

**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*  
ANGELENE HENNES GHELF**

*on behalf of*

**SOUTHWESTERN PUBLIC SERVICE COMPANY**

*(Filename: HennesGhelfRRUpdate.docx; Total Pages: 18)*

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<sup>1</sup> 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**

<b><u>Acronym/Defined Term</u></b>	<b><u>Meaning</u></b>
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>
AHG-RR-UA (Updated Test Year)	Summary of XES Expenses to SPS by Affiliate Class and Billing Method (Filename: AHG-RR-UABCD.xlsx)
AHG-RR-UB(CD) (Updated Test Year)	XES Expenses by Affiliate Class, Activity, Billing Method, and FERC Account (Filename: AHG-RR-UABCD.xlsx)
AHG-RR-UC (Updated Test Year)	Exclusions from XES Expenses to SPS by Affiliate Class and FERC Account (Filename: AHG-RR-UABCD.xlsx)
AHG-RR-UD (Updated Test Year)	Pro Forma Adjustments to XES Expenses by Affiliate Class and FERC Account (Filename: AHG-RR-UABCD.xlsx)

**UPDATE TESTIMONY  
OF  
ANGELENE HENNES GHELF**

**I. WITNESS IDENTIFICATION**

1

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

3   A.   My name is Angelene Hennes Ghelf. My business address is 414 Nicollet Mall,  
4       Minneapolis, Minnesota 55401.

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

6   A.   I am employed by Xcel Energy Services Inc. (“XES”) as a Strategy &  
7       Performance Consultant.

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

9   A.   I am filing testimony on behalf of Southwestern Public Service Company, a New  
10       Mexico corporation (“SPS”).

11   **Q.   Are you the same Angelene Hennes Ghelf who filed direct testimony on**  
12       **behalf of SPS in this docket?**

13   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 Corporate Secretary & Executive Services affiliate costs I  
15                 support, my direct testimony provided actual figures for April and May 2019 and  
16                 estimated figures for June 2019 based on the forecasted budget. In this testimony,  
17                 I replace the June 2019 estimates with actuals. In addition, the April through June  
18                 2019 expenses have now gone through the full pro forma adjustment review  
19                 process. Thus, I provide updated figures for those Update Period expenses. My  
20                 update testimony includes Attachments AHG-RR-UA through AHG-RR-UD in  
21                 support of the Corporate Secretary & Executive Services affiliate costs I support.

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

23   A.     *Affiliate Costs* – The estimated Updated Test Year costs for the services of the  
24           Corporate Secretary & Executive Services affiliate class that SPS sought to

1 recover were \$1,170,760 (total SPS before jurisdictional allocations, or “total  
2 company”). The actual Updated Test Year costs for the services of the Corporate  
3 Secretary & Executive Services affiliate class that SPS seeks to recover are  
4 \$1,145,670. Please refer to Attachments AHG-RR-UA through AHG-RR-UD. In  
5 addition to providing updated SPS numbers, those attachments also reflect the  
6 total updated XES class expenses for the Corporate Secretary & Executive  
7 Services affiliate class. The actual costs are reasonable and necessary for the  
8 reasons I provided in my direct testimony.

9 **Q. Were Attachments AHG-RR-UA through AHG-RR-UD prepared by you or**  
10 **under your direct supervision and control?**

11 A. Attachments AHG-RR-UA through AHG-RR-UD were prepared as described by  
12 SPS witness Melissa L. Schmidt. My staff and I have reviewed these attachments  
13 and I believe them to be accurate. Although the information I have described also  
14 is present in Ms. Schmidt’s attachments, I have presented this information in the  
15 attachments to my update testimony for the convenience of those reviewing it.

1                    **III.                    UPDATED AFFILIATE EXPENSES FOR THE**  
2                    **CORPORATE SECRETARY & EXECUTIVE SERVICES**  
3                    **CLASS OF SERVICES**

4    **A.    Summary of Affiliate Expenses for the Corporate Secretary &**  
5                    **Executive Services Class of Services**

6    **Q.    What is the dollar amount of the Updated Test Year XES charges that SPS**  
7                    **requests, on a total company basis, for the Corporate Secretary & Executive**  
8                    **Services affiliate class?**

9    A.    The following table summarizes the dollar amount of the actual Updated Test  
10                    Year XES charges for the Corporate Secretary & Executive Services affiliate  
11                    class.

12                    **Table AHG-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
Corporate Secretary & Executive Services	\$11,708,977	\$1,145,670	6.70%	93.30%

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 AHG-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 AHG-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 in Table AHG-RR-U1.**

3   A.   Attachments AHG-RR-UA through AHG-RR-UD present the updated  
4       information about the requested SPS affiliate expenses for the Corporate  
5       Secretary & Executive Services affiliate class. The detailed descriptions for  
6       Attachments AHG-RR-A through AHG-RR-D that were provided in my direct  
7       testimony remain applicable to these updated attachments.

