BEFORE THE PUBLIC UTILITIES COMMISSION

OF THE STATE OF COLORADO

*** * * * ***

RE: IN THE MATTER OF ADVICE	**)**	
LETTER NO. 912-GAS FILED BY	**)**	
PUBLIC SERVICE COMPANY OF	**)**	
COLORADO TO REVISE ITS	**)**	**PROCEEDING NO. 17AL-_____G**
COLORADO PUC NO. 6-GAS TARIFF	**)**	
TO IMPLEMENT A GENERAL RATE	**)**	
SCHEDULE ADJUSTMENT AND	**)**	
OTHER RATE CHANGES EFFECTIVE	**)**	
ON 30-DAYS NOTICE.	**)**	

DIRECT TESTIMONY AND ATTACHMENTS OF GREGORY J. ROBINSON

ON

BEHALF OF

PUBLIC SERVICE COMPANY OF COLORADO

June 2, 2017

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO**

*** * * * ***

RE: IN THE MATTER OF ADVICE LETTER NO. 912-GAS FILED BY PUBLIC SERVICE COMPANY OF COLORADO TO REVISE ITS COLORADO PUC NO. 6-GAS TARIFF TO IMPLEMENT A GENERAL RATE SCHEDULE ADJUSTMENT AND OTHER RATE CHANGES EFFECTIVE ON 30-DAYS NOTICE.	**)**	**PROCEEDING NO. 17AL-_____G**

SUMMARY OF THE DIRECT TESTIMONY OF GREGORY J. ROBINSON

Mr. Gregory J. Robinson is the Director of Financial Performance and Reporting for Xcel Energy Services Inc. ("XES"). Mr. Robinson is the person responsible for the internal reporting and financial statement analysis for Xcel Energy Inc. ("Xcel Energy") and its subsidiaries, including Public Service Company of Colorado ("Public Service" or the "Company). He is also responsible for coordinating the operations and maintenance ("O&M") and capital budgeting and forecasting process, as well as the monthly analysis of actual results against these budgets and forecasts.

In his Direct Testimony, Mr. Robinson provides background information regarding Xcel Energy's capital investment planning and management processes to support the Company's proposed 2018-2020 Multi-Year Plan ("MYP"). Mr. Robinson explains why the Company's budgets and forecasts are robust and reasonably representative of the costs the Company expects to incur in the 2017 base year and throughout the MYP. Mr. Robinson also provides information regarding the Company's financial systems and

reporting, including support for changes in its general ledger systems. Mr. Robinson further supports the Company's efforts to contain costs, and illustrates why these budgeting, forecasting, and reporting principles support the Company's proposed MYP.

In his Direct Testimony, Mr. Robinson also supports the following Shared Corporate Business Areas (other than Business Systems)[1] capital additions for the MYP:

Capital Additions: Shared Corporate Business Areas
Public Service (Total Company)
(Dollars in Millions)

	2017	2018	2019	2020
Total Shared Corporate Business Areas	$ 13.3	$11.4	$10.0	$8.2

Company witness Ms. Melissa Ostrom utilizes these capital additions to develop the plant-related roll forward, which is in turn used by Company Witness Mr. Steven Berman to calculate the 13-month average plant in service balance for each year of the MYP. Mr. Robinson also supports the $60.7 million in 2016 O&M expenses that are included in the MYP cost of service, subject to Company-wide O&M adjustments for labor and productivity supported by Company witnesses Ms. Sharon Koenig and Mr. Scott Brockett.

In support of these requests, Mr. Robinson provides a description of the Corporate Shared Business Areas and the services they provide to Public Service; supports the Corporate Shared Business Areas' capital additions to be placed in-service

[1] Company witness Mr. David C. Harkness supports Business Systems costs in his separate Direct Testimony.

between 2017 and 2020 (which fall within the Property Services area) that impact Public Service's cost of service; and presents and supports the Shared Corporate O&M expenses during 2016, which form the basis of the MYP cost of service.

Mr. Robinson recommends that the Colorado Public Utilities Commission ("Commission") approve the level of capital additions and O&M presented in his testimony as reasonable and necessary to support Public Service's ability to provide safe and reliable gas service to its customers, and therefore are a reasonable basis for the Company's cost of service.

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO**

*** * * * ***

RE: IN THE MATTER OF ADVICE LETTER NO. 912-GAS FILED BY PUBLIC SERVICE COMPANY OF COLORADO TO REVISE ITS COLORADO PUC NO. 6-GAS TARIFF TO IMPLEMENT A GENERAL RATE SCHEDULE ADJUSTMENT AND OTHER RATE CHANGES EFFECTIVE ON 30-DAYS NOTICE.	**)**	**PROCEEDING NO. 17AL-_____G**

DIRECT TESTIMONY AND ATTACHMENTS OF GREGORY J. ROBINSON

TABLE OF CONTENTS

SECTION **PAGE**

I. INTRODUCTION, QUALIFICATIONS, PURPOSE OF TESTIMONY, AND RECOMMENDATIONS 10

II. FINANCIAL BUDGETING AND FORECASTING 14

A. Financial Planning and Reporting 14

1. Financial Processes 15

2. Financial Systems 18

3. Financial Cost Containment 28

B. Managing Capital and Spending 30

C. Applying Budgeting and Forecasting Principles to the MYP 33

III. SHARED CORPORATE BUSINESS AREAS 41

A. Overview 41

B. Shared Corporate Capital Additions 46

TABLE OF CONTENTS

SECTION **PAGE**

1. 2017 Capital Additions 50
2. 2018 Capital Additions 53
3. 2019 Capital Additions 55
4. 2020 Capital Additions 57
C. Shared Corporate O&M 58

LIST OF ATTACHMENTS

Attachment GJR-1	Audit Trail Map
Attachment GJR-2	2014-2016 Actual Capital Expenditures versus Budget
Attachment GJR-3	Shared Corporate Capital Additions: 2018-2020
Attachment GJR-4	Shared Corporate 2016 O&M by Cost Element
Attachment GJR-5	Shared Corporate 2016 O&M by Federal Energy Regulatory Commission

GLOSSARY OF ACRONYMS AND DEFINED TERMS

Acronym/Defined Term	Meaning
2018 Forecast Test Year	12 months ending December 31, 2018
2019 Forecast Test Year	12 months ending December 31, 2019
2020 Forecast Test Year	12 months ending December 31, 2020
MYP Test Years	calendar years 2018, 2019, and 2020
AFUDC	Allowance for Funds Used During Construction
CEO	Chief Executive Officer
Commission	Colorado Public Utilities Commission
EEI	Edison Electric Institute
FERC	Federal Energy Regulatory Commission
FMS	Financial Management System
FP&R	Financial Performance and Reporting
GAAP	Generally Accepted Accounting Principles
GL	General Ledger
HTY	Historical Test Year – Calendar Year 2016
JDE	JD Edwards
LDC	Lipan Distribution Center
MDC	Materials Distribution Center
MYP	Multi-Year Plan
O&M	Operations and Maintenance
PTT	Production Through Technology
Public Service, or the Company	Public Service Company of Colorado
WAM	Work Order and Asset Management

Acronym/Defined Term	**Meaning**
WBS	Work Breakdown Structures
XES	Xcel Energy Services Inc.
Xcel Energy	Xcel Energy Inc.

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO

*** * * * ***

RE: IN THE MATTER OF ADVICE	**)**
LETTER NO. 912-GAS FILED BY	**)**
PUBLIC SERVICE COMPANY OF	**)**
COLORADO TO REVISE ITS	**) PROCEEDING NO. 17AL-_____G**
COLORADO PUC NO. 6-GAS TARIFF	**)**
TO IMPLEMENT A GENERAL RATE	**)**
SCHEDULE ADJUSTMENT AND	**)**
OTHER RATE CHANGES EFFECTIVE	**)**
ON 30-DAYS NOTICE.	**)**

DIRECT TESTIMONY AND ATTACHMENTS OF GREGORY J. ROBINSON

I. INTRODUCTION, QUALIFICATIONS, PURPOSE OF TESTIMONY, AND RECOMMENDATIONS

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is Gregory J. Robinson. My business address is 401 Nicollet Mall, Minneapolis, MN 55401.

Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT POSITION?

A. I am employed by Xcel Energy Services Inc. ("XES") as the Director of Financial Performance and Reporting. XES is a wholly-owned subsidiary of Xcel Energy Inc. ("Xcel Energy"), and provides an array of support services to Public Service Company of Colorado ("Public Service" or the "Company") and the other utility operating company subsidiaries of Xcel Energy on a coordinated basis.

Q. ON WHOSE BEHALF ARE YOU TESTIFYING IN THE PROCEEDING?

A. I am testifying on behalf of Public Service.

Q. PLEASE SUMMARIZE YOUR RESPONSIBILITIES AND QUALIFICATIONS.

A. I am responsible for the internal reporting and financial statement analysis for Xcel Energy, and its subsidiaries. I am also responsible for coordinating the Operations & Maintenance ("O&M") and capital budgeting and forecasting processes, as well as the monthly analysis of actual results against these budgets and forecasts. A description of my qualifications, duties, and responsibilities is set forth following my Direct Testimony.

Q. WHAT IS THE PURPOSE OF YOUR DIRECT TESTIMONY?

A. My Direct Testimony discusses Xcel Energy's rigorous budget processes and explains how the processes ensure that the capital budget represents a reasonable forecast of the capital costs to be incurred during the Multi-Year Plan ("MYP") period, calendar years 2018, 2019, and 2020 ("MYP Test Years"). Because Public Service is not relying on its O&M budget to establish its MYP Test Years expenses, my testimony will focus on the capital processes.

In addition, my testimony will also support non-Business Systems-related capital investments made by the Corporate Shared Services Business Areas in 2017 through 2020. I will also discuss 2016 O&M for these Business Areas, as well as significant changes in O&M spend between the test year (12 months ended December 31, 2014) in the last Gas Phase I Rate Case ("2015 Phase I") and 2016 actuals.

