

Southwestern Public Service Company

Summary of the Overall Cost of Service  
and the Claimed Revenue Deficiency

(a) Base Period (b) Test Year Period

Line No.	Description	Total Company Base Period	Impact of WACC* Adjustments	Adjustments	Total Company Test Year Period	New Mexico Base Period
1	Fuel in Base	\$ -	\$ -	\$ -	\$ -	\$ -
2	Purchased Power Capacity & Variable O&M Expenses	769,580,063	-	\$(702,567,112)	67,012,951	193,774,068
3	Total Cost of Sales (L1 + L2)	<u>\$ 769,580,063</u>	<u>\$ -</u>	<u>\$(702,567,112)</u>	<u>\$ 67,012,951</u>	<u>\$ 193,774,068</u>
4	Operations & Maintenance Expense	\$ 529,649,247	\$ -	\$(11,619,838)	\$ 518,029,409	\$ 139,014,630
5	Depreciation & Amortization Expense	\$ 203,350,225	\$ -	\$ 101,510,008	\$ 304,860,233	\$ 54,202,931
6	Taxes Other Than Income	\$ 68,810,705	\$ -	\$ 11,109,150	\$ 79,919,855	\$ 13,569,665
7	Federal Income Tax	\$ 4,017,449	\$ 4,840,586	\$(13,604,524)	\$(4,746,489)	\$ 3,010,034
8	State Income Tax	\$ 272,735	\$ 328,616	\$(923,578)	\$(322,228)	\$ 204,344
9	Deferred Income Tax Expense	\$ 35,709,469	\$ -	\$ 11,275,477	\$ 46,984,947	\$ 4,578,503
10	Investment Tax Credit Amortization	\$ (52,421)	\$ -	\$ -	\$(52,421)	\$(13,232)
11	Tax Gross up Factor	1,283,861,856	1,283,861,856	1,283,861,856	1,283,861,856	1,283,861,856
12	Total Income Tax Expense (sum (L7 to L10) * L11)	<u>\$ 51,286,727</u>	<u>\$ 6,636,541</u>	<u>\$(4,175,921)</u>	<u>\$ 53,747,348</u>	<u>\$ 9,987,996</u>
13	Gain/Loss on Sale of Allowances	\$ 861,513	\$ -	\$(861,513)	\$ -	\$ 218,075
14	Total Operating Deductions	<u>\$ 1,623,538,480</u>	<u>\$ 6,636,541</u>	<u>\$(606,605,226)</u>	<u>\$ 1,023,569,796</u>	<u>\$ 410,767,365</u>

Southwestern Public Service Company

Summary of the Overall Cost of Service  
and the Claimed Revenue Deficiency

(a) Base Period (b) Test Year Period

Line No.	Description	Impact of WACC Adjustments	Impact of Allocator Adjustments	Adjustments	New Mexico Test Year Period	Reference	Notes
1	Fuel in Base	\$ -	\$ -	\$ -	\$ -		
2	Purchased Power Capacity & Variable O&M Expenses	-	25,957,624	(201,143,049)	18,588,643	Attachment APF-1, p. 3, line 3 Attachment APF-5, p. 3, line 3	
3	Total Cost of Sales (L1 + L2)	<u>\$ -</u>	<u>\$ 25,957,624</u>	<u>\$ (201,143,049)</u>	<u>\$ 18,588,643</u>		
4	Operations & Maintenance Expense	\$ -	\$ 7,635,881	\$ (10,420,030)	\$ 136,230,481	Attachment APF-1, p. 4, line 14 Attachment APF-5, p. 4, line 14	
5	Depreciation & Amortization Expense	\$ -	\$ 3,026,883	\$ 23,537,307	\$ 80,767,120	Attachment APF-1, p. 5, line 8 Attachment APF-5, p. 5, line 8	
6	Taxes Other Than Income	\$ -	\$ 751,374	\$ 2,944,816	\$ 17,265,856	Attachment APF-1, p. 6, line 3 Attachment APF-5, p. 6, line 3	
7	Federal Income Tax	\$ 1,215,546	\$ 185,800	\$ (7,398,324)	\$ (2,986,944)	Attachment APF-1, p. 7, line 16 Attachment APF-5, p. 7, line 16	
8	State Income Tax	\$ 82,520	\$ 12,614	\$ (502,254)	\$ (202,776)	Attachment APF-1, p. 7, line 12 Attachment APF-5, p. 7, line 12	
9	Deferred Income Tax Expense	\$ -	\$ 424,430	\$ 9,437,514	\$ 14,440,448	Attachment APF-1, p. 7, line 20 Attachment APF-5, p. 7, line 20	
10	Investment Tax Credit Amortization	\$ -	\$ (683)	\$ -	\$ (13,915)	Attachment APF-1, p. 7, line 21 Attachment APF-5, p. 7, line 21	
11	Tax Gross up Factor	1,283861856	1,283861856	1,283861856	1,283861856	Attachment APF-1, p. 7, line 24 Attachment APF-5, p. 7, line 24	
12	Total Income Tax Expense (sum (L7 to L10) * L11)	<u>\$ 1,666,538</u>	<u>\$ 798,769</u>	<u>\$ 1,973,213</u>	<u>\$ 14,426,516</u>		
13	Gain/Loss on Sale of Allowances	-	\$ 29,196	\$ (247,272)	\$ -	Attachment APF-1, p. 8, line 3 Attachment APF-5, p. 8, line 3	
14	Total Operating Deductions	<u>\$ 1,666,538</u>	<u>\$ 38,199,727</u>	<u>\$ (183,355,015)</u>	<u>\$ 267,278,615</u>		

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and the Claimed Revenue Deficiency

(a) Base Period (b) Test Year Period

Line No.	Description	Total Company Base Period	Impact of WACC* Adjustments	Adjustments	Total Company Test Year Period	New Mexico Base Period
15	Rate Base	\$ 5,436,988,298	\$ (393)	\$ (706,295,440)	\$ 4,730,692,465	\$ 1,365,311,979
16	Return on Rate Base	\$ 395,812,748	\$ 21,747,923	\$ (54,243,490)	\$ 363,317,181	\$ 99,394,712
17	Gross Revenue Requirement	\$ 2,019,351,228	\$ 28,384,464	\$ (632,464,251)	\$ 1,386,886,977	\$ 510,162,077
18	Revenue Credits	\$ (249,103,608)	\$ -	\$ 7,725,135	\$ (241,378,472)	\$ (43,006,805)
19	Net Revenue Requirement	\$ 1,770,247,620	\$ 28,384,464	\$ (624,739,116)	\$ 1,145,508,505	\$ 467,155,272
20	Revenue at Present Rates	\$ (1,652,140,261)	\$ -	\$ 672,411,042	\$ (979,729,219)	\$ (413,581,690)
21	<b>Revenue Deficiency</b>	<b>\$ 118,107,359</b>	<b>\$ 28,384,464</b>	<b>\$ 19,287,462</b>	<b>\$ 165,779,286</b>	<b>\$ 53,573,582</b>

Southwestern Public Service Company  
Summary of the Overall Cost of Service  
and the Claimed Revenue Deficiency  
(a) Base Period (b) Test Year Period

Line No.	Description	Impact of WACC Adjustments	Impact of Allocator Adjustments	Adjustments	New Mexico Test Year Period	Reference	Notes
15	Rate Base	\$ (99)	\$ 76,286,016	\$ (172,175,651)	\$ 1,269,422,245	Attachment APF-1, p. 9, line 26 Attachment APF-5, p. 9, line 26, p.2, line 10	
16	Return on Rate Base	\$ 5,461,240	\$ 5,858,766	\$ (13,223,090)	\$ 97,491,628	Attachment APF-5, p. 2, line 12	(1)
17	Gross Revenue Requirement	\$ 7,127,779	\$ 44,058,493	\$ (196,578,105)	\$ 364,770,244		
18	Revenue Credits	\$ -	\$ (1,551,430)	\$ 3,264,124	\$ (41,294,111)	Attachment APF-1, p. 11, line 3 Attachment APF-5, p. 11, line 3, p. 2, line 15	
19	Net Revenue Requirement	\$ 7,127,779	\$ 42,507,063	\$ (193,313,981)	\$ 323,476,132		
20	Revenue at Present Rates	\$ -	\$ -	\$ 140,883,848	\$ (272,697,842)	Attachment APF-1, p. 12, line 3 Attachment APF-5, p. 12, line 3, p. 2, line 18	
21	<b>Revenue Deficiency</b>	<b>\$ 7,127,779</b>	<b>\$ 42,507,063</b>	<b>\$ (52,430,133)</b>	<b>\$ 50,778,291</b>	Attachment APF-5, p. 12, line 3, p. 2, line 20	

(c) Explanation of Adjustments

Notations in the References column above are referring to Attachments to the Direct Testimony of Arthur P. Freitas. Adjustments are provided in Attachments APF-3, APF-4, APF-7 and APF-8 to the Direct Testimony of Arthur P. Freitas.

\* WACC-Weighted Average Cost of Capital

Impact of WACC Adjustments and Impact of Allocator Adjustments information provided in workpapers to the Direct Testimony of Arthur P. Freitas.

(1) Base Period Return on Rate Base derived by multiplying Rate Base by 7.28%.