8   **Q.    Are there updated exclusions for the Corporate Secretary & Executive**  
9       **Services affiliate class?**

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

11  **Q.    Are there updated pro forma adjustments to SPS's per book expenses for the**  
12       **Corporate Secretary & Executive Services affiliate class?**

13  A.   Yes. As I mentioned in my direct testimony, pro forma adjustments are revisions  
14       to Updated Test Year expenses for known and measurable changes. Pro forma  
15       adjustments are shown on Attachment AHG-RR-UA, Column J, and on  
16       Attachment AHG-RR-UB, Column M. The details for the pro forma adjustments,  
17       including the witness or witnesses who sponsor each pro forma adjustment, are  
18       provided in Attachment AHG-RR-UD.

19  **Q.    Attachment AHG-RR-UD shows that you sponsor pro forma adjustments for**  
20       **expenses for the Corporate Secretary & Executive Services affiliate class**  
21       **during the Updated Test Year that result in a net decrease for the Corporate**

1           **Secretary & Executive Services affiliate class of \$195,178.15. Please explain**  
2           **the adjustments.**

3       A.     The adjustments that I sponsor remove alcohol expense (a decrease of \$1,603.87);  
4           remove costs not benefitting SPS (a decrease of \$745.75); remove costs for  
5           foreign travel (a decrease of \$1,651.61); remove costs for life events (a decrease  
6           of \$119.55); and reclassify costs to a new affiliate class (a decrease of  
7           \$191,057.37).

8       **C.     The Corporate Secretary & Executive Services Class of Services**  
9           **are Provided at a Reasonable Cost**

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

11      A.     In this section of my direct testimony, several numbers were based on estimates  
12           for the Update Period. In this update testimony, I replace those estimates with  
13           actual numbers, and explain that the actual costs for the Corporate Secretary &  
14           Executive Services affiliate class are reasonable.

15                    *I.     Additional Evidence*

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

18      A.     Yes. Of the Updated Test Year costs for the Corporate Secretary & Executive  
19           Services class, 66.08% are compensation and benefits costs for XES personnel.  
20           SPS witnesses Michael T. Knoll and Richard R. Schrubbe establish that the level  
21           of Xcel Energy's compensation and benefits is reasonable and necessary.

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**Table AHG-RR-U3**

	Average of End of Month # of Staff				
Class of Services	2016	2017	2018	Updated Test Year (Estimated )	Updated Test Year (Actual)
Corporate Secretary & Executive Services	74	68	65	64	63

2 **D. The Costs for the Corporate Secretary & Executive Services Class**  
3 **of Services are Priced in a Fair Manner**

4 **Q. Have any of the predominant allocation methods for the Corporate Secretary**  
5 **& Executive Services affiliate operation and maintenance expenses changed?**

6 A. Yes. One of the allocation methods is no longer applicable to this class of  
7 services after actual charges replace estimate charges for the Update Period. The  
8 other two predominant allocation methods have remained the same, but the  
9 percentages and amounts have changed as follows:

10

**Table AHG-RR-U4**

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
Assets, Revenue, & Number of Employees	71.95% / \$842,397.26	71.67% / \$821,128.17
Number of Employees	20.12% / \$235,452.51	21.61% / \$247,533.89
Direct Billing	6.62% / \$77,516.43	6.70% / \$76,750.88
Number of Customers	1.25% / \$14,645.45	0% / \$0

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

12 A. Yes.

**AFFIDAVIT**

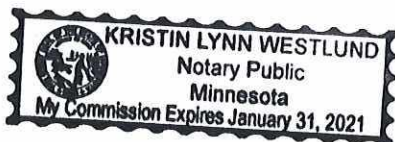
STATE OF MINNESOTA       )  
  )  
COUNTY OF HENNEPIN     )

ANGELENE HENNES GHELF, first being sworn on her 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.

*Angeline Hennes Ghelf*  
ANGELENE HENNES GHELF

Subscribed and sworn to before me this *10th* day of September, 2019 by ANGELENE HENNES GHELF.



*Kristin Westlund*  
Notary Public, State of Minnesota

My Commission Expires: *1/31/2021*

### **CERTIFICATE OF SERVICE**

I certify that on the 20<sup>th</sup> day of September 2019, a true and correct copy of the foregoing update testimony was served on all parties of record by electronic service and by either 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 consists of stylized, cursive letters, possibly 'JH' or 'JS', followed by a long horizontal stroke.

