

Southwestern Public Service Company

Summary of the Overall Cost of Service  
and the Claimed Revenue Deficiency

(a) Base Period (b) Test Year Period

Line No.	Description	Total Company Base Period	Impact of WACC* Adjustments	Adjustments	Total Company Test Year Period	New Mexico Base Period
1	Fuel in Base	\$ -	\$ -	\$ -	\$ -	\$ -
2	Purchased Power Capacity & Variable O&M Expenses	559,989,374	-	\$ (493,146,901)	66,842,473	175,509,620
3	Total Cost of Sales (L1 + L2)	<u>\$ 559,989,374</u>	<u>\$ -</u>	<u>\$ (493,146,901)</u>	<u>\$ 66,842,473</u>	<u>\$ 175,509,620</u>
4	Operations & Maintenance Expense	\$ 522,677,673	\$ -	\$ (8,501,494)	\$ 514,176,179	\$ 148,842,031
5	Depreciation & Amortization Expense	\$ 204,841,635	\$ -	\$ 165,673,725	\$ 370,515,360	\$ 76,610,265
6	Taxes Other Than Income	\$ 84,560,225	\$ -	\$ 10,389,280	\$ 94,949,504	\$ 19,928,740
7	Federal Income Tax	\$ (31,249,847)	\$ 6,651,524	\$ 18,774,622	\$ (5,823,700)	\$ (8,762,427)
8	State Income Tax	\$ (3,154,453)	\$ 671,425	\$ 1,895,167	\$ (587,862)	\$ (884,506)
9	Deferred Income Tax Expense	\$ 41,865,811	\$ -	\$ 19,374,734	\$ 61,240,545	\$ 10,673,463
10	Investment Tax Credit Amortization	\$ (52,421)	\$ -	\$ -	\$ (52,421)	\$ (14,915)
11	Tax Gross up Factor	1,292,655,733	1,292,655,733	1,292,655,733	1,292,655,733	1,292,655,733
12	Total Income Tax Expense (sum (L7 to L10) * L11)	<u>\$ 9,577,402</u>	<u>\$ 9,466,052</u>	<u>\$ 51,763,782</u>	<u>\$ 70,807,236</u>	<u>\$ 1,307,671</u>
13	Gain/Loss on Sale of Allowances	\$ (91,803)	\$ -	\$ 91,803	\$ -	\$ (27,430)
14	Total Operating Deductions	<u>\$ 1,381,554,506</u>	<u>\$ 9,466,052</u>	<u>\$ (273,729,806)</u>	<u>\$ 1,117,290,753</u>	<u>\$ 422,170,897</u>

Southwestern Public Service Company

Summary of the Overall Cost of Service  
and the Claimed Revenue Deficiency

(a) Base Period (b) Test Year Period

Line No.	Description	Impact of WACC Adjustments	Impact of Allocator Adjustments	Adjustments	New Mexico Test Year Period	Reference	Notes
1	Fuel in Base	\$ -	\$ -	\$ -	\$ -		
2	Purchased Power Capacity & Variable O&M Expenses	-	7,024,986	(161,916,858)	20,617,748	Attachment SNN-1, p. 3 line 4 Attachment SNN-5, p. 3 line 4	
3	Total Cost of Sales (L1 + L2)	\$ -	\$ 7,024,986	\$ (161,916,858)	\$ 20,617,748		
4	Operations & Maintenance Expense	\$ -	\$ 3,706,605	\$ (3,547,499)	\$ 149,001,136	Attachment SNN-1, p. 4 line 15 Attachment SNN-5, p. 4 line 15	
5	Depreciation & Amortization Expense	\$ -	\$ 3,220,614	\$ 32,320,293	\$ 112,151,172	Attachment SNN-1, p. 5 line 9 Attachment SNN-5, p. 5 line 9	
6	Taxes Other Than Income	\$ -	\$ 1,224,865	\$ 3,151,237	\$ 24,304,842	Attachment SNN-1, p. 6 line 4 Attachment SNN-5, p. 6 line 4	
7	Federal Income Tax	\$ 1,935,675	\$ (707,836)	\$ 3,855,015	\$ (3,679,573)	Attachment SNN-1, p. 7 line 16 Attachment SNN-5, p. 7 line 16	
8	State Income Tax	\$ 195,393	\$ (71,451)	\$ 389,137	\$ (371,427)	Attachment SNN-1, p. 7 line 12 Attachment SNN-5, p. 7 line 12	
9	Deferred Income Tax Expense	\$ -	\$ 1,082,390	\$ 9,361,724	\$ 21,117,577	Attachment SNN-1, p. 7 line 20 Attachment SNN-5, p. 7 line 20	
10	Investment Tax Credit Amortization	\$ -	\$ (978)	\$ -	\$ (15,893)	Attachment SNN-1, p. 7 line 21 Attachment SNN-5, p. 7 line 21	
11	Tax Gross up Factor	1,292,655,733	1,292,655,733	1,292,655,733	1,292,655,733	Attachment SNN-1, p. 7 line 24 Attachment SNN-5, p. 7 line 24	
12	Total Income Tax Expense (sum (L7 to L10) * L11)	\$ 2,754,737	\$ 390,544	\$ 17,587,713	\$ 22,040,664		
13	Gain/Loss on Sale of Allowances	\$ -	\$ (779)	\$ 28,209	\$ -	Attachment SNN-1, p. 8 line 4	
14	Total Operating Deductions	\$ 2,754,737	\$ 15,566,835	\$ (112,376,906)	\$ 328,115,562	Attachment SNN-5, p. 8 line 4	

Southwestern Public Service Company

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and the Claimed Revenue Deficiency

(a) Base Period (b) Test Year Period

Line No.	Description	Total Company Base Period	Impact of WACC* Adjustments	Adjustments	Total Company Test Year Period	New Mexico Base Period
15	Rate Base	\$ 6,601,092,021	\$ -	\$ (584,630,720)	\$ 6,016,461,301	\$ 1,920,998,218
16	Return on Rate Base	\$ 469,997,752	\$ 32,345,351	\$ (44,490,398)	\$ 457,852,705	\$ 136,775,073
17	Gross Revenue Requirement	<u>\$ 1,851,552,258</u>	<u>\$ 41,811,403</u>	<u>\$ (276,408,800)</u>	<u>\$ 1,575,143,458</u>	<u>\$ 558,945,970</u>
18	Revenue Credits	\$ (259,458,982)	\$ -	\$ (23,199,933)	\$ (282,658,915)	\$ (50,864,272)
19	Net Revenue Requirement	<u>\$ 1,592,093,275</u>	<u>\$ 41,811,403</u>	<u>\$ (299,608,733)</u>	<u>\$ 1,292,484,543</u>	<u>\$ 508,081,698</u>
20	Revenue at Present Rates	\$ (1,462,710,406)	\$ -	\$ 393,393,957	\$ (1,069,316,448)	\$ (451,696,943)
21	<b>Revenue Deficiency</b>	<u>\$ 129,382,870</u>	<u>\$ 41,811,403</u>	<u>\$ 51,973,821</u>	<u>\$ 223,168,095</u>	<u>\$ 56,384,755</u>

Southwestern Public Service Company

Summary of the Overall Cost of Service  
and the Claimed Revenue Deficiency

(a) Base Period (b) Test Year Period

Line No.	Description	Impact of WACC Adjustments	Impact of Allocator Adjustments	Adjustments	New Mexico Test Year Period	Reference	Notes
15	Rate Base	\$ -	\$ 90,894,177	\$ (165,053,670)	\$ 1,846,838,725	Attachment SNN-1, p. 9 line 26 Attachment SNN-5, p. 9 line 26, p. 2 line 10	
16	Return on Rate Base	\$ 9,412,891	\$ 6,917,047	\$ (12,560,584)	\$ 140,544,427	Attachment SNN-5, p. 2 line 12	(1)
17	Gross Revenue Requirement	<u>\$ 12,167,628</u>	<u>\$ 22,483,881</u>	<u>\$ (124,937,490)</u>	<u>\$ 468,659,989</u>		
18	Revenue Credits	\$ -	\$ (5,258,514)	\$ (1,712,234)	\$ (57,835,020)	Attachment SNN-1, p. 11 line 4 Attachment SNN-5, p. 11 line 4, p. 2 line 15	
19	Net Revenue Requirement	<u>\$ 12,167,628</u>	<u>\$ 17,225,368</u>	<u>\$ (126,649,724)</u>	<u>\$ 410,824,970</u>		
20	Revenue at Present Rates	\$ -	\$ -	\$ 128,654,517	\$ (323,042,426)	Attachment SNN-1, p. 12 line 4 Attachment SNN-5, p. 12 line 4, p. 2 line 18	
21	<b>Revenue Deficiency</b>	<u>\$ 12,167,628</u>	<u>\$ 17,225,368</u>	<u>\$ 2,004,793</u>	<u>\$ 87,782,544</u>	Attachment SNN-5, p. 2 line 20	

(c) Explanation of Adjustments

Notations in the References column above refer to Stephanie N. Niemi's Attachments to her Direct Testimony. Adjustments are provided in Attachments SNN-3, SNN-4, SNN-7 and SNN-8 to the Direct Testimony of Stephanie N. Niemi.

\* WACC-Weighted Average Cost of Capital

Impact of WACC Adjustments and Impact of Allocator Adjustments information provided in workpapers to the Direct Testimony of Stephanie N. Niemi.

(1) Base Period Return on Rate Base derived by multiplying Rate Base by 7.12%.

