Public Service Company of Colorado
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Underlying the 2022 FTY and 2020 HTY Cost of Service Studies

Line No.	Description	FTY 2022	HTY 2020	Witness Supporting Adjustment
	Rate Base			
1	Rate Base is calculated using a 13-month average balance method, except for Fuel Inventory, Non-Plant Related Accumulated Deferred Income Taxes ("ADIT") and Cash Working Capital.	Yes	No	Deborah Blair
2	Rate Base is calculated using a year-end balance method for plant and plant-related items, except for Fuel Inventory, non-plant rate base balances, and Cash Working Capital.	No	Yes	Deborah Blair
3	The coal, oil, and natural gas used for electric generation inventory is calculated using an average of the 12 monthly balances.	Yes	Yes	Deborah Blair
4	Materials and supplies inventory and other non-plant rate base items, such as customer deposits, customer advances for construction, and regulatory assets and liabilities will be calculated using a thirteen-month average of month-end balances.	Yes	Yes	Deborah Blair
5	The Plant related ADIT balances are calculated using a 13-month average and the Non-Plant related ADIT balances are calculated using the average of the beginning of the year and end of year balances ("BOY/EOY") and are prorated consistent with IRS guidelines and will incorporate the effects of bonus depreciation as applicable.	Yes	No	Deborah Blair
6	Intangible plant in-service and plant-related accounts are functionalized.	Yes	Yes	Deborah Blair
7	Include Pre-Funded Allowance for Funds Used During Construction ("AFUDC") liability, Accumulated Reserve for Depreciation, ADIT, depreciation expense and income tax expense associated with the Comanche project that was included in rate base without an AFUDC offset to earnings in prior rate cases.	Yes	Yes	Deborah Blair
8	Include Pre-Funded AFUDC liability, Accumulated Reserve for Depreciation, ADIT, depreciation expense and income tax expense associated with the transmission CWIP that is included in rate base without an AFUDC offset to earnings in the Transmission Cost Adjustment ("TCA").	Yes	Yes	Deborah Blair
9	Include Excess AFUDC asset, Accumulated Reserve for Depreciation, ADIT, depreciation expense, and income taxes associated with the Clean Air Clean Job Act ("CACJA") projects, resulting in the difference between the FERC AFUDC rate and the Company's Return on Rate Base ("RORB") accumulated through the end of 2014.	Yes	Yes	Deborah Blair
10	Common plant is allocated to the electric department based on a study of all common plant assets that assigns an allocation method for each type of asset.	Yes	Yes	Deborah Blair
11	Capital lease assets are not included in rate base.	Yes	Yes	Deborah Blair
12	Plant Held for Future Use ("PHFU") is included in rate base.	Yes	Yes	Deborah Blair

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Line No.	Description	FTY 2022	HTY 2020	Witness Supporting Adjustment
13	Include Southeast Water Rights recorded in PHFU in rate base at a debt-only return; by eliminating the rate base balance and including a credit in Miscellaneous Revenue equaling an amount for the debt-only return.	Yes	Yes	Deborah Blair
14	The Metro Ash Disposal site located in Bennett, Colorado will not be included in rate base.	Yes	Yes	Deborah Blair
15	Construction Work in Progress ("CWIP") is included in rate base with an Allowance for Funds Used During Construction ("AFUDC") offset to earnings.	Yes	Yes	Deborah Blair
16	Include Regulatory Assets in Rate Base associated with early plant retirements and additional removal costs in compliance with the 2009 Rate Case, the CACJA case, and the 2016 Depreciation Rate proceeding, and the early retirement of Comanche Units 1 and 2 approved in the Accelerated Depreciation/RESA Reduction proceeding.	Yes	Yes	Deborah Blair
17	Include Regulatory Liability in Rate Base associated with amounts collected through the Colorado Energy Plan Adjustment ("CEPA").	Yes	Yes	Deborah Blair
18	Include the acquisition premium in rate base associated with the purchase of the Calpine facilities, Valmont assets and Manchief assets, recorded in FERC Accounts 114 and 115; and amortize the acquisition adjustment over the remaining depreciable life of the assets recorded in FERC Account 407.	Yes	Yes	Deborah Blair
19	Rate Base adjustments and specific assignments of plant to either the Colorado PUC jurisdiction or the FERC jurisdiction are made either using the year-end balances or the 13-month average balances to match the method of measuring rate base.	Yes	Yes	Deborah Blair
20	Eliminate 50% of the investment in specific distribution substations serving Holy Cross Rural Electric Association from Plant In-Service ("PIS"), Accumulated Reserve for Depreciation, ADIT, Depreciation Expense, and Income Tax Expense.	Yes	Yes	Deborah Blair
21	Eliminate a portion of the Pawnee turbine blade project that exceeded the Commission-ordered expenditure cap from PIS, Accumulated Depreciation, ADIT, Depreciation Expense and Income Tax Expense.	Yes	Yes	Deborah Blair
22	Eliminate Ponnequin Wind assets that are recovered through the Renewable Energy Standard Adjustment ("RESA") from Accumulated Reserve for Depreciation, ADIT, Depreciation Expense and Income Tax Expense.	Yes	Yes	Deborah Blair
23	Eliminate street light assets sold to the City of Golden from PIS, Accumulated Reserve for Depreciation, ADIT, Depreciation Expense and Income Tax Expense.	Yes	Yes	Deborah Blair
24	Reclassify a common general project related to the AGIS projects to move it out of Common General plant and move it to Electric General plant.	Yes	Yes	Deborah Blair
25	Eliminate the renewable assets associated with the low income Community Solar Gardens projects at Arapahoe and Valmont generating stations.	Yes	Yes	Deborah Blair

