

BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION

**IN THE MATTER OF SOUTHWESTERN)
PUBLIC SERVICE COMPANY'S)
APPLICATION FOR: (1) REVISION OF)
ITS RETAIL RATES UNDER ADVICE)
NOTICE NO. 292; (2) AUTHORIZATION) **CASE NO. 20-00238-UT**
AND APPROVAL TO ABANDON ITS)
PLANT X UNIT 3 GENERATING)
STATION; AND (3) OTHER)
ASSOCIATED RELIEF,)
)
SOUTHWESTERN PUBLIC SERVICE)
COMPANY,)
)
APPLICANT.)
)
)**

DIRECT TESTIMONY

of

LAWRENCE A. BICK

on behalf of

SOUTHWESTERN PUBLIC SERVICE COMPANY

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GLOSSARY OF ACRONYMS AND DEFINED TERMS

<u>Acronym/Defined Term</u>	<u>Meaning</u>
A&G Rents	Administrative and General Rents
AV	Audio/Visual
Base Period	October 1, 2019 through September 30, 2020
Commission	New Mexico Public Regulation Commission
IFMA	International Facilities Management Association
FERC	Federal Energy Regulatory Commission
Operating Companies	Northern States Power Company – Minnesota, a Minnesota corporation; Northern States Power Company – Wisconsin, a Wisconsin corporation; Public Service Company of Colorado, a Colorado corporation; and SPS
O&M	Operation and Maintenance
SF	square feet
SPS	Southwestern Public Service Company, a New Mexico corporation
Test Year	Historical Test Year Period consisting of the Base Period and further incorporating all proper adjustments and capital additions
Xcel Energy	Xcel Energy Inc.
XES	Xcel Energy Services Inc.
WBS	Work Breakdown Structure

LIST OF ATTACHMENTS

<u>Attachment</u>	<u>Description</u>
LAB-1	Total Company Amounts and Jurisdictional Percentages (<i>Filename: LAB-1.xlsx</i>)
LAB-2	Capital Additions Closed to Plant-in-Service for the Period October 1, 2019 through September 30, 2020 (<i>Filename: LAB-2.xlsx</i>)
LAB-3	Capital Additions Closed to Plant-in-Service for the Period October 1, 2020 through February 28, 2021 (<i>Filename: LAB-3.xlsx</i>)
LAB-4	Property Services and Physical Security Services O&M Expenses (<i>Filename: LAB-4.xlsx</i>)

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of
Lawrence A. Bick

1 **I. WITNESS IDENTIFICATION AND QUALIFICATIONS**

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

3 A. My name is Lawrence A. Bick. My business address is 414 Nicollet Mall,
4 Minneapolis, Minnesota 55401.

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

6 A. I am filing testimony on behalf of Southwestern Public Service Company, a New
7 Mexico corporation (“SPS”). SPS is a wholly-owned electric utility subsidiary of
8 Xcel Energy Inc. (“Xcel Energy”).

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

10 A. I am employed by Xcel Energy Services Inc. (“XES”), the service company
11 subsidiary of Xcel Energy, as Senior Director, Property and Aviation Services.

12 **Q. Please briefly outline your responsibilities as Senior Director, Property and
13 Aviation Services.**

14 A. I have executive responsibility for all corporate real estate, buildings, and grounds,
15 including over five million square feet (“SF”) of facilities in eight states and 165
16 campuses. This includes responsibility for capital projects, operations,
17 maintenance, administrative services, and project engineering and architecture for
18 these properties. I also direct the Aviation and Travel Services organization.

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1 **Q. Please describe your educational background.**

2 A. In 1980, I earned a Bachelor of Science degree in Civil Engineering from Purdue
3 University. In 1990, I earned a Master of Business Administration from
4 St. Ambrose University.

5 **Q. Please describe your professional experience.**

6 A. My career began in 1980 as a Project Engineer for Iowa-Illinois Gas & Electric
7 Company, where I was promoted to Senior Engineer, managing facilities related
8 projects, and then Manager, Utility Service. In 1995, I became Manager, Gas
9 Engineering, for MidAmerican Energy, directing a team of engineers and
10 technicians building gas pipelines and managing pipeline integrity programs. In
11 1998, I joined Northern States Power as Manager, Gas Engineering, and was
12 subsequently promoted to Manager, Northwest Region Gas Operations. In 2001, I
13 became Director, Delivery Design, for Xcel Energy, with responsibility for all gas
14 and electric distribution projects in the Northern States Power Operating Company
15 region. In 2002, I was promoted to Managing Director, Property Services,
16 responsible for Operation and Maintenance (“O&M”) for all Xcel Energy call
17 centers, buildings, and service centers. In 2012, I was given additional
18 responsibility to manage physical security for all Xcel Energy facilities, including
19 power plants, transmission lines, and corporate facilities, and was named Senior

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1 Director, Property & Physical Security Services. In 2014, my responsibilities were
2 expanded to include direction of Aviation and Travel Services. In 2016, Security
3 Services was moved into a different organization.¹

4 **Q. Have you attended or taken any special courses or seminars relating to public**
5 **utilities?**

6 A. Yes. As a component of my professional development, throughout my career I
7 have attended numerous technical seminars, including Utility Finance Accounting,
8 the Public Utilities Reports Guide, and gas and electric transmission and
9 distribution engineering, design, operations, and maintenance seminars.

10 **Q. Do you hold any professional licenses?**

11 A. Yes. I am credentialed as a Certified Facility Manager by the International
12 Facilities Management Association (“IFMA”) and also hold a Sustainability
13 Facilities Professional credential from the same organization.

14 **Q. Are you a member of any professional organizations?**

15 A. Yes. I am a member of the IFMA, the American Society of Civil Engineers, the
16 Building Owners and Managers Association, the National Business Aviation
17 Association, and the Association of Security International Professionals.

¹ For the purposes of this testimony and case efficiency, Property Services and Security Services continue to be addressed as one business area.

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1 **Q. Have you filed testimony before any regulatory authorities?**

2 A. Yes. I have filed testimony before the New Mexico Public Regulation Commission
3 (“Commission”) and the Public Utility Commission of Texas on issues including
4 property services-related capital additions and various support services provided by
5 XES.

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

3 **Q. What is your assignment in this proceeding?**

4 A. I first explain how the Property Services and Physical Security Services capital
5 projects are ranked, estimated, selected for funding, and managed. Next, I present
6 the major Property Services and Physical Security Services capital additions from
7 October 1, 2019 through February 28, 2021, including the cost data for: (1) the
8 capital additions that closed to plant-in-service during the period of October 1, 2019
9 through September 30, 2020, and (2) the capital additions that closed to plant-in-
10 service or are scheduled to close to plant-in-service during the period from October
11 1, 2020 through February 28, 2021.

12 Next, I discuss the overall O&M expenses for the Property Services and
13 Physical Security Services organization for the Test Year.² I explain that the
14 expenses are reasonable and necessary to support the electric service SPS provides
15 to its New Mexico retail customers and are representative of future costs.

16 **Q. Please summarize the conclusions and recommendations in your testimony.**

17 A. The Property Services and Physical Security Services capital additions total
18 \$6,241,449 on a New Mexico retail basis (\$20,756,130 total company) for the

² The Test Year is the Historical Test Year Period consisting of the Base Period (October 1, 2019 through September 30, 2020) and further incorporating all proper adjustments and capital additions.

