

**SOAH DOCKET NO. 473-19-6677
DOCKET NO. 49831**

**APPLICATION OF SOUTHWESTERN § BEFORE THE STATE OFFICE
PUBLIC SERVICE COMPANY FOR § OF
AUTHORITY TO CHANGE RATES § ADMINISTRATIVE HEARINGS**

UPDATE TESTIMONY

of
DAVID A. LOW

on behalf of

SOUTHWESTERN PUBLIC SERVICE COMPANY

(Filename: LowRRUpdate.docx; Total Pages: 48)

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¹ For ease of cross-referencing this update testimony with the original direct testimony filed on August 8, 2019, the sections and subsections in this update testimony correspond with the original sections and subsections in the original direct testimony.

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GLOSSARY OF ACRONYMS AND DEFINED TERMS

<u>Acronym/Defined Term</u>	<u>Meaning</u>
O&M	operation and maintenance
RFP	Rate Filing Package
SPS	Southwestern Public Service Company, a New Mexico corporation
Total Company or total company	Total SPS (before any jurisdictional allocation)
Update Period	April 1, 2019 through June 30, 2019
Updated Test Year	July 1, 2018 through June 30, 2019
Xcel Energy	Xcel Energy Inc.
XES	Xcel Energy Services Inc.

LIST OF ATTACHMENTS

<u>Attachment</u>	<u>Description</u>
DAL-RR-U10	SPS Native Operation and Maintenance Expenses (Filename: DAL-RR-U10.xlsx)
DAL-RR-UA (Updated Test Year)	Summary of XES Expenses to SPS by Affiliate Class and Billing Method (Filename: DAL-RR-UABCD.xlsx)
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**UPDATE TESTIMONY
OF
DAVID A. LOW**

I. WITNESS IDENTIFICATION

1
2 **Q. Please state your name and business address.**

3 A. My name is David A. Low. My business address is 790 S. Buchanan Street,
4 Amarillo, Texas 79101.

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

6 A. I am employed by Southwestern Public Service Company, a New Mexico
7 corporation (“SPS”), as General Manager, SPS Generation.

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

9 A. I am filing testimony on behalf of SPS.

10 **Q. Are you the same David A. Low who filed direct testimony on behalf of SPS**
11 **in this docket?**

12 A. Yes.

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

3 **Q. What is your assignment in this update testimony?**

4 A. As explained in SPS's direct testimony, SPS is using an Updated Test Year in this
5 case. The Updated Test Year is the period from July 1, 2018 through June 30,
6 2019. Because of the timing of the filing of this case, certain costs for the period
7 from April 1, 2019 through June 30, 2019 ("Update Period") in my direct
8 testimony were estimated. My assignment in this update testimony is to replace
9 those estimated costs with actual costs. The result of this update is that the
10 Updated Test Year now consists of only actual information, and no estimates. For
11 ease of cross-referencing this update testimony with my direct testimony filed on
12 August 8, 2019, the sections and subsections in this update testimony correspond
13 with the original sections and subsections in my direct testimony.

14 Regarding the native Energy Supply operation and maintenance ("O&M")
15 costs I support, my update testimony includes an Attachment DAL-RR-U10,
16 which replaces the estimated costs that I provided in my direct testimony for the
17 Updated Test Year with actual costs.

18 Regarding the Energy Supply affiliate costs I support, my direct testimony
19 provided actual figures for April and May 2019 and estimated figures for June
20 2019 based on the forecasted budget. In this testimony, I replace the June 2019
21 estimates with actuals. In addition, the April through June 2019 expenses have
22 now gone through the full pro forma adjustment review process. Thus, I provide
23 updated figures for those Update Period expenses. My update testimony includes
24 Attachments DAL-RR-UA through DAL-RR-UD in support of the affiliate costs I
25 support.

1 **Q. Are any of the Rate Filing Package (“RFP”) schedules that you sponsor or**
2 **co-sponsor updated in this filing?**

3 A. Yes. The RFP schedules that I sponsor or co-sponsor that are updated in this
4 filing are H-1, H-1.2, H-1.2a, H-1.2a1, H-1.2a2, H-1.2b, H-1.2d, and H-2.

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

6 A. *Native Costs* – The amounts included in Attachment DAL-RR-U10 replace the
7 estimated native O&M costs that I provided in my direct testimony for the
8 Updated Test Year with actual costs. I recommend the Commission approve
9 those costs for the reasons discussed in my direct testimony.

10 *Affiliate Costs* – The estimated Updated Test Year costs for the services of the
11 five Energy Supply affiliate classes that SPS sought to recover (total SPS before
12 jurisdictional allocations, or “total company”) were:

- 13 • ES Projects: \$690,333
- 14 • ES Environmental: \$1,678,242
- 15 • ES Performance Optimization: \$8,044,339
- 16 • ES VP Energy Supply: \$143,089
- 17 • ES VP Operations: \$462,122

18 The actual Updated Test Year costs for the services of those affiliate classes that
19 SPS seeks to recover are:

- 20 • ES Projects: \$901,231
- 21 • ES Environmental: \$1,760,214
- 22 • ES Performance Optimization: \$8,146,888
- 23 • ES VP Energy Supply: \$147,953
- 24 • ES VP Operations: \$474,141

1 Please refer to Attachments DAL-RR-UA through DAL-RR-UD. The actual
2 costs are reasonable and necessary for the reasons provided in my direct and
3 update testimony.

4 **Q. Did the Energy Supply group develop any new affiliate classes during the**
5 **Updated Test Year?**

6 A. Yes. Due to a reorganization, the Energy Supply group created a new business
7 area called ES Business Operations. Existing employees from Performance
8 Optimization were transferred to the new business area in the last few days of
9 June. However, no expenses were charged to this new business area during the
10 Test Year or Update Period.

11 **Q. Were Attachments DAL-RR-U10 and DAL-RR-UA through DAL-RR-UD**
12 **prepared by you or under your direct supervision and control?**

13 A. Attachment DAL-RR-U10 was prepared by SPS witness Arthur P. Freitas and his
14 staff and is based on the cost of service study. My staff and I have reviewed this
15 attachment, and I believe it to be accurate. Attachments DAL-RR-UA through
16 DAL-RR-UD were prepared as described by SPS witness Melissa L. Schmidt.
17 My staff and I have reviewed these attachments, and I believe them to be
18 accurate. Although the information I have described also is present in these other
19 witnesses' attachments, I have presented this information in the attachments to my
20 update testimony for the convenience of those reviewing it.

21 **Q. Were the portions of the updated RFP schedules you sponsor prepared by**
22 **you or under your supervision and control?**

23 A. Yes.

1 **Q.** Do you incorporate the portions of the updated RFP schedules sponsored by
2 you into this testimony?

3 **A.** Yes.

VIII. UPDATED AFFILIATE EXPENSES FOR THE ES PROJECTS
CLASS OF SERVICES

A. Summary of Affiliate Expenses for the ES Projects Class of Services

Q. What is the dollar amount of the Updated Test Year Xcel Energy Services Inc. (“XES”) charges that SPS requests, on a total company basis, for the ES Projects affiliate class?

A. The following table summarizes the dollar amount of the actual Updated Test Year XES charges for the ES Projects affiliate class.

Table DAL-RR-U1

		Requested Amount of XES Class Expenses Billed to SPS (Total Company)		
Class of Services	Total XES Class Expenses	Requested Amount	% Direct Billed	% Allocated
ES Projects	\$6,987,180	\$901,231	80.50%	19.50%

Total XES Class Expenses

Dollar amount of total Updated Test Year expenses that XES charged to all Xcel Energy Inc. (“Xcel Energy”) companies for the services provided by this affiliate class. This is the amount from Column E in Attachment DAL-RR-UA.

Requested Amount of XES Class Expenses Billed to SPS (Total Company)

Requested dollar amount of XES expenses to SPS (total company) for this affiliate class after exclusions and pro forma adjustments. This is the amount from Column K in Attachment DAL-RR-UA.

% Direct Billed

The percentage of SPS’s requested XES expenses (total company) for this class that were billed 100% to SPS.

% Allocated

The percentage of SPS’s requested XES expenses (total company) for this class that were allocated to SPS.

