

**BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF COLORADO**

\* \* \* \* \*

IN THE MATTER OF ADVICE NO. 1828- )  
ELECTRIC OF PUBLIC SERVICE )  
COMPANY OF COLORADO TO REVISE )  
ITS COLORADO P.U.C. NO. 8 - ELECTRIC ) PROCEEDING NO. 20AL-XXXXE  
TARIFF TO IMPLEMENT AN ADVANCED )  
GRID RIDER RELEVANT TO ALL )  
ELECTRIC RATE SCHEDULES TO BE )  
EFFECTIVE ON AUGUST 17, 2020 )

**DIRECT TESTIMONY AND ATTACHMENTS OF LAURIE J. WOLD**

**ON**

**BEHALF OF**

**PUBLIC SERVICE COMPANY OF COLORADO**

**July 17, 2020**

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**LIST OF ATTACHMENTS**

Attachment LJW-1	Plant roll-forward of AGIS investments for the period 2013 – 2025
Attachment LJW-2	Annual AGIS plant additions by program
Attachment LJW-3	Shared Asset Credit Worksheet
Attachment LJW-4	Calculation and amortization schedule of proposed regulatory asset for undepreciated balance of Legacy meters

**GLOSSARY OF ACRONYMS AND DEFINED TERMS**

<b><u>Acronym/Defined Term</u></b>	<b><u>Meaning</u></b>
ADMS	Advanced Distribution Management System
AGIS	Advanced Grid Intelligence and Security
AGR	Advanced Grid Rider
AMI	Advanced Metering Infrastructure
AMR	Automatic Meter Reading
APT	Advanced Planning Tool
Commission	Colorado Public Utilities Commission
CRS	Customer Resource System
DEMS	Decentralized Energy Management System
FAN	Field Area Network
FERC	Federal Energy Reliability Commission
FLISR	Fault Location Isolation and Service Restoration
GEMS	Grid Edge Management System
IVVO	Integrated Volt-VAr Optimization
MDM	Meter Data Management
O&M	Operation and Maintenance
Public Service or Company	Public Service Company of Colorado
SCADA	Supervisory Control and Data Acquisition
XES	Xcel Energy Services Inc.
Xcel Energy	Xcel Energy Inc.

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**DIRECT TESTIMONY AND ATTACHMENTS OF LAURIE J. WOLD**

**I. INTRODUCTION, QUALIFICATIONS, PURPOSE OF TESTIMONY, AND  
RECOMMENDATIONS**

**Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

A. My name is Laurie J. Wold. My business address is 414 Nicollet Mall,  
Minneapolis, Minnesota 55401.

**Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT POSITION?**

A. I am employed by Xcel Energy Services Inc. ("XES") as Senior Manager, Capital  
Asset Accounting. XES is a wholly-owned subsidiary of Xcel Energy Inc. ("Xcel  
Energy") and provides an array of support services to Public Service Company of  
Colorado ("Public Service" or the "Company") and the other utility operating  
company subsidiaries of Xcel Energy on a coordinated basis.

**Q. ON WHOSE BEHALF ARE YOU TESTIFYING IN THE PROCEEDING?**

A. I am testifying on behalf of Public Service.

1 **Q. PLEASE SUMMARIZE YOUR RESPONSIBILITIES AND QUALIFICATIONS.**

2 A. As Senior Manager of Capital Asset Accounting, I am responsible for various  
3 aspects of asset accounting, primarily dealing with book depreciation, tax  
4 depreciation and deferred taxes for capital assets, as well as the related  
5 reporting and regulatory requirements for Xcel Energy and its subsidiaries. A  
6 description of my qualifications, duties, and responsibilities is set forth in my  
7 Statement of Qualifications at the conclusion of my testimony.