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1 period from October 1, 2019 through February 28, 2021. SPS is requesting a
2 Commission finding that those costs are reasonable and necessary to provide,
3 maintain, and secure the properties and facilities that are used by SPS to provide
4 safe and reliable electric utility service for its customers. The amount for projects
5 placed in service during the period from October 1, 2019 through September 30,
6 2020 is \$2,789,943 on a New Mexico retail basis (\$9,280,517 total company). The
7 amount for projects that have been placed in service or will be placed in service
8 during the period from October 1, 2020 through February 28, 2021 is \$3,451,506
9 on a New Mexico retail basis (\$11,475,613 total company). All of these prudently
10 incurred costs arise from reasonable and necessary capital projects to secure,
11 construct, equip, repair, and maintain SPS's service centers, call center, storage
12 facilities, and office facilities. They are necessary to provide functional and safe
13 facilities for SPS's operations and are used in providing service to customers.
14 Therefore, the Commission should authorize these Property Services and Physical
15 Security Services capital additions to be included in SPS's rate base.

16 SPS's Test Year Property Services and Physical Security Services business
17 area O&M expenses are reasonable and necessary to support the electric service
18 SPS provides to its New Mexico retail customers and are representative of SPS's
19 future costs. These services, which include providing physical security to

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1 employees, protecting assets, performing investigations, and assisting in regulatory
2 compliance, are related to the real estate, buildings, and facilities that are necessary
3 for SPS to provide electric service to its customers. These services allow SPS to
4 have sufficient facilities to meet the needs of its customers and employees, as well
5 as to operate securely and within regulatory requirements governing the physical
6 security of electrical facilities. SPS's standard practice includes efforts to manage
7 and minimize related O&M expense.

8 **Q. How were New Mexico retail jurisdictional amounts in your testimony and**
9 **attachments calculated?**

10 A. Throughout this testimony, I quantify the expense and asset amounts on a New
11 Mexico retail basis based upon the jurisdictional allocation percentages that SPS
12 witness Stephanie N. Niemi uses to develop the New Mexico retail revenue
13 requirement reflected in her Attachment SNN-6. Ms. Niemi is responsible for
14 calculating jurisdictional allocation percentages that apply to the various
15 components in the cost of service. My staff and I conferred with Ms. Niemi and
16 her staff to determine the New Mexico retail jurisdictional amounts presented in
17 my testimony and attachments. If the percentages used to allocate amounts to the
18 New Mexico retail jurisdiction change, those new allocation percentages will need
19 to be applied to the total company numbers to derive updated New Mexico retail

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1 amounts. Attachment LAB-1 contains the total company numbers and the
2 jurisdictional percentages used to derive the New Mexico retail amounts in my
3 testimony.

4 **Q. Were Attachments LAB-1 through LAB-4 prepared by you or under your**
5 **direct supervision and control?**

6 A. Attachment LAB-1 is discussed above. I have reviewed the attachment and I
7 believe it to be accurate. Attachments LAB-2 and LAB-3 were prepared by my
8 staff as well as SPS witness Mark P. Moeller and his staff, and the information in
9 Attachments LAB-2 and LAB-3 is included in Mr. Moeller's Attachments MPM-2
10 and MPM-3. Attachment LAB-4 was prepared under the supervision of Ms. Neimi
11 and represents a portion of the jurisdictional cost of service provided in Ms. Neimi's
12 direct testimony, Attachment SNN-6. I have reviewed the attachments and believe
13 them to be accurate.

1 **III. THE RANKING, ESTIMATION, SELECTION FOR FUNDING, AND**
2 **MANAGEMENT OF PROPERTY SERVICES AND PHYSICAL**
3 **SECURITY SERVICES CAPITAL ADDITIONS**

4 **Q. Please describe the Property Services and Physical Security Services business**
5 **area and the work that Property Services and Physical Security Services**
6 **performs to support SPS's operations.**

7 A. The Property Services and Physical Security Services business area provides,
8 maintains, and secures the properties and facilities that are used by SPS to serve its
9 customers. The work that is performed by the business area and that is directly
10 related to capital projects includes:

- 11 • Property – Responsibility for real estate; facilities O&M; building
12 construction projects; space coordination; employee move management;
13 and office equipment provision and support.
- 14 • Physical Security – Responsibility for the physical security of facilities and
15 employees; asset protection; performing investigations and incident
16 response; managing the Security Operations Center 24 hours a day, 7 days
17 a week, 365 days a year; and assisting in regulatory compliance.

18 Capital additions are a necessary part of this work in order for SPS to provide safe
19 and reliable electric utility service to SPS customers.

20 **Q. Please describe the process for ranking and funding Property Services and**
21 **Physical Security Services capital projects.**

22 A. Early each year, the Property Services and Physical Security staff evaluates
23 corporate facilities to identify projects for inclusion in the capital budget for the

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1 following year. Property Services and Physical Security Services identifies short-
2 term and long-term facilities needs in coordination with facility and project
3 managers. The needs may be greater than the organization's ability to fund them,
4 so the Property Services and Physical Security Services organization has
5 implemented a careful, methodical approach for evaluating and prioritizing SPS's
6 needs and any proposed investments. New items identified are categorized and
7 prioritized along with existing multi-year capital projects. The evaluation considers
8 factors such as facility safety, opportunities for increased efficiencies, and urgency
9 of equipment replacement in relation to potential consequences of equipment
10 failure. Projects that are related to safety have the highest priority. Other projects
11 are reviewed with relevant Operating Company staff to verify need and priority.
12 The final project list for a given year is based on funding all safety projects first,
13 and funding the balance of projects based on priority in consideration of overall
14 Xcel Energy capital guidelines.

15 Safety-related projects such as new or replacement fire alarm systems,
16 uninterruptible power supply, fire suppressing sprinkler systems, and building code
17 requirements are all funded to assure safety compliance with local government
18 jurisdictions.

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1 Projects such as office consolidations, mechanical equipment replacements,
2 and structural projects that are not safety-related receive funding based on highest
3 cost-benefit analysis and return on investment. Projects that are more appearance-
4 related, such as office furniture, landscaping, and improvements to common
5 building areas, receive funding based on comparison to existing building standards.
6 For example, projects that are most likely to bring facility conditions to established
7 standards are funded before those that have less benefit.

8 Property Services and Physical Security Services conducts reviews on an
9 ongoing basis as new needs arise and priorities change, sometimes resulting in
10 deferring projects in order to match the available funds.

11 **Q. Please generally describe how the Property Services and Physical Security**
12 **Services business area develops cost estimates for proposed capital additions.**

13 A. Property Services and Physical Security Services develops cost information in
14 different ways depending on the type of project involved. For smaller projects,
15 Property Services collects past project cost information and historical data used to
16 approximate costs for similar work. These costs are weighed against the active
17 year's economic climate and costs are adjusted accordingly to reflect construction
18 industry activity in the area, cost of materials/labor, oil prices, and location of the

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1 work/access to labor. For some larger projects, Property Services hires a third-
2 party estimator to develop an estimate based on a defined scope of work.

3 **Q. Please explain how Property Services and Physical Security Services capital**
4 **costs are managed.**

5 A. After the estimates are developed, all projects follow a project flow process that
6 requires reviews and approvals at the budget, management, senior management,
7 and executive levels. After this approval, they are reviewed by project managers,
8 area management, and corporate finance on a monthly basis to compare the monthly
9 budget to actual expenditures. Each project's budget is updated monthly with a
10 current forecast for all remaining months, including current year-to-date spending.
11 Further, year-to-date actual expenditures are compared with year-to-date forecasts
12 and year-end forecasts. Deviations are identified and recommendations are
13 reviewed and approved. Changes to budgeted project costs are reported to the
14 finance department on a monthly basis.

15 When a project's actual costs will exceed the original budget or an
16 unbudgeted emergency occurs, all lower priority projects included in that year's
17 budget are reviewed by Property Services and Physical Security Services
18 management to determine whether they can be delayed or removed to cover the

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1 costs of those emergencies. For example, a parking lot that is not draining correctly
2 and is creating unsafe ice patches would be a higher priority than replacing the
3 lighting or windows to increase efficiency, which can be delayed to a future year.