Southwestern Public Service Company

Summary of the Revenue Increase or  
Decrease at the Proposed Rates by Rate Classes

(b) Test Year Period Line No.	Proposed Rate	kWh	(i) Base Revenue Under		(ii) Fuel & Purchased Power Revenues Under		(iii) Other Revenue Under		(iv) Total Revenue Under		(v) Proposed Revenue Under		% Increase
			Existing Rates	Proposed Rates	Existing Rates <sup>(1)</sup>	Proposed Rates <sup>(1)</sup>	Existing Rates <sup>(2)</sup>	Proposed Rates <sup>(2)</sup>	Existing Rates	Proposed Rates	Existing Rates	Proposed Rates	
1	Residential Service	650,677,734	\$ 50,519,077	\$ 58,171,677	\$ 13,814,020	\$ 11,332,386	\$ 4,714,247	\$ 4,714,247	\$ 69,047,344	\$ 74,218,310	\$ 5,170,966	7.49%	
2	Residential Space Heating	490,675,042	31,158,450	35,780,267	10,486,131	8,571,787	3,330,599	3,330,599	44,975,180	47,682,653	2,707,473	6.02%	
3	Small General Service	158,284,930	10,125,569	11,699,249	3,363,584	2,757,929	1,076,208	1,076,208	14,565,361	15,533,386	968,025	6.65%	
4	Secondary General	781,806,347	41,455,716	46,670,981	16,700,166	13,640,845	5,038,922	5,038,922	63,194,804	65,350,748	2,155,944	3.41%	
5	Irrigation Service	71,500,487	4,148,882	4,853,506	1,527,322	1,247,540	472,518	472,518	6,148,722	6,573,564	424,842	6.91%	
6	Primary General	1,840,440,755	71,269,779	82,449,088	38,584,840	31,513,867	10,603,739	10,603,739	120,458,358	124,566,694	4,108,336	3.41%	
7	LGS-T, 69-115 kV <sup>(3)</sup>	155,464,643	3,780,707	4,954,211	3,045,721	2,493,497	704,414	704,414	7,530,842	8,152,122	621,280	8.25%	
8	LGS-T, 115 kV + <sup>(3)</sup>	2,407,890,961	49,480,899	66,437,427	47,058,818	38,386,597	11,012,792	11,012,792	107,552,509	115,836,816	8,284,307	7.70%	
9	Small Municipal and School	11,520,352	672,578	793,913	245,320	200,921	76,242	76,242	994,140	1,071,076	76,936	7.74%	
10	Large Municipal and School	119,766,191	6,076,889	7,274,202	2,558,326	2,089,680	762,976	762,976	9,398,192	10,126,858	728,667	7.75%	
11	Street Lighting	13,359,432	1,932,426	2,166,373	285,371	233,095	126,094	126,094	2,343,890	2,525,562	181,672	7.75%	
12	Area Lighting	15,369,008	2,076,870	2,225,004	328,297	268,158	140,284	140,284	2,545,451	2,633,446	87,995	3.46%	
13	<i>Rounding</i>												
14	<b>Total Retail</b>		<b>\$ 272,697,842</b>	<b>\$ 323,475,898</b>	<b>\$ 137,997,916</b>	<b>\$ 112,736,303</b>	<b>\$ 38,059,034</b>	<b>\$ 38,059,034</b>	<b>\$ 448,754,792</b>	<b>\$ 474,271,235</b>	<b>\$ 25,516,442</b>	<b>5.69%</b>	

(1) Fuel revenues may reflect a different value than schedule H-3 on account of rounding and the use of a production forecast for rate design purposes.  
(2) Other Revenue totals \$11.9 million revenues through SPS's Energy Efficiency ("EE") Rider and \$26.1 million through SPS's Renewable Portfolio Standard Rider. EE revenues are reflected at present rates to accurately reflect base rate increases.  
(3) LGS-T is Large General Service Transmission.

(c) **Explanation of Adjustments**  
Please refer to the Direct Testimony of Evan D. Evans for support of the revenue increase at proposed rates.

Southwestern Public Service Company  
Summary of the Cost of Service Adjustments by Functional Classification

Total Company		Base Period with Test Year Cap				Test Year		Adjusted		Adjustment Reference
Line No.	Description	Per Book Base Period	Base Period with Test Year Cap Structure	Base Period with Test Year Cap Structure, Allocators	Base Period Adjustment	Test Year Adjustment	Adjusted	Adjusted	Adjustment Reference	
1	Plant In Service - Production	\$ 2,176,574,691	\$ 2,176,574,691	\$ 2,176,574,691	\$ -	\$ 724,777,231	\$ 2,901,351,922		APF-2, pg. 51, ln. 46 APF-6, pg. 62, ln. 71	
2	Plant In Service - Transmission	3,013,551,286	3,013,551,286	3,013,551,286	-	196,031,126	3,209,582,411		APF-2, pg. 53, ln. 99 APF-6, pg. 65, ln. 154	
3	Plant In Service - Distribution	1,389,499,356	1,389,499,356	1,389,499,356	-	48,762,725	1,438,262,081		APF-2, pg. 54, ln. 133 APF-6, pg. 66, ln. 204	
4	Plant In Service - General & Intangible	693,286,114	693,286,114	693,286,114	-	23,947,844	717,233,958		APF-2, pg. 50, ln. 11 + APF-2, pg. 56, ln. 175 APF-6, pg. 61, ln. 14 + APF-6, pg. 68, ln. 263	
5	<b>Total Plant In Service</b>	<b>\$ 7,272,911,446</b>	<b>\$ 7,272,911,446</b>	<b>\$ 7,272,911,446</b>	<b>\$ -</b>	<b>\$ 993,518,926</b>	<b>\$ 8,266,430,372</b>			
6	Depreciation & Amortization Reserve - Production	\$ (1,223,851,105)	\$ (1,223,851,105)	\$ (1,223,851,105)	\$ (63,960,595)	\$ (24,951,966)	\$ (1,312,763,665)		APF-2, pg. 58, ln. 59 APF-6, pg. 71, ln. 80	
7	Depreciation & Amortization Reserve - Transmission	(450,522,839)	(450,522,839)	(450,522,839)	(47,580,455)	(26,293,237)	(524,396,530)		APF-2, pg. 60, ln. 137 APF-6, pg. 73, ln. 184	
8	Depreciation & Amortization Reserve - Distribution	(364,242,879)	(364,242,879)	(364,242,879)	-	(19,164,243)	(383,407,121)		APF-2, pg. 61, ln. 169 APF-6, pg. 75, ln. 233	
9	Depreciation & Amortization Reserve - General & Intangible	(313,435,258)	(313,435,258)	(313,435,258)	12,682,240	(23,971,529)	(324,724,547)		APF-2, pg. 57, ln. 13 + APF-2, pg. 63, ln. 229 APF-6, pg. 69, ln. 18 + APF-6, pg. 77, ln. 311	
11	<b>Total Depreciation &amp; Amortization Reserve</b>	<b>\$ (2,352,052,080)</b>	<b>\$ (2,352,052,080)</b>	<b>\$ (2,352,052,080)</b>	<b>\$ (98,858,809)</b>	<b>\$ (94,380,974)</b>	<b>\$ (2,545,291,864)</b>			
12	<b>Net Plant In Service</b>	<b>\$ 4,920,859,365</b>	<b>\$ 4,920,859,365</b>	<b>\$ 4,920,859,365</b>	<b>\$ (98,858,809)</b>	<b>\$ 899,137,952</b>	<b>\$ 5,721,138,508</b>			
13	Plant Held for Future Use	\$ 4,167,109	\$ 4,167,109	\$ 4,167,109	\$ -	\$ (4,167,109)	\$ -		APF-2, pg. 69, ln. 187 APF-6, pg. 83, ln. 188	
14	Construction Work In Progress	\$ 975,377,786	\$ 975,377,786	\$ 975,377,786	\$ (975,377,786)	\$ -	\$ -		APF-2, pg. 69, ln. 183 APF-6, pg. 83, ln. 183	
15	Regulatory Assets	\$ 153,308,536	\$ 153,308,536	\$ 153,308,536	\$ -	\$ 425,138	\$ 578,444		APF-2, pg. 70, ln. 8 APF-6, pg. 84, ln. 10	
16	Fuel Inventory	\$ 7,963,416	\$ 7,963,416	\$ 7,963,416	\$ -	\$ -	\$ 7,963,416		APF-2, pg. 70, ln. 12 APF-6, pg. 84, ln. 14	
17	NOx Inventory	\$ 3,884,383	\$ 3,884,383	\$ 3,884,383	\$ (3,884,383)	\$ -	\$ -		APF-2, pg. 72, ln. 65 APF-6, pg. 86, ln. 67	
18	FAS 106 & 112	\$ (13,930,429)	\$ (13,930,429)	\$ (13,930,429)	\$ -	\$ -	\$ (13,930,429)		APF-2, pg. 71, ln. 60 APF-6, pg. 85, ln. 62	

Note: Please refer to the Direct Testimony of Arthur P. Freitas for detailed explanations of adjustments.

Southwestern Public Service Company  
Summary of the Cost of Service Adjustments by Functional Classification

Total Company		Per Book Base Period	Base Period with Test Year Cap Structure	Base Period with Test Year Cap Structure, Allocators	Base Period Adjustment	Test Year Adjustment	Adjusted	Adjustment Reference
Line No.	Description							
26								
27	Cash Working Capital	\$ (27,641,592)	\$ (27,641,985)	\$ (27,641,985)	\$ 416,082	\$ (4,033,871)	\$ (31,259,773)	APF-1, pg. 9, ln. 13 APF-5, pg. 9, ln. 13
28								
29	Materials and Supplies	\$ 21,562,495	\$ 21,562,495	\$ 21,562,495	\$ -	\$ -	\$ 21,562,495	APF-2, pg. 70, ln. 20 APF-6, pg. 84, ln. 22
30								
31	Prepayments and Deferred Charges	\$ 4,959,697	\$ 4,959,697	\$ 4,959,697	\$ (953,320)	\$ -	\$ 4,006,377	APF-2, pg. 71, ln. 50 APF-6, pg. 85, ln. 52
32								
33	Customer Advances	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
34								
35	Customer Deposits	\$ (7,499,541)	\$ (7,499,541)	\$ (7,499,541)	\$ -	\$ -	\$ (7,499,541)	APF-2, pg. 71, ln. 54 APF-6, pg. 85, ln. 56
36								
37	Accum Def Inc Tax - Production	\$ (264,163,649)	\$ (264,163,649)	\$ (264,163,649)	\$ 14,764,835	\$ (6,604,985)	\$ (256,003,799)	APF-2, pg. 77, ln. 88 APF-6, pg. 91, ln. 110
38	Accum Def Inc Tax - Transmission	(543,985,092)	(543,985,092)	(543,985,092)	9,799,373	(377,472)	(534,563,191)	APF-2, pg. 80, ln. 206 APF-6, pg. 95, ln. 258
39	Accum Def Inc Tax - Distribution	(232,568,682)	(232,568,682)	(232,568,682)	-	(1,418,560)	(233,987,242)	APF-2, pg. 81, ln. 255 APF-6, pg. 97, ln. 323
40	Accum Def Inc Tax - General & Intangible	(86,164,975)	(86,164,975)	(86,164,975)	(4,243,529)	2,720,423	(87,688,081)	APF-2, pg. 75, ln. 21 + APF-2, pg. 84, ln. 342 APF-6, pg. 89, ln. 26 + APF-6, pg. 100, ln. 432
41	Accum Def Inc Tax - Non-Plant	520,859,470	520,859,470	520,859,470	(538,572,829)	289,203	(17,424,156)	APF-2, pg. 88, ln. 487 APF-6, pg. 104, ln. 597
42	Accum Def Inc Tax - NOL	-	-	-	-	4,644,207	4,644,207	
43	<b>Total Accum Def Inc Tax</b>	<b>\$ (606,022,928)</b>	<b>\$ (606,022,928)</b>	<b>\$ (606,022,928)</b>	<b>\$ (518,252,150)</b>	<b>\$ (747,184)</b>	<b>\$ (1,125,022,262)</b>	
44								
45	<b>Net Rate Base</b>	<b>\$ 5,436,988,298</b>	<b>\$ 5,436,987,905</b>	<b>\$ 5,436,987,905</b>	<b>\$ (1,596,910,367)</b>	<b>\$ 890,614,926</b>	<b>\$ 4,730,692,465</b>	

Note: Please refer to the Direct Testimony of Arthur P. Freitas for detailed explanations of adjustments.

