

DOCKET NO. 51802

**APPLICATION OF SOUTHWESTERN § PUBLIC UTILITY COMMISSION
PUBLIC SERVICE COMPANY FOR §
AUTHORITY TO CHANGE RATES § OF TEXAS**

**UPDATE TESTIMONY
of
PERRY D. FOSTER**

on behalf of

SOUTHWESTERN PUBLIC SERVICE COMPANY

(Filename: FosterRRUpdate.doc; Total Pages: 23)

Table of Contents¹

| | |
|---|----|
| GLOSSARY OF ACRONYMS AND DEFINED TERMS..... | 3 |
| LIST OF ATTACHMENTS | 4 |
| I. WITNESS IDENTIFICATION | 5 |
| II. ASSIGNMENT AND SUMMARY OF TESTIMONY AND RECOMMENDATIONS..... | 6 |
| IV. UPDATED AFFILIATE EXPENSES FOR THE TRANSMISSION & SUBSTATIONS CLASS OF SERVICES | 9 |
| A. SUMMARY OF AFFILIATE EXPENSES FOR THE TRANSMISSION & SUBSTATIONS CLASS OF SERVICES | 9 |
| C. THE TRANSMISSION & SUBSTATIONS CLASS OF SERVICES ARE PROVIDED AT A REASONABLE COST | 10 |
| 1. ADDITIONAL EVIDENCE | 11 |
| 3. COST TRENDS..... | 11 |
| 4. STAFFING TRENDS..... | 12 |
| D. THE COSTS FOR THE TRANSMISSION & SUBSTATIONS CLASS OF SERVICES ARE PRICED IN A FAIR MANNER..... | 12 |
| AFFIDAVIT | 14 |
| CERTIFICATE OF SERVICE | 15 |
| TESTIMONY ATTACHMENTS: | |
| Attachment PDF-RR-U1 (filename: PDF-RR-U1.xlsx) | 16 |
| Attachment PDF-RR-UA (filename: PDF-RR-UABCD.xlsx) | 20 |
| Attachment PDF-RR-UB(CD) (filename: PDF-RR-UABCD.xlsx) | 21 |

¹ For ease of cross-referencing this update testimony with the original direct testimony filed on August 8, 2019, the sections and subsections in this update testimony correspond with the original sections and subsections in the original direct testimony.

Attachment PDF-RR-UC (*filename: PDF-RR-UABCD.xlsx*) 22

Attachment PDF-RR-UD (*filename: PDF-RR-UABCD.xlsx*) 23

GLOSSARY OF ACRONYMS AND DEFINED TERMS

| <u>Acronym/Defined Term</u> | <u>Meaning</u> |
|------------------------------------|---|
| O&M | operation and maintenance |
| SPS | Southwestern Public Service Company, a New Mexico corporation |
| Total Company or total company | Total SPS (before any jurisdictional allocation) |
| Update Period | October 1, 2020 through December 31, 2020 |
| Updated Test Year | January 1, 2020 through December 31, 2020 |
| XES | Xcel Energy Services Inc. |

LIST OF ATTACHMENTS

| <u>Attachment</u> | <u>Description</u> |
|--------------------------------------|--|
| PDF-RR-U1 | SPS Transmission Operation and Maintenance Expenses (Filename: PDF-RR-U1.xlsx) |
| PDF-RR-UA (Updated Test Year) | Summary of XES Expenses to SPS by Affiliate Class and Billing Method (Filename: PDF-RR-UABCD.xlsx) |
| PDF-RR-UB(CD) (Updated Test Year) | XES Expenses by Affiliate Class, Activity, Billing Method, and FERC Account (Filename: PDF-RR-UABCD.xlsx) |
| PDF-RR-UC (Updated Test Year) | Exclusions from XES Expenses to SPS by Affiliate Class and FERC Account (Filename: PDF-RR-UABCD.xlsx) |
| PDF-RR-UD (Updated Test Year) | Pro Forma Adjustments to XES Expenses by Affiliate Class and FERC Account (Filename: PDF-RR-UABCD.xlsx) |

1 **I. WITNESS IDENTIFICATION**

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

3 A. My name is Perry D. Foster. My business address is 790 South Buchanan Street,

4 Amarillo, Texas 79101.

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

6 A. I am employed by Xcel Energy Services Inc. (“XES”) as Regional Director,

7 Substation Operations and Maintenance.

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

9 A. I am filing testimony on behalf of Southwestern Public Service Company, a New

10 Mexico corporation (“SPS”).

11 **Q. Are you the same Perry D. Foster who filed direct testimony on behalf of SPS**

12 **in this docket?**

13 A. Yes.

- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22
- 23
- 24
- 25

A. As explained in SPS's direct testimony, SPS is using an Updated Test Year in this case. The Updated Test Year is the period from January 1, 2020 through December 31, 2020. Because of the timing of the filing of this case, certain costs for the period from October 1, 2020 through December 31, 2020 ("Update Period") in my direct testimony were estimated. My assignment in this update testimony is to replace those estimated costs with actual costs. The result of this update is that the Updated Test Year now consists of only actual information, and no estimates. For ease of cross-referencing this update testimony with my direct testimony filed on February 8, 2021, the sections and subsections in this update testimony correspond with the original sections and subsections in my direct testimony.