Southwestern Public Service Company

Summary of the Revenue Increase or  
Decrease at the Proposed Rates by Rate Classes

(b) Test Year Period Line No.	Proposed Rate	kWh	(i) Base Revenue Under		(ii) Fuel & Purchased Power Revenues Under		(iii) Other Revenue Under		(iv) Total Revenue Under		(v) Proposed Revenue Under		% Increase
			Existing Rates	Proposed Rates	Existing Rates <sup>(1)</sup>	Proposed Rates <sup>(1)</sup>	Existing Rates <sup>(2)</sup>	Proposed Rates <sup>(2)</sup>	Existing Rates	Proposed Rates	Existing Rates	Proposed Rates	
1	Residential Service	692,422,673	\$ 58,861,336	\$ 69,494,055	\$ 12,195,647	\$ 8,290,316	\$ 3,788,514	\$ 3,788,514	\$ 74,845,498	\$ 81,572,885	\$ 6,727,388	8.99%	
2	Residential Space Heating	501,088,058	34,946,756	42,502,751	8,880,883	6,036,869	2,504,930	2,504,930	46,332,568	51,044,550	4,711,981	10.17%	
3	Small General Service	151,578,571	10,963,997	13,253,631	2,676,990	1,819,710	769,682	769,682	14,410,669	15,843,023	1,432,354	9.94%	
4	Secondary General	725,501,793	44,356,423	52,083,049	12,855,167	8,738,669	3,432,132	3,432,132	60,643,722	64,253,850	3,610,128	5.95%	
5	Irrigation Service	75,816,355	4,944,095	6,035,748	1,343,390	913,208	368,289	368,289	6,655,774	7,317,245	661,471	9.94%	
6	Primary General	2,053,489,266	88,809,239	113,613,745	35,784,104	24,325,634	8,550,537	8,550,537	133,143,880	146,489,916	13,346,036	10.02%	
7	LGS-T, 69-115 kV <sup>(3)</sup>	159,467,717	4,294,190	6,063,371	2,602,526	1,769,135	416,532	416,532	7,313,248	8,249,038	935,790	12.80%	
8	LGS-T, 115 kV + <sup>(3)</sup>	2,813,231,236	64,589,278	94,133,328	45,656,399	31,035,567	7,801,821	7,801,821	118,047,499	132,970,716	14,923,218	12.64%	
9	Small Municipal and School	10,903,535	738,064	907,729	193,039	131,220	53,803	53,803	984,906	1,092,751	107,845	10.95%	
10	Large Municipal and School	114,065,590	6,219,792	7,925,344	2,021,128	1,373,920	516,106	516,106	8,757,027	9,815,370	1,058,344	12.09%	
11	Street Lighting	10,551,268	2,077,077	2,446,996	186,958	127,090	94,550	94,550	2,358,584	2,668,636	310,052	13.15%	
12	Area Lighting	15,251,730	2,242,180	2,365,147	270,245	183,707	112,975	112,975	2,625,400	2,661,829	36,429	1.39%	
13	<i>Rounding</i>												
14	<b>Total Retail</b>	<b>7,323,367,793</b>	<b>\$ 323,042,427</b>	<b>\$ 410,824,970</b>	<b>\$ 124,666,476</b>	<b>\$ 84,745,045</b>	<b>\$ 28,409,871</b>	<b>\$ 28,409,871</b>	<b>\$ 476,118,774</b>	<b>\$ 523,979,810</b>	<b>\$ 47,861,036</b>	<b>10.05%</b>	

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(1) Fuel revenues may reflect a different value than schedule H-3 on account of rounding and the use of a production forecast for rate design purposes.  
(2) Other Revenue totals \$12.3 million revenues through SPS's Energy Efficiency ("EE") Rider and \$16.1 million through SPS's Renewable Portfolio Standard Rider. EE revenues are reflected at present rates to accurately reflect base rate increases.  
(3) LGS-T is Large General Service Transmission.

(c) **Explanation of Adjustments**  
Please refer to the Direct Testimony of Richard M. Luth for support of the revenue increase at proposed rates.

Southwestern Public Service Company  
Summary of the Cost of Service Adjustments by Functional Classification

Total Company													
Line No.	Description	Per Book Base Period	Base Period with Test Year Cap Structure	Base Period with Test Year Cap Structure, Allocators	Base Period Adjustment	Test Year Adjustment	Adjusted	Adjusted	Adjusted	Adjusted	Adjusted	Adjusted	Adjustment Reference
1	Plant In Service - Production	\$ 2,908,810,846	\$ 2,908,810,846	\$ 2,908,810,846	\$ -	\$ 854,713,641	\$ 3,763,524,487	\$ 3,763,524,487	\$ 3,763,524,487	\$ 3,763,524,487	\$ 3,763,524,487	\$ 3,763,524,487	SNN-2, pg. 54, ln 111 SNN-6, pg. 64, ln 141
2	Plant In Service - Transmission	3,444,340,393	3,444,340,393	3,444,340,393	-	245,631,371	3,689,971,763	3,689,971,763	3,689,971,763	3,689,971,763	3,689,971,763	3,689,971,763	SNN-2, pg. 56, ln 216 SNN-6, pg. 67, ln 276
3	Plant In Service - Distribution	1,569,338,853	1,569,338,853	1,569,338,853	-	77,473,276	1,646,812,129	1,646,812,129	1,646,812,129	1,646,812,129	1,646,812,129	1,646,812,129	SNN-2, pg. 57, ln 267 SNN-6, pg. 68, ln 342
4	Plant In Service - General & Intangible	772,973,861	772,973,861	772,973,861	(1,257,140)	42,588,191	814,304,912	814,304,912	814,304,912	814,304,912	814,304,912	814,304,912	SNN-2, pg. 52, ln 28 + pg. 59, ln 330 SNN-6, pg. 62, ln 39 + pg. 70, ln 422
5	<b>Total Plant In Service</b>	<b>\$ 8,695,463,954</b>	<b>\$ 8,695,463,954</b>	<b>\$ 8,695,463,954</b>	<b>\$ (1,257,140)</b>	<b>\$ 1,220,406,478</b>	<b>\$ 9,914,613,292</b>	<b>\$ 9,914,613,292</b>	<b>\$ 9,914,613,292</b>	<b>\$ 9,914,613,292</b>	<b>\$ 9,914,613,292</b>	<b>\$ 9,914,613,292</b>	
6	Depreciation & Amortization Reserve - Production	\$ (1,320,811,622)	\$ (1,320,811,622)	\$ (1,320,811,622)	\$ (83,654,863)	\$ (47,119,515)	\$ (1,451,586,000)	\$ (1,451,586,000)	\$ (1,451,586,000)	\$ (1,451,586,000)	\$ (1,451,586,000)	\$ (1,451,586,000)	SNN-2, pg. 62, ln 121 SNN-6, pg. 73, ln 160
7	Depreciation & Amortization Reserve - Transmission	(526,785,870)	(526,785,870)	(526,785,870)	(53,100,912)	(30,282,543)	(610,169,326)	(610,169,326)	(610,169,326)	(610,169,326)	(610,169,326)	(610,169,326)	SNN-2, pg. 65, ln 247 SNN-6, pg. 76, ln 315
8	Depreciation & Amortization Reserve - Distribution	(394,231,304)	(394,231,304)	(394,231,304)	-	(6,427,779)	(400,659,083)	(400,659,083)	(400,659,083)	(400,659,083)	(400,659,083)	(400,659,083)	SNN-2, pg. 66, ln 295 SNN-6, pg. 77, ln 378
9	Depreciation & Amortization Reserve - General & Intangible	(386,334,135)	(386,334,135)	(386,334,135)	16,297,759	(23,765,001)	(393,801,377)	(393,801,377)	(393,801,377)	(393,801,377)	(393,801,377)	(393,801,377)	SNN-2, pg. 60, ln 23 + pg. 67, ln 373 SNN-6, pg. 71, ln 38 + pg. 79, ln 477
10	<b>Total Depreciation &amp; Amortization Reserve</b>	<b>\$ (2,628,162,931)</b>	<b>\$ (2,628,162,931)</b>	<b>\$ (2,628,162,931)</b>	<b>\$ (120,458,016)</b>	<b>\$ (107,594,839)</b>	<b>\$ (2,856,215,786)</b>	<b>\$ (2,856,215,786)</b>	<b>\$ (2,856,215,786)</b>	<b>\$ (2,856,215,786)</b>	<b>\$ (2,856,215,786)</b>	<b>\$ (2,856,215,786)</b>	
11	<b>Net Plant In Service</b>	<b>\$ 6,067,301,022</b>	<b>\$ 6,067,301,022</b>	<b>\$ 6,067,301,022</b>	<b>\$ (121,715,156)</b>	<b>\$ 1,112,811,640</b>	<b>\$ 7,058,397,506</b>	<b>\$ 7,058,397,506</b>	<b>\$ 7,058,397,506</b>	<b>\$ 7,058,397,506</b>	<b>\$ 7,058,397,506</b>	<b>\$ 7,058,397,506</b>	
12	Plant Held for Future Use	\$ 4,167,109	\$ 4,167,109	\$ 4,167,109	\$ -	\$ (4,167,109)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	SNN-1, pg. 9, ln 5 SNN-5, pg. 9, ln 5
13	Construction Work In Progress	\$ 1,075,370,126	\$ 1,075,370,126	\$ 1,075,370,126	\$ (1,075,370,126)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	SNN-1, pg. 9, ln 6 SNN-5, pg. 9, ln 6
14	Regulatory Assets	\$ 155,392,894	\$ 155,392,894	\$ 155,392,894	\$ -	\$ -	\$ 155,392,894	\$ 155,392,894	\$ 155,392,894	\$ 155,392,894	\$ 155,392,894	\$ 155,392,894	SNN-1, pg. 9, ln 15 SNN-5, pg. 9, ln 15
15	Fuel Inventory	\$ 6,371,683	\$ 6,371,683	\$ 6,371,683	\$ -	\$ -	\$ 6,371,683	\$ 6,371,683	\$ 6,371,683	\$ 6,371,683	\$ 6,371,683	\$ 6,371,683	SNN-1, pg. 9, ln 10 SNN-5, pg. 9, ln 10
16	NOx Inventory	\$ 3,887,760	\$ 3,887,760	\$ 3,887,760	\$ (3,887,760)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	SNN-1, pg. 9, ln 11 SNN-5, pg. 9, ln 11
17	FAS 106 & 112	\$ (12,989,484)	\$ (12,989,484)	\$ (12,989,484)	\$ -	\$ -	\$ (12,989,484)	\$ (12,989,484)	\$ (12,989,484)	\$ (12,989,484)	\$ (12,989,484)	\$ (12,989,484)	SNN-1, pg. 9, ln 19 SNN-5, pg. 9, ln 19

Southwestern Public Service Company  
Summary of the Cost of Service Adjustments by Functional Classification

