587		43,587
	HR and Employee Services	910000	Miscell customer service and informational expense	CONSULTING	343						
	HR and Employee Services			CONTR_LABR	(25)						
	HR and Employee Services			CONTR_VEND	7,637						
	HR and Employee Services			EMPLOY_EXP	180						
	HR and Employee Services			MATERIALS	2,368						
	HR and Employee Services			MISC_OTHER	38,073						
	HR and Employee Services			OVERHEAD	103						
	HR and Employee Services			TRANSPORT	103						
	HR and Employee Services	910000 Total			48,781		48,781		48,781		48,781
	HR and Employee Services	916000	Miscellaneous Sales Expense	CONSULTING	39						
	HR and Employee Services			CONTR_LABR	(2)						
	HR and Employee Services			CONTR_VEND	950						
	HR and Employee Services			EMPLOY_EXP	22						
	HR and Employee Services			MATERIALS	287						
	HR and Employee Services			MISC_OTHER	5,592						
	HR and Employee Services			OVERHEAD	13						
	HR and Employee Services			TRANSPORT	13						
	HR and Employee Services	916000 Total			6,914		6,914		6,914		6,914
	HR and Employee Services	921000	Office supplies and expenses	EMPLOY_EXP	168,348						
	HR and Employee Services			MATERIALS	229,708						
	HR and Employee Services			MISC_OTHER	749,416						
	HR and Employee Services			OVERHEAD	9,444						
	HR and Employee Services			TRANSPORT	12,959						

Southwestern Public Service Company

Shared Corporate Services O&M Expenses by Business Area, FERC Account, and Cost Element

General O&M Non-Labor

Witness	Business Area	FERC Account	Account Description	Cost Element	Linkage Period v. Adjusted Base Period (\$)	Linkage Period v. Adjusted Base Period (%)	Material Variance? (by FERC Account)	Future Test Year v. Base Period (\$)	Future Test Year v. Adjusted Base Period (%)	Material Variance? (by FERC Account)
	HR and Employee Services			MISC_OTHER	-	0%	FALSE	-	-	0% FALSE
	HR and Employee Services	575800 Total								
	HR and Employee Services	580000	Operation supervision and engineering	EMPLOY_EXP						
	HR and Employee Services			MATERIALS						
	HR and Employee Services			MISC_OTHER						
	HR and Employee Services	580000 Total			-	0%	FALSE	-	-	0% FALSE
	HR and Employee Services	588000	Miscellaneous distribution expenses	CONSULTING						
	HR and Employee Services			CONTR_LABR						
	HR and Employee Services			CONTR_VEND						
	HR and Employee Services			EMPLOY_EXP						
	HR and Employee Services			MATERIALS						
	HR and Employee Services			MISC_OTHER						
	HR and Employee Services			OVERHEAD						
	HR and Employee Services			TRANSPORT						
	HR and Employee Services	588000 Total			-	0%	FALSE	-	-	0% FALSE
	HR and Employee Services	589000	Rents	MISC_OTHER						
	HR and Employee Services	589000 Total			-	0%	FALSE	-	-	0% FALSE
	HR and Employee Services	905000	Miscellaneous customer accounts expenses	CONSULTING						
	HR and Employee Services			CONTR_LABR						
	HR and Employee Services			CONTR_VEND						
	HR and Employee Services			EMPLOY_EXP						
	HR and Employee Services			MATERIALS						
	HR and Employee Services			MISC_OTHER						
	HR and Employee Services			OVERHEAD						
	HR and Employee Services			TRANSPORT						
	HR and Employee Services	905000 Total			-	0%	FALSE	-	-	0% FALSE
	HR and Employee Services	909000	Informational and instruction advertising expense	MISC_OTHER						
	HR and Employee Services	909000 Total			-	0%	FALSE	-	-	0% FALSE
	HR and Employee Services	910000	Miscellaneous customer service and informational expense	CONSULTING						
	HR and Employee Services			CONTR_LABR						
	HR and Employee Services			CONTR_VEND						
	HR and Employee Services			EMPLOY_EXP						
	HR and Employee Services			MATERIALS						
	HR and Employee Services			MISC_OTHER						
	HR and Employee Services			OVERHEAD						
	HR and Employee Services			TRANSPORT						
	HR and Employee Services	910000 Total			-	0%	FALSE	-	-	0% FALSE
	HR and Employee Services	916000	Miscellaneous Sales Expense	CONSULTING						
	HR and Employee Services			CONTR_LABR						
	HR and Employee Services			CONTR_VEND						
	HR and Employee Services			EMPLOY_EXP						
	HR and Employee Services			MATERIALS						
	HR and Employee Services			MISC_OTHER						
	HR and Employee Services			OVERHEAD						
	HR and Employee Services			TRANSPORT						
	HR and Employee Services	916000 Total			-	0%	FALSE	-	-	0% FALSE
	HR and Employee Services	921000	Office supplies and expenses	EMPLOY_EXP						
	HR and Employee Services			MATERIALS						
	HR and Employee Services			MISC_OTHER						
	HR and Employee Services			OVERHEAD						
	HR and Employee Services			TRANSPORT						

Southwestern Public Service Company

Shared Corporate Services O&M Expenses by Business Area, FERC Account, and Cost Element