1 **IV. PROPERTY SERVICES AND PHYSICAL SECURITY**
2 **SERVICES CAPITAL ADDITIONS**

3 **Q. As part of this rate case, is SPS requesting to include any Property Services**
4 **and Physical Security Services capital additions in its rate base?**

5 A. Yes. SPS is requesting authorization to include in rate base those Property Services
6 and Physical Security Services capital additions that have closed or are expected to
7 close to plant-in-service for the period of October 1, 2019 through February 28,
8 2021. In Subsection A, I address the capital additions that closed to plant-in-service
9 during the period from October 1, 2019 through September 30, 2020. In
10 Subsection B, I discuss the capital additions that have closed to plant-in-service or
11 are expected to close to plant-in-service during the period from October 1, 2020
12 through February 28, 2021. All of these Property Services and Physical Security
13 Services capital additions, which relate to SPS's offices and facilities, support
14 SPS's ability to provide safe and reliable electric service to its customers.

1 **A. Property Services and Physical Security Services**
2 **Capital Additions for the Period of October 1, 2019**
3 **through September 30, 2020**

4 **Q. What is the dollar amount of the Property Services and Physical Security**
5 **Services capital additions that SPS is requesting in this case for the period**
6 **from October 1, 2019 through September 30, 2020?**

7 A. SPS is requesting \$2,789,943 on a New Mexico retail basis (\$9,280,517 total
8 company) in Property Services and Physical Security Services capital additions for
9 the period from October 1, 2019 through September 30, 2020.

10 **Q. Have you prepared a list of the Property Services and Physical Security**
11 **Services capital additions closed to plant-in-service during the period from**
12 **October 1, 2019 through September 30, 2020?**

13 A. Yes. Attachment LAB-2 lists the Property Services and Physical Security Services
14 capital additions placed in service during the period from October 1, 2019 through
15 September 30, 2020. Attachment LAB-2 provides the information listed in Table
16 LAB-1:

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1

Table LAB-1

Column A —	Asset Class	Identifies the type of asset.
Column B —	Witness	Identifies the witness supporting the project.
Column C —	Project Category	Provides the project category that is descriptive of the project’s type.
Column D —	WBS Level 2 Number	Provides the Work Breakdown Structure (“WBS”) Level 2 number for the project.
Column E —	Project Description (WBS Level 2 Description)	Provides a short title for the WBS Level 2 number for the project.
Column F —	Additions to Plant-in-Service (October 1, 2019 – September 30, 2020) Total Company	Provides the Total Company dollar amount for the plant additions for the period of October 1, 2019 through September 30, 2020.
Column G —	Additions to Plant-in-Service (October 1, 2019 – September 30, 2020) NM Retail	Provides the New Mexico Retail dollar amount for the plant additions for the period of October 1, 2019 through September 30, 2020.

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1 **Q. Please describe the Property Services and Physical Security Services capital**
2 **additions placed in service for the period of October 1, 2019 through**
3 **September 30, 2020, as shown on Attachment LAB- 2.**

4 A. As shown in Table LAB-2, the plant additions for this period fall within the
5 following categories: Buildings and Infrastructure, Tools and Equipment, Office
6 Furniture & Equipment, and Security – Controls and Monitoring.

7 **Table LAB-2**
8 **Property Services and Physical Security Services – Capital Investment**
9 **for the Period October 1, 2019 through September 30, 2020**

Project Category	Property Services and Physical Security Services Capital Additions (total company)	Property Services and Physical Security Services Capital Additions (NM retail)
Buildings and Infrastructure	\$8,213,054	\$2,469,038
Tools and Equipment	\$216,672	\$65,137
Office Furniture & Equipment	\$827,733	\$248,836
Security – Controls and Monitoring	\$23,058	\$6,932
Total	\$9,280,517	\$2,789,943

*Amounts in table may appear to not total due to rounding.

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1 **Q. Please describe the types of projects included in the “Buildings and**
2 **Infrastructure” category.**

3 A. This category of investment contains the capital additions for constructing,
4 maintaining, renovating, and remodeling building facilities and infrastructure used
5 by or for the benefit of SPS in its provision of retail electric service to its customers.
6 For example, capital additions in this category include repairs to ensure code
7 compliance and safety of mechanical or structural equipment.

8 The total investment in this category amounts to \$2,469,038 on a New
9 Mexico retail basis during the period. Projects included in this category are:

10 **Amarillo Tech Center Bldg Acquisition** – \$1,821,710 NM Retail
11 (\$6,059,770 Total Company) (WBS Level 2 Number D.0001810.097) –
12 This project involved the purchase of the Amarillo Technical Center, which
13 was previously leased, eliminating O&M lease costs.

14 **Amarillo Tech Center Land Acquisition** – \$603,544 NM Retail
15 (\$2,007,640 Total Company) (WBS Level 2 Number D.0001810.096) –
16 This project involved the purchase of the property on which the Amarillo
17 Technical Center is located, eliminating O&M lease costs.

18 **790 Buchanan OH Door Rplc** – \$16,588 NM Retail (\$55,177 Total
19 Company) (WBS Level 2 Number D.0001810.087) – This project involved
20 replacing two 22’ x 14’ overhead rolling doors and operators that failed,
21 creating a hazard to life and safety.

22 **Mechanical – Lubbock – Routine** – \$15,944 NM Retail (\$53,037 Total
23 Company) (WBS Level 2 Number D.0001806.080) – This project involved
24 the replacement of the building automation system at the Lubbock
25 Operations Center, which is used to monitor and control the mechanical
26 systems in the facility.

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1 **Amarillo Trans Ctr OH Doors Rplc** – \$11,556 NM Retail (\$38,441 Total
2 Company) (WBS Level 2 Number D.0001810.090) – This project involved
3 replacing the overhead rolling doors on the west side of the facility, which
4 were damaged beyond repair by heavy wind.

5 Combined, these projects account for over 99% of the total capital additions
6 in this category. The remaining costs are attributable to a small negative plant
7 addition due to trailing charges and charges for similar projects that total to less
8 than 1% of the total costs.

9 **Q. Please describe the types of projects included in the “Tools and Equipment”**
10 **category.**

11 A. This category of investment contains the capital additions for furnishing and
12 equipping building facilities and infrastructure used by or for the benefit of SPS in
13 its provision of retail electric service to its customers. The total investment in this
14 category amounts to \$65,137 on a New Mexico retail basis during the period. The
15 project in this category is:

16 **Tools & Equipment – Electric – TX** – \$65,137 NM Retail (\$216,672 Total
17 Company) (WBS Level 2 Number A.0006059.488). This project involved
18 the purchase of batteries for an uninterrupted power supply at Amarillo
19 Operations Center; replacement of a generator at Elmwood Service Center;
20 purchase of a forklift for 790 Buchanan; replacement of a manlift at
21 Amarillo Southwest Storage building; upgrading the audio/visual (“AV”)
22 systems at 790 Buchanan and the Amarillo Meter Reading building; and
23 replacing and purchasing new ice machines for the Amarillo Southwest
24 Storage building.

25 This project accounts for 100% of the total capital additions in this category.

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1 **Q. Please describe the types of projects included in the “Office Furniture &**
2 **Equipment” category.**

3 A. This category of investment involves interior furnishings and non-facility specific
4 equipment, such as office furniture and AV equipment. The total investment in this
5 category amounts to \$248,836 on a New Mexico retail basis (\$827,733 total
6 company) during the period. The projects included in this category are:

7 **Office Furn & Equipment – Electric** – \$244,978 NM Retail (\$814,901
8 Total Company) (WBS Level 2 Number A.0005014.101) – This project
9 involved the replacement of office furniture including, but not limited to,
10 full workstation replacement, new office chairs, sit-to-stand desks, and new
11 conference room furniture at Amarillo Operations Center, Amarillo
12 Substation Building, Plainview Service Center, and Canyon Service Center.
13 Also included are upgrades to the AV system at Amarillo Operations
14 Center.

