

**SOAH DOCKET NO. 473-19-6677
DOCKET NO. 49831**

**APPLICATION OF SOUTHWESTERN § BEFORE THE STATE OFFICE
PUBLIC SERVICE COMPANY FOR § OF
AUTHORITY TO CHANGE RATES § ADMINISTRATIVE HEARINGS**

**UPDATE TESTIMONY
of
DAVID C. HARKNESS**

on behalf of

SOUTHWESTERN PUBLIC SERVICE COMPANY

(Filename: HarknessRRUpdate.docx; Total Pages: 30)

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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.

TESTIMONY ATTACHMENTS:

Attachment DCH-RR-U3 (<i>filename: DCH-RR-U3.xlsx</i>).....	18
Attachment DCH-RR-UA (<i>filename: DCH-RR-UABCD.xlsx</i>).....	23
Attachment DCH-RR-UB(CD) (<i>filename: DCH-RR-UABCD.xlsx</i>).....	27
Attachment DCH-RR-UC (<i>filename: DCH-RR-UABCD.xlsx</i>).....	28
Attachment DCH-RR-UD (<i>filename: DCH-RR-UABCD.xlsx</i>).....	29

GLOSSARY OF ACRONYMS AND DEFINED TERMS

<u>Acronym/Defined Term</u>	<u>Meaning</u>
SPS	Southwestern Public Service Company, a New Mexico corporation
Total Company or total company	Total SPS (before any jurisdictional allocation)
Update Period	April 1, 2019 through June 30, 2019
Updated Test Year	July 1, 2018 through June 30, 2019
Xcel Energy	Xcel Energy Inc.
XES	Xcel Energy Services Inc.

LIST OF ATTACHMENTS

<u>Attachment</u>	<u>Description</u>
DCH-RR-U3	Electric General and Software Capital Additions for April 1, 2019 through June 30, 2019 (Filename: DCH-RR-U3.xlsx)
DCH-RR-UA (Updated Test Year)	Summary of XES Expenses to SPS by Affiliate Class and Billing Method (Filename: DCH-RR-UABCD.xlsx)
DCH-RR-UB(CD) (Updated Test Year)	XES Expenses by Affiliate Class, Activity, Billing Method, and FERC Account (Filename: DCH-RR-UABCD.xlsx)
DCH-RR-UC (Updated Test Year)	Exclusions from XES Expenses to SPS by Affiliate Class and FERC Account (Filename: DCH-RR-UABCD.xlsx)
DCH-RR-UD (Updated Test Year)	Pro Forma Adjustments to XES Expenses by Affiliate Class and FERC Account (Filename: DCH-RR-UABCD.xlsx)

**UPDATE TESTIMONY
OF
DAVID C. HARKNESS**

I. WITNESS IDENTIFICATION

1

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

3 A. My name is David C. Harkness. My business address is 414 Nicollet Mall,
4 Minneapolis, Minnesota 55401.

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

6 A. I am employed by Xcel Energy Services Inc. (“XES”) as Chief Information
7 Officer and Vice President.

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 David C. Harkness who filed direct testimony on behalf of**
12 **SPS in this docket?**

13 A. Yes.

1 **II. ASSIGNMENT AND SUMMARY OF TESTIMONY AND**
2 **RECOMMENDATIONS**

3 **Q. What is your assignment in this update testimony?**

4 A. As explained in my direct testimony, SPS is using an Updated Test Year in this
5 case. The Updated Test Year is the period from July 1, 2018 through June 30,
6 2019. Because of the timing of the filing of this case, certain costs for the period
7 from April 1, 2019 through June 30, 2019 (“Update Period”) in my direct
8 testimony were estimated. My assignment in this update testimony is to replace
9 those estimated costs with actual costs. The result of this update is that the
10 Updated Test Year now consists of only actual information and no estimates. For
11 ease of cross-referencing this update testimony with the my direct testimony filed
12 on August 8, 2019, the sections and subsections in this update testimony
13 correspond with the original sections and subsections in my direct testimony.

14 Regarding the Business Systems affiliate costs I support, my direct
15 testimony provided actual figures for April and May 2019 and estimated figures
16 for June based on the forecasted budget. In this testimony, I replace the June
17 2019 estimates with actuals. In addition, the April through June 2019 expenses
18 have now gone through the full pro forma adjustment review process. Thus, I
19 provide updated figures for those Update Period expenses. My update testimony
20 includes Attachments DCH-RR-UA through DCH-RR-UD in support of the
21 Business Systems affiliate costs I support.

22 With respect to the Business Systems capital costs (and related affiliate
23 expenses) that I support, I provide actual costs for projects placed in service
24 during the Update Period in my Attachment DCH-RR-U3.

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

2 A. ***Affiliate Costs*** - The estimated Updated Test Year costs for the services of the

3 Business Systems affiliate class that SPS sought to recover were \$35,018,674

4 (total SPS before jurisdictional allocations, or “total company”). The actual

5 Updated Test Year costs for the services of the Business Systems affiliate class

6 that SPS seeks to recover are \$35,566,252. Please refer to Attachments DCH-RR-

7 UA through DCH-RR-UD. In addition to providing updated SPS numbers, those

8 attachments also reflect the total updated XES class expenses for the Business

9 Systems affiliate class. The actual costs are reasonable and necessary for the

10 reasons I provided in my direct testimony.