General O&M Non-Labor

					Total Company						
Witness	Business Area	FERC Account	Account Description	Cost Element	Base Period	Base Period Adjustments	Adjusted Base Period	Linkage Period Adjustments	Linkage Period	Future Test	Future Test
					July 1, 2021 - June 30, 2022				July 1, 2022 - June 30, 2023	Year Period July 1, 2023 - June 30, 2024	
	HR and Employee Services	921000 Total			1,169,875		1,169,875		1,169,875		1,169,875
	HR and Employee Services	922000	Administrative expenses transferred-Credit	MISC_OTHER	(4,020,178)						
	HR and Employee Services	922000 Total			(4,020,178)		(4,020,178)		(4,020,178)		(4,020,178)
	HR and Employee Services	923000	Outside services employed	CONSULTING	173,350						
	HR and Employee Services			CONTR_LABR	174,612						
	HR and Employee Services			CONTR_VEND	213,816						
	HR and Employee Services	923000 Total			561,778		561,778		561,778		561,778
	HR and Employee Services	924000	Property insurance	MISC_OTHER	11,833						
	HR and Employee Services	924000 Total			11,833		11,833		11,833		11,833
	HR and Employee Services	930100	General advertising expenses	MISC_OTHER	3,751						
	HR and Employee Services	930100 Total			3,751	(3,751)	-		-		-
	HR and Employee Services	930200	Miscellaneous general expenses	MISC_OTHER	5,235						
	HR and Employee Services	930200 Total			5,235		5,235		5,235		5,235
	HR and Employee Services	931000	Rents	MISC_OTHER	3,919,100						
	HR and Employee Services	931000 Total			3,919,100		3,919,100		3,919,100		3,919,100
	HR and Employee Services	935000	Maintenance of general plant	MISC_OTHER	434,682						
	HR and Employee Services	935000 Total			434,682	(815)	433,867		433,867		433,867
	HR and Employee Services Total				11,978,040	(4,459)	11,973,581	-	11,973,581	-	11,973,581
Dietenberger	Integrated System Planning	921000	Office supplies and expenses	EMPLOY_EXP	2,094						
	Integrated System Planning			MATERIALS	22						
	Integrated System Planning			MISC_OTHER	66						
	Integrated System Planning	921000 Total			2,182		2,182		2,182		2,182
	Integrated System Planning Total				2,182	-	2,182	-	2,182	-	2,182
Dietenberger	Operations Services	549000	Miscellaneous other power generation expenses	EMPLOY_EXP	200						
	Operations Services	549000 Total			200		200		200		200
	Operations Services	556000	System control and load dispatching	EMPLOY_EXP	11,834						
	Operations Services			MATERIALS	21						
	Operations Services			MISC_OTHER	12,510						
	Operations Services			OVERHEAD	108						
	Operations Services	556000 Total			24,474		24,474		24,474		24,474
	Operations Services	561700	Generation interconnection studies	EMPLOY_EXP	123						
	Operations Services			MATERIALS	4						
	Operations Services	561700 Total			127		127		127		127
	Operations Services	575100	Operation Supervision	EMPLOY_EXP	889						
	Operations Services	575100 Total			889		889		889		889
	Operations Services	921000	Office supplies and expenses	EMPLOY_EXP	16,425						
	Operations Services			MATERIALS	7,517						
	Operations Services			MISC_OTHER	8,034						
	Operations Services			OVERHEAD	218						
	Operations Services	921000 Total			32,194		32,194		32,194		32,194
	Operations Services	923000	Outside services employed	CONSULTING	21,004						
	Operations Services			CONTR_LABR	3,501						
	Operations Services			CONTR_VEND	482						
	Operations Services	923000 Total			24,987		24,987		24,987		24,987
	Operations Services	930100	General advertising expenses	MISC_OTHER	1,816						
	Operations Services	930100 Total			1,816	(1,816)	-		-		-
	Operations Services	930200	Miscellaneous general expenses	MISC_OTHER	920						
	Operations Services	930200 Total			920		920		920		920
	Operations Services Total				85,606	(1,816)	83,790	-	83,790	-	83,790

Southwestern Public Service Company

Shared Corporate Services O&M Expenses by Business Area, FERC Account, and Cost Element

General O&M Non-Labor

Witness	Business Area	FERC Account	Account Description	Cost Element	Linkage Period v. Adjusted Base Period (\$)	Linkage Period v. Adjusted Base Period (%)	Material Variance? (by FERC Account)	Future Test Year v. Base Period (\$)	Future Test Year v. Adjusted Base Period (%)	Material Variance? (by FERC Account)	
	HR and Employee Services	921000 Total			-	0%	FALSE	-	-	0% FALSE	
	HR and Employee Services	922000	Administrative expenses transferred-Credit	MISC_OTHER							
	HR and Employee Services	922000 Total			-	0%	FALSE	-	-	0% FALSE	
	HR and Employee Services	923000	Outside services employed	CONSULTING							
	HR and Employee Services			CONTR_LABR							
	HR and Employee Services			CONTR_VEND							
	HR and Employee Services	923000 Total			-	0%	FALSE	-	-	0% FALSE	
	HR and Employee Services	924000	Property insurance	MISC_OTHER							
	HR and Employee Services	924000 Total			-	0%	FALSE	-	-	0% FALSE	
	HR and Employee Services	930100	General advertising expenses	MISC_OTHER							
	HR and Employee Services	930100 Total			-	0%	FALSE	(3,751)	-	0% FALSE	
	HR and Employee Services	930200	Miscellaneous general expenses	MISC_OTHER							
	HR and Employee Services	930200 Total			-	0%	FALSE	-	-	0% FALSE	
	HR and Employee Services	931000	Rents	MISC_OTHER							
	HR and Employee Services	931000 Total			-	0%	FALSE	-	-	0% FALSE	
	HR and Employee Services	935000	Maintenance of general plant	MISC_OTHER							
	HR and Employee Services	935000 Total			-	0%	FALSE	(815)	-	0% FALSE	
	HR and Employee Services Total										
Dietenberger	Integrated System Planning	921000	Office supplies and expenses	EMPLOY_EXP							
	Integrated System Planning			MATERIALS							
	Integrated System Planning			MISC_OTHER							
	Integrated System Planning	921000 Total			-	0%	FALSE	-	-	0% FALSE	
	Integrated System Planning Total										
Dietenberger	Operations Services	549000	Miscellaneous other power generation expenses	EMPLOY_EXP							
	Operations Services	549000 Total			-	0%	FALSE	-	-	0% FALSE	
	Operations Services	556000	System control and load dispatching	EMPLOY_EXP							
	Operations Services			MATERIALS							
	Operations Services			MISC_OTHER							
	Operations Services			OVERHEAD							
	Operations Services	556000 Total			-	0%	FALSE	-	-	0% FALSE	
	Operations Services	561700	Generation interconnection studies	EMPLOY_EXP							
	Operations Services			MATERIALS							
	Operations Services	561700 Total			-	0%	FALSE	-	-	0% FALSE	
	Operations Services	575100	Operation Supervision	EMPLOY_EXP							
	Operations Services	575100 Total			-	0%	FALSE	-	-	0% FALSE	
	Operations Services	921000	Office supplies and expenses	EMPLOY_EXP							
	Operations Services			MATERIALS							
	Operations Services			MISC_OTHER							
	Operations Services			OVERHEAD							
	Operations Services	921000 Total			-	0%	FALSE	-	-	0% FALSE	
	Operations Services	923000	Outside services employed	CONSULTING							
	Operations Services			CONTR_LABR							
	Operations Services			CONTR_VEND							
	Operations Services	923000 Total			-	0%	FALSE	-	-	0% FALSE	
	Operations Services	930100	General advertising expenses	MISC_OTHER							
	Operations Services	930100 Total			-	0%	FALSE	(1,816)	-	0% FALSE	
	Operations Services	930200	Miscellaneous general expenses	MISC_OTHER							
	Operations Services	930200 Total			-	0%	FALSE	-	-	0% FALSE	
	Operations Services Total										