15 **Office Furn & Equipment – Electric** – \$3,858 NM Retail (\$12,832 Total
16 Company) (WBS Level 2 Number A.0005014.102) – This project involved
17 the purchase of existing furniture in the Santa Fe office and new furniture
18 where necessary.

19 These projects account for 100% of the total capital additions in this category.

20 **Q. Please describe the types of projects included in the “Security - Controls and**
21 **Monitoring” category.**

22 A. This category covers the replacement and installation of security system equipment
23 associated with SPS facilities and infrastructure. The total investment in this

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1 category amounts to \$6,932 on a New Mexico retail basis during the period. The
2 project included in this category is:

3 **Security Projects – Electric** – \$6,932 NM Retail (\$23,058 Total Company)
4 (WBS Level 2 Number D.0001781.042) – This project involved the
5 installation of employee card readers at the Tukumcari site.

6 This project accounts for 100% of the total capital additions in this category.

7 **Q. Are the Property Services and Physical Security Services capital additions for**
8 **the period of October 1, 2019 through September 30, 2020 presented in**
9 **Attachment LAB-2 reasonable and necessary?**

10 A. Yes. As discussed in my testimony above, the Property Services and Physical
11 Security Services capital additions presented in Attachment LAB-2 are reasonable
12 and necessary to provide and maintain facilities needed for SPS's operations and to
13 provide a safe, secure, and functional environment at each facility, which is
14 necessary to provide safe and reliable utility service to SPS's customers. The
15 process for developing costs and managing projects discussed in Section III ensures
16 that the expenditures are reasonable and necessary and that the costs were prudently
17 incurred.

1 **B. Property Services and Physical Security Services**
2 **Capital Additions for the Period from October 1, 2020**
3 **through February 28, 2021**

4 **Q. Please describe the Property Services and Physical Security Services capital**
5 **additions SPS is requesting to include in its rate base for the period from**
6 **October 1, 2020 through February 28, 2021.**

7 A. The capital additions that have been or will be placed in service during the period
8 of October 1, 2020 through February 28, 2021 are similar to the projects that were
9 closed during the period of October 1, 2019 through September 30, 2020, which I
10 discussed in the previous subsection of my testimony. As with the projects
11 discussed above, these projects are necessary to provide, maintain, and secure the
12 properties and facilities that are used by SPS to provide safe and reliable electric
13 utility service for its customers.

14 **Q. What is the dollar amount of the Property Services and Physical Security**
15 **Services capital additions for the period of October 1, 2020 through February**
16 **28, 2021 that SPS is requesting to include in rate base?**

17 A. SPS is requesting approval of \$3,451,506 on a New Mexico retail basis
18 (\$11,475,613 total company) in Property Services and Physical Security Services
19 capital additions for the period of October 1, 2020 through February 28, 2021.

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1 Attachment LAB-3 provides all of the Property Services and Physical Security
2 Services capital additions closed to plant-in-service during this time period.

3 **Q. Please describe the information included in Attachment LAB-3, which**
4 **provides details about the dollar amount for Property Services and Physical**
5 **Security Services capital additions for the period of October 1, 2020 through**
6 **February 28, 2021.**

7 A. Attachment LAB-3 provides the information listed in Table LAB-3:

8 **Table LAB-3**

Column A —	Asset Class	Identifies the type of asset.
Column B —	Witness	Identifies the witness supporting the project.
Column C —	Project Category	Provides the project category that is descriptive of the project's type.
Column D —	Project Description	Provides a short title that describes the project.
Column E —	Additions to Plant-in-Service (October 1, 2020 – February 28, 2021) Total Company	Provides the Total Company dollar amounts for the plant additions for the period October 1, 2020 through February 28, 2021.
Column F —	Additions to Plant-in-Service (October 1, 2020 – February 28, 2021) NM Retail	Provides the New Mexico Retail dollar amounts for the plant additions for the period October 1, 2020 through February 28, 2021.

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Direct Testimony
of
Lawrence A. Bick

1 **Q. Please describe the Property Services and Physical Security Services capital**
2 **additions placed in service for the period of October 1, 2020 through February**
3 **28, 2021.**

4 A. The capital additions that have been or will be placed into service between October
5 1, 2020 through February 28, 2021 are similar to the projects that were closed
6 during the period of October 1, 2019 through September 30, 2020. The table below
7 shows the project categories and amounts.

8 **Table LAB-4**

9 **Property Services and Physical Security Services – Capital Investment**
10 **for the Period October 1, 2020 through February 28, 2021**

Project Category	Property Services and Physical Security Services Capital Additions (total company)	Property Services and Physical Security Services Capital Additions (NM retail)
Buildings and Infrastructure	\$10,216,925	\$3,071,449
Tools & Equipment	\$70,067	21,064
Office Furniture & Equipment	\$53,870	16,195
Security – Controls and Monitoring	\$884,246	265,825
Cybersecurity	\$250,504	76,973
Total	\$11,475,613	\$3,451,506

*Amounts in table may appear to not total due to rounding.

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of
Lawrence A. Bick

1 **Q. Please describe the types of projects included in the “Buildings and**
2 **Infrastructure” category.**

3 A. The general description of the Buildings and Infrastructure category provided in the
4 previous subsection of this testimony applies to the Buildings and Infrastructure
5 projects included in Attachment LAB-3. The total planned investment in this
6 category amounts to \$3,071,349 on a New Mexico retail basis during the period.

7 The projects included in this category are:

8 **Amarillo Ops Renovation** – \$2,972,494 NM Retail (\$9,887,760 Total
9 Company) – This project includes the complete renovation of the Amarillo
10 Operations Center, including replacement of mechanical systems, upgrades
11 to plumbing and electrical systems, updated space planning and interior
12 finishing, and new furniture and fixtures.

13 **Lubbock Substation Roof Replacement** – \$66,887 NM Retail (\$222,496
14 Total Company) – This project includes the removal of evaporative coolers
15 and replacement of the leaking roof, a result of weather damage and age.

16 **SPS Energy Management** – \$32,012 NM Retail (\$106,484 Total
17 Company) – This category includes projects aimed at improving energy
18 management capabilities and conservation, such as LED lighting retrofits,
19 and energy efficient mechanical, electrical, and plumbing system upgrades.

20 Combined, these projects account for over 99% of the total capital additions
21 in this category. The remaining costs are for a similar project of a minimal amount.

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of
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1 **Q. Please describe the types of projects included in the “Tools & Equipment”**
2 **category.**

3 A. The general description of the Tools & Equipment category provided in the
4 previous subsection of this testimony applies to the Tools & Equipment projects
5 included on Attachment LAB-3. The total planned investment in this category is
6 \$21,064 on a New Mexico retail basis during the period. The project category is
7 composed of:

8 **Tools & Equipment** – \$12,078 NM Retail (\$40,177 Total Company) –
9 Non-facility specific tools and equipment utilized by facility staff to
10 perform maintenance.

11 **SPS – Legal Drones** – \$8,986 NM Retail (\$29,890 Total Company) –
12 Drones purchased for use for claims services investigations.