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Line No.	Description	FTY 2022	HTY 2020	Witness Supporting Adjustment
26	Eliminate the transportation electrification assets that are recovered through the Transportation Electrification Programs Adjustment ("TEPA") from PIS, Accumulated Reserve for Depreciation, ADIT, Depreciation Expense and Income Tax Expense.	Yes	Yes	Emmitt Romaine
27	Adjustments to remove the retirement of Comanche Unit 1 at December 2022, as these costs will be recovered through the CEPA rider from PIS, Accumulated Reserve for Depreciation, ADIT, Depreciation Expense and Income Tax Expense.	Yes	No	Deborah Blair
28	Adjustments to Rate Base for known and measurable changes occurring outside the test year are generally not	N/A	No	Deborah Blair
29	Adjustments for capital additions expected to be in-service by December 31, 2021 in the 2020 HTY associated with AGIS CPCN projects, Wildfire Mitigation and Distributed Intelligence projects, including adjustments to PIS, Accumulated Reserve for Depreciation, ADIT, Depreciation Expense and Income Tax Expense.	N/A	Yes	Chad Nickell, Michael Remington, Sandra Johnson, Emmitt Romaine
30	Eliminate transmission assets in-service in 2020 that do not have a Commission-approved CPCN from PIS, Accumulated Reserve for Depreciation, ADIT, Depreciation Expense and Income Tax Expense.	No	Yes	Connie Paoletti
31	Adjustments are made to Accumulated Reserve for Depreciation for any annualization of depreciation expenses or adjustments to depreciation expense for new depreciation rates.	Yes	Yes	Deborah Blair
32	Eliminate a portion of the materials and supplies inventory balance allocated to construction-related projects.	Yes	Yes	Deborah Blair
33	Adjustment to Materials and Supplies Distribution Inventory balances for additional equipment needed to support system hardening efforts.	Yes	Yes	Betty Mirzayi
34	The net ADIT balances are a reduction to rate base, as opposed to a cost-free component in the capital structure. The plant-related ADIT balances are reported by plant account. Adjustments to ADIT include eliminating amounts that are not included in the cost of service calculation and including adjustments related to plant adjustments.	Yes	Yes	Deborah Blair
35	Full normalization is the method of accounting for income taxes allowing the Company to provide for deferred taxes on all book/tax timing differences, including any offset to ADIT for net operating losses ("NOL") or NOL carry forward.	Yes	Yes	Deborah Blair
36	Excess/Deficient ADIT associated with Tax Cuts and Jobs Act of 2017 ("TCJA") is included in rate base, reflecting the amortization of excess/deficient plant and non-plant ADIT.	Yes	Yes	Deborah Blair
37	Unprotected plant-related Excess/Deficient ADIT associated with TCJA will be amortized over 10 years.	Yes	Yes	Laurie Wold
38	Include an adjustment to ADIT and Deferred Income Tax expense associated with the interest on CWIP.	Yes	Yes	Deborah Blair
39	Include an adjustment to prorate ADIT as required by IRS regulations.	Yes	N/A	Laurie Wold