- 1 **Q. Please describe the updated attachments that support the information**
2 **provided on Table DAL-RR-U1.**
- 3 A. Attachments DAL-RR-UA through DAL-RR-UD present the updated information
4 about the requested SPS affiliate expenses for the ES Projects affiliate class. The
5 detailed descriptions for Attachments DAL-RR-A through DAL-RR-D that were
6 provided in my direct testimony remain applicable to these updated attachments.
- 7 **Q. Are there updated exclusions for the ES Projects affiliate class?**
- 8 A. Yes. The actual exclusions are provided on Attachment DAL-RR-UC.
- 9 **Q. Are there updated pro forma adjustments to SPS's per book expenses for the**
10 **ES Projects affiliate class?**
- 11 A. Yes. As I mentioned in my direct testimony, pro forma adjustments are revisions
12 to Updated Test Year expenses for known and measurable changes. Pro forma
13 adjustments are shown on Attachment DAL-RR-UA, Column J, and on
14 Attachment DAL-RR-UB, Column M. The details for the pro forma adjustments,
15 including the witness or witnesses who sponsor each pro forma adjustment, are
16 provided in Attachment DAL-RR-UD.
- 17 **Q. Attachment DAL-RR-UD shows that you sponsor pro forma adjustments for**
18 **expenses for the ES Projects affiliate class during the Updated Test Year that**
19 **result in a net decrease for the ES Projects affiliate class of \$921.99. Please**
20 **explain the adjustments.**
- 21 A. The adjustments that I sponsor remove costs not benefitting SPS (a decrease of
22 \$88.96) and costs associated with life events (a decrease of \$833.03).

1 **C. The ES Projects Class of Services are Provided at a Reasonable**
2 **Cost**

3 **Q. What is the purpose of this section of your update testimony?**

4 A. In this section of my direct testimony, several numbers were based on estimates
5 for the Update Period. In this update testimony, I replace those estimates with
6 actual numbers, and explain that the actual costs for the ES Projects affiliate class
7 are reasonable.

8 *1. Additional Evidence*

9 **Q. Is there additional support for a portion of the expenses that you present in**
10 **this testimony?**

11 A. Yes. Of the Updated Test Year costs for the ES Projects class, 92.16% are
12 compensation and benefits costs for XES personnel. SPS witnesses Michael T.
13 Knoll and Richard R. Schrubbe establish that the level of Xcel Energy's
14 compensation and benefits is reasonable and necessary.

15 *3. Cost Trends*

16 **Q. Please state the dollar amounts of the actual charges (per book) from XES to**
17 **SPS for the ES Projects class of services for the three fiscal years preceding**
18 **the end of the Updated Test Year and the charges (per book) for the Updated**
19 **Test Year.**

20 A. The following table shows, for the fiscal years 2016, 2017, and 2018 (calendar
21 years), and for the Updated Test Year, the actual per book affiliate charges
22 (Column I on Attachment DAL-RR-UA) from XES to SPS for the services
23 grouped in the ES Projects affiliate class:

1

Table DAL-RR-U2

	(Per Book) Charges Over Time				
Class of Services	2016	2017	2018	Updated Test Year (Estimated)	Updated Test Year (Actual)
ES Projects	\$1,757,130	\$1,562,437	\$833,076	\$698,517	\$938,410

2 **Q. Has the trend in per book charges between 2018 and the Updated Test Year**
3 **changed with the replacement of the estimated Updated Test Year amount**
4 **with the actual amount?**

5 A. Yes. In addition to the increase in labor charges described in my direct testimony,
6 the increased per book amount also reflects the transfer of the Reliability Service
7 and Overhaul Management department from ES Performance Optimization to ES
8 Projects, which occurred in May 2019.

9 *4. Staffing Trends*

10 **Q. Please provide the staffing levels for the ES Projects class of services for the**
11 **three fiscal years preceding the end of the Updated Test Year and the**
12 **Updated Test Year.**

13 A. The following table shows, for the fiscal years 2016, 2017, and 2018 (calendar
14 years) and for the Updated Test Year, the average of the end of month staffing
15 levels for the ES Projects class of services.

16

Table DAL-RR-U3

	Average of End of Month # of Staff				
Class of Services	2016	2017	2018	Updated Test Year (Estimated)	Updated Test Year (Actual)
ES Projects	152	143	131	108	128

1 **IX. UPDATED AFFILIATE EXPENSES FOR THE ES ENVIRONMENTAL**
2 **CLASS OF SERVICES**

3 **A. Summary of Affiliate Expenses for the ES Environmental Class of**
4 **Services**

5 **Q. What is the dollar amount of the Updated Test Year XES charges that SPS**
6 **requests, on a total company basis, for the ES Environmental affiliate class?**

7 A. The following table summarizes the dollar amount of the actual Updated Test
8 Year XES charges for the ES Environmental affiliate class.

9 **Table DAL-RR-U5**

		Requested Amount of XES Class Expenses Billed to SPS (Total Company)		
Class of Services	Total XES Class Expenses	Requested Amount	% Direct Billed	% Allocated
ES Environmental	\$8,700,046	\$1,760,214	86.12%	13.88%

10 **Q. Please describe the updated attachments that support the information**
11 **provided on Table DAL-RR-U5.**

12 A. Attachments DAL-RR-UA through DAL-RR-UD present the updated information
13 about the requested SPS affiliate expenses for the ES Environmental affiliate
14 class. The detailed descriptions for Attachments DAL-RR-A through DAL-RR-D
15 that were provided in my direct testimony remain applicable to these updated
16 attachments.

17 **Q. Are there updated exclusions for the ES Environmental affiliate class?**

18 A. Yes. The actual exclusions are provided on Attachment DAL-RR-UC.

1 **Q. Are there updated pro forma adjustments to SPS's per book expenses for the**
2 **ES Environmental affiliate class?**

3 A. Yes. As I mentioned in my direct testimony, pro forma adjustments are revisions
4 to Updated Test Year expenses for known and measurable changes. Pro forma
5 adjustments are shown on Attachment DAL-RR-UA, Column J, and on
6 Attachment DAL-RR-UB, Column M. The details for the pro forma adjustments,
7 including the witness or witnesses who sponsor each pro forma adjustment, are
8 provided in Attachment DAL-RR-UD.

9 **Q. Attachment DAL-RR-UD shows that you sponsor pro forma adjustments for**
10 **expenses for the ES Environmental affiliate class during the Updated Test**
11 **Year that result in a net increase for the ES Environmental affiliate class of**
12 **\$20.72. Please explain the adjustments.**

13 A. The adjustments that I sponsor include a materiality adjustment of \$81.60 and
14 remove costs associated with life events (a decrease of \$60.88).

15 **C. The ES Environmental Class of Services are Provided at a**
16 **Reasonable Cost**

17 **Q. What is the purpose of this section of your update testimony?**

18 A. In this section of my direct testimony, several numbers were based on estimates
19 for the Update Period. In this update testimony, I replace those estimates with
20 actual numbers, and explain that the actual costs for the ES Environmental
21 affiliate class are reasonable.

1 *1. Additional Evidence*

2 **Q. Is there additional support for a portion of the expenses that you present in**
3 **this testimony?**

4 A. Yes. Of the Updated Test Year costs for the ES Environmental class, 93.94% are
5 compensation and benefits costs for XES personnel. SPS witnesses Michael T.
6 Knoll and Richard R. Schrubbe establish that the level of Xcel Energy's
7 compensation and benefits is reasonable and necessary.

8 *3. Cost Trends*

9 **Q. Please state the dollar amounts of the actual charges (per book) from XES to**
10 **SPS for the ES Environmental class of services for the three fiscal years**
11 **preceding the end of the Updated Test Year and the charges (per book) for**
12 **the Updated Test Year.**

13 A. The following table shows, for the fiscal years 2016, 2017, and 2018 (calendar
14 years), and for the Updated Test Year, the actual per book affiliate charges
15 (Column I on Attachment DAL-RR-UA) from XES to SPS for the services
16 grouped in the ES Environmental affiliate class:

17 **Table DAL-RR-U6**

	(Per Book) Charges Over Time				
Class of Services	2016	2017	2018	Updated Test Year (Estimated)	Updated Test Year (Actual)
ES Environmental	\$838,839	\$1,143,990	\$1,166,175	\$1,694,594	\$1,827,325

4. *Staffing Trends*

Q. Please provide the staffing levels for the ES Environmental class of services for the three fiscal years preceding the end of the Updated Test Year and the Updated Test Year.

A. The following table shows, for the fiscal years 2016, 2017, and 2018 (calendar years) and for the Updated Test Year, the average of the end of month staffing levels for the ES Environmental class of services.