13 These projects account for 100% of the total capital additions in this category.

14 **Q. Please describe the types of projects included in the “Office Furniture &**
15 **Equipment” category.**

16 A. The general description of the Office Furniture & Equipment category provided in
17 the previous subsection of this testimony applies to the projects included as “Office
18 Furniture & Equipment” on Attachment LAB-3. The total planned investment in
19 this category is \$16,195 on a New Mexico retail basis during the period. The
20 project included in this category is:

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1 **Office Furniture & Equipment** – \$16,195 NM Retail (\$53,870 Total
2 Company). This project includes the replacement or new purchase of non-
3 facility specific furnishings, office equipment, and AV equipment.

4 This project accounts for 100% of the total capital additions in this category.

5 **Q. Please describe the types of projects included in the “Security – Controls and**
6 **Monitoring” category.**

7 A. The general description of the Security – Controls and Monitoring category
8 provided in the previous subsection of this testimony applies to the projects
9 identified as “Security – Controls and Monitoring” on Attachment LAB-3. The
10 total planned investment in this category is \$265,825 on a New Mexico retail basis
11 during the period. The project category is composed of:

12 **Card Readers, Cabling, and Video Monitoring at Multiple Locations** –
13 \$265,825 NM Retail (\$884,246 Total Company). These projects are for
14 integrated physical and Information Technology security systems for access
15 control, visitor management, and video surveillance.

16 This accounts for 100% of the total capital additions in this category.

17 **Q. Please describe the types of projects included in the “Cybersecurity” category.**

18 A. This category includes replacement of the firewalls at Energy Supply facilities in
19 SPS to meet the current corporate Cybersecurity requirements. The current
20 firewalls at the SPS facilities were installed in 2013 and do not have the latest
21 security features to meet the ever-increasing threats to generation facilities. The

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1 new firewalls will incorporate the new features identified by Xcel Energy's
2 corporate Cybersecurity standards to meet these new threats. The total planned
3 investment in this category is \$76,973 on a New Mexico retail basis during the
4 period of October 1, 2020 through February 28, 2021. The project included in this
5 category is:

6 **Firewall Upgrade** – \$76,973 NM Retail (\$250,504 Total Company) – This
7 project includes replacement of the firewalls at Energy Supply facilities in
8 SPS to meet the current corporate Cybersecurity requirements.

9 This accounts for 100% of the total capital additions in this category.

10 **Q. Are the Property Services and Physical Security Services capital additions**
11 **presented in Attachment LAB-3 consistent with what is expected to be placed**
12 **in service during the period October 1, 2020 through February 28, 2021?**

13 A. Yes. Although the actual cost of any single capital project may vary somewhat
14 from the estimated amount on Attachment LAB-3, it is possible that other projects
15 will emerge or replace those listed. Thus, Attachment LAB-3 is a reasonable
16 estimate of the total costs of the Property Services and Physical Security Services
17 capital investment that will be placed in service during the period of October 1,
18 2020 through February 28, 2021.

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1 **Q. Are the Property Services and Physical Security Services capital additions for**
2 **the period presented in Attachment LAB-3 reasonable and necessary?**

3 A. Yes. As discussed in my testimony above, the Property Services and Physical
4 Security Services capital additions presented in Attachment LAB-3 are reasonable
5 and necessary to provide and maintain facilities needed for SPS's operations. They
6 help provide a safe, secure, and functional environment at each facility, which is
7 necessary to provide safe and reliable utility service to its customers. The process
8 for developing costs and managing projects discussed in Section III ensures that the
9 expenditures are reasonable and necessary and that the costs were prudently
10 incurred.

1 **V. PROPERTY SERVICES AND PHYSICAL SECURITY SERVICES-**
2 **RELATED O&M EXPENSES DURING THE TEST YEAR**

3 **Q. What types of Property Services and Physical Security Services business area**
4 **O&M expenses are included in SPS’s cost of service?**

5 A. Property Services and Physical Security Services O&M expenses include both
6 native SPS costs and affiliate charges. Native SPS costs are those costs incurred
7 directly by SPS associated with the provision of electric service to customers. For
8 example, the salaries of SPS employees are native costs.

9 Another component of SPS’s O&M expenses are those associated with
10 services provided by XES to SPS. These services are in addition to, and not
11 duplicative of, the services that SPS employees provide. XES is a centralized
12 service company and the charges for its services must be provided “at cost,” or
13 without profit. Finally, O&M expenses also include charges to SPS from other
14 Operating Companies or affiliated interests. Similar to the charges from XES, these
15 services are charged to SPS “at cost” and generally involve services such as
16 building and facility maintenance, utilities, operations, janitors, and trash removal.
17 SPS witness Ross L. Baumgarten provides additional details regarding the
18 methodology of charging affiliate costs to SPS from XES and other affiliated
19 interests.

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1 The costs for these services also include labor, overheads, materials, and
2 supplies. SPS witness Michael T. Knoll provides testimony regarding labor costs,
3 SPS witness Richard R. Schrubbe provides testimony regarding pension and related
4 costs, and Mr. Baumgarten provides testimony regarding the methodology of
5 billings for labor and labor-related overheads.

6 **Q. Please describe SPS’s Property Services and Physical Security Services-**
7 **related expenses for which SPS seeks recovery in its base rates.**

8 A. These costs, which are provided in Attachment LAB-4, relate to the following
9 Federal Energy Regulatory Commission (“FERC”) accounts and descriptions:

FERC Account	Description
931	Administrative & General (“A&G”) rents
935	Maintenance of general plant

10 **Q. Please generally describe the types of activities related to costs recorded to**
11 **FERC Accounts 931, A&G rents and 935, Maintenance of general plant.**

12 A. With respect to A&G rents, costs are composed of services that include equipment
13 rental, lease costs, building construction, and office equipment support. Regarding
14 maintenance of general plant, costs include services such as space coordination,
15 general janitorial maintenance, and human resource security needs.

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1 **Q. What are the types of services and costs specifically associated with SPS's**
2 **Property Services and Physical Security Services organization?**

3 A. SPS's Property Services and Physical Security Services business area is responsible
4 for lease costs and services including:

- 5 • Property: the real estate, facilities operation and maintenance, building
6 construction projects, space coordination, employee move management,
7 office equipment provision and support, switchboard services, and print,
8 mail, and records services; and
- 9 • Physical Security: the physical security of facilities and employees; asset
10 protection; performing investigations and incident response; managing the
11 Security Operations Center 24 hours a day, 7 days a week, 365 days a year;
12 assisting in regulatory compliance; as well as preparation for responding to
13 major emergencies, pandemics, and disasters in order to ensure continued
14 operations of Xcel Energy and its Operating Companies, including SPS.

15 Together, these services work to ensure that SPS has sufficient operations and
16 service centers, microwave sites that control SCADA, office buildings, and other
17 facilities in the SPS region to meet the needs of its customers and employees, and
18 that SPS is able to operate securely and within regulatory requirements governing
19 the physical security of electrical facilities. The Property Services portfolio within
20 SPS includes 63 buildings across 51 campuses totaling more than 611,000 sf of
21 office, warehouse, and garage space. Twelve of those buildings are located within
22 SPS's NewMexico service area.

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1 **Q. Are the services and associated costs related to the Property Services and**
2 **Physical Security Services business area necessary for SPS's operations?**

3 A. Yes. The services and associated costs are necessary to ensure that SPS and Xcel
4 Energy operate securely and within regulatory compliance guidelines related to
5 physical security; that SPS employees have places to work and that their
6 workspaces are appropriately furnished and maintained; that the equipment and
7 machinery used by SPS in providing electric services is appropriately housed; and
8 that records services, switchboard services, and print and mail services are
9 available. The Property Services and Physical Security Services business area
10 provides services required by all utilities and without which SPS would not be able
11 to provide safe and reliable electric service to its customers.