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Line No.	Description	FTY 2022	HTY 2020	Witness Supporting Adjustment
40	Exclude any Deferred Tax Asset in rate base associate with the Rush Creek and Cheyenne Ridge Wind projects Federal Production Tax Credits ("PTC's") if Public Service is in a Federal Tax NOL position, and not able to use the PTC's in the current year. The Deferred Tax Asset, subject to an annual cap, will be recovered through the ECA.	Yes	Yes	Deborah Blair
41	Cash Working Capital components are: electric fuel and purchased power costs, O&M expense (both directly incurred by the Company and charges from Xcel Energy Services Inc.), paid time off, incentive pay, taxes other than income taxes, federal and state income taxes and franchise and sales taxes.	Yes	Yes	Deborah Blair
42	Cash Working Capital factors are based on a lead-lag study.	Yes	Yes	Deborah Blair
43	Second Legacy Pre-Paid Pension Asset and related ADIT balances at December 31, 2018 will be amortized over 5 years. The 13-month average of the unamortized balances of the Second Legacy Pre-Paid Pension Asset and the associated ADIT will be included in rate base.	Yes	Yes	Deborah Blair
44	Second New Pre-Paid Pension Asset and related ADIT balances after December 31, 2018 will be included in rate base on a pre-tax basis at a 13-month average balance.	Yes	Yes	Deborah Blair
45	Retiree medical (FAS 106), self-insured long term disability (FAS 112), and non-qualified pension assets/liabilities will be included in rate base on a pre-tax basis at a 13-month average balance.	Yes	Yes	Deborah Blair
46	Unamortized balances of other regulatory assets and liabilities are included in rate base at a 13-month average balance.	Yes	Yes	Deborah Blair
47	Deductions from rate base include customer deposits and customer advances for construction.	Yes	Yes	Deborah Blair
	Revenue			
48	Present revenues used to derive the revenue deficiency is based on billed revenues, adjusted to eliminate the revenues billed on various recovery mechanisms, e.g., ECA, PCCA, DSMCA, ISOC, TCA, CACJA, RESA, and CEPA.	Yes	Yes	Deborah Blair
49	Retail base rate revenue does not include unbilled revenue, or adjustments for customer additions or losses to the test year sales.	Yes	Yes	Deborah Blair
50	Adjustments to present revenues to annualize customers at year end.	No	Yes	Deborah Blair
51	The revenues collected for the Electric Affordability Program ("EAP") that are included in the Service & Facility monthly charge are not included in base rates.	Yes	Yes	Deborah Blair
52	Electric energy and demand sales are normalized for weather using 10 years of data including the test year.	Yes	Yes	Deborah Blair
53	Adjust Street Light Maintenance revenue for new rates.	Yes	Yes	Deborah Blair

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Line No.	Description	FTY 2022	HTY 2020	Witness Supporting Adjustment
54	Adjustments are made to eliminate other revenue amounts not included in retail base rates, e.g., rate refunds, Quality of Service Plan incentives, DSM incentives, Joint Operating Agreement revenue, wholesale related transmission and ancillary service revenues, unbilled transmission revenues, ISOC, deferred fuel revenues Hybrid Renewable Credits, Medical exemption revenue, customer data report revenue and discounts given to certain contract customers under §40-3-104.3(2)(a).	Yes	Yes	Deborah Blair
55	Residential late payment revenue is eliminated from base rates.	Yes	Yes	Deborah Blair
56	Eliminate out of period adjustments from Miscellaneous Revenue.	No	Yes	Deborah Blair
57	Eliminate any revenues associated with Mutual Aid work and the incremental O&M expenses.	Yes	Yes	Deborah Blair
58	Adjust Other Revenues and O&M credits for changes in rates related to Charges for Rendering Services tariff.	Yes	Yes	Steve Berman
59	Include an adjustment to other Electric Revenue for the partial rate recovery of the Southeast Water Rights.	Yes	Yes	Deborah Blair
60	Include a revenue credit equal to 50% of the oil and gas royalty revenue recorded as non-utility revenue.	No	No	Deborah Blair