Regarding the Transmission & Substations affiliate costs I support, my direct testimony provided actual figures for October and November 2020 and estimated figures for December 2020 based on the forecasted budget. In this testimony, I replace the December 2020 estimates with actuals. In addition, the October through December 2020 expenses have now gone through the full pro forma adjustment review process. Thus, I provide updated figures for those Update Period expenses. My update testimony includes Attachments PDF-RR-UA through PDF-RR-UD in support of the Transmission & Substations affiliate costs I support.

1 **Q. Please summarize your update testimony and recommendations.**

2 A. ***Native Costs*** – The amounts included in Attachment PDF-RR-U1 represent at a
3 total company level (total SPS before jurisdictional allocations, or “total
4 company”), reasonable and necessary transmission O&M costs incurred directly by
5 SPS to support SPS’s ability to provide safe and reliable electric service to its Texas
6 retail customers. I recommend the Public Utility Commission of Texas approve
7 those costs for the reasons discussed in my direct testimony.

8 ***Affiliate Costs*** – The estimated Updated Test Year costs for the services of the
9 Transmission & Substations affiliate class that SPS sought to recover were
10 \$6,382,847 (total company). The actual Updated Test Year costs for the services
11 of the Transmission & Substations affiliate class that SPS seeks to recover are
12 \$5,950,994. Please refer to Attachments PDF-RR-UA through PDF-RR-UD. In
13 addition to providing updated SPS numbers, those attachments also reflect the total
14 updated XES class expenses for the Transmission & Substations affiliate class. The
15 actual costs are reasonable and necessary for the reasons I provided in my direct
16 testimony.

17 **Q. Were Attachments PDF-RR-U1 and PDF-RR-UA through PDF-RR-UD**
18 **prepared by you or under your direct supervision and control?**

19 A. Attachment PDF-RR-U1 was prepared by SPS witness Stephanie N. Niemi and her
20 staff and is based on the cost of service study. My staff and I have reviewed this
21 attachment, and I believe it to be accurate. Attachments PDF-RR-UA through
22 PDF-RR-UD were prepared as described by SPS witness Ross L. Baumgarten. My
23 staff and I have reviewed these attachments and I believe them to be accurate.

1 Although the information I have described also is present in these other witnesses'
2 attachments, I have presented this information in the attachments to my update
3 testimony for the convenience of those reviewing it.

- 1 **Q. Are there updated exclusions for the Transmission & Substations affiliate**
2 **class?**
- 3 A. Yes. The actual exclusions are provided on Attachment PDF-RR-UC.
- 4 **Q. Are there updated pro forma adjustments to SPS's per book expenses for the**
5 **Transmission & Substations affiliate class?**
- 6 A. Yes. As I mentioned in my direct testimony, pro forma adjustments are revisions
7 to Updated Test Year expenses for known and measurable changes. Pro forma
8 adjustments are shown on Attachment PDF-RR-UA, Column J, and on Attachment
9 PDF-RR-UB, Column M. The details for the pro forma adjustments, including the
10 witness or witnesses who sponsor each pro forma adjustment, are provided in
11 Attachment PDF-RR-UD.
- 12 **Q. Attachment PDF-RR-UD shows that you sponsor pro forma adjustments for**
13 **expenses for the Transmission & Substations affiliate class during the Updated**
14 **Test Year that result in a net decrease for the Transmission & Substations**
15 **affiliate class of \$26,392.74. Please explain the adjustments.**
- 16 A. The adjustments I sponsor remove costs not benefitting SPS (a decrease of
17 \$10,594.38); foreign travel (a decrease of \$257.71); association dues (a decrease of
18 \$4,192.62); other life events, holiday parties, and employee recognition (a decrease
19 of \$11,233.56), and other smaller adjustments (a decrease of \$114.47).
- 20 **C. The Transmission & Substations Class of Services are Provided at**
21 **a Reasonable Cost**
- 22 **Q. What is the purpose of this section of your update testimony?**
- 23 A. In this section of my direct testimony, several numbers were based on estimates for
24 the Update Period. In this update testimony, I replace those estimates with actual

1 numbers, and explain that the actual costs for the Transmission & Substations
2 affiliate class are reasonable.

