

Southwestern Public Service Company

Accumulated Provision for Depreciation and Amortization
by Functional Classification and Detailed Plant Account

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

Line No.	Description	FERC Account No.	Balance Beginning of Base Period 10/01/2019	Provision Charged Directly Against Income	Transportation & Other Clearing	Clearings from Retirement Work in Progress	Functional Adjustments - Book Transfers	Balance End of Base Period 9/30/2020	Retirement Work in Progress 9/30/2020	Adjustments	Total Company Test Year Period	Test Year Period As Adjusted Retirement Work in Progress	NM Retail Test Year Period
1 Accumulated Provision for Depreciation													
2 Steam Production													
3	Structures & Improvements	311	\$ 140,555,937	\$ 7,649,201	\$ -	\$ (9,394,425)	\$ 11,400,737	\$ 150,211,449	\$ -	\$ 2,749,837	\$ 152,961,286		
4	Fuel Plant Equipment	312	618,306,361	28,980,794	-	(18,533,057)	(2,612,908)	626,141,189	-	13,401,976	639,543,165		
5	Turbogenerator Units	314	324,709,746	14,571,136	-	(9,426,686)	(7,616,651)	322,237,545	-	6,628,176	328,865,721		
6	Accessory Electrical Equipment	315	51,973,794	2,678,606	-	(627,597)	(966,972)	53,057,831	-	874,359	53,932,230		
7	Miscellaneous Power Plant Equipment	316	23,146,922	819,765	-	(300,413)	(583,770)	23,082,504	-	440,406	23,522,910		
8	Steam Production - Asset Retirement Cos	317	(695,036)	845,292	-	-	-	150,256	-	(150,256)	-		
9	Total Steam Production		\$ 1,157,997,724	\$ 55,544,794	\$ -	\$ (38,282,178)	\$ (379,564)	\$ 1,174,880,774	\$ (463,633)	\$ 23,944,537	\$ 1,198,825,311	\$ (902,598)	
10	Less Steam Production - Asset Retirement Cos	317	\$ 695,036	\$ (845,292)	\$ -	\$ -	\$ (379,564)	\$ (150,256)	\$ (463,633)	\$ 150,256	\$ 1,198,825,311	\$ (902,598)	
11	Total Steam Production Included in Rate Base		\$ 1,158,692,760	\$ 54,699,502	\$ -	\$ (38,282,178)	\$ (379,564)	\$ 1,174,730,518	\$ (463,633)	\$ 24,094,793	\$ 1,198,825,311	\$ (902,598)	
12 Other Production													
13	Structures & Improvements	341	\$ 4,147,100	\$ 2,323,753	\$ -	\$ -	\$ 93,322	\$ 6,419,610	\$ -	\$ 1,245,197	\$ 7,664,807		
14	Fuel Holders, Producers, & Accessorie	342	4,304,807	152,770	-	(16,464)	(313,593)	4,127,519	-	180,081	4,307,600		
15	Prime Movers	343	25,403,695	1,382,521	-	(5,934,107)	(2,083,471)	29,673,004	-	7,684,527	37,357,531		
16	Generators	344	53,616,846	31,089,264	-	(375)	(651,223)	76,718,532	-	21,752,968	98,471,500		
17	Accessory Electrical Equipment	345	10,519,741	1,669,229	-	(10,780)	(24,283)	11,537,372	-	1,591,798	13,129,170		
18	Miscellaneous Power Plant Equipment	346	1,404,284	138,362	-	-	-	1,602,400	-	160,240	1,667,823		
19	Other Production - Asset Retirement Cos	347	(241,479)	(632,840)	-	-	-	(874,319)	-	(874,319)	-		
20	Total Other Production		\$ 99,637,952	\$ 37,388,739	\$ -	\$ (6,168,761)	\$ -	\$ 130,857,939	\$ 11,301,999	\$ 31,740,900	\$ 162,598,429	\$ (50,027)	
21	Less Other Production - Asset Retirement Cos	347	\$ (241,479)	\$ (632,840)	\$ -	\$ -	\$ -	\$ (874,319)	\$ 11,301,999	\$ 31,740,900	\$ 162,598,429	\$ (50,027)	
22	Total Other Production Included in Rate Base		\$ 99,396,473	\$ 36,755,899	\$ -	\$ (6,168,761)	\$ -	\$ 129,983,620	\$ 11,301,999	\$ 32,614,800	\$ 162,598,429	\$ (50,027)	
23 Transmission													