Southwestern Public Service Company

Shared Corporate Services O&M Expenses by Business Area, FERC Account, and Cost Element

General O&M Non-Labor

Witness	Business Area	FERC Account	Account Description	Cost Element	Total Company						
					Base Period July 1, 2021 - June 30, 2022	Base Period Adjustments	Adjusted Base Period	Linkage Period Adjustments	Linkage Period July 1, 2022 - June 30, 2023	Future Test Year Period Adjustments	Future Test Year Period July 1, 2023 - June 30, 2024
Dietenberger	Risk Management	588000	Miscellaneous distribution expenses	EMPLOY_EXP	527						
	Risk Management			MATERIALS	(2,811)						
	Risk Management			MISC_OTHER	42,464						
	Risk Management			OVERHEAD	79						
	Risk Management	588000 Total			40,260		40,260		40,260		40,260
	Risk Management	921000	Office supplies and expenses	EMPLOY_EXP	5,569						
	Risk Management			MATERIALS	3,815						
	Risk Management			MISC_OTHER	37,640						
	Risk Management			OVERHEAD	1,634						
	Risk Management	921000 Total			48,659		48,659		48,659		48,659
	Risk Management	923000	Outside services employed	CONSULTING	76,633						
	Risk Management			CONTR_LABR	46,147						
	Risk Management			CONTR_VEND	3,087						
	Risk Management	923000 Total			125,867		125,867		125,867		125,867
	Risk Management	930100	General advertising expenses	MISC_OTHER	2,045						
	Risk Management	930100 Total			2,045	(2,045)	-		-		-
	Risk Management	930200	Miscellaneous general expenses	MISC_OTHER	72						
	Risk Management	930200 Total			72		72		72		72
		Risk Management Total				216,903	(2,045)	214,859	-	214,859	-
Dietenberger	Strategy Png and Ext Affairs	921000	Office supplies and expenses	EMPLOY_EXP	132,832						
	Strategy Png and Ext Affairs			MATERIALS	108,652						
	Strategy Png and Ext Affairs			MISC_OTHER	290,826						
	Strategy Png and Ext Affairs			OVERHEAD	14,199						
	Strategy Png and Ext Affairs			TRANSPORT	1,080						
	Strategy Png and Ext Affairs	921000 Total			547,588		547,588		547,588		547,588
	Strategy Png and Ext Affairs	923000	Outside services employed	CONSULTING	69,737						
	Strategy Png and Ext Affairs			CONTR_LABR	122,923						
	Strategy Png and Ext Affairs			CONTR_VEND	1,218,297						
	Strategy Png and Ext Affairs	923000 Total			1,410,958		1,410,958		1,410,958		1,410,958
	Strategy Png and Ext Affairs	930100	General advertising expenses	MISC_OTHER	306						
	Strategy Png and Ext Affairs	930100 Total			306	(306)	-		-		-
	Strategy Png and Ext Affairs	930200	Miscellaneous general expenses	MISC_OTHER	32,086						
	Strategy Png and Ext Affairs	930200 Total			32,086		32,086		32,086		32,086
Strategy Png and Ext Affairs	931000	Rents	MISC_OTHER	2,469							
Strategy Png and Ext Affairs	931000 Total			2,469		2,469		2,469		2,469	
	Strategy Png and Ext Affairs Total				1,993,407	(306)	1,993,102	-	1,993,102	-	1,993,102
Dietenberger	Corporate Other	502000	Steam expenses	(blank)	(1,217)						
	Corporate Other	502000 Total			(1,217)		(1,217)		(1,217)		(1,217)
	Corporate Other	506000	Miscellaneous steam power expenses	CONSULTING	(302)						
	Corporate Other			CONTR_LABR	0						
	Corporate Other			CONTR_VEND	(7,295)						
	Corporate Other			EMPLOY_EXP	(148)						
	Corporate Other			MATERIALS	(2,751)						
	Corporate Other			MISC_OTHER	(161,789)						
	Corporate Other			OVERHEAD	(93)						
	Corporate Other			TRANSPORT	(74)						
	Corporate Other			(blank)	422,167						
	Corporate Other	506000 Total			249,716		249,716		249,716		249,716

Southwestern Public Service Company

Shared Corporate Services O&M Expenses by Business Area, FERC Account, and Cost Element