3 *1. Additional Evidence*

4 **Q. Is there additional support for a portion of the expenses that you present in**
5 **this testimony?**

6 A. Yes. Of the Updated Test Year costs for the Transmission & Substations class,
7 82.7% are compensation and benefits costs for XES personnel. SPS witnesses
8 Michael P. Deselich and Richard R. Schrubbe establish that the level of Xcel
9 Energy's compensation and benefits is reasonable and necessary.

10 *3. Cost Trends*

11 **Q. Please quantify the actual per book charges from XES to SPS for the**
12 **Transmission & Substations class of services for the three years preceding the**
13 **Updated Test Year and for the Updated Test Year.**

14 A. Table PDF-RR-U2 shows the actual per book affiliate charges for the years from
15 2017-2019 and for the Updated Test Year. Those charges also appear on Column
16 I on Attachment PDF-RR-UA.

17 **Table PDF-RR-U2**

| | (Per Book) Charges Over Time | | | | |
|----------------------------|------------------------------|-------------|-------------|-------------------------------|----------------------------|
| Class of Services | 2017 | 2018 | 2019 | Updated Test Year (Estimated) | Updated Test Year (Actual) |
| Transmission & Substations | \$6,531,964 | \$7,148,432 | \$6,187,234 | \$6,270,114 | \$5,833,881 |

1

2

5

7

8

9

10

12

14

1 **Q.** Does this conclude your pre-filed update testimony?

2 **A.** Yes.

AFFIDAVIT

STATE OF TEXAS)
)
COUNTY OF RANDALL)

PERRY D. FOSTER, first being sworn on his oath, states:

I am the witness identified in the preceding Update Testimony. I have read the Update Testimony and the accompanying attachment(s) and am familiar with the contents. Based upon my personal knowledge, the facts stated in the testimony are true. In addition, in my judgment and based upon my professional experience, the opinions and conclusions stated in the Update Testimony are true, valid, and accurate.



Perry D. Foster
PERRY D. FOSTER

Subscribed and sworn to before me this 18 day of March 2021 by PERRY D. FOSTER.

Donna M Anderson
Notary Public, State of Texas

My Commission Expires: 6/17/2024

CERTIFICATE OF SERVICE

I certify that on the 25th day of March 2021, notice of the filing of the foregoing update testimony with the PUCT was served on all parties of record by electronic service and was posted to SPS's file sharing platform.