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Total Company		Per Book Base Period	Base Period with Test Year Cap Structure	Base Period with Test Year Cap Structure, Allocators	Base Period Adjustment	Test Year Adjustment	Adjusted	Adjustment Reference
Line No.	Description							
47								
48								
49	Fuel & Purchased Power	\$ 769,580,063	\$ 769,580,063	\$ 769,580,063	\$ (662,025,012)	\$ (40,542,100)	\$ 67,012,951	APF-2, pg. 3, ln. 36 APF-6, pg. 2, ln. 37
50								
51	Operation & Maintenance	\$ 529,649,247	\$ 529,649,247	\$ 529,649,247	\$ (29,431,294)	\$ 17,811,456	\$ 518,029,409	APF-2, pg. 15, ln. 391 APF-6, pg. 19, ln. 614
52								
53	Depreciation & Amortization Production	\$ 52,691,523	\$ 52,691,523	\$ 52,691,523	\$ (4,812,337)	\$ 62,737,182	\$ 110,616,368	APF-2, pg. 26, ln. 56 APF-6, pg. 33, ln. 93
54	Depreciation & Amortization Transmission	65,296,884	65,296,884	65,296,884	9,313,534	15,560,036	90,170,454	APF-2, pg. 29, ln. 132 APF-6, pg. 36, ln. 220
55	Depreciation & Amortization Distribution	34,207,263	34,207,263	34,207,263	-	8,455,955	42,663,219	APF-2, pg. 30, ln. 161 APF-6, pg. 38, ln. 279
56	Depreciation & Amortization General & Intangible	47,922,237	47,922,237	47,922,237	(2,668,669)	12,218,360	57,471,929	APF-2, pg. 25, ln. 13 + APF-2, pg. 31, ln. 204 APF-6, pg. 31, ln. 18 + APF-6, pg. 40, ln. 364
57	Depreciation & Amortization Non Plant	3,232,317	3,232,317	3,232,317	705,947	-	3,938,264	APF-2, pg. 31, ln. 218 APF-6, pg. 40, ln. 378
58	Depreciation & Amortization	\$ 203,350,225	\$ 203,350,225	\$ 203,350,225	\$ 2,538,475	\$ 98,971,533	\$ 304,860,233	
59								
60	Taxes Other Than Income	\$ 68,810,705	\$ 68,810,705	\$ 68,810,705	\$ (14,947)	\$ 11,124,097	\$ 79,919,855	APF-2, pg. 32, ln. 18 APF-6, pg. 41, ln. 20
61								
62	State Income Taxes	\$ 350,154	\$ 772,051	\$ 772,051	\$ (448,433)	\$ (737,314)	\$ (413,696)	APF-1, pg. 7, ln. 12 APF-5, pg. 7, ln. 12
63								
64	Federal Income Taxes	\$ 5,157,849	\$ 11,372,494	\$ 11,372,494	\$ (6,605,524)	\$ (10,860,805)	\$ (6,093,836)	APF-1, pg. 7, ln. 16 APF-5, pg. 7, ln. 16
65								

Note: Please refer to the Direct Testimony of Arthur P. Freitas for detailed explanations of adjustments.



Southwestern Public Service Company  
Summary of the Cost of Service Adjustments by Functional Classification

Total Company										
Line No.	Description	Per Book Base Period	Base Period with Test Year Cap Structure	Base Period with Test Year Cap Structure, Allocators	Base Period Adjustment	Test Year Adjustment	Adjusted	Adjustment Reference	(1)	
66	Deferred Income Taxes - Production	\$ 3,738,020	\$ 3,738,020	\$ 3,738,020	\$ (2,926,492)	\$ 13,835,137	\$ 14,646,665	APF-2, pg. 35, ln. 88	(1)	
67	Deferred Income Taxes - Transmission	34,284,061	34,284,061	34,284,061	(2,552,507)	(19,600,974)	12,130,580	APF-6, pg. 45, ln. 132	(1)	
68	Deferred Income Taxes - Distribution	1,193,185	1,193,185	1,193,185	-	1,304,115	2,497,300	APF-2, pg. 39, ln. 203	(1)	
69	Deferred Income Taxes - General & Intangible	(1,073,623)	(1,073,623)	(1,073,623)	263,956	(5,307,509)	(6,117,176)	APF-6, pg. 49, ln. 303	(1)	
70	Deferred Income Taxes - Non-Plant	7,704,382	7,704,382	7,704,382	(31,448,508)	17,447,081	(6,297,045)	APF-2, pg. 41, ln. 252	(1)	
71	Deferred Income Taxes - NOL	-	-	-	-	43,461,857	43,461,857	APF-6, pg. 51, ln. 384	(1)	
72	Total Deferred Income Taxes	\$ 45,846,026	\$ 45,846,026	\$ 45,846,026	\$ (36,663,551)	\$ 51,139,706	\$ 60,322,181	APF-2, pg. 33, ln. 21 + APF-2, pg. 43, ln. 339	(1)	
73	ITC Amortization	(67,302)	(67,302)	(67,302)	-	-	(67,302)	APF-6, pg. 59, ln. 677	(1)	
74								APF-2, pg. 42, ln. 31 + APF-2, pg. 54, ln. 514	(1)	
75								APF-2, pg. 48, ln. 476	(1)	
76	Total Operating Expenses	\$ 1,622,676,967	\$ 1,629,313,508	\$ 1,629,313,508	\$ (733,650,286)	\$ 126,906,574	\$ 1,023,569,796	APF-6, pg. 105, ln. 36	(1)	
77									(1)	
78	Gain on Sale of Disposition of RECs	\$ (12,013)	\$ (12,013)	\$ (12,013)	\$ 12,013	\$ -	\$ -	APF-1, pg. 7, ln. 21	(1)	
79								APF-5, pg. 7, ln. 21	(1)	
80	Loss on Sale of Disposition of RECs	\$ 873,526	\$ 873,526	\$ 873,526	\$ (873,526)	\$ -	\$ -	APF-2, pg. 49, ln. 3	(1)	
81								APF-6, pg. 60, ln. 3	(1)	
82	Total Cost of Service (Operating Deductions)	\$ 1,623,538,480	\$ 1,630,175,022	\$ 1,630,175,022	\$ (733,511,799)	\$ 126,906,574	\$ 1,023,569,796	APF-2, pg. 49, ln. 6	(1)	
83								APF-6, pg. 60, ln. 6	(1)	
84	Return	\$ 395,812,748	\$ 417,560,671	\$ 417,560,671	\$ (122,642,716)	\$ 68,399,226	\$ 363,317,181	APF-2, pg. 49, ln. 6	(1)	
85								APF-6, pg. 60, ln. 6	(1)	
86	Total Cost of Service (Operating Revenue)	\$ 2,019,351,228	\$ 2,047,735,693	\$ 2,047,735,693	\$ (856,154,516)	\$ 195,305,800	\$ 1,386,886,977		(1)	
87									(1)	
88	(1) These lines have been grossed up by the Tax Gross Up Factor of 1.28386.									

Note: Please refer to the Direct Testimony of Arthur P. Freitas for detailed explanations of adjustments.

Southwestern Public Service Company

Summary of the Cost of Service Adjustments by Functional Classification

Total Company

Line No.	Description	Per Book Base Period	Base Period with Test Year Cap Structure	Base Period with Test Year Cap Structure, Allocators	Base Period Adjustment	Test Year Adjustment	Adjusted	Adjustment Reference
89	<b>Fuel &amp; Purchased Power Expense Detail</b>							
90	Fuel Expenses							
91	Steam Production Fuel Expense	\$ 260,599,574	\$ 260,599,574	\$ 260,599,574	\$ (260,599,574)	\$ -	\$ -	APF-2, pg. 2, lns. 6 + 9 + 12 + 15 APF-6, pg. 2, lns. 6 + 9 + 12 + 15
92	Combustion Turbine Production Fuel Expense	39,957,981	39,957,981	39,957,981	(39,957,981)	-	-	APF-2, pg. 2, ln. 19 APF-6, pg. 2, ln. 19
93	<b>Total Fuel Expenses</b>	<b>\$ 300,557,555</b>	<b>\$ 300,557,555</b>	<b>\$ 300,557,555</b>	<b>\$ (300,557,555)</b>	<b>\$ -</b>	<b>\$ -</b>	
94	Purchased Power Expenses							
95	Purchased Energy Expense	\$ 340,614,157	\$ 340,614,157	\$ 340,614,157	\$ (340,614,157)	\$ -	\$ -	APF-2, pg. 2, ln. 23 APF-6, pg. 2, ln. 23
96	Purchased Capacity Expense	103,841,676	103,841,676	103,841,676	-	(40,662,251)	63,179,426	APF-2, pg. 2, ln. 25 APF-6, pg. 2, ln. 26
97	Purchased Power Variable O&M Expense	18,886,932	18,886,932	18,886,932	(15,173,557)	120,151	3,833,525	APF-2, pg. 2, lns. 29 + 31 APF-6, pg. 2, lns. 30 + 33
98	Deferred Generation and Purchased Power Expenses	5,679,743	5,679,743	5,679,743	(5,679,743)	-	-	APF-2, pg. 3, ln. 34 APF-6, pg. 2, ln. 36
99	<b>Total Purchased Power Expenses</b>	<b>\$ 469,022,508</b>	<b>\$ 469,022,508</b>	<b>\$ 469,022,508</b>	<b>\$ (361,467,457)</b>	<b>\$ (40,542,100)</b>	<b>\$ 67,012,951</b>	
100	<b>Total Fuel &amp; Purchased Power Expense</b>	<b>\$ 769,580,063</b>	<b>\$ 769,580,063</b>	<b>\$ 769,580,063</b>	<b>\$ (662,025,012)</b>	<b>\$ (40,542,100)</b>	<b>\$ 67,012,951</b>	
101	<b>Operation &amp; Maintenance Expense Detail</b>							
102	Steam Production O&M Expenses							
103	Steam Production Operations Expense	\$ 79,123,657	\$ 79,123,657	\$ 79,123,657	\$ (12,065)	\$ (1,040,652)	\$ 78,070,940	APF-2, pg. 4, lns. 4 + 7 + 10 + 14 + 17 + 22 + 26 + 29 + 31 APF-6, pgs. 3-4, lns. 8 + 12 + 17 + 25 + 31 + 41 + 48 + 51 + 54
104	Steam Production Maintenance Expense	47,754,043	47,754,043	47,754,043	0	(223,745)	47,530,298	APF-2, pgs. 4-5, lns. 34 + 37 + 41 + 44 + 47 APF-6, pgs. 4-5, lns. 61 + 67 + 75 + 82 + 89
105	<b>Total Steam Production Expense</b>	<b>\$ 126,877,700</b>	<b>\$ 126,877,700</b>	<b>\$ 126,877,700</b>	<b>\$ (12,065)</b>	<b>\$ (1,264,397)</b>	<b>\$ 125,601,239</b>	

Note: Please refer to the Direct Testimony of Arthur P. Freitas for detailed explanations of adjustments.