24	Structures & Improvements	352	\$ 19,563,144	\$ 1,934,911	\$ -	\$ -	\$ (1,670,295)	\$ 18,566,217	\$ -	\$ (215,200)	\$ 18,341,017		
25	Station Equipment	353	164,537,398	25,806,064	-	(17,066,052)	2,041,849	175,319,259	-	(1,526,699)	173,792,560		
26	Towers & Fixtures	354	2,681,100	126,703	-	(8,589)	(8,589)	2,799,214	-	2,696	2,801,910		
27	Poles & Fixtures	355	198,468,482	43,018,258	-	(5,193,514)	844,526	237,137,751	-	(1,261,575)	235,876,176		
28	Overhead Conductors & Devices	356	96,227,484	14,290,449	-	(2,188,235)	(198,351)	108,131,347	-	(401,252)	107,730,095		
29	Underground Conduit	357	206,342	3,600	-	-	(27,208)	182,735	-	176	182,911		
30	Underground Conductors & Devices	358	376,360	12,892	-	(58,482)	330,770	318	-	318	331,088		
31	Roads & Trails	359	24,120	7,943	-	-	4,489	36,551	-	35	36,586		
32	Transmission - Asset Retirement Cost	359.1	4,563	782	-	-	-	(5,345)	-	(5,345)	-		
33	Total Transmission		\$ 482,088,993	\$ 85,201,602	\$ -	\$ (25,719,344)	\$ 927,930	\$ 542,490,189	\$ (39,088,954)	\$ (3,406,845)	\$ 539,092,344	\$ (11,193,992)	
34	Less: Transmission - Asset Retirement Cost	359.1	\$ (4,563)	\$ (782)	\$ -	\$ -	\$ -	\$ (5,345)	\$ (39,088,954)	\$ 3,406,845	\$ 539,092,344	\$ (11,193,992)	
35	Total Transmission Included in Rate Base		\$ 482,084,430	\$ 85,200,820	\$ -	\$ (25,719,344)	\$ 927,939	\$ 542,493,844	\$ (39,088,954)	\$ (3,401,500)	\$ 539,092,344	\$ (11,193,992)	
26 Distribution													
36	Structures & Improvements	361	\$ 3,545,053	\$ 597,876	\$ -	\$ -	\$ (316,741)	\$ 3,826,188	\$ -	\$ (61,152)	\$ 3,765,036		
37	Station Equipment	362	60,779,917	6,299,172	-	(4,854,886)	(44,819)	62,179,384	-	(967,434)	61,211,950		
38	Poles, Towers, & Fixtures	364	78,169,996	9,377,243	-	(6,357,760)	(81,890,479)	355,116	-	355,116	81,544,595		
39	Overhead Conductors & Devices	365	61,360,081	8,172,886	-	(3,882,720)	65,649,847	184,991	-	184,991	65,834,838		
40	Underground Conduit	366	10,065,262	509,916	-	(8,427)	291,61	11,295,917	-	42,982	11,338,894		
41	Underground Conductors & Devices	367	13,220,734	1,212,908	-	(193,536)	75,430	14,315,536	-	47,202	14,362,738		
42	Line Transformers	368	68,295,159	5,785,450	-	(1,765,447)	(45,001)	72,315,162	-	(45,001)	72,270,161		
43	Line Transformers	369	43,999,636	2,870,380	-	(538,254)	(46,331,762)	46,210,294	-	(121,468)	46,210,294		
44	Services	370	26,180,105	1,866,203	-	(2,542,658)	-	25,503,650	-	(54,666)	25,448,984		
45	Meters	371	11,958,682	358,780	-	(3,811,890)	(2)	12,317,461	-	149,491	12,466,952		
46	Installations On Customers Premises	372	8,465,120	1,020,109	-	-	-	5,673,338	-	396,038	6,069,376		
47	Street Lighting & Signal Systems	373	1,505,806	309,691	-	-	-	1,815,497	-	(1,815,497)	-		
48	Distribution - Asset Retirement Cost	374	(388,245,551)	(38,380,214)	-	(24,272,320)	59,771	(402,413,216)	-	(1,889,999)	(400,523,817)		
49	Less: Distribution - Asset Retirement Cost	374	(1,505,806)	(309,691)	-	-	-	(1,815,497)	-	1,815,497	-		
50	Total Distribution		\$ 386,739,745	\$ 38,070,523	\$ -	\$ (24,272,320)	\$ 59,771	\$ 400,597,719	\$ (8,141,058)	\$ (73,902)	\$ 400,523,817	\$ (1,717,35)	
51	Total Distribution Included in Rate Base		\$ 386,739,745	\$ 38,070,523	\$ -	\$ (24,272,320)	\$ 59,771	\$ 400,597,719	\$ (8,141,058)	\$ (73,902)	\$ 400,523,817	\$ (1,717,35)	