/s/ Jeremiah W. Cunningham

Southwestern Public Service Company

SPS Transmission Operation
and Maintenance Expenses

| Line No. | FERC Acct | Account Description | Native SPS O&M Expense through the Update Period (Jan '20-Dec '20) | Test Year Affiliate O&M Expense (Jan '20-Dec '20) | Total Company Requested O&M |
|-------------------|------------------------------|---|---|--|--------------------------------|
| Production | | | | | |
| 1 | 500 | Operation Supervision and Engineering | \$ 1,517,241 | \$ 2,098,185 | \$ 3,615,426 |
| 2 | 501.35 | Coal Non-Mine; Non-Freight | \$ 32,828,421 | \$ - | \$ 32,828,421 |
| 3 | 507.70 | Coal Ash Sales | \$ (1,058,626) | \$ 1,536,346 | \$ 477,719 |
| 4 | 502 | Steam Expenses | \$ 11,136,654 | \$ 306 | \$ 11,136,960 |
| 5 | 505 | Electric Expenses | \$ 9,191,610 | \$ (1) | \$ 9,191,609 |
| 6 | 506 | Miscellaneous Steam Power Expenses | \$ 8,734,628 | \$ 3,968,138 | \$ 12,702,766 |
| 7 | 507 | Rents | \$ (336,163) | \$ 3,325,979 | \$ 2,989,816 |
| 8 | 509 | Steam Operation SO2 Allowance Expense | \$ - | \$ - | \$ - |
| 9 | 509.02 | Allowances - NM Nox Expense Amortz | \$ 34,908 | \$ - | \$ 34,908 |
| 10 | 510 | Maintenance Supervision and Engineering | \$ 392,616 | \$ 141,553 | \$ 534,169 |
| 11 | 511 | Maintenance of Structures | \$ 3,855,605 | \$ 4,641 | \$ 3,860,246 |
| 12 | 512 | Maintenance of Boiler Plant | \$ 12,763,158 | \$ 884,336 | \$ 13,647,494 |
| 13 | 513 | Maintenance of Electric Plant | \$ 6,487,016 | \$ 411,080 | \$ 6,898,096 |
| 14 | 514 | Maintenance of Miscellaneous Steam Plant | \$ 9,786,531 | \$ 3,330 | \$ 9,789,861 |
| 15 | 546 | Operation Supervision and Engineering | \$ 13,703 | \$ 410,582 | \$ 424,285 |
| 16 | 546W | Operation Supervision and Engineering Wind | \$ 39,160 | \$ 59,436 | \$ 98,596 |
| 17 | 548 | Generation Expenses | \$ 299,285 | \$ - | \$ 299,285 |
| 18 | 549 | Misc Other Power Generation Expenses | \$ 356,713 | \$ 428,568 | \$ 785,280 |
| 19 | 549W | Misc Other Power Generation Expenses Wind | \$ 8,485,357 | \$ - | \$ 8,485,357 |
| 20 | 550 | Rents | \$ (5,103) | \$ 364,836 | \$ 359,732 |
| 21 | 550W | Rents Wind | \$ 5,303,789 | \$ - | \$ 5,303,789 |
| 22 | 551 | Maintenance Supervision and Engineering | \$ (11,461) | \$ 449,280 | \$ 437,819 |
| 23 | 552 | Maintenance of Structures | \$ 230,305 | \$ (0) | \$ 230,305 |
| 24 | 553 | Maintenance of Generating and Electric Equipment | \$ 692,966 | \$ 417,635 | \$ 1,110,601 |
| 25 | 553W | Maintenance of Generating and Electric Equipment Wind | \$ 4,388,789 | \$ 1,256 | \$ 4,390,045 |
| 26 | 554 | Maintenance of Misc Other Power Generation Plant | \$ 45,238 | \$ (2) | \$ 45,236 |
| 27 | 554W | Maintenance of Misc Other Power Generation Plant Wind | \$ 3,657,398 | \$ - | \$ 3,657,398 |
| 28 | 556 | System Control and Load Dispatching | \$ - | \$ 1,042,838 | \$ 1,042,838 |
| 29 | 557 | Purchased Power Other | \$ (893,980) | \$ 1,868,299 | \$ 974,319 |
| 30 | 557.90 | REC Costs | \$ 4,110,497 | \$ - | \$ 4,110,497 |
| 31 | Total Production O&M Expense | | \$ 122,046,254 | \$ 17,416,618 | \$ 134,159,083 |