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Line No.	Description	FTY 2022	HTY 2020	Witness Supporting Adjustment
	Fuel, Purchased Power, and O&M Expenses			
61	Fuel expenses, purchased power energy and demand expenses and purchased wheeling expenses recovered through the fuel and purchased power recovery mechanisms are eliminated.	Yes	Yes	Deborah Blair
62	Reclassify Fuel Handling and Transportation expenses recorded in fuel accounts that are recovered in base rates.	Yes	Yes	Deborah Blair
63	All labor expenses recorded in FERC Accounts 501 and 547 will be reclassified from fuel expense to Production O&M expense.	Yes	Yes	Deborah Blair
64	Include adjustments to O&M expenses for known and measurable changes occurring both in the test period (in-period adjustments), and outside the test year (out-of-period adjustments).	No	Yes	Deborah Blair
65	Out-of-period adjustments to O&M expense are generally not made for items expected to occur more than one year after the HTY test year has ended.	No	Yes	Deborah Blair
66	Eliminate O&M expenses that are not recovered through base rates, but rather recovered through other recovery mechanisms.	Yes	Yes	Deborah Blair
67	Include merit increases for bargaining and non-bargaining employees that occurred during the test period and within one year after the end of the HTY test period; include related adjustments to payroll taxes.	Yes	Yes	Michael Knoll
68	Eliminate all O&M associated with incremental wholesale sales.	Yes	Yes	Deborah Blair
69	Eliminate the margins associated with the Company's trading activities that are returned to customers through the ECA mechanism.	Yes	Yes	Deborah Blair
70	Eliminate 50% of the O&M expenses associated with the Proprietary and Generation Book trading activities, as set forth in the ECA tariff.	Yes	Yes	Deborah Blair
71	Annualize the Cheyenne Ridge Wind Project O&M costs.	Yes	Yes	Kyle Williams
72	Include an adjustment to Production O&M expenses for variable O&M expenses associated with Comanche Unit 3	Yes	Yes	Kyle Williams
73	Include an adjustment to Production O&M expense to annualize the costs associated with Valmont and Manchief	Only Valmont	Yes	Kyle Williams
74	Include an adjustment to Production O&M expenses for Air Quality Fees.	Yes	Yes	Kyle Williams
75	Include an adjustment to Production O&M expenses for costs associated with the Cherokee Wastewater facility.	Yes	Yes	Kyle Williams
76	Include an adjustment to eliminate an accounting error in calendar 2020 for water at the Pawnee Generating Station.	Yes	Yes	Kyle Williams
77	Include an adjustment to Transmission Wheeling for Others expense associated with known changes to contracts.	Yes	Yes	Connie Paoletti
78	Include 2022 level of Transmission and Distribution O&M associated with Wildfire Mitigation.	Yes	No	Sandra Johnson
79	Include 2021 level of Transmission and Distribution O&M associated with Wildfire Mitigation.	No	Yes	Sandra Johnson

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Line No.	Description	FTY 2022	HTY 2020	Witness Supporting Adjustment
80	Include a 5-year average, adjusted for inflation, of Distribution and Transmission Vegetation Management costs.	Yes	Yes	Betty Mizaryi
81	Include the 2022 level of Advanced Grid Intelligence System ("AGIS") O&M expenses.	Yes	No	Chad Nickell
82	Include the 2021 level of AGIS O&M expenses.	No	Yes	Chad Nickell
83	Eliminate the amortization of the AGIS CPCN costs that were approved in Proceeding No. 19AL-0268E from Distribution O&M, Customer Account Expense and A&G Expense.	Yes	Yes	Deborah Blair
84	Eliminate the AGIS CPCN costs that were deferred in 2020 above the base level costs from the prior electric rate case, Proceeding No. 19AL-0268E.	Yes	Yes	Deborah Blair
85	Eliminate the amortization of the Innovative Clean Technology ("ICT") O&M that were approved in Proceeding No. 19AL-0268E from Distribution O&M.	Yes	Yes	Deborah Blair
86	Include an adjustment to Distribution O&M expenses for additional revenue for the changes to the Charges for Rendering Services tariff.	Yes	Yes	Steve Berman
87	Include an adjustment to eliminate any non-labor incremental Distribution O&M expenses associated with Mutual Aid work.	Yes	Yes	Betty Mizaryi
88	Include an adjustment to Distribution O&M for a change in Damage Prevention costs.	Yes	Yes	Betty Mizaryi
89	Include an adjustment to Distribution O&M expense for new employees to support the Commission-ordered Distribution System Planning rules.	Yes	Yes	Betty Mizaryi
90	Include customer deposit interest as an adjustment to Customer Operations expense.	Yes	Yes	Deborah Blair
91	Exclude Demand Side Management costs from base rates at the level of $89,263,631 as set in Proceeding No. 09AL-299E.	Yes	Yes	Deborah Blair
92	Eliminate program administration costs recovered through the Renewable*Connect charge.	Yes	Yes	Deborah Blair
93	Include bad debt expenses at the 3-year average historical level (2017 - 2019).	Yes	Yes	Adam Dietenberger
94	Include an adjustment to Customer Service expenses for new employees to support the Electric Vehicle program that are not recovered through the TEPA.	Yes	Yes	Emmitt Romaine
95	Include an adjustment to Customer Service expenses and A&G expenses to include costs associated with the Distributed Intelligence ("DI") program.	Yes	Yes	Emmitt Romaine
96	Eliminate advertising expenses related to marketing, promotion, community relations, image, and political ads.	Yes	Yes	Deborah Blair
97	Include safety, conservation and customer program related advertising costs in the cost of service.	Yes	Yes	Deborah Blair
98	All lobbying expenses and donations booked in FERC Account 426 are not included in the cost of service.	Yes	Yes	Deborah Blair
99	Included an adjustment to eliminate the expenses associated with the long-term portion of the officers' incentive compensation, net of the environmental targets and the time-based portion at the target level.	Yes	Yes	Michael Knoll