Q. ARE YOU SPONSORING ANY ATTACHMENTS AS PART OF YOUR DIRECT TESTIMONY?

A. Yes, I am sponsoring Attachments GJR-1 through GJR-5, which were prepared by me or under my direct supervision. These Attachments include:

- Attachment GJR-1 Audit Trail Map
- Attachment GJR-2 2014-2016 Actual Capital Expenditures versus Budget
- Attachment GJR-3 Shared Corporate Capital Additions: 2018-2020
- Attachment GJR-4 Shared Corporate 2016 O&M by Cost Element
- Attachment GJR-5 Shared Corporate 2016 O&M by Federal Energy Regulatory Commission ("FERC").

Q. WHAT RECOMMENDATIONS ARE YOU MAKING IN YOUR DIRECT TESTIMONY?

A. Xcel Energy's budget processes are designed to ensure that the costs of providing service to customers are accurately forecasted and recorded to the appropriate entities. We begin with a careful review of our budget year plans, including an evaluation of necessary and appropriate changes in the scope of work and the resources required to perform that work. These budget judgments are subject to significant and regular review through a rigorous governance process that facilitates business area accountability and executive involvement and oversight.

Xcel Energy's processes emphasize the importance of accuracy, as demonstrated by its:

- rigorous budgeting process – from the centralized development of

spending guidelines and analysis to ensure budgeted costs reflect the most efficient level of costs, to the governance of major capital expenditures and executive reporting and oversight;

- recognition of changes, such as the loss of a major customer, and changing trends, such as the economy and customer usage, in our budgeting and forecast processes; and
- regular and consistent monitoring, analysis and response to budget variances stemming from necessary changes in our plans, as well as unforeseen or unknowable events.

Further, the Company's capital investments fairly represent reasonable investments in projects needed to provide gas utility service to customers, as demonstrated in part by my support of the Corporate Shared Business Areas capital projects during the MYP. Finally, the Company's 2016 O&M presents a reasonable basis on which to establish rates for the MYP, as discussed by Company witness Mr. Scott Brockett. For these reasons, I recommend that the Colorado Public Utilities Commission ("Commission") approve the MYP capital cost recovery requested in this rate case.

II. FINANCIAL BUDGETING AND FORECASTING

Q. WHAT IS THE PURPOSE OF THIS SECTION OF YOUR TESTIMONY?

A. In this section of my Direct Testimony I set forth the Company's budgeting process, explain our financial systems and recent changes to them, as well as outline the Company's cost containment efforts. I also explain why a robust budgeting process, combined with cost management and reasonable levels of overall expense, support our MYP.

A. Financial Planning and Reporting

Q. WHAT ARE THE FINANCIAL PERFORMANCE AND REPORTING ORGANIZATION'S PRIMARY RESPONSIBILITIES WITH RESPECT TO THE FINANCIAL BUDGET PROCESS?

A. My organization:

- Establishes and manages the overall corporate project plan and governance for creating the budget.
- Facilitates establishment of the corporate guidelines for the annual financial budget process for each of Xcel Energy's operating utility subsidiaries, including Public Service.
- Works with the budget managers in every business area as they develop their budgets.
- Ensures that the corporate O&M and capital expenditure budgets and the budgets for each of the operating utility subsidiaries reflect as accurate a forecast as possible of the costs the Company will incur to deliver utility service during the next year.

- Ensures that the O&M and capital expenditure budgets reflect an efficient level of cost consistent with the Company's obligations to deliver reliable utility service to its customers now and in the future.
- Provides maintenance and training for the Financial Management System ("FMS"). FMS is the system used for both input and retention of the O&M and Capital Expenditures details for the budget and forecasts.
- Reviews the corporate O&M and Capital Expenditures budgets and facilitates the approval of these budgets by senior management and the Board of Directors.

1. Financial Processes

Q. PLEASE PROVIDE AN OVERVIEW OF THE COMPANY'S FINANCIAL BUDGET PROCESS.

A. Every year the Company prepares and utilizes O&M and capital expenditures budgets for each of Xcel Energy's operating utility subsidiaries, including Public Service, which becomes part of Xcel Energy's overall rolling five-year financial budget. The five-year financial information is used by executive management to anticipate and support each of the operating utilities' financial needs and to make major strategic decisions. The financial budget is a key component of the overall framework used by the Company to develop supportable and attainable financial plans for each operating utility.

Q. WHAT ARE THE MAJOR STEPS OF THE ANNUAL FINANCIAL BUDGET PROCESS FOR PUBLIC SERVICE?

A. There are four primary steps in developing the annual financial budget for all Xcel Energy operating companies, including Public Service, with each of these steps

encompassing multiple activities to ensure an acceptable level of budget accuracy and reasonable budget levels.

First, a subset of the Financial Council, which I describe below, establishes spending guidelines for each of the next five years. Strong emphasis is placed on establishing guidelines that are prudent from both an operational and financial perspective. During this phase, key corporate assumptions such as labor escalators, are developed and communicated to business area financial representatives and leadership.

Second, budget plans are developed.[2] Budget managers within each business area develop the bottoms-up budgets[3] for each of the next five years and input their budgets into FMS. To conduct this exercise, each Company business area assesses its operating needs and identifies potential capital projects. The scope, cost, and timing of these projects are evaluated and prioritized within the business area by operating company, resulting in an aggregate projection of recommended capital expenditures for each of the next five years.

Third, five-year detailed budgets are reviewed and approved at the executive management level by the Financial Council, which is comprised of the Chief Executive Officer of Xcel Energy, the Operating Company presidents, and

[2] The instructions process used to be a formal second step, but we have found a more informal process is appropriate with the movement to the new general ledger ("GL") system. I discuss the effect of the new GL system on Finance in more detail later in my Direct Testimony.

[3] By "bottoms up," we mean that each business area starts with the specific projects and work they believe need to be accomplished in the relevant years, building to business area and then Company budgets.

the leaders of each of the business areas. The review also includes a discussion of the cost pressures and emergent issues faced by the business areas, as well as any key strategic decisions that need to be made in the near future.

Fourth, the five-year capital forecast is presented to the Board of Directors after Financial Council review and approval. This review is focused around the upcoming year, as well as major changes to the five-year budget. The Board also specifically reviews and approves any new major projects with total project spend in excess of $50 million, and any previously-approved major project that is seeking re-approval because of significant changes to overall spend.

Q. DOES THE PUBLIC SERVICE BOARD ALSO HAVE A ROLE IN APPROVING PUBLIC SERVICE BUDGETS?

A. Yes. As part of a separate process, Public Service's own Board of Directors approves the upcoming year's total capital budget and all new projects greater than $50 million. Because all of Public Service's board members are also on the Financial Council, they also review and approve the full five-year capital forecast as part of that separate process. Thus, the Public Service Board has multiple opportunities to review, question (if needed), and ultimately approve the Public Service budget.

Q. HOW DOES THIS PROCESS PROVIDE SUPPORT FOR THE USE OF A FORWARD-LOOKING TEST YEAR OR YEARS?

A. The use of a robust budgeting process provides regulatory support for the use of a future test year or years that rely on those budgets. Further, Public Service

believes – and Xcel Energy operating companies in other jurisdictions have found – that a forward-looking test year more accurately and transparently represents the work that the Company will do during the period rates are in effect. I discuss this concept in more detail later in my Direct Testimony.

2. Financial Systems

Q. HAVE THE COMPANY'S FINANCIAL SYSTEMS CHANGED SINCE THE COMPANY'S PAST RATE CASE WAS FILED?

A. Yes. The Company is in the process of implementing its Productivity Through Technology ("PTT") initiative. The PTT initiative includes replacement of the Company's general ledger ("GL") system and implementation of a new Work and Asset Management ("WAM") system. The new GL system was placed in-service at the end of 2015. The GL serves as a foundation for implementation of the WAM system, which is expected to be fully in-service by the end of 2017. Company witness Mr. Timothy Brossart provides details related to PTT systems and costs in his Direct Testimony.

Q. HOW DOES THE PTT EFFORT FACTOR INTO PUBLIC SERVICE BUDGETING?

A. It impacts Public Service budgeting and financial management in two ways. First, the new GL is our new financial system of record, and results in some changes to how we manage financial data. Second, the costs and benefits of PTT are factored into the Company's business plans and budgets. Costs are specific to the project, whereas benefits are factored in through overall planning measures.

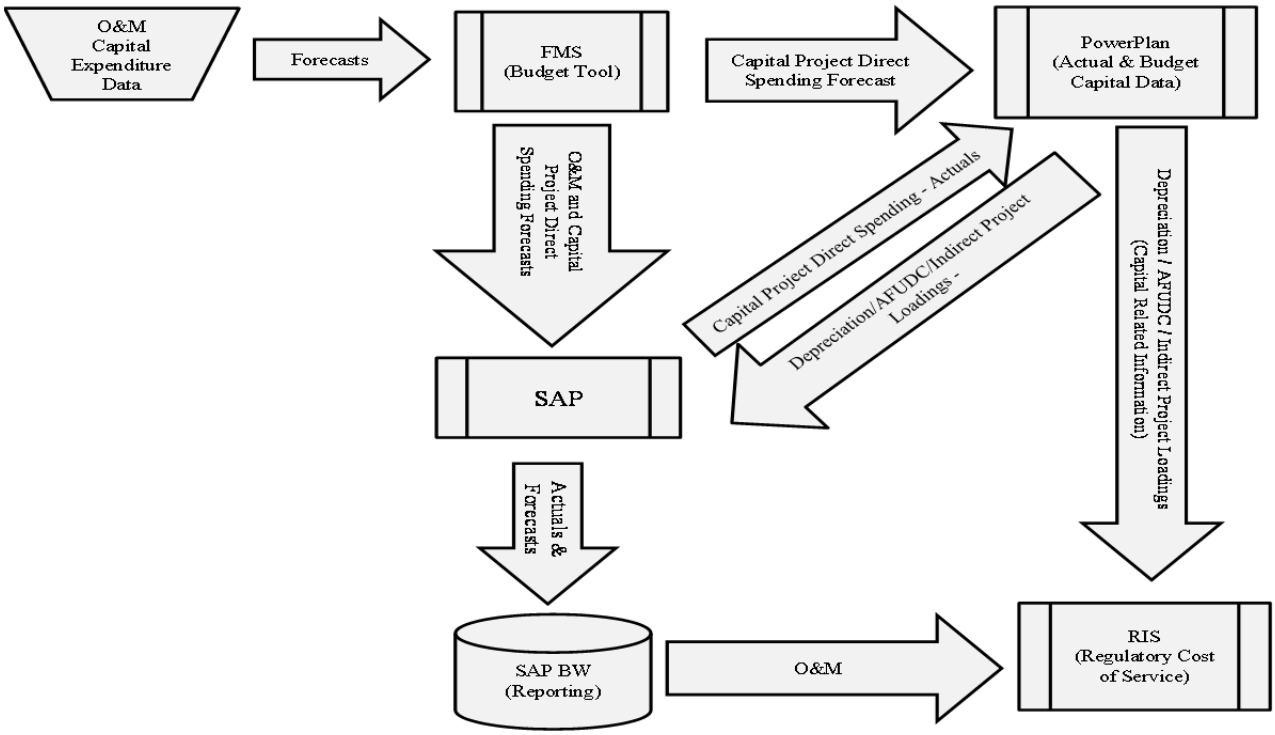
This is because budgets move up and down for many reasons; therefore, it is often not possible to isolate the effects of efficiency savings initiatives on individual budget items. Below I discuss these impacts of PTT from a financial management and budgeting perspective.