8 **Q. WHAT IS THE PURPOSE OF YOUR DIRECT TESTIMONY?**

9 A. In the first section of my Direct Testimony, I describe the categories of Advanced  
10 Grid Intelligence and Security (“AGIS”) capital assets included for cost recovery  
11 through the Company’s proposed Advanced Grid Rider (“AGR”) and the  
12 accounting treatment for these assets, including the applicable Federal Energy  
13 Regulatory Commission (“FERC”) account and associated depreciation rate or  
14 amortization period associated with each of these categories of capital assets. In  
15 this section, I also propose and support a new depreciation rate of five percent to  
16 be applied to Advanced Metering Infrastructure (“AMI”) meters. In the next  
17 section of my Direct Testimony, I explain that to the extent the AMI head-end  
18 software will support the initiatives of other Xcel Energy operating companies,  
19 Public Service will be compensated through a shared asset adjustment. I also  
20 explain that this adjustment will act as a credit to decrease the AGR revenue  
21 requirement and describe how this shared asset credit will be determined. In the  
22 final section of my Direct Testimony, I support Public Service’s proposal to  
23 recover the undepreciated balance of Automatic Meter Reading (“AMR”) meters

1 currently in use, which I refer to as “legacy meters,” that will be replaced by AMI  
2 meters. Specifically, I propose creation of a regulatory asset to be amortized  
3 over eight and a half years commensurate with current depreciation expense  
4 levels, until such time as the assets are fully recovered.

5 **Q. ARE YOU SPONSORING ANY ATTACHMENTS AS PART OF YOUR DIRECT**  
6 **TESTIMONY?**

7 A. Yes, I am sponsoring Attachments LJW-1 through LJW-4, which were prepared  
8 by me or under my direct supervision. The attachments are as follows:

- 9 • Attachment LJW-1: contains annual plant-related roll-forwards by AGIS  
10 program for actual balances from November 1, 2013 through March 31,  
11 2020, and forecasted balances for April 1, 2020 through December 31,  
12 2025.
- 13 • Attachment LJW-2: lists the AGIS plant additions by program for 2016  
14 through 2025.
- 15 • Attachment LJW-3: shows the shared asset costs that are included as a  
16 credit to the AGR.  
17
- 18 • Attachment LJW-4: illustrates the proposed accounting for the  
19 undepreciated balance of the legacy meters through the regulatory asset.

20 **Q. WHAT RECOMMENDATIONS ARE YOU MAKING IN YOUR DIRECT**  
21 **TESTIMONY?**

22 A. Through my Direct Testimony, I recommend that the Colorado Public Utilities  
23 Commission (“Commission”):

- 24 • Approve Public Service’s proposed five percent depreciation rate to be  
25 applied to AMI meters; and
- 26 • Approve the creation of a regulatory asset in January 2025, the estimated  
27 time the AGIS meter deployment will be complete, through which Public  
28 Service can recover the undepreciated balance, estimated as average net

1 book value, of its legacy meter assets that will be replaced with AMI  
2 meters, to be amortized over a period of eight and half years.



1 **II. DESCRIPTION OF AGIS CAPITAL ASSETS AND ACCOUNTING TREATMENT**

2 **Q. WHAT IS THE PURPOSE OF THIS SECTION OF YOUR DIRECT**  
3 **TESTIMONY?**

4 A. The purpose of this section of my Direct Testimony is to describe the categories  
5 of AGIS capital assets included for cost recovery through the Company's  
6 proposed AGR and the accounting treatment for these assets. I also propose  
7 and support a depreciation rate of five percent for AMI meters.

8 **Q. WHAT AGIS INITIATIVES WILL THESE CAPITAL ASSETS SUPPORT?**

9 A. The AGIS capital assets support the following AGIS initiatives, as described in  
10 the Direct Testimonies of Company witnesses Mr. Chad S. Nickell and Mr.  
11 Wendall A. Reimer: AMI, Advanced Distribution Management System ("ADMS"),  
12 Integrated Volt-Var Optimization ("IVVO"), Fault Location Isolation and Service  
13 Restoration ("FLISR"), Field Area Network ("FAN"), and other work including the  
14 Advanced Planning Tool ("APT").