Southwestern Public Service Company

Summary of the Cost of Service Adjustments by Functional Classification

Total Company

Line No.	Description	Per Book Base Period	Base Period with Test Year Cap Structure	Base Period with Test Year Cap Structure, Allocators	Base Period Adjustment	Test Year Adjustment	Adjusted	Adjustment Reference
114	Combustion Turbine Production O&M Expenses	\$ 1,518,493	\$ 1,518,493	\$ 1,518,493	\$ (803)	\$ 3,850,099	\$ 5,367,789	APF-2, pg. 5, lns. 51 + 54 + 58 + 62
115	Combustion Turbine Operations Expense	2,243,841	2,243,841	2,243,841	0	3,828,285	6,072,126	APF-6, pg. 5, lns. 96 + 102 + 110 + 112 + 119 APF-2, pgs. 5-6, lns. 65 + 68 + 71 + 74 APF-6, pg. 6, lns. 125 + 132 + 139 + 141 + 148
117	<b>Total Combustion Turbine Expense</b>	<b>\$ 3,762,334</b>	<b>\$ 3,762,334</b>	<b>\$ 3,762,334</b>	<b>\$ (803)</b>	<b>\$ 7,678,383</b>	<b>\$ 11,439,914</b>	
118								
119	System Control and Dispatch Expense	\$ 7,930,858	\$ 7,930,858	\$ 7,930,858	\$ (5,239,250)	\$ 43,975	\$ 2,735,583	APF-2, pg. 6, lns. 78 + 84 + 87 + 90 APF-6, pgs. 6-7, lns. 155 + 164 + 167 + 170
120								
121	<b>Total Production Expense</b>	<b>\$ 138,570,892</b>	<b>\$ 138,570,892</b>	<b>\$ 138,570,892</b>	<b>\$ (5,252,118)</b>	<b>\$ 6,457,962</b>	<b>\$ 139,776,736</b>	
122								
123	Transmission O&M Expenses	\$ 27,990,124	\$ 27,990,124	\$ 27,990,124	\$ (28,604)	\$ 333,194	\$ 28,294,714	APF-2, pgs. 6-9, lns. 95 + 98 + 101 + 103 + 105 + 107 + 110 + 112 + 114 + 116 + 119 + 123 + 159 + 164 APF-6, pgs. 7-10, lns. 179 + 184 + 190 + 192 + 194 + 196 + 202 + 204 + 206 + 208 + 213 + 220 + 271 + 279
124	Transmission Operations Expense	2,747,331	2,747,331	2,747,331	(12)	292,339	3,039,658	APF-2, pg. 9, lns. 167 + 170 + 175 APF-6, pg. 10, lns. 285 + 291 + 300
125	Transmission Maintenance Expense	163,172,774	163,172,774	163,172,774	0	7,186,466	170,359,240	APF-2, pgs. 7-8, lns. 125 + 127 + 129 + 131 + 133 + 135 + 137 + 139 + 141 + 143 + 145 + 147 + 149 + 151 + 153 + 155 APF-6, pgs. 8-9, lns. 223 + 225 + 228 + 231 + 234 + 237 + 240 + 243 + 246 + 249 + 253 + 256 + 258 + 260 + 262 + 264
126	Transmission Wheeling Expense							
127	<b>Total Transmission Expenses</b>	<b>\$ 193,910,229</b>	<b>\$ 193,910,229</b>	<b>\$ 193,910,229</b>	<b>\$ (28,615)</b>	<b>\$ 7,811,999</b>	<b>\$ 201,693,613</b>	
128								
129	Non-Labor Regional Market Expense	\$ 8,777,080	\$ 8,777,080	\$ 8,777,080	\$ (171)	\$ 5,223	\$ 8,782,132	APF-2, pg. 12, ln. 275 APF-6, pg. 15, ln. 461
130								

Note: Please refer to the Direct Testimony of Arthur P. Freitas for detailed explanations of adjustments.

Southwestern Public Service Company

Summary of the Cost of Service Adjustments by Functional Classification

Total Company		Per Book Base Period	Base Period with Test Year Cap Structure	Base Period with Test Year Cap Structure, Allocators	Base Period Adjustment	Test Year Adjustment	Adjusted	Adjustment Reference
131	Distribution O&M Expenses							
132	Distribution Operations Expense	\$ 29,460,618	\$ 29,460,618	\$ 29,460,618	\$ (12,420)	\$ 117,832	\$ 29,566,030	APF-2, pgs. 9-10, lns. 181 + 185 + 188 + 193 + 197 + 201 + 205 + 209 + 214 + 218
133	Distribution Maintenance Expense	9,513,534	9,513,534	9,513,534	(1,141,146)	286,177	8,658,564	APF-6, pgs. 11-12, lns. 309 + 316 + 322 + 331 + 337 + 343 + 350 + 356 + 365 + 372
								APF-2, pgs. 10-11, lns. 221 + 225 + 228 + 234 + 238 + 240 + 244 + 248 + 252
								APF-6, pgs. 12-14, lns. 377 + 383 + 389 + 400 + 406 + 408 + 414 + 420 + 427
134	<b>Total Distribution Expense</b>	<b>\$ 38,974,151</b>	<b>\$ 38,974,151</b>	<b>\$ 38,974,151</b>	<b>\$ (1,153,566)</b>	<b>\$ 404,009</b>	<b>\$ 38,224,594</b>	
135	Customer Operations Expense							
136	Customer Accounting Expense	\$ 17,085,384	\$ 17,085,384	\$ 17,085,384	\$ (5,412)	\$ 270,787	\$ 17,350,759	APF-2, pg. 12, ln. 294
137	Customer Service Expense	20,766,698	20,766,698	20,766,698	(16,831,530)	38,901	3,974,069	APF-6, pg. 15, ln. 491
138	Sales Expense	254,656	254,656	254,656	0	6,322	260,978	APF-2, pg. 13, ln. 319
139	<b>Total Customer Operations Expense</b>	<b>\$ 38,106,738</b>	<b>\$ 38,106,738</b>	<b>\$ 38,106,738</b>	<b>\$ (16,836,942)</b>	<b>\$ 316,010</b>	<b>\$ 21,585,806</b>	APF-6, pg. 16, ln. 523
140	Administrative & General Expenses	\$ 111,310,157	\$ 111,310,157	\$ 111,310,157	\$ (6,159,881)	\$ 2,816,253	\$ 107,966,529	APF-2, pg. 15, ln. 390
141								APF-6, pg. 19, ln. 613
142	<b>Total Operations &amp; Maintenance Expense</b>	<b>\$ 529,649,247</b>	<b>\$ 529,649,247</b>	<b>\$ 529,649,247</b>	<b>\$ (29,431,294)</b>	<b>\$ 17,811,456</b>	<b>\$ 518,029,409</b>	
143								
144								
145								

Note: Please refer to the Direct Testimony of Arthur P. Freitas for detailed explanations of adjustments.

Southwestern Public Service Company  
Summary of the Cost of Service Adjustments by Functional Classification

Line No.	Description	Per Book Base Period	Base Period with Test Year Cap		Base Period Adjustment	Test Year Adjustment	Adjusted	Adjustment Reference
			Structure	Allocators				
146	Total Labor Expense	\$ 159,125,047	\$ 159,125,047	\$ 159,125,047	\$ (5,440,415)	\$ 1,480,327	\$ 155,164,958	APF-2, pg. 24, ln. 248 APF-6, pg. 30, ln. 419
147	Total Non-Labor Expense (L36 - L38)	\$ 370,524,200	\$ 370,524,200	\$ 370,524,200	\$ (23,990,878)	\$ 16,331,129	\$ 362,864,451	
148								
149								
150	<b>Taxes Other Than Income Detail</b>							
151	Payroll Related	\$ 8,890,119	\$ 8,890,119	\$ 8,890,119	\$ (14,165)	\$ (219,753)	\$ 8,656,201	APF-2, pg. 32, ln. 9 APF-6, pg. 41, ln. 11
152	Property Taxes	44,197,375	44,197,375	44,197,375	-	11,343,850	55,541,225	APF-2, pg. 32, ln. 2 APF-2, pg. 41, ln. 4
153								
154	Franchise Fees	9,057,256	9,057,256	9,057,256	-	-	9,057,256	APF-2, pg. 32, ln. 11 APF-6, pg. 41, ln. 13
155								
156	Gross Receipts Tax	6,362,030	6,362,030	6,362,030	-	-	6,362,030	APF-2, pg. 32, ln. 13 APF-6, pg. 41, ln. 15
157								
158	Other Taxes	303,926	303,926	303,926	(782)	-	303,144	APF-2, pg. 32, ln. 16 APF-2, pg. 41, ln. 18
159								
160	All Other Unadjusted Taxes	-	-	-	-	-	-	
161								
162	<b>Total Taxes Other Than Income</b>	<b>\$ 68,810,705</b>	<b>\$ 68,810,705</b>	<b>\$ 68,810,705</b>	<b>\$ (14,947)</b>	<b>\$ 11,124,097</b>	<b>\$ 79,919,855</b>	
163								
164								

**Note:** ITC = Investment Tax Credit  
REC = Renewable Energy Credit  
Please refer to APF-7 for the impact of each adjustment on the overall New Mexico revenue requirement. Please refer to APF-8 for the impact of each adjustment by function and FERC Account.