Q. CAN YOU PROVIDE MORE INFORMATION REGARDING THE FINANCIAL SYSTEMS USED BY PUBLIC SERVICE TO DEVELOP ITS FINANCIAL BUDGETS AND FORECASTS?

A. Yes. Public Service uses a number of different financial systems as part of its financial budgeting and forecasting process. Capital budget data is initially input into FMS, which is the budgeting tool that is used across the Xcel Energy system. It allows the budget managers in every business area to enter their projected monthly capital expenditures for the next five years.

Monthly capital budget data in FMS is then loaded into the Company's PowerPlan system. PowerPlan is used by Capital Asset Accounting to maintain actual and budget capital expenditure data as well as actual and budget in-service dates for determining closings to plant in-service. Allowance for Funds Used During Construction ("AFUDC") and depreciation expense associated with all budgeted capital project workorders are calculated within PowerPlan. PowerPlan is then used to generate the projected plant and Construction Work in Progress ("CWIP") balances for the thirteen month roll forward for each test year or year of an MYP. Figure GJR-D-1 is a pictorial view of this budget process:

Figure GJR-D-1
Public Service System View of Budgeting/Forecasting



Company witness Ms. Ostrom describes in more detail the process used to develop the projected plant and CWIP balances used by Company witness Mr. Berman to develop the MYP Test Years' cost of service study.

Q. FOR A REGULATED UTILITY WITHIN A HOLDING COMPANY, WHAT PRIMARY REQUIREMENTS ARE IMPORTANT FOR A FINANCIAL SYSTEM?

A. The accounting system must provide for separate accounting and reporting for each operating company and affiliate within the holding company structure. A regulated utility must have a chart of accounts to capture and report information in accordance with the Uniform System of Accounts and to provide for the tracking of expenses by utility (electric, gas, thermal energy, and non-utility).

Where such expenses cannot be directed to an individual utility department, particularly in the case of a combination utility such as Public Service, the system must provide the means to appropriately allocate such costs. The accounting records must be maintained by functional group/class, distinguished between operations and maintenance expenses, and labor and non-labor expenses. The Uniform System of Accounts does not require that the GL records track all state and federal jurisdictional allocations. In terms of a utility's balance sheet, the assets, primarily property, plant and equipment, are tracked by utility and functional group/class.

Q. PLEASE PROVIDE AN OVERVIEW OF THE NEW GENERAL LEDGER IMPLEMENTATION FROM A FINANCE PERSPECTIVE.

A. Effective December 31, 2015, the Company replaced its JD Edwards ("JDE") GL system with the SAP GL system. Company witness Mr. Brossart describes the Company's reasons for replacing the JDE system in his Direct Testimony, as well as implementation of the new GL system. From the finance perspective, the in-service date was planned to coincide with the new financial calendar year to provide operational benefits, such as minimizing the amount of historical data that would need to be converted and reducing overlap of systems in the middle of a financial year.

Q. DOES THE SAP GL SYSTEM SATISFY UTILITY REPORTING REQUIREMENTS?

A. Yes. The new SAP GL system was designed and implemented to meet these regulatory requirements as well as other business needs and requirements.

Q. PLEASE DESCRIBE HOW THE SAP GL SYSTEM ACCOMPLISHES THE REGULATORY REQUIREMENTS IDENTIFIED ABOVE AND SUPPORTS AN MYP.

A. The majority of all costs are either incurred directly by the Company or billed to the Company from XES. Regardless of where the transaction originates, each transaction is coded and posted to the SAP GL system with the information to identify the operating company or affiliate that incurred the cost and the operating company or affiliate that is responsible for the cost. In addition, each transaction is identified with the utility, the functional group and the type of cost. The SAP GL system uses these transaction details to report the information by FERC account, as required by state and federal regulations. Company witness Mr. Adam Dietenberger describes the tracking of costs in the new GL in greater detail.

Q. HOW WILL THE NEW SAP GL SYSTEM CHANGE THE WAY THE COMPANY PRESENTS FINANCIAL BUDGETING DATA?

A. There are two main ways that the system is different. First, the SAP GL system replaces the old JDE Generally Accepted Accounting Principles (“GAAP”)-based “object accounts” with GAAP-based “cost elements.” This first change reflects an update to the new system, but has no real long-term impact on how Public

Service reports financial results. Second, with a fully-deployed WAM we will have an additional dimension that we can use to track and analyze data, known as Work Breakdown Structures ("WBS"). This second change provides an additional way to analyze data that provides insight into the types of activities that each business area in the Company undertakes.

Q. YOU STATED THAT THE SAP GL SYSTEM REPLACES THE OLD JDE GAAP-BASED "OBJECT ACCOUNTS" WITH GAAP-BASED "COST ELEMENTS." PLEASE EXPLAIN.

A. For the most part, the new financial system will not change the way Public Service presents financial data. In addition, the Company's organizational hierarchy will largely be presented in the same way. The primary difference is that GAAP O&M and capital accounts were referred to as "Object Accounts" in JDE, whereas they are referred to as "Cost Elements" in the new SAP GL. Some of the cost elements are comparable, but most are different or new as compared to the JDE system. This is largely just a function of changing to a more streamlined and simplified chart of accounts. Under the old JDE system, there were also separate sets of object accounts for O&M and Capital. With SAP, O&M and Capital share the same cost elements, and the type of cost is distinguished using other reporting attributes. As Xcel Energy continues the full transition to SAP through the combined implementation of the GL and WAM, we continue working to optimize the number of accounts the Company uses, in order to improve transparency from a management reporting perspective.

Q. CAN PUBLIC SERVICE STILL PROVIDE AN AUDIT TRAIL MAP, AS IT HAS IN THE PAST?

A. Yes, we are providing the Audit Trail map that allows review of expenses and tracking from Cost Element to FERC account as Attachment GJR-1 to my Direct Testimony. Attachment GJR-1 is an Excel® spreadsheet that includes the 2016 Gas Department O&M information presented by the Business Area witnesses in this case.

Q. CAN YOU PROVIDE MORE INFORMATION ABOUT THIS AUDIT TRAIL MAP?

A. Yes. More specifically, the audit trail map provides a breakdown of 2016 O&M costs by cost category and GAAP cost element. It also provides the information by FERC account and grouping. Finally, it shows the Business Area, sub-area, and cost center where the cost originated, along with the applicable witness. Along with this detail, the Audit Trail Map includes summaries that show the following:

- Total 2016 O&M by FERC
- Total 2016 O&M by GAAP cost element
- 2016 FERC O&M by witness
- 2016 GAAP based cost element O&M by witness

The data presented in this Audit Trail Map Attachment can be filtered for summarizing and supports the expenses presented in Company witness Mr. Stephen Berman's revenue requirements study.

Q. HAS THE COMPANY CONDUCTED ANY ADDITIONAL REVIEWS OF DATA TO ENSURE ACCURACY AFTER THE GL TRANSITION?

A. Yes. As part of the initial compilation of financial information for this rate case, manual reviews were conducted to further ensure that the as-filed data accurately represents the cost of service for the Public Service Gas Utility. We identified a few adjustments, including the $1.47 million adjustment made to FERC accounts 870, 887, 892, and 912 as described in the Direct Testimony of Company witness Ms. Cheryl Campbell. These costs were shown as part of the gas utility; however, they are solely allocable to the Public Service Electric Utility FERC accounts. The root cause of this adjustment was operations employees charging the wrong work order on their time sheets in error, such that some costs ultimately were included in the wrong FERC account.

Similarly, adjustments were made to correct a $151,835 allocation of Commission regulatory fees in FERC Account 928 and to correct a $299,658 allocation of Edison Electric Institute (“EEI”) dues in FERC Account 930.2. These costs were inadvertently allocated to Public Service Gas rather than Public Service Electric. These costs were adjusted out of the Public Service Gas cost of service, as discussed by Company witness Mr. Berman.

Overall, these additional reviews were conducted to further ensure accuracy as we have moved to a new GL, and reflect the Company’s supplemental efforts to present an appropriate cost of service in this proceeding.