15 **Q. HOW DOES PUBLIC SERVICE PLAN TO RECORD THE CAPITAL ASSETS**  
16 **FOR WHICH IT SEEKS COST RECOVERY THROUGH THE PROPOSED AGR**  
17 **IN ITS BOOKS AND RECORDS?**

18 A. Public Service has determined that most of the capital assets necessary to  
19 support the AGIS projects listed above are appropriately categorized with other  
20 assets recorded in established FERC accounts and subject to consistent  
21 accounting treatment, including the approved depreciation or amortization rate as  
22 applicable. While many of the components of the AGIS initiative are  
23 groundbreaking for the Company, the capital assets necessary to support them

1 have similar characteristics and useful lives as compared to other categories of  
2 assets already in plant. For example, from a capital asset accounting  
3 perspective the capacitors that will be installed to support IVVO and the reclosers  
4 to support FLISR are generally consistent with the capacitors and reclosers we  
5 have been installing for decades. Likewise, access points and repeaters used to  
6 create the FAN are similar to other network communication devices such as  
7 those used in Wi-Fi solutions in our buildings. ADMS is consistent with the  
8 fundamental purpose of the Decentralized Energy Management System  
9 (“DEMS”) which also includes hardware, software, and Supervisory Control and  
10 Data Acquisition (“SCADA”) functions. The Itron head-end software used for the  
11 AMI meters (as well as the Grid Edge Management System (“GEMS”) software  
12 for IVVO) is like ADMS and other software applications and includes software  
13 and hardware to communicate with field devices. These applications then  
14 communicate that information to other applications at Xcel such as Customer  
15 Resource System (“CRS”) and Meter Data Management (“MDM”), as described  
16 in more detail by Mr. Reimer.

17 Further, the categories of capital assets necessary to support each of the  
18 above AGIS projects will be recorded under the appropriate FERC accounts.  
19 These accounts, along with the approved depreciation or amortization rate for  
20 each account, are listed in Table LJW-D-1 below. As explained by Company  
21 witness Ms. Deborah A. Blair, the portion of the FAN and Other AGIS projects  
22 classified as common general assets have been reclassified to the electric  
23 department in the AGR revenue requirement.