11 ***Capital Additions*** - The costs of the Business Systems capital additions placed in

12 service between April 1, 2019 and June 30, 2019 of \$8,161,049 (total company),

13 are reasonable and necessary and were prudently incurred. Please refer to

14 Attachment DCH-RR-U3.

15 **Q. Were Attachments DCH-RR-U3 and DCH-RR-UA through DCH-RR-UD**

16 **prepared by you or under your direct supervision and control?**

17 A. Yes, as to the project categories and descriptions on Attachment DCH-RR-U3.

18 The cost information contained in Attachment DCH-RR-U3 was prepared by SPS

19 witness Mark P. Moeller and his staff. My staff and I have reviewed this

20 attachment, and I believe it to be accurate. Attachments DCH-RR-UA through

21 DCH-RR-UD were prepared as described by SPS witness Melissa L. Schmidt.

22 My staff and I have reviewed these attachments and I believe them to be accurate.

23 Although the information I have described also is present in Ms. Schmidt’s

- 1 attachments, I have presented this information in the attachments to my update
- 2 testimony for the convenience of those reviewing it.

**III. UPDATED AFFILIATE EXPENSES FOR THE
BUSINESS SYSTEMS CLASS OF SERVICES**

A. Summary of Affiliate Expenses for the Business Systems Class of Services

Q. What is the dollar amount of the Updated Test Year XES expenses that SPS requests, on a total company basis, for the Business Systems affiliate class?

A. The following table summarizes the dollar amount of the actual Updated Test Year XES expenses for the Business Systems affiliate class.

Table DCH-RR-U1

		Requested Amount of XES Class Expenses Billed to SPS (Total Company)		
Class of Services	Total XES Class Expenses	Requested Amount	% Direct Billed	% Allocated
Business Systems	\$286,825,478	\$35,566,252	16.18%	83.82%

Total XES Class Expenses

Dollar amount of total Updated Test Year expenses that XES charged to all Xcel Energy Inc. ("Xcel Energy") companies for the services provided by this affiliate class. This is the amount from Column E in Attachment DCH-RR-UA.

Requested Amount of XES Class Expenses Billed to SPS (Total Company)

Requested dollar amount of XES expenses to SPS (total company) for this affiliate class after exclusions and pro forma adjustments. This is the amount from Column K in Attachment DCH-RR-UA.

% Direct Billed

The percentage of SPS's requested XES expenses (total company) for this class that were billed 100% to SPS.

% Allocated

The percentage of SPS's requested XES expenses (total company) for this class that were allocated to SPS.

1 **Q. Please describe the updated attachments that support the information**
2 **provided on Table DCH-RR-U1.**

3 A. Attachments DCH-RR-UA through DCH-RR-UD present the updated
4 information about the requested SPS affiliate expenses for the Business Systems
5 affiliate class. The detailed descriptions for Attachments DCH-RR-A through
6 DCH-RR-D that were provided in my direct testimony remain applicable to these
7 updated attachments.

8 **Q. Are there updated exclusions for the Business Systems affiliate class?**

9 A. Yes. The actual exclusions are provided on Attachment DCH-RR-UC.

10 **Q. Are there updated pro forma adjustments to SPS's per book expenses for the**
11 **Business Systems affiliate class?**

12 A. Yes. As I mentioned in my direct testimony, pro forma adjustments are revisions
13 to Updated Test Year expenses for known and measurable changes. Pro forma
14 adjustments are shown on Attachment DCH-RR-UA, Column J, and on
15 Attachment DCH-RR-UB, Column M. The details for the pro forma adjustments,
16 including the witness or witnesses who sponsor each pro forma adjustment, are
17 provided in Attachment DCH-RR-UD.

18 **Q. Attachment DCH-RR-UD shows that you sponsor pro forma adjustments for**
19 **expenses for the Business Systems affiliate class during the Updated Test**
20 **Year that result in a net decrease for the Business Systems affiliate class of**
21 **\$1,643. Please explain the adjustments.**

22 A. The adjustments that I sponsor remove alcohol expense (a decrease of \$72.88);
23 remove costs not benefitting SPS (a decrease of \$1,121.21); and remove costs for
24 life events (a decrease of \$449.19).

1 **C. The Business Systems Class of Services are Provided at a**
2 **Reasonable Cost**

3 **Q. What is the purpose of this section of your update testimony?**

4 A. In this section of my direct testimony, several numbers were based on estimates
5 for the Update Period. In this update testimony, I replace those estimates with
6 actual numbers, and explain that the actual costs for the Business Systems affiliate
7 class are reasonable.

8 *1. Additional Evidence*

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

11 A. Yes. Of the Updated Test Year costs for the Business Systems class, 18.87% are
12 compensation and benefits costs for XES personnel. SPS witnesses Michael T.
13 Knoll and Richard R. Schrubbe establish that the level of Xcel Energy's
14 compensation and benefits is reasonable and necessary.