Southwestern Public Service Company

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

Line No.	Description	FERC Account No.	Balance Beginning of Base Period 10/01/2019	Provision Charged Directly Against Income	Transportation & Other Clearing	Clearings from Retirement Work in Progress	Functional Adjustments - Book Transfers	Balance End of Base Period 9/30/2020	Retirement Work in Progress 9/30/2020 (2)	Adjustments (3)	Total Company Test Year Period	Test Year Period As Adjusted Retirement Work in Progress (2)	NM Retail Test Year Period (7)
52	General												
53	Structures & Improvements	390	\$ 20,821,425	\$ 1,851,542	\$ -	\$ (342,793)	\$ 625,112	\$ 22,955,285	\$ 820,733	\$ 367,116	\$ 23,776,018	\$ (398,664)	
54	Office Furniture & Equipment	391	4,942,621	762,114	-	(400,987)	-	5,303,748	-	367,116	5,670,864	-	
55	Stores Equipment	393	300,536	10,540	-	242	-	311,317	-	13,188	324,505	-	
56	Tools, Shop, & Garage Equipment	394	8,226,788	1,421,944	-	(131,498)	-	9,517,234	-	404,948	9,922,182	-	
57	Laboratory Equipment	395	8,489,104	366,471	-	(180,542)	-	8,675,033	-	367,575	9,042,608	-	
58	Miscellaneous Equipment	398	1,751,082	104,613	-	(39,984)	-	1,815,711	-	76,649	1,892,360	-	
59	General - Asset Retirement Cost	399.1	16,576	1,218	-	-	-	17,795	-	(17,795)	-	(398,664)	
60	Total General		\$ 44,548,132	\$ 4,518,442	\$ -	\$ (1,095,562)	\$ 625,112	\$ 48,596,123	\$ 692,973	\$ 2,032,415	\$ 50,628,538	\$ (398,664)	
61	Less: General - Asset Retirement Cos	399.1	(16,576)	(1,218)	-	-	-	(17,795)	-	17,795	-	-	
62	Total General Included in Rate Base		\$ 44,531,556	\$ 4,517,224	\$ -	\$ (1,095,562)	\$ 625,112	\$ 48,578,328	\$ 692,973	\$ 2,050,210	\$ 50,628,538	\$ (398,664)	
63	Transportation												
64	Transportation Equipment	392	\$ 66,530,061	\$ -	\$ 7,257,100	\$ (21)	\$ -	\$ 73,787,139	\$ 3,959,465	\$ -	\$ 77,746,604	\$ -	
65	Power Operated Equipment	396	6,885,300	-	670,924	(1,097,886)	-	6,458,338	-	347,192	6,805,530	-	
66	Total Transportation		\$ 73,415,361	\$ -	\$ 7,928,024	\$ (1,097,907)	\$ -	\$ 80,245,477	\$ -	\$ 4,306,657	\$ 84,552,134	\$ -	
67	Network Equipment												
68	Computer Equipment - 5 Year	391.1	\$ 38,002,914	\$ 16,181,757	\$ -	\$ (6,427,019)	\$ -	\$ 47,757,653	\$ 6,979,014	\$ -	\$ 54,736,667	\$ -	
69	Communication Equipment	397	62,512,682	7,088,659	-	(490,399)	4,983	69,115,925	3,027,690	3,027,690	72,143,615	-	
70	Total Network Equipment		\$ 100,515,596	\$ 23,270,416	\$ -	\$ (6,917,418)	\$ 4,983	\$ 116,873,578	\$ 10,006,704	\$ 10,006,704	\$ 126,880,282	\$ -	
71	Reserve Deficiency - General AR15 Asset ⁽⁴⁾		(6,130,830)	599,186	551,119	-	-	(4,980,526)	-	444,690	(4,535,836)	-	
72	Limited Term Investments												
73	None		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
74	Miscellaneous Intangible Plant												
75	None		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
76	Plant Held for Future Use												
77	None		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
78	Total Accumulated Reserve for Depreciation		\$ 2,340,318,479	\$ 244,903,393	\$ 8,479,143	\$ (103,553,490)	\$ 1,238,250	\$ 2,491,385,770	\$ (35,698,673)	\$ 67,179,249	\$ 2,558,565,019	\$ (14,257,015)	
79	Less: Total Asset Retirement Cost		(1,073,388)	(1,789,823)	-	-	-	(2,863,212)	-	2,863,212	-	-	
80	Total Accumulated Reserve for Depreciation		\$ 2,339,245,091	\$ 243,113,570	\$ 8,479,143	\$ (103,553,490)	\$ 1,238,250	\$ 2,488,522,558	\$ (35,698,673)	\$ 70,042,461	\$ 2,558,565,019	\$ (14,257,015)	
81	Jurisdictional Adjustments ⁽⁵⁾		\$ 123,792,207	(9,679,929)	\$ (900,965)	\$ -	\$ 11,276,136	\$ 124,487,456	\$ 5,654,470	\$ -	\$ 130,141,926	\$ -	
82	NM Total Company Accumulated Reserve for Depreciation		\$ 2,463,037,298	\$ 233,433,641	\$ 7,578,178	\$ (103,553,490)	\$ 12,514,386	\$ 2,613,010,014	\$ (35,698,673)	\$ 75,696,931	\$ 2,688,706,945	\$ (14,257,015)	
83	Accumulated Provision for Amortization												
84	Steam Production		\$ 4,458,427	\$ 420,451	\$ -	\$ -	\$ 379,564	\$ 5,258,442	\$ -	\$ 177,635	\$ 5,436,077	\$ -	
85	Land & Water Rights	310.2	-	-	-	-	-	-	-	-	-	-	
86	Total Steam Production		\$ 4,458,427	\$ 420,451	\$ -	\$ -	\$ 379,564	\$ 5,258,442	\$ -	\$ 177,635	\$ 5,436,077	\$ -	