1

**Table LJW-D-1**

Program	Utility	FERC	FERC Account Description	Annual Depreciation Rate (1)		
				LIFE	COR	Total
CPCN-AMI	Electric	303	Computer Software 7 Year	14.2857%	0.0000%	14.2857%
CPCN-AMI	Electric	303	Computer Software 10 Year	10.0000%	0.0000%	10.0000%
CPCN-AMI	Electric	370	Meters - AGIS	5.0000%	0.0000%	5.0000%
CPCN-AMI	Electric	391	Network Equipment	16.2260%	0.0000%	16.2260%
CPCN-AMI	Electric	394	Tools, Shop, and Garage Equipment	4.1544%	0.0000%	4.1544%
CPCN-FAN	Electric	361	Structures and Improvements	1.9329%	0.3263%	2.2591%
CPCN-FAN	Electric	397	Communication Equipment	6.3007%	0.0000%	6.3007%
CPCN-FAN	Common	397	Communication Equipment	5.4453%	0.0000%	5.4453%
CPCN-IVVO	Electric	303	Computer Software 7 Year	14.2857%	0.0000%	14.2857%
CPCN-IVVO	Electric	361	Structures and Improvements	1.9329%	0.3263%	2.2591%
CPCN-IVVO	Electric	362	Station Equipment	1.6934%	0.1599%	1.8533%
CPCN-IVVO	Electric	391	Network Equipment	16.2260%	0.0000%	16.2260%
CPCN-IVVO	Electric	397	Communication Equipment	6.3007%	0.0000%	6.3007%
Non-CPCN-ADMS	Electric	303	Computer Software 7 Year	14.2857%	0.0000%	14.2857%
Non-CPCN-ADMS	Electric	361	Structures and Improvements	1.9329%	0.3263%	2.2591%
Non-CPCN-ADMS	Electric	391	Network Equipment	16.2260%	0.0000%	16.2260%
Non-CPCN-ADMS	Electric	397	Communication Equipment	6.3007%	0.0000%	6.3007%
Non-CPCN-DERMS	Electric	361	Structures and Improvements	1.9329%	0.3263%	2.2591%
Non-CPCN-FAN	Electric	361	Structures and Improvements	1.9329%	0.3263%	2.2591%
Non-CPCN-FAN	Electric	362	Station Equipment	1.6934%	0.1599%	1.8533%
Non-CPCN-FAN	Electric	391	Network Equipment	16.2260%	0.0000%	16.2260%
Non-CPCN-FAN	Electric	397	Communication Equipment	6.3007%	0.0000%	6.3007%
Non-CPCN-FAN	Common	391	Network Equipment	16.3559%	0.0000%	16.3559%
Non-CPCN-FAN	Common	397	Communication Equipment	5.4453%	0.0000%	5.4453%
Non-CPCN-FLISR	Electric	353	Station Equipment	1.6609%	0.2375%	1.8985%
Non-CPCN-FLISR	Electric	361	Structures and Improvements	1.9329%	0.3263%	2.2591%
Non-CPCN-FLISR	Electric	362	Station Equipment	1.6934%	0.1599%	1.8533%
Non-CPCN-FLISR	Electric	394	Tools, Shop, and Garage Equipment	4.1544%	0.0000%	4.1544%
Non-CPCN-FLISR	Electric	397	Communication Equipment	6.3007%	0.0000%	6.3007%
Non-CPCN-Other	Electric	303	Computer Software 7 Year	14.2857%	0.0000%	14.2857%
Non-CPCN-Other	Electric	361	Structures and Improvements	1.9329%	0.3263%	2.2591%
Non-CPCN-Other	Electric	362	Station Equipment	1.6934%	0.1599%	1.8533%
Non-CPCN-Other	Electric	394	Tools, Shop, and Garage Equipment	4.1544%	0.0000%	4.1544%
Non-CPCN-Other	Electric	397	Communication Equipment	6.3007%	0.0000%	6.3007%
Non-CPCN-Other	Common	390	Structures and Improvements	2.1992%	0.2199%	2.4191%
Non-CPCN-Other	Common	391	Office Furniture and Equipment	4.9019%	0.0000%	4.9019%
Non-CPCN-Other	Common	397	Communication Equipment	5.4453%	0.0000%	5.4453%

(1) Annual depreciation rate represents the forecast composite rate based on approved depreciation rates from Proceeding No. 19AL-0268E.

1 **Q. ARE THERE ANY CATEGORIES OF AGIS CAPITAL ASSETS THAT NEED**  
2 **THE CREATION OF A NEW SUBACCOUNT?**

3 A. Yes. Public Service is requesting that the Commission approve the application of  
4 a five percent depreciation rate to AMI meters based on their expected average  
5 service lives. Public Service would create a new subaccount for these assets  
6 under FERC Account 370 - Meters.

7 **Q. WHY DOES THE COMPANY BELIEVE THIS PROPOSED DEPRECIATION**  
8 **RATE FOR AMI METERS IS APPROPRIATE?**

9 A. As I explained in my Direct Testimony in Public Service's 2019 Phase I Electric  
10 Rate Case, Proceeding No. 19AL-0268E, for several reasons, the Company  
11 believes that the 25-year average service lives currently approved for meters is  
12 too long for the new meters being installed. More specifically, Mr. Nickell  
13 explains that the average service life of the AMI meters is expected to be 20  
14 years.