Total Company		Per Book Base Period	Base Period with Test Year Cap Structure	Base Period with Test Year Cap Structure, Allocators	Base Period Adjustment	Test Year Adjustment	Adjusted	Adjustment Reference
Line No.	Description							
18	Cash Working Capital	\$ (32,752,260)	\$ (32,752,260)	\$ (32,752,260)	\$ 1,020,095	\$ (5,341,337)	\$ (37,073,502)	SNN-1, pg. 9, ln 13 SNN-5, pg. 9, ln 13
19	Materials and Supplies	\$ 21,716,287	\$ 21,716,287	\$ 21,716,287	-	-	21,716,287	SNN-1, pg. 9, ln 12 SNN-5, pg. 9, ln 12
20	Prepayments and Deferred Charges	\$ 5,495,442	\$ 5,495,442	\$ 5,495,442	\$ (576,493)	-	4,918,949	SNN-1, pg. 9, ln 14 SNN-5, pg. 9, ln 14
21	Customer Advances	\$ -	\$ -	\$ -	-	-	-	SNN-1, pg. 9, ln 18 SNN-5, pg. 9, ln 18
22	Customer Deposits	\$ (6,006,369)	\$ (6,006,369)	\$ (6,006,369)	\$ (50,000)	-	(6,056,369)	SNN-1, pg. 9, ln 17 SNN-5, pg. 9, ln 17
23	Accum Def Inc Tax - Production	\$ (310,167,514)	\$ (310,167,514)	\$ (310,167,514)	\$ 18,187,123	\$ (17,619,568)	(309,599,959)	SNN-2, pg. 83, ln 165 SNN-6, pg. 94, ln 196
24	Accum Def Inc Tax - Transmission	(602,689,510)	(602,689,510)	(602,689,510)	11,656,155	1,242,512	(589,790,843)	SNN-2, pg. 88, ln 373 SNN-6, pg. 99, ln 437
25	Accum Def Inc Tax - Distribution	(238,944,303)	(238,944,303)	(238,944,303)	-	(542,173)	(239,486,476)	SNN-2, pg. 89, ln 439 SNN-6, pg. 101, ln 519
26	Accum Def Inc Tax - General & Intangible	(78,950,469)	(78,950,469)	(78,950,469)	(3,377,310)	3,125,677	(79,202,102)	SNN-2, pg. 80, ln 38 + pg. 92, ln 567
27	Accum Def Inc Tax - Non-Plant	543,889,607	543,889,607	543,889,607	(490,973,829)	(17,060,682)	35,855,096	SNN-6, pg. 91, ln 48 + pg. 104, ln 668 SNN-2, pg. 96, ln 760 SNN-6, pg. 108, ln 866
28	Accum Def Inc Tax - NOL	-	-	-	-	8,007,620	8,007,620	SNN-1, pg. 9, ln 22 SNN-5, pg. 9, ln 22
29	<b>Total Accum Def Inc Tax</b>	<b>\$ (686,862,189)</b>	<b>\$ (686,862,189)</b>	<b>\$ (686,862,189)</b>	<b>\$ (464,507,860)</b>	<b>\$ (22,846,615)</b>	<b>\$ (1,174,216,664)</b>	
30	<b>Net Rate Base</b>	<b>\$ 6,601,092,021</b>	<b>\$ 6,601,092,021</b>	<b>\$ 6,601,092,021</b>	<b>\$ (1,665,087,300)</b>	<b>\$ 1,080,456,580</b>	<b>\$ 6,016,461,301</b>	

Southwestern Public Service Company  
Summary of the Cost of Service Adjustments by Functional Classification

Line No.	Description	Per Book Base Period	Base Period with Test Year Cap		Base Period Adjustment	Test Year Adjustment	Adjusted	Adjustment Reference
			Structure	Structure, Allocators				
31	Fuel & Purchased Power	\$ 559,989,374	\$ 559,989,374	\$ 559,989,374	\$ (497,625,248)	\$ 4,478,347	\$ 66,842,473	SNN-1, pg. 3, ln 4 SNN-5, pg. 3, ln 4
32	Operation & Maintenance	\$ 522,677,673	\$ 522,677,673	\$ 522,677,673	\$ (30,559,874)	\$ 22,058,381	\$ 514,176,179	SNN-1, pg. 4, ln 15 SNN-5, pg. 4, ln 15
33	Depreciation & Amortization Production	\$ 91,875,854	\$ 91,875,854	\$ 91,875,854	\$ (7,090,935)	\$ 74,042,873	\$ 158,827,792	SNN-1, pg. 5, ln 4 SNN-5, pg. 5, ln 2
34	Depreciation & Amortization Transmission	\$ 86,840,019	\$ 86,840,019	\$ 86,840,019	\$ 1,887,191	\$ 15,572,614	\$ 104,299,824	SNN-1, pg. 5, ln 6 SNN-5, pg. 5, ln 3
35	Depreciation & Amortization Distribution	\$ 38,271,782	\$ 38,271,782	\$ 38,271,782	\$ -	\$ 11,067,456	\$ 49,339,238	SNN-1, pg. 5, ln 1 SNN-5, pg. 5, ln 4
36	Depreciation & Amortization General & Intangible	\$ 52,984,667	\$ 52,984,667	\$ 52,984,667	\$ (4,290,090)	\$ 15,162,757	\$ 63,857,334	SNN-1, pg. 5, ln 2 + 3 SNN-5, pg. 5, ln 1 + 5
37	Depreciation & Amortization Non Plant	\$ (65,130,687)	\$ (65,130,687)	\$ (65,130,687)	\$ 59,321,858	\$ -	\$ (5,808,829)	SNN-1, pg. 5, ln 5 SNN-5, pg. 5, ln 6
38	Depreciation & Amortization	\$ 204,841,635	\$ 204,841,635	\$ 204,841,635	\$ 49,828,024	\$ 115,845,701	\$ 370,515,360	
39	Taxes Other Than Income	\$ 84,560,225	\$ 84,560,225	\$ 84,560,225	\$ (3,248,310)	\$ 13,637,590	\$ 94,949,504	SNN-1, pg. 6, ln 4 SNN-5, pg. 6, ln 4
40	State Income Taxes	\$ (4,077,622)	\$ (3,209,701)	\$ (3,209,701)	\$ (93,430)	\$ 2,543,227	\$ (759,903)	SNN-1, pg. 7, ln 12 SNN-5, pg. 7, ln 12



Southwestern Public Service Company  
Summary of the Cost of Service Adjustments by Functional Classification

Total Company		Per Book Base Period	Base Period with Test Year Cap Structure	Base Period with Test Year Cap Structure, Allocators	Base Period Adjustment	Test Year Adjustment	Adjusted	Adjustment Reference
Line No.	Description							
41	Federal Income Taxes	\$ (40,395,294)	\$ (31,797,162)	\$ (31,797,162)	\$ (925,568)	\$ 25,194,690	\$ (7,528,040)	SNN-1, pg. 7, ln 16 SNN-5, pg. 7, ln 16 (1)
42	Deferred Income Taxes - Production	\$ 49,035,759	\$ 49,035,759	\$ 49,035,759	\$ (2,006,856)	\$ 10,856,082	\$ 57,884,985	SNN-2, pg. 38, ln 147 SNN-6, pg. 47, ln 179 (1)
43	Deferred Income Taxes - Transmission	\$ 58,867,419	\$ 58,867,419	\$ 58,867,419	\$ (473,886)	\$ (40,899,273)	\$ 17,494,259	SNN-2, pg. 42, ln 321 SNN-6, pg. 51, ln 385 (1)
44	Deferred Income Taxes - Distribution	\$ 4,332,316	\$ 4,332,316	\$ 4,332,316	\$ -	\$ (196,431)	\$ 4,135,885	SNN-2, pg. 43, ln 387 SNN-6, pg. 53, ln 467 (1)
45	Deferred Income Taxes - General & Intangible	\$ (10,805,749)	\$ (10,805,749)	\$ (10,805,749)	\$ 547,400	\$ 3,146,812	\$ (7,111,538)	SNN-2, pg. 35, ln 38 + pg. 46, ln 497 SNN-6, pg. 44, ln 48 + pg. 56, ln 598 (1)
46	Deferred Income Taxes - Non-Plant	\$ (47,311,665)	\$ (47,311,665)	\$ (47,311,665)	\$ 38,504,616	\$ (8,594)	\$ (8,815,642)	SNN-2, pg. 50, ln 676 SNN-6, pg. 59, ln 781 (1)
47	Deferred Income Taxes - NOL	\$ -	\$ -	\$ -	\$ -	\$ 15,574,991	\$ 15,574,991	
48	<b>Total Deferred Income Taxes</b>	\$ 54,118,080	\$ 54,118,080	\$ 54,118,080	\$ 36,571,274	\$ (11,526,413)	\$ 79,162,941	SNN-6, pg. 109, ln 36
49	ITC Amortization	\$ (67,763)	\$ (67,763)	\$ (67,763)	\$ -	\$ -	\$ (67,763)	SNN-1, pg. 7, ln 21 SNN-5, pg. 7, ln 21 (1)
50	<b>Total Operating Expenses</b>	<b>\$ 1,381,646,309</b>	<b>\$ 1,391,112,361</b>	<b>\$ 1,391,112,361</b>	<b>\$ (446,053,131)</b>	<b>\$ 172,231,523</b>	<b>\$ 1,117,290,753</b>	
51	Gain on Sale of Disposition of RECs	\$ (91,803)	\$ (91,803)	\$ (91,803)	\$ 91,803	\$ -	\$ -	SNN-2, pg. 51, ln 3 SNN-6, pg. 61, ln 3
52	Loss on Sale of Disposition of RECs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
53	<b>Total Cost of Service (Operating Deductions)</b>	<b>\$ 1,381,554,506</b>	<b>\$ 1,391,020,558</b>	<b>\$ 1,391,020,558</b>	<b>\$ (445,961,328)</b>	<b>\$ 172,231,523</b>	<b>\$ 1,117,290,753</b>	
54	Return	\$ 469,997,752	\$ 502,343,103	\$ 502,343,103	\$ (126,713,144)	\$ 82,222,746	\$ 457,852,705	SNN-2, pg. 1, ln 12 SNN-6, pg. 1, ln 12
55	<b>Total Cost of Service (Operating Revenue)</b>	<b>\$ 1,851,552,258</b>	<b>\$ 1,893,363,661</b>	<b>\$ 1,893,363,661</b>	<b>\$ (572,674,472)</b>	<b>\$ 254,454,268</b>	<b>\$ 1,575,143,458</b>	

Southwestern Public Service Company  
Summary of the Cost of Service Adjustments by Functional Classification