General O&M Non-Labor

Witness	Business Area	FERC Account	Account Description	Cost Element	Linkage Period v. Adjusted Base Period (\$)	Linkage Period v. Adjusted Base Period (%)	Material Variance? (by FERC Account)	Future Test Year v. Base Period (\$)	Future Test Year v. Adjusted Base Period (%)	Material Variance? (by FERC Account)	
Dietenberger	Risk Management	588000	Miscellaneous distribution expenses	EMPLOY_EXP							
	Risk Management			MATERIALS							
	Risk Management			MISC_OTHER							
	Risk Management			OVERHEAD							
	Risk Management	588000 Total			-	0%	FALSE	-	-	0% FALSE	
	Risk Management	921000	Office supplies and expenses	EMPLOY_EXP							
	Risk Management			MATERIALS							
	Risk Management			MISC_OTHER							
	Risk Management			OVERHEAD							
	Risk Management	921000 Total			-	0%	FALSE	-	-	0% FALSE	
	Risk Management	923000	Outside services employed	CONSULTING							
	Risk Management			CONTR_LABR							
	Risk Management			CONTR_VEND							
	Risk Management	923000 Total			-	0%	FALSE	-	-	0% FALSE	
	Risk Management	930100	General advertising expenses	MISC_OTHER							
	Risk Management	930100 Total			-	0%	FALSE	(2,045)	-	0% FALSE	
	Risk Management	930200	Miscellaneous general expenses	MISC_OTHER							
	Risk Management	930200 Total			-	0%	FALSE	-	-	0% FALSE	
	Risk Management Total										
Dietenberger	Strategy Png and Ext Affairs	921000	Office supplies and expenses	EMPLOY_EXP							
	Strategy Png and Ext Affairs			MATERIALS							
	Strategy Png and Ext Affairs			MISC_OTHER							
	Strategy Png and Ext Affairs			OVERHEAD							
	Strategy Png and Ext Affairs			TRANSPORT							
	Strategy Png and Ext Affairs	921000 Total			-	0%	FALSE	-	-	0% FALSE	
	Strategy Png and Ext Affairs	923000	Outside services employed	CONSULTING							
	Strategy Png and Ext Affairs			CONTR_LABR							
	Strategy Png and Ext Affairs			CONTR_VEND							
	Strategy Png and Ext Affairs	923000 Total			-	0%	FALSE	-	-	0% FALSE	
	Strategy Png and Ext Affairs	930100	General advertising expenses	MISC_OTHER							
	Strategy Png and Ext Affairs	930100 Total			-	0%	FALSE	(306)	-	0% FALSE	
	Strategy Png and Ext Affairs	930200	Miscellaneous general expenses	MISC_OTHER							
	Strategy Png and Ext Affairs	930200 Total			-	0%	FALSE	-	-	0% FALSE	
	Strategy Png and Ext Affairs	931000	Rents	MISC_OTHER							
	Strategy Png and Ext Affairs	931000 Total			-	0%	FALSE	-	-	0% FALSE	
	Strategy Png and Ext Affairs Total										
Dietenberger	Corporate Other	502000	Steam expenses	(blank)							
	Corporate Other	502000 Total			-	0%	FALSE	-	-	0% FALSE	
	Corporate Other	506000	Miscellaneous steam power expenses	CONSULTING							
	Corporate Other			CONTR_LABR							
	Corporate Other			CONTR_VEND							
	Corporate Other			EMPLOY_EXP							
	Corporate Other			MATERIALS							
	Corporate Other			MISC_OTHER							
	Corporate Other			OVERHEAD							
	Corporate Other			TRANSPORT							
	Corporate Other			(blank)							
	Corporate Other	506000 Total			-	0%	FALSE	-	-	0% FALSE	

Southwestern Public Service Company

Shared Corporate Services O&M Expenses by Business Area, FERC Account, and Cost Element

General O&M Non-Labor

					Total Company						
Witness	Business Area	FERC Account	Account Description	Cost Element	Base Period	Base Period	Adjusted Base	Linkage Period	Linkage Period	Future Test	Future Test
					July 1, 2021 - June 30, 2022				Adjustments	Period	July 1, 2022 - June 30, 2023
					July 1, 2023 - June 30, 2024						
	Corporate Other	507000	Rents	(blank)	(422,217)						
	Corporate Other	507000 Total			(422,217)		(422,217)		(422,217)		(422,217)
	Corporate Other	511000	Maintenance of structures	(blank)	(4,834)						
	Corporate Other	511000 Total			(4,834)		(4,834)		(4,834)		(4,834)
	Corporate Other	512000	Maintenance of boiler plant	TRANSPORT	66						
	Corporate Other			(blank)	(7,754)						
	Corporate Other	512000 Total			(7,689)		(7,689)		(7,689)		(7,689)
	Corporate Other	513000	Maintenance of electric plant	TRANSPORT	3,885						
	Corporate Other			(blank)	(19,636)						
	Corporate Other	513000 Total			(15,751)		(15,751)		(15,751)		(15,751)
	Corporate Other	514000	Maintenance of miscellaneous steam plant	(blank)	(8,621)						
	Corporate Other	514000 Total			(8,621)		(8,621)		(8,621)		(8,621)
	Corporate Other	549000	Miscellaneous other power generation expenses	CONSULTING	(77)						
	Corporate Other			CONTR_LABR	36						
	Corporate Other			CONTR_VEND	(417)						
	Corporate Other			EMPLOY_EXP	(15)						
	Corporate Other			MATERIALS	(94)						
	Corporate Other			MISC_OTHER	(6,518)						
	Corporate Other			OVERHEAD	4						
	Corporate Other			TRANSPORT	(9)						
	Corporate Other			(blank)	(7,093)						
	Corporate Other	549000 Total			(14,183)		(14,183)		(14,183)		(14,183)
	Corporate Other	550000	Rents	(blank)	7,143						
	Corporate Other	550000 Total			7,143		7,143		7,143		7,143
	Corporate Other	552000	Maintenance of structures	(blank)	12,588						
	Corporate Other	552000 Total			12,588		12,588		12,588		12,588
	Corporate Other	553000	Maintenance of generating and electric plant	(blank)	19,636						
	Corporate Other	553000 Total			19,636		19,636		19,636		19,636
	Corporate Other	554000	Maint of misc other power generation plant	(blank)	8,621						
	Corporate Other	554000 Total			8,621		8,621		8,621		8,621
	Corporate Other	560000	Operation supervision and engineering	CONTR_LABR	(8,586)						
	Corporate Other			EMPLOY_EXP	196						
	Corporate Other			MATERIALS	236						
	Corporate Other			MISC_OTHER	(441)						
	Corporate Other			OVERHEAD	(82)						
	Corporate Other	560000 Total			(8,678)		(8,678)		(8,678)		(8,678)
	Corporate Other	562000	Station expenses	TRANSPORT	263,556						
	Corporate Other	562000 Total			263,556		263,556		263,556		263,556
	Corporate Other	563000	Overhead line expenses	CONSULTING	(442,285)						
	Corporate Other			CONTR_VEND	(646,465)						
	Corporate Other			MISC_OTHER	(8)						
	Corporate Other			OVERHEAD	(30,277)						
	Corporate Other			TRANSPORT	98,154						
	Corporate Other	563000 Total			(1,020,882)		(1,020,882)		(1,020,882)		(1,020,882)
	Corporate Other	566000	Miscellaneous transmission expenses	CONSULTING	(181)						
	Corporate Other			CONTR_VEND	(3,512)						
	Corporate Other			EMPLOY_EXP	(81)						
	Corporate Other			MATERIALS	(1,142)						
	Corporate Other			MISC_OTHER	(88,566)						
	Corporate Other			OVERHEAD	(52)						
	Corporate Other			TRANSPORT	(39)						