Southwestern Public Service Company  
Summary of the Cost of Service Adjustments by Functional Classification

Line No.	Description	Per Book Base Period	Base Period with Test Year Cap Structure	Base Period with Test Year Cap Structure, Allocators	Base Period Adjustment	Test Year Adjustment	Adjusted	Adjustment Reference
<b>New Mexico Retail</b>								
1	Plant In Service - Production	\$ 531,113,749	\$ 531,113,749	\$ 602,504,005	\$ -	\$ 207,521,059	\$ 810,025,065	APF-2, pg. 51, ln. 46 APF-6, pg. 62, ln. 71
2	Plant In Service - Transmission	609,765,594	609,765,594	630,199,735	-	42,045,834	672,245,569	APF-2, pg. 53, ln. 99 APF-6, pg. 65, ln. 154
3	Plant In Service - Distribution	495,868,472	495,868,472	495,868,472	-	17,646,548	513,515,020	APF-2, pg. 54, ln. 133 APF-6, pg. 66, ln. 204
4	Plant In Service - General & Intangible	180,394,288	180,394,288	193,193,592	-	6,648,263	199,841,855	APF-2, pg. 50, ln. 11 + APF-2, pg. 56, ln. 175 APF-6, pg. 61, ln. 14 + APF-6, pg. 68, ln. 263
5	<b>Total Plant In Service</b>	<b>\$ 1,817,142,104</b>	<b>\$ 1,817,142,104</b>	<b>\$ 1,921,765,805</b>	<b>\$ -</b>	<b>\$ 273,861,704</b>	<b>\$ 2,195,627,509</b>	
6	Depreciation & Amortization Reserve - Production	\$ (298,636,271)	\$ (298,636,271)	\$ (338,777,803)	\$ (17,705,119)	\$ (6,961,723)	\$ (363,444,645)	APF-2, pg. 58, ln. 59 APF-6, pg. 71, ln. 80
7	Depreciation & Amortization Reserve - Transmission	(91,831,115)	(91,831,115)	(95,179,052)	(10,139,075)	(5,510,963)	(110,829,090)	APF-2, pg. 60, ln. 137 APF-6, pg. 73, ln. 184
8	Depreciation & Amortization Reserve - Distribution	(105,619,577)	(105,619,577)	(105,619,577)	-	(6,476,887)	(112,096,464)	APF-2, pg. 61, ln. 169 APF-6, pg. 75, ln. 233
9	Depreciation & Amortization Reserve - General & Int	(81,790,913)	(81,790,913)	(87,491,962)	3,520,771	(6,657,306)	(90,628,497)	APF-2, pg. 57, ln. 13 + APF-2, pg. 63, ln. 229 APF-6, pg. 69, ln. 18 + APF-6, pg. 77, ln. 311
11	<b>Total Depreciation &amp; Amortization Reserve</b>	<b>\$ (577,877,876)</b>	<b>\$ (577,877,876)</b>	<b>\$ (627,068,394)</b>	<b>\$ (24,323,423)</b>	<b>\$ (25,606,879)</b>	<b>\$ (676,998,697)</b>	
12								
13	<b>Net Plant In Service</b>	<b>\$ 1,239,264,228</b>	<b>\$ 1,239,264,228</b>	<b>\$ 1,294,697,410</b>	<b>\$ (24,323,423)</b>	<b>\$ 248,254,825</b>	<b>\$ 1,518,628,812</b>	
14								
15	Plant Held for Future Use	\$ 823,990	\$ 823,990	\$ 852,140	\$ -	\$ (852,140)	\$ -	APF-2, pg. 69, ln. 187 APF-6, pg. 83, ln. 188
16								
17	Construction Work In Progress	\$ 232,682,208	\$ 232,682,208	\$ 257,988,839	\$ (257,988,839)	\$ -	\$ -	APF-2, pg. 69, ln. 183 APF-6, pg. 83, ln. 183
18								
19	Regulatory Assets	\$ 40,323,864	\$ 40,323,864	\$ 43,289,375	\$ -	\$ 117,684	\$ 43,407,059	APF-2, pg. 70, ln. 8 APF-6, pg. 84, ln. 10
20								
21	Fuel Inventory	\$ 2,014,786	\$ 2,014,786	\$ 2,284,544	\$ -	\$ -	\$ 2,284,544	APF-2, pg. 70, ln. 12 APF-6, pg. 84, ln. 14
22								
23	NOx Inventory	\$ 982,769	\$ 982,769	\$ 1,114,352	\$ (1,114,352)	\$ -	\$ -	APF-2, pg. 72, ln. 65 APF-6, pg. 86, ln. 67
24								
25	FAS 106 & 112	\$ (3,667,171)	\$ (3,667,171)	\$ (3,936,863)	\$ -	\$ -	\$ (3,936,863)	APF-2, pg. 71, ln. 60 APF-6, pg. 85, ln. 62
26								
27	Cash Working Capital	\$ (6,481,045)	\$ (6,481,144)	\$ (6,844,125)	\$ 325,196	\$ (1,091,031)	\$ (7,609,960)	APF-1, pg. 9, ln. 13 APF-5, pg. 9, ln. 13
28								

Note: Please refer to the Direct Testimony of Arthur P. Freitas for detailed explanations of adjustments.

Southwestern Public Service Company  
Summary of the Cost of Service Adjustments by Functional Classification

Line No.	Description	Per Book Base Period	Base Period with Test Year Cap		Base Period Adjustment	Test Year Adjustment	Adjusted	Adjustment Reference
			Structure	Allocators, Structure, Allocated				
29	Materials and Supplies	\$ 5,485,866	\$ 5,485,866	\$ 5,933,105	\$ -	\$ -	\$ 5,933,105	APF-2, pg. 70, ln. 20 APF-6, pg. 84, ln. 22
30								
31	Prepayments and Deferred Charges	\$ 1,269,708	\$ 1,269,708	\$ 1,348,053	\$ (253,051)	\$ -	\$ 1,095,002	APF-2, pg. 71, ln. 50 APF-6, pg. 85, ln. 52
32	Customer Advances	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
34	Customer Deposits	\$ (1,387,495)	\$ (1,387,495)	\$ (1,387,495)	\$ -	\$ -	\$ (1,387,495)	APF-2, pg. 71, ln. 54 APF-6, pg. 85, ln. 56
36								
37	Accum Def Inc Tax - Production	\$ (64,514,203)	\$ (64,514,203)	\$ (73,185,141)	\$ 4,088,154	\$ (1,929,533)	\$ (71,026,520)	APF-2, pg. 77, ln. 88 APF-6, pg. 91, ln. 110
38	Accum Def Inc Tax - Transmission	(109,969,437)	(109,969,437)	(113,633,233)	2,092,020	(66,515)	(111,607,727)	APF-2, pg. 80, ln. 206 APF-6, pg. 95, ln. 258
39	Accum Def Inc Tax - Distribution	(85,488,777)	(85,488,777)	(85,488,777)	-	(807,094)	(86,295,871)	APF-2, pg. 81, ln. 255 APF-6, pg. 97, ln. 323
40	Accum Def Inc Tax - General & Intangible	(22,340,882)	(22,340,882)	(23,960,601)	(1,178,064)	793,178	(24,345,487)	APF-2, pg. 75, ln. 21 + APF-2, pg. 84, ln. 342 APF-6, pg. 89, ln. 26 + APF-6, pg. 100, ln. 432
41	Accum Def Inc Tax - Non-Plant	136,313,570	136,313,570	142,526,314	(142,974,553)	87,678	(360,561)	APF-2, pg. 88, ln. 487 APF-6, pg. 104, ln. 597
42	Accum Def Inc Tax - NOL					4,644,207	4,644,207	
43	<b>Total Accum Def Inc Tax</b>	<b>\$ (145,999,728)</b>	<b>\$ (145,999,728)</b>	<b>\$ (153,741,438)</b>	<b>\$ (137,972,442)</b>	<b>\$ 2,721,922</b>	<b>\$ (288,991,959)</b>	
44								
45	<b>Net Rate Base</b>	<b>\$ 1,365,311,970</b>	<b>\$ 1,365,311,881</b>	<b>\$ 1,441,597,896</b>	<b>\$ (421,326,911)</b>	<b>\$ 249,151,260</b>	<b>\$ 1,269,422,245</b>	
47								
48	Fuel & Purchased Power	\$ 193,774,068	\$ 193,774,068	\$ 219,731,692	\$ (189,921,681)	\$ (11,221,368)	\$ 18,588,643	APF-2, pg. 3, ln. 36 APF-6, pg. 2, ln. 37
49								
50	Operation & Maintenance	\$ 139,014,630	\$ 139,014,630	\$ 146,650,511	\$ (16,303,382)	\$ 5,883,352	\$ 136,230,481	APF-2, pg. 15, ln. 391 APF-6, pg. 19, ln. 614
51								

Note: Please refer to the Direct Testimony of Arthur P. Freitas for detailed explanations of adjustments.

