

TRANSACTIONS BETWEEN PSCo AND NON-REGULATED ACTIVITIES

Rule 3503(b)(VI) calls for “a description of each transaction between the Colorado utility and a non-regulated activity which occurred since the Colorado utility’s prior CAAM was filed and, for each transaction, a statement as to whether, for this Commission’s jurisdictional cost assignment and allocation purposes, the value of the transactions is at cost or market as applicable.” In the case of PSCo, the three main types of transactions that occur between the Company’s regulated and non-regulated divisions are: 1) labor and non-labor costs provided by PSCo to run non-regulated operations, with the major categories of such costs being described in the Fully Distributed Cost Study, 2) rent, utility, and common area costs for use of warehouse facilities, and 3) provision of gas and electric service by the electric and gas divisions to the Company’s non-regulated activities. I provide further information on each of these categories below.

- (1) The labor provided by PSCo to its non-regulated operations is priced according to the union labor contracts and is subject to certain overhead loading that represents the going market rate for such services. The majority of costs incurred by PSCo in the course of conducting its non-regulated activities are directly assigned to the non-regulated activity that causes the cost to be incurred. Such costs are recorded below the line in FERC account 417.1, Expenses of Nonutility Operations. For example, the PSCo employees who perform work for HomeSmart are dedicated to the non-regulated activity and 100 percent of their labor costs, including appropriate labor loadings, are recorded directly in FERC account 417.1, Expenses of Nonutility Operations, as opposed to being recorded in electric, gas, or thermal divisions and then assigned or allocated to the non-regulated division. Similarly, 100 percent of the fleet expense incurred in the course of HomeSmart’s business is directly recorded in FERC account 417.1, Expenses of Nonutility Operations.
- (2) The payment of rent and related utility and common area costs by PSCo to HomeSmart is determined based off of the ratio of square footage used by total leased square footage, actual utilities used, as well as a pro-rata share of common area costs. The costs incurred by HomeSmart are at market-rate and the payments made by PSCo are at HomeSmarts cost. The payments received by HomeSmart are recorded directly in FERC account 417, Revenues from nonutility operations.
- (3) The provision of gas and electric service by the electric and gas divisions to the Company’s non-regulated activities are provided by the regulated operations at tariffed rates.

To the extent that PSCo incurs common costs from which both its non-regulated and regulated divisions benefit, such costs are allocated as described above in this section and in other sections of this manual.

Table D - Service Company Allocating Cost Centers and IT Software Internal Orders

Internal Order & Description	Description of Services Provided	Allocation Methodology
800002083415 ITM-SAP Cont Improve R18 SW-10706	Deliver capabilities identified post-PTT WAM/Supply Chain. Energy Supply, Distribution, Transmission, Gas and Nuclear are adding automation and increasing end user efficiency. Project represents only continuous improvement, regression testing and oracle upgrade, and does not include HANA, uperform, SAP GUI or SMP Server upgrades.	Assets/Revenue/Number of Employees
800002083417 ITM-CEC-TCPA Do Not Call SW-10703	Enable customer capability to provide consent and consent revocation by individual customer mobile phone number. This is a new capability to support contacting Customer via their mobile device. The capability will be built upon the Salesforce.com platform and included updated interfaces to the CRS system.	Number of Customers Excluding Wholesale
800002084790 ITM-2018 Oracle SW -10701	Upgrade the Oracle database version across Xcel Enterprise. This WO is for 2018 Licensing cost, pre-negotiated agreement with Oracle for 5 years. Critical systems include Business Objects, ESB, XE.com, PCI. By upgrading, we will be on a fully supported version and will increase reliability and reduce security concerns. This is a lifecycle upgrade to a core technology.	Average of All Software Percentages
800002085351 ITM-Mobile App Ph2 SW-10695	A mobile app will contain new functionality based on Customer feedback and use. As a phased project. the original asset was in-serviced in December 2017. This work builds on that foundational product offering. This work will change the functionality and provide brand new capabilities not in the current software release. New functionality includes: - Start/Stop/ Transfer - Billing and Payment options (Payment plans, image scanning) - Energy Usage and Calculations - Storm Communications and expanded outage reporting capabilities	Number of Customers Excluding Wholesale
800002085969 ITM-EMAIL SW-10697	Removal of Veritas Enterprise Vault which currently vaults emails and files. Implement alternative email vaulting solution and recall specific files back to storage. Will provide faster recall of vaulting data providing better experience. Replace the Veritas Enterprise Vault solutions (Exchange Journal Archive, File System Archive, and Discovery Accelerator) with the Barracuda (Message Archiver 950, Message Archiver Redundant + Cloud, and ManageEngine Exchange Reporter Plus Professional Edition) solution.	Number of Computers
800002086247 ITM-Netwrk Tools Mgmt SW-10700	This project will address implementing enterprise-wide network management tools. Focus will be on optimizing engineering, eliminating redundancy, and reducing any outage Time to Recovery. New enterprise wide software tools used to monitor and manage all network elements. The software that is a module from Infoblox called NetMRI.	Number of Phones/Radios/Computers
800002086510 ITM-Firewall Rule Mgmt SW-10707	The project objective is to create program to inventory and manage enterprise deployed firewall rulesets and establish ongoing hygiene of the firewall environment. We will select and deploy a centrally-managed tool to provide an end to end security view of firewall policies, rules and configurations that impact Xcel Energy's security posture. This tool will replace currently existing AlgoSec software (details on project history for the existing AlgoSec tool are no longer available).	Number of Employees
800002087244 ITM-Bus Obj Ref SW-10698	Upgrade Business Objects software, including Web Intelligence and Lumira to the latest, major software version and refresh the system hardware - decommissioning 12 servers + 1 PTT server and standing this up on 12 new servers. Additional software module - 360 to be purchased and functionality to be turned on as a part of this upgrade that enable manual migration and testing automation. Software upgrade of Business Objects (from 4.1 to 4.2), Purchase of module - 360, purchase of additional Lumira licenses + labor to setup, configure and make these software applications useable.	Software Application Users