Table DAL-RR-U7

	Average of End of Month # of Staff				
Class of Services	2016	2017	2018	Updated Test Year (Estimated)	Updated Test Year (Actual)
ES Environmental	43	47	44	53	63

D. The Costs for the ES Environmental Class of Services are Priced in a Fair Manner

Q. Have any of the predominant allocation methods for the ES Environmental affiliate O&M expenses changed?

A. No. The predominant allocation methods have remained the same, but the percentages and amounts have changed as follows:

Table DAL-RR-U8

Allocation Method	Estimated Percentage of XES Charges to SPS/Amount Requested (total company) in Direct Testimony	Actual Percentage of XES Charges to SPS/Amount Requested (total company) in Update Filing
Direct Billing	86.75% / \$1,455,827.67	86.12% / \$1,515,815.53
Electric Production/Transmission/Distribution Plant, Gas Transmission/Distribution Plant	13.19% / \$221,402.79	13.88% / \$244,398.35
MWH Generation	0.06% / \$1,011.98	0.00% / \$0.00

X. UPDATED AFFILIATE EXPENSES FOR THE ES PERFORMANCE OPTIMIZATION CLASS OF SERVICES

A. Summary of Affiliate Expenses for the ES Performance Optimization Class of Services

Q. What is the dollar amount of the Updated Test Year XES charges that SPS requests, on a total company basis, for the ES Performance Optimization affiliate class?

A. The following table summarizes the dollar amount of the actual Updated Test Year XES charges for the ES Performance Optimization affiliate class.

Table DAL-RR-U9

		Requested Amount of XES Class Expenses Billed to SPS (Total Company)		
Class of Services	Total XES Class Expenses	Requested Amount	% Direct Billed	% Allocated
ES Performance Optimization	\$27,277,591	\$8,146,888	90.95%	9.05%

Q. Please describe the updated attachments that support the information provided on Table DAL-RR-U9.

A. Attachments DAL-RR-UA through DAL-RR-UD present the updated information about the requested SPS affiliate expenses for the ES Performance Optimization affiliate class. The detailed descriptions for Attachments DAL-RR-A through DAL-RR-D that were provided in my direct testimony remain applicable to these updated attachments.

Q. Are there updated exclusions for the ES Performance Optimization affiliate class?

A. Yes. The actual exclusions are provided on Attachment DAL-RR-UC.

1 **Q. Are there updated pro forma adjustments to SPS's per book expenses for the**
2 **ES Performance Optimization affiliate class?**

3 A. Yes. As I mentioned in my direct testimony, pro forma adjustments are revisions
4 to Updated Test Year expenses for known and measurable changes. Pro forma
5 adjustments are shown on Attachment DAL-RR-UA, Column J, and on
6 Attachment DAL-RR-UB, Column M. The details for the pro forma adjustments,
7 including the witness or witnesses who sponsor each pro forma adjustment, are
8 provided in Attachment DAL-RR-UD.

9 **Q. Attachment DAL-RR-UD shows that you sponsor pro forma adjustments for**
10 **expenses for the ES Performance Optimization affiliate class during the**
11 **Updated Test Year that result in a net decrease for the ES Performance**
12 **Optimization affiliate class of \$2,312.95. Please explain the adjustments.**

13 A. The adjustments that I sponsor remove costs not benefitting SPS (a decrease of
14 \$213.95) and remove charges associated with life events (a decrease of
15 \$2,099.00).

16 **C. The ES Performance Optimization Class of Services are Provided**
17 **at a Reasonable Cost**

18 **Q. What is the purpose of this section of your update testimony?**

19 A. In this section of my direct testimony, several numbers were based on estimates
20 for the Update Period. In this update testimony, I replace those estimates with
21 actual numbers, and explain that the actual costs for the ES Performance
22 Optimization affiliate class are reasonable.

1 *1. Additional Evidence*

2 **Q. Is there additional support for a portion of the expenses that you present in**
3 **this testimony?**

4 A. Yes. Of the Updated Test Year costs for the ES Performance Optimization class,
5 88.62% are compensation and benefits costs for XES personnel. SPS witnesses
6 Michael T. Knoll and Richard R. Schrubbe establish that the level of Xcel
7 Energy's compensation and benefits is reasonable and necessary.

8 *3. Cost Trends*

9 **Q. Please state the dollar amounts of the actual charges (per book) from XES to**
10 **SPS for the ES Performance Optimization class of services for the three fiscal**
11 **years preceding the end of the Updated Test Year and the charges (per book)**
12 **for the Updated Test Year.**

13 A. The following table shows, for the fiscal years 2016, 2017, and 2018 (calendar
14 years), and for the Updated Test Year, the actual per book affiliate charges
15 (Column I on Attachment DAL-RR-UA) from XES to SPS for the services
16 grouped in the ES Performance Optimization affiliate class:

17 **Table DAL-RR-U10**

	(Per Book) Charges Over Time				
Class of Services	2016	2017	2018	Updated Test Year (Estimated)	Updated Test Year (Actual)
ES Performance Optimization	\$12,211,544	\$8,096,345	\$8,137,664	\$8,136,441	\$8,459,593

1 **Q. Has the trend in per book charges between 2017 and the Updated Test Year**
2 **changed with the replacement of the estimated Updated Test Year amount**
3 **with the actual amount?**

4 A. Yes. The increase in per book charges is due to an increase in labor costs.

5 *4. Staffing Trends*

6 **Q. Please provide the staffing levels for the ES Performance Optimization class**
7 **of services for the three fiscal years preceding the end of the Updated Test**
8 **Year and the Updated Test Year.**

9 A. The following table shows, for the fiscal years 2016, 2017, and 2018 (calendar
10 years) and for the Updated Test Year, the average of the end of month staffing
11 levels for the ES Performance Optimization class of services.

12 **Table DAL-RR-U11**

	Average of End of Month # of Staff				
Class of Services	2016	2017	2018	Updated Test Year (Estimated)	Updated Test Year (Actual)
ES Performance Optimization	182	176	175	194	178

13 **Q. Has the trend in average end of month staff between 2018 and the Updated**
14 **Test Year changed with the replacement of the estimated headcount with the**
15 **actual headcount?**

16 A. Yes. The increase in headcount is due to filling open positions.

1 **D. The Costs for the ES Performance Optimization Class of Services**
2 **are Priced in a Fair Manner**

3 **Q. Have any of the predominant allocation methods for the ES Performance**
4 **Optimization affiliate O&M expenses changed?**

5 A. No. The predominant allocation methods have remained the same, but the
6 percentages and amounts have changed as follows:

7 **Table DAL-RR-U12**

Allocation Method	Estimated Percentage of XES Charges to SPS/Amount Requested (total company) in Direct Testimony	Actual Percentage of XES Charges to SPS/Amount Requested (total company) in Update Filing
Direct billing	91.24% / \$7,339,405.54	90.95% / \$7,409,978.85
MWH Generation	8.76% / \$704,614.54	9.05% / \$736,908.94

**XI. UPDATED AFFILIATE EXPENSES FOR THE ES VP
ENERGY SUPPLY CLASS OF SERVICES**

A. Summary of Affiliate Expenses for the ES VP Energy Supply Class of Services

Q. What is the dollar amount of the Updated Test Year XES charges that SPS requests, on a total company basis, for the ES VP Energy Supply affiliate class?

A. The following table summarizes the dollar amount of the actual Updated Test Year XES charges for the ES VP Energy Supply affiliate class.

Table DAL-RR-U13

		Requested Amount of XES Class Expenses Billed to SPS (Total Company)		
Class of Services	Total XES Class Expenses	Requested Amount	% Direct Billed	% Allocated
ES VP Energy Supply	\$1,792,734	\$147,953	0.07%	99.93%

Q. Please describe the updated attachments that support the information provided on Table DAL-RR-U13.

A. Attachments DAL-RR-UA through DAL-RR-UD present the updated information about the requested SPS affiliate expenses for the ES VP Energy Supply affiliate class. The detailed descriptions for Attachments DAL-RR-A through DAL-RR-D that were provided in my direct testimony remain applicable to these updated attachments.

