

Navigation Guide and References

Background

The O&M and Capital Reporting and Analysis department (Budgeting) within the Chief Financial Officer's (CFO's) organization is responsible for the coordination of two components of the corporate budget - the five-year O&M budget and the five-year Capital budget using the UI Planner Financial Management System (FMS). The business areas, functional areas and legal entities across Xcel Energy input their O&M and Capital budget details into FMS.

The Budget Instructions summarize the corporate information that business areas need to prepare. The Budget Instructions are issued to members of the Financial Performance Team and all of the business area representatives. The business area's representative on the Financial Performance Team will be the principal contact throughout the budgeting cycle. They are also responsible for integrating the Budget Instructions and policies with business-area-specific instructions and communicating the integrated package to all members of their organization that will be participating in the budgeting process. The Budget Instructions are also available on the [Corporate Budgeting Home Page](#).

The Budget Instructions are organized to be effective, efficient and as user friendly as possible for the business areas. The preceding first section of the Budget Instructions provides an overview of the purpose and importance of the corporate budget, major changes from last year's Budget Instructions, and expectations of business areas in preparing budgets. The preceding Corporate Budget Calendar is provided and contains important dates for key activities throughout the budget cycle.

Immediately following this section is information related to using the Budget Instructions and who to contact to answer budgeting questions. Following that, the main body of the Budget Instructions is organized into three sections: Budgeting Labor Costs, O&M Budgeting and Capital Budgeting. Each of these sections provides users with relevant budgeting information (General Guidance), corporate assumptions and directives (Assumptions) and "must do" specific instructions (Requirements) to use in preparing that portion of their budgets. Appendices have also been included to provide users with budget tool and accounting policy information, as well as a glossary of terms applicable to budgeting.

As users prepare their budgets, they should remember that budgeting is a key component of the framework for developing supportable and attainable financial plans by legal entity, utility and jurisdiction.

Navigation Guide

Several features have been included to facilitate the use of the electronic version of these Budget Instructions in the development of O&M and Capital budgets:

- The Table of Contents allows users to click on a topic and be automatically directed to that specific section.
- Throughout the document "links" have been inserted. Users are automatically directed to the document being referred to when clicking on these "links" or underlined text.
- The Corporate Budget Calendar highlights the important corporate deadlines for the input and review associated with the budget process. It is essential that users adhere to the dates provided in the Budget Instructions. Business areas may provide supplemental instructions and may also establish business area specific deadlines for input and review of budget data that must be met. Please contact the designated financial liaison/representative for your business area for specific dates (see [Budget Help](#)).
- Guidelines for preparing the required Budget Documentation (a resource based summary of budget activity by business area) and Workpapers (detailed information to support budget dollars and related documentation) will also be distributed in April 2015. See the [Budget Documentation & Workpaper Guidelines](#) published on the Corporate Budgeting Home Page for more information.
- A Glossary of budget terms and acronyms is included in the Appendices.

References

This document provides links to the Corporate Budgeting Home Page where you can find electronic versions of the Budget Instructions and the Budget Documentation & Workpaper Guidelines as well as links to other helpful tools and information, including:

FMS References

- [FMS Training Guide](#)
- [Rules for Project Date Moves](#)
- [Troubleshooting FMS – FAQs](#)

General Information

- [Budget Documentation & Workpaper Guidelines](#)
- [Business Systems Contacts](#)
- [Company Travel and Employee Expense Reimbursement Policy](#)
- [Dues and Other Guidelines](#)
- [Environmental Budget Guidelines](#)
- [FERC Uniform Systems of Accounts Manual](#)
- [JD Edwards Regulatory Ledger Training](#)
- [JD Edwards Training](#)
- [Personal Communication Device Policy](#)
- [Service Company Training](#)
- [The Print Shop Price Sheet](#)

O&M References

- [Corporate Escalation Rates](#)
- [General Guidelines for Classifying Labor and Expenses to A&G or FERC Functional Accounts Policy](#)
- [O&M Object Account Description](#)
- [Employee Expenses Accounting Guide](#)

Capital References

- [Capital Asset Accounting Policy - Capital Budget Principles](#)
- [Capital Expenditure Budget Requirements Matrix](#)
- [Reason Code Definitions](#)

Budget Assistance

For questions on the budgeting process or treatment of area-specific O&M and Capital costs, contact the representatives below or call the Budget Hotline at 612-330-6077.