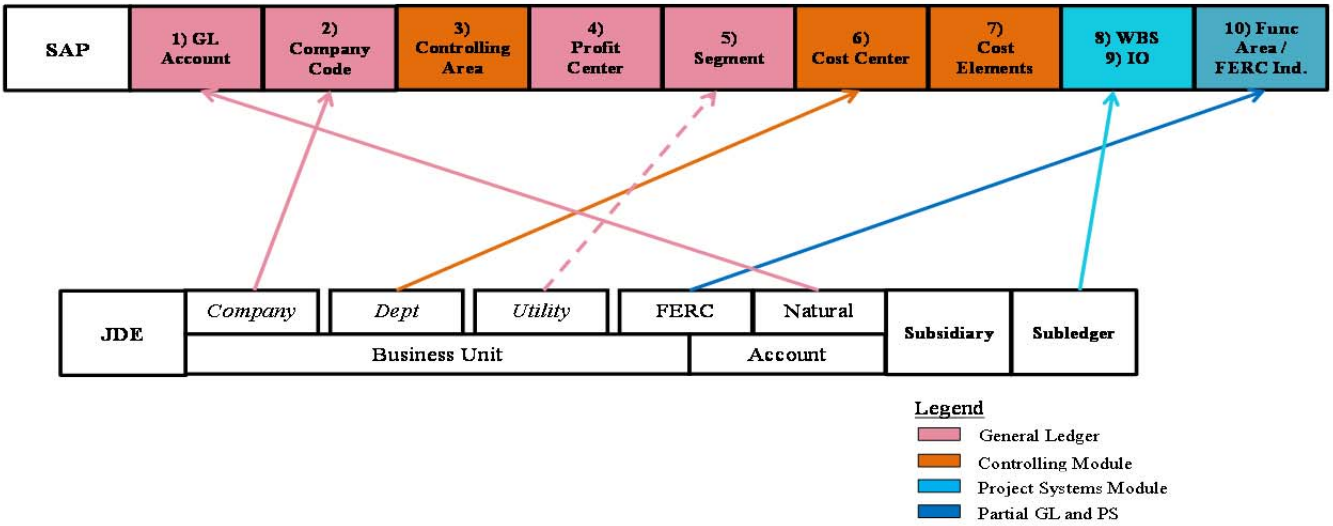
Q. CAN YOU PROVIDE MORE INSIGHT INTO THE CHANGE WITH RESPECT TO THE NEW WBSs THAT ARE PART OF SAP?

A. Yes. The other key way that financial data presentation differs from JDE is that SAP facilitates the tracking of work activities using WBS to drive productivity improvements. Through the WBSs in SAP, we will be able to budget, track, and analyze financial data by various activities such as “Gas Locates” in addition to being able to analyze data using FERC, GAAP-based cost elements, and by business area within the organizational hierarchy. This permits additional analysis and helps support the cost-management efforts at the Company.

The full functionality of reporting by WBS will not be available until we convert all of the work and asset management systems (Passport, Maximo, etc.) that are being replaced through PTT. However, during this transitional period, we have set up WBSs in each business area and are using them to track spending.

Below is a diagram to further illustrate how transactions differ between JDE and SAP.

Figure GJR-D-2 Chart of Account Changes



Q. DOES THE COMPANY STILL DEVELOP ITS BUDGETS AND FORECASTS TO FACILITATE FUTURE COMPARISONS OF BUDGETED TO ACTUAL SPENDING?

A. Yes. To effectively monitor financial performance in relation to the budget, the Company's budgeting and forecasting processes mirror the way the Company maintains its actual accounting records. For example, the Company budgets and forecasts capital expenditures to budget internal orders that are associated with orders that will be used to record the Company's actual costs. Because developing the detailed cost categories for a future project is an ongoing process, the Company budgets for capital expenditures at a higher level of detail than used to record actual costs. The goal is to develop budgets and forecasts that include sufficient detail and overall accuracy to ensure that costs are assigned to

the appropriate utility and functional plant accounts, and therefore support effective cost tracking and management.

3. Financial Cost Containment

Q. DOES THE COMPANY TAKE STEPS TO CONTAIN COSTS AS PART OF THE BUDGETARY PROCESS?

A. Yes. As previously discussed, budget targets are established early in the budget process, and the budgets themselves are reviewed at many levels within Xcel Energy. Further, our Finance organization is constantly looking at opportunities to contain costs

Q. WHY DOES XCEL ENERGY ATTEMPT TO CONTAIN COSTS IF IT CAN RECOVER COSTS INCURRED FROM CUSTOMERS?

A. There are many reasons why Xcel Energy and Public Service work to contain costs. First, from a regulatory perspective, the Company understands it can only recover costs of providing service that are reasonable; therefore, the Company is incentivized to manage costs accordingly. Second, from a shareholder perspective, Xcel Energy must manage expense to provide shareholders with their expected, reasonable returns. Third, there is always more work to be done than resources available to accomplish that work. The best way to effectively utilize limited resources is to find ways to “do more with less.” Finally, the Company seeks to maintain good relationships with the customers it serves, which is easier to accomplish when costs are well-managed and rates are affordable.

Q. EARLIER YOU MENTIONED THAT PTT MAY RESULT IN EFFICIENCIES FOR THE COMPANY. HOW DOES THIS EFFORT FIT WITH THE COMPANY'S EFFORTS TO CONTAIN COSTS?

A. PTT, and particularly the WAM, provides one tool the Company can use to "do more with less." Company witness Mr. Brossart describes how, by working more efficiently in several areas as a result of PTT, the Company is able to redeploy resources and contain costs overall.

Q. PLEASE EXPLAIN HOW ANTICIPATED COST-SAVINGS DUE TO COMPANY EFFICIENCIES ARE INCLUDED IN THE FORWARD-LOOKING FINANCIAL BUDGETS AND FORECASTS.

A. As explained above, when planning for future budgets, the Company incorporates internal and external resource needs based on what resources, assets, and efficiencies will exist at that time. Those resource needs are determined after incorporating system and process changes, including anticipated cost-savings. That said, savings achieved through one project are often utilized to reduce costs or make resources available for other projects and work. Therefore, the quantitative benefits of a project are factored into the Company's future budgets through overall planning measures, and not necessarily as a one-to-one savings associated with a specific project. In most cases, such efforts help contain costs at the total Company level, rather than reduce overall costs compared to prior years. This is further illustrated by the

Company's limited O&M increases in the MYP, which are explained by Company witness Mr. Scott Brockett.

Q. WHAT DO YOU CONCLUDE WITH RESPECT TO THE COMPANY'S OVERALL BUDGETING AND FORECASTING PROCESS?

A. I conclude that the process is robust, with many levels of oversight. It further results in reliable information for purposes of establishing rates for the MYP.

B. <u>Managing Capital and Spending</u>

Q. ONCE BUDGETS ARE IN PLACE, HOW DOES XCEL ENERGY MANAGE ACTUAL CAPITAL SPENDING?

A. After the next five years' budget data for Public Service has been approved by the Financial Council and the Public Service and Xcel Energy Boards, the budget managers in each business area are required to update their annual capital budgets and forecasts in FMS on a monthly basis as part of the monthly forecast process. This allows the Company to compare the approved budget with updated forecasts that reflect changes in business operations that were not contemplated at the time the budget was first approved. It also allows the Company to adjust its business plans and financial forecasts continually. For example, the business may absorb unforeseen cost increases, or reduce or delay anticipated spending. The Company can also evaluate whether an increase in the original budget for that business area may be needed.

Q. PLEASE DESCRIBE IN GREATER DETAIL THE PROCESS FOR OVERSIGHT OF CAPITAL EXPENDITURES.

A. Corporate management, supported by the Financial Performance & Reporting group, reviews the aggregate forecast of capital spending for each Xcel Energy operating company, including Public Service, individually and for all of the utilities in total on a periodic basis. In addition to the formal annual budgeting process I described above, capital spending projections are revised monthly through forecasting updates. With input from corporate management, the business areas continually manage to their planned level of capital spending, taking into account changing business priorities, new operating and regulatory requirements, and funding constraints.

Business area capital spending is managed in several ways, including by aggregating and monitoring spending on an Operating Company level and at the total Xcel Energy level. Corporate management, again supported by the Financial Performance & Reporting group, conducts ongoing reviews of planned capital spending, through discussions at regularly scheduled meetings of the Financial Council, the Operating Company Financial Oversight group, and the Financial Performance Team. In addition, a Quarterly Capital Review process takes place to review the current year's capital forecast and update the five-year projection for capital spending.

Q. DOES THE COMPANY ALSO MONITOR SPENDING ON A PROJECT-BY-PROJECT BASIS?

A. Yes. After a project is approved through the budgeting process, the project is designed to appropriate specifications and a capital work order is set up in the Company's integrated financial systems. Each project is assigned staff to perform, and management to oversee, the completion of planned work. Required materials, vendor selection, and project timing are determined as needed. As the project proceeds, the business area monitors its actual capital spending for each Operating Company in relation to budgeted/approved levels. Through this process, projects in the budget are repeatedly re-evaluated to confirm scope and need for the project. This also permits review of the Company's forecasts, and updates to reflect changes in timing and/or prioritization of projects as the year progresses.

Q. HOW HAVE THE COMPANY'S ACTUAL CAPITAL EXPENDITURES COMPARED TO BUDGETED AMOUNTS OVER THE LAST SEVERAL YEARS?

A. Historic total capital expenditures have been very consistent with the budget, except where a specific scope of work change increased the budget above anticipated levels. Actual costs for 2016 were 0.7 percent below budget for the total company. In 2015, actual costs were 0.6 percent below budget. For 2014, actual expenditures were 8 percent above budget. The 2014 cost increase was driven primarily by an increase in scope of the PSIA and an increase in new

business volumes. Below is a table that shows actual capital expenditures versus the budget over the 2012 to 2016 five-year period.

Table GJR-D- 1 Total Public Service Total Company Capital Actual versus Budget Expenditures (Dollars in Millions)

Year	Actual Capital Expenditures	Budgeted Capital Expenditures	Variance	Variance Percentage
2016	$1,052.9	$1,060.0	($7.1)	(0.7%)
2015	$943.8	$949.1	($5.3)	(0.6%)
2014	$1,064.3	$985.7	$78.6	8.0%
2013	$1,073.6	$1,063.6	$10.0	0.9%
2012	$887.6	$892.3	($4.7)	(0.5%)

C. <u>Applying Budgeting and Forecasting Principles to the MYP</u>

Q. DO YOU BELIEVE IT IS APPROPRIATE FOR THE COMPANY TO USE FORECASTED CAPITAL AMOUNTS FOR THE MYP?

A. Yes. Regardless of whether a business is looking backward and developing adjustments to historical capital spending or looking forward to future overall spending, the business must make estimates and exercise prudent judgment to arrive at a reasonably accurate reflection of future budgets. The advantage of a forward-looking budget process is that it is a more robust, top-to-bottom look at all future projects and planned expenditures. While project implementation can and does change from the time of original budget development through updated forecasts, a forward-looking process tends to be timelier than a historical process with adjustments.

Q. IS IT POSSIBLE FOR ANY BUSINESS TO DEVELOP A BUDGET (BASED ON EITHER HISTORICAL OR FUTURE SPENDING EXPECTATIONS) THAT WILL PRECISELY REFLECT A COMPANY'S ACTUAL DOLLAR-BY-DOLLAR SPENDING?