Q. Are there updated exclusions for the ES VP Energy Supply affiliate class?

A. Yes. The actual exclusions are provided on Attachment DAL-RR-UC.

1 **Q. Are there updated pro forma adjustments to SPS's per book expenses for the**
2 **ES VP Energy Supply affiliate class?**

3 A. Yes. As I mentioned in my direct testimony, pro forma adjustments are revisions
4 to Updated Test Year expenses for known and measurable changes. Pro forma
5 adjustments are shown on Attachment DAL-RR-UA, Column J, and on
6 Attachment DAL-RR-UB, Column M. The details for the pro forma adjustments,
7 including the witness or witnesses who sponsor each pro forma adjustment, are
8 provided in Attachment DAL-RR-UD.

9 **Q. Attachment DAL-RR-UD shows that you sponsor pro forma adjustments for**
10 **expenses for the ES VP Energy Supply affiliate class during the Updated**
11 **Test Year that result in a net decrease for the ES VP Energy Supply affiliate**
12 **class of \$39.80. Please explain the adjustments.**

13 A. The adjustments that I sponsor remove costs associated with life events (a
14 decrease of \$39.80).

15 **C. The ES VP Energy Supply Class of Services are Provided at a**
16 **Reasonable Cost**

17 **Q. What is the purpose of this section of your update testimony?**

18 A. In this section of my direct testimony, several numbers were based on estimates
19 for the Update Period. In this update testimony, I replace those estimates with
20 actual numbers, and explain that the actual costs for the ES VP Energy Supply
21 affiliate class are reasonable.

1 *1. Additional Evidence*

2 **Q. Is there additional support for a portion of the expenses that you present in**
3 **this testimony?**

4 A. Yes. Of the Updated Test Year costs for the ES VP Energy Supply class, 88.03%
5 are compensation and benefits costs for XES personnel. SPS witnesses Michael
6 T. Knoll and Richard R. Schrubbe establish that the level of Xcel Energy's
7 compensation and benefits is reasonable and necessary.

8 *3. Cost Trends*

9 **Q. Please state the dollar amounts of the actual charges (per book) from XES to**
10 **SPS for the ES VP Energy Supply class of services for the three fiscal years**
11 **preceding the end of the Updated Test Year and the charges (per book) for**
12 **the Updated Test Year.**

13 A. The following table shows, for the fiscal years 2016, 2017, and 2018 (calendar
14 years), and for the Updated Test Year, the actual per book affiliate charges
15 (Column I on Attachment DAL-RR-UA) from XES to SPS for the services
16 grouped in the ES VP Energy Supply affiliate class:

17 **Table DAL-RR-U14**

	(Per Book) Charges Over Time				
Class of Services	2016	2017	2018	Updated Test Year (Estimated)	Updated Test Year (Actual)
ES VP Energy Supply	\$161,555	\$159,032	\$140,401	\$144,915	\$153,932

4. *Staffing Trends*

Q. Please provide the staffing levels for the ES VP Energy Supply class of services for the three fiscal years preceding the end of the Updated Test Year and the Updated Test Year.

A. The following table shows, for the fiscal years 2016, 2017, and 2018 (calendar years) and for the Updated Test Year, the average of the end of month staffing levels for the ES VP Energy Supply class of services.

Table DAL-RR-U15

	Average of End of Month # of Staff				
Class of Services	2016	2017	2018	Updated Test Year (Estimated)	Updated Test Year (Actual)
ES VP Energy Supply	8	6	2	2	2

D. The Costs for the ES VP Energy Supply Class of Services are Priced in a Fair Manner

Q. Have any of the predominant allocation methods for the ES VP Energy Supply affiliate O&M expenses changed?

A. No. The predominant allocation methods have remained the same, but the percentages and amounts have changed as follows:

Table DAL-RR-U16

Allocation Method	Estimated Percentage of XES Charges to SPS/Amount Requested (total company) in Direct Testimony	Actual Percentage of XES Charges to SPS/Amount Requested (total company) in Update Filing
MWH Generation	97.41% / \$139,376.21	99.93% / \$147,842.33
Direct	1.18% / \$1,692.18	.07% / \$110.56

**XII. UPDATED AFFILIATE EXPENSES FOR THE ES VP
OPERATIONS CLASS OF SERVICES**

A. Summary of Affiliate Expenses for the ES VP Operations Class of Services

Q. What is the dollar amount of the Updated Test Year XES charges that SPS requests, on a total company basis, for the ES VP Operations affiliate class?

A. The following table summarizes the dollar amount of the actual Updated Test Year XES charges for the ES VP Operations affiliate class.

Table DAL-RR-U17

		Requested Amount of XES Class Expenses Billed to SPS (Total Company)		
Class of Services	Total XES Class Expenses	Requested Amount	% Direct Billed	% Allocated
ES VP Operations	\$3,473,193	\$474,141	34.90%	65.10%

Q. Please describe the updated attachments that support the information provided on Table DAL-RR-U17.

A. Attachments DAL-RR-UA through DAL-RR-UD present the updated information about the requested SPS affiliate expenses for the ES VP Operations affiliate class. The detailed descriptions for Attachments DAL-RR-A through DAL-RR-D that were provided in my direct testimony remain applicable to these updated attachments.

Q. Are there updated exclusions for the ES VP Operations affiliate class?

A. Yes. The actual exclusions are provided on Attachment DAL-RR-UC.

1 **Q. Are there updated pro forma adjustments to SPS's per book expenses for the**
2 **ES VP Operations affiliate class?**

3 A. Yes. As I mentioned in my direct testimony, pro forma adjustments are revisions
4 to Updated Test Year expenses for known and measurable changes. Pro forma
5 adjustments are shown on Attachment DAL-RR-UA, Column J, and on
6 Attachment DAL-RR-UB, Column M. The details for the pro forma adjustments,
7 including the witness or witnesses who sponsor each pro forma adjustment, are
8 provided in Attachment DAL-RR-UD. However, I do not sponsor any pro-forma
9 adjustments for this affiliate class.

10 **C. The ES VP Operations Class of Services are Provided at a**
11 **Reasonable Cost**

12 **Q. What is the purpose of this section of your update testimony?**

13 A. In this section of my direct testimony, several numbers were based on estimates
14 for the Update Period. In this update testimony, I replace those estimates with
15 actual numbers, and explain that the actual costs for the ES VP Operations
16 affiliate class are reasonable.

17 *1. Additional Evidence*

18 **Q. Is there additional support for a portion of the expenses that you present in**
19 **this testimony?**

20 A. Yes. Of the Updated Test Year costs for the ES VP Operations class, 74.22% are
21 compensation and benefits costs for XES personnel. SPS witnesses Michael T.
22 Knoll and Richard R. Schrubbe establish that the level of Xcel Energy's
23 compensation and benefits is reasonable and necessary.

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11 **Q. Has the trend in per book charges between 2017 and the Updated Test Year**
12 **changed as part of the update filing?**

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1 **Q.** Does this conclude your pre-filed update testimony?

2 **A.** Yes.

AFFIDAVIT

STATE OF TEXAS)
)
COUNTY OF POTTER)

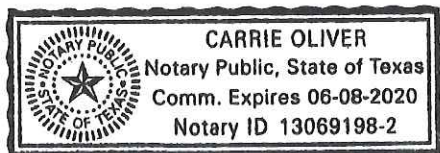
DAVID A. LOW, first being sworn on his oath, states:


I am the witness identified in the preceding Update Testimony. I have read the Update Testimony and the accompanying attachment(s) and am familiar with the contents. Based upon my personal knowledge, the facts stated in the testimony are true. In addition, in my judgment and based upon my professional experience, the opinions and conclusions stated in the Update Testimony are true, valid, and accurate.



DAVID A. LOW

Subscribed and sworn to before me this 16th day of September, 2019 by DAVID A. LOW.



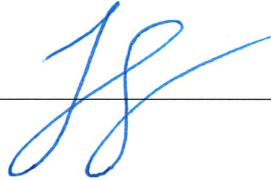


Notary Public, State of Texas

My Commission Expires: 06-08-2020

CERTIFICATE OF SERVICE

I certify that on the 20th day of September 2019, a true and correct copy of the foregoing update testimony was served on all parties of record by electronic service, hand delivery, Federal Express, regular first class mail, certified mail, or facsimile transmission.

A handwritten signature in blue ink is written over a horizontal line. The signature is stylized, appearing to be the letters 'JH' followed by a long, sweeping horizontal stroke.