15 Further, in Proceeding No. 16A-0231E, the Company's 2016 Depreciation  
16 Case, the Commission approved a zero percent net salvage rate for the existing  
17 meters. The net salvage rate is still appropriate for the new meters because it is  
18 expected that the small cost to remove the meter would be offset by any salvage  
19 on the meter at retirement.

20 Finally, using straight line depreciation, which is the asset cost, less  
21 salvage, divided by the life of the asset, the Company is requesting a five (5.00)  
22 percent depreciation rate. This is illustrated in the following table:

1

**Table LJW-D-2**

$$\begin{array}{lcl} \text{Depreciation Rate} & = & \frac{\text{Cost of Fixed Asset - Salvage Value}}{\text{Useful Life}} \\ 5\% & = & \frac{\$1 - \$0}{20} \end{array}$$

1           **III. ADJUSTMENT FOR SHARED AMI HEAD-END ASSETS**

2 **Q. WHAT IS THE PURPOSE OF THIS SECTION OF YOUR DIRECT**  
3 **TESTIMONY?**

4 A. The purpose of this section of my Direct Testimony is to describe what a shared  
5 asset is and to explain how Public Service will be compensated for its AMI head-  
6 end software investments to the extent they support the initiatives of other Xcel  
7 Energy operating companies. I further detail the process for recording a shared  
8 asset adjustment for other operating companies' use of the AMI head-end, which  
9 will act as a credit to decrease the revenue requirement recovered through the  
10 proposed AGR and describe how this shared asset credit will be determined.

11 **Q. WHAT IS A SHARED ASSET?**

12 A. Shared assets are those assets or facilities that are owned by one of the Xcel  
13 Energy operating companies and used by an Xcel Energy affiliate (e.g., XES).  
14 This is different from a common or allocated asset, such as the ADMS software,  
15 which is developed for multiple companies with the costs allocated accordingly  
16 from the outset.

17 **Q. HOW DOES THE COMPANY ACCOUNT FOR SHARED ASSETS?**

18 A. The shared asset is recorded on the books of the Xcel Energy operating  
19 company that owns the asset. Because the asset is owned by one of the  
20 operating companies, but used by, for example, XES employees performing work  
21 for other operating companies, the costs for that asset must be shared among  
22 the operating companies receiving services from the XES employees using that

1 asset. The carrying costs that the owner incurs for these assets include  
2 depreciation and a return on rate base.

3 **Q. HOW ARE SHARED ASSET EXPENSES CHARGED OUT TO OTHER**  
4 **OPERATING COMPANIES?**

5 A. A carrying cost is calculated on the shared asset costs, a portion of which is then  
6 charged to operation and maintenance (“O&M”) expense on the books of other  
7 Xcel Energy subsidiaries that benefit from the asset. When this cost is charged  
8 out to the other companies, it is charged out at Public Service’s cost as described  
9 above and recorded as a shared asset credit that reduces O&M expenses for  
10 Public Service.

11 **Q. CAN YOU DIFFERENTIATE BETWEEN ACCOUNTING FOR A SHARED**  
12 **ASSET AND ACCOUNTING FOR A COMMON ASSET?**

13 A. Yes. I described the accounting for a shared asset above. In contrast, common  
14 intangible assets (like the ADMS software, which is utilized by all four Xcel  
15 Energy operating companies) are broken down into each operating company  
16 owner’s fractional share in the construction process. For the vast majority of  
17 software projects, affiliate costs are allocated each month from a special  
18 allocating work order to each of the four operating companies, including Public  
19 Service. Charges recognized each month are allocated to the operating  
20 company’s construction work order based on predetermined percentages.

1 **Q. WHICH ASSETS IN THE PROPOSED AGIS RIDER ARE CONSIDERED**  
2 **SHARED ASSETS?**

3 A. As described by Mr. Reimer, the AMI head-end software required to support the  
4 functionality of AMI meters has been designed and developed for the AGIS  
5 deployment for Public Service but will also be used in support of meters deployed  
6 across Xcel Energy's other operating jurisdictions. Therefore, the AMI head-end  
7 software is a Public Service shared asset.