Southwestern Public Service Company

Shared Corporate Services O&M Expenses by Business Area, FERC Account, and Cost Element

General O&M Non-Labor

Witness	Business Area	FERC Account	Account Description	Cost Element	Linkage Period v. Adjusted Base Period (\$)	Linkage Period v. Adjusted Base Period (%)	Material Variance? (by FERC Account)	Future Test Year v. Base Period (\$)	Future Test Year v. Adjusted Base Period (%)	Material Variance? (by FERC Account)
	Corporate Other	507000	Rents	(blank)	-	0%	FALSE	-	-	0% FALSE
	Corporate Other	507000 Total								
	Corporate Other	511000	Maintenance of structures	(blank)	-	0%	FALSE	-	-	0% FALSE
	Corporate Other	511000 Total								
	Corporate Other	512000	Maintenance of boiler plant	TRANSPORT						
	Corporate Other			(blank)	-	0%	FALSE	-	-	0% FALSE
	Corporate Other	512000 Total								
	Corporate Other	513000	Maintenance of electric plant	TRANSPORT						
	Corporate Other			(blank)	-	0%	FALSE	-	-	0% FALSE
	Corporate Other	513000 Total								
	Corporate Other	514000	Maintenance of miscellaneous steam plant	(blank)	-	0%	FALSE	-	-	0% FALSE
	Corporate Other	514000 Total								
	Corporate Other	549000	Miscellaneous other power generation expenses	CONSULTING						
	Corporate Other			CONTR_LABR						
	Corporate Other			CONTR_VEND						
	Corporate Other			EMPLOY_EXP						
	Corporate Other			MATERIALS						
	Corporate Other			MISC_OTHER						
	Corporate Other			OVERHEAD						
	Corporate Other			TRANSPORT						
	Corporate Other			(blank)	-	0%	FALSE	-	-	0% FALSE
	Corporate Other	549000 Total								
	Corporate Other	550000	Rents	(blank)	-	0%	FALSE	-	-	0% FALSE
	Corporate Other	550000 Total								
	Corporate Other	552000	Maintenance of structures	(blank)	-	0%	FALSE	-	-	0% FALSE
	Corporate Other	552000 Total								
	Corporate Other	553000	Maintenance of generating and electric plant	(blank)	-	0%	FALSE	-	-	0% FALSE
	Corporate Other	553000 Total								
	Corporate Other	554000	Maint of misc other power generation plant	(blank)	-	0%	FALSE	-	-	0% FALSE
	Corporate Other	554000 Total								
	Corporate Other	560000	Operation supervision and engineering	CONTR_LABR						
	Corporate Other			EMPLOY_EXP						
	Corporate Other			MATERIALS						
	Corporate Other			MISC_OTHER						
	Corporate Other			OVERHEAD						
	Corporate Other			TRANSPORT						
	Corporate Other			(blank)	-	0%	FALSE	-	-	0% FALSE
	Corporate Other	560000 Total								
	Corporate Other	562000	Station expenses	TRANSPORT	-	0%	FALSE	-	-	0% FALSE
	Corporate Other	562000 Total								
	Corporate Other	563000	Overhead line expenses	CONSULTING						
	Corporate Other			CONTR_VEND						
	Corporate Other			MISC_OTHER						
	Corporate Other			OVERHEAD						
	Corporate Other			TRANSPORT						
	Corporate Other			(blank)	-	0%	FALSE	-	-	0% FALSE
	Corporate Other	563000 Total								
	Corporate Other	566000	Miscellaneous transmission expenses	CONSULTING						
	Corporate Other			CONTR_VEND						
	Corporate Other			EMPLOY_EXP						
	Corporate Other			MATERIALS						
	Corporate Other			MISC_OTHER						
	Corporate Other			OVERHEAD						
	Corporate Other			TRANSPORT						

Southwestern Public Service Company

Shared Corporate Services O&M Expenses by Business Area, FERC Account, and Cost Element

