

**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
S. MICHELLE EDWARDS**

on behalf of

SOUTHWESTERN PUBLIC SERVICE COMPANY

(Filename: EdwardsRRUpdate.docx; Total Pages: 23)

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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.

Attachment SME-RR-UA (*filename: SME-RR-UABCD.xlsx*) 20

Attachment SME-RR-UB(CD) (*filename: SME-RR-UABCD.xlsx*) 21

Attachment SME-RR-UC (*filename: SME-RR-UABCD.xlsx*) 22

Attachment SME-RR-UD (*filename: SME-RR-UABCD.xlsx*) 23

GLOSSARY OF ACRONYMS AND DEFINED TERMS

<u>Acronym/Defined Term</u>	<u>Meaning</u>
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>
SME-RR-U1 (Updated Test Year)	Native SPS Costs for Meter Reading and Customer Records and Collections (Filename: SME-RR-U1.xlsx)
SME-RR-UA (Updated Test Year)	Summary of XES Expenses to SPS by Affiliate Class and Billing Method (Filename: SME-RR-UABCD.xlsx)
SME-RR-UB(CD) (Updated Test Year)	XES Expenses by Affiliate Class, Activity, Billing Method, and FERC Account (Filename: SME-RR-UABCD.xlsx)
SME-RR-UC (Updated Test Year)	Exclusions from XES Expenses to SPS by Affiliate Class and FERC Account (Filename: SME-RR-UABCD.xlsx)
SME-RR-UD (Updated Test Year)	Pro Forma Adjustments to XES Expenses by Affiliate Class and FERC Account (Filename: SME-RR-UABCD.xlsx)

**UPDATE TESTIMONY
OF
S. MICHELLE EDWARDS**

I. WITNESS IDENTIFICATION

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

3 A. My name is S. Michelle Edwards. My business address is 1800 Larimer Street,
4 Denver, Colorado 80202.

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

6 A. I am employed by Xcel Energy Services Inc. (“XES”) as Director, Customer
7 Operations.

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 S. Michelle Edwards who filed direct testimony on behalf**
12 **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 native meter reading and customer records and collection
15 costs I support, my update testimony includes an Attachment SME-RR-U1, which
16 replaces the estimated costs that I provided in my direct testimony for the
17 Updated Test Year with actual costs.

18 Regarding the Customer Care affiliate costs I support, my direct testimony
19 provided actual figures for April and May 2019 and estimated figures for June
20 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

1 Attachments SME-RR-UA through SME-RR-UD in support of the Customer
2 Care affiliate costs I support.

3 **Q. Are any of the Rate Filing Package (“RFP”) schedules that you sponsor**
4 **updated in this filing?**

5 A. Yes. Schedule G-U3, Bad Debt Expense, is being provided as part of this update
6 filing in accordance with the RFP instructions. I note, however, that SPS
7 provided the actual amount of bad debt expense incurred during the Updated Test
8 Year as part of its direct filing, including in Schedule G-3. That amount is
9 \$5,629,706 (total SPS before jurisdictional allocations, or “total company”).

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

11 A. *Native Costs* – The amounts included in Attachment SME-RR-U1 represent, at a
12 total company level, reasonable and necessary costs incurred directly by SPS to
13 support SPS’s ability to provide safe and reliable electric service to its Texas
14 retail customers. I recommend the Commission approve those costs for the
15 reasons discussed in my direct testimony.

16 *Affiliate Costs* – The estimated Updated Test Year costs for the services of the
17 Customer Care affiliate class that SPS sought to recover were \$3,255,721 (total
18 company). The actual Updated Test Year costs for the services of the Customer
19 Care affiliate class that SPS seeks to recover are \$3,337,352. Please refer to
20 Attachments SME-RR-UA through SME-RR-UD. In addition to providing
21 updated SPS numbers, those attachments also reflect the total updated XES class
22 expenses for the Customer Care affiliate class. The actual costs are reasonable
23 and necessary for the reasons I provided in my direct testimony.