Energy Supply	Shelly Koch (NSP O&M)	612-330-5808
Bill Wilcox	David Mills (SPS O&M)	806-378-2727
Financial leader	David E Olson (PSCo O&M)	303-628-2967
	Leslie Warner-Garcia (ES Service Organization O&M)	303-628-2861
	Katie Remmen (ES Capital, Engineering & Construction)	612-330-5860
 Operations Services	 Linda Richards (Capital Policy and Operation Services)	 303-571-3205
John Phibbs	Ruth Montoya (Commercial Ops, EVP and Asset Develop)	303-571-3641
Financial Leader	Andre Duncan (Supply Chain – Purchasing)	612-330-5886
	JT Sullivan (Supply Chain – Fleet)	612-330-7972
	Ryan Hubbell (Supply Chain, Warehouse, COS and ETO)	303-571-3570
 Nuclear Generation	 Chuck Jacobs (Marquette Plaza)	 612-215-4564
Linda Erickson	Eric McGuire (Marquette Plaza)	612-337-2331
Financial Leader	Deward Conner(Prairie Island)	651-388-1121 x7203
	Diane VanDeWalker (Prairie Island)	651-388-1121 x4183
	Jim Johnson (Prairie Island)	651-388-1121 x7301
	Marcia Heigl (Monticello)	763-271-5899
	Ranae Cipala (Monticello)	763-271-5109
	Kevin Stern (Monticello)	763-295-1036
 Nuclear Amortization	 Benjamin Halama	 612-330-5703
Karen Everson	Andrew Knudsen	612-330-5572
Financial leader		
 Distribution Operations/Gas Systems	 Cherie McMillan (Capital)	 303-571-3644
John Phibbs	Dolores Landavazo (O&M)	303-571-3171
Financial leader	Nicole Reitmeier (SPS Dist Operations O&M)	612-330-6276
	Cindy McShane (PSCo Dist Operations O&M)	303-571-3158
	Catherine Rose (NSPM Dist Operations O&M)	612-330-5869
	Mary Emanuelson (NSPW Dist Operations O&M)	612-330-5850
	Dolores Landavazo (Dist Bus Ops, Elect Engineering and Plan & Perf)	303-571-3171
	Lauren Noon (Gas Engineering and Operations-GEO O&M)	612-330-6859
 Transmission	 Kelly Gustner (Capital)	 612-330-5958
Erica Meyer Olson	Bob Kappers (Capital)	612-330-1980
Financial leader	Paul Bury (Capital)	303-571-3278
	Laurie Wold (O&M)	612-330-5510
	Christina Rode (O&M)	303-571-7408
	Michael Hanks (O&M)	612-330-6862
	Matthew Keammerer	303-571-7315
	Lisa Swanson	612-330-5694
 Benefits	 Todd Degrugillier (Manager)	 612-330-6557
Rick Schrubbe	Kris Lindemann	612-330-5508
Financial leader		

Corporate Services Finance

Kim Locker

Financial Leader

Raynard Gray (Fin. Ops, CEO, Customer Care, Bad Debt, Corporate Secretary, General Counsel, PSCo Donations)	303-294-2488
Peggy Stevens (Financial Operations and CEO)	303-294-2817
Kiem Thang (Customer Care, Bad Debt, PSCo Donations)	303-571-6523
Doug Jennings (General Counsel and Corporate Secretary)	303-294-2409
Nate Young (Business Systems, DSM, PSCo and SPS Presidents)	303-294-2258
Deanne Mencimer (Business Systems O&M, DSM and PSCo President)	303-294-2055
Cindy Curry (Business Systems – Capital)	303-571-7881
Yen Ven (Business Systems – Capital)	303-294-2053
Kristen McGourty (Business Systems O&M, DSM and SPS President)	303-294-2010
Steve Rohlwing (Property and Security Services, Aviation, Human Resources, Safety, CAO, Marketing, NSPM and NSPW Presidents)	303-294-2474
Mark Christner (Property & Security Services, Aviation)	303-294-2171
Nicole Dawicki (Human Resources, Safety and NSPM President)	303-571-6514
Kim Kistler (CAO, Marketing and NSPW President)	303-571-7359

Capital Asset Accounting Business Area Liaisons

Budget Organization	CAA Liaison	Phone
Corporate Services	Phil Steinweg	612-321-3119
Transmission	Shari Grams	612-330-7837
	Jamison Smith	612-330-6412
Distribution	Becky Dean	303-294-2395
Energy Supply NSPM	Carol Callahan	612-330-7659
Energy Supply NSPW	Dave Amans	715-737-2495
Energy Supply PSCo/SPS	Kris Jenson	612-330-5583
	Ryan Thilquist	612-330-2877
Nuclear Generation	Jake Miller	612-330-1959
	Ryan Thilquist	612-330-2877