Southwestern Public Service Company

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

Line No.	Description	FERC Account No.	Balance Beginning of Base Period 10/01/2019	Provision Charged Directly Against Income	Transportation & Other Clearing	Clearings from Retirement Work in Progress	Functional Adjustments - Book Transfers	Balance End of Base Period 9/30/2020	Retirement Work in Progress 9/30/2020	Adjustments	Total Company Test Year Period	Test Year Period As Adjusted Retirement Work in Progress	NM Retail Test Year Period
87	Internal Combustion Production												
88	Land Rights	340.2	\$ 682	\$ 2	\$ -	\$ -	\$ (9)	\$ 675	\$ -	\$ -	\$ 675	\$ -	\$ -
89	Total Internal Combustion Production		\$ 682	\$ 2	\$ -	\$ -	\$ (9)	\$ 675	\$ -	\$ -	\$ 675	\$ -	\$ -
90	Transmission												
91	Land Rights	350.2	\$ 22,629,885	\$ 1,639,200	\$ -	\$ -	\$ (888,103)	\$ 23,380,982	\$ -	\$ 869,325	\$ 24,250,307	\$ -	\$ -
92	Total Transmission		\$ 22,629,885	\$ 1,639,200	\$ -	\$ -	\$ (888,103)	\$ 23,380,982	\$ -	\$ 869,325	\$ 24,250,307	\$ -	\$ -
93	Distribution												
94	Land Rights	360.2	\$ 1,573,383	\$ 201,261	\$ -	\$ -	\$ -	\$ 1,774,644	\$ -	\$ 72,357	\$ 1,847,001	\$ -	\$ -
95	Total Distribution		\$ 1,573,383	\$ 201,261	\$ -	\$ -	\$ -	\$ 1,774,644	\$ -	\$ 72,357	\$ 1,847,001	\$ -	\$ -
96	General												
97	Land Rights	389.2	\$ 18,311	\$ 1,022	\$ -	\$ -	\$ -	\$ 19,333	\$ -	\$ 423	\$ 19,756	\$ -	\$ -
98	Leasehold Improvements	390	\$ 1,098,450	\$ 173,423	\$ -	\$ (1)	\$ (625,112)	\$ 646,760	\$ -	\$ 77,749	\$ 724,509	\$ -	\$ -
99	Total General		\$ 1,116,761	\$ 174,445	\$ -	\$ (1)	\$ (625,112)	\$ 666,093	\$ -	\$ 78,172	\$ 744,265	\$ -	\$ -
100	Transportation												
101	None		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
102	Network Equipment												
103	None		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
104	Limited Term Investments												
105	None		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
106	Miscellaneous Intangible Plant												
107	Miscellaneous Intangibles	303	\$ 123,561,981	\$ 24,423,399	\$ -	\$ (3,727,168)	\$ -	\$ 144,258,211	\$ -	\$ 8,567,224	\$ 152,825,435	\$ -	\$ -
108	Total Miscellaneous Intangible Plant		\$ 123,561,981	\$ 24,423,399	\$ -	\$ (3,727,168)	\$ -	\$ 144,258,211	\$ -	\$ 8,567,224	\$ 152,825,435	\$ -	\$ -
109	Plant Held for Future Use												
110	None		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
111	Total Accumulated Reserve for Amortization		\$ 153,341,119	\$ 26,858,758	\$ -	\$ (3,727,169)	\$ (1,133,660)	\$ 175,339,047	\$ -	\$ 9,764,712	\$ 185,103,759	\$ -	\$ -
112	Jurisdictional Adjustments ⁽¹⁾		\$ (5,227,600)	\$ 301,434	\$ -	\$ -	\$ 1,474,830	\$ (3,451,333)	\$ -	\$ 1,464,793	\$ (1,986,540)	\$ -	\$ -
113	NM Total Company Accumulated Reserve for Amortization		\$ 148,113,519	\$ 27,160,192	\$ -	\$ (3,727,169)	\$ 341,170	\$ 171,887,714	\$ -	\$ 11,229,505	\$ 183,117,219	\$ -	\$ -
114	NM Total Company Accumulated Reserve for Depreciation and Amortization		\$ 2,611,508,817	\$ 260,593,833	\$ 7,578,178	\$ (107,280,659)	\$ 12,855,556	\$ 2,784,897,728	\$ (35,698,673)	\$ 86,926,436	\$ 2,871,824,164	\$ (14,257,015)	\$ 834,338,925