15 *3. Cost Trends*

16 **Q. Please state the dollar amounts of the actual charges (per book) from XES to**
17 **SPS for the Business Systems class of services for the three fiscal years**
18 **preceding the end of the Updated Test Year and the charges (per book) for**
19 **the Updated Test Year.**

20 A. The following table shows, for the fiscal years 2016, 2017, and 2018 (calendar
21 years), and for the Updated Test Year, the actual per book affiliate charges
22 (Column I on Attachment DCH-RR-UA) from XES to SPS for the services
23 grouped in the Business Systems affiliate class:

1

Table DCH-RR-U2

	(Per Book) Charges Over Time				
Class of Services	2016	2017	2018	Updated Test Year (Estimated)	Updated Test Year (Actual)
Business Systems	\$28,586,130	\$30,358,428	\$34,029,860	\$35,098,694	\$35,850,227

2

4. Staffing Trends

3

Q. Please provide the staffing levels for the Business Systems class of services for the three fiscal years preceding the end of the Updated Test Year and the Updated Test Year.

4

5

6

A. The following table shows, for the fiscal years 2016, 2017, and 2018 (calendar years) and for the Updated Test Year, the average of the end of month staffing levels for the Business Systems class of services.

7

8

9

Table DCH-RR-U3

	Average of End of Month # of Staff				
Class of Services	2016	2017	2018	Updated Test Year (Estimated)	Updated Test Year (Actual)
Business Systems	230	290	358	376	399

10

Q. Has the trend in average end of month staff between 2018 and the Updated Test Year changed with the replacement of the estimated headcount with the actual headcount?

11

12

13

A. Consistent with my direct testimony, the numbers continue to show an increase in the average end of month staff, primarily due to insourcing network support

14

functions. As I noted in my direct testimony, the increase in average staffing levels from 2016 to 2018 was due to an initiative by Business Systems to insource IT operations that were previously provided by outside contractors. The insourcing of network support is a continuation of this initiative. I described the reasons for insourcing in my direct testimony.

D. The Costs for the Business Systems Class of Services are Priced in a Fair Manner

Q. Have any of the predominant allocation methods for the Business Systems affiliate operation and maintenance expenses changed?

A. No. The predominant allocation methods have remained the same, but the percentages and amounts have changed as follows:

Table DCH-RR-U4

Allocation Method	Estimated Percentage of XES charges to SPS/Amount Requested (total company) in Direct Testimony	Actual Percentage of XES charges to SPS/Amount Requested (total company) in Update Filing
Number of Computers	30.92%/\$10,827,256	30.17%/\$10,729,044
Average of a Select Set of Software Allocators	26.10%/\$9,140,739	25.46%/\$9,055,572
Direct Billing	15.11%/\$5,290,630	16.18%/\$5,754,693
Average of all Software Percentages	7.15%/\$2,505,569	7.33%/\$2,607,027
Number of Phones, Radios, and Computers	6.74%/\$2,394,967	7.20%/\$2,560,136
Assets, Revenue, Number of Employees	3.08%/\$1,079,187	3.04%/\$1,080,061
Electric Transmission Plant	2.30%/\$805,321	2.22%/\$788,776

Allocation Method	Estimated Percentage of XES charges to SPS/Amount Requested (total company) in Direct Testimony	Actual Percentage of XES charges to SPS/Amount Requested (total company) in Update Filing
Electric Production Plant/Electric Transmission Plant/Electric Distribution Plant	2.09%/\$732,969	2.05%/\$729,625
Number of Meters/Number of Residential Contacts handled by Call Centers	1.83%/\$641,585	1.92%/\$683,710
Number of Employees	1.09%/\$415,032	1.10%/\$391,525

1 **VI. BUSINESS SYSTEMS CAPITAL PROJECTS PLACED IN SERVICE**
2 **BETWEEN APRIL 1, 2019 AND JUNE 30, 2019**

3 **Q. Has SPS updated the Business Systems-related capital costs for projects**
4 **placed in service between the end of the Test Year and June 30, 2019, which**
5 **is the end of the Updated Test Year?**

6 A. Yes. SPS seeks to include in rate base the cost of capital additions placed in
7 service during the Update Period, and I included estimated costs for those capital
8 additions expected to be placed in service during the Update Period in my direct
9 testimony. Attachment DCH-RR-U3 provides SPS's actual total company costs
10 for the Business Systems-related capital projects, including affiliate costs. For the
11 reasons provided in my direct testimony, the costs included in Attachment
12 DCH-RR-U3 are reasonable, necessary, and prudently incurred.

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

14 A. Yes.

AFFIDAVIT

STATE OF MINNESOTA)
)
COUNTY OF HENNEPIN)

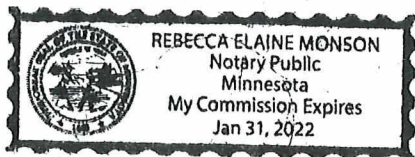
DAVID C. HARKNESS, first being sworn on his oath, states:

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.