Southwestern Public Service Company  
Summary of the Cost of Service Adjustments by Functional Classification

Line No.	Description	Per Book Base Period	Base Period with Test Year Cap		Base Period with Test Year Cap Structure, Allocators	Base Period Adjustment	Test Year Adjustment	Adjusted	Adjustment Reference
			Structure	Structure, Allocators					
<b>New Mexico Retail</b>									
52	Depreciation & Amortization Production	\$ 12,857,446	\$ 12,857,446	\$ 14,585,695	\$ (1,332,117)	\$ 17,658,554	\$ 30,912,132	APF-2, pg. 26, ln. 56 APF-6, pg. 33, ln. 93	
53	Depreciation & Amortization Transmission	13,229,178	13,229,178	13,669,829	1,961,454	3,262,213	18,893,496	APF-2, pg. 29, ln. 132 APF-6, pg. 36, ln. 220	
54	Depreciation & Amortization Distribution	11,597,868	11,597,868	11,597,868	-	3,571,669	15,169,537	APF-2, pg. 30, ln. 161 APF-6, pg. 38, ln. 279	
55	Depreciation & Amortization General & Intangible	12,406,192	12,406,192	13,313,995	(740,860)	3,392,084	15,965,219	APF-2, pg. 25, ln. 13 + APF-2, pg. 31, ln. 204 APF-6, pg. 31, ln. 18 + APF-6, pg. 40, ln. 364	
56	Depreciation & Amortization Non Plant	4,112,246	4,112,246	4,062,426	(4,235,690)	-	(173,263)	APF-2, pg. 31, ln. 218 APF-6, pg. 40, ln. 378	
57	Depreciation & Amortization	\$ 54,202,931	\$ 54,202,931	\$ 57,229,813	\$ (4,347,213)	\$ 27,884,520	\$ 80,767,120		
58	Taxes Other Than Income	\$ 13,569,665	\$ 13,569,665	\$ 14,321,040	\$ (4,211)	\$ 2,949,027	\$ 17,265,856	APF-2, pg. 32, ln. 18 APF-6, pg. 41, ln. 20	
60	State Income Taxes	\$ 262,349	\$ 368,294	\$ 384,488	\$ (124,969)	\$ (519,856)	\$ (260,337)	APF-1, pg. 7, ln. 12 APF-5, pg. 7, ln. 12	
62	Federal Income Taxes	\$ 3,864,468	\$ 5,425,062	\$ 5,663,603	\$ (1,840,822)	\$ (7,657,605)	\$ (3,834,823)	APF-1, pg. 7, ln. 16 APF-5, pg. 7, ln. 16	
64	Deferred Income Taxes - Production	\$ 1,036,210	\$ 1,036,210	\$ 1,173,654	\$ (811,448)	\$ 3,893,656	\$ 4,255,862	APF-2, pg. 35, ln. 88 APF-6, pg. 45, ln. 132	
65	Deferred Income Taxes - Transmission	6,920,106	6,920,106	7,134,365	(536,690)	(4,087,720)	2,509,955	APF-2, pg. 39, ln. 203 APF-6, pg. 49, ln. 303	
66	Deferred Income Taxes - Distribution	556,530	556,530	556,530	-	813,113	1,369,644	APF-2, pg. 41, ln. 252 APF-6, pg. 51, ln. 384	
67	Deferred Income Taxes - General & Intangible	(279,334)	(279,334)	(299,164)	73,278	(1,472,167)	(1,698,053)	APF-2, pg. 33, ln. 21 + APF-2, pg. 43, ln. 339	
68	Deferred Income Taxes - Non-Plant	(2,355,347)	(2,355,347)	(2,142,311)	(8,343,262)	7,045,527	(3,440,045)	APF-2, pg. 42, ln. 31 + APF-2, pg. 54, ln. 514	
69	Deferred Income Taxes - NOL	-	-	-	-	15,542,178	15,542,178	APF-2, pg. 48, ln. 476 APF-6, pg. 59, ln. 677	
70	<b>Total Deferred Income Taxes</b>	\$ 5,878,166	\$ 5,878,166	\$ 6,423,076	\$ (9,618,122)	\$ 21,734,587	\$ 18,539,540	APF-6, pg. 105, ln. 36	
71	ITC Amortization	\$ (16,988)	\$ (16,988)	(17,865)	-	-	(17,865)	APF-1, pg. 7, ln. 21 APF-5, pg. 7, ln. 21	
72									
73									
74									
75	<b>Total Operating Expenses</b>	<b>\$ 410,549,290</b>	<b>\$ 412,215,828</b>	<b>\$ 450,386,359</b>	<b>\$ (222,160,401)</b>	<b>\$ 39,052,657</b>	<b>\$ 267,278,615</b>		
76									

Note: Please refer to the Direct Testimony of Arthur P. Freitas for detailed explanations of adjustments.



Southwestern Public Service Company

Summary of the Cost of Service Adjustments by Functional Classification

Line No.	Description	New Mexico Retail				Adjusted	Adjustment Reference
		Per Book Base Period	Base Period with Test Year Cap Structure	Base Period with Test Year Cap Structure, Allocators	Base Period Adjustment		
77	Gain on Sale of Disposition of RECs	\$ (2,931)	\$ (2,931)	\$ (3,325)	\$ 3,325	\$ -	APF-2, pg. 49, ln. 3 APF-6, pg. 60, ln. 3
78							
79	Loss on Sale of Disposition of RECs	\$ 221,007	\$ 221,007	\$ 250,597	\$ (250,597)	\$ -	APF-2, pg. 49, ln. 6 APF-6, pg. 60, ln. 6
80							
81	<b>Total Cost of Service (Operating Deductions)</b>	<b>\$ 410,767,365</b>	<b>\$ 412,433,904</b>	<b>\$ 450,633,631</b>	<b>\$ (222,407,672)</b>	<b>\$ 39,052,657</b>	<b>\$ 267,278,615</b>
82							
83	Return	\$ 99,394,712	\$ 104,855,952	\$ 110,714,718	\$ (32,357,907)	\$ 19,134,817	\$ 97,491,628
84							
85	<b>Total Cost of Service (Operating Revenue)</b>	<b>\$ 510,162,077</b>	<b>\$ 517,289,856</b>	<b>\$ 561,348,349</b>	<b>\$ (254,765,579)</b>	<b>\$ 58,187,474</b>	<b>\$ 364,770,244</b>
86							
87	(1) These lines have been grossed up by the Tax Gross Up Factor of 1.28386.						
88							
89	<b>Fuel &amp; Purchased Power Expense Detail</b>						
90	Fuel Expenses						
91	Steam Production Fuel Expense	\$ 65,933,054	\$ 65,933,054	\$ 74,760,785	\$ (74,760,785)	\$ -	APF-2, pg. 2, lns. 6 + 9 + 12 + 15 APF-6, pg. 2, lns. 6 + 9 + 12 + 15
92							
93	Combustion Turbine Production Fuel Expense	10,109,578	10,109,578	11,463,142	(11,463,142)	(0)	APF-2, pg. 2, ln. 19 APF-6, pg. 2, ln. 19
94	<b>Total Fuel Expenses</b>	<b>\$ 76,042,632</b>	<b>\$ 76,042,632</b>	<b>\$ 86,223,927</b>	<b>\$ (86,223,927)</b>	<b>\$ -</b>	<b>\$ (0)</b>
95							

Note: Please refer to the Direct Testimony of Arthur P. Freitas for detailed explanations of adjustments.

Southwestern Public Service Company

Summary of the Cost of Service Adjustments by Functional Classification

New Mexico Retail

Line No.	Description	Per Book Base Period	Base Period with Test Year Cap Structure	Base Period with Test Year Cap Structure, Allocators	Base Period Adjustment	Test Year Adjustment	Adjusted	Adjustment Reference
96	Purchased Power Expenses	\$ 86,177,162	\$ 86,177,162	\$ 97,715,362	\$ (97,715,362)	\$ -	\$ 0	APF-2, pg. 2, ln. 23
97	Purchased Energy Expense					(11,255,836)	17,488,882	APF-6, pg. 2, ln. 23
98	Purchased Capacity Expense	25,338,778	25,338,778	28,744,718	-			APF-2, pg. 2, ln. 25
99	Purchased Power Variable O&M Expense	4,778,492	4,778,492	5,418,281	(4,352,989)	34,469	1,099,761	APF-6, pg. 2, ln. 26
100	Deferred Generation and Purchased Power Expenses	1,437,005	1,437,005	1,629,404	(1,629,404)	-	-	APF-2, pg. 2, lns. 29 + 31
101	<b>Total Purchased Power Expenses</b>	<b>\$ 117,731,436</b>	<b>\$ 117,731,436</b>	<b>\$ 133,507,765</b>	<b>\$ (103,697,755)</b>	<b>\$ (11,221,368)</b>	<b>\$ 18,588,643</b>	APF-2, pg. 3, ln. 34
102								APF-6, pg. 2, ln. 36
103	<b>Total Fuel &amp; Purchased Power Expense</b>	<b>\$ 193,774,068</b>	<b>\$ 193,774,068</b>	<b>\$ 219,731,692</b>	<b>\$ (189,921,681)</b>	<b>\$ (11,221,368)</b>	<b>\$ 18,588,643</b>	
104								
105	<b>Operation &amp; Maintenance Expense Detail</b>							
106								
107								
108	Steam Production O&M Expenses	\$ 19,630,452	\$ 19,630,452	\$ 22,264,598	\$ (3,340)	\$ (260,718)	\$ 22,000,541	APF-2, pg. 4, lns. 4 + 7 + 10 + 14
109	Steam Production Operations Expense							+ 17 + 22 + 26 + 29 + 31
110	Steam Production Maintenance Expense	11,921,297	11,921,297	13,519,729	0	(62,820)	13,456,909	APF-6, pgs. 3-4, lns. 8 + 12 + 17
111	<b>Total Steam Production Expense</b>	<b>\$ 31,551,749</b>	<b>\$ 31,551,749</b>	<b>\$ 35,784,328</b>	<b>\$ (3,340)</b>	<b>\$ (323,538)</b>	<b>\$ 35,457,450</b>	+ 25 + 31 + 41 + 48 + 51 + 54
112								APF-2, pgs. 4-5, lns. 34 + 37 + 41 + 44 + 47
113	Combustion Turbine Production O&M Expenses	\$ 370,533	\$ 370,533	\$ 420,339	\$ (222)	\$ 1,104,446	\$ 1,524,562	APF-6, pgs. 4-5, lns. 61 + 67 + 75 + 82 + 89
114	Combustion Turbine Operations Expense							
115	Combustion Turbine Maintenance Expense	547,528	547,528	621,124	0	1,098,407	1,719,531	APF-2, pg. 5, lns. 51 + 54 + 58 + 62
116	<b>Total Combustion Turbine Expense</b>	<b>\$ 918,061</b>	<b>\$ 918,061</b>	<b>\$ 1,041,463</b>	<b>\$ (222)</b>	<b>\$ 2,202,853</b>	<b>\$ 3,244,093</b>	APF-6, pg. 5, lns. 96 + 102 + 110 + 112 + 119
117								APF-2, pgs. 5-6, lns. 65 + 68 + 71 + 74
								APF-6, pg. 6, lns. 125 + 132 + 139 + 141 + 148

Note: Please refer to the Direct Testimony of Arthur P. Freitas for detailed explanations of adjustments.