Southwestern Public Service Company

SPS Transmission Operation
and Maintenance Expenses

| | | | Native SPS O&M Expense through the Update Period (Jan '20-Dec '20) | Test Year Affiliate O&M Expense (Jan '20-Dec '20) | Total Company Requested O&M |
|--------------------------|-------------------------------------|---|---|--|--------------------------------|
| Line No. | FERC Acct | Account Description | | | |
| Transmission | | | | | |
| 32 | 560 | Operation Supervision and Engineering | \$ 1,313,086 | \$ 6,480,566 | \$ 7,793,651 |
| 33 | 561 | Load Dispatch - Reliability | \$ (921) | \$ - | \$ (921) |
| 34 | 561 | Load Dispatch - Reliability | \$ 870 | \$ - | \$ 870 |
| 35 | 561 | Load Dispatch - Monitor and Operate Trans. System | \$ 2,067,224 | \$ 1,196,249 | \$ 3,263,473 |
| 36 | 561 | Scheduling, System Control and Dispatching Services | \$ 3,797,900 | \$ - | \$ 3,797,900 |
| 37 | 561.4W | Scheduling, System Control and Dispatching Services - Wholesale | \$ 1,085,513 | \$ - | \$ 1,085,513 |
| 38 | 562 | Reliability, Planning and Standards Development | \$ - | \$ 15,007 | \$ 15,007 |
| 39 | 562 | Transmission Service Studies | \$ (6,427) | \$ 21,195 | \$ 14,768 |
| 40 | 562 | Generation Interconnection Studies | \$ (23,396) | \$ 149,923 | \$ 126,527 |
| 41 | 562 | Reliability Planning and Standards Development Services | \$ 2,881,351 | \$ - | \$ 2,881,351 |
| 42 | 561.8W | Reliability Planning and Standards Development Services - Wholesale | \$ 474,912 | \$ - | \$ 474,912 |
| 43 | 562 | Station Expenses | \$ 1,493,479 | \$ 43 | \$ 1,493,522 |
| 44 | 563 | Overhead Line Expenses | \$ 2,155,178 | \$ 3,035 | \$ 2,158,213 |
| 45 | 565 | Transmission of Others | \$ 266,590 | \$ - | \$ 266,590 |
| 46 | 565 | Wheeling Lamar DC Tie | \$ - | \$ - | \$ - |
| 47 | 565 | Wheeling Meter Charges | \$ 464,397 | \$ - | \$ 464,397 |
| 48 | 565 | Wheeling Miscellaneous | \$ 31,189 | \$ - | \$ 31,189 |
| 49 | 565 | Wheeling Schedule 11 | \$ 107,224,348 | \$ - | \$ 107,224,348 |
| 50 | 565 | Wheeling Schedule 11 - Wholesale | \$ 30,634,304 | \$ - | \$ 30,634,304 |
| 51 | 565 | Wheeling Schedule 12 | \$ 2,013,194 | \$ - | \$ 2,013,194 |
| 52 | 565 | Wheeling Schedule 12 - Wholesale | \$ 486,620 | \$ - | \$ 486,620 |
| 53 | 565 | Wheeling Schedule 1 - Wholesale | \$ 464,620 | \$ - | \$ 464,620 |
| 54 | 565 | Wheeling Schedule 2 | \$ 125,465 | \$ - | \$ 125,465 |
| 55 | 565 | W-Wheeling Schedule 2 - Wholesale | \$ 34,544 | \$ - | \$ 34,544 |
| 56 | 565 | Wheeling Schedule 9 | \$ 8,990,528 | \$ - | \$ 8,990,528 |
| 57 | 565 | Wheeling Schedule 9 - Wholesale | \$ 25,522,668 | \$ - | \$ 25,522,668 |
| 58 | 565 | Z2 Direct Assigned Upgrade Charge | \$ 245,782 | \$ - | \$ 245,782 |
| 59 | 565 | Z2 Direct Assigned Upgrade Charge - Wholesale | \$ 16,400 | \$ - | \$ 16,400 |
| 60 | 565 | Z2 Schedule 11 Charges | \$ - | \$ - | \$ - |
| 61 | 565 | Z2 Schedule 11 Charges - Wholesale | \$ - | \$ - | \$ - |
| 62 | 566 | Misc Transmission Expenses | \$ 2,124,599 | \$ 1,258,542 | \$ 3,383,141 |
| 63 | 567 | Rents | \$ 77,837 | \$ 1,512,456 | \$ 1,590,293 |
| 64 | 569 | Transmission Mtce of Structures | \$ - | \$ - | \$ - |
| 65 | 568 | Maintenance Supervision and Engineering | \$ - | \$ - | \$ - |
| 66 | 570 | Maintenance of Station Equipment | \$ 1,568,565 | \$ (0) | \$ 1,568,565 |
| 67 | 571 | Maintenance of Overhead Lines | \$ 661,726 | \$ 47,409 | \$ 709,135 |
| 68 | Sub-Total Transmission O&M Expenses | | \$ 196,192,147 | \$ 10,684,425 | \$ 206,609,112 |
| Regional Market Expenses | | | | | |
| 69 | 575.1 | Operation Supervision | \$ 13,322 | \$ 142,932 | \$ 156,254 |
| 70 | 575.2 | Day-Ahead and Real-Time Market Administration | \$ - | \$ 288,869 | \$ 288,869 |
| 71 | 575.5 | Ancillary Services Market Administration | \$ - | \$ 13,813 | \$ 13,813 |
| 72 | 575.6 | Market Monitoring and Compliance | \$ - | \$ 24,160 | \$ 24,160 |
| 73 | 575.7 | Market Admin, Monitoring, and Compliance Services | \$ 6,408,957 | \$ - | \$ 6,408,957 |
| 74 | 575.7W | Market Admin, Monitoring, and Compliance Services - Wholesale | \$ 1,831,803 | \$ - | \$ 1,831,803 |
| 75 | 575.8 | Regional Market Rents | \$ (3,393) | \$ 38,523 | \$ 35,130 |
| 76 | Total Regional Market Expenses | | \$ 8,250,689 | \$ 508,298 | \$ 8,758,987 |
| 77 | Total Transmission O&M Expenses | | \$ 204,442,836 | \$ 11,192,722 | \$ 215,368,099 |