8 **Q. HOW WILL THE AMI HEAD-END SOFTWARE SHARED ASSET CREDIT**  
9 **WORK?**

10 A. The AMI head-end software shared asset is recorded on the books of Public  
11 Service, the company that owns the software asset. The shared asset allocation  
12 process then determines the total carrying cost of the shared asset and allocates  
13 a portion of those costs to the other operating companies benefiting from its use.  
14 This results in a credit back to Public Service for the portion of the overall costs  
15 that are allocated to other companies, which is recorded in FERC Account 922,  
16 Administrative expenses transferred - Credit.

17 **Q. WHEN AND HOW WILL THE AMI HEAD-END SOFTWARE SHARED ASSET**  
18 **CREDIT BE DETERMINED?**

19 A. Outside of Colorado, Xcel Energy's NSP-Minnesota operating company is the  
20 jurisdiction currently also utilizing the AMI head-end software, based on its initial  
21 deployment of AMI meters in 2019. Current AMI meter deployments outside of  
22 Colorado were in service in October of 2019, at which time the shared asset  
23 adjustment started being a credit to Public Service. Going forward, on a monthly



1 basis, the shared asset costs are allocated from Public Service based on actual  
2 meter deployments in each operating company. This shared asset credit will  
3 continue when the AGR is rolled into base rates and until the investment is fully  
4 recovered. Attachment LJW-3 is shared asset costs that are included as a credit  
5 to the AGR in this proceeding.

1 **IV. PROPOSED ACCOUNTING TREATMENT FOR EARLY RETIREMENT OF**  
2 **LEGACY METERS**

3 **Q. WHAT IS THE PURPOSE OF THIS SECTION OF YOUR DIRECT**  
4 **TESTIMONY?**

5 A. The purpose of this section of my Direct Testimony is to support Public Service's  
6 proposal to create a regulatory asset beginning in January 2025 to recover the  
7 undepreciated balance of legacy meters that will be replaced by AMI meters and  
8 to propose an amortization period for cost recovery on this regulatory asset.

9 **Q. WHY IS PUBLIC SERVICE PROPOSING TO CREATE A REGULATORY**  
10 **ASSET TO RECOVER THESE COSTS?**

11 A. Public Service usually recovers the cost of its meters through depreciation over  
12 the expected life of these assets. The replacement of customers' existing  
13 Automatic Meter Reading (AMR) meters with AMI meters will result in many of  
14 these legacy meters being taken out of service before they are fully depreciated,  
15 meaning that Public Service needs an alternative way to recover the remaining  
16 cost of these legacy meters. One option would be to accelerate depreciation by  
17 shortening the lives of the remaining AMR meters at the time AMI meters replace  
18 them. However, to mitigate spikes in depreciation expense over the period in  
19 which the meters are replaced, the Company is recommending the Commission  
20 approve the creation of a regulatory asset beginning in January of 2025, once the  
21 meter deployment is complete, to be amortized over eight and a half years  
22 through June 30, 2033.

1 **Q. HAS PUBLIC SERVICE ESTIMATED THE UNDEPRECIATED BALANCE**  
2 **REMAINING ON THE LEGACY METERS THAT WILL BE REPLACED WITH**  
3 **AMI METERS?**

4 A. Yes, this balance is shown in Attachment LJW-4 and it is estimated at  
5 approximately \$60 million.

6 **Q. DOES PUBLIC SERVICE TRACK REMAINING DEPRECIATION FOR EACH**  
7 **LEGACY METER SEPARATELY?**

8 A. No. Public Service accounts for meters under the group method of accounting  
9 as it is not practical to track these assets on an individual basis. Meters are  
10 grouped by vintage and therefore each individual meter is not specifically  
11 identified in Public Service's records. All vintages of these meters are  
12 depreciated as a group over their average service life using the depreciation  
13 rates approved by the Commission. The net book value is determined by  
14 subtracting accumulated depreciation associated with the assets from their  
15 original cost.