DAVID C. HARKNESS

Subscribed and sworn to before me this 16th day of September, 2019 by DAVID C. HARKNESS.



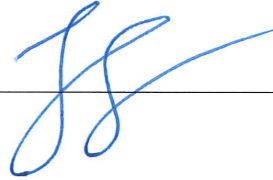


Notary Public, State of Minnesota

My Commission Expires: 1-31-2022

CERTIFICATE OF SERVICE

I certify that on the 20th day of September 2019, a true and correct copy of the foregoing update testimony was served on all parties of record by electronic service and by either hand delivery, Federal Express, regular first class mail, certified mail, or facsimile transmission.

A handwritten signature in blue ink is written over a horizontal line. The signature is stylized, appearing to be the initials 'JS' followed by a long, sweeping horizontal stroke.

Southwestern Public Service Company

Electric General and Software Actual Capital Additions
April 1, 2019 through June 30, 2019

(A) Line No.	(B) Asset Class	(C) Witness Project Category	(D) Additions to Plant-in-Service (April 2019-June 2019)	(E-i) XES Charges (Included in Column D)	(E-ii) Other Affiliate Charges (Included in Column D)	(E-iii) Total Affiliate Charges (Included in Column D)	(F) Project Description
1	Electric General - Software	Harkness PTT	\$ 327.29	\$ 327.29	\$ -	327.29	Other, miscellaneous adjustments The Project is for software for the implementation of an administration/management system covering digital certificates & encryption keys.
2	Electric General - Software	Harkness Cyber Security	(1,952.24)	(1,952.24)	-	(1,952.24)	The Stabilization and Optimization project is a continuing effort focused on improving end user experience, driving customer satisfaction, and improving efficiency by providing enhancements. Examples include further work execution process automation that will reduce non-value added work, improve user experience, further mobile adoption and increase data quality controls. In addition, the project implements additional scheduling process automation that will improve the customer and user experience, reduce process waste, improve emergency response and escalated operation capabilities. The project also includes improving the efficiency and accuracy in the work order-to-pay processes, including work planning and work management, in order to streamline supply chain integrations, work execution, and on-time end-to-end work order to pay processes.
3	Electric General - Software	Harkness PTT	206,313.69	206,313.69	-	206,313.69	These projects involve wide area network reliability and capacity improvements for Distribution and Transmission substations, Energy Supply sites, Service Centers and third parties. These costs are associated with the design, deployment, and testing of elements for utilizing transmission fiber and microwave-based communications in support of a corporate initiative to expand and privatize the Xcel Energy-wide area network. The business needs being addressed by this project include: increased substation communications reliability; high-speed digital access for operations, maintenance, and security; an ability to analyze data to improve reliability and operations.
4	Electric General - Software	Harkness Enhance Capabilities	9,228.92	9,228.92	-	-	
5	Electric General - Software	Harkness Aging Technology	37.25	37.25	-	37.25	Other, miscellaneous adjustments
6	Electric General - Software	Harkness Aging Technology	71.05	71.05	-	71.05	Other, miscellaneous adjustments
7	Electric General - Software	Harkness Aging Technology	14.54	14.54	-	14.54	Other, miscellaneous adjustments
8	Electric General - Software	Harkness Enhance Capabilities	(187,382.97)	(187,382.97)	-	(187,382.97)	This project contains costs for upgrading the software Xcel Energy utilizes to operate and maintain facilities. The project improved decision-making and property management processes, improved facility budget management, and provided improved analytics related to property management.
9	Electric General - Software	Harkness Cyber Security	328.99	328.99	-	328.99	Other, miscellaneous adjustments
10	Electric General - Software	Harkness Aging Technology	2,213.30	2,213.30	-	2,213.30	Other, miscellaneous adjustments
11	Electric General - Software	Harkness PTT	276.46	276.46	-	276.46	Other, miscellaneous adjustments

Southwestern Public Service Company

Electric General and Software Actual Capital Additions
April 1, 2019 through June 30, 2019