General O&M Non-Labor

					Total Company						
Witness	Business Area	FERC Account	Account Description	Cost Element	Base Period	Base Period	Adjusted Base	Linkage Period	Linkage Period	Future Test	Future Test
					July 1, 2021 - June 30, 2022						Adjustments
	Corporate Other			(blank)	142,204						
	Corporate Other	566000 Total			48,632		48,632		48,632		48,632
	Corporate Other	567000 Rents		(blank)	(142,204)						
	Corporate Other	567000 Total			(142,204)		(142,204)		(142,204)		(142,204)
	Corporate Other	570000 Maintenance of station equipment		TRANSPORT	142,978						
	Corporate Other	570000 Total			142,978		142,978		142,978		142,978
	Corporate Other	571000 Maintenance of overhead lines		CONTR_LABR	(51,651)						
	Corporate Other			OVERHEAD	3						
	Corporate Other			TRANSPORT	46,515						
	Corporate Other	571000 Total			(5,133)		(5,133)		(5,133)		(5,133)
	Corporate Other	575100 Operation Supervision		CONSULTING	(4)						
	Corporate Other			CONTR_VEND	(83)						
	Corporate Other			EMPLOY_EXP	(2)						
	Corporate Other			MATERIALS	(25)						
	Corporate Other			MISC_OTHER	(2,095)						
	Corporate Other			OVERHEAD	(1)						
	Corporate Other			TRANSPORT	(1)						
	Corporate Other			(blank)	6,694						
	Corporate Other	575100 Total			4,483		4,483		4,483		4,483
	Corporate Other	575800 Rents		(blank)	(6,694)						
	Corporate Other	575800 Total			(6,694)		(6,694)		(6,694)		(6,694)
	Corporate Other	582000 Station expenses		TRANSPORT	373,502						
	Corporate Other	582000 Total			373,502		373,502		373,502		373,502
	Corporate Other	583000 Overhead line expenses		TRANSPORT	148,606						
	Corporate Other			(blank)	1,123,626						
	Corporate Other	583000 Total			1,272,232		1,272,232		1,272,232		1,272,232
	Corporate Other	584000 Underground line expenses		TRANSPORT	37,258						
	Corporate Other			(blank)	21,803						
	Corporate Other	584000 Total			59,061		59,061		59,061		59,061
	Corporate Other	585000 Street lighting and signal system expenses		TRANSPORT	120,012						
	Corporate Other	585000 Total			120,012	(2)	120,010		120,010		120,010
	Corporate Other	586000 Meter expenses		TRANSPORT	551,160						
	Corporate Other			(blank)	(496,545)						
	Corporate Other	586000 Total			54,615		54,615		54,615		54,615
	Corporate Other	587000 Customer installations expenses		TRANSPORT	117,806						
	Corporate Other	587000 Total			117,806		117,806		117,806		117,806
	Corporate Other	588000 Miscellaneous distribution expenses		CONSULTING	(205)						
	Corporate Other			CONTR_LABR	3						
	Corporate Other			CONTR_VEND	(41,317)						
	Corporate Other			EMPLOY_EXP	(104)						
	Corporate Other			MATERIALS	(4,377)						
	Corporate Other			MISC_OTHER	(113,059)						
	Corporate Other			OVERHEAD	(60)						
	Corporate Other			TRANSPORT	660,748						
	Corporate Other			(blank)	324,664						
	Corporate Other	588000 Total			826,293		826,293		826,293		826,293
	Corporate Other	589000 Rents		(blank)	(325,944)						
	Corporate Other	589000 Total			(325,944)		(325,944)		(325,944)		(325,944)
	Corporate Other	592000 Maintenance of station equipment		TRANSPORT	64,200						
	Corporate Other	592000 Total			64,200		64,200		64,200		64,200
	Corporate Other	592200 Maintenance of Energy Storage Equipment		TRANSPORT	267						

Southwestern Public Service Company

Shared Corporate Services O&M Expenses by Business Area, FERC Account, and Cost Element

General O&M Non-Labor

Witness	Business Area	FERC Account	Account Description	Cost Element	Linkage Period v. Adjusted Base Period (\$)	Linkage Period v. Adjusted Base Period (%)	Material Variance? (by FERC Account)	Future Test Year v. Base Period (\$)	Future Test Year v. Adjusted Base Period (%)	Material Variance? (by FERC Account)
	Corporate Other			(blank)	-	0%	FALSE	-	-	0% FALSE
	Corporate Other	566000 Total								
	Corporate Other	567000	Rents	(blank)	-	0%	FALSE	-	-	0% FALSE
	Corporate Other	567000 Total								
	Corporate Other	570000	Maintenance of station equipment	TRANSPORT	-	0%	FALSE	-	-	0% FALSE
	Corporate Other	570000 Total								
	Corporate Other	571000	Maintenance of overhead lines	CONTR_LABR OVERHEAD TRANSPORT	-	0%	FALSE	-	-	0% FALSE
	Corporate Other	571000 Total								
	Corporate Other	575100	Operation Supervision	CONSULTING CONTR_VEND EMPLOY_EXP MATERIALS MISC_OTHER OVERHEAD TRANSPORT (blank)	-	0%	FALSE	-	-	0% FALSE
	Corporate Other	575100 Total								
	Corporate Other	575800	Rents	(blank)	-	0%	FALSE	-	-	0% FALSE
	Corporate Other	575800 Total								
	Corporate Other	582000	Station expenses	TRANSPORT	-	0%	FALSE	-	-	0% FALSE
	Corporate Other	582000 Total								
	Corporate Other	583000	Overhead line expenses	TRANSPORT (blank)	-	0%	FALSE	-	-	0% FALSE
	Corporate Other	583000 Total								
	Corporate Other	584000	Underground line expenses	TRANSPORT (blank)	-	0%	FALSE	-	-	0% FALSE
	Corporate Other	584000 Total								
	Corporate Other	585000	Street lighting and signal system expenses	TRANSPORT	-	0%	FALSE	(2)	-	0% FALSE
	Corporate Other	585000 Total								
	Corporate Other	586000	Meter expenses	TRANSPORT (blank)	-	0%	FALSE	-	-	0% FALSE
	Corporate Other	586000 Total								
	Corporate Other	587000	Customer installations expenses	TRANSPORT	-	0%	FALSE	-	-	0% FALSE
	Corporate Other	587000 Total								
	Corporate Other	588000	Miscellaneous distribution expenses	CONSULTING CONTR_LABR CONTR_VEND EMPLOY_EXP MATERIALS MISC_OTHER OVERHEAD TRANSPORT (blank)	-	0%	FALSE	-	-	0% FALSE
	Corporate Other	588000 Total								
	Corporate Other	589000	Rents	(blank)	-	0%	FALSE	-	-	0% FALSE
	Corporate Other	589000 Total								
	Corporate Other	592000	Maintenance of station equipment	TRANSPORT	-	0%	FALSE	-	-	0% FALSE
	Corporate Other	592000 Total								
	Corporate Other	592200	Maintenance of Energy Storage Equipment	TRANSPORT	-	0%	FALSE	-	-	0% FALSE

Southwestern Public Service Company

Shared Corporate Services O&M Expenses by Business Area, FERC Account, and Cost Element