16 **Q. CAN THE AVERAGE REMAINING LIFE OF THE LEGACY METERS BE**  
17 **ESTIMATED FROM THEIR NET BOOK VALUE?**

18 A. Yes. For example, if we wanted to estimate the remaining life of the legacy  
19 meters as of today, we would take their current net book value and divide that by  
20 the annual depreciation expense associated with the meters. As referenced  
21 above, Public Service is proposing to create a regulatory asset to recover the  
22 undepreciated balance associated with the legacy meters as of December 31,  
23 2024. To determine the average remaining life of the legacy meters as of that

1 date, we forecasted the unrecovered net plant balance as of that date and  
2 divided that forecasted amount by the forecasted annual depreciation expense  
3 associated with the assets.

4 **Q. HOW DID PUBLIC SERVICE DETERMINE THE FORECASTED**  
5 **UNRECOVERED PLANT BALANCE FOR THE LEGACY METERS?**

6 The \$60 million estimate referenced above reflects the forecasted unrecovered  
7 plant balance in our subledger at December 31, 2024. The forecast is based on  
8 the current net book value of these assets and any additional investment  
9 anticipated through that date, based on the currently approved depreciation rate  
10 associated with the assets.

11 **Q. WHAT IS THE SIGNIFICANCE OF DECEMBER 31, 2024?**

12 A. This date is when the AGIS meter deployment is intended to be completed, and  
13 the Company will definitively be able to determine the unrecovered balance  
14 associated with these assets at that time.

15 **Q. ARE THERE ANY FACTORS THAT COULD CAUSE THIS ESTIMATE TO BE**  
16 **ADJUSTED IN THE FUTURE?**

17 A. Yes. This amount may be subject to adjustment for a variety of reasons  
18 including but not limited to: the timing of the deployment schedule, any  
19 intervening changes in the Commission-approved depreciation rate associated  
20 with these meters, and any replacement legacy meters that need to be installed  
21 before AMI meter deployment has reached a customer.

1 **Q. WHEN WILL THE COMPANY PROVIDE THE FINAL UNDEPRECIATED**  
2 **BALANCE FOR THESE ASSETS?**

3 A. While the Company plans to present the final unrecovered balance associated  
4 with the legacy meters in the final true-up filing for the AGR in April 2026, we will  
5 present a near-final amount in our November 2024 annual rider filing. This near-  
6 final amount will inform the annual amortization expense to be included in the  
7 forecasted 2025 annual revenue requirement for the AGR. Collection of the  
8 forecasted 2025 revenue requirement would then begin on January 1, 2025, as  
9 explained further below.

10 **Q. OVER WHAT PERIOD OF TIME DOES PUBLIC SERVICE PROPOSE TO**  
11 **AMORTIZE THIS REGULATORY ASSET?**

12 A. Public Service proposes to amortize the regulatory asset over eight and one-half  
13 years beginning January 1, 2025.

14 **Q. WHY IS PUBLIC SERVICE PROPOSING THIS AMORTIZATION PERIOD?**

15 A. We are proposing an appropriate balance between minimizing rate impacts and  
16 ensuring cost recovery for these assets. This amortization period was  
17 determined by taking the December 31, 2024 forecasted \$60 million of  
18 unrecovered plant balance and dividing it by the forecasted December 31, 2024  
19 depreciation expense. The resulting eight and one-half years will keep ongoing  
20 customer costs associated with these assets commensurate with current levels  
21 of costs until the legacy meters are fully recovered, and therefore provides a  
22 reasonable recovery period for both the Company and customers. This is  
23 illustrated in Table LJW-D-3.