Southwestern Public Service Company

SPS Native Operation & Maintenance Expenses

Total Company SPS Operation and Maintenance Expenses

Line No.	FERC Acct	Account Description	Native SPS O&M Expense through the Update Period (Jul '18-Jun '19)	Test Year Affiliate O&M Expense (Jul '18-Jun '19)	Total Company Requested O&M
Production					
1	500	Operation Supervision and Engineering	\$ 1,302,088	\$ 845,746	\$ 2,147,834
2	501.35*	Coal Non-Mine; Non-Freight	34,732,116	-	34,732,116
3	507.70	Coal Ash Sales	(1,730,689)	1,503,199	(227,490)
4	502	Steam Expenses	10,073,061	(24,863)	10,048,198
5	505	Electric Expenses	9,786,043	559	9,786,601
6	506	Miscellaneous Steam Power Expenses	8,396,464	5,057,641	13,454,105
7	507	Rents	1,467,127	4,334,766	5,801,893
8	509	Steam Operation SO2 Allowance Expense	124,830	-	124,830
9	509.02	Allowances - NM Nox Expense Amortz	(2,340)	-	(2,340)
10	510	Maintenance Supervision and Engineering	1,499,505	4,805	1,504,310
11	511	Maintenance of Structures	4,965,791	1,535	4,967,326
12	512	Maintenance of Boiler Plant	16,708,182	1,041,142	17,749,323
13	513	Maintenance of Electric Plant	12,734,579	438,068	13,172,648
14	514	Maintenance of Miscellaneous Steam Plant	9,892,881	1,300,657	11,193,538
15	546	Operation Supervision and Engineering	(16,230)	49,163	32,932
16	546W	Operation Supervision and Engineering Wind	27,667	-	27,667
17	548	Generation Expenses	328,123	-	328,123
18	549	Misc Other Power Generation Expenses	224,417	161,231	385,648
19	549W	Misc Other Power Generation Expenses Wind	5,800,304	-	5,800,304
20	550	Rents	99,441	406,940	506,381
21	551	Maintenance Supervision and Engineering	175,358	376	175,734
22	552	Maintenance of Structures	364,670	679	365,349
23	553	Maintenance of Generating and Electric Equipment	1,215,324	32,503	1,247,827
24	553W	Maintenance of Generating and Electric Equipment Wind	3,843,120	-	3,843,120
25	554	Maintenance of Misc Other Power Generation Plant	189,267	167,464	356,731
26	554W	Maintenance of Misc Other Power Generation Plant Wind	31,430	-	31,430
27	556	System Control and Load Dispatching	(2,639)	1,031,823	1,029,185
28	557	Purchased Power Other	(466,572)	1,774,980	1,308,408
29	557.9*	REC Costs	2,543,109	-	2,543,109
30	Total Production O&M Expense		\$ 124,306,427	\$ 18,128,414	\$ 142,434,841

Southwestern Public Service Company

SPS Native Operation & Maintenance Expenses

Total Company SPS Operation and Maintenance Expenses

		Native SPS O&M	Test Year		
Line	FERC	Expense through the	Affiliate O&M	Total Company	
No.	Acct	Update Period	Expense	Requested O&M	
		(Jul '18-Jun '19)	(Jul '18-Jun '19)		
Transmission					
31	560	Operation Supervision and Engineering	\$ (571,330)	\$ 9,857,223	\$ 9,285,893
32	561.1	Load Dispatch - Reliability	229,954	-	229,954
33	561.2	Load Dispatch - Monitor and Operate Trans. System	1,651,374	1,329,161	2,980,535
34	561.4	Scheduling, System Control and Dispatching Services	3,105,159	-	3,105,159
35	561.4W	Scheduling, System Control and Dispatching Services - Wholesale	974,315	-	974,315
36	561.5	Reliability, Planning and Standards Development	-	846	846
37	561.6	Transmission Service Studies	47,042	26,860	73,902
38	561.7	Generation Interconnection Studies	(3,424)	-	(3,424)
39	561.8	Reliability Planning and Standards Development Services	2,621,019	-	2,621,019
40	561.8W	Reliability Planning and Standards Development Services - Wholesale	454,281	-	454,281
41	562	Station Expenses	1,771,195	544	1,771,738
42	563	Overhead Line Expenses	945,666	12,197	957,863
43	565	Wheeling Lamar DC Tie	(420)	-	(420)
44	565	Wheeling Meter Charges	703,366	-	703,366
45	565	Wheeling Miscellaneous	33,381	-	33,381
46	565	Wheeling Schedule 11	102,664,790	-	102,664,790
47	565	Wheeling Schedule 11 - Wholesale	30,753,348	-	30,753,348
48	565	Wheeling Schedule 12	2,055,178	-	2,055,178
49	565	Wheeling Schedule 12 - Wholesale	535,444	-	535,444
50	565	Wheeling Schedule 1 - Wholesale	712,636	-	712,636
51	565	Wheeling Schedule 2	2,964	-	2,964
52	565	W-Wheeling Schedule 2 - Wholesale	508	-	508
53	565	Wheeling Schedule 9	6,040,362	-	6,040,362
54	565	Wheeling Schedule 9 - Wholesale	24,384,791	-	24,384,791
55	565	Z2 Direct Assigned Upgrade Charge	82,054	-	82,054
56	565	Z2 Direct Assigned Upgrade Charge - Wholesale	16,400	-	16,400
57	565	Z2 Schedule 11 Charges	(169,497)	-	(169,497)
58	565	Z2 Schedule 11 Charges - Wholesale	-	-	-
59	566	Misc Transmission Expenses	2,527,124	782,852	3,309,976
60	567	Rents	282,189	1,422,644	1,704,834
61	568	Maintenance Supervision and Engineering	(4,386)	7,960	3,574
62	570	Maintenance of Station Equipment	1,899,246	3,287	1,902,534
63	571	Maintenance of Overhead Lines	1,088,688	42,673	1,131,361
64	Sub-Total Transmission O&M Expenses		\$ 184,833,416	\$ 13,486,247	\$ 198,319,663
Regional Market Expenses					
65	575.1	Operation Supervision	\$ -	\$ 137,183	\$ 137,183
66	575.2	Day-Ahead and Real-Time Market Administration	-	302,981	302,981
67	575.5	Ancillary Services Market Administration	-	23,132	23,132
68	575.6	Market Monitoring and Compliance	-	46,429	46,429
69	575.7	Market Admin, Monitoring, and Compliance Services	6,163,708	-	6,163,708
70	575.7W	Market Admin, Monitoring, and Compliance Services - Wholesale	1,933,684	-	1,933,684
71	575.8	Regional Market Rents	5,371	45,687	51,058
72	Total Regional Market Expenses		\$ 8,102,764	\$ 555,412	\$ 8,658,175
73	Total Transmission O&M Expenses		\$ 192,936,179	\$ 14,041,659	\$ 206,977,838

Southwestern Public Service Company

SPS Native Operation & Maintenance Expenses

Total Company SPS Operation and Maintenance Expenses

			Native SPS O&M Expense through the Update Period (Jul '18-Jun '19)		Test Year Affiliate O&M Expense (Jul '18-Jun '19)		Total Company Requested O&M	
Line No.	FERC Acct	Account Description						
Distribution								
74	580	Operation Supervision and Engineering	\$	2,633,263	\$	1,025,866	\$	3,659,129
75	581	Load Dispatching		32,133		239,967		272,099
76	582	Station Expenses		1,592,293		(14,169)		1,578,124
77	583	Overhead Line Expenses		3,937,620		99,718		4,037,338
78	584	Underground Line Expenses		263,184		-		263,184
79	585	Street Lighting and Signal Systems Expenses		350,477		2,904		353,381
80	586	Meter Expenses		2,493,053		169,959		2,663,012
81	587	Customer Installations Expenses		869,414		2,306		871,719
82	588	Misc Distribution Expense		10,534,860		1,207,141		11,742,001
83	589	Rents		1,004,026		1,515,415		2,519,442
84	590	Maintenance Supervision and Engineering		-		24,754		24,754
85	591	Maintenance of Structures		300		-		300
86	592	Maintenance of Station Equipment		770,434		1,147		771,581
87	593	Maintenance of Overhead Lines		10,623,795		202,369		10,826,164
88	594	Maintenance of Underground Lines		269,725		-		269,725
89	595	Maintenance of Line Transformers		-		-		-
90	596	Maintenance of Street Lighting and Signal Systems		490,965		2,021		492,986
91	597	Maintenance of Meters		14,821		-		14,821
92	598	Maintenance of Misc Distribution Plant		(543,095)		1,371		(541,724)
93	Total Distribution O&M Expenses		\$	35,337,269	\$	4,480,769	\$	39,818,037
Customer Accounts								
94	901	Supervision	\$	-	\$	29,707	\$	29,707
95	902	Meter Reading Expenses		4,340,928		471,846		4,812,774
96	903	Customer Records and Collection Expenses		3,461,044		3,646,671		7,107,715
97	904.0*	Uncollectible Expenses		4,447,042		-		4,447,042
98	904.1*	Uncollectible Expenses		1,182,664		-		1,182,664
99	DEPINT Customer Deposit Interest Expense			131,865		-		131,865
100	Total Customer Accounts Expense		\$	13,563,543	\$	4,148,224	\$	17,711,767
Customer Service								
101	908.00	Customer Assistance Expense	\$	1,968,094	\$	87,030	\$	2,055,124
102	908.00	Historical EE Amortization		258,825	\$	-	\$	258,825
103	908.01	EE Amortization - Texas		-		-		-
104	908.03	EE Amortization - New Mexico		-		-		-
105	908.04	SaversSwitch		712,529		3,492		716,021
106	909.10	Informational and Instructional Advertising Expense		-		-		-
107	910.00	Miscellaneous Customer Service Expense		-		16,994		16,994
108	Total Customer Service Expense		\$	2,939,448	\$	107,515	\$	3,046,963
Sales								
109	912.00	Demonstration and Selling Expense-Economic Development	\$	268,577	\$	97	\$	268,674
110	Total Sales Expense		\$	268,577	\$	97	\$	268,674