A. No. It is important to recognize that no business can ensure that every budgeted dollar is spent in exactly the same way that it was initially forecasted to be spent. Nor would this be a reasonable expectation, as it would preclude a company from being flexible or responding to emergencies, unexpected changes in the business, in customers' needs, or in the marketplace as a whole. What is important is that overall the Company's budgets reflect a reasonable level of costs and are reasonably representative of the costs the Company will incur to deliver gas utility services to its customers during each year of the budget periods.

To provide more detail regarding this concept, Public Service's experience providing gas service informs the Company that circumstances often arise that result in both increases and decreases in spending compared to the budget. For example, it is not uncommon for a budgeted capital expenditure to be delayed or cancelled due to project issues prompted by siting, permitting, or changes in customer needs. The list of potential investments that need to be made at any given time always outpaces the Company's funding and labor resource capacities. For that reason, when a project is delayed or cancelled, the Company

typically will re-prioritize and substitute a different project or focus area in its place.

Conversely, if a project needs to be accelerated or if spending estimates on a specific project prove to be too low, the Company may delay a different project in order to maintain consistent levels of capital spend. While spending on a project-by-project basis never matches up exactly with the Company's original budgets, Public Service's actual overall budget spending tends to be reasonably accurate, as demonstrated by the comparison of actual to budget performance for 2012 to 2016 capital expenditures described above. Thus, the Company's budgeting and forecasting processes serve as tools for both estimating capital expenditures and imposing financial discipline on behalf of its customers and investors.

Q. ARE THERE INSTANCES IN WHICH IT IS NECESSARY TO PLAN FOR FUTURE WORK THAT MIGHT BE UNSPECIFIED AT THE TIME THE TEST YEAR BUDGET IS DEVELOPED?

A. Yes. It is necessary to recognize in the Company's budgets and forecasts that the Company will experience events – such as an unexpected infrastructure repair or new cyber security attacks that threaten Public Service's computer systems – that cannot be fully predicted ahead of time. The Company therefore maintains certain capital construction "routine" orders to budget for this type of work.

These "routine" orders represent the Company's expected level of work that is likely to be required in a given year, and these costs are specifically broken out to a parent order number to represent the total costs that are expected to be incurred for these types of projects and events. The business area witnesses explain their processes for developing these routine orders in their individual testimony. It is important to note, however, that these amounts do not represent a "cushion" over and above what the Company expects to actually incur during the year. Nor does it come as a surprise that the Company will have to address such issues. Rather, these amounts are based on the level of work and current cost of the work the Company has completed historically to address expected emerging work in these areas.

Q. HOW DOES PUBLIC SERVICE PLAN FOR POTENTIAL VARIANCES IN ITS ESTIMATES FOR INDIVIDUAL CAPITAL PROJECTS?

A. Public Service's capital project budgets and forecasts reflect the Company's best estimate of the actual cost that will be incurred to complete a particular project at a particular point in time. These estimates are developed using the best information that Public Service has available. In many cases, they are developed with very specific information (vendor quotes, engineering estimates, resource plans, etc.). When less information is available, estimates are frequently developed using historical information about how much it cost to complete comparable projects in the past. While forecasts or budgets built in this manner

contain a certain level of unknown spend, it would be wrong to consider these items contingencies.

Given the nature of Public Service's business, the Company must estimate the costs of certain very large projects, expected to span multiple years that contain a number of large, unknown variables. Generally, these are long-term construction projects with scope, timing or price risk considerations. The process for developing the budgets for these projects typically involves contracting third party engineering firms to develop estimates. The Company then runs its own estimating model as a check. In other instances, the business unit develops estimates in less formal consultation with contractors, based on the Company's own prior experience, or some combination of these processes.

Due to the size and complexity of such projects, prudent business practice requires that the Company use initial scoping estimates to account for some of the variability of large, very early-phase projects between the results produced by the different estimating models. Because large projects typically go into service several years in the future, there are frequently many unknown variables that need to be accounted for with contingencies in the applicable project estimates early in the budgeting process. However, as time progresses and more information is known, these initial scoping estimates are replaced with more refined estimates in later versions of the budget. The Company's forecasted capital additions for the MYP typically represent refined estimates commensurate with the status of the project.

The most important point to consider is that while the Company employs a variety of methods to build its capital project budgets, its overall capital budgets and forecasts do reasonably closely track with actual spend, as shown in Attachment GJR-2. This is due, in part, to the fact that while some projects may come in over budget and some projects may come in under budget, over the entire Company these variances tend to cancel each other out.

Q. DOES THE ABILITY TO REVISE BUDGETS FOR FUTURE YEARS INDICATE THAT THE INITIAL BUDGETS ARE TOO HIGH OR UNRELIABLE?

A. No. Current budgets for future years are based on currently projected operational needs, circumstances, requirements, and available funding, making them accurate and reasonably representative based on currently known information.

Q. IF BUDGETS FOR FUTURE YEARS CAN CHANGE, WHAT IS THE VALUE OF THE FIVE-YEAR BUDGETING PROCESS?

A. Long-term financial projections and planning are necessary to continue to provide reliable service to customers in the future. Public Service operates a capital intensive business, and many of the Company's projects have long lead times, have long construction phases, or require financing. Developing a five-year budget provides the necessary information for out-year planning and financial projections. Further, Company witness Ms. Mary Schell discusses the value of a five-year budget from a credit reporting and investor standpoint. However, the iterative nature of the Company's budgeting process, where Public Service revises the five-year budget each year, allows the Company to manage

necessary work and investments given funds available and as circumstances change over time. This is a balanced process that allows the Company to be forward-looking and strategic, but also adaptable in allowing for reprioritization as circumstances and business requirements change.

Q. DO THE BUSINESS AREAS BUILD A CONTINGENCY AMOUNT INTO THEIR OVERALL BUDGETS?

A. Most business areas do not have a contingency that applies to their overall budgets. Rather, executive management expects the business areas to manage their spending to the forecast. This is true even where business areas have to reflect unspecified costs in their budgets as I discussed above. The unspecified costs are also budgeted based on such factors as past spending. If cost increases associated with unforeseen events cannot be absorbed and necessitate spending in excess of the budget, the business area leader must present such variances to the Operating Company presidents and Financial Council as soon as they are known and seek approval for the increase.

Some specific project budgets include contingencies. For example, as Mr. Brossart discusses in his Direct Testimony, the GL and WAM projects included a contingency due to the size of these projects and the number of unknown factors that could affect design or implementation of this enterprise-wide system.

Some business areas include routines or contingency-like accounts to account for needs the Company knows will arise, but cannot predict when or exactly in what form. For example, Business Systems has an Emergent Demand

Account, which is discussed in more detail by Company witness Mr. David Harkness.

Q. DO YOU BELIEVE THE CAPITAL FORECAST IN THE MYP IS AN APPROPRIATE BASIS ON WHICH TO SET RATES FOR PUBLIC SERVICE?

A. Yes.

III. SHARED CORPORATE BUSINESS AREAS

Q. WHAT IS THE PURPOSES OF THIS SECTION OF YOUR TESTIMONY?

A. In this section of my Direct Testimony, I describe the capital additions for the Shared Corporate Business Areas other than Business Systems (since Company witness Mr. David Harkness describes the Business Systems area). I provide an overview of the Shared Corporate Business Areas, the types of work they do, and the planned capital additions between 2017 and 2020. I also support the 2016 O&M incurred by the Shared Corporate Business Areas, as a reasonable basis for establishing rates in this proceeding.

A. Overview

Q. PLEASE PROVIDE AN OVERVIEW OF THE SHARED CORPORATE BUSINESS AREAS.

A. The Shared Corporate Business Areas conduct a variety of activities on behalf of Xcel Energy and its operating companies, including Public Service. The Shared Corporate Business Areas are comprised of the following eight Business Areas within XES:

- *Utilities and Corporate Services*: Provides services to meet the needs of employees, technology users, and energy customers of the Xcel Energy system companies, including those of Public Service. Utilities and Corporate Services includes several functional groups, including the Chief Administrative Office, Resource Planning, Marketing, Enterprise Security, Property Services, and Human Resources. Business Systems also falls within Utilities and Corporate Services, but is addressed in separate testimony by Company witness Mr. David Harkness.

- *Financial Operations*: Leads financial governance for Xcel Energy and its operating companies, including Public Service, and delivers financial services. Financial Operations consists of several functional groups, including Audit Services, the Controller's organization, Investor Relations & Business Development, Tax Services, Financial Planning & Analysis, Risk Management, Revenue Requirements, and the Treasurer's Organization.
- *Operations Services*: Provides a single centralized Operations support organization that includes Supply Chain, Commercial Operations, Customer Care, and Fuel Supply with a goal of using standardized processes, shared best practices, and efficiencies of scale to ensure productivity and to control operating costs. Operations Services provides support to the Energy Supply, Transmission and Distribution groups.
- *General Counsel*: Provides strategic services to Xcel Energy, its operating companies and its subsidiaries, in addition to legal and claims services. The General Counsel organization includes Legal Services and Claims Services.
- *Corporate Secretary and Executive Services*: The Corporate Secretary and Executive Services organization provides the corporate communication, advertising and media relations services for the company. It also includes management and oversight of corporate strategy, corporate compliance and other corporate governance activities, including Board of Director and shareholder communication and engagement
- *Chief Executive Officer ("CEO")*: The CEO group includes the CEO and support staff and the budget for the Chairman's Fund. This group oversees the vision, mission, and values of Xcel Energy, balancing the customer demands for reliable, affordable energy with the company's goal of creating a clean energy future. The CEO group also includes the Policy and Federal Affairs area, which is comprised of the following groups: Federal Government Affairs, Outreach and Engagement, and Corporate and State External Affairs.

- *Corporate Other*: Corporate Other includes the costs that are not directly attributable to a specific Shared Corporate group. Corporate Other contains the following types of costs, credits and charges: company use credits, overhead charges to affiliates, shared assets, A&G charges to capital, non-regulated overheads, and permanent income tax differences.