1

**Table LJW-D-3**

Amortization period	8.55	5	7
	If we continued to depreciate normally:	Amortize Reg Asset over 5 years	Amortize Reg Asset over 7 years
2025	7,003,809	11,974,632	8,553,308
2026	7,003,809	11,974,632	8,553,308
2027	7,003,809	11,974,632	8,553,308
2028	7,003,809	11,974,632	8,553,308
2029	7,003,809	11,974,632	8,553,308
2030	7,003,809		8,553,308
2031	7,003,809		8,553,308
2032	7,003,809		
2033	3,842,686		
2034			
	59,873,158	59,873,158	59,873,158

1 **V. CONCLUSION**

2 **Q. PLEASE SUMMARIZE YOUR RECOMMENDATIONS.**

3 A. I recommend that the Commission approve a five percent depreciation rate for  
4 AMI meters to align with their expected useful life. I further recommend that the  
5 Commission approve the creation of a regulatory asset for Public Service to  
6 recover the undepreciated balance of its legacy meters that will be replaced with  
7 AMI meters, to be amortized over a period of eight and half years beginning  
8 January 1, 2025, as supported above.

9 **Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?**

10 A. Yes, it does.

## **Statement of Qualifications**

### **Laurie J. Wold**

I received a Bachelor of Arts in Business Administration, with a major in accounting, from Metropolitan University in 2011.

My current position with XES is Sr. Manager, Capital Asset Accounting. I am responsible for:

- Managing the capital investment cost recovery process, which includes the development of detailed actuarial analysis, regulatory filings with the various state and federal rate regulatory commissions, and expert testimony to support recovery levels in rate proceedings;
- Accounting for and reporting on the nuclear plant decommissioning funding process, which includes the development of detailed engineering cost studies combined with a complete financial and economic analysis to develop detailed regulatory filings to establish the ratepayer funding levels necessary to accumulate the total future decommissioning cost requirement;
- Assisting with the plant asset-related ratemaking process, which supports the rate filings for all of the Xcel Energy Operating Companies' retail and wholesale jurisdictions; and
- Overseeing capital asset reporting and information processing necessary to disseminate capital asset information as required by various regulatory authorities (the Federal Energy Regulatory Commission, the Securities and Exchange Commission, and state commissions) as well as meeting all internal information requirements necessary to sustain efficient and effective business operations.

I first worked for XES as a contract Accountant starting in October 2011, until I took a permanent role in Transmission Finance in April 2012. I held various positions in Transmission Finance until 2017, since which I have been in my current position in Capital Asset Accounting.

Prior to joining XES, I was employed by USA Today as an Accounting Supervisor. Prior to USA Today, I was employed in various industries in a financial capacity.



BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF COLORADO


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IN THE MATTER OF ADVICE NO. 1828- )  
ELECTRIC OF PUBLIC SERVICE )  
COMPANY OF COLORADO TO REVISE )  
ITS COLORADO P.U.C. NO. 8 - ) PROCEEDING NO. 20AL-XXXXE  
ELECTRIC TARIFF TO IMPLEMENT AN )  
ADVANCED GRID RIDER TO BE )  
EFFECTIVE ON AUGUST 17, 2020 )

AFFIDAVIT OF LAURIE J. WOLD  
ON BEHALF OF  
PUBLIC SERVICE COMPANY OF COLORADO

I, Laurie J. Wold, being duly sworn, state that the Direct Testimony and attachments were prepared by me or under my supervision, control, and direction; that the Direct Testimony and attachments are true and correct to the best of my information, knowledge, and belief; and that I would give the same testimony orally and would present the same attachments if asked under oath.

Dated at Minneapolis, Minnesota, this 16 day of July, 2020.

  
Laurie J. Wold  
Senior Manager of Capital Asset Accounting

Subscribed and sworn to before me this 16 day of July, 2020.

  
Notary Public

My Commission expires 01-31-2023