Southwestern Public Service Company

SPS Transmission Operation
and Maintenance Expenses

| Line No. | FERC Acct | Account Description | Native SPS O&M Expense through the Update Period (Jan '20-Dec '20) | Test Year Affiliate O&M Expense (Jan '20-Dec '20) | Total Company Requested O&M |
|--------------------------|-----------|--|--|---|-----------------------------|
| Distribution | | | | | |
| 78 | 580 | Operation Supervision and Engineering | \$ 4,320,990 | \$ 570,941 | \$ 4,891,931 |
| 79 | 581 | Load Dispatching | \$ 17,320 | \$ 324,920 | \$ 342,240 |
| 80 | 582 | Station Expenses | \$ 993,289 | \$ (3) | \$ 993,286 |
| 81 | 583 | Overhead Line Expenses | \$ 951,616 | \$ 84,308 | \$ 1,035,924 |
| 82 | 584 | Underground Line Expenses | \$ 828,061 | \$ (0) | \$ 828,061 |
| 83 | 585 | Street Lighting and Signal Systems Expenses | \$ 539,851 | \$ 31,829 | \$ 571,680 |
| 84 | 586 | Meter Expenses | \$ 1,869,842 | \$ 155,078 | \$ 2,024,920 |
| 85 | 587 | Customer Installations Expenses | \$ 591,615 | \$ 233 | \$ 591,848 |
| 86 | 588 | Misc Distribution Expense | \$ 6,066,963 | \$ 1,891,816 | \$ 7,958,779 |
| 87 | 589 | Rents | \$ 298,621 | \$ 2,115,935 | \$ 2,414,556 |
| 88 | 590 | Maintenance Supervision and Engineering | \$ - | \$ 26,186 | \$ 26,186 |
| 89 | 591 | Maintenance of Structures | \$ (1) | \$ - | \$ (1) |
| 90 | 592 | Maintenance of Station Equipment | \$ 705,815 | \$ 3,132 | \$ 708,947 |
| 91 | 593 | Maintenance of Overhead Lines | \$ 8,642,103 | \$ 254,910 | \$ 8,897,014 |
| 92 | 594 | Maintenance of Underground Lines | \$ 53,993 | \$ (0) | \$ 53,993 |
| 93 | 595 | Maintenance of Line Transformers | \$ - | \$ - | \$ - |
| 94 | 596 | Maintenance of Street Lighting and Signal Systems | \$ 314,957 | \$ (0) | \$ 314,956 |
| 95 | 597 | Maintenance of Meters | \$ 57,366 | \$ - | \$ 57,366 |
| 96 | 598 | Maintenance of Misc Distribution Plant | \$ 14,530 | \$ - | \$ 14,530 |
| 97 | | Total Distribution O&M Expenses | \$ 26,266,931 | \$ 5,459,285 | \$ 31,726,216 |
| Customer Accounts | | | | | |
| 98 | 901 | Supervision | \$ - | \$ 28,508 | \$ 28,508 |
| 99 | 902 | Meter Reading Expenses | \$ 4,356,976 | \$ 628,154 | \$ 4,985,130 |
| 100 | 903 | Customer Records and Collection Expenses | \$ 2,717,747 | \$ 4,400,676 | \$ 7,118,423 |
| 101 | 904 | Uncollectible Expenses | \$ 6,464,353 | \$ - | \$ 6,464,353 |
| 102 | 904 | Uncollectible Expenses | \$ (230,332) | \$ - | \$ (230,332) |
| | 905 | Customer Accounts Miscellaneous | \$ 101,982 | \$ 78,576 | \$ 180,558 |
| 103 | | DEPINT Customer Deposit Interest Expense | \$ 44,060 | \$ - | \$ 44,060 |
| 104 | | Total Customer Accounts Expense | \$ 13,454,785 | \$ 5,135,914 | \$ 18,410,142 |
| Customer Service | | | | | |
| 105 | 908.00 | Customer Assistance Expense | \$ 2,277,342 | \$ 76,128 | \$ 2,353,470 |
| 106 | 908.00 | Historical EE Amortization | \$ - | \$ - | \$ - |
| 107 | 908.01 | EE Amortization - Texas | \$ - | \$ - | \$ - |
| 108 | 908.03 | EE Amortization - New Mexico | \$ - | \$ - | \$ - |
| 109 | 908.04 | SaversSwitch | \$ 613,243 | \$ 4,867 | \$ 618,109 |
| 110 | 909.10 | Informational and Instructional Advertising Expense | \$ 4,059 | \$ - | \$ 4,059 |
| 111 | 910.00 | Miscellaneous Customer Service Expense | \$ 65,107 | \$ 43,893 | \$ 109,000 |
| 112 | | Total Customer Service Expense | \$ 2,959,750 | \$ 124,888 | \$ 3,084,639 |
| Sales | | | | | |
| 112 | 912.00 | Demonstration and Selling Expense-Economic Development | \$ 231,661 | \$ 60,420 | \$ 292,082 |
| 113 | 916.00 | Miscellaneous Sales Expense | \$ 6,894 | \$ 4,144 | \$ 11,039 |
| 114 | | Total Sales Expense | \$ 238,556 | \$ 64,564 | \$ 303,120 |