12 **Q. Do SPS's New Mexico retail customers benefit from the services that are**
13 **provided by the Property Services and Physical Security Services**
14 **organization?**

15 A. Yes. The services of the Property Services and Physical Security Services business
16 area benefit SPS's New Mexico retail customers in a number of ways. For example,
17 the business area is responsible for managing the service centers located throughout
18 the SPS service territory that house the equipment and vehicles used to maintain
19 electric service to customers and the sophisticated security systems, for providing

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1 round-the-clock monitoring, and for providing awareness training to protect the
2 assets and personnel of SPS that are necessary to provide electric service to
3 customers.

4 **Q. Do you provide an attachment that lists the total Property Services and**
5 **Physical Security Services business area O&M expense by FERC account?**

6 A. Yes. Attachment LAB-4 provides the total Test Year Property Services and
7 Physical Security Services-related O&M expenses broken down by FERC account.
8 My testimony supports these costs as reasonable and representative of the Property
9 Services and Physical Security Services business area O&M expense that SPS will
10 incur prospectively.

11 **Q. During the fiscal year, does the Property Services and Physical Security**
12 **Services business area monitor its actual expenditures versus its budget?**

13 A. Yes. Actual versus expected expenditures are monitored on a monthly basis by
14 management within each department of the Property Services and Physical Security
15 Services business area. Deviations are evaluated each month to ensure that costs
16 are appropriate. In addition, action plans are developed to mitigate variations in
17 actual to budgeted expenditures. These mitigation plans may either reduce or delay
18 other expenditures so that overall spending complies with the authorized budget.

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of
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1 **Q. Are employees within the Property Services and Physical Security Services**
2 **business area held accountable for deviations from the budget?**

3 A. Yes. All management employees in the Property Services and Physical Security
4 Services business area have specific budgetary targets that are measured on a
5 monthly basis to ensure adherence to the targets and provide for action plan
6 development to address variances.

7 **Q. Is the Test Year level of O&M costs associated with the Property Services and**
8 **Physical Security Services business area reasonable and representative of the**
9 **costs apt to prevail in the future?**

10 A. Yes. The Test Year level of Property Services and Physical Security Services
11 business area O&M expenses is reasonable and representative of the costs SPS will
12 experience in the future. As I discussed earlier, SPS provides Property Services
13 and Physical Security Services business area services as efficiently as possible,
14 making all reasonable efforts to manage costs and stay within an O&M budget.

15 **Q. Does this conclude your pre-filed direct testimony?**

16 A. Yes.

BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION

**IN THE MATTER OF SOUTHWESTERN)
PUBLIC SERVICE COMPANY'S)
APPLICATION FOR: (1) REVISION OF)
ITS RETAIL RATES UNDER ADVICE)
NOTICE NO. 292; (2) AUTHORIZATION) **CASE NO. 20-00238-UT**
AND APPROVAL TO ABANDON ITS)
PLANT X UNIT 3 GENERATING)
STATION; AND (3) OTHER)
ASSOCIATED RELIEF,)
)
SOUTHWESTERN PUBLIC SERVICE)
COMPANY,)
)
APPLICANT.)
)
_____)**

VERIFICATION

On this day, December 22, 2020, I, Lawrence A. Bick, swear and affirm under penalty of perjury under the law of the State of New Mexico, that my testimony contained in Direct Testimony of Lawrence A. Bick is true and correct.

/s/ Lawrence A. Bick

LAWRENCE A. BICK

Southwestern Public Service Company

Total Company Amounts and Jurisdictional Percentages

Line No.	Witness	Description	Page No.	Line No.	Total Company Amount	Number Scale	Allocator	TY Allocator	NM Amount
1	Bick	Property and Physical Security Services Capital Additions	5	18	\$ 20,756,130	Dollars	(1)		\$ 6,241,449
2	Bick	Property and Physical Security Services Capital Additions	6	6	\$ 9,280,517	Dollars	LABXAG	30.06%	\$ 2,789,943
3	Bick	October 1, 2019 through September 30, 2020	6	8 & 9	\$ 11,475,613	Dollars	(1)		\$ 3,451,506
4	Bick	Property and Physical Security Services Capital Additions	15	7	\$ 9,280,517	Dollars	LABXAG	30.06%	\$ 2,789,943
5	Bick	April 1, 2018 through March 31, 2019	17	Table LAB-2	\$ 8,213,054	Dollars	LABXAG	30.06%	\$ 2,469,038
6	Bick	Buildings and Infrastructure	17	Table LAB-2	\$ 216,672	Dollars	LABXAG	30.06%	\$ 65,137
7	Bick	Tools and Equipment	17	Table LAB-2	\$ 827,733	Dollars	LABXAG	30.06%	\$ 248,836
8	Bick	Office Furniture & Equipment	17	Table LAB-2	\$ 23,058	Dollars	LABXAG	30.06%	\$ 6,932
9	Bick	Security – Controls and Monitoring	17	Table LAB-2	\$ 9,280,517	Dollars	LABXAG	30.06%	\$ 2,789,943
10	Bick	Total	18	8	\$ 8,213,054	Dollars	LABXAG	30.06%	\$ 2,469,038
11	Bick	Buildings and Infrastructure	18	10 & 11	\$ 6,059,770	Dollars	LABXAG	30.06%	\$ 1,821,710
12	Bick	Anaarillo Tech Center Bldg Acquisition	18	14 & 15	\$ 2,007,640	Dollars	LABXAG	30.06%	\$ 603,544
13	Bick	Anaarillo Tech Center Land Acquisition	18	18	\$ 55,177	Dollars	LABXAG	30.06%	\$ 16,588
14	Bick	790 Buchanan OH Door Rplc	18	22	\$ 53,037	Dollars	LABXAG	30.06%	\$ 15,944
15	Bick	Mechanical – Lubbock – Routine	18	22	\$ 38,441	Dollars	LABXAG	30.06%	\$ 11,556
16	Bick	Anaarillo Trans Ctr OH Doors Rplc	19	1	\$ 216,672	Dollars	LABXAG	30.06%	\$ 65,137
17	Bick	Tools & Equipment	19	14	\$ 827,733	Dollars	LABXAG	30.06%	\$ 248,836
18	Bick	Tools & Equipment – Electric – TX	20	5	\$ 216,672	Dollars	LABXAG	30.06%	\$ 65,137
19	Bick	Office Furniture & Equipment	20	7	\$ 827,733	Dollars	LABXAG	30.06%	\$ 248,836
20	Bick	Office Furn & Equipment – Electric	20	7	\$ 814,901	Dollars	LABXAG	30.06%	\$ 244,978
21	Bick	Office Furn & Equipment – Electric	20	14	\$ 12,832	Dollars	LABXAG	30.06%	\$ 3,858
22	Bick	Security – Controls and Monitoring	21	1	\$ 23,058	Dollars	LABXAG	30.06%	\$ 6,932
23	Bick	Security Projects – Electric	21	3	\$ 23,058	Dollars	LABXAG	30.06%	\$ 6,932
24	Bick	Property and Physical Security Services Capital Additions	23	17 & 18	\$ 11,475,613	Dollars	(1)		\$ 3,451,506
25	Bick	Buildings and Infrastructure	24	Table LAB-4	\$ 10,216,925	Dollars	LABXAG	30.06%	\$ 3,071,449
26	Bick	Tools and Equipment	24	Table LAB-4	\$ 70,067	Dollars	LABXAG	30.06%	\$ 21,064
27	Bick	Office Furniture & Equipment	24	Table LAB-4	\$ 53,870	Dollars	LABXAG	30.06%	\$ 16,195
28	Bick	Security – Controls and Monitoring	24	Table LAB-4	\$ 884,246	Dollars	LABXAG	30.06%	\$ 265,825
29	Bick	Cybersecurity	24	Table LAB-4	\$ 250,504	Dollars	12CP-PROD	30.73%	\$ 76,973
30	Bick	Total	24	Table LAB-4	\$ 11,475,613	Dollars	(1)		\$ 3,451,506
31	Bick	Buildings and Infrastructure	25	6	\$ 10,216,925	Dollars	LABXAG	30.06%	\$ 3,071,449
32	Bick	Anaarillo Ops Renovation	25	8	\$ 9,887,760	Dollars	LABXAG	30.06%	\$ 2,972,494
33	Bick	Lubbock Substation Roof Replacement	25	13	\$ 222,496	Dollars	LABXAG	30.06%	\$ 66,887
34	Bick	SPS Energy Management	25	16	\$ 106,484	Dollars	LABXAG	30.06%	\$ 32,012
35	Bick	Tools and Equipment	26	6	\$ 70,067	Dollars	LABXAG	30.06%	\$ 21,064
36	Bick	Tools & Equipment	26	8	\$ 40,177	Dollars	LABXAG	30.06%	\$ 12,078
37	Bick	SPS – Legal Drones	26	11	\$ 29,890	Dollars	LABXAG	30.06%	\$ 8,986
38	Bick	Office Furniture & Equipment	26	19	\$ 53,870	Dollars	LABXAG	30.06%	\$ 16,195
39	Bick	Office Furniture & Equipment	27	1	\$ 53,870	Dollars	LABXAG	30.06%	\$ 16,195
40	Bick	Security – Controls and Monitoring	27	10	\$ 884,246	Dollars	LABXAG	30.06%	\$ 265,825
41	Bick	Card Readers, Cabling, and Video Monitoring at Multiple Locations	27	13	\$ 884,246	Dollars	LABXAG	30.06%	\$ 265,825
42	Bick	Cybersecurity	28	3	\$ 250,504	Dollars	12CP-PROD	30.73%	\$ 76,973
	Bick	Firewall Upgrade	28	6	\$ 250,504	Dollars	12CP-PROD	30.73%	\$ 76,973