Q. DO ALL OF THE SHARED CORPORATE BUSINESS AREAS PLAN TO PLACE CAPITAL ADDITIONS IN SERVICE BETWEEN 2017 AND 2020?

A. No. While each of the Shared Corporate Business Areas has associated O&M expenses, as discussed more fully below, only one of these groups within the Shared Corporate Business Areas has forecasted capital additions in the 2017 through 2020 timeframe. As such, my testimony on capital additions will focus on the Property Services group within the Utility and Corporate Services Business Area.

Q. PLEASE DESCRIBE THE PROPERTY SERVICES GROUP.

The Property Services group, which is part of the Utilities and Corporate Services group, implements building security features, manages leases, and provides interior and exterior building maintenance for office buildings, service centers, and regional and customer offices. As a result, this group within Utilities and Corporate Services undertakes the large majority of the capital projects within these Shared Corporate Business Areas, apart from the Business Services capital additions discussed by Company witness Mr. Harkness.

Q. WHAT ARE THE PRIMARY BUSINESS DRIVERS OF THE CAPITAL ADDITIONS PROPERTY SERVICES PLACES IN-SERVICE?

A. The primary drivers for Property Service's capital additions are:

- *Normal Activity:* Includes necessary component improvements and maintenance, and improvements to safety, reliability, and security in the normal course of business.
- *Service Center Renovations and Replacements:* Construction at service center locations to address aging infrastructure, safety, code changes, productivity, environmental sustainability, and other physical property needs.
- *Headquarters Locations:* Work related to improvements to company headquarters locations. No work is budgeted for Public Service in this area during 2017-2020.
- *Security Projects:* Work related to improvements to physical security.

Q. PLEASE DESCRIBE THE PROCESS FOR RANKING AND FUNDING PROPERTY SERVICES CAPITAL PROJECTS.

A. Early each year, corporate facilities are evaluated by staff to identify projects for inclusion in the capital budget for the following year. New items identified are categorized and prioritized along with existing multi-year capital projects. Projects that are related to safety are the highest priority. Other projects are reviewed with relevant Operating Company staff to verify need and priority. The final list is based on funding all safety projects, and the balance of projects based on priority in consideration of overall Xcel Energy capital guidelines.

With respect to safety, projects such as new or replacement fire alarm systems, uninterruptible power supply, fire suppressing sprinkler systems, and building code-related projects are all funded to assure safety and compliance with local government jurisdictions.

Projects such as office consolidations, mechanical equipment replacements, and structural projects that are not safety-related are prioritized

based on business needs. Projects that are more aesthetics-related, such as office furniture, landscaping, and improvements to common building areas, are funded based on comparison to existing building standards. For example, projects that are most likely to bring facility conditions to established standards are funded before those that have less benefit.

Q. PLEASE EXPLAIN HOW PROPERTY SERVICES CAPITAL COSTS ARE MANAGED.

A. Once capital projects are approved through the budgeting process, they are reviewed on a monthly basis to compare the monthly budget to actual performance. Then each project is updated monthly with a current forecast for all remaining months, including current year to date spend. Further review compares year-to-date actual performance with year-to-date budgets and year-end full year forecasts to the full year budget. Deviations are identified and recommendations are reviewed and approved. Changes are reported to the finance department on a monthly basis.

When a project will exceed the original budget or an unbudgeted emergency occurs, all lower priority items are reviewed to determine whether they can be delayed or removed to cover the costs of those emergencies. For example, a parking lot that is not sloped correctly and is creating unsafe ice patches would be a higher priority than replacing the lighting or windows to increase efficiency, which can be delayed to a future year.

B. Shared Corporate Capital Additions

Q. WHAT IS THE PURPOSE OF THIS SECTION OF YOUR DIRECT TESTIMONY?

A. This section of my testimony discusses the major planned investments anticipated for the Shared Corporate Business Areas from 2017 through 2020. As previously noted, these totals do not include the Business Systems capital additions that are separately supported by Mr. Harkness. Ms. Melissa Ostrom utilizes these capital additions to develop the plant-related roll forwards, which are in turn used by Mr. Steve Berman to calculate the 13-month average plant in service balances included in the rate base of the MYP Forecasted Test Years.

Q. WITH THE MYP AND FORWARD TEST YEARS OF 2018, 2019, AND 2020, WHY ARE YOU PRESENTING TESTIMONY REGARDING 2017 CAPITAL ADDITIONS?

A. Since the rate base for a particular year is based on a 13-month average plant-in-service, presenting 2017 data permits a full and transparent look at the major drivers of the Company's capital additions during the forecasted MYP period.

Q. DO YOU ALSO PROVIDE INFORMATION REGARDING OVERALL CAPITAL ADDITION TRENDS FOR THE SHARED CORPORATE BUSINESS AREAS?

A. Yes. Below I provide total capital additions for the Shared Corporate Business Areas for the years 2016 through 2020. As noted above, these capital additions are concentrated in the Property Services group:

**Table GJR-D-2 Capital Additions: Shared Corporate Business Areas
Public Service (Total Company)
(Dollars in Millions)**

	2017	2018	2019	2020
Total Property Services/ Shared Corporate Business Areas	$ 13.3	$11.4	$10.0	$8.2

This data underscores that while budgets appropriately change from year to year to meet the needs of the Company and its customers, the Company's capital additions and budgets over time follow reasonably predictable trends, with some changes where larger projects are planned in a given year. For example, the Arvada service center parking lot project, which was placed into service in 2016 at a cost of $4.7 million, accounted for approximately one-third of the projects placed into service last year. Overall, Property Services constitute a relatively small portion of Company capital, such that individual large projects within Property Services can have a noticeable impact on year-over-year trends.

Q. WHAT MAJOR CAPITAL PROJECTS DOES PROPERTY SERVICES ANTICIPATE COMPLETING BETWEEN 2017 AND 2020?

A. As depicted in Table GJR-D-3 below, the Company anticipates undertaking a number of major capital projects from 2017 through 2020 in the categories described earlier in my Direct Testimony:

**Table GJR-D-3 Property Services Capital Additions
Public Service (Total Company)
(Dollars in Millions)**

	2017	2018	2019	2020
Normal Activity	$6.1	$4.2	$7.6	$1.8
Service Center Renovations and Replacements	$6.6	$6.7	$1.8	$5.9
Headquarters Locations	NA	NA	NA	NA
Security Projects	$ 0.6	$0.6	$0.6	$0.6
Totals[4]	**$ 13.3**	**$11.4**	**$10.0**	**$8.2**

Attachment GJR-3 provides a list of the non-Business Systems Shared Corporate Business Area capital additions to plant in-service for this period.

Q. HOW DID THE SHARED CORPORATE BUSINESS AREAS IDENTIFY THEIR MAJOR PLANNED INVESTMENTS OVER THE PLAN PERIOD?

A. For purposes of supporting the Company's Shared Corporate Business Areas MYP budgets in this testimony, Public Service presents specific information describing more than 80 percent of the planned Shared Corporate Business Area investments. Ultimately, the capital additions discussed in this testimony reflect 86 to 99 percent of all Shared Corporate Business Area capital additions placed in service during 2017 and the MYP period.

[4] Any differences in totals due to rounding.

Q. CAN YOU PROVIDE ADDITIONAL INFORMATION REGARDING THE CAPITAL ADDITIONS THAT SHARED CORPORATE BUSINESS AREAS WILL MAKE BETWEEN 2017 AND 2020?

A. Yes. Attachment GJR-3 provides additional detail regarding the capital additions for the base period of 2017 through 2020. The columns in this spreadsheet provide the following information for 2017 through 2020:

Table GJR-D-4

Column A	Capital Budget Group	States the capital budget grouping with which these capital projects are associated.
Column B	Project Description	A brief description of the project from our budget system.
Column C	Project Number	Specific project number assigned to each project.
Column D	Classification	Denotes whether project is common or specific to gas.
Columns E -H	Years 2017-2020	The annual amount budgeted to be placed into service for each respective year.
Column I	Estimated In-Service Date	Provides the anticipated in-service date for each project in the MYP.

Q. IN COLUMN I – ESTIMATED IN-SERVICE DATE – OF ATTACHMENT GJR-3, THERE ARE A NUMBER OF LINE ITEMS WITH "ROUTINE" LISTED AS THE IN-SERVICE DATE. ARE THESE VALID LINE ITEMS AND WHY?

A. Yes, these line items with an in-service date listed as "routine" represent work done and forecasted to be placed into service during each of the years shown on Attachment GJR-3, and are routine projects as described earlier in my testimony.

The term "routine" is used to record ongoing routine capital items for internal purposes so these workorders are not closed inadvertently.

Q. ARE THE BUDGETED COSTS FOR THE SHARED CORPORATE BUSINESS AREA CAPITAL PROJECTS THAT WILL GO INTO SERVICE BETWEEN 2017 AND 2020 REASONABLY REFLECTIVE OF WHAT YOU EXPECT TO BECOME PART OF THE RETAIL RATE BASE?

A. Yes.

Q. WHAT DO YOU CONCLUDE REGARDING THE FORECASTED COSTS FOR THE SHARED CORPORATE BUSINESS AREA CAPITAL PROJECTS THAT WILL GO INTO SERVICE IN 2017 AND THE MYP FORWARD TEST YEARS?

A. I conclude that the capital additions have been, or will be, prudently incurred, reasonable in cost, and used and useful in supporting Public Service's ability to provide safe and reliable gas service to its customers. I walk through major capital additions for each year between 2017 and 2020 below.

1. 2017 Capital Additions

Q. PLEASE DESCRIBE THE MAJOR CAPITAL ADDITIONS FOR 2017.

A. As set forth in Attachment GJR-3, each of the 2017 capital projects for Shared Corporate Business Areas fall within the Property Services group. Overall, the 2017 planned capital investments for Property Services total approximately $13.3 million.

The capital projects can be categorized by in-service date, with several projects considered "routine" and others having specified in-service dates. As

described previously in my Direct Testimony, the line items with an in-service date listed as “routine” represent work done and forecasted to be placed into service during each of the years shown on Attachment GJR-3 (2017-2020), and are projects completed on a routine basis.