Southwestern Public Service Company

SPS Transmission Operation
and Maintenance Expenses

| Line No. | FERC Acct | Account Description | Native SPS O&M Expense through the Update Period (Jan '20-Dec '20) | Test Year Affiliate O&M Expense (Jan '20-Dec '20) | Total Company Requested O&M |
|--|-----------|--|--|---|-----------------------------|
| Administrative and General Expenses | | | | | |
| 115 | 920 | Administrative and General Salaries | \$ 5,091,651 | \$ 28,421,698 | \$ 33,513,349 |
| 116 | 921 | Office Supplies and Expenses | \$ 2,693,105 | \$ 17,788,272 | \$ 20,481,377 |
| 117 | 922 | Administrative Expenses Transferred-Credit | \$ (19,257,283) | \$ (517,108) | \$ (19,774,391) |
| 118 | 923 | Outside Services Employed | \$ 673,333 | \$ 5,677,501 | \$ 6,350,834 |
| 119 | 924 | Property Insurance | \$ 3,844,844 | \$ 2,760 | \$ 3,847,604 |
| 120 | 925 | Injuries and Damages | \$ 5,309,125 | \$ 2,366,746 | \$ 7,675,871 |
| 121 | 926.01 | Employee Pensions and Benefits | \$ 17,110,144 | \$ 9,508,106 | \$ 26,618,250 |
| 122 | 926.03 | Deferred Pension Expense | \$ - | \$ - | \$ - |
| | 928 | A&G Regulatory Commission Expense | \$ (4,554) | \$ 4,131 | \$ (423) |
| 123 | 928 | Regulatory Commission Expense - TX | \$ 1,418,661 | \$ - | \$ 1,418,661 |
| 124 | 928.01 | Regulatory Commission Expense - NM | \$ 2,275,741 | \$ - | \$ 2,275,741 |
| 125 | 928.02 | Regulatory Commission Expense - Wholesale | \$ 1,301,992 | \$ - | \$ 1,301,992 |
| 126 | 928.03 | Regulatory Commission Expense - Transmission Related | \$ - | \$ - | \$ - |
| 127 | 928.04 | Regulatory Commission Expense - Misc | \$ 155,334 | \$ 70 | \$ 155,404 |
| 128 | 928.05 | Regulatory Commission Expense - Energy Related | \$ - | \$ - | \$ - |
| 129 | 929.00 | Duplicate Charges-Credit | \$ (1,137,629) | \$ - | \$ (1,137,629) |
| 130 | 930.11 | General Advertising Expenses | \$ - | \$ - | \$ - |
| 131 | 930.20 | Misc General Expenses | \$ 54,811 | \$ 318,228 | \$ 373,040 |
| 132 | 931 | Rents | \$ (1,905,859) | \$ 13,827,351 | \$ 11,921,492 |
| 133 | 935 | Maintenance of General Plant | \$ 75 | \$ 23,372 | \$ 23,448 |
| 134 | | Recoverable Contributions, Dues, and Donations | \$ 1,232,509 | \$ - | \$ 1,232,509 |
| 135 | | Total Administrative and General Expenses | \$ 18,856,001 | \$ 77,421,126 | \$ 96,277,550 |
| 136 | | Total Operations and Maintenance Expense | \$ 388,265,114 | \$ 116,815,119 | \$ 499,328,849 |

Note: All amounts included in this attachment are included in the cost of service study provided as Attachment SNN-RR-U2

Southwestern Public Service Company

Summary of XES Expenses to SPS by Affiliate Class and Billing Method
For the Twelve Months ended December 31, 2020

| (A) Line No. | (B) Affiliate Class | (C) Billing Method (Cost Center) | (D) Allocation Method | (E) Total XES Billings for Class to all Legal Entities (FERC Acct. 400-935) | (F) XES Billings for Class to all Legal Entities Except SPS (FERC Acct. 400-935) | (G) XES Billings for Class to SPS (Total Company) (FERC Acct. 400-935) | (H) Exclusions | (I) Per Book | (J) Pro Formas | (K) Requested Amount (Total Company) | (L) % of Class Charges |
|---|-------------------------------|---|-----------------------------|--|---|---|-------------------|-----------------|-------------------|---|---------------------------|
| 1 | Transmission & Substations | 200122 - Transmission Electric Supervision & Engineering (S&E) FERC 560 | Electric Transmission Plant | \$ 7,341,650.52 | \$ 5,116,713.09 | \$ 2,224,937.43 | \$ (7,624.79) | \$ 2,217,312.64 | \$ 29,006.66 | \$ 2,246,319.30 | 37.75% |
| 2 | Transmission & Substations | 200125 - Transmission Electric Supervision & Engineering (S&E) NSPM & NSPW FERC 560 | Electric Transmission Plant | 3,484,253.45 | 3,484,253.45 | - | - | - | - | - | 0.00% |
| 3 | Transmission & Substations | Direct | Direct | 11,590,474.66 | 7,972,610.30 | 3,617,864.36 | (1,295.87) | 3,616,568.49 | 88,106.69 | 3,704,675.18 | 62.25% |
| 4 | Transmission & Substations | Transmission & Substations Total | | \$ 22,416,378.63 | \$ 16,573,576.84 | \$ 5,842,801.79 | \$ (8,920.66) | \$ 5,833,881.13 | \$ 117,113.35 | \$ 5,950,994.48 | 100.00% |
| 5 | Total Witness Perry D. Foster | | | \$ 22,416,378.63 | \$ 16,573,576.84 | \$ 5,842,801.79 | \$ (8,920.66) | \$ 5,833,881.13 | \$ 117,113.35 | \$ 5,950,994.48 | |
| Amounts may not add or tie to other schedules due to rounding | | | | | | | | | | | |