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800002087283 ITM-Private Cloud Infra SW-10710	<p>Achieve strategic objectives to sizably reduce operational inefficiencies, to accelerate IT project deliveries, to improve regulatory auditing and reporting, and to enable public cloud services. These strategic objectives and financial results will be accomplished through the Cloud Red program of which Basic Private Cloud Services (alias Lightning) is one of several projects. Lightning will create and enable the basic private cloud services provided by Business Systems IT Infrastructure Operations to Xcel Energy Business and other IT Operations' groups. The private cloud services include, but are not limited to, Infrastructure-as-a-Service (IaaS), Platform-as-a-Service (PaaS), Disaster-Recovery-as-a-Service (DRaaS), Regulatory Auditing and Reporting for Infrastructure, Public and Private Cloud Costing, and others.</p> <p>As part of Basic Private Cloud Services project, Xcel Energy's Infrastructure Operations via PMO support will create two independent Xcel Energy Private Cloud Services Framework (foundation) assets: Framework 1 - Private Cloud Infrastructure Operational Services Framework. Framework 2 - Private Cloud Disaster Recovery Services Framework. Using Xcel's VMware Site Recovery Manager (SRM) product, Xcel Energy will create this re-usable software asset enabling Xcel Energy to create and manage Private Cloud Disaster Recovery Services capabilities. This Framework will require new hardware to support its Xcel-designed software configuration built using the SRM product.</p>	Average of a Select Set of Software Allocators
800002087285 ITM-Private Cloud Service SW-10711	<p>Achieve strategic objectives to sizably reduce operational inefficiencies, to accelerate IT project deliveries, to improve regulatory auditing and reporting, and to enable public cloud services. These strategic objectives and financial results will be accomplished through the Cloud Red program of which Basic Private Cloud Services (alias Lightning) is one of several projects. Lightning will create and enable the basic private cloud services provided by Business Systems IT Infrastructure Operations to Xcel Energy Business and other IT Operations' groups. These assets will be used to offer its business Systems customers various private cloud services in support of their IT service deliveries and security solutions. The private cloud services include, but are not limited to, Infrastructure-as-a-Service (IaaS), Platform-as-a-Service (PaaS), Disaster-Recovery-as-a-Service (DRaaS), Regulatory Auditing and Reporting for Infrastructure, Public and Private Cloud Costing, and others. As part of Basic Private Cloud Services project, Xcel Energy's Infrastructure Operations via PMO support will create a new Basic Infrastructure-as-a-Service (IaaS) capability using it's company-designed Xcel Energy Private Cloud Infrastructure Operational Services Framework. This new basic IaaS capability asset will contain Xcel-designed functionality to enable Xcel Energy to automatically create and deploy by quantity, operating system, and technical specification basic virtual machines to its customers to use in their business needs in software project delivery (development and testing), software proof-of-concepts, and various operational needs.</p>	Assets/Revenue/Number of Employees
800002088549 ITM-Emergency Mass SW-10709	<p>Identify and implement an integrated set of Enterprise Resiliency tools that includes a Situational Awareness product to proactively identify threatening events, and a complementary Mass Communication tool to support rapid and seamless communication and coordination. Critical, dangerous and emergency situations are becoming more likely and frequent. Xcel Energy needs a viable solution to identify situations as rapidly as possible, track situations throughout their lifecycle, and coordinate responses via an effective emergency/mass notification services (EMNS). Xcel Energy seeks a vendor or vendors that can host a robust application in a failsafe environment.</p>	Number of Employees
800002089319 ITM-Rational SW-10715	<p>Stabilize the requirements/testing tool performance to ensure stable operation for the projected Business Systems usage and ensure our investment optimizes capabilities for Agile delivery and for Enterprise usage.</p> <p>The Rational Upgrade project has two main objects:</p> <ul style="list-style-type: none"> - Stabilize the Requirements/Testing tool performance to ensure stable operation for the projected Business Systems Usage. - Ensure our investment optimizes capabilities for agile delivery and for Enterprise usage. <p>We will be migrating our existing data from our current on premise solution to an IBM Hosted Cloud Environment. Along with the migration we will be upgrading to the latest version of the software and rolling out best practices and training.</p>	Number of Computers
800002090280 ITM-Sec File Ph3 SW-10716	<p>Technology and process to centralize and manage File Transfer Protocol and data transmissions allowing for more complete lockdown of the use of USB storage devices.</p>	Number of Employees