Southwestern Public Service Company

SPS Native Operation & Maintenance Expenses

Total Company SPS Operation and Maintenance Expenses

			Native SPS O&M		Test Year		
			Expense through the		Affiliate O&M		Total Company
Line	FERC	Account Description	Update Period		Expense		Requested O&M
No.	Acct		(Jul '18-Jun '19)		(Jul '18-Jun '19)		
Administrative and General Expenses							
111	920*	Administrative and General Salaries	\$	4,790,698	\$	23,150,797	\$ 27,941,496
112	921	Office Supplies and Expenses		304,031		18,918,661	19,222,692
113	922*	Administrative Expenses Transferred-Credit		(14,470,585)		(230,528)	(14,701,112)
114	923	Outside Services Employed		1,835,157		9,175,083	11,010,241
115	924	Property Insurance		3,180,828		1,633	3,182,461
116	925*	Injuries and Damages		5,330,221		2,118,099	7,448,320
117	926.01*	Employee Pensions and Benefits		16,109,725		12,729,019	28,838,744
118	926.03*	Deferred Pension Expense		1,574,975		-	1,574,975
119	928	Regulatory Commission Expense - TX		8,742,791		-	8,742,791
120	928.01	Regulatory Commission Expense - NM		4,851,744		-	4,851,744
121	928.02	Regulatory Commission Expense - Wholesale		523,587		-	523,587
122	928.03	Regulatory Commission Expense - Transmission Related		183,845		-	183,845
123	928.04	Regulatory Commission Expense - Misc		94,203		-	94,203
124	928.05	Regulatory Commission Expense - Energy Related		3,657		-	3,657
125	929	Duplicate Charges-Credit		(1,380,460)		-	(1,380,460)
126	930.11	General Advertising Expenses		-		-	-
127	930.20	Misc General Expenses		16,227		302,594	318,821
128	931	Rents		(1,010,618)		12,598,995	11,588,377
129	935	Maintenance of General Plant		482		89,165	89,647
130		Recoverable Contributions, Dues, and Donations		2,034,743		-	2,034,743
131	Total Administrative and General Expenses		\$	32,715,253	\$	78,853,520	\$ 111,568,773
132	Total Operations and Maintenance Expense		\$	402,066,695	\$	119,760,197	\$ 521,826,893

Note: All amounts included in this attachment are included in the cost of service study provided as Attachment APF-RR-U2 to the Update Testimony of Arthur P. Freitas

**Summary of XES Expenses to SPS by Affiliate Class and Billing Method
For Twelve Months ended June 30, 2019**

Low

(A) Line No.	(B) Affiliate Class	(C) Billing Method (Cost Center)	(D) Allocation Method	(E) Total XES Billings for Class to all Legal Entities (FERC Acct. 400-935)	(F) XES Billings for Class to All Legal Entities Except SPS (FERC Acct. 400-935)	(G) XES Billings for Class to SPS (Total Company) (FERC Acct. 400-935)	(H) Exclusions	(I) Per Book	(J) Proformas	(K) Requested Amount (Total Company)	(L) % of Class Charges
1	ES Environmental	200138 - ES Operations Management OPCo's	MWH Generation	\$ (371.73)	\$ (290.13)	\$ (81.60)	\$ -	\$ (81.60)	\$ 81.60	\$ -	0.00%
2	ES Environmental	200181 - ES Environmental Policy & Services OPCo's	Electric PTD Gas TD Plant	1,672,194.48	1,419,530.93	252,663.55	-	252,663.55	(8,265.20)	244,398.35	13.88%
3	ES Environmental	Direct		7,028,223.74	5,453,480.87	1,574,742.87	-	1,574,742.87	(58,927.34)	1,515,815.53	86.12%
4	ES Environmental	Total		\$ 8,700,046.49	\$ 6,872,721.68	\$ 1,827,324.81	\$ -	\$ 1,827,324.81	\$ (67,110.93)	\$ 1,760,213.88	100.00%
5	ES Performance Optimization	200137 - ES Misc Power Expense Op Co's	MWH Generation	\$ 380,719.25	\$ 294,377.04	\$ 86,342.21	\$ -	\$ 86,342.21	\$ (3,364.88)	\$ 82,977.33	1.02%
6	ES Performance Optimization	200138 - ES Operations Management OPCo's	MWH Generation	3,004,921.11	2,326,490.70	678,430.41	(2.59)	678,427.82	(24,496.21)	653,931.61	8.03%
7	ES Performance Optimization	Direct		23,891,950.36	16,197,036.53	7,694,913.83	(91.34)	7,694,822.49	(284,843.64)	7,409,978.85	90.95%
8	ES Performance Optimization	Total		\$ 27,277,590.72	\$ 18,817,904.27	\$ 8,459,686.45	\$ (93.93)	\$ 8,459,592.52	\$ (312,704.73)	\$ 8,146,887.79	100.00%
9	ES Projects	200142 - ES Engineering & Construction South	MWH Generation	\$ 36.82	\$ 23.57	\$ 13.25	\$ -	\$ 13.25	\$ (13.25)	\$ -	0.00%
10	ES Projects	200181 - ES Environmental Policy & Services OPCo's	Electric PTD Gas TD Plant	180,403.05	153,180.43	27,222.62	-	27,222.62	(1,123.24)	26,099.38	2.90%
11	ES Projects	200135 - Energy Supply Business Resources	MWH Generation	413,161.67	350,943.58	62,218.09	-	62,218.09	(2,716.78)	59,501.31	6.60%
12	ES Projects	200138 - ES Operations Management OPCo's	MWH Generation	422,281.13	328,284.26	93,996.87	(1.80)	93,995.07	(3,897.81)	90,097.27	10.00%
13	ES Projects	Direct		5,971,297.43	5,216,336.71	754,960.72	-	754,960.72	(29,427.63)	725,533.09	80.50%
14	ES Projects	Total		\$ 6,987,180.10	\$ 6,048,768.55	\$ 938,411.55	\$ (1.80)	\$ 938,409.75	\$ (37,178.71)	\$ 901,231.04	100.00%
15	ES VP Energy Supply	Direct		\$ 1,103,821.51	\$ 1,103,710.95	\$ 110.56	\$ -	\$ 110.56	\$ -	\$ 110.56	0.07%
16	ES VP Energy Supply	200138 - ES Operations Management OPCo's	MWH Generation	688,912.27	534,373.49	154,538.78	(717.57)	153,821.21	(5,978.88)	147,842.33	99.93%
17	ES VP Energy Supply	Total		\$ 1,792,733.78	\$ 1,638,084.44	\$ 154,649.34	\$ (717.57)	\$ 153,931.77	\$ (5,978.88)	\$ 147,952.89	100.00%
18	ES VP Operations	200143 - ES Misc Power Expense North	MWH Generation	\$ 256,096.58	\$ 256,096.58	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%
19	ES VP Operations	200144 - ES Operations Management North	MWH Generation	322,239.79	322,239.79	-	-	-	-	-	0.00%
20	ES VP Operations	200078 - Governmental Affairs	Assets/Revenue/No. of employees	11,083.99	9,646.53	1,437.46	-	1,437.46	(38.89)	1,398.57	0.29%
21	ES VP Operations	200137 - ES Misc Power Expense Op Co's	MWH Generation	617,620.04	479,592.24	138,027.80	-	138,027.80	(5,597.64)	132,430.16	27.93%
22	ES VP Operations	Direct		1,460,754.15	1,294,595.00	166,159.15	-	166,159.15	(705.71)	165,453.44	34.90%