1 **Q. Were Attachments SME-RR-U1 and SME-RR-UA through SME-RR-UD**
2 **prepared by you or under your direct supervision and control?**

3 A. Attachment SME-RR-U1 was prepared by SPS witness Arthur P. Freitas and his
4 staff and is based on the cost of service study. My staff and I have reviewed this
5 attachment, and I believe it to be accurate. Attachments SME-RR-UA through
6 SME-RR-UD were prepared as described by SPS witness Melissa L. Schmidt.
7 My staff and I have reviewed these attachments and believe them to be accurate.
8 Although the information I have described also is present in these other witnesses'
9 attachments, I have presented this information in the attachments to my update
10 testimony for the convenience of those reviewing it.

11 **Q. Were the portions of the updated RFP schedule you sponsor prepared by you**
12 **or under your supervision and control?**

13 A. Yes.

14 **Q. Do you incorporate the portions of the updated RFP schedule sponsored by**
15 **you into this testimony?**

16 A. Yes.

**III. UPDATED AFFILIATE EXPENSES FOR THE
CUSTOMER CARE CLASS OF SERVICES**

A. Summary of Affiliate Expenses for the Customer Care 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 Customer Care affiliate class?

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

Table SME-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
Customer Care	\$48,078,841	\$3,337,352	1.45%	98.55%

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 SME-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 SME-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 SME-RR-U1.**

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

8 **Q. Are there updated exclusions for the Customer Care affiliate class?**

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

10 **Q. Are there updated pro forma adjustments to SPS's per book expenses for the**
11 **Customer Care affiliate class?**

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

18 **Q. Attachment SME-RR-UD shows that you sponsor pro forma adjustments for**
19 **expenses for the Customer Care affiliate class during the Updated Test Year**
20 **that result in a net decrease for the Customer Care affiliate class of**
21 **\$18,879.39. Please explain the adjustments.**

22 A. The adjustments that I sponsor: remove alcohol charges (a decrease of \$21.78);
23 remove costs not benefitting SPS (a decrease of \$2,555.53); remove charges
24 associated with employee recognition awards (a decrease of \$14,323.67); remove

1 charges associated with employee life/career events (a decrease of \$1,753.41);
2 and remove charges associated with an incorrect FERC account (a decrease of
3 \$225.00).

4 **B. The Customer Care Class of Services are Provided at a**
5 **Reasonable Cost**

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

7 A. In this section of my direct testimony, several numbers were based on estimates
8 for the Update Period. In this update testimony, I replace those estimates with
9 actual numbers, and explain that the actual costs for the Customer Care affiliate
10 class are reasonable.

11 *1. Additional Evidence*

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

14 A. Yes. Of the Updated Test Year costs for the Customer Care class, 91.99% are
15 compensation and benefits costs for XES personnel. SPS witnesses Michael T.
16 Knoll and Richard R. Schrubbe establish that the level of Xcel Energy's
17 compensation and benefits is reasonable and necessary.

18 *2. Cost Trends*

19 **Q. Please state the dollar amounts of the actual charges (per book) from XES to**
20 **SPS for the Customer Care class of services for the three fiscal years**
21 **preceding the end of the Updated Test Year and the charges (per book) for**
22 **the Updated Test Year.**

23 A. The following table shows, for the fiscal years 2016, 2017, and 2018 (calendar
24 years), and for the Updated Test Year, the actual per book affiliate charges

(Column I on Attachment SME-RR-UA) from XES to SPS for the services grouped in the Customer Care affiliate class:

Table SME-RR-U2

	(Per Book) Charges Over Time				
Class of Services	2016	2017	2018	Updated Test Year (Estimated)	Updated Test Year (Actual)
Customer Care	\$3,981,837	\$3,654,687	\$3,372,426	\$3,300,347	\$3,479,845

3. Staffing Trends

Q. Please provide the staffing levels for the Customer Care 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 Customer Care class of services.