Southwestern Public Service Company

XES Expenses by Affiliate Class, Activity, Billing Method and FERC Account

Perry D. Foster

Docket No. 51802

**APPLICATION OF
SOUTHWESTERN PUBLIC SERVICE COMPANY
FOR AUTHORITY TO CHANGE RATES**

PDF-RR-UB(CD) is provided in electronic format.

Southwestern Public Service Company

**Exclusions from XES Expense to SPS
For the Twelve Months Ended December 31, 2020**

| (A) Line No. | (B) Affiliate Class | (C) FERC Account | (D) Explanation for Exclusions | (E) Exclusions (Total Company) |
|-------------------------------|---|--|---|---|
| 1 | Transmission & Substations | 426.1 - Donations | Below the Line | \$ (1,378.63) |
| 2 | Transmission & Substations | 426.4 - Expenditures for certain civic, political and related activities | Below the Line | (4,581.11) |
| 3 | Transmission & Substations | 426.5 - Other Deductions | Below the Line | (2,960.92) |
| 4 | Transmission & Substations Total | | | <u>\$ (8,920.66)</u> |
| 5 | Total Witness Perry D. Foster | | | <u>\$ (8,920.66)</u> |

Amounts may not add or tie to other schedules due to rounding

Southwestern Public Service Company

Pro Forma Adjustments to XES Expenses by Affiliate Class and FERC
For the Twelve Months Ended December 31, 2020

| (A) Line No. | (B) Affiliate Class | (C) FERC Account | (D) Explanation for Pro Formas | (E) Sponsor | (F) Pro Formas (Total Company) |
|--------------------|---|--|------------------------------------|--|--------------------------------------|
| 1 | Transmission & Substations | 560 - Operation supervision and engineering | 3% Wage Adjustment | Stephanie N. Niemi/Michael P. Deselich | \$ 140,195.79 |
| 2 | Transmission & Substations | 560 - Operation supervision and engineering | Business Area Adjustment | Perry D. Foster | (26,314.12) |
| 3 | Transmission & Substations | 561.2 - Load dispatch-Monitor and operate transmiss system | Business Area Adjustment | Perry D. Foster | (30.68) |
| 4 | Transmission & Substations | 563 - Overhead line expenses | 3% Wage Adjustment | Stephanie N. Niemi/Michael P. Deselich | 81.48 |
| 5 | Transmission & Substations | 566 - Miscellaneous transmission expenses | 3% Wage Adjustment | Stephanie N. Niemi/Michael P. Deselich | 1,846.28 |
| 6 | Transmission & Substations | 566 - Miscellaneous transmission expenses | Annual Incentive Target Adjustment | Stephanie N. Niemi/Michael P. Deselich | (61.00) |
| 7 | Transmission & Substations | 571 - Maintenance of overhead lines | 3% Wage Adjustment | Stephanie N. Niemi/Michael P. Deselich | 235.34 |
| 8 | Transmission & Substations | 580 - Operation supervision and engineering | 3% Wage Adjustment | Stephanie N. Niemi/Michael P. Deselich | 951.50 |
| 9 | Transmission & Substations | 580 - Operation supervision and engineering | Business Area Adjustment | Perry D. Foster | (33.38) |
| 10 | Transmission & Substations | 588 - Miscellaneous distribution expenses | 3% Wage Adjustment | Stephanie N. Niemi/Michael P. Deselich | 253.99 |
| 11 | Transmission & Substations | 926 - Employee pensions and benefits | 3% Wage Adjustment | Stephanie N. Niemi/Michael P. Deselich | 2.71 |
| 12 | Transmission & Substations | 930.2 - Miscellaneous general expenses | Business Area Adjustment | Perry D. Foster | (14.56) |
| 13 | Transmission & Substations Total | | | | \$ 117,113.35 |
| 14 | Total Witness Perry D. Foster | | | | \$ 117,113.35 |
| | Amounts may not add or tie to other schedules due to rounding | | | | |