(A) Line No.	(B) Asset Class	(C) Witness Project Category	(D) Additions to Plant-in-Service (April 2019-June 2019)	(E-i) XES Charges (Included in Column D)	(E-ii) Other Affiliate Charges (Included in Column D)	(E-iii) Total Affiliate Charges (Included in Column D)	(F) Project Description
12	Electric General - Software	Harkness Aging Technology	2.85	2.85	-	2.85	Other, miscellaneous adjustments
13	Electric General - Software	Harkness Enhance Capabilities	1,499.44	1,499.44	-	1,499.44	Other, miscellaneous adjustments
14	Electric General - Software	Harkness Cyber Security	460.55	460.55	-	460.55	Other, miscellaneous adjustments
15	Electric General - Software	Harkness Cyber Security	2,149.19	2,149.19	-	2,149.19	The project will configure to inventory and manage enterprise deployed firewall rulesets and established to manage the ongoing firewall environment.
16	Electric General - Software	Harkness Cyber Security	15.71	15.71	-	15.71	Other, miscellaneous adjustments
17	Electric General - Software	Harkness Cyber Security	(15,395.62)	(15,395.62)	-	(15,395.62)	The project is enhancing the Company's means of controlling and logging access to structured data assets. This phase focuses on data encryption, masking, protection, best practices & governance processes to enforce security policies. These projects are for the replacement of aging or unsupported core network components and other network components critical to the reliability of Xcel's communications network, and to increase capacity to support increasing demand on the network. Components of these projects include design, planning, deployment and testing.
18	Electric General - Software	Harkness Aging Technology	11,266.61	11,266.61	-	11,266.61	Other, miscellaneous adjustments
19	Electric General - Software	Harkness Aging Technology	(205.50)	(205.50)	-	(205.50)	Other, miscellaneous adjustments
20	Electric General - Software	Harkness Cyber Security	2,421.62	2,421.62	-	2,421.62	The project will upgrade the WebSense installation to the current software version to keep up to date with security and maintenance.
21	Electric General - Software	Harkness PTT	1,427.38	1,426.80	-	1,426.80	Other, miscellaneous adjustments
22	Electric General - Software	Harkness Aging Technology	(729.10)	(714.46)	-	(714.46)	The project will build new Work and Asset Management specific data marts in SAP Business Warehouse(BW) to support reporting needs. Create and deliver SAP Business Objects reporting and analysis capabilities for work and asset management This is a project to assess and build NERC compliance related business functions in the Archer application, Xcel Energy's governance, risk management and compliance ("GRC") tool. This project will streamline several business functions including audit preparation, internal controls, standards development/implementation, and issue evaluation/remediation.
23	Electric General - Software	Harkness Enhance Capabilities	9,065.28	9,074.22	-	9,074.22	The Project will upgrade the Oracle database version. Several versions are deployed within the enterprise and are end of life or no longer supported by Oracle.
24	Electric General - Software	Harkness Aging Technology	3,169.17	3,200.01	-	3,200.01	Other
25	Electric General - Software	Harkness Aging Technology	(3,833.76)	(3,807.76)	-	(3,807.76)	This project involves the technical and data storage portions of the Transmission unmanned aircraft system effort and involves integrating data obtained by unmanned aircraft into existing modeling tools and asset condition reports required for NERC compliance and maintenance planning.
26	Electric General - Software	Harkness Enhance Capabilities	(217.83)	(216.58)	-	(216.58)	Other, miscellaneous adjustments

Southwestern Public Service Company

Electric General and Software Actual Capital Additions
April 1, 2019 through June 30, 2019

(A)	(B)	(C)	(D)	(E-i)	(E-ii)	(E-iii)	(F)
Line No.	Asset Class	Witness	Project Category	Additions to Plant-in-Service (April 2019-June 2019)	XES Charges (Included in Column D)	Other Affiliate Charges (Included in Column D)	Total Affiliate Charges (Included in Column D)
27	Electric General - Software	Harkness	Enhance Capabilities	752,140.94	86,876.68	-	86,876.68
This project creates a central repository that can house the inventory of all network assets. This inventory will include wireless networks, fiber, physical locations, WAN circuits, network hardware components, etc. In addition, the system provides geospatial visualization of the entire communications network, and provides real-time network monitoring for enhanced network reliability and security.							
28	Electric General - Software	Harkness	Aging Technology	(0.01)	-	-	-
The project replaced aging server infrastructure and install new version of Microsoft Configuration Manager. This application deploys software, operating systems, and security patches to workstations and servers within the Xcel Energy network.							
29	Electric General - Software	Harkness	Aging Technology	767,132.20	138,557.47	-	138,557.47
This project is necessary to upgrade CommodityXL (CXL) to keep the application in line with the latest technology architecture standards and new functionality enhancements made by the vendor. This includes migrating away from Oracle 11G that is no longer supported.							
30	Electric General - Software	Harkness	Enhance Capabilities	233,453.57	12,682.49	-	12,682.49
This project leverages automation technologies, such as robotic process automation, smart workflows, and natural language processing to streamline workflows. For example, the tool can be used to automate what had been a time-consuming, manually created report, reducing errors and freeing personnel to focus on higher value work.							
31	Electric General - Software	Harkness	Enhance Capabilities	123,938.95	4,314.98	-	4,314.98
This project is for creating and enabling the basic private cloud services, including virtualization and automation of disaster recovery, network and server creation within contained environments, basic auditing and reporting services, and enabling future public cloud usage.							
32	Electric General - Software	Harkness	Enhance Capabilities	47,183.05	3,611.61	-	3,611.61
This project is for creating and enabling the basic private cloud services, including virtualization and automation of disaster recovery, network and server creation within contained environments, basic auditing and reporting services, and enabling future public cloud usage.							
33	Electric General - Software	Harkness	Enhance Capabilities	15,844.84	(957.25)	-	(957.25)
This project was necessary to upgrade SharePoint 2007 to the current version (SharePoint 2016 and SharePoint Online). SharePoint is a web application that enables employees to collaborate from across all business units, and to work more efficiently by letting users share documents and data while maintaining security and version control.							
34	Total Electric General - Software			\$ 1,980,265.81	\$ 285,739.34	\$ -	\$ 285,739.34

These projects involve the purchase of hardware necessary to provide wireless access across Xcel Energy. These projects will enable mobility for those with laptops or tablets, which is more flexible than wired networking.