Total Company		Per Book Base Period	Base Period with Test Year Cap Structure	Base Period with Test Year Cap Structure, Allocators	Base Period Adjustment	Test Year Adjustment	Adjusted	Adjustment Reference
Line No.	Description							
<b>Fuel &amp; Purchased Power Expense Detail</b>								
56	Fuel Expenses							
57	Steam Production Fuel Expense	\$ 183,782,383	\$ 183,782,383	\$ 183,782,383	\$ (183,773,737)	\$ -	\$ 8,646	SNN-2, pg. 2, ln 3+7+11+15+19 SNN-6, pg. 2, ln 3+7+11+15+19
58	Combustion Turbine Production Fuel Expense	26,586,858	26,586,858	26,586,858	(26,586,858)	-	-	SNN-2, pg. 2, ln 24 SNN-6, pg. 2, ln 24
59	<b>Total Fuel Expenses</b>	<b>\$ 210,369,241</b>	<b>\$ 210,369,241</b>	<b>\$ 210,369,241</b>	<b>\$ (210,360,595)</b>	<b>\$ -</b>	<b>\$ 8,646</b>	
60	Purchased Power Expenses							
61	Purchased Energy Expense	\$ 319,673,400	\$ 319,673,400	\$ 319,673,400	\$ (319,673,400)	\$ -	\$ -	SNN-2, pg. 2, ln 29 SNN-6, pg. 2, ln 29
62	Purchased Capacity Expense	58,698,861	58,698,861	58,698,861	-	4,365,569	63,064,430	SNN-2, pg. 2, ln 32 SNN-6, pg. 2, ln 33
63	Purchased Power Variable O&M Expense	13,356,694	13,356,694	13,356,694	(9,700,075)	112,778	3,769,397	SNN-2, pg. 2, ln 36+39 SNN-6, pg. 2, ln 37+41
64	Deferred Generation and Purchased Power Expenses	(42,108,822)	(42,108,822)	(42,108,822)	42,108,822	-	-	SNN-2, pg. 2, ln 43 SNN-6, pg. 2, ln 45
65	<b>Total Purchased Power Expenses</b>	<b>\$ 349,620,134</b>	<b>\$ 349,620,134</b>	<b>\$ 349,620,134</b>	<b>\$ (287,264,653)</b>	<b>\$ 4,478,347</b>	<b>\$ 66,833,827</b>	
66	<b>Total Fuel &amp; Purchased Power Expense</b>	<b>\$ 559,989,374</b>	<b>\$ 559,989,374</b>	<b>\$ 559,989,374</b>	<b>\$ (497,625,248)</b>	<b>\$ 4,478,347</b>	<b>\$ 66,842,473</b>	
<b>Operation &amp; Maintenance Expense Detail</b>								
68	Steam Production O&M Expenses							
69	Steam Production Operations Expense	\$ 74,473,951	\$ 74,473,951	\$ 74,473,951	\$ 59,052	\$ 572,391	\$ 75,105,394	SNN-2, pg. 4, ln 4+7+12+17+22+29+34+38+41 SNN-6, pg. 4-5, ln 7+11+18+26+34+45+53+57+61
70	Steam Production Maintenance Expense	35,715,831	35,715,831	35,715,831	(152)	4,805,924	40,521,603	SNN-2, pg. 4-5, ln 46+51+56+61+66 SNN-6, pg. 5, ln 69+77+86+94+102
71	<b>Total Steam Production Expense</b>	<b>\$ 110,189,782</b>	<b>\$ 110,189,782</b>	<b>\$ 110,189,782</b>	<b>\$ 58,901</b>	<b>\$ 5,378,314</b>	<b>\$ 115,626,997</b>	

Southwestern Public Service Company  
Summary of the Cost of Service Adjustments by Functional Classification

Total Company		Per Book Base Period	Base Period with Test Year Cap Structure	Base Period with Test Year Cap Structure, Allocators	Base Period Adjustment	Test Year Adjustment	Adjusted	Adjustment Reference
Line No.	Description							
72	Combustion Turbine Production O&M Expenses							
73	Combustion Turbine Operations Expense	\$ 8,116,293	\$ 8,116,293	\$ 8,116,293	\$ 580,410	\$ 7,065,677	\$ 15,762,380	SNN-2, pg. 5-6, ln 72+75+79+85+88+95+99
74	Combustion Turbine Maintenance Expense	6,258,210	6,258,210	6,258,210	(12)	4,657,865	10,916,063	SNN-6, pg. 6, ln 111+117+123+132+136+146+151 SNN-2, pg. 6, ln 103+108+114+117+123+126 SNN-6, pg. 6-7, ln 157+165+175+182+191+194
75	<b>Total Combustion Turbine Expense</b>	<b>\$ 14,374,503</b>	<b>\$ 14,374,503</b>	<b>\$ 14,374,503</b>	<b>\$ 580,398</b>	<b>\$ 11,723,542</b>	<b>\$ 26,678,443</b>	
76	System Control and Dispatch Expense	\$ 4,061,933	\$ 4,061,933	\$ 4,061,933	\$ (1,626,959)	\$ 93,639	\$ 2,528,612	SNN-2, pg. 6-7, ln 131+137+141+145 SNN-6, pg. 7-8, ln 201+209+213+217
77	<b>Total Production Expense</b>	<b>\$ 128,626,218</b>	<b>\$ 128,626,218</b>	<b>\$ 128,626,218</b>	<b>\$ (987,661)</b>	<b>\$ 17,195,496</b>	<b>\$ 144,834,052</b>	
78	Transmission O&M Expenses							
79	Transmission Operations Expense	\$ 26,823,485	\$ 26,823,485	\$ 26,823,485	\$ (40,199)	\$ 274,791	\$ 27,058,076	SNN-2, pg. 7-9, ln 153+157+162+165+168+173+178+182+185+188+193+198+247+252 SNN-6, pg. 8-10, ln 228+234+242+245+248+255+263+269+272+275+283+291+332+360
80	Transmission Maintenance Expense	1,978,467	1,978,467	1,978,467	(18)	269,563	2,248,012	SNN-2, pg. 9, ln 256+261+266 SNN-6, pg. 10-11, ln 364+373+382
81	Transmission Wheeling Expense	177,557,539	177,557,539	177,557,539	0	(1,632,157)	175,925,381	SNN-2, pg. 8, ln 201+204+207+210+213+216+219+222+225+228+231+234+237+240
82	<b>Total Transmission Expenses</b>	<b>\$ 206,359,491</b>	<b>\$ 206,359,491</b>	<b>\$ 206,359,491</b>	<b>\$ (40,217)</b>	<b>\$ (1,087,804)</b>	<b>\$ 205,231,470</b>	SNN-6, pg. 9-10, ln 294+297+300+304+308+312+316+320+324+328+332+336+339+342

Southwestern Public Service Company  
Summary of the Cost of Service Adjustments by Functional Classification

Total Company		Per Book Base Period	Base Period with Test Year Cap Structure	Base Period with Test Year Cap Structure, Allocators	Base Period Adjustment	Test Year Adjustment	Adjusted	Adjustment Reference
Line No.	Description							
83	Non-Labor Regional Market Expense	\$ 8,712,378	\$ 8,712,378	\$ 8,712,378	\$ (192)	\$ 10,823	\$ 8,723,009	SNN-2, pg. 12, ln. 398 SNN-6, pg. 14, ln. 574
84	Distribution O&M Expenses							
85	Distribution Operations Expense	\$ 23,154,475	\$ 23,154,475	\$ 23,154,475	\$ 167,325	\$ 275,203	\$ 23,597,002	SNN-2, pg. 9-10, ln. 273+278+283+289+295+300+306+311+318+323 SNN-6, pg. 11-12, ln. 392+399+406+415+423+431+440+448+458+466
86	Distribution Maintenance Expense	7,528,466	7,528,466	7,528,466	(571,664)	504,550	7,461,352	SNN-2, pg. 10-11, ln. 327+332+337+344+350+356+360+366 SNN-6, pg. 12-13, ln. 472+479+487+498+507+516+522+530
87	<b>Total Distribution Expense</b>	<b>\$ 30,682,941</b>	<b>\$ 30,682,941</b>	<b>\$ 30,682,941</b>	<b>\$ (404,339)</b>	<b>\$ 779,752</b>	<b>\$ 31,058,354</b>	
88	Customer Operations Expense	\$ 17,736,059	\$ 17,736,059	\$ 17,736,059	\$ 742,750	\$ 260,985	\$ 18,739,793	SNN-2, pg. 12, ln. 428 SNN-6, pg. 15, ln. 618
89	Customer Accounting Expense	18,722,466	18,722,466	18,722,466	(15,366,228)	44,403	3,400,642	SNN-2, pg. 13, ln. 458 SNN-6, pg. 16, ln. 655
90	Customer Service Expense	294,128	294,128	294,128	(5,128)	4,415	293,415	SNN-2, pg. 13, ln. 471 SNN-6, pg. 16, ln. 674
91	Sales Expense							
92	<b>Total Customer Operations Expense</b>	<b>\$ 36,752,653</b>	<b>\$ 36,752,653</b>	<b>\$ 36,752,653</b>	<b>\$ (14,628,606)</b>	<b>\$ 309,803</b>	<b>\$ 22,433,850</b>	
93	Administrative & General Expenses	\$ 111,543,992	\$ 111,543,992	\$ 111,543,992	\$ (14,498,859)	\$ 4,850,311	\$ 101,895,444	SNN-2, pg. 15, ln. 560 SNN-6, pg. 18, ln. 782
94	<b>Total Operations &amp; Maintenance Expense</b>	<b>\$ 522,677,673</b>	<b>\$ 522,677,673</b>	<b>\$ 522,677,673</b>	<b>\$ (30,559,874)</b>	<b>\$ 22,058,381</b>	<b>\$ 514,176,179</b>	
95	Total Labor Expense	\$ 155,379,493	\$ 155,379,493	\$ 155,379,493	\$ (6,768,458)	\$ 3,390,375	\$ 152,001,410	SNN-2, pg. 24, ln. 365 SNN-6, pg. 30, ln. 559
96	Total Non-Labor Expense (L36 - L38)	\$ 367,298,180	\$ 367,298,180	\$ 367,298,180	\$ (23,791,416)	\$ 18,668,006	\$ 362,174,769	