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Line No.	Description	FTY 2022	HTY 2020	Witness Supporting Adjustment
100	Include annual incentive pay ("AIP") above 100 percent of target are excluded from the cost of service	Yes	Yes	Michael Knoll
101	Eliminate discretionary pay.	Yes	Yes	Michael Knoll
102	Include only 50 percent of Investor Relation expenses in the cost of service.	Yes	Yes	Deborah Blair
103	Eliminate employee expenses not in compliance with corporate travel guidelines.	Yes	Yes	Deborah Blair
104	Eliminate 95.996 percent of expenses associated with the corporate aircraft.	Yes	Yes	Deborah Blair
105	Include an adjustment to pension and benefit and workers' compensation expense to reflect the most recent actuarial study.	Yes	Yes	Rick Schrubbe
106	Eliminate the portion of pension expense relating to employee compensation for AIP that was limited to 15% above the Company's target incentive compensation.	Yes	Yes	Rick Schrubbe
107	Adjust active healthcare expense for claims incurred-but-not-reported	Yes	Yes	Rick Schrubbe
108	Eliminate the amortization of the qualified and non-qualified pension expenses that were approved in Proceeding No. 19AL-0268E from A&G Expense.	Yes	Yes	Deborah Blair
109	Eliminate the qualified and non-qualified pension expenses that were deferred in 2020 above the base level of pension expenses from the prior electric rate case, Proceeding No. 19AL-0268E.	Yes	Yes	Deborah Blair
110	Include additional shared asset costs associated with AGIS that will be charged to other Operating Companies for use of these assets booked in FERC Account 922.	Yes	Yes	Deborah Blair
111	Include an adjustment to regulatory commission expense to reflect the level of CPUC annual regulatory fees based on one year following the test year.	Yes	Yes	Deborah Blair
111	Eliminate amortization of rate cases expenses from the prior electric rate case, Proceeding No. 19AL-0268E, and include any unamortized amount in the level of rate case expenses being amortized in this case.	Yes	Yes	Deborah Blair
112	Include an amortization of rate case expense to recover the incremental costs of current electric rate case.	Yes	Yes	Steve Berman
113	Cost allocation between regulated and non-regulated business activities is based on the Cost Allocation and Assignment Manual.	Yes	Yes	Ross Baumgarten
	Depreciation Expense			
114	Per Book Depreciation expense is based on the depreciation and amortization rates approved in Proceeding No. 16A-0231E.	Yes	Yes	Laurie Wold
115	Include amortization of Pre-Funded AFUDC associated with Comanche and TCA CWIP included in rate base without an AFUDC offset to earnings.	Yes	Yes	Laurie Wold
116	Include amortization of Excess AFUDC associated with CACJA projects.	Yes	Yes	Laurie Wold
117	Include amortizations of regulatory assets for retired generating units.	Yes	Yes	Laurie Wold