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800002092826 ITM-SCCM Upgrade SW-10720	This project will evaluate SCCM server infrastructure and architecture to determine required hardware upgrades and new installations that are required to meet the needs of the NextGen Windows 10 implementation project. Additionally, an SCCM integrated 3rd party application patching tool will be selected and implemented to enable patching of 3rd party applications.	Number of Computers
800002093750 ITM-Diagnostic Center 5 SW-10725	Expanding the current Diagnostic Center to include remaining electric generation sites. Digitization and focus on asset performance management. Extend OSI/PI framework to remaining generation plants to extend diagnostic functionality.	MWH of Generation
800002093759 ITM- OSI Ent Agree SW-10726	OSI PI enterprise licensing agreement is due for renewal in 2018. This is license renewal for a 5 year term. OSI PI is a critical application used by Energy Supply, Transmission and Commercial Operation of data and analytics driving some of the repair/replace decisions. Additional benefits include expansion for generation being added to PI, extension of the Enterprise Agreement for Transmission, Commercial Operations, and existing generation information. It also includes integrators for ESRI, Data Warehouse integrations, and analytical tools integrations.	Electric Distribution Plant/Gas Distribution Plant
800002093825 ITM-Software Asset Mgmt SW-10729	Software Asset Management Solution to support compliance with vendor agreements, minimize maintenance costs, streamline application life cycle and improve cyber risk posture through effective patching and access management.	Number of Computers
800002093827 ITM-Tririga Mobile SW-10730	A mobile solution which will allow maintenance engineers quick, easy, accurate information on equipment they are working on by utilizing barcode technology and mobile devices streamlining daily work activities.	Assets/Revenue/Number of Employees
800002093829 ITM-Blue Prism SW -10731	Utilizing robotic process automation to complete tasks. This project is to continue moving the automation efforts forward following the successful proof on concepts noting the highest potential is in transactional areas, but opportunities exist across Finance. Automation opportunities offer lower costs, faster processing, improved quality, and the ability to operate 24/7 and scale up/down with demand. Software is license term based per year including support and maintenance.	Assets/Revenue/Number of Employees
800002093831 ITM-RIS CREV SW-10732	This project will stabilize the Utility International platform containing two applications: RIS and CREV. This project will also introduce new features, functions and capabilities previous not leveraged with the inability to upgrade the software due to technology stack limitations and compatibility. This project will require new software versions and new infrastructure technology stack implementations.	Revenues
800002094198 ITM-Net Tools CISCO SW-10718	This project will address implementing enterprise-wide network management tools. Focus will be on optimizing engineering, eliminating redundancy, and reducing any outage time to recovery.	Number of Phones/Radios/Computers
800002094359 ITM-Microfocus SW-10721	New perpetual licenses for the HP (now Microfocus) tool suite. This work order is for new perpetual licenses for the HP (now Microfocus) tool suite.	Assets/Revenue/Number of Employees
800002096338 ITM-Microsoft Core Server SW-10727	This project will be the funding for the additional licenses that were consumed, but not purchased. Software licenses for seq servers that support critical applications used by different business units within all of Xcel Energy.	Number of Computers
800002096664 ITM-eGRC Ph3 SW-10719	Implement cyber risk management and enterprise resiliency functionality for Enterprise Security Services in the specific areas of business continuity and disaster recovery planning, vendor management, application and project risk assessments, policy and control standard management, and physical security assessments within the RSA Archer eGRC platform.	Number of Employees
800002098326 ITM-Operation Monitor SW-10728	New Enterprise Operational Monitoring Tool to replace existing monitoring software applications. This will provide monitoring of network, server, and application processing with the goal of utilizing this data for proactive responses to throughput degradation.	Average of All Software Percentages
800002101300 ITM-Active Directory 2016 SW 10737	The project will replace aging server infrastructure, consolidate infrastructure where possible, and introduce the most recent version of active directory supporting critical applications within Xcel Energy. This software will accurately report applications traffic to Domain Controllers, helping to identify applications connecting to a single point/IP address, This will help reduce the number of applications that potentially need remediation efforts during the Refresh and Consolidation efforts.	Number of Computers
800002104173 ITM-ESRI Landworks SW-10735	Upgrade ArcGIS application which is required to be compatible with Landworks which is heavily dependent on ArcGIS.	Electric Transmission Plant