Southwestern Public Service Company  
Summary of the Cost of Service Adjustments by Functional Classification

Total Company		Taxes Other Than Income Detail						
Line No.	Description	Per Book Base Period	Base Period with Test Year Cap Structure	Base Period with Test Year Cap Structure, Allocators	Base Period Adjustment	Test Year Adjustment	Adjusted	Adjustment Reference
97								
98	Payroll Related	\$ 8,506,804	\$ 8,506,804	\$ 8,506,804	\$ (8,310)	\$ (289,390)	\$ 8,209,104	SNN-2, pg. 34, ln 10 SNN-6, pg. 43, ln 12
99	Property Taxes	61,389,020	61,389,020	61,389,020	(3,240,000)	13,926,980	72,076,000	SNN-2, pg. 34, ln 4 SNN-6, pg. 43, ln 6
100	Franchise Fees	8,127,809	8,127,809	8,127,809	-	-	8,127,809	SNN-2, pg. 34, ln 13 SNN-6, pg. 43, ln 15
101	Gross Receipts Tax	6,487,347	6,487,347	6,487,347	-	-	6,487,347	SNN-2, pg. 34, ln 16 SNN-6, pg. 43, ln 18
102	Other Taxes	49,243	49,243	49,243	-	-	49,243	SNN-2, pg. 34, ln 19 SNN-6, pg. 43, ln 21
103	All Other Unadjusted Taxes	-	-	-	-	-	-	
104	<b>Total Taxes Other Than Income</b>	<b>\$ 84,560,225</b>	<b>\$ 84,560,225</b>	<b>\$ 84,560,225</b>	<b>\$ (3,248,310)</b>	<b>\$ 13,637,590</b>	<b>\$ 94,949,504</b>	

Note: ITC = Investment Tax Credit  
REC = Renewable Energy Credit  
(1) These lines have been grossed up by the Tax Gross Up Factor of 1.29266

Southwestern Public Service Company  
Summary of the Cost of Service Adjustments by Functional Classification

New Mexico Retail

Line No.	Description	Per Book Base Period	Base Period with Test Year Cap Structure	Base Period with Test Year Cap Structure, Allocators	Base Period Adjustment	Test Year Adjustment	Adjusted	Adjustment Reference
1	Plant In Service - Production	\$ 880,179,196	\$ 880,179,196	\$ 907,921,784	\$ -	\$ 279,544,438	\$ 1,187,466,221	SNN-2, pg. 54, ln 111 SNN-6, pg. 64, ln 141
2	Plant In Service - Transmission	779,218,769	779,218,769	852,127,144	3,216	64,363,347	916,493,707	SNN-2, pg. 56, ln 216 SNN-6, pg. 67, ln 276
3	Plant In Service - Distribution	581,783,648	581,783,648	581,783,648	-	43,449,978	625,233,626	SNN-2, pg. 57, ln 267 SNN-6, pg. 68, ln 342
4	Plant In Service - General & Intangible	225,608,604	225,608,604	232,647,351	(377,926)	12,832,105	245,101,530	SNN-2, pg. 52, ln 28 + pg. 59, ln 330 SNN-6, pg. 62, ln 39 + pg. 70, ln 422
5	<b>Total Plant In Service</b>	<b>\$ 2,466,790,216</b>	<b>\$ 2,466,790,216</b>	<b>\$ 2,574,479,927</b>	<b>\$ (374,710)</b>	<b>\$ 400,189,868</b>	<b>\$ 2,974,295,085</b>	
6	Depreciation & Amortization Reserve - Production	\$ (395,301,378)	\$ (395,301,378)	\$ (406,686,151)	\$ (25,735,888)	\$ (14,875,690)	\$ (447,297,729)	SNN-2, pg. 62, ln 121 SNN-6, pg. 73, ln 160
7	Depreciation & Amortization Reserve - Transmission	(119,705,975)	(119,705,975)	(130,715,479)	(13,214,574)	(7,515,565)	(151,445,619)	SNN-2, pg. 65, ln 247 SNN-6, pg. 76, ln 315
8	Depreciation & Amortization Reserve - Distribution	(114,540,063)	(114,540,063)	(114,540,063)	-	(2,481,551)	(117,021,614)	SNN-2, pg. 66, ln 295 SNN-6, pg. 77, ln 378
9	Depreciation & Amortization Reserve - General & Intangible	(112,837,981)	(112,837,981)	(116,321,529)	4,899,491	(7,151,926)	(118,573,963)	SNN-2, pg. 60, ln 23 + pg. 67, ln 373 SNN-6, pg. 71, ln 38 + pg. 79, ln 477
10	<b>Total Depreciation &amp; Amortization Reserve</b>	<b>\$ (742,385,396)</b>	<b>\$ (742,385,396)</b>	<b>\$ (768,263,221)</b>	<b>\$ (34,050,971)</b>	<b>\$ (32,024,733)</b>	<b>\$ (834,338,925)</b>	
11	<b>Net Plant In Service</b>	<b>\$ 1,724,404,820</b>	<b>\$ 1,724,404,820</b>	<b>\$ 1,806,216,706</b>	<b>\$ (34,425,681)</b>	<b>\$ 368,165,135</b>	<b>\$ 2,139,956,160</b>	
12	Plant Held for Future Use	\$ 918,038	\$ 918,038	\$ 1,010,255	\$ -	\$ (1,010,255)	\$ -	SNN-1, pg. 9, ln 5 SNN-5, pg. 9, ln 5
13	Construction Work In Progress	\$ 333,637,192	\$ 333,637,192	\$ 348,115,138	\$ (348,115,138)	\$ -	\$ -	SNN-1, pg. 9, ln 6 SNN-5, pg. 9, ln 6
14	Regulatory Assets	\$ 44,888,741	\$ 44,888,741	\$ 46,343,158	\$ -	\$ -	\$ 46,343,158	SNN-1, pg. 9, ln 15 SNN-5, pg. 9, ln 15
15	Fuel Inventory	\$ 2,007,899	\$ 2,007,899	\$ 2,090,862	\$ -	\$ -	\$ 2,090,862	SNN-1, pg. 9, ln 10 SNN-5, pg. 9, ln 10
16	NOx Inventory	\$ 1,225,144	\$ 1,225,144	\$ 1,275,765	\$ (1,275,765)	\$ -	\$ -	SNN-1, pg. 9, ln 11 SNN-5, pg. 9, ln 11
17	FAS 106 & 112	\$ (3,754,202)	\$ (3,754,202)	\$ (3,875,840)	\$ -	\$ -	\$ (3,875,840)	SNN-1, pg. 9, ln 19 SNN-5, pg. 9, ln 19

Southwestern Public Service Company  
Summary of the Cost of Service Adjustments by Functional Classification

New Mexico Retail

Line No.	Description	Per Book Base Period	Base Period with Test Year Cap Structure	Base Period with Test Year Cap Allocators	Base Period Adjustment	Test Year Adjustment	Adjusted	Adjustment Reference
18	Cash Working Capital	\$ (8,846,941)	\$ (8,846,941)	\$ (9,330,581)	\$ 343,949	\$ (1,649,364)	\$ (10,635,995)	SNN-1, pg. 9, ln 13 SNN-5, pg. 9, ln 13
19	Materials and Supplies	\$ 6,479,982	\$ 6,479,982	\$ 6,725,886	\$ -	\$ -	\$ 6,725,886	SNN-1, pg. 9, ln 12 SNN-5, pg. 9, ln 12
20	Prepayments and Deferred Charges	\$ 1,598,647	\$ 1,598,647	\$ 1,688,139	\$ (174,780)	\$ -	\$ 1,513,359	SNN-1, pg. 9, ln 14 SNN-5, pg. 9, ln 14
21	Customer Advances	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	SNN-1, pg. 9, ln 18 SNN-5, pg. 9, ln 18
22	Customer Deposits	\$ (941,083)	\$ (941,083)	\$ (941,083)	\$ -	\$ -	\$ (941,083)	SNN-1, pg. 9, ln 17 SNN-5, pg. 9, ln 17
23	Accum Def Inc Tax - Production	\$ (93,718,643)	\$ (93,718,643)	\$ (96,639,292)	\$ 5,596,692	\$ (5,941,481)	\$ (96,984,081)	SNN-2, pg. 83, ln 165 SNN-6, pg. 94, ln 196
24	Accum Def Inc Tax - Transmission	(135,713,014)	(135,713,014)	(148,543,153)	2,905,875	268,193	(145,369,085)	SNN-2, pg. 88, ln 373 SNN-6, pg. 99, ln 437
25	Accum Def Inc Tax - Distribution	(88,734,189)	(88,734,189)	(88,734,189)	-	(676,462)	(89,410,651)	SNN-2, pg. 89, ln 439 SNN-6, pg. 101, ln 519
26	Accum Def Inc Tax - General & Intangible	(23,020,838)	(23,020,838)	(23,749,668)	(1,015,299)	938,493	(23,826,475)	SNN-2, pg. 80, ln 38 + pg. 92, ln 567
27	Accum Def Inc Tax - Non-Plant	160,566,667	160,566,667	170,240,294	(148,847,019)	(5,598,646)	15,794,628	SNN-6, pg. 91, ln 48 + pg. 104, ln 668 SNN-2, pg. 96, ln 760 SNN-6, pg. 108, ln 866
28	Accum Def Inc Tax - NOL	-	-	-	-	5,457,883	5,457,883	SNN-1, pg. 9, ln 22 SNN-5, pg. 9, ln 22
29	<b>Total Accum Def Inc Tax</b>	<b>\$ (180,620,017)</b>	<b>\$ (180,620,017)</b>	<b>\$ (187,426,009)</b>	<b>\$ (141,359,751)</b>	<b>\$ (5,552,020)</b>	<b>\$ (334,337,780)</b>	
30	<b>Net Rate Base</b>	<b>\$ 1,920,998,218</b>	<b>\$ 1,920,998,218</b>	<b>\$ 2,011,892,395</b>	<b>\$ (525,007,166)</b>	<b>\$ 359,953,497</b>	<b>\$ 1,846,838,725</b>	
31	Fuel & Purchased Power	\$ 175,509,620	\$ 175,509,620	\$ 182,534,606	\$ (163,295,286)	\$ 1,378,429	\$ 20,617,748	SNN-1, pg. 3, ln 4 SNN-5, pg. 3, ln 4
32	Operation & Maintenance	\$ 148,842,031	\$ 148,842,031	\$ 152,548,636	\$ (13,438,173)	\$ 9,890,673	\$ 149,001,136	SNN-1, pg. 4, ln 15 SNN-5, pg. 4, ln 15
33	Depreciation & Amortization Production	\$ 27,916,195	\$ 27,916,195	\$ 28,824,518	\$ (2,165,701)	\$ 23,443,043	\$ 50,101,861	SNN-1, pg. 5, ln 4 SNN-5, pg. 5, ln 2
34	Depreciation & Amortization Transmission	19,679,970	19,679,970	21,511,594	463,112	3,960,750	25,935,457	SNN-1, pg. 5, ln 6 SNN-5, pg. 5, ln 3
35	Depreciation & Amortization Distribution	13,123,126	13,123,126	13,123,126	-	5,541,753	18,664,879	SNN-1, pg. 5, ln 1 SNN-5, pg. 5, ln 4