(c) Explanation of Adjustments

- ⁽¹⁾ Jurisdictional adjustments to blend the New Mexico total company depreciation reserve from the financial reserve as discussed in the Direct Testimony of Mark P. Moeller.
 - ⁽²⁾ Retirement Work In Progress ("RWIP") only provided by Functional Class because it is not calculated at the FERC account level.
 - ⁽³⁾ Change in reserve from October 2020 - February 2021 includes depreciation expense on all plant including plant additions expected to close within five months after the end of the Base Period, retirements, clearings from RWIP and other adjustments as described in the Direct Testimony of Stephanie N. Niemi.
 - ⁽⁴⁾ Reserve Deficiency: Represents blended financial reserve deficiency as reflected on Texas and FERC sets of books. In the Jurisdictional Adjustments line, this will be reversed to arrive at the New Mexico total company depreciation reserve.
 - ⁽⁵⁾ Adjustment made based on a finding in a FERC audit of XES that occurred. SPS made an adjustment to remove from rate base for software applications previously allocated to SPS.
 - ⁽⁶⁾ Adjustment made to incorporate Transmission repair additions related to Winter Storm Billy.
 - ⁽⁷⁾ NM Retail amount shown for grand total only because jurisdictional adjustments to unblend the New Mexico total company depreciation reserve from the financial reserve are shown by total accumulated reserve for depreciation and total accumulated reserve for amortization on this schedule. See Attachment SNN-8, page 15, line 620 through page 26 line 1104 for details of unblending adjustments.
- Difference between total Base Period balances prior to jurisdictional adjustments and Test Year Period balances after all adjustments equals (\$228,052,855). For summary of all adjustments, see Attachment SNN-6, pages 71-79, lines 1-479.

Southwestern Public Service Company

Depreciation Rate Study

Please refer to Attachment DAW-2 and DAW-5 to the Direct Testimony of Southwestern Public Service Company witness Dane A. Watson for the 2018 Depreciation Study and the 2020 Technical Update respectively.

Southwestern Public Service Company

Depreciation and Amortization Methods

Southwestern Public Service Company (“SPS”) is not requesting a change in depreciation and amortization methods, formulae, or procedures. SPS filed its current depreciation rates pursuant to NMPRC 17.3.340 NMAC, with its Annual Report on April 30, 2020. SPS performed a study of all its property as of June 30, 2020 and based on the results is requesting changes to certain depreciation and amortization rates due to changes in the lives and expected net salvage percentages. Please refer to Attachment DAW-2 and DAW-5 to the Direct Testimony of Southwestern Public Service Company witness Dane A. Watson for the 2018 Depreciation Study and 2020 Technical Update respectively. These rate changes are consistent with the existing methods, formulae and procedures.