Southwestern Public Service Company  
Summary of the Cost of Service Adjustments by Functional Classification

New Mexico Retail

Line No.	Description	Per Book Base Period	Base Period with Test Year Cap Structure	Base Period with Test Year Cap Structure, Allocators	Base Period Adjustment	Test Year Adjustment	Adjusted	Adjustment Reference
118	System Control and Dispatch Expense	\$ 3,361,488	\$ 3,361,488	\$ 3,472,905	\$ (2,707,507)	\$ 12,173	\$ 777,571	APF-2, pg. 6, lns. 78 + 84 + 87 + 90 APF-6, pgs. 6-7, lns. 155 + 164 + 167 + 170
119	<b>Total Production Expense</b>	<b>\$ 35,831,298</b>	<b>\$ 35,831,298</b>	<b>\$ 40,298,696</b>	<b>\$ (2,711,069)</b>	<b>\$ 1,891,488</b>	<b>\$ 39,479,115</b>	
120	Transmission O&M Expenses							
122	Transmission O&M Expenses	\$ 5,992,452	\$ 5,992,452	\$ 6,194,686	\$ (5,991)	\$ 69,527	\$ 6,258,222	APF-2, pgs. 6-9, lns. 95 + 98 + 101 + 103 + 105 + 107 + 110 + 112 + 114 + 116 + 119 + 123 + 159 + 164
123	Transmission Operations Expense							APF-6, pgs. 7-10, lns. 179 + 184 + 190 + 192 + 194 + 196 + 202 + 204 + 206 + 208 + 213 + 220 + 271 + 279
124	Transmission Maintenance Expense	555,898	555,898	575,427	(2)	61,230	636,655	APF-2, pg. 9, lns. 167 + 170 + 175 APF-6, pg. 10, lns. 285 + 291 + 300
125	Transmission Wheeling Expense	32,368,494	32,368,494	33,370,922	0	1,442,521	34,813,443	APF-2, pgs. 7-8, lns. 125 + 127 + 129 + 131 + 133 + 135 + 137 + 139 + 141 + 143 + 145 + 147 + 149 + 151 + 153 + 155 APF-6, pgs. 8-9, lns. 223 + 225 + 228 + 231 + 234 + 237 + 240 + 243 + 246 + 249 + 253 + 256 + 258 + 260 + 262 + 264
126	<b>Total Transmission Expenses</b>	<b>\$ 38,916,844</b>	<b>\$ 38,916,844</b>	<b>\$ 40,141,035</b>	<b>\$ (5,993)</b>	<b>\$ 1,573,279</b>	<b>\$ 41,708,320</b>	
127	Regional Market Expense	\$ 2,091,839	\$ 2,091,839	\$ 2,171,543	\$ (49)	\$ 1,498	\$ 2,172,993	APF-2, pg. 12, ln. 275 APF-6, pg. 15, ln. 461
128	Distribution O&M Expenses							
130	Distribution O&M Expenses	\$ 9,371,212	\$ 9,371,212	\$ 9,373,850	\$ (4,434)	\$ 26,852	\$ 9,396,267	APF-2, pgs. 9-10, lns. 181 + 185 + 188 + 193 + 197 + 201 + 205 + 209 + 214 + 218 APF-6, pgs. 11-12, lns. 309 + 316 + 322 + 331 + 337 + 343 + 350 + 356 + 365 + 372
131	Distribution Operations Expense							APF-2, pgs. 10-11, lns. 221 + 225 + 228 + 234 + 238 + 240 + 244 + 248 + 252 APF-6, pgs. 12-14, lns. 377 + 383 + 389 + 400 + 406 + 408 + 414 + 420 + 427
132	Distribution Maintenance Expense	3,283,077	3,283,077	3,284,021	(407,433)	93,007	2,969,594	
133	<b>Total Distribution Expense</b>	<b>\$ 12,654,289</b>	<b>\$ 12,654,289</b>	<b>\$ 12,657,870</b>	<b>\$ (411,866)</b>	<b>\$ 119,859</b>	<b>\$ 12,365,862</b>	
134								

Note: Please refer to the Direct Testimony of Arthur P. Freitas for detailed explanations of adjustments.

Southwestern Public Service Company

Summary of the Cost of Service Adjustments by Functional Classification

New Mexico Retail

Line No.	Description	Per Book Base Period	Base Period with Test Year Cap Structure	Base Period with Test Year Cap Structure, Allocators	Base Period Adjustment	Test Year Adjustment	Adjusted	Adjustment Reference
135	Customer Operations Expense	\$ 5,310,417	\$ 5,310,417	\$ 5,310,417	\$ (1,682)	\$ 71,705	\$ 5,380,441	APF-2, pg. 12, ln. 294
136	Customer Accounting Expense	12,313,508	12,313,508	12,313,508	(11,476,844)	12,086	848,749	APF-6, pg. 15, ln. 491 APF-2, pg. 13, ln. 319
137	Customer Service Expense	79,151	79,151	79,151	0	1,965	81,116	APF-6, pg. 16, ln. 523 APF-2, pg. 13, ln. 323
138	Sales Expense							APF-6, pg. 16, ln. 529
139	<b>Total Customer Operations Expense</b>	<b>\$ 17,703,076</b>	<b>\$ 17,703,076</b>	<b>\$ 17,703,076</b>	<b>\$ (11,478,527)</b>	<b>\$ 85,756</b>	<b>\$ 6,310,305</b>	
140								
141	Administrative & General Expenses	\$ 31,817,283	\$ 31,817,283	\$ 33,678,291	\$ (1,695,876)	\$ 2,211,472	\$ 34,193,886	APF-2, pg. 15, ln. 390 APF-6, pg. 19, ln. 613
142								
143	<b>Total Operations &amp; Maintenance Expense</b>	<b>\$ 139,014,630</b>	<b>\$ 139,014,630</b>	<b>\$ 146,650,511</b>	<b>\$ (16,303,382)</b>	<b>\$ 5,883,352</b>	<b>\$ 136,230,481</b>	
144								
145	Total Labor Expense	\$ 41,884,786	\$ 41,884,786	\$ 44,963,348	\$ (1,529,197)	\$ 416,851	\$ 43,851,001	APF-2, pg. 24, ln. 248
146	Total Non-Labor Expense (L36 - L38)	\$ 97,129,844	\$ 97,129,844	\$ 101,687,163	\$ (14,774,185)	\$ 5,466,501	\$ 92,379,479	APF-6, pg. 30, ln. 419
147								

Note: Please refer to the Direct Testimony of Arthur P. Freitas for detailed explanations of adjustments.

Southwestern Public Service Company  
Summary of the Cost of Service Adjustments by Functional Classification

Line No.	Description	Per Book Base Period	Base Period with Test Year Cap		Test Year Adjustment	Adjusted	Adjustment Reference
			Structure	Allocators			
148	<b>New Mexico Retail</b>						
149	<b>Taxes Other Than Income Detail</b>						
150							
151							
152	Payroll Related	\$ 2,340,315	\$ 2,340,315	\$ 2,512,427	\$ (62,104)	\$ 2,446,320	APP-2, pg. 32, ln. 9 APP-6, pg. 41, ln. 11
153							
154	Property Taxes	11,155,911	11,155,911	11,731,827	3,011,131	14,742,958	APP-2, pg. 32, ln. 2 APP-2, pg. 41, ln. 4
155							
156	Franchise Fees	-	-	-	-	-	APP-2, pg. 32, ln. 11 APP-6, pg. 41, ln. 13
157							
158	Gross Receipts Tax	-	-	-	-	-	APP-2, pg. 32, ln. 13 APP-6, pg. 41, ln. 15
159							
160	Other Taxes	73,439	73,439	76,786	(208)	76,578	APP-2, pg. 32, ln. 16 APP-2, pg. 41, ln. 18
161							
162	All Other Unadjusted Taxes	-	-	-	-	-	
163							
164	<b>Total Taxes Other Than Income</b>	<b>\$ 13,569,665</b>	<b>\$ 13,569,665</b>	<b>\$ 14,321,040</b>	<b>\$ (4,211)</b>	<b>\$ 17,265,856</b>	

**Note:** ITC = Investment Tax Credit  
REC = Renewable Energy Credit  
Please refer to APP-7 for the impact of each adjustment on the overall New Mexico revenue requirement. Please refer to APP-8 for the impact of each adjustment by function and FERC Account.

Southwestern Public Service Company  
Summary of Rate Base

(a) Base Period Information, (b) Test Year Period  
Information

Line No.	Description	Total Company Base Period	Impact of WACC* Adjustments	Adjustments	Total Company Test Year Period	New Mexico Base Period
1	Net Plant in Service:					
2	Production	\$ 952,723,585	\$ -	\$ 635,864,671	\$ 1,588,588,256	\$ 232,477,478
3	Transmission	2,563,028,447	-	122,157,434	2,685,185,881	517,934,479
4	Distribution	1,025,256,477	-	29,598,482	1,054,854,959	390,248,895
5	General & Intangible	379,850,856	-	12,658,555	392,509,411	98,603,376
6	<b>Total Net Plant in Service</b>	<b>\$ 4,920,859,365</b>	<b>\$ -</b>	<b>\$ 800,279,142</b>	<b>\$ 5,721,138,508</b>	<b>\$ 1,239,264,228</b>
7	<b>Plant Held for Future Use:</b>					
8	Production	\$ 4,167,109	\$ -	\$ (4,167,109)	\$ -	\$ 823,990
9	Transmission	-	-	-	-	-
10	Distribution	-	-	-	-	-
11	General	-	-	-	-	-
12	<b>Total Plant Held for Future Use</b>	<b>\$ 4,167,109</b>	<b>\$ -</b>	<b>\$ (4,167,109)</b>	<b>\$ -</b>	<b>\$ 823,990</b>