Southwestern Public Service Company  
Summary of the Cost of Service Adjustments by Functional Classification

New Mexico Retail

Line No.	Description	Per Book Base Period	Base Period with Test Year Cap Structure	Base Period with Test Year Cap Structure Allocators	Base Period Adjustment	Test Year Adjustment	Adjusted	Adjustment Reference
36	Depreciation & Amortization General & Intangible							SNN-1, pg. 5, ln 2 + 3 SNN-5, pg. 5, ln 1 + 5
37	Depreciation & Amortization Non Plant	448,745	448,745	437,051	(2,192,389)	-	(1,755,338)	SNN-1, pg. 5, ln 5 SNN-5, pg. 5, ln 6
38	Depreciation & Amortization	\$ 76,610,265	\$ 76,610,265	\$ 79,830,879	\$ (5,184,680)	\$ 37,504,973	\$ 112,151,172	
39	Taxes Other Than Income	\$ 19,928,740	\$ 19,928,740	\$ 21,153,605	\$ (984,779)	\$ 4,136,015	\$ 24,304,842	SNN-1, pg. 6, ln 4 SNN-5, pg. 6, ln 4
40	State Income Taxes	\$ (1,143,361)	\$ (890,786)	\$ (983,147)	\$ (60,918)	\$ 563,938	\$ (480,127)	SNN-1, pg. 7, ln 12 SNN-5, pg. 7, ln 12
41	Federal Income Taxes	\$ (11,326,801)	\$ (8,824,640)	\$ (9,739,629)	\$ (603,489)	\$ 5,586,696	\$ (4,756,422)	SNN-1, pg. 7, ln 16 SNN-5, pg. 7, ln 16
42	Deferred Income Taxes - Production	\$ 15,588,125	\$ 15,588,125	\$ 16,264,262	\$ (618,253)	\$ 3,587,903	\$ 19,233,911	SNN-2, pg. 38, ln 147 SNN-6, pg. 47, ln 179
43	Deferred Income Taxes - Transmission	13,381,277	13,381,277	14,621,776	(108,351)	(10,105,414)	4,408,012	SNN-2, pg. 42, ln 321 SNN-6, pg. 51, ln 385
44	Deferred Income Taxes - Distribution	2,823,214	2,823,214	2,823,214	-	85,977	2,909,192	SNN-2, pg. 43, ln 387 SNN-6, pg. 53, ln 467
45	Deferred Income Taxes - General & Intangible	(3,148,443)	(3,148,443)	(3,249,234)	164,561	945,482	(2,139,191)	SNN-2, pg. 35, ln 38 + pg. 46, ln 497 SNN-6, pg. 44, ln 48 + pg. 56, ln 598
46	Deferred Income Taxes - Non-Plant	(14,847,061)	(14,847,061)	(15,263,747)	13,297,035	(2,564)	(1,969,276)	SNN-2, pg. 50, ln 676 SNN-6, pg. 59, ln 781
47	Deferred Income Taxes - NOL							
48	<b>Total Deferred Income Taxes</b>	\$ 13,797,113	\$ 13,797,113	\$ 15,196,271	\$ 12,734,993	\$ (633,507)	\$ 4,855,110	SNN-6, pg. 109, ln 36
49	ITC Amortization	\$ (19,280)	\$ (19,280)	(20,544)	-	-	(20,544)	SNN-1, pg. 7, ln 21 SNN-5, pg. 7, ln 21
50	<b>Total Operating Expenses</b>	\$ 422,198,327	\$ 424,953,064	\$ 440,520,677	\$ (170,832,332)	\$ 58,427,218	\$ 328,115,562	



Southwestern Public Service Company  
Summary of the Cost of Service Adjustments by Functional Classification

New Mexico Retail

Line No.	Description	Per Book Base Period	Base Period with Test Year Cap Structure	Base Period with Test Year Cap Structure, Allocators	Base Period Adjustment	Test Year Adjustment	Adjusted	Adjustment Reference
51	Gain on Sale of Disposition of RECs	\$ (27,430)	\$ (27,430)	\$ (28,209)	\$ 28,209	\$ -	-	SNN-2, pg. 51, ln 3 SNN-6, pg. 61, ln 3
52	Loss on Sale of Disposition of RECs	\$ -	\$ -	\$ -	\$ -	\$ -	-	
53	<b>Total Cost of Service (Operating Deductions)</b>	<b>\$ 422,170,897</b>	<b>\$ 424,925,634</b>	<b>\$ 440,492,468</b>	<b>\$ (170,804,124)</b>	<b>\$ 58,427,218</b>	<b>\$ 328,115,562</b>	
54	Return	\$ 136,775,073	\$ 146,187,964	\$ 153,105,011	\$ (39,933,045)	\$ 27,392,461	\$ 140,544,427	SNN-2, pg. 1, ln 12 SNN-6, pg. 1, ln 12
55	<b>Total Cost of Service (Operating Revenue)</b>	<b>\$ 558,945,970</b>	<b>\$ 571,113,598</b>	<b>\$ 593,597,479</b>	<b>\$ (210,757,169)</b>	<b>\$ 85,819,679</b>	<b>\$ 468,659,989</b>	
56	<b>Fuel &amp; Purchased Power Expense Detail</b>							
57	Fuel Expenses							
58	Steam Production Fuel Expense	\$ 57,915,067	\$ 57,915,067	\$ 60,308,027	\$ (60,305,190)	\$ -	\$ 2,837	SNN-2, pg. 2, ln 3+7+ 11+15+19
59	Combustion Turbine Production Fuel Expense	8,378,277	8,378,277	8,724,454	(8,724,454)	-	-	SNN-6, pg. 2, ln 3+7+ 11+15+19
60	<b>Total Fuel Expenses</b>	<b>\$ 66,293,343</b>	<b>\$ 66,293,343</b>	<b>\$ 69,032,481</b>	<b>\$ (69,029,644)</b>	<b>\$ -</b>	<b>\$ 2,837</b>	SNN-2, pg. 2, ln 24 SNN-6, pg. 2, ln 24
61	Purchased Power Expenses							
62	Purchased Energy Expense	\$ 100,738,199	\$ 100,738,199	\$ 104,900,544	\$ (104,900,544)	\$ -	\$ -	SNN-2, pg. 2, ln 29 SNN-6, pg. 2, ln 29
63	Purchased Capacity Expense	17,538,693	17,538,693	18,036,566	-	1,341,421	19,377,987	SNN-2, pg. 2, ln 32 SNN-6, pg. 2, ln 33
64	Purchased Power Variable O&M Expense	4,209,075	4,209,075	4,382,987	(3,183,071)	37,008	1,236,924	SNN-2, pg. 2, ln 36+39 SNN-6, pg. 2, ln 37+41
65	Deferred Generation and Purchased Power Expenses	(13,269,690)	(13,269,690)	(13,817,973)	13,817,973	-	-	SNN-2, pg. 2, ln 43 SNN-6, pg. 2, ln 45
66	<b>Total Purchased Power Expenses</b>	<b>\$ 109,216,277</b>	<b>\$ 109,216,277</b>	<b>\$ 113,502,125</b>	<b>\$ (94,265,643)</b>	<b>\$ 1,378,429</b>	<b>\$ 20,614,911</b>	
67	<b>Total Fuel &amp; Purchased Power Expense</b>	<b>\$ 175,509,620</b>	<b>\$ 175,509,620</b>	<b>\$ 182,534,606</b>	<b>\$ (163,295,286)</b>	<b>\$ 1,378,429</b>	<b>\$ 20,617,748</b>	

Southwestern Public Service Company  
Summary of the Cost of Service Adjustments by Functional Classification

New Mexico Retail

Line No.	Description	Per Book Base Period	Base Period with Test Year Cap		Test Year Adjustment	Adjusted	Adjustment Reference
			Structure	Allocators			
68	<b>Operation &amp; Maintenance Expense Detail</b>						
69	Steam Production O&M Expenses						
70	Steam Production Operations Expense	\$ 22,822,053	\$ 22,822,053	\$ 23,604,960	\$ 18,144	\$ 23,776,286	SNN-2, pg. 4, ln 4+7+12+17+22+29+34+38+41 SNN-6, pg. 4-5, ln 7+11+18+26+34+45+53+57+61
71	Steam Production Maintenance Expense	11,014,049	11,014,049	11,412,130	(49)	12,985,880	SNN-2, pg. 4-5, ln 46+51+56+61+66 SNN-6, pg. 5, ln 69+77+86+94+102
72	<b>Total Steam Production Expense</b>	<u>\$ 33,836,103</u>	<u>\$ 33,836,103</u>	<u>\$ 35,017,090</u>	<u>\$ 18,095</u>	<u>\$ 36,762,166</u>	
73	Combustion Turbine Production O&M Expenses						
74	Combustion Turbine Operations Expense	\$ 2,528,760	\$ 2,528,760	\$ 2,626,406	\$ 190,464	\$ 5,135,116	SNN-2, pg. 5-6, ln 72+75+79+85+88+95+99 SNN-6, pg. 6, ln 111+117+123+132+136+146+151
75	Combustion Turbine Maintenance Expense	1,940,189	1,940,189	2,012,798	(4)	3,531,754	SNN-2, pg. 6, ln 103+108+114+117+123+126 SNN-6, pg. 6-7, ln 157+165+175+182+191+194
76	<b>Total Combustion Turbine Expense</b>	<u>\$ 4,468,949</u>	<u>\$ 4,468,949</u>	<u>\$ 4,639,204</u>	<u>\$ 190,461</u>	<u>\$ 8,666,870</u>	
77	System Control and Dispatch Expense	\$ 195,223	\$ 195,223	\$ 220,338	\$ 564,181	\$ 813,292	SNN-2, pg. 6-7, ln 131+137+141+145 SNN-6, pg. 7-8, ln 201+209+213+217
78	<b>Total Production Expense</b>	<u>\$ 38,500,274</u>	<u>\$ 38,500,274</u>	<u>\$ 39,876,632</u>	<u>\$ 772,737</u>	<u>\$ 46,242,328</u>	

