

Southwestern Public Service Company

Weighted Average Cost of Capital

Actual Weighted Average Cost of Capital at March 31, 2019

Line No.	Description	(1) Component Aggregate Total	Applicable Component Weighting	Applicable Component Cost	Weighted Cost
1	Common Stockholder's Equity @ 3/31/19	\$2,534,547,636	54.65%	10.35%	5.66%
2	Preferred Stockholder's Equity	\$0	0.00%	0.00%	0.00%
3	Long-Term Debt	<u>\$2,102,935,356</u>	<u>45.35%</u>	4.40%	<u>1.99%</u>
4	Total Capitalization	\$4,637,482,992	100.00%		7.65%

(1) Actual balances as of March 31, 2019

Description	Schedule Reference	Amount
5 Original Cost Rate Base	B-1	\$ 5,569,835,844
6 Overall Claimed Rate of Return	K-1	<u>7.65%</u>
7 Total Claimed Dollar Return on Original Cost Rate Base		\$ 426,092,442

Weighted Average Cost of Capital

Weighted Average Cost of Capital at June 30, 2019

Line No.	Description	Actual 3/31/2019 Balance	04/2019-6/2019 Adjustments	Actual 6/30/2019 Balance	Applicable Component Weighting	Applicable Component Cost	Weighted Cost
1	Common Stockholder's Equity @ 3/31/19	\$2,534,547,636	\$349,118,621 ⁽¹⁾	\$2,883,666,257	54.62%	10.35%	5.65%
2	Preferred Stockholder's Equity	\$0	\$0	\$0	0.00%	0.00%	0.00%
3	Long-Term Debt	\$2,102,935,356	\$293,359,745 ⁽²⁾	\$2,396,295,101	45.38%	4.33%	1.97%
4	Total Capitalization	\$4,637,482,992	\$642,478,366	\$5,279,961,358	100.00%		7.62%
5	Original Cost Rate Base					\$4,897,090,613	
6	Overall Claimed Rate of Return					7.62%	
7	Total Claimed Dollar Return on Original Cost Rate Base					\$ 373,158,305	

⁽¹⁾ Equity includes \$48 million in dividends, \$338 million in equity infusions and three months of retained earnings.

⁽²⁾ Debt includes the \$300 million bond issued in June 2019.

Description	Schedule Reference	Amount
Original Cost Rate Base	B-U1	\$4,897,090,613
Overall Claimed Rate of Return	K-U1	7.62%
Total Claimed Dollar Return on Original Cost Rate Base		\$ 373,158,305