Q. PLEASE DESCRIBE THE MAJOR ROUTINE CAPITAL PROJECTS FOR 2017.

A. The major routine capital projects for 2017 are as follows:

- *Office Furniture and Equipment*: Office Furniture and Equipment investments are budgeted for approximately $0.35 million in capital additions for 2017 to cover approximately $0.2 million for furniture replacements and $0.04 million of audio / visual equipment purchases. Also, this project covers needed furniture purchases related to renovations at the Kipling, Valentia, and Alamosa service centers. The Company created the budget for routine Office Furniture and Equipment projects based on historical spend, as well as professionally-estimated costs on specific renovation projects.
- *Unbudgeted Emergencies*: Unbudgeted Emergencies investments are budgeted to be approximately $0.22 million for 2017. This routine project category allows for the management of unforeseen events and unbudgeted expenses that can oftentimes arise during a given year. There is typically no control of project timing and work is generally corrective, driven by non-scheduled events. Labor and material costs tend to be at a premium in the interest of performing repairs as quickly as possible. The budget for unbudgeted emergencies is based on historical needs for emergency repair work to keep equipment/sites up and running, as these needs are often triggered by previously unforeseen circumstances (i.e. broken entry gate caused by vehicle, natural disasters, equipment failure, etc).

- *Security Projects*: Security project investments are budgeted to total approximately $0.36 million in 2017 to address physical security enhancements, such as installation of security cameras and associated digital video recorders to store video recordings, and the installation of building security access readers.
- *Miscellaneous Building Projects*: Miscellaneous Building Projects budgeted for 2017 amount total approximately $0.92 million in capital additions. The primary projects included in this category are the Energy Management and Materials Distribution Center ("MDC") Fall Protection, which improves safety conditions for individuals working on the roof of this facility. The Company created the Miscellaneous Building Projects budget by professional quotes from known small projects or based on historical spend on miscellaneous capital additions.

Q. WHAT MAJOR INDIVIDUAL CAPITAL PROJECTS DID THE COMPANY INCLUDE FOR 2017?

A. The following individual capital projects are included for 2017:

- *Brighton Renovation:* The Brighton Renovation project includes budgeted capital investments of approximately $2.00 million to undertake full renovation of the office, break room, conference room and restroom areas. Site upgrades also include a new ADA-compliant entry and low use/maintenance landscaping. Lastly, the original switch gear will be replaced, and commercial HVAC systems will be installed. This project is scheduled to be in service in the fourth quarter of 2017.
- *Lipan Distribution Center ("LDC") Projects*: LDC Projects investments total approximately $3.17 million to address remediation and renovation of the existing second floor of the LDC to bring the building up to current code and satisfy corporate standards. These capital additions have an estimated in-service date in the third quarter of 2017.

- *MDC Switch Gear*: This individual capital project includes budgeted capital investments of approximately $1.12 million to replace the existing switch gear at and reconfiguring the power supply to the Company's MDC in Henderson, Colorado. Additionally, a natural gas generator will be installed to provide standby power to select loads throughout the MDC facility. The MDC Switch Gear project has an estimated in-service date in the fourth quarter of 2017.
- *Valentia Asphalt Replacement*: This capital project involves removing the existing asphalt at the Valentia Service Center and replacing it with engineered asphalt to meet all code and safety requirements. Capital additions for this project total approximately $2.01 million, and the project has an expected in-service date in the fourth quarter of 2017.
- *Greeley Parking Lot Replacement*: Capital additions for the Greeley Parking Lot Replacement project total approximately $1.40 million to replace the existing asphalt for the service center's parking lot and replacing it with engineered asphalt to meet all code and safety requirements. The project has an estimated in-service date in the fourth quarter of 2015.

2. 2018 Capital Additions

Q. PLEASE DESCRIBE THE MAJOR CAPITAL ADDITIONS FOR 2018.

A. As set forth in Attachment GJR-3, the majority of the 2018 capital projects for the Shared Corporate Business Areas fall within the Property Services group. Overall, the 2018 planned capital investments for Property Services total approximately $11.4 million. Like the capital additions for 2017, the 2018 capital projects can be categorized by in-service date, with several projects considered "routine" and others having specified in-service dates.

Q. PLEASE DESCRIBE THE MAJOR ROUTINE CAPITAL PROJECTS FOR 2018.

A. The major routine capital projects for 2018 are the same as those I describe above for 2017. Please see Attachment GJR-3 for the budgeted amount for each routine capital project for 2018.

Q. WHAT MAJOR INDIVIDUAL CAPITAL PROJECTS DID THE COMPANY INCLUDE IN 2018?

A. As shown in Attachment GJR-3, the major individual capital projects included in 2018 are as follows:

- *Pueblo Parking Lot Replacement*: The Pueblo Parking Lot Replacement project is budgeted for approximately $0.590 million in 2018 and has an expected in-service date in the third quarter of 2018. This project involves removing all existing asphalt, re-grading the site for proper drainage, and replacing the parking lot with a new asphalt parking structure.
- *MDC Conference Center*: Renovation of the MDC Conference Center is budgeted for approximately $2.60 million in 2018 and has an expected in-service date in the fourth quarter of 2018. These renovations are needed to update the aging building of the 7,000 square foot conference center which currently consists of mechanical and training rooms. Renovation of the MDC Conference center includes the creation of new restrooms, break room, large conference rooms, training rooms, and sitting area. The project also includes demolition and replacement of all existing interior finishes, lighting, mechanical ductwork, telecom, security, power, piping, walls, and furniture systems and the relocation of any mechanical and piping work as needed. The project also involves site work for additional parking.
- *LDC Second Floor Renovation*: Continued renovation of the second floor of the LDC is budgeted for approximately $3.05 million in 2018, with an estimated in-service date in the fourth quarter of 2018. These renovations

involve remediating and renovating the second floor of the existing LDC to meet current code and corporate standards.

- *Lookout Center-Reliability Project*: The reliability project for the Company's Lookout Center, located in Golden, Colorado, is budgeted to total approximately $0.99 million, with an estimated in-service date in the fourth quarter of 2018. The reliability project involves the replacement of all original high voltage breakers serving critical IT loads because these breakers have been prone to failure.
- *Arvada Service Center Roof Replacement*: The budgeted amount for replacement of the roof at the Arvada Service Center is approximately $0.92 million. This project has an estimated in-service date in the third quarter of 2018, and involves the demolition and restructuring of the service center's existing roof, which is approximately 57,745 square feet.

3. 2019 Capital Additions

Q. PLEASE DESCRIBE THE MAJOR CAPITAL ADDITIONS FOR 2019.

A. As set forth in Attachment GJR-3, the majority of the 2019 capital projects for Shared Corporate Business Areas fall within the Property Services group. Overall, the 2019 planned capital investments for Property Services is approximately $10 million. Like the capital additions for 2017, the 2019 capital projects can be categorized by in-service date, with several projects considered "routine" and others having specified in-service dates.

Q. PLEASE DESCRIBE THE MAJOR ROUTINE CAPITAL PROJECTS FOR 2019.

A. The major routine capital projects for 2019 are the same as those I describe above for 2017. Please see Attachment GJR-3 for the budgeted amount for each routine capital project.

Q. WHAT MAJOR INDIVIDUAL CAPITAL PROJECTS DID THE COMPANY INCLUDE IN 2019?

A. As shown in Attachment GJR-3, the major individual capital projects included in 2019 are as follows:

- *LDC Generator Upgrade*: Public Service plans to remove the existing 230 kilowatt ("kW") emergency generator and upgrade the kW capacity of the generator to provide full building back-up power. The project also includes the design and installation of a new 1250 kW generator and transfer switch. The new generator will be sized to carry 100 percent of the building load to maintain normal business operations during a power outage. The budget for this project is approximately $1.82 million. The capital addition has an expected in-service date in the fourth quarter of 2019.
- *Evergreen Lot Replacement*: The Evergreen parking lot replacement is budgeted for approximately $0.95 million, with an estimated in-service date in the fourth quarter of 2019. This work includes removing existing asphalt for the service center lot, correcting the compaction and grading of the site, and laying new asphalt.
- *Summit Co Ops Lot Replacement*: The Company budgeted approximately $1.39 million for this parking lot replacement project, which has an estimated in-service date in the fourth quarter of 2019. This work involves removing existing asphalt, correcting the site for proper drainage, and laying new asphalt.
- *MDC Roof Replacement*: Replacement of the roof at the Company's MDC amounts to approximately $3.04 million, with an estimated in-service date in the fourth quarter of 2019. This work involves the demolition and restructuring of the approximately 181,318 square foot roof.

4. 2020 Capital Additions

Q. PLEASE DESCRIBE THE MAJOR CAPITAL ADDITIONS FOR 2020.

A. As set forth in Attachment GJR-3, the majority of the 2020 capital projects for Shared Corporate Business Areas fall within the Property Services group. Overall, the 2020 planned capital investments for Property Services total approximately $8.2 million. Like the capital additions for 2017, the 2020 capital projects can be categorized by in-service date, with several projects considered "routine" and others having specified in-service dates.

Q. PLEASE DESCRIBE THE MAJOR ROUTINE CAPITAL PROJECTS FOR 2020.

A. The major routine capital projects for 2020 are the same as those I describe above for 2017. Please see Attachment GJR-3 for the budgeted amount for each routine capital project.

Q. WHAT MAJOR INDIVIDUAL CAPITAL PROJECTS DID THE COMPANY INCLUDE IN 2020?

A. As set forth in Attachment GJR-3, the following major individual projects are included for 2020:

- *Mesa Co Ops Cubicle Furniture Replacement:* This project involves the installation of new cubicles, associated furniture, and carpeting to meet corporate standards. The Mesa project is budgeted for approximately $0.64 million, with an estimated in-service date in the fourth quarter of 2020.
- *Lookout Generator Upgrades*: The budgeted amount for generator upgrades at the Company's Lookout Center is approximately $2.04 million. These upgrades include engineering to determine what size

generator will handle the current load as well as future growth; updating the current switch gear to accommodate automatic transfer and new system processes; and replacing both existing generators with new generators that can handle the total building load. The upgrades are estimated to be in-service in the fourth quarter of 2020.

- *MDC NW Office*: In its current form, the MDC NW office consists of office space with workstations, private offices, and conference rooms and is approximately 18,500 square feet. Renovations to the building include remodeling the restrooms, break room, conference rooms, open offices, and private offices. The project also includes demolition and new installation of all existing interior finishes, lighting, mechanical ductwork, telecom, security, power, piping, walls, and furniture systems. Any mechanical and piping equipment will be relocated as required. The budgeted amount for the MDC NW Office project is approximately $3.85 million, and the project has an estimated in-service date in the fourth quarter of 2020.