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

(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 Act. 400-935)	(F) XES Billings for Class to All Legal Entities Except SPS (FERC Act. 400-935)	(G) XES Billings for Class to SPS (Total Company) (FERC Act. 400-935)	(H) Exclusions	(I) Per Book	(J) Pro Formas	(K) Requested Amount (Total Company)	(L) % of Class Charges
1	Corporate Secretary & Executive	200074 - Corporate Systems - Corporate Governance	Assets/Revenue/No. of employees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,724.10)	\$ (1,724.10)	-0.15%
2	Corporate Secretary & Executive	200075 - Board of Directors - Corporate Governance	Assets/Revenue/No. of employees	1,082,829.61	943,552.45	139,277.16	(63.17)	139,213.99	(139,438.80)	(224.81)	-0.02%
3	Corporate Secretary & Executive	200078 - Governmental Affairs	Assets/Revenue/No. of employees	1,123.00	977.70	145.30	-	145.30	-	145.30	0.01%
4	Corporate Secretary & Executive	200176 - Marketing & Sales	Revenue	2,329.77	1,965.94	363.83	-	363.83	(107.23)	256.60	0.02%
5	Corporate Secretary & Executive	200077 - Branding	Assets/Revenue/No. of employees	43,263.24	37,672.73	5,590.51	-	5,590.51	(82.09)	5,508.42	0.48%
6	Corporate Secretary & Executive	200088 - Acctg. Rptg. Tax - OpCos Elec	Assets/Revenue/No. of employees	63,725.64	54,522.50	9,203.14	-	9,203.14	-	9,203.14	0.80%
7	Corporate Secretary & Executive	200064 - Shareholder - Corporate Governance	Assets/Revenue/No. of employees	768,533.63	669,449.62	99,084.01	-	99,084.01	(51,656.02)	47,427.99	4.14%
8	Corporate Secretary & Executive	Direct	Assets/Revenue/No. of employees	1,842,699.14	1,762,678.42	80,020.72	-	80,020.72	(3,269.84)	76,750.88	6.70%
9	Corporate Secretary & Executive	200070 - Corporate Strategy & Bus Dev - Corporate Governance	Assets/Revenue/No. of employees	1,124,360.78	979,332.79	145,027.99	(128.76)	144,899.23	(5,743.51)	139,155.72	12.15%
10	Corporate Secretary & Executive	200163 - Employee Communications	Number of Employees	1,782,009.28	1,525,892.00	256,117.28	(17.70)	256,099.58	(8,565.69)	247,533.89	21.61%
11	Corporate Secretary & Executive	200063 - Executive - Corporate Governance	Assets/Revenue/No. of employees	2,031,861.19	1,769,722.34	262,138.85	(972.42)	261,166.43	(9,854.70)	251,311.73	21.94%
12	Corporate Secretary & Executive	200072 - Communications - Corporate Governance	Assets/Revenue/No. of employees	2,966,241.43	2,583,385.10	382,856.32	(326.08)	382,530.24	(12,205.46)	370,324.78	32.32%
13	Corporate Secretary & Executive	Corporate Secretary & Executive Services Total		\$ 11,708,976.70	\$ 10,329,151.60	\$ 1,379,825.11	\$ (1,508.13)	\$ 1,378,316.98	\$ (232,647.44)	\$ 1,145,669.54	100.00%
14	Total Witness Angylene Hennes-Ghelf			\$ 11,708,976.70	\$ 10,329,151.60	\$ 1,379,825.11	\$ (1,508.13)	\$ 1,378,316.98	\$ (232,647.44)	\$ 1,145,669.54	
	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**

**Angelene Hennes Ghelf**

**SOAH Docket No. 473-19-6677**

**Docket No. 49831**

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

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**AHG-RR-UB(CD)**



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

(A) Line No.	(B) Affiliate Class	(C) FERC Account	(D) Explanation for Exclusions	(E) Exclusions (Total Company)
1	Corporate Secretary & Executive	426.1 - Donations	Below the Line	\$ (772.58)
2	Corporate Secretary & Executive	426.5 - Other Deductions	Below the Line	(735.55)
3	Corporate Secretary & Executive	Services Total		\$ (1,508.13)
4	Total Witness Angelene Hennes-Ghelf			\$ (1,508.13)
	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  
Hennes Ghelf**

(A)	(B)	(C)	(D)	(E)	(F)
Line No.	Affiliate Class	FERC Account	Explanation for Pro Formas	Sponsor	Pro Formas (Total Company)
1	Corp Sec & Exec Svcs	920 - Administrative and general salaries	223.62% Incentive	Arthur Freitas/Michael Knoll	\$ (46,776.92)
2	Corp Sec & Exec Svcs	920 - Administrative and general salaries	3% Wage Adjustment	Arthur Freitas/Michael Knoll	17,468.90
3	Corp Sec & Exec Svcs	921 - Office supplies and expenses	Business Area Adjustment	Angelene Hennes-Ghelf	(4,120.78)
4	Corp Sec & Exec Svcs	926 - Employee pensions and benefits	Pension & Benefits Adjustment	William Grant	(7,973.92)
5	Corp Sec & Exec Svcs	930.1 - General advertising expenses	Advertising	Arthur Freitas	(187.35)
6	Corp Sec & Exec Svcs	930.2 - Miscellaneous general expenses	Business Area Adjustment	Angelene Hennes-Ghelf	(191,057.37)
7	Corporate Secretary & Executive Services Total				\$ (232,647.44)
8	Total Witness				\$ (232,647.44)
	Amounts may not add or tie to other schedules due to rounding				