General O&M Non-Labor

					Total Company						
Witness	Business Area	FERC Account	Account Description	Cost Element	Base Period	Base Period	Adjusted Base	Linkage Period	Linkage Period	Future Test	Future Test
					July 1, 2021 - June 30, 2022				Adjustments	July 1, 2022 - June 30, 2023	Year Period Adjustments
	Corporate Other			(blank)	(404)						
	Corporate Other	592200 Total			(137)			(137)			(137)
	Corporate Other	593000	Maintenance of overhead lines	TRANSPORT	640,960						
	Corporate Other			(blank)	(1,138,117)						
	Corporate Other	593000 Total			(497,157)		(497,157)		(497,157)		(497,157)
	Corporate Other	594000	Maintenance of underground lines	TRANSPORT	31,185						
	Corporate Other			(blank)	(5,628)						
	Corporate Other	594000 Total			25,557		25,557		25,557		25,557
	Corporate Other	596000	Maintenance of street lighting and signal systems	TRANSPORT	7,712						
	Corporate Other	596000 Total			7,712		7,712		7,712		7,712
	Corporate Other	597000	Maintenance of meters	TRANSPORT	3,277						
	Corporate Other	597000 Total			3,277		3,277		3,277		3,277
	Corporate Other	902000	Meter reading expenses	(blank)	(5,254)						
	Corporate Other	902000 Total			(5,254)		(5,254)		(5,254)		(5,254)
	Corporate Other	903000	Customer records and collection expenses	MATERIALS	42						
	Corporate Other			MISC_OTHER	559						
	Corporate Other			TRANSPORT	216,140						
	Corporate Other			(blank)	496,545						
	Corporate Other	903000 Total			713,285		713,285		713,285		713,285
	Corporate Other	904000	Uncollectable Accounts - Commodity	MISC_OTHER	(1,411,820)						
	Corporate Other	904000 Total			(1,411,820)		(1,411,820)		(1,411,820)		(1,411,820)
	Corporate Other	905000	Miscellaneous customer accounts expenses	CONSULTING	(149)						
	Corporate Other			CONTR_LABR	114						
	Corporate Other			CONTR_VEND	581						
	Corporate Other			EMPLOY_EXP	(2)						
	Corporate Other			MATERIALS	356						
	Corporate Other			MISC_OTHER	67,045						
	Corporate Other			OVERHEAD	49						
	Corporate Other			TRANSPORT	(8)						
	Corporate Other			(blank)	(141,901)						
	Corporate Other	905000 Total			(73,916)		(73,916)		(73,916)		(73,916)
	Corporate Other	908000	Customer assistance expenses	CONTR_VEND	78,868						
	Corporate Other			EMPLOY_EXP	5						
	Corporate Other			LBR_BEN_NS	7						
	Corporate Other			MATERIALS	16,951						
	Corporate Other			MISC_OTHER	(98,963)						
	Corporate Other			OTHOPEX_OT	20,523,897						
	Corporate Other			OVERHEAD	947						
	Corporate Other	908000 Total			20,521,711	(19,921,071)	600,640		600,640		600,640
	Corporate Other	910000	Miscell customer service and informational expense	CONSULTING	(18)						
	Corporate Other			CONTR_VEND	(388)						
	Corporate Other			EMPLOY_EXP	(9)						
	Corporate Other			MATERIALS	(117)						
	Corporate Other			MISC_OTHER	(9,681)						
	Corporate Other			OVERHEAD	(5)						
	Corporate Other			TRANSPORT	(5)						
	Corporate Other			(blank)	(1,595)						
	Corporate Other	910000 Total			(11,817)		(11,817)		(11,817)		(11,817)
	Corporate Other	916000	Miscellaneous Sales Expense	CONSULTING	(2)						
	Corporate Other			CONTR_LABR	0						
	Corporate Other			CONTR_VEND	(47)						

Southwestern Public Service Company

Shared Corporate Services O&M Expenses by Business Area, FERC Account, and Cost Element

General O&M Non-Labor

Witness	Business Area	FERC Account	Account Description	Cost Element	Linkage Period v. Adjusted Base Period (\$)	Linkage Period v. Adjusted Base Period (%)	Material Variance? (by FERC Account)	Future Test Year v. Base Period (\$)	Future Test Year v. Adjusted Base Period (%)	Future Test Year v. Adjusted Base Period (%)	Material Variance? (by FERC Account)
	Corporate Other			(blank)	-	0%	FALSE	-	-	0%	FALSE
	Corporate Other	592200 Total									
	Corporate Other	593000	Maintenance of overhead lines	TRANSPORT							
	Corporate Other			(blank)	-	0%	FALSE	-	-	0%	FALSE
	Corporate Other	593000 Total									
	Corporate Other	594000	Maintenance of underground lines	TRANSPORT							
	Corporate Other			(blank)	-	0%	FALSE	-	-	0%	FALSE
	Corporate Other	594000 Total									
	Corporate Other	596000	Maintenance of street lighting and signal systems	TRANSPORT							
	Corporate Other	596000 Total			-	0%	FALSE	-	-	0%	FALSE
	Corporate Other	597000	Maintenance of meters	TRANSPORT							
	Corporate Other	597000 Total			-	0%	FALSE	-	-	0%	FALSE
	Corporate Other	902000	Meter reading expenses	(blank)							
	Corporate Other	902000 Total			-	0%	FALSE	-	-	0%	FALSE
	Corporate Other	903000	Customer records and collection expenses	MATERIALS							
	Corporate Other			MISC_OTHER							
	Corporate Other			TRANSPORT							
	Corporate Other			(blank)	-	0%	FALSE	-	-	0%	FALSE
	Corporate Other	903000 Total									
	Corporate Other	904000	Uncollectable Accounts - Commodity	MISC_OTHER							
	Corporate Other	904000 Total			-	0%	FALSE	-	-	0%	FALSE
	Corporate Other	905000	Miscellaneous customer accounts expenses	CONSULTING							
	Corporate Other			CONTR_LABR							
	Corporate Other			CONTR_VEND							
	Corporate Other			EMPLOY_EXP							
	Corporate Other			MATERIALS							
	Corporate Other			MISC_OTHER							
	Corporate Other			OVERHEAD							
	Corporate Other			TRANSPORT							
	Corporate Other			(blank)	-	0%	FALSE	-	-	0%	FALSE
	Corporate Other	905000 Total									
	Corporate Other	908000	Customer assistance expenses	CONTR_VEND							
	Corporate Other			EMPLOY_EXP							
	Corporate Other			LBR_BEN_NS							
	Corporate Other			MATERIALS							
	Corporate Other			MISC_OTHER							
	Corporate Other			OTHOPEX_OT							
	Corporate Other			OVERHEAD							
	Corporate Other	908000 Total			-	0%	FALSE	(19,921,071)	-	0%	FALSE
	Corporate Other	910000	Miscell customer service and informational expense	CONSULTING							
	Corporate Other			CONTR_VEND							
	Corporate Other			EMPLOY_EXP							
	Corporate Other			MATERIALS							
	Corporate Other			MISC_OTHER							
	Corporate Other			OVERHEAD							
	Corporate Other			TRANSPORT							
	Corporate Other			(blank)	-	0%	FALSE	-	-	0%	FALSE
	Corporate Other	910000 Total									
	Corporate Other	916000	Miscellaneous Sales Expense	CONSULTING							
	Corporate Other			CONTR_LABR							
	Corporate Other			CONTR_VEND							