(1) General Plant primarily allocated using LABXAG (30.06%) with one project allocated by 12CP-PROD (30.73%).

Southwestern Public Service Company
Capital Additions Closed to Plant-in-Service for the
Period October 1, 2019 through September 30, 2020

(A)	(B)	(C)	(D)	(E)	(F)	(G)	
Line No.	Asset Class	Witness	Project Category	WBS Level 2	Project Description (WBS Level 2 Description)	Additions to Plant-in-Service (October 1, 2019 - September 30, 2020) Total Company	Additions to Plant-in-Service (October 1, 2019 - September 30, 2020) NM Retail
1	Electric General	Bick	Building & Infrastructure	D.0001810.097	Amarillo Tech Center Bldg Acquisitio	\$ 6,059,770	\$ 1,821,710
2	Electric General	Bick	Building & Infrastructure	D.0001810.096	Amarillo Tech Center Land Acquisitio	2,007,640	603,544
3	Electric General	Bick	Office Furniture & Equipment	A.0005014.101	Office Furn & Equipment - Electric	814,901	244,979
4	Electric General	Bick	Tools & Equipment	A.0006059.488	Tools & Equipment - Electric - TX	216,672	65,137
5	Electric General	Bick	Building & Infrastructure	D.0001810.087	790 Buchanan OH Door Rplc	55,177	16,588
6	Electric General	Bick	Building & Infrastructure	D.0001806.080	Mechanical - Lubbock - Routine	53,037	15,944
7	Electric General	Bick	Building & Infrastructure	D.0001810.090	Amarillo Trans Ctr OH Doors Rplc	38,441	11,556
8	Electric General	Bick	Security - Controls & Monitoring	D.0001781.042	Security Projects - Electric -	23,058	6,932
9	Electric General	Bick	Office Furniture & Equipment	A.0005014.102	Office Furn & Equipment - Electric	12,832	3,858
10	Electric General	Bick	Building & Infrastructure	D.0001813.026	Clovis SC Reno & Consolid - Ba	2,402	722
11	Electric General	Bick	Building & Infrastructure	D.0001810.057	Amarillo NESC Evidence Storage Faci	650	195
12	Electric General	Bick	Building & Infrastructure	D.0001810.035	Amarillo Tower - Structural	(4,064)	(1,222)
13	Total Electric General					\$ 9,280,517	\$ 2,789,943

Southwestern Public Service Company

Capital Additions Closed to Plant-in-Service for the
Period October 1, 2020 through February 28, 2021

(A) Line No.	(B) Asset Class	(C) Witness	(D) Project Category	(E) Project Description	(F) Additions to Plant-in-Service (October 1, 2020 - February 28, 2021) Total Company	(F) Additions to Plant-in-Service (October 1, 2020 - February 28, 2021) NM Retail
1	Electric General	Bick	Building & Infrastructure Security - Controls & Monitoring	Amarillo Ops Renovation Card Readers, Cabling, and Video Monitoring at Multiple Locations	\$ 9,887,760	\$ 2,972,494
2	Electric General	Bick			884,246	265,825
3	Electric General	Bick	Building & Infrastructure	Lubbock Substation Roof Replacement	222,496	66,887
4	Electric General	Bick	Building & Infrastructure	SPS Energy Management	106,484	32,012
5	Electric General	Bick	Office Furniture & Equipment	Office Furniture and Equipment	53,870	16,195
6	Electric General	Bick	Tools & Equipment	Tools & Equipment	40,177	12,078
7	Electric General	Bick	Tools & Equipment	SPS-Legal Drone	29,890	8,986
8	Electric General	Bick	Building & Infrastructure	Amarillo Transportation Roof Rplc	185	56
9	Electric General Total				\$ 11,225,109	\$ 3,374,533
10	Steam Production	Bick	Cybersecurity	Firewall Upgrade	\$ 250,504	\$ 76,973
11	Steam Production Total				\$ 250,504	\$ 76,973
12	Grand Total				\$ 11,475,613	\$ 3,451,506

Southwestern Public Service Company

Total Company SPS Operation and Maintenance Expenses

Line No.	FERC Acct	Account Description	SPS Total Company O&M Expense - Adjusted Test Year Period		SPS NM Retail O&M Expense - Adjusted Test Year Period	
Production						
1	500	Operation Supervision and Engineering	\$	3,479,339	\$	1,069,106
2	501	Coal Non-Mine; Non-Freight		33,361,562		10,947,567
3	508	Coal Ash Sales		94,518		31,016
4	502	Steam Expenses		11,359,090		3,490,340
5	505	Electric Expenses		9,335,877		2,868,661
6	506	Miscellaneous Steam Power Expenses		12,953,786		3,980,347
7	507	Rents		4,521,223		1,389,249
8	509	Steam Operation SO2 Allowance Expense		-		-
9	510	Maintenance Supervision and Engineering		579,638		178,107
10	511	Maintenance of Structures		4,283,276		1,316,134
11	512	Maintenance of Boiler Plant		17,168,511		5,633,832
12	513	Maintenance of Electric Plant		8,443,902		2,770,859
13	514	Maintenance of Miscellaneous Steam Plant		10,046,276		3,086,948
14	546	Operation Supervision and Engineering		479,948		150,570
15	548	Generation Expenses		283,222		87,026
16	549	Misc Other Power Generation Expenses		9,109,828		2,976,817
17	550	Rents		5,889,382		1,920,702
18	551	Maintenance Supervision and Engineering		468,558		143,975
19	552	Maintenance of Structures		316,098		97,128
20	553	Maintenance of Generating and Electric Equipment		5,987,285		1,931,581
21	554	Maintenance of Misc Other Power Generation Plant		4,144,122		1,359,070
22	556	System Control and Load Dispatching		1,209,269		371,576
23	557	Purchased Power Other		1,319,343		441,717
24	Total Production O&M Expense		\$	144,834,052	\$	46,242,328