Southwestern Public Service Company  
Summary of Rate Base

(a) Base Period Information, (b) Test Year Period  
Information

Line No.	Description	Impact of WACC Adjustments	Impact of Allocator Adjustments	Adjustments	New Mexico Test Year Period	References
1	<b>Net Plant in Service:</b>					
2	Production	\$ -	\$ 31,248,723	\$ 182,854,217	\$ 446,580,419	Attachment APF-2, p. 51, line 46 + p. 58, line 59 Attachment APF-6, p. 62, line 71 + p. 71, line 80
3	Transmission	-	17,086,205	26,395,796	561,416,480	Attachment APF-2, p. 53, line 99 + p. 60, line 137 Attachment APF-6, p. 65, line 154 + p. 73, line 184
4	Distribution	-	-	11,169,661	401,418,556	Attachment APF-2, p. 54, line 133 + p. 61, line 169 Attachment APF-6, p. 66, line 204 + p. 75, line 233
5	General & Intangible	-	7,098,254	3,511,728	109,213,358	Attachment APF-2, p. 50, line 11, p. 56, line 175 + p. 57, line 13, p. 63, line 229 Attachment APF-6, p. 61, line 14, p. 68, line 263 + p. 69, line 18, p. 77, line 311
6	<b>Total Net Plant in Service</b>	<b>\$ -</b>	<b>\$ 55,433,183</b>	<b>\$ 223,931,402</b>	<b>\$ 1,518,628,812</b>	
7	<b>Plant Held for Future Use:</b>					
8	Production	\$ -	\$ 28,150	\$ (852,140)	\$ -	Attachment APF-2, p. 69, line 187 Attachment APF-6, p. 83, line 188
9	Transmission	-	-	-	-	
10	Distribution	-	-	-	-	
11	General	-	-	-	-	
12	<b>Total Plant Held for Future Use</b>	<b>\$ -</b>	<b>\$ 28,150</b>	<b>\$ (852,140)</b>	<b>\$ -</b>	

Southwestern Public Service Company  
Summary of Rate Base

(a) Base Period Information, (b) Test Year Period Information

Line No.	Description	Total Company Base Period	Impact of WACC* Adjustments	Adjustments	Total Company Test Year Period	New Mexico Base Period
13	<b>Construction Work in Progress:</b>					
14	Production	\$ 647,853,986	\$ -	\$ (647,853,986)	\$ -	\$ 163,656,414
15	Transmission	263,064,618	-	(263,064,618)	-	53,494,774
16	Distribution	17,816,247	-	(17,816,247)	-	3,471,488
17	General & Intangible	46,642,935	-	(46,642,935)	-	12,059,532
18	<b>Total Construction Work in Progress</b>	<b>\$ 975,377,786</b>	<b>\$ -</b>	<b>\$ (975,377,786)</b>	<b>\$ -</b>	<b>\$ 232,682,208</b>
19	<b>Total Plant</b>	<b>\$ 5,900,404,260</b>	<b>\$ -</b>	<b>\$ (179,265,752)</b>	<b>\$ 5,721,138,508</b>	<b>\$ 1,472,770,426</b>
20	Accumulated Deferred Income Taxes	\$ (606,022,928)	\$ -	\$ (518,999,334)	\$ (1,125,022,262)	\$ (145,999,728)
21	Other Rate Base Items	131,878,567	-	425,138	132,303,705	35,269,198
22	<b>Working Capital:</b>					
23	Materials & Supplies	21,562,495	-	-	21,562,495	5,485,866
24	Fuel Inventory and NOx Inventory	11,847,799	-	(3,884,383)	7,963,416	2,997,555
25	Prepayments	4,959,697	-	(953,320)	4,006,377	1,269,708
26	Cash Working Capital	(27,641,592)	(393)	(3,617,788)	(31,259,773)	(6,481,045)
27	<b>Total Working Capital</b>	<b>\$ 10,728,399</b>	<b>\$ (393)</b>	<b>\$ (8,455,492)</b>	<b>\$ 2,272,514</b>	<b>\$ 3,272,084</b>
28	<b>Total Rate Base</b>	<b>\$ 5,436,988,298</b>	<b>\$ (393)</b>	<b>\$ (706,295,440)</b>	<b>\$ 4,730,692,465</b>	<b>\$ 1,365,311,979</b>



Southwestern Public Service Company

Summary of Rate Base

(a) Base Period Information, (b) Test Year Period Information

Line No.	Description	Impact of WACC Adjustments	Impact of Allocator Adjustments	Adjustments	New Mexico Test Year Period	References
13	Construction Work in Progress:					
14	Production	\$ -	\$ 21,915,475	\$ (185,571,889)	\$ -	- Attachment APF-2, p. 65, line 53 Attachment APF-6, p. 79, line 53
15	Transmission	-	2,501,944	(55,996,719)	-	- Attachment APF-2, p. 66, line 96 Attachment APF-6, p. 80, line 96
16	Distribution	-	-	(3,471,488)	-	- Attachment APF-2, p. 68, line 139 Attachment APF-6, p. 82, line 139
17	General & Intangible	-	889,212	(12,948,744)	-	- Attachment APF-2, p. 64, line 13, p. 69, line 182 Attachment APF-6, p. 78, line 13, p. 83, line 182
18	<b>Total Construction Work in Progress</b>	<b>\$ -</b>	<b>\$ 25,306,631</b>	<b>\$ (257,988,839)</b>	<b>\$ -</b>	
19	<b>Total Plant</b>	<b>\$ -</b>	<b>\$ 80,767,963</b>	<b>\$ (34,909,577)</b>	<b>\$ 1,518,628,812</b>	
20	Accumulated Deferred Income Taxes	\$ -	\$ (7,741,710)	\$ (135,250,521)	\$ (288,991,959)	Attachment APF-1, p. 9, line 23 Attachment APF-5, p. 9, line 23
21	Other Rate Base Items	-	2,695,819	117,684	38,082,700	Attachment APF-2, p. 70, line 8 + p. 71, line 54 + p. 71, line 60 Attachment APF-6, p. 84, line 10 + p. 85, line 56 + p. 85, line 62
22	<b>Working Capital:</b>					
23	Materials & Supplies	-	447,239	-	5,933,105	Attachment APF-2, p. 70, line 20 Attachment APF-6, p. 84, line 22
24	Fuel Inventory and NOx Inventory	-	401,341	(1,114,352)	2,284,544	Attachment APF-2, p. 70, line 12, p. 72, line 65 Attachment APF-6, p. 84, line 14, p. 86, line 67
25	Prepayments	-	78,344	(253,051)	1,095,002	Attachment APF-2, p. 71, line 50 Attachment APF-6, p. 85, line 52
26	Cash Working Capital	(99)	(362,981)	(765,835)	(7,609,960)	Attachment APF-1, p. 9, line 13 Attachment APF-5, p. 9, line 13
27	<b>Total Working Capital</b>	<b>(99)</b>	<b>\$ 563,944</b>	<b>(2,133,237)</b>	<b>\$ 1,702,691</b>	
28	<b>Total Rate Base</b>	<b>(99)</b>	<b>\$ 76,286,016</b>	<b>(172,175,651)</b>	<b>\$ 1,269,422,245</b>	

**(c) Test Year Period Optional**

SPS is not claiming cost of reproduction as a going concern and other elements of value to support its requested change in rates, and therefore has not provided information in this schedule.

**(d) Explanation of Adjustments**

The Base Period data in this schedule reflects the application of jurisdictional allocators to unadjusted raw data from the books of SPS. Adjustments for items such as unblending of depreciation rates and elimination of Construction Work in Progress are made to obtain the Adjusted Base Period. Please refer to the Direct Testimony of Arthur P. Freitas for more information on these Base Period adjustments.

Notations in the References column are referring to Attachments to the Direct Testimony of Arthur P. Freitas.

Please refer to the following testimonies and attachments for support of the plant additions for production, transmission, distribution, and general plant: the Direct Testimony of Laurie J. Wold and Attachment LJW-3, the Direct Testimony of Mark Lytal and Attachment ML-3, the Direct Testimony of Jarred J. Cooley and Attachment JJC-6, the Direct Testimony of Casey S. Meeks and Attachment CSM-3, the Direct Testimony of David C. Harkness and Attachment DCH-3, and the Direct Testimony of Lawrence A. Bick and Attachment LAB-3.

\* WACC-Weighted Average Cost of Capital

Impact of WACC Adjustments and Impact of Allocator Adjustments information provided in workpapers to the Direct Testimony of Arthur P. Freitas.

Southwestern Public Service Company

Summary of Total Capitalization and the Weighted Average Cost of Capital

(a) Base Period

Line No.	Capital Component	Base Period Regulated Capitalization	Base Period Percentage of Total Capitalization	Base Period Cost of Capital	Base Period Weighted Average Cost of Capital
1	GAAP Common Equity	\$ 2,533,185,448			
2	Less Accumulated Other Comprehensive Income Loss	(1,362,188)			
3	Regulatory Common Equity	2,534,547,636	54.77%	9.56% <sup>(1)</sup>	5.24%
4	Preferred Trust Securities	-	0.00%	0.00%	0.00%
5	Long Term Debt	2,092,872,812	45.23%	4.51%	2.04%
6	<b>Totals</b>	<b>\$ 4,627,420,448</b>	<b>100.00%</b>		<b>7.28% <sup>(2)</sup></b>

**Note:** Aligns with Schedule G-1.

<sup>(1)</sup> Does not reflect actual earnings during the Base Period. Reflects authorized Return on Equity ("ROE") in SPS's most recently litigated base rate case, Case No. 17-00255-UT.

<sup>(2)</sup> Does not reflect actual earnings during the Base Period. Reflects authorized ROE in SPS's most recently litigated base rate case, Case No. 17-00255-UT, and actual weighted average cost of debt as of 3/31/2019.

Southwestern Public Service Company

Summary of Total Capitalization and the Weighted Average Cost of Capital

(b) Test Year Period

Line No.	Capital Component	Base Period Regulated Capitalization	Adjustments	Test Year Period End Regulated Capitalization	Test Year Period Percentage of Total Capitalization	Test Year Period Component Capital Cost	Test Year Period Weighted Average Cost	Reference
1	GAAP Common Equity	\$ 2,533,185,448	\$ 355,000,000 <sup>(1)</sup>	\$ 2,888,185,448				Schedule G-1 Test Year Period, Line 1
2	Less Accumulated Other Comprehensive Income Loss	(1,362,188)	-	(1,362,188)				Schedule G-1 Test Year Period, Line 2
3	Regulatory Common Equity	2,534,547,636	355,000,000	2,889,547,636	54.77%	10.35%	5.67%	Schedule G-1 Test Year Period, Line 3
4	Preferred Trust Securities	-	-	-	0.00%	0.00%	0.00%	Schedule G-1 Test Year Period, Line 4
5	Long Term Debt	2,092,872,812	293,217,000	2,386,089,812	45.23%	4.44%	2.01%	Schedule G-1 Test Year Period, Line 5
6	<b>Totals</b>	<b>\$ 4,627,420,448</b>	<b>\$ 648,217,000</b>	<b>\$ 5,275,637,448</b>	<b>100.00%</b>		<b>7.68%</b>	

Note: Aligns with Schedule G-1.

(d) Explanation of Adjustments

<sup>(1)</sup> Expected additional equity will be modified as necessary to achieve the proposed regulated equity ratio.