Southwestern Public Service Company  
Summary of the Cost of Service Adjustments by Functional Classification

New Mexico Retail

Line No.	Description	Per Book Base Period	Base Period with Test Year Cap Structure	Base Period with Test Year Cap Structure, Allocators	Base Period Adjustment	Test Year Adjustment	Adjusted	Adjustment Reference
79	Transmission O&M Expenses							
80	Transmission Operations Expense	\$ 6,458,149	\$ 6,458,149	\$ 6,909,291	\$ (9,984)	\$ 67,955	\$ 6,967,262	SNN-2, pg. 7-9, ln 153+157+162+165+168+173+178+182+185+188+193+198+247+252 SNN-6, pg. 8-10, ln 228+234+242+245+248+255+263+269+272+275+283+291+352+360
81	Transmission Maintenance Expense	447,593	447,593	491,400	(5)	66,953	558,348	SNN-2, pg. 9, ln 256+261+266 SNN-6, pg. 10-11, ln 364+373+382
82	Transmission Wheeling Expense	40,611,478	40,611,478	41,220,844	0	(240,643)	40,980,201	SNN-2, pg. 8, ln 201+204+207+210+213+216+219+222+225+228+231+234+237+240 SNN-6, pg. 9-10, ln 294+297+300+304+308+312+316+320+324+328+332+336+339+342
83	<b>Total Transmission Expenses</b>	<b>\$ 47,517,220</b>	<b>\$ 47,517,220</b>	<b>\$ 48,621,534</b>	<b>\$ (9,989)</b>	<b>\$ (105,735)</b>	<b>\$ 48,505,810</b>	

Southwestern Public Service Company  
Summary of the Cost of Service Adjustments by Functional Classification

New Mexico Retail

Line No.	Description	Per Book Base Period	Base Period with Test Year Cap Structure	Base Period with Test Year Cap Structure, Allocators	Base Period Adjustment	Test Year Adjustment	Adjusted	Adjustment Reference
84	Regional Market Expense	\$ 2,347,134	\$ 2,347,134	\$ 2,386,623	\$ (63)	\$ 3,551	\$ 2,390,111	SNN-2, pg. 12, ln 398 SNN-6, pg. 14, ln 574
85	Distribution O&M Expenses	\$ 8,417,137	\$ 8,417,137	\$ 8,513,682	\$ (4,534)	\$ 87,093	\$ 8,596,241	SNN-2, pg. 9-10, ln 273+278+283+289+295+300+306+311+318+323
86	Distribution Operations Expense	\$ 8,417,137	\$ 8,417,137	\$ 8,513,682	\$ (4,534)	\$ 87,093	\$ 8,596,241	SNN-6, pg. 11-12, ln 392+399+406+415+423+431+440+448+458+466
87	Distribution Maintenance Expense	2,743,878	2,743,878	2,778,020	(217,040)	443,382	3,004,362	SNN-2, pg. 10-11, ln 327+332+337+344+350+356+360+366 SNN-6, pg. 12-13, ln 472+479+487+498+507+516+522+530
88	<b>Total Distribution Expense</b>	<b>\$ 11,161,015</b>	<b>\$ 11,161,015</b>	<b>\$ 11,291,702</b>	<b>\$ (221,574)</b>	<b>\$ 530,476</b>	<b>\$ 11,600,604</b>	
89	Customer Operations Expense	\$ 5,543,698	\$ 5,543,698	\$ 5,543,698	\$ 232,162	\$ 57,705	\$ 5,833,564	SNN-2, pg. 12, ln 428 SNN-6, pg. 15, ln 618
90	Customer Accounting Expense	\$ 5,543,698	\$ 5,543,698	\$ 5,543,698	\$ 232,162	\$ 57,705	\$ 5,833,564	SNN-2, pg. 13, ln 458 SNN-6, pg. 16, ln 655
91	Customer Service Expense	11,848,328	11,848,328	11,848,328	(11,007,872)	13,859	854,315	SNN-2, pg. 13, ln 471 SNN-6, pg. 16, ln 674
92	Sales Expense	91,934	91,934	91,934	(1,603)	1,380	91,711	
93	<b>Total Customer Operations Expense</b>	<b>\$ 17,483,960</b>	<b>\$ 17,483,960</b>	<b>\$ 17,483,960</b>	<b>\$ (10,777,313)</b>	<b>\$ 72,943</b>	<b>\$ 6,779,591</b>	
94	Administrative & General Expenses	\$ 31,832,428	\$ 31,832,428	\$ 32,888,185	\$ (3,201,971)	\$ 3,796,479	\$ 33,482,692	SNN-2, pg. 15, ln 560 SNN-6, pg. 18, ln 782
95	<b>Total Operations &amp; Maintenance Expense</b>	<b>\$ 148,842,031</b>	<b>\$ 148,842,031</b>	<b>\$ 152,548,636</b>	<b>\$ (13,438,173)</b>	<b>\$ 9,890,673</b>	<b>\$ 149,001,136</b>	
96	Total Labor Expense	\$ 44,955,353	\$ 44,955,353	\$ 46,403,474	\$ (2,067,333)	\$ 1,018,486	\$ 45,354,626	SNN-2, pg. 24, ln 365 SNN-6, pg. 30, ln 559
97	Total Non-Labor Expense (L36 - L38)	\$ 103,886,678	\$ 103,886,678	\$ 106,145,162	\$ (11,370,839)	\$ 8,872,188	\$ 103,646,510	

Southwestern Public Service Company  
Summary of the Cost of Service Adjustments by Functional Classification

New Mexico Retail

Line No.	Description	Per Book Base Period	Base Period with	Base Period with	Test Year Adjustment	Adjusted	Adjustment Reference
			Test Year Cap Structure	Test Year Cap Structure, Allocators			
98	Taxes Other Than Income Detail						
99	Payroll Related	\$ 2,458,625	\$ 2,458,625	\$ 2,538,285	\$ (86,349)	\$ 2,449,456	SNN-2, pg. 34, ln 10 SNN-6, pg. 43, ln 12
100	Property Taxes	17,466,599	17,466,599	18,611,847	(982,299)	21,851,912	SNN-2, pg. 34, ln 4 SNN-6, pg. 43, ln 6
101	Franchise Fees	-	-	-	-	-	SNN-2, pg. 34, ln 13 SNN-6, pg. 43, ln 15
102	Gross Receipts Tax	-	-	-	-	-	SNN-2, pg. 34, ln 16 SNN-6, pg. 43, ln 18
103	Other Taxes	3,516	3,516	3,473	-	3,473	SNN-2, pg. 34, ln 19 SNN-6, pg. 43, ln 21
104	All Other Unadjusted Taxes	-	-	-	-	-	
105	<b>Total Taxes Other Than Income</b>	<b>\$ 19,928,740</b>	<b>\$ 19,928,740</b>	<b>\$ 21,153,605</b>	<b>\$ (984,779)</b>	<b>\$ 24,304,842</b>	

Note: ITC = Investment Tax Credit  
REC = Renewable Energy Credit

(1) These lines have been grossed up by the Tax Gross Up Factor of 1.29266  
Please refer to the Direct Testimony of Stephanie N. Niemi for a detailed explanation of adjustments.

Southwestern Public Service Company  
Summary of Rate Base

(a) Base Period Information, (b) Test Year Period  
Information

Line No.	Description	Total Company Base Period	Impact of WACC* Adjustments	Adjustments	Total Company Test Year Period	New Mexico Base Period
1	Net Plant in Service:					
2	Production	\$ 1,587,999,224	\$ -	\$ 723,939,263	\$ 2,311,938,487	\$ 484,877,818
3	Transmission	2,917,554,522	-	162,247,915	3,079,802,438	659,512,794
4	Distribution	1,175,107,550	-	71,045,497	1,246,153,047	467,243,585
5	General & Intangible	386,639,726	-	33,863,808	420,503,535	112,770,623
6	<b>Total Net Plant in Service</b>	<b>\$ 6,067,301,022</b>	<b>\$ -</b>	<b>\$ 991,096,484</b>	<b>\$ 7,058,397,506</b>	<b>\$ 1,724,404,820</b>
7	<b>Plant Held for Future Use:</b>					
8	Production	\$ 4,167,109	\$ -	\$ (4,167,109)	\$ -	\$ 918,038
9	Transmission	-	-	-	-	-
10	Distribution	-	-	-	-	-
11	General	-	-	-	-	-
12	<b>Total Plant Held for Future Use</b>	<b>\$ 4,167,109</b>	<b>\$ -</b>	<b>\$ (4,167,109)</b>	<b>\$ -</b>	<b>\$ 918,038</b>

Southwestern Public Service Company  
Summary of Rate Base

(a) Base Period Information, (b) Test Year Period  
Information

Line No.	Description	Impact of WACC Adjustments	Impact of Allocator Adjustments	Adjustments	New Mexico Test Year Period	References
1	<b>Net Plant in Service:</b>					
2	Production	\$ -	\$ 16,357,815	\$ 238,932,859	\$ 740,168,492	Attachment SNN-2, p. 54, line 111 + p. 62, line 121 Attachment SNN-6, p. 64, line 141 + p. 73, line 160
3	Transmission	-	61,898,871	43,636,423	765,048,088	Attachment SNN-2, p. 56, line 216 + p. 65, line 247 Attachment SNN-6, p. 67, line 276 + p. 76, line 315
4	Distribution	-	-	40,968,427	508,212,012	Attachment SNN-2, p. 57, line 267 + p. 66, line 295 Attachment SNN-6, p. 68, line 342 + p. 77, line 378
5	General & Intangible	-	3,555,200	10,201,744	126,527,567	Attachment SNN-2, p. 52, line 28, p. 59, line 330 + p. 60, line 23, p. 67, line 373 Attachment SNN-6, p. 62, line 39, p. 70, line 422 + p. 71, line 38, p. 79, line 475
6	<b>Total Net Plant in Service</b>	<b>\$ -</b>	<b>\$ 81,811,886</b>	<b>\$ 333,739,454</b>	<b>\$ 2,139,956,160</b>	
7	<b>Plant Held for Future Use:</b>					
8	Production	\$ -	\$ 92,216	\$ (1,010,255)	\$ -	Attachment SNN-2, p. 74, line 286 Attachment SNN-6, p. 85, line 285
9	Transmission	-	-	-	-	
10	Distribution	-	-	-	-	
11	General	-	-	-	-	
12	<b>Total Plant Held for Future Use</b>	<b>\$ -</b>	<b>\$ 92,216</b>	<b>\$ (1,010,255)</b>	<b>\$ -</b>	