Table SME-RR-U3

	Average of End of Month # of Staff				
Class of Services	2016	2017	2018	Updated Test Year (Estimated)	Updated Test Year (Actual)
Customer Care	839	774	713	708	709

1 **C. The Costs for the Customer Care Class of Services are Priced in a**
2 **Fair Manner**

3 **Q. Have any of the predominant allocation methods for the Customer Care**
4 **affiliate operation and maintenance 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 SME-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
Number of Customers	71.54% / \$2,329,047.26	71.51% / \$2,386,717.93
Number of Customer Bills	25.52% / \$830,781.54	25.54% / \$852,206.21
Direct Billing	1.42% / \$46,316.92	1.45% / \$48,328.65
Number of Residential Customers	1.52% / \$49,575.22	1.50% / \$50,098.86

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

9 A. Yes.

AFFIDAVIT

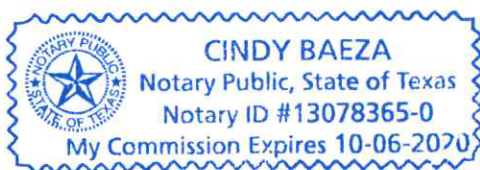
STATE OF TEXAS)
)
COUNTY OF POTTER)

S. MICHELLE EDWARDS, 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.

S. Michelle Edwards
S. MICHELLE EDWARDS

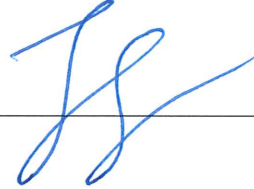
Subscribed and sworn to before me this 10th day of September, 2019 by S. MICHELLE EDWARDS.



Cindy Baeza
Notary Public, State of Texas
My Commission Expires: 10-06-2020

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, consisting of stylized initials, is written over a horizontal line.

Southwestern Public Service Company

Native SPS Costs for Meter Reading and
Customer Records and Collections

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

Native SPS Costs for Meter Reading and
Customer Records and Collections

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			
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

Native SPS Costs for Meter Reading and
Customer Records and Collections

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

Native SPS Costs for Meter Reading and
Customer Records and Collections

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	Account Description	Update Period		Expense		Requested O&M	
			(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
Edwards**

(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
1	Customer Care	200079 - Federal Lobbying	Assets/Revenue/No. of employees	\$ 3,341.70	\$ 2,910.11	\$ 431.59	\$ (431.59)	\$ -	\$ -	\$ -	0.00%
2	Customer Care	200160 - Customer Care North 903	Number of Customers	530,607.73	530,607.73	-	-	-	-	-	0.00%
3	Customer Care	200152 - Customer Care 902	Number of Customers	476,778.70	443,546.39	33,232.31	-	33,232.31	(1,578.21)	31,654.09	0.95%
4	Customer Care	200156 - Customer Care 901	Number of Customers	397,970.43	370,205.10	27,765.33	247.67	28,013.00	(1,460.43)	26,552.57	0.80%
5	Customer Care	Direct		946,809.58	881,612.28	65,197.30	(14,168.38)	51,028.92	(2,700.27)	48,328.65	1.45%
6	Customer Care	200161 - Customer Care Low Income Assistance 908	Number of Residential Customers	562,515.85	510,253.22	52,262.63	-	52,262.63	(2,163.77)	50,098.86	1.50%
7	Customer Care	200151 - Customer Billing FERC 903	Number of Customer Bills	10,328,039.38	9,443,367.61	884,671.77	(174.33)	884,497.44	(32,291.23)	852,206.21	25.54%
8	Customer Care	200155 - Customer Care 903	Number of Customers	34,832,777.38	32,401,470.55	2,431,306.83	(496.13)	2,430,810.70	(102,299.42)	2,328,511.27	69.77%
9	Customer Care Total			\$ 48,078,840.75	\$ 44,583,973.00	\$ 3,494,867.75	\$ (15,022.76)	\$ 3,479,844.99	\$ (142,493.34)	\$ 3,337,351.65	100.00%
10	Total Witness - Michelle Edwards			\$ 48,078,840.75	\$ 44,583,973.00	\$ 3,494,867.75	\$ (15,022.76)	\$ 3,479,844.99	\$ (142,493.34)	\$ 3,337,351.65	
	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