Southwestern Public Service Company

Shared Corporate Services O&M Expenses by Business Area, FERC Account, and Cost Element

General O&M Non-Labor

Witness	Business Area	FERC Account	Account Description	Cost Element	Total Company							
					Base Period July 1, 2021 - June 30, 2022	Base Period Adjustments	Adjusted Base Period	Linkage Period Adjustments	Linkage Period July 1, 2022 - June 30, 2023	Future Test Year Period Adjustments	Future Test Year Period July 1, 2023 - June 30, 2024	
	Corporate Other			EMPLOY_EXP	(1)							
	Corporate Other			MATERIALS	(14)							
	Corporate Other			MISC_OTHER	(1,246)							
	Corporate Other			OVERHEAD	(0)							
	Corporate Other			TRANSPORT	(1)							
	Corporate Other			(blank)	(427)							
	Corporate Other	916000 Total			(1,737)		(1,737)			(1,737)		(1,737)
	Corporate Other	921000	Office supplies and expenses	AG_OVERHD	3,118							
	Corporate Other			EMPLOY_EXP	26,507							
	Corporate Other			MATERIALS	(1,809)							
	Corporate Other			MISC_OTHER	911,473							
	Corporate Other			OTHÓPEX_OT	965,475							
	Corporate Other			OVERHEAD	377							
	Corporate Other			TRANSPORT	(25)							
	Corporate Other			(blank)	(811,855)							
	Corporate Other	921000 Total			1,093,260		1,093,260			1,093,260		1,093,260
	Corporate Other	922000	Administrative expenses transferred-Credit	MISC_OTHER	(624,538)							
	Corporate Other	922000 Total			(624,538)		(624,538)			(624,538)		(624,538)
	Corporate Other	923000	Outside services employed	CONSULTING	(904)							
	Corporate Other			CONTR_LABR	1,269							
	Corporate Other			CONTR_VEND	4,752							
	Corporate Other			(blank)	1,217							
	Corporate Other			(blank)	(1,361)							
	Corporate Other	923000 Total			4,973		4,973			4,973		4,973
	Corporate Other	929000	Duplicate charges-Credit	MISC_OTHER	(1,327,925)							
	Corporate Other	929000 Total			(1,327,925)		(1,327,925)			(1,327,925)		(1,327,925)
	Corporate Other	930100	General advertising expenses	(blank)	1,225							
	Corporate Other	930100 Total			1,225		(1,225)			-		-
	Corporate Other	930200	Miscellaneous general expenses	(blank)	8,032							
	Corporate Other	930200 Total			8,032		8,032			8,032		8,032
	Corporate Other	931000	Rents	(blank)	857,233							
	Corporate Other	931000 Total			857,233		857,233			857,233		857,233
	Corporate Other	935000	Maintenance of general plant	(blank)	103,956							
	Corporate Other	935000 Total			103,956		103,956			103,956		103,956
		Corporate Other Total			21,046,949		(19,922,298)	1,124,651	-	1,124,651	-	1,124,651
Dietenberger Total					76,102,201		(20,373,543)	55,728,658	3,200,746	58,929,403	6,823,632	65,753,035

Southwestern Public Service Company

Shared Corporate Services O&M Expenses by Business Area, FERC Account, and Cost Element

General O&M Non-Labor

Witness	Business Area	FERC Account	Account Description	Cost Element	Linkage Period v. Adjusted Base Period (\$)	Linkage Period v. Adjusted Base Period (%)	Material Variance? (by FERC Account)	Future Test Year v. Base Period (\$)	Future Test Year v. Adjusted Base Period (%)	Material Variance? (by FERC Account)
Corporate Other				EMPLOY_EXP						
Corporate Other				MATERIALS						
Corporate Other				MISC_OTHER						
Corporate Other				OVERHEAD						
Corporate Other				TRANSPORT						
Corporate Other				(blank)						
Corporate Other		916000 Total			-	0%	FALSE	-	-	0% FALSE
Corporate Other		921000	Office supplies and expenses	AG_OVERHD						
Corporate Other				EMPLOY_EXP						
Corporate Other				MATERIALS						
Corporate Other				MISC_OTHER						
Corporate Other				OTHPEX_OT						
Corporate Other				OVERHEAD						
Corporate Other				TRANSPORT						
Corporate Other				(blank)						
Corporate Other		921000 Total			-	0%	FALSE	-	-	0% FALSE
Corporate Other		922000	Administrative expenses transferred-Credit	MISC_OTHER						
Corporate Other		922000 Total			-	0%	FALSE	-	-	0% FALSE
Corporate Other		923000	Outside services employed	CONSULTING						
Corporate Other				CONTR_LABR						
Corporate Other				CONTR_VEND						
Corporate Other				(blank)						
Corporate Other		923000 Total			-	0%	FALSE	-	-	0% FALSE
Corporate Other		929000	Duplicate charges-Credit	MISC_OTHER						
Corporate Other		929000 Total			-	0%	FALSE	-	-	0% FALSE
Corporate Other		930100	General advertising expenses	(blank)						
Corporate Other		930100 Total			-	0%	FALSE	(1,225)	-	0% FALSE
Corporate Other		930200	Miscellaneous general expenses	(blank)						
Corporate Other		930200 Total			-	0%	FALSE	-	-	0% FALSE
Corporate Other		931000	Rents	(blank)						
Corporate Other		931000 Total			-	0%	FALSE	-	-	0% FALSE
Corporate Other		935000	Maintenance of general plant	(blank)						
Corporate Other		935000 Total			-	0%	FALSE	-	-	0% FALSE
		Corporate Other Total			-	0%	FALSE	-	-	0% FALSE
Dietenberger Total										