C. <u>Shared Corporate O&M</u>

Q. WHAT IS THE PURPOSE OF THIS SECTION OF YOUR DIRECT TESTIMONY?

A. This section of my Direct Testimony discusses Public Service's actual 2016 Shared Corporate Business Areas' O&M expenses, which the Company proposes to utilize as the primary basis for establishing Shared Corporate O&M levels included in rates during the MYP period. It also explains the major drivers of the increase in O&M between the last previously filed rate case (2014 actuals) and 2016.

Q. WHAT ARE THE TYPES OF COSTS THAT THE SHARED CORPORATE BUSINESS AREAS INCUR FOR O&M?

A. As noted earlier in my Direct Testimony, Corporate Shared Services consists of functions largely performed by Xcel Energy Services on behalf of each operating company, with costs allocated to Public Service as discussed by Mr. Dietenberger. These functions include the following types of O&M activities:

- Financial Operations: includes functional costs, consisting of primarily labor and contractor / consulting costs (such as auditors), regulatory fees, and insurance costs;
- Operations Services: includes customer care (consisting primarily of labor and contractor costs for the call center) and bad debt expense, as well as supply chain and commercial operations;
- General Counsel: includes labor and legal consulting costs;
- Chief Executive Officer: includes primarily labor and consulting costs;
- Corporate Other: includes company use credits, overhead charges to affiliates, shared assets, A&G charges to capital, non-regulated overheads, and permanent income tax differences
- Demand Side Management: includes DSM program costs (recovered through a rider – not part of base rates)
- Corporate Secretary and Executive Services: includes labor, consulting, and brand advertising (not recovered from rate payers);
- Utilities & Corporate Services (not including Business Systems): includes costs related to property services (consisting primarily of lease costs, maintenance and janitorial services, snow removal, utility costs for facilities, and labor for the facilities department); human resources and employee services costs; marketing costs, labor and consulting for the Public Service Company president, and labor and consulting costs for Enterprise Security.

Q. WHAT WERE THESE AREAS' ACTUAL 2016 O&M COSTS?

A. Our actual O&M expenses for 2016 totaled approximately $60.7 million. Table GJR-D-5 below breaks down the amount of overall O&M costs by the categories I discussed above. Attachments GJR-4 and GJR-5 provide an accounting of these expenditures by Cost Element and FERC account.

Table GJR-D-5 Shared Corporate Business Area's O&M
Public Service Gas

Business Area	Sub-Area	$ Millions	$ Millions
Financial Operations	Functional Costs	$3.5	
	Regulatory Fees	$2.7	
	Insurance	$0.6	
Total Financial Operations			$6.8
Operations Services	Customer Care	$17.8	
	Bad Debt	$3.5	
	Other	$0.9	
Total Operations Services			$22.2
General Counsel			$2.1
Chief Executive Officer			$0.6
Demand Side Management			$12.5
Corporate Secretary and Executive Services			$2.4
Utilities & Corporate Services (excluding Business Systems)	Facilities	$9.6	
	PSCo President	$2.1	
	Enterprise Security	$0.8	
	Marketing	$0.7	
	Other	$0.5	
Total Utilities and Corporate Services (excluding Business Systems)			$13.8
Corporate Other			$0.3
Total			**$60.7**

Q. ARE THE $60.7 MILLION IN 2016 O&M COSTS FOR SHARED CORPORATE AREAS YOU DESCRIBE ABOVE REFLECTED IN THE COST OF SERVICE PRESENTED BY MR. BERMAN?

A. Yes. With respect to O&M, the Company is using an indexing approach that is grounded in the 2016 Historical Test Year ("HTY") as explained by Company witness Mr. Brockett. Mr. Brockett explains that this indexing approach applies to non-labor O&M expense and labor O&M expense in similar but not identical ways. The Company is utilizing its latest forecast for the MYP for employee benefits expense recorded in FERC Accounts 925 and 926, as discussed by Company witness Mr. Richard Schrubbe.

Q. HOW MUCH HAVE O&M COSTS CHANGED FOR THE SHARED CORPORATE BUSINESS AREAS (EXCLUDING BUSINESS SYSTEMS) BETWEEN 2014 AND 2016 FOR THE PUBLIC SERVICE GAS UTILITY?

A. O&M costs for the Public Service Gas Utility for Shared Corporate business areas increased by $1.9 million or 3.2 percent between 2014 and 2016. This is an average annual increase of 1.6 percent. Table GJR-D-6 shows the major drivers of this increase.

Table GJR-D-6 Shared Corporate Business Area's O&M
Public Service Gas
($ in millions)

	2014 HTY	Driver Amount	2016 Actuals
Total O&M (Adjusted)	$58.7		
Labor		$0.3	
Regulatory Fees		$0.7	
Facilities and Shared Asset Costs		$0.6	
Demand Side Management		$0.6	
Legal Costs		$0.5	
Enterprise Security		$0.3	
Bad Debt		($0.8)	
Insurance		($0.6)	
Other		$0.4	
	$58.7	$2.0	$60.7

Q. CAN YOU PLEASE WALK THROUGH EACH OF THE DRIVERS OF COST INCREASES (AND OFFSETTING DECREASES) BETWEEN 2014 AND 2016?

A. Yes. These increases can be described as follows:

- Labor: Labor increased by $0.3 million during the period, driven by 3 annual merit increases in 2015 and 2016, partially offset by holding vacant positions open longer and reductions in Customer Care labor.
- Regulatory Fees: Indirect regulatory fees increased by $0.7 million between 2014 and 2016. These fees are based on the CPUC's annual fiscal year apportionment factor, applied against revenue. Approximately $0.15 million of this increase was incorrectly allocated to the Gas Utility, and is being removed from the cost of service.
- Facilities and Shared Asset Costs: Facilities and shared asset costs are increasing by $0.6 million between the two periods. This is an annual

increase of approximately 4.8 percent. The opening of Xcel Energy's new headquarters building is the main driver of this increase. Various maintenance contracts for vendors that provide services to both the headquarters and the service centers are also increasing.

- Demand Side Management: This change is driven by increases in costs in the DSM program, which recovered through the rider rather than base rates.
- Legal Costs: The amount of legal work that is needed for the Public Service gas utility is variable, and 2014 legal costs in this area were lower than is typical.
- Enterprise Security: Costs in this area have increased $0.3 million between 2014 and 2016 due to the increased Company focus on cybersecurity and increased spending to secure critical infrastructure. In 2016, a new Security Organization was formed that combined physical security, cyber security, enterprise continuity and data protection functions into one group. The goal of this organization is to expand capabilities to protect the Company, its employees and its assets against a range of threats.
- Bad Debt Expense: Bad debt is decreasing by approximately $0.8 million, driven by both declining revenues that are resulting from lower gas costs and also an improvement in the rate of collection.
- Insurance Costs: Insurance costs are also declining over the time period. They have fallen by $0.6 million, driven by a captive dividend distribution in 2016.
- Other: The remaining $0.4 million increase between periods is driven primarily by increasing costs for equipment maintenance, materials, supplies, and safety costs across the organization.

Q. WHY IS ACTUAL 2016 CORPORATE SHARED BUSINESS AREAS O&M A REASONABLE BASIS ON WHICH TO ESTABLISH O&M COSTS FOR THE MYP PERIOD?

A. Company witness Mr. Brockett discusses how the Company's overall O&M proposal establishes a reasonable level of O&M costs for Public Service for the MYP. From the Shared Corporate perspective, 2016 O&M costs reflect a reasonable level of cost to carry out the work of maintaining Public Service's critical administrative services. As it relates to the Shared Corporate Business Areas, our 2016 historic O&M costs provide a reasonable basis for O&M for the MYP period.

Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?

A. Yes, it does.

Statement of Qualifications

Gregory J. Robinson

I received my Masters of Business Administration degree in Finance in 2003 from the Carlson School of Management at the University of Minnesota. I also have a bachelor's degree in accounting from Gustavus Adolphus College in Saint Peter, Minnesota, and have an Inactive CPA certificate from the State of Minnesota.

My current position with Xcel Energy Services Inc. ("XES") is Director of Financial Performance and Reporting. I am responsible for the internal reporting and financial statement analysis for Xcel Energy Inc., and its subsidiaries. I am also responsible for coordinating the O&M and capital budgeting and forecasting processes, as well as the monthly analysis of actual results against these budgets and forecasts. I have been employed by XES since April 2011, first as the Manager of O&M and Capital Reporting and Analysis. I was promoted to my current role as Director of Financial Performance and Reporting in August 2013.

Before working at Xcel Energy, I worked as a divisional finance manager at Ecolab, and in various accounting and finance roles at Jostens.

I have previously submitted testimony for Public Service in Proceeding No. 14AL-0660E, SPS in Proceeding No. 16-00269-UT, and for NSP in Docket No. E002/GR-15-826.

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO

* * * *

RE: IN THE MATTER OF ADVICE LETTER NO. 912-GAS FILED BY PUBLIC SERVICE COMPANY OF COLORADO TO REVISE ITS COLORADO PUC NO. 6-GAS TARIFF TO IMPLEMENT A GENERAL RATE SCHEDULE ADJUSTMENT AND OTHER RATE CHANGES EFFECTIVE ON 30-DAYS NOTICE.	)))))))	**PROCEEDING NO. 17AL-____G**

AFFIDAVIT OF GREGORY J. ROBINSON
PUBLIC SERVICE COMPANY OF COLORADO

I, Gregory J. Robinson, being duly sworn, state that the Direct Testimony and attachments were prepared by me or under my supervision, control, and direction; that the Testimony and attachments are true and correct to the best of my information, knowledge and belief; and that I would give the same testimony orally and would present the same attachments if asked under oath.

Dated at Minneapolis, Minnesota, this twenty sixth day of May 2017.

Greg J Robinson

Gregory J. Robinson
Director, Financial Performance and Reporting

Subscribed and sworn to before me this 26 day of May, 2017.

Sandra Lynn Humenansky

Notary Public

SANDRA LYNN HUMENANSKY
Notary Public
Minnesota
My Commission Expires
Jan 31, 2022

My Commission expires 01/31/2022