S. Michelle Edwards

SOAH Docket No. 473-19-6677

Docket No. 49831

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

SME-RR-UB(CD)

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

(A) Line No.	(B) Affiliate Class	(C) FERC Account	(D) Explanation for Exclusions	(E) Exclusions (Total Company)
1	Customer Care	417.1 - Expenses of nonutility operations	Below the Line	\$ (14,168.38)
2	Customer Care	426.1 - Donations	Below the Line	349.49
3	Customer Care	426.4 - Life Insurance	Below the Line	(431.59)
4	Customer Care	426.5 - Other Deductions	Below the Line	(772.28)
5	Customer Care Total			\$ (15,022.76)
6	Total Witness Michelle Edwards			\$ (15,022.76)
	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
Edwards**

(A) Line No.	(B) Affiliate Class	(C) FERC Account	(D) Explanation for Pro Formas	(E) Sponsor	(F) Pro Formas (Total Company)
1	Customer Care	588 - Miscellaneous distribution expenses	3% Wage Adjustment	Arthur Freitas/Michael Knoll	\$ (25.60)
2	Customer Care	588 - Miscellaneous distribution expenses	Business Area Adjustment	Michelle Edwards	(853.20)
3	Customer Care	901 - Supervision	223.62% Incentive	Arthur Freitas/Michael Knoll	(1,246.80)
4	Customer Care	901 - Supervision	3% Wage Adjustment	Arthur Freitas/Michael Knoll	464.76
5	Customer Care	901 - Supervision	Business Area Adjustment	Michelle Edwards	(463.21)
6	Customer Care	902 - Meter reading expenses	223.62% Incentive	Arthur Freitas/Michael Knoll	(1,661.65)
7	Customer Care	902 - Meter reading expenses	3% Wage Adjustment	Arthur Freitas/Michael Knoll	606.82
8	Customer Care	902 - Meter reading expenses	Business Area Adjustment	Michelle Edwards	(254.60)
9	Customer Care	903 - Customer records and collection expenses	223.62% Incentive	Arthur Freitas/Michael Knoll	(150,176.01)
10	Customer Care	903 - Customer records and collection expenses	3% Wage Adjustment	Arthur Freitas/Michael Knoll	59,407.24
11	Customer Care	903 - Customer records and collection expenses	Business Area Adjustment	Michelle Edwards	(16,320.28)
12	Customer Care	908 - Customer assistance expenses	223.62% Incentive	Arthur Freitas/Michael Knoll	(4,935.09)
13	Customer Care	908 - Customer assistance expenses	3% Wage Adjustment	Arthur Freitas/Michael Knoll	1,790.76
14	Customer Care	909 - Customer Service Instructional Advertising	Business Area Adjustment	Michelle Edwards	(160.66)
15	Customer Care	925 - Injuries & Damages	Business Area Adjustment	Michelle Edwards	(791.93)
16	Customer Care	926 - Employee pensions and benefits	Pension & Benefits Adjustment	William Grant	(25,870.75)
17	Customer Care	930.1 - General advertising expenses	Advertising	Arthur Freitas	(1,967.63)
18	Customer Care	931 - Rents	Business Area Adjustment	Michelle Edwards	(35.51)
19	Customer Care Total				\$ (142,493.34)
20	Total Witness - Michelle Edwards				\$ (142,493.34)
	Amounts may not add or tie to other schedules due to rounding				