Southwestern Public Service Company

Total Company SPS Operation and Maintenance Expenses

Line No.	FERC Acct	Account Description	SPS Total Company O&M Expense - Adjusted Test Year Period	SPS NM Retail O&M Expense - Adjusted Test Year Period
Transmission				
25	560	Operation Supervision and Engineering	\$ 8,429,849	\$ 2,093,757
26	561.1	Load Dispatch - Reliability	(170,029)	(41,221)
27	561.2	Load Dispatch - Monitor and Operate Trans. System	3,401,279	824,590
28	561.4	Scheduling, System Control and Dispatching Services	4,702,582	1,271,258
29	561.5	Reliability, Planning and Standards Development	35,018	8,490
30	561.6	Transmission Service Studies	34,917	8,465
31	561.7	Generation Interconnection Studies	23,849	5,782
32	561.8	Reliability Planning and Standards Development Services	3,221,212	963,289
33	562	Station Expenses	1,548,254	384,546
34	563	Overhead Line Expenses	442,401	109,881
35	564	Underground Line Expenses	-	-
36	565	Transmission of Elec By Others	288,806	70,017
37	565	Wheeling Meter Charges	391,050	-
38	565	Wheeling Miscellaneous	35,240	8,543
39	565	Wheeling Schedule 11	106,286,672	37,146,779
40	565	Wheeling Schedule 11 - Wholesale	31,231,118	-
41	565	Wheeling Schedule 12	2,224,452	777,437
42	565	Wheeling Schedule 12 - Wholesale	538,968	-
43	565	Wheeling Schedule 1 - Wholesale	504,926	-
44	565	Wheeling Schedule 2	69,152	24,168
45	565	Wheeling Schedule 2 - Wholesale	20,132	-
46	565	Wheeling Schedule 9	8,201,216	2,866,293
47	565	Wheeling Schedule 9 - Wholesale	25,866,440	-
48	565	Z2 Direct Assigned Upgrade Charge	249,444	86,962
49	565	Z2 Direct Assigned Upgrade Charge - Wholesale	17,766	-
50	566	Misc Transmission Expenses	3,241,880	805,199
51	567	Rents	2,146,864	533,226
52	568	Maintenance Supervision and Engineering	-	-
53	570	Maintenance of Station Equipment	1,345,024	334,069
54	571	Maintenance of Overhead Lines	902,988	224,279
55	Sub-Total Total Transmission O&M Expenses		\$ 205,231,470	\$ 48,505,810
Regional Market Expenses				
56	575	Operation Supervision	\$ 160,378	\$ 52,628
58	575	Day-Ahead and Real-Time Market Administration	312,292	102,478
59	575	Ancillary Services Market Administration	14,773	4,848
60	575	Market Monitoring and Compliance	27,675	9,081
61	575	Market Admin, Monitoring, and Compliance Services	8,158,155	2,204,755
62	575	Regional Market Rents	49,736	16,321
63	Total Regional Market Expenses		\$ 8,723,009	\$ 2,390,111
64	Total Transmission O&M Expenses		\$ 213,954,479	\$ 50,895,922

Southwestern Public Service Company

Total Company SPS Operation and Maintenance Expenses

Line No.	FERC Acct	Account Description	SPS Total Company O&M Expense - Adjusted Test Year Period	SPS NM Retail O&M Expense - Adjusted Test Year Period
65		Distribution		
66	580	Operation Supervision and Engineering	\$ 4,083,691	\$ 1,471,703
67	581	Load Dispatching	326,676	124,027
68	582	Station Expenses	1,008,922	383,050
69	583	Overhead Line Expenses	896,658	857,599
70	584	Underground Line Expenses	663,984	236,792
71	585	Street Lighting and Signal Systems Expenses	607,411	230,611
72	586	Meter Expenses	2,242,784	1,005,727
73	587	Customer Installations Expenses	629,268	238,910
74	588	Misc Distribution Expense	9,998,513	2,968,634
75	589	Rents	3,139,096	1,079,187
76	590	Maintenance Supervision and Engineering	28,574	10,849
77	591	Maintenance of Structures	(71)	3
78	592	Maintenance of Station Equipment	668,741	253,896
79	593	Maintenance of Overhead Lines	6,337,535	2,566,736
80	594	Maintenance of Underground Lines	101,569	15,682
81	595	Maintenance of Line Transformers	-	-
82	596	Maintenance of Street Lighting and Signal Systems	282,248	147,745
83	597	Maintenance of Meters	24,865	9,440
84	598	Maintenance of Misc Distribution Plant	17,891	12
85		Total Distribution O&M Expenses	\$ 31,058,354	\$ 11,600,604
86		Customer Accounts		
87	901	Supervision	\$ 28,774	\$ 8,994
88	902	Meter Reading Expenses	4,920,322	1,537,920
89	903	Customer Records and Collection Expenses	7,705,766	2,408,552
90	904	Uncollectible Expenses	5,497,465	1,718,345
91	904	Uncollectible Expenses Misc	324,063	101,293
92	905	Customer Acct - Misc	136,841	42,772
93	DEPINT	Customer Deposit Interest Expense	126,563	15,689
94		Total Customer Accounts Expense	\$ 18,739,793	\$ 5,833,564
95		Customer Service		
96	908	Customer Asst Expense	\$ 2,342,346	\$ 732,135
97	908	Historical EE Amortization	-	-
98	908.04	SaversSwitch	667,409	-
99	909	Informational and Instructional Advertising Expense	292,042	91,284
100	910	Miscellaneous Customer Service Expense	98,844	30,896
101		Total Customer Service Expense	\$ 3,400,642	\$ 854,315

Southwestern Public Service Company

Total Company SPS Operation and Maintenance Expenses

Line No.	FERC Acct	Account Description	SPS Total Company O&M Expense - Adjusted Test Year Period	SPS NM Retail O&M Expense - Adjusted Test Year Period
102		Sales		
103	912	Demonstration and Selling Expense-Economic Development	\$ 284,818	\$ 89,024
104	916	Misc Sales Expense	8,598	2,687
105		Total Sales Expense	\$ 293,415	\$ 91,711
106		Administrative and General Expenses		
107	920	Administrative and General Salaries	\$ 33,814,014	\$ 10,165,291
108	921	Office Supplies and Expenses	19,848,518	5,966,933
109	922	Administrative Expenses Transferred-Credit	(22,762,323)	(6,842,892)
110	923	Outside Services Employed	6,190,128	1,860,899
111	924	Property Insurance	3,738,738	1,133,506
112	925	Injuries and Damages	7,941,830	2,387,502
113	926	Employee Pensions and Benefits	29,060,743	8,736,346
114	926.30	Deferred Pension Expense	1,132,943	-
115	928	Regulatory Commission Expense	40	12
116	928	Regulatory Commission Expense -TX	1,195,043	-
117	928.01	Regulatory Commission Expense - NM	5,372,336	5,372,336
118	928.02	Regulatory Commission Expense - Wholesale	1,949,917	-
119	928	Regulatory Commission Expense - Misc	(83,949)	(29,799)
120	929	Duplicate Charges-Credit	(1,162,226)	(348,553)
121	930	Misc General Expenses	1,280,946	384,157
122	931	A&G Rents	14,067,307	4,418,551
123	935	Maintenance of General Plant	47,251	14,214
124		Recoverable Contributions, Dues, and Donations	264,190	264,190
125		Total Administrative and General Expenses	\$ 101,895,444	\$ 33,482,692
126		Total Operations and Maintenance Expense	\$ 514,176,179	\$ 149,001,136