Budgeting Labor Costs

On April 1, 2015, a PeopleSoft load into FMS will update the current forecast to reflect any personnel changes that have occurred since the January 2015 PeopleSoft load. These are the current merit increases assumed for 2016-2020:

2016

Company	BENEFIT	EXEMPT	NON-BENEFIT	OTHER-BENEFIT	UNION*
NSPM	3.00%	3.00%	3.00%	3.00%	2.50%
NSPW	3.00%	3.00%	3.00%	3.00%	2.50%
PSCo	3.00%	3.00%	3.00%	3.00%	3.00%
SPS	3.00%	3.00%	3.00%	3.00%	3.00%
XES	3.00%	3.00%	3.00%	3.00%	N/A

2017 - 2020

Company	BENEFIT	EXEMPT	NON-BENEFIT	OTHER-BENEFIT	UNION*
NSPM	3.00%	3.00%	3.00%	3.00%	3.00%
NSPW	3.00%	3.00%	3.00%	3.00%	3.00%
PSCo	3.00%	3.00%	3.00%	3.00%	3.00%
SPS	3.00%	3.00%	3.00%	3.00%	3.00%
XES	3.00%	3.00%	3.00%	3.00%	N/A

* - Union increases should be budgeted based on the specific contract. These rates are the best estimates as of March 1, 2015 and are subject to change.

Labor expense budgets are created by identifying projected employee levels and appropriate wage rates for each budget year. The wage rate of each active employee will already be in the system at the beginning of the budget process through the PeopleSoft load. The budget system also includes estimated overall wage percentage increases by labor category (union vs. non-union, etc.) that are applied to each employee's wage rate to estimate the budget year labor dollars. Labor budgets should be direct charged when possible to the company benefitting from the services to be provided.

General Guidance

Labor Resources

Xcel Energy employees are divided by labor resource categories in order to better define their assignment to JD Edwards (JDE) business units. The resource categories are:

- Exempt – full-time salaried employees
- Benefit – hourly full-time non-union employees
- Other benefit – hourly part-time benefit employees
- Non-benefit – hourly part-time temporary employees without benefits
- Union – full-time hourly bargaining employees
- Contract – see the document titled [O&M Object Account Description](#) published on the Corporate Budgeting Home Page for specific JDE object account uses
- Premium time – shift differential pay
- Overtime – straight time, double time or time and one-half by each labor category

Labor Management

Throughout the year, PeopleSoft data will be refreshed in FMS after normal wage increases go into effect. These updates take place in January (NSPM, NSPW and Nuclear union), March (non-bargaining), July (PSCo union) and November (SPS union). Users will be notified when these refreshes occur and are required to validate headcount following the update. Users are also required to verify that employee labor includes annual wage increases; especially if new employees are added after the wage increases are loaded.

Assumptions

General Wage Increase

A general wage increase will be applied in the 2016-2019 budgets systematically as noted above. For bargaining employees, the wage increase will be based on the contract agreements with additional guidance from Compensation and Executive management for the years not covered by a contract.

Hours Per Month

Available labor dollars in FMS are calculated based on the available hours per month. The number of available hours per month varies from year to year, depending on the timing of weekdays/weekends for each calendar month. The schedule below shows the hours per month used in the calculation of the monthly spread of hours in FMS.

Exempt, Benefit, Union & Other Benefit					
Year	2016	2017	2018	2019	2020
Jan	168	176	184	184	184
Feb	168	160	160	160	160
Mar	184	184	176	168	176
Apr	168	160	168	176	176
May	176	184	184	184	168
Jun	176	176	168	160	176
Jul	168	168	176	184	184
Aug	184	184	184	176	168
Sep	176	168	160	168	176
Oct	168	176	184	184	176
Nov	176	176	176	168	168
Dec	176	168	168	176	184
Total Hrs	2,088	2,080	2,088	2,088	2096

Non-Benefit (no paid holidays)					
Year	2016	2017	2018	2019	2020
Jan	160	168	176	176	176
Feb	168	160	160	160	160
Mar	184	184	176	168	176
Apr	168	160	168	176	176
May	168	176	176	176	160
Jun	176	176	168	160	176
Jul	160	160	168	176	176
Aug	184	184	184	176	168
Sep	168	160	152	160	168
Oct	168	176	184	184	176
Nov	168	168	168	160	160
Dec	168	160	160	168	176
Total Hrs	2,040	2,032	2,040	2,040	2,048

Incentives

The executive officer and corporate incentive plan programs are budgeted corporately at the legal entity level. Business areas should not include any amounts in their budgets for these compensation programs. Business area specific incentives and bonuses are discussed in the O&M Budgeting section of these instructions (see [*Employee Incentives and Other Compensation*](#)).