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Southwestern Public Service Company

Electric General and Software Actual Capital Additions
April 1, 2019 through June 30, 2019

(A)	(B)	(C)	(D)	(E-i)	(E-ii)	(E-iii)	(F)
Line No.	Asset Class	Witness	Additions to Plant-in-Service (April 2019–June 2019)	XES Charges (Included in Column D)	Other Affiliate Charges (Included in Column D)	Total Affiliate Charges (Included in Column D)	Project Description
38	Electric General	Harkness	167,112.26	24,874.58	-	24,874.58	These projects involve the purchase of hardware necessary to provide wireless access across Xcel Energy. These projects will enable mobility for those with laptops or tablets, which is more flexible than wired networking. This project is the planned or scheduled replacement of aging personal computers ("PCs"), including laptops and desktops, when they reach the end of their useful lives.
39	Electric General	Harkness	13,864.57	-	-	-	These projects involve expenditures for the planned or scheduled replacement of aging PCs, including laptops and desk tops, when they reach the end of their useful lives, and investment necessary to purchase PCs for new personnel or as replacements for lost or damaged computers as the need arises during the year.
40	Electric General	Harkness	(4,277.45)	(4,459.70)	-	(4,459.70)	These are annual projects that provide for the planned, scheduled replacement of aging local area network and wide area network components such as routers and hubs as they reach end of life and fall out of vendor support. Replacement of these components is necessary to ensure continued efficiency and reliable operations.
41	Electric General	Harkness	(1.38)	-	-	-	This project is the planned or scheduled replacement of aging personal computers ("PCs"), including laptops and desktops, when they reach the end of their useful lives.
42	Electric General	Harkness	7,262.53	7,259.48	-	7,259.48	This is part of a security camera upgrade project, including the necessary software and cabling. The legacy security camera system was reaching the end-of-life and did not provide the required level of security observation. The new system allows security personnel to work more efficiently.
43	Electric General	Harkness	129,786.04	-	-	-	In addition to budgeting and planning for capital spending on known projects, Xcel Energy also knows needs will arise during the year that will require investment even if the specific project is not able to be identified at the start of the budget year. This project includes that type of investment. Specifically, the investment was necessary for wide area network ("WAN") reliability and capacity improvements for transmission and distribution substations, generation facilities, service centers, and third-party sites. It includes replacement of frame relay technology, unplanned circuit improvements, and security upgrades.
44	Electric General	Harkness	1,768,688.92	15,035.32	-	15,035.32	In addition to budgeting and planning for capital spending on known projects, Xcel Energy also knows needs will arise during the year that will require investment even if the specific project is not able to be identified at the start of the budget year. This project includes that type of investment. Specifically, the investment was necessary for wide area network ("WAN") reliability and capacity improvements for transmission and distribution substations, generation facilities, service centers, and third-party sites. It includes replacement of frame relay technology, unplanned circuit improvements, and security upgrades.
45	Electric General	Harkness	44,169.45	-	-	-	

Southwestern Public Service Company

Electric General and Software Actual Capital Additions
April 1, 2019 through June 30, 2019