**Summary of XES Expenses to SPS by Affiliate Class and Billing Method
For Twelve Months ended June 30, 2019**
Low

(A) Line No.	(B) Affiliate Class	(C) Billing Method (Cost Center)	(D) Allocation Method	(E) Total XES Billings for Class to all Legal Entities (FERC Acct. 400-935)	(F) XES Billings for Class to All Legal Entities Except SPS (FERC Acct. 400-935)	(G) XES Billings for Class to SPS (Total Company) (FERC Acct. 400-935)	(H) Exclusions	(I) Per Book	(J) Pro Formas	(K) Requested Amount (Total Company)	(L) % of Class Charges
23	ES VP Operations	200138 - ES Operations Management OPCo's	MWH Generation	805,398.79	624,163.59	181,235.20	-	181,235.20	(6,375.91)	174,859.29	36.88%
24	ES VP Operations Total			\$ 3,473,193.34	\$ 2,986,333.73	\$ 486,859.61	\$ -	\$ 486,859.61	\$ (12,718.15)	\$ 474,141.46	100.00%
25	Total Witness - David Low			\$ 48,230,744.44	\$ 36,363,812.67	\$ 11,866,931.77	\$ (813.30)	\$ 11,866,118.47	\$ (435,691.41)	\$ 11,430,427.06	
	Amounts may not add or tie to other schedules due to rounding										

Southwestern Public Service Company

XES Expenses by Affiliate Class, Activity, Billing Method and FERC Account

David A. Low

SOAH Docket No. 473-19-6677

Docket No. 49831

**APPLICATION OF
SOUTHWESTERN PUBLIC SERVICE COMPANY
FOR AUTHORITY TO CHANGE RATES**

DAL-RR-UB(CD)

**Exclusions from XES Expenses to SPS by Affiliate Class and FERC Account
For Twelve Months ended June 30, 2019
Low**

(A) Line No.	(B) Affiliate Class	(C) FERC Account	(D) Explanation for Exclusions	(E) Exclusions (Total Company)
1	ES Performance Optimization	426.5 - Other Deductions	Below the Line	\$ (93.93)
2	ES Performance Optimization Total			\$ (93.93)
3	ES Projects	426.5 - Other Deductions	Below the Line	\$ (1.80)
4	ES Projects Total			\$ (1.80)
5	ES VP Energy Supply	426.1 - Donations	Below the Line	\$ (450.00)
6	ES VP Energy Supply	426.4 - Life Insurance	Below the Line	(24.20)
7	ES VP Energy Supply	426.5 - Other Deductions	Below the Line	(243.37)
8	ES VP Energy Supply Total			\$ (717.57)
9	Total Witness - David Low			\$ (813.30)
	Amounts may not add or tie to other schedules due to rounding			

**Pro Forma Adjustments to XES Expenses by Affiliate Class and FERC Account
For Twelve Months ended June 30, 2019
Low**

(A) Line No.	(B) Affiliate Class	(C) FERC Account	(D) Explanation for Pro Formas	(E) Sponsor	(F) Pro Formas (Total Company)
1	ES Environmental	408.1 - Tax Other Than Income Tax - Payroll	Business Area Adjustment	David Low	\$ 3.68
2	ES Environmental	500 - Operation supervision and engineering	Business Area Adjustment	David Low	64.19
3	ES Environmental	506 - Miscellaneous steam power expenses	223.62% Incentive	Arthur Freitas/Michael Knoll	(55,407.89)
4	ES Environmental	506 - Miscellaneous steam power expenses	3% Wage Adjustment	Arthur Freitas/Michael Knoll	20,684.14
5	ES Environmental	506 - Miscellaneous steam power expenses	Business Area Adjustment	David Low	(60.88)
6	ES Environmental	546 - Operation supervision and engineering	Business Area Adjustment	David Low	2.35
7	ES Environmental	549 - Miscellaneous other power generation expenses	223.62% Incentive	Arthur Freitas/Michael Knoll	(1,677.62)
8	ES Environmental	549 - Miscellaneous other power generation expenses	3% Wage Adjustment	Arthur Freitas/Michael Knoll	616.33
9	ES Environmental	560 - Operation supervision and engineering	223.62% Incentive	Arthur Freitas/Michael Knoll	(1,834.32)
10	ES Environmental	560 - Operation supervision and engineering	3% Wage Adjustment	Arthur Freitas/Michael Knoll	612.57
11	ES Environmental	590 - Maintenance supervision and engineering	223.62% Incentive	Arthur Freitas/Michael Knoll	(1,544.02)
12	ES Environmental	590 - Maintenance supervision and engineering	3% Wage Adjustment	Arthur Freitas/Michael Knoll	612.96
13	ES Environmental	920 - Administrative and general salaries	223.62% Incentive	Arthur Freitas/Michael Knoll	(26,892.46)
14	ES Environmental	920 - Administrative and general salaries	3% Wage Adjustment	Arthur Freitas/Michael Knoll	11,224.94
15	ES Environmental	925 - Injuries & Damages	Business Area Adjustment	David Low	0.08
16	ES Environmental	926 - Employee pensions and benefits	Business Area Adjustment	David Low	11.30
17	ES Environmental	926 - Employee pensions and benefits	Pension & Benefits Adjustment	William Grant	(13,306.46)
18	ES Environmental	930.1 - General advertising expenses	Advertising	Arthur Freitas	(219.83)
19	ES Environmental Total				\$ (67,110.93)
20	ES Performance Optimization	500 - Operation supervision and engineering	223.62% Incentive	Arthur Freitas/Michael Knoll	\$ (30,313.58)
21	ES Performance Optimization	500 - Operation supervision and engineering	3% Wage Adjustment	Arthur Freitas/Michael Knoll	11,639.33
22	ES Performance Optimization	500 - Operation supervision and engineering	Business Area Adjustment	David Low	(614.14)
23	ES Performance Optimization	501 - Fuel	223.62% Incentive	Arthur Freitas/Michael Knoll	(50,739.82)
24	ES Performance Optimization	501 - Fuel	3% Wage Adjustment	Arthur Freitas/Michael Knoll	19,060.65
25	ES Performance Optimization	501 - Fuel	Business Area Adjustment	David Low	(170.32)
26	ES Performance Optimization	506 - Miscellaneous steam power expenses	223.62% Incentive	Arthur Freitas/Michael Knoll	(240,286.22)