Southwestern Public Service Company  
Summary of Rate Base

(a) Base Period Information, (b) Test Year Period Information

Line No.	Description	Total Company Base Period	Impact of WACC* Adjustments	Adjustments	Total Company Test Year Period	New Mexico Base Period
13	Construction Work in Progress:					
14	Production	\$ 753,223,743	\$ -	\$ (753,223,743)	\$ -	\$ 236,704,692
15	Transmission	212,859,749	-	(212,859,749)	-	51,067,785
16	Distribution	44,872,872	-	(44,872,872)	-	27,096,084
17	General & Intangible	64,413,762	-	(64,413,762)	-	18,768,632
18	<b>Total Construction Work in Progress</b>	<b>\$ 1,075,370,126</b>	<b>\$ -</b>	<b>\$ (1,075,370,126)</b>	<b>\$ -</b>	<b>\$ 333,637,192</b>
19	<b>Total Plant</b>	<b>\$ 7,146,838,257</b>	<b>\$ -</b>	<b>\$ (88,440,751)</b>	<b>\$ 7,058,397,506</b>	<b>\$ 2,058,960,050</b>
20	Accumulated Deferred Income Taxes	\$ (686,862,189)	\$ -	\$ (487,354,475)	\$ (1,174,216,664)	\$ (180,620,017)
21	Other Rate Base Items	136,397,041	-	(50,000)	136,347,041	40,193,455
22	<b>Working Capital:</b>					
23	Materials & Supplies	21,716,287	-	-	21,716,287	6,479,982
24	Fuel Inventory and NOx Inventory	10,259,443	-	(3,887,760)	6,371,683	3,233,043
25	Prepayments	5,495,442	-	(576,493)	4,918,949	1,598,647
26	Cash Working Capital	(32,752,260)	-	(4,321,243)	(37,073,502)	(8,846,941)
27	<b>Total Working Capital</b>	<b>\$ 4,718,912</b>	<b>\$ -</b>	<b>\$ (8,785,495)</b>	<b>\$ (4,066,583)</b>	<b>\$ 2,464,731</b>
28	<b>Total Rate Base</b>	<b>\$ 6,601,092,021</b>	<b>\$ -</b>	<b>\$ (584,630,720)</b>	<b>\$ 6,016,461,301</b>	<b>\$ 1,920,998,218</b>



Southwestern Public Service Company  
Summary of Rate Base

(a) Base Period Information, (b) Test Year Period Information

Line No.	Description	Impact of WACC Adjustments	Impact of Allocator Adjustments	Adjustments	New Mexico Test Year Period	References
13	Construction Work in Progress:					
14	Production	\$ -	\$ 9,624,754	\$ (246,329,446)	\$ -	- Attachment SNN-2, p. 70, line 95 Attachment SNN-6, p. 81, line 95
15	Transmission	-	4,252,614	(55,320,399)	-	- Attachment SNN-2, p. 71, line 165 Attachment SNN-6, p. 83, line 165
16	Distribution	-	-	(27,096,084)	-	- Attachment SNN-2, p. 73, line 219 Attachment SNN-6, p. 84, line 219
17	General & Intangible	-	600,577	(19,369,209)	-	- Attachment SNN-2, p. 70, line 25, p. 74, line 277 Attachment SNN-6, p. 80, line 25, p. 85, line 277
18	<b>Total Construction Work in Progress</b>	<b>\$ -</b>	<b>\$ 14,477,945</b>	<b>\$ (348,115,138)</b>	<b>\$ -</b>	
19	<b>Total Plant</b>	<b>\$ -</b>	<b>\$ 96,382,048</b>	<b>\$ (15,385,938)</b>	<b>\$ 2,139,956,160</b>	
20	Accumulated Deferred Income Taxes	\$ -	\$ (6,805,991)	\$ (146,911,772)	\$ (334,337,780)	Attachment SNN-1, p. 9, line 23 Attachment SNN-5, p. 9, line 23
21	Other Rate Base Items	-	1,332,779	-	41,526,234	Attachment SNN-1, p. 9, line 15 + 17 + 18 + 19 Attachment SNN-5, p. 9, line 15 + 17 + 18 + 19
22	<b>Working Capital:</b>					
23	Materials & Supplies	-	245,904	-	6,725,886	Attachment SNN-1, p. 9, line 12 Attachment SNN-5, p. 9, line 12
24	Fuel Inventory and NOx Inventory	-	133,584	(1,275,765)	2,090,862	Attachment SNN-1, p. 9, line 10 + 11 Attachment SNN-5, p. 9, line 10 + 11
25	Prepayments	-	89,492	(174,780)	1,513,359	Attachment SNN-1, p. 9, line 14 Attachment SNN-5, p. 9, line 14
26	Cash Working Capital	-	(483,639)	(1,305,414)	(10,635,995)	Attachment SNN-1, p. 9, line 13 Attachment SNN-5, p. 9, line 13
27	<b>Total Working Capital</b>	<b>\$ -</b>	<b>\$ (14,659)</b>	<b>\$ (2,755,960)</b>	<b>\$ (305,888)</b>	
28	<b>Total Rate Base</b>	<b>\$ -</b>	<b>\$ 90,894,177</b>	<b>\$ (165,053,670)</b>	<b>\$ 1,846,838,725</b>	

**(c) Test Year Period Optional**

SPS is not claiming cost of reproduction as a going concern and other elements of value to support its requested change in rates, and therefore has not provided information in this schedule.

**(d) Explanation of Adjustments**

The Base Period data in this schedule reflects the application of jurisdictional allocators to unadjusted raw data from the books of SPS. Adjustments for items such as unblending of depreciation rates and elimination of Construction Work in Progress are made to obtain the Adjusted Base Period. Please refer to the Direct Testimony of Stephanie N. Niemi for more information on these Base Period adjustments.

Notations in the References column refer to Stephanie N. Niemi's Attachments to her Direct Testimony.

Please refer to the following testimonies and attachments for support of the plant addition adjustments for production, transmission, distribution, and general plant: the Direct Testimony of Mark P. Moeller and its Attachment MPM-3, the Direct Testimony of Mark Lytal and its Attachment ML-3, the Direct Testimony of Jarred J. Cooley and its Attachment JJC-6, the Direct Testimony of Casey S. Meeks and its Attachment CSM-3, the Direct Testimony of Michael O. Remington and its Attachment MOR-3, and the Direct Testimony of Lawrence A. Bick and its Attachment LAB-3.

\* WACC-Weighted Average Cost of Capital

Impact of WACC Adjustments and Impact of Allocator Adjustments information provided in workpapers to the Direct Testimony of Stephanie N. Niemi.

Southwestern Public Service Company

Summary of Total Capitalization and the Weighted Average Cost of Capital

(a) Base Period

Line No.	Capital Component	Base Period Regulated Capitalization	Base Period Percentage of Total Capitalization	Base Period Cost of Capital	Base Period Weighted Average Cost of Capital
1	GAAP Common Equity	\$ 3,295,763,103			
2	Less Accumulated Other Comprehensive Income Loss	(1,318,329)			
3	Regulatory Common Equity	3,297,081,433	54.72%	9.45% <sup>(1)</sup>	5.17%
4	Preferred Trust Securities	-	0.00%	0.00%	0.00%
5	Long Term Debt	2,727,871,192	45.28%	4.31%	1.95%
6	<b>Totals</b>	<b>\$ 6,024,952,625</b>	<b>100.00%</b>		<b>7.12%</b> <sup>(2)</sup>

**Note:** Aligns with Schedule G-1.

<sup>(1)</sup> Does not reflect actual earnings during the Base Period. Reflects authorized Return on Equity ("ROE") in SPS's most recent base rate case, Case No. 19-00170-UT.

<sup>(2)</sup> Does not reflect actual earnings during the Base Period. Reflects authorized ROE in SPS's most recent base rate case, Case No. 19-00170-UT, and actual weighted average cost of debt as of 9/30/2020.

Southwestern Public Service Company

Summary of Total Capitalization and the Weighted Average Cost of Capital

(b) Test Year Period

Line No.	Capital Component	Base Period Regulated Capitalization	Adjustments	Test Year Period End Regulated Capitalization	Test Year Period Percentage of Total Capitalization	Test Year Period Component Capital Cost	Test Year Period Weighted Average Cost	Reference
1	GAAP Common Equity	\$ 3,295,763,103	\$ (303,103) <sup>(1)</sup>	\$ 3,295,460,000				Schedule G-1 Test Year Period, Line 1
2	Less Accumulated Other Comprehensive Income Loss	(1,318,329)	17,329	(1,301,000)				Schedule G-1 Test Year Period, Line 2
3	Regulatory Common Equity	3,297,081,433	(320,433)	3,296,761,000	54.72%	10.35%	5.66%	Schedule G-1 Test Year Period, Line 3
4	Preferred Trust Securities	-	-	-	0.00%	0.00%	0.00%	Schedule G-1 Test Year Period, Line 4
5	Long Term Debt	2,727,871,192	-	2,727,871,192	45.28%	4.31%	1.95%	Schedule G-1 Test Year Period, Line 5
6	<b>Totals</b>	<b>\$ 6,024,952,625</b>	<b>\$ (320,433)</b>	<b>\$ 6,024,632,192</b>	<b>100.00%</b>		<b>7.61%</b>	

Note: Aligns with Schedule G-1.

(c) Explanation of Adjustments

<sup>(1)</sup> Expected additional equity will be modified as necessary to achieve the proposed regulated equity ratio.