(A) Line No.	(B) Asset Class	(C) Witness	(D) Project Category	(E-i) Additions to Plant-in-Service (April 2019- June 2019)	(E-i) XES Charges (Included in Column D)	(E-ii) Other Affiliate Charges (Included in Column D)	(E-iii) Total Affiliate Charges (Included in Column D)	(F) Project Description
46	Electric General	Harkness	Aging Technology	(498.51)	(498.30)	-	(498.30)	This project includes costs for new or replaced local area network and WAN components that are necessary due to changes in facility requirements, including new sites and the remodeling or repurposing of existing facilities.
47	Electric General	Harkness	Aging Technology	742,566.37	9,558.78	-	9,558.78	The WAN SPS project is necessary to implement WAN reliability and capacity improvements for Distribution and Transmission substations, Energy Supply sites Service Centers and third parties. This project addresses business needs related to increased substation communications reliability; high-speed digital access for operations, maintenance, and security; and the ability to analyze data to improve reliability and operations.
48	Electric General	Harkness	Aging Technology	320,953.57	11,589.47	-	11,589.47	The WAN SPS project is necessary to implement WAN reliability and capacity improvements for Distribution and Transmission substations, Energy Supply sites Service Centers and third parties. This project addresses business needs related to increased substation communications reliability; high-speed digital access for operations, maintenance, and security; and the ability to analyze data to improve reliability and operations.
49	Electric General	Harkness	Enhance Capabilities	513,028.78	37,920.20	-	37,920.20	This project is necessary to implement new network infrastructure to support SPS wind farms. The project includes installing local and wide-area connections to the construction trailers, the facility buildings, and the collector substations at the wind farm sites.
50	Electric General	Harkness	Aging Technology	2,115,589.23	19,373.21	-	19,373.21	This project includes costs for expanded private radio coverage in SE New Mexico due to replacing aging equipment at an existing site and additional equipment to establish two new radio tower sites. The radio tower sites are necessary for communication with field personnel.
51	Electric General	Harkness	Aging Technology	38,640.39	4,843.34	-	4,843.34	The project will replace aging server infrastructure and install new version of Configuration Manager. This system deploys software, Operating Systems, and security patches to workstations and servers within the Xcel Energy network.
52	Electric General	Harkness	Aging Technology	81,711.75	-	-	-	This project involves the technical and data storage portions of the Transmission unmanned aircraft system effort and involves integrating data obtained by unmanned aircraft into existing modeling tools and asset condition reports required for NERC compliance and maintenance planning.
53	Electric General	Harkness	Aging Technology	145,668.28	34,516.26	-	34,516.26	This annual project includes costs for replacing end-of-life servers, routers, switches, and other hardware that supports electric and gas system operations, including generation, dispatch, transmission, and distribution.
54	Electric General	Harkness	Aging Technology	21,304.10	6,183.04	-	6,183.04	Planned PC Refresh is the replacement of aging laptops, desktops, and printers when they reach end-of-life.
55	Electric General	Harkness	Aging Technology	27,713.09	16,835.08	-	16,835.08	Planned PC Refresh is the replacement of aging laptops, desktops, and printers when they reach end-of-life.
56	Total Electric General			\$ 6,180,783.54	\$ 183,030.76	\$ -	\$ 183,030.76	
57	Grand Total			\$ 8,161,049.35	\$ 468,770.10	\$ -	\$ 468,770.10	

**Summary of XES Expenses to SPS by Affiliate Class and Billing Method
For Twelve Months ended June 30, 2019
Harkness**

(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 Forma	(K) Requested Amount (Total Company)	(L) % of Class Charges
1	Business Systems	200118 - EMS Distribution - FERC 581	Electric Distribution Plant	\$ (3,927.18)	\$ (3,462.59)	\$ (464.59)	-	\$ (464.59)	\$ -	\$ (464.59)	0.00%
2	Business Systems	200065 - Investor Relations - Corporate Governance	Assets/Revenue/No. of employees	77.96	67.91	10.05	-	10.05	(10.05)	-	0.00%
3	Business Systems	200069 - Risk Management - Corporate Governance	Assets/Revenue/No. of employees	311.84	271.67	40.17	-	40.17	(40.17)	-	0.00%
4	Business Systems	200070 - Corporate Strategy & Bus Dev - Corporate Governance	Assets/Revenue/No. of employees	233.88	203.76	30.12	-	30.12	(30.12)	-	0.00%
5	Business Systems	200076 - Xcel Foundation	Assets/Revenue/No. of employees	482.74	420.44	62.30	-	62.30	(62.30)	-	0.00%
6	Business Systems	200077 - Branding	Assets/Revenue/No. of employees	155.92	135.80	20.12	-	20.12	(20.12)	-	0.00%
7	Business Systems	200078 - Governmental Affairs	Assets/Revenue/No. of employees	77.87	67.82	10.05	-	10.05	(10.05)	-	0.00%
8	Business Systems	200083 - Finance & Treasury	Assets/Revenue/No. of employees	77.96	66.71	11.25	-	11.25	(11.25)	-	0.00%
9	Business Systems	200084 - Risk Management	Assets/Revenue/No. of employees	77.96	66.70	11.26	-	11.26	(11.26)	-	0.00%
10	Business Systems	200088 - Acctg. Rptg. Tax - OpCos Elec	Assets/Revenue/No. of employees	194.90	166.76	28.14	-	28.14	(28.14)	-	0.00%
11	Business Systems	200094 - Supply Chain	Assets/Revenue/No. of employees	77.96	66.70	11.26	-	11.26	(11.26)	-	0.00%
12	Business Systems	200123 - Transm Elec FERC 561.5	Electric Transmission Plant	38.98	27.45	11.53	-	11.53	(11.53)	-	0.00%
13	Business Systems	200125 - Transm Elec 560 NSPM & NSPW	Electric Transmission Plant	77.96	77.96	-	-	-	-	-	0.00%
14	Business Systems	200127 - Distribution Gas FERC 870 (E&S)	Gas Distribution Plant	712.53	712.53	-	-	-	-	-	0.00%
15	Business Systems	200128 - Distribution Gas FERC 880 (MISC)	Gas Distribution Plant	141,387.97	141,387.97	-	-	-	-	-	0.00%
16	Business Systems	200131 - Gas SCADA (Supervisory Control and Data Acquisition)	Gas Trans Plant Gas Dist Plant	930,602.18	930,602.18	-	-	-	-	-	0.00%
17	Business Systems	200132 - Payment and Reporting	Invoice Transactions	220.69	199.13	21.56	-	21.56	(21.56)	-	0.00%
18	Business Systems	200152 - Customer Care	Number of Customers	584.70	543.88	40.82	-	40.82	(40.82)	-	0.00%
19	Business Systems	200153 - Customer Safety Advertising/Information	Number of Customers	38.98	36.25	2.73	-	2.73	(2.73)	-	0.00%
20	Business Systems	200156 - Customer Care Costs	Number of Customers	38.98	36.25	2.73	-	2.73	(2.73)	-	0.00%
21	Business Systems	200158 - Customer Care South 903	Number of Customers	272.86	239.91	32.95	-	32.95	(32.95)	-	0.00%