**Pro Forma Adjustments to XES Expenses by Affiliate Class and FERC Account
For Twelve Months ended June 30, 2019
Low**

(A) Line No.	(B) Affiliate Class	(C) FERC Account	(D) Explanation for Pro Formas	(E) Sponsor	(F) Pro Formas (Total Company)
27	ES Performance Optimization	506 - Miscellaneous steam power expenses	3% Wage Adjustment	Arthur Freitas/Michael Knoll	59,417.53
28	ES Performance Optimization	506 - Miscellaneous steam power expenses	Business Area Adjustment	David Low	(318.89)
29	ES Performance Optimization	510 - Maintenance supervision and engineering	223.62% Incentive	Arthur Freitas/Michael Knoll	(157.67)
30	ES Performance Optimization	510 - Maintenance supervision and engineering	3% Wage Adjustment	Arthur Freitas/Michael Knoll	87.33
31	ES Performance Optimization	512 - Maintenance of boiler plant	223.62% Incentive	Arthur Freitas/Michael Knoll	(52,401.16)
32	ES Performance Optimization	512 - Maintenance of boiler plant	3% Wage Adjustment	Arthur Freitas/Michael Knoll	18,821.56
33	ES Performance Optimization	513 - Maintenance of electric plant	223.62% Incentive	Arthur Freitas/Michael Knoll	(27,882.48)
34	ES Performance Optimization	513 - Maintenance of electric plant	3% Wage Adjustment	Arthur Freitas/Michael Knoll	8,642.88
35	ES Performance Optimization	514 - Maintenance of miscellaneous steam plant	223.62% Incentive	Arthur Freitas/Michael Knoll	(79,666.03)
36	ES Performance Optimization	514 - Maintenance of miscellaneous steam plant	3% Wage Adjustment	Arthur Freitas/Michael Knoll	29,586.88
37	ES Performance Optimization	546 - Operation supervision and engineering	223.62% Incentive	Arthur Freitas/Michael Knoll	(1,677.60)
38	ES Performance Optimization	546 - Operation supervision and engineering	3% Wage Adjustment	Arthur Freitas/Michael Knoll	694.01
39	ES Performance Optimization	546 - Operation supervision and engineering	Business Area Adjustment	David Low	(50.12)
40	ES Performance Optimization	549 - Miscellaneous other power generation expenses	223.62% Incentive	Arthur Freitas/Michael Knoll	(219.75)
41	ES Performance Optimization	549 - Miscellaneous other power generation expenses	3% Wage Adjustment	Arthur Freitas/Michael Knoll	83.50
42	ES Performance Optimization	549 - Miscellaneous other power generation expenses	Business Area Adjustment	David Low	(3.84)
43	ES Performance Optimization	552 - Maintenance of structures	223.62% Incentive	Arthur Freitas/Michael Knoll	(12.90)
44	ES Performance Optimization	552 - Maintenance of structures	3% Wage Adjustment	Arthur Freitas/Michael Knoll	15.97
45	ES Performance Optimization	553 - Maintenance of generating and electric plant	223.62% Incentive	Arthur Freitas/Michael Knoll	(2,074.56)
46	ES Performance Optimization	553 - Maintenance of generating and electric plant	3% Wage Adjustment	Arthur Freitas/Michael Knoll	102.54
47	ES Performance Optimization	554 - Maintenance of miscellaneous other power generation plant	223.62% Incentive	Arthur Freitas/Michael Knoll	(11,075.74)
48	ES Performance Optimization	554 - Maintenance of miscellaneous other power generation plant	3% Wage Adjustment	Arthur Freitas/Michael Knoll	3,642.58
49	ES Performance Optimization	920 - Administrative and general salaries	223.62% Incentive	Arthur Freitas/Michael Knoll	109,749.17

**Pro Forma Adjustments to XES Expenses by Affiliate Class and FERC Account
For Twelve Months ended June 30, 2019
Low**

(A) Line No.	(B) Affiliate Class	(C) FERC Account	(D) Explanation for Pro Formas	(E) Sponsor	(F) Pro Formas (Total Company)
50	ES Performance Optimization	920 - Administrative and general salaries	3% Wage Adjustment	Arthur Freitas/Michael Knoll	(10,813.10)
51	ES Performance Optimization	921 - Office supplies and expenses	Business Area Adjustment	David Low	(1,155.64)
52	ES Performance Optimization	926 - Employee pensions and benefits	Pension & Benefits Adjustment	William Grant	(64,615.09)
53	ES Performance Optimization Total				\$ (312,704.73)
54	ES Projects	408.1 - Tax Other Than Income Tax - Payroll	Business Area Adjustment	David Low	\$ (2.32)
55	ES Projects	500 - Operation supervision and engineering	223.62% Incentive	Arthur Freitas/Michael Knoll	(4,503.35)
56	ES Projects	500 - Operation supervision and engineering	3% Wage Adjustment	Arthur Freitas/Michael Knoll	1,580.67
57	ES Projects	500 - Operation supervision and engineering	Business Area Adjustment	David Low	(44.81)
58	ES Projects	506 - Miscellaneous steam power expenses	223.62% Incentive	Arthur Freitas/Michael Knoll	(30,305.57)
59	ES Projects	506 - Miscellaneous steam power expenses	3% Wage Adjustment	Arthur Freitas/Michael Knoll	12,015.84
60	ES Projects	506 - Miscellaneous steam power expenses	Business Area Adjustment	David Low	(859.00)
61	ES Projects	510 - Maintenance supervision and engineering	Business Area Adjustment	David Low	(4.58)
62	ES Projects	546 - Operation supervision and engineering	223.62% Incentive	Arthur Freitas/Michael Knoll	(205.45)
63	ES Projects	546 - Operation supervision and engineering	3% Wage Adjustment	Arthur Freitas/Michael Knoll	77.47
64	ES Projects	546 - Operation supervision and engineering	Business Area Adjustment	David Low	(4.93)
65	ES Projects	551 - Maintenance supervision and engineering	Business Area Adjustment	David Low	(0.17)
66	ES Projects	561.6 - Transmission service studies	223.62% Incentive	Arthur Freitas/Michael Knoll	(910.01)
67	ES Projects	561.6 - Transmission service studies	3% Wage Adjustment	Arthur Freitas/Michael Knoll	1.46
68	ES Projects	920 - Administrative and general salaries	223.62% Incentive	Arthur Freitas/Michael Knoll	(9,422.70)
69	ES Projects	920 - Administrative and general salaries	3% Wage Adjustment	Arthur Freitas/Michael Knoll	2,792.74
70	ES Projects	925 - Injuries & Damages	Business Area Adjustment	David Low	(0.05)
71	ES Projects	926 - Employee pensions and benefits	Business Area Adjustment	David Low	(6.13)
72	ES Projects	926 - Employee pensions and benefits	Pension & Benefits Adjustment	William Grant	(7,377.81)
73	ES Projects Total				\$ (37,178.71)
74	ES VP Energy Supply	500 - Operation supervision and engineering	223.62% Incentive	Arthur Freitas/Michael Knoll	\$ (6,927.58)
75	ES VP Energy Supply	500 - Operation supervision and engineering	3% Wage Adjustment	Arthur Freitas/Michael Knoll	2,415.72

**Pro Forma Adjustments to XES Expenses by Affiliate Class and FERC Account
For Twelve Months ended June 30, 2019
Low**

(A) Line No.	(B) Affiliate Class	(C) FERC Account	(D) Explanation for Pro Formas	(E) Sponsor	(F) Pro Formas (Total Company)
76	ES VP Energy Supply	500 - Operation supervision and engineering	Business Area Adjustment	David Low	(38.40)
77	ES VP Energy Supply	546 - Operation supervision and engineering	223.62% Incentive	Arthur Freitas/Michael Knoll	(364.94)
78	ES VP Energy Supply	546 - Operation supervision and engineering	3% Wage Adjustment	Arthur Freitas/Michael Knoll	133.97
79	ES VP Energy Supply	546 - Operation supervision and engineering	Business Area Adjustment	David Low	(1.40)
80	ES VP Energy Supply	926 - Employee pensions and benefits	Pension & Benefits Adjustment	William Grant	(1,196.26)
81	ES VP Energy Supply Total				\$ (5,978.88)
82	ES VP Operations	500 - Operation supervision and engineering	223.62% Incentive	Arthur Freitas/Michael Knoll	\$ (7,474.71)
83	ES VP Operations	500 - Operation supervision and engineering	3% Wage Adjustment	Arthur Freitas/Michael Knoll	2,686.19
84	ES VP Operations	506 - Miscellaneous steam power expenses	223.62% Incentive	Arthur Freitas/Michael Knoll	(6,630.84)
85	ES VP Operations	506 - Miscellaneous steam power expenses	3% Wage Adjustment	Arthur Freitas/Michael Knoll	2,439.70
86	ES VP Operations	546 - Operation supervision and engineering	223.62% Incentive	Arthur Freitas/Michael Knoll	(404.60)
87	ES VP Operations	546 - Operation supervision and engineering	3% Wage Adjustment	Arthur Freitas/Michael Knoll	154.25
88	ES VP Operations	549 - Miscellaneous other power generation expenses	223.62% Incentive	Arthur Freitas/Michael Knoll	(319.06)
89	ES VP Operations	549 - Miscellaneous other power generation expenses	3% Wage Adjustment	Arthur Freitas/Michael Knoll	125.05
90	ES VP Operations	920 - Administrative and general salaries	223.62% Incentive	Arthur Freitas/Michael Knoll	(1,207.23)
91	ES VP Operations	920 - Administrative and general salaries	3% Wage Adjustment	Arthur Freitas/Michael Knoll	500.62
92	ES VP Operations	926 - Employee pensions and benefits	Pension & Benefits Adjustment	William Grant	(2,587.54)
93	ES VP Operations Total				\$ (12,718.15)
94	Total Witness - David Low				\$ (435,691.41)
	Amounts may not add or tie to other schedules due to rounding				