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800002104211 ITM-Net Auto Platform SW-10741	The Network Automation Platform Implementation project is to implement the Ansible Network Management product so network changes can be automated to implement secure and stable network patterns. The project will purchase licenses, install the software, design network patterns and then test initial deployment and functionality so that the system can be turned over to the engineering and architecture teams for ongoing support. Ansible software is designed to be an agentless configuration management software that will allow for configurations on multiple network devices centrally. Currently Xcel energy uses a variety of configuration methods and tools including locally managing devices. The Ansible software will allow for specific security and network patterns to be identified, tested and deployed to multiple network device platforms including, but not limited to, F5, Check Point, Cisco and Motorola.	Number of Phones/Radios/Computers
800002104213 ITM-Sharepoint RFP SW-10739	Solution on SharePoint platform to automate the RFP bid process. This solution will be used for the benefit of the entire enterprise and will provide new automation capabilities that will be used across the company. The primary objective is to replace the manual process of collecting and evaluating bids.	Assets/Revenue/Number of Employees
800002104215 ITM-Sharepoint Fin Gov SW-10740	Solution on SharePoint platform which will automate the process for Financial Data Governance through new application functionality.	Assets/Revenue/Number of Employees
800002104217 ITM-Replace Meeting Planner SW-10738	Replace Meeting Planner Application with Microsoft Exchange and SharePoint functionality which is at end-of-life. Moving it to software already in the environment will create synergies in work-flows as well as support.	Number of Computers
800002105172 ITM-Net Tools Solar Wind SW 10736	This project will address implementing enterprise-wide network management tools. Focus will be on optimizing engineering, eliminating redundancy, and reducing any outage time to recovery. Solar Winds Software is being purchased to verify and monitor network performance on circuits, VoIP quality and user device tracker. Once in place this software will be used primarily to view capacity and usage of circuits.	Number of Phones/Radios/Computers
800002105664 ITM-SUM Total Upgrade SW-10734	SumTotal will be upgraded to a later version (current version 7.6 is a few major versions behind) - 2017.1. The SumTotal application was first implemented in 2012. Upgrades to the SumTotal Application were done in 2013 and 2014. No changes to the SumTotal software have been done since 2014. In addition, the underlying Microsoft SQL Server database version is out of support and will be upgraded as well. Also the underlying Virtual Server (Virtual Machine) environment will be upgraded as well for better performance and reliability.	Number of Employees