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Line No.	Description	FTY 2022	HTY 2020	Witness Supporting Adjustment
118	Include adjustments to depreciation expense to correspond with adjustments made to plant.	Yes	Yes	Deborah Blair
119	Include adjustment to reflect the new Depreciation Study presented in this case.	Yes	Yes	Laurie Wold
120	Annualize depreciation expense at the year-end level.	No	Yes	Deborah Blair
	Amortization Expense			
121	Eliminate the amortization of property taxes approved by the Commission in Docket No. 19AL-0268E, and include any unamortized amount in the level of property tax expenses being amortized in this case.	Yes	Yes	Deborah Blair
122	Eliminate the property tax expenses that were deferred in 2020 above the base level of property tax expenses from the prior electric rate case, Proceeding No. 19AL-0268E.	Yes	Yes	Deborah Blair

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Line No.	Description	FTY 2022	HTY 2020	Witness Supporting Adjustment
123	Include amortization of property taxes above the level of expenses approved in the last electric rate case, Proceeding No. 19AL-0268E, estimated to be deferred through December 31, 2021.	Yes	Yes	Deborah Blair
124	Include the amortization of the Second Legacy Pre-Paid Pension balance net of the associated ADIT at December 31, 2018.	Yes	Yes	Deborah Blair
125	Include a new amortization of the unamortized balance of the qualified and non-qualified pension expense deferral that was approved in Proceeding No. 19AL-0268E.	Yes	Yes	Deborah Blair
126	Include the amortization of the qualified and non-qualified pension expenses above the level of expenses from the prior electric rate case, Proceeding No. 19AL-0268E, deferred through December 31, 2020.	Yes	Yes	Deborah Blair
127	Include a new amortization of the unamortized balance of the AGIS CPCN costs deferral that was approved in Proceeding No. 19AL-0268E.	Yes	Yes	Deborah Blair
128	Include the amortization of AGIS CPCN costs above the level of costs from the prior electric rate case, Proceeding No. 19AL-0268E, estimated to be deferred through December 31, 2021.	Yes	Yes	Deborah Blair
129	Include a new amortization of the unamortized balance of the ICT O&M deferral that was approved in Proceeding No. 19AL-0268E.	Yes	Yes	Deborah Blair
130	Include the amortization of the ICT capital deferred through December 31, 2018, that expires January 31, 2029.	Yes	Yes	Deborah Blair
131	Exclude the amortization of the gain on the sale of non-depreciable assets that was approved in Proceeding No. 19AL-0268E, and include any unamortized amount in the amortization expense in this case.	Yes	Yes	Deborah Blair
132	Include the amortization of Electric Vehicle Make-Ready Infrastructure project costs deferred through December 31, 2020.	Yes	Yes	Deborah Blair
133	Include the amortization of Wildfire Mitigation costs estimated to be deferred through December 31, 2021.	Yes	Yes	Deborah Blair
134	Include the amortization of incremental bad debt expense deferred through December 31, 2020.	Yes	Yes	Deborah Blair
135	Include an amortization of the difference in Colorado State Income Tax rate change from the 2019 Electric Rate Case.	Yes	Yes	Deborah Blair
136	Include an amortization of costs associated with an ash treatment system at the Comanche generating station and one-time costs at Manchief generating station.	Yes	Yes	Kyle Williams
	Taxes Other Than Income Taxes			
137	Include an adjustment to payroll taxes for any adjustment to test period employee labor costs.	Yes	Yes	Deborah Blair
138	Include known changes to property taxes that are expected to occurred in the test period.	Yes	Yes	Naomi Koch
139	Adjust property taxes allocated to the electric department based on the plant balances from the current year.	Yes	Yes	Deborah Blair

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Line No.	Description	FTY 2022	HTY 2020	Witness Supporting Adjustment
140	Enterprise Zone Investment Tax Credits that were previously a tax credit in the income tax calculation are now recorded as a credit in FERC Account 408, Taxes Other Than Income Taxes	Yes	Yes	Deborah Blair

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Line No.	Description	FTY 2022	HTY 2020	Witness Supporting Adjustment
	Income Taxes			
141	Current Federal and State income taxes are calculated as follows: taxable income is determined by using the return on rate base, then synchronized interest expense is deducted, taxable additions/deductions are added, and permanent tax differences are added, then state and federal income tax rates are applied.	Yes	Yes	Deborah Blair
142	Federal and State Income Tax Rates reflects current rates.	Yes	Yes	Deborah Blair
143	Deferred income tax expense, income tax credits and the amortization of investment tax credits are added to the cost of service.	Yes	Yes	Deborah Blair
144	Adjustments to current and deferred taxes are made to correspond with adjustments made to plant.	Yes	Yes	Deborah Blair
145	Included deferred taxes associated with interest on CWIP.	Yes	Yes	Deborah Blair
146	Adjustments to current and deferred taxes are made to eliminate items not included in the cost of service.	Yes	Yes	Deborah Blair
147	Adjustments to current and deferred taxes are made to reflect the new depreciation rates.	Yes	No	Deborah Blair
148	Include adjustments to income taxes and deferred income taxes if the Company is in a NOL tax position.	Yes	Yes	Deborah Blair
149	Include one-year amortization of the excess/deficient ADIT due to TCJA.	Yes	Yes	Deborah Blair
150	Federal Production Tax Credits are eliminated from the income tax calculation, as these are recovered through the ECA.	Yes	Yes	Deborah Blair
	Gain on the Sale of Property & AFUDC Offset to Earnings			
151	Include any gain on the disposition of emission credits (SO_2 allowances) due to the Department of Energy auction.	Yes	Yes	Deborah Blair
152	Include an offsetting adjustment to earnings for AFUDC.	Yes	Yes	Deborah Blair
153	AFUDC addition to earnings is based on actual test-period expenses and is not annualized, if rate base is calculated using a 13-month average; if rate base is calculated using a year-end balance, AFUDC addition to earnings is annualized at the year-end level.	Yes	Yes	Deborah Blair
	Capital Structure			
154	The capital structure is based on 13-month average balances.	Yes	Yes	Sarah Soong
155	Short-term debt is included in the capital structure.	Yes	Yes	Sarah Soong
156	Eliminate Notes Payable/Notes Receivable with subsidiaries from debt component in capital structure.	Yes	Yes	Sarah Soong
157	Eliminate investment in subsidiaries, subsidiary retained earnings, net non-utility plant, other investments, other funds and other comprehensive income from the equity component in capital structure.	Yes	Yes	Sarah Soong
158	The cost of debt is the actual costs and corresponds with the debt balances in the capital structure, and includes bond premiums or discounts, underwriting expenses, and other expenses of issue, and amortization of the long-term credit facility.	Yes	Yes	Sarah Soong

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Line No.	Description	FTY 2022	HTY 2020	Witness Supporting Adjustment
159	The cost of debt is calculated by dividing the debt costs by the gross debt balance, which is known as the "par value" method	Yes	Yes	Sarah Soong

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Line No.	Description	FTY 2022	HTY 2020	Witness Supporting Adjustment
	Jurisdictional Allocators and Direct Assignments			
160	All cost of service line items are allocated to the retail jurisdiction based on either a fundamental allocator or a derived allocator. The fundamental allocators are either demand or energy related. The demand fundamental allocation factors are calculated based on the calendar year 12 Coincident-Peak method.	Yes	Yes	Deborah Blair
161	Direct assignment of any cost of service item to either retail or the wholesale jurisdiction is identified.	Yes	Yes	Deborah Blair
162	SmartGridCity is directly assigned to electric retail, e.g., Plant, Accumulated Reserve for Depreciation, ADIT, Depreciation Expense.	Yes	Yes	Deborah Blair
163	Direct assignments are made to wholesale jurisdiction for: a) distribution substations and meters in gross plant; and, b) customer billing and customer assistance expenses.	Yes	Yes	Deborah Blair
164	Direct assignments are made to retail jurisdiction for distribution substations.	Yes	Yes	Deborah Blair
165	AGIS and DI projects are directly assigned to electric retail, e.g., Plant, Accumulated Reserve for Depreciation, ADIT, Depreciation Expense.	Yes	Yes	Deborah Blair
166	Customer Resource System ("CRS") and Outage Management System ("OMS") are directly assigned to electric retail, e.g., Plant, Accumulated Reserve for Depreciation, ADIT, Depreciation Expense.	Yes	Yes	Deborah Blair
167	Rent expense in FERC Account 930.1 has been analyzed to determine direct assignments to retail or allocated based on labor.	Yes	Yes	Deborah Blair
168	Directly assign EEI dues and EPRI to electric retail jurisdiction.	Yes	Yes	Deborah Blair
169	Directly assign Transmission fees and Industry Association Dues to electric retail jurisdiction.	Yes	Yes	Deborah Blair
170	Directly assign Regulatory Commission expense to the electric retail and wholesale jurisdictions.	Yes	Yes	Deborah Blair