**Summary of XES Expenses to SPS by Affiliate Class and Billing Method
For Twelve Months ended June 30, 2019
Harkness**

(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
22	Business Systems	200159 - Customer Service IT - FERC 903 - North	Number of Customers	21.52	21.52	-	-	-	-	-	0.00%
23	Business Systems	200160 - Customer Care North 903	Number of Customers	1,230.80	1,230.80	-	-	-	-	-	0.00%
24	Business Systems	200163 - Employee Communications	Number of Employees	194.90	166.86	28.04	-	28.04	(28.04)	-	0.00%
25	Business Systems	200168 - GMS (Gas Management System)	Number of Gas Customers	529,205.99	529,205.99	-	-	-	-	-	0.00%
26	Business Systems	200177 - Rates Electric	Revenue	116.94	99.23	17.71	-	17.71	(17.71)	-	0.00%
27	Business Systems	200178 - Rates & Work Management	Revenue	208.00	176.50	31.50	-	31.50	(31.50)	-	0.00%
28	Business Systems	200185 - Passport - Work Management	Transactions	(371.00)	(304.46)	(66.54)	-	(66.54)	66.54	-	0.00%
29	Business Systems	200087 - Accounting - Operating Companies	Assets/Revenue/No. of employees	804.71	688.32	116.39	-	116.39	-	116.39	0.00%
30	Business Systems	200068 - Finance & Treasury - Corporate Governance	Assets/Revenue/No. of employees	916.38	798.37	118.01	-	118.01	-	118.01	0.00%
31	Business Systems	200067 - Audit Services - Corporate Governance	Assets/Revenue/No. of employees	1,344.26	1,171.15	173.11	-	173.11	-	173.11	0.00%
32	Business Systems	200151 - Customer Billing FERC 903	Number of Customer Bills	2,455.20	2,244.39	210.81	-	210.81	-	210.81	0.00%
33	Business Systems	200071 - Legal - Corporate Governance	Assets/Revenue/No. of employees	1,779.79	1,550.32	229.47	-	229.47	-	229.47	0.00%
34	Business Systems	200066 - Accounting & Reporting - Corporate Governance	Assets/Revenue/No. of employees	2,507.03	2,184.20	322.83	-	322.83	-	322.83	0.00%
35	Business Systems	200126 - Customer & Field Operations Constr, Oper & Maint	ElcTrn ElcDst GasTrn GasDst Plnt	2,229.72	1,866.88	362.84	-	362.84	-	362.84	0.00%
36	Business Systems	200063 - Executive - Corporate Governance	Assets/Revenue/No. of employees	3,728.11	3,248.05	480.06	-	480.06	-	480.06	0.00%
37	Business Systems	200092 - Corp Strategy & Bus Dev - OpCo	Assets/Revenue/No. of employees	4,249.64	3,635.92	613.72	-	613.72	-	613.72	0.00%
38	Business Systems	200122 - Transmission Electric FERC 560 (E&S)	Electric Transmission Plant	2,609.93	1,838.49	771.44	-	771.44	-	771.44	0.00%
39	Business Systems	200157 - Customer Service IT - FERC 903 South	Number of Customers	6,443.74	5,665.52	778.22	-	778.22	-	778.22	0.00%
40	Business Systems	200135 - Energy Supply Business Resources	MWH Generation	4,236.74	3,306.74	930.00	-	930.00	-	930.00	0.00%
41	Business Systems	200136 - Energy Markets - Fuel	MWH Generation	5,554.34	4,335.09	1,219.25	-	1,219.25	-	1,219.25	0.00%

**Summary of XES Expenses to SPS by Affiliate Class and Billing Method
For Twelve Months ended June 30, 2019
Harkness**

(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
42	Business Systems	200072 - Communications - Corporate Governance	Assets/Revenue/No. of employees	9,698.00	8,445.83	1,252.17	-	1,252.17	-	1,252.17	0.00%
43	Business Systems	200086 - Legal	Assets/Revenue/No. of employees	9,002.71	7,702.89	1,299.82	-	1,299.82	-	1,299.82	0.00%
44	Business Systems	200155 - Customer Care 903	Number of Customers	28,881.87	26,862.98	2,018.89	-	2,018.89	-	2,018.89	0.01%
45	Business Systems	200116 - Distribution Electric FERC 580 (E&S)	Electric Distribution Plant	20,473.70	18,050.52	2,423.18	-	2,423.18	-	2,423.18	0.01%
46	Business Systems	200176 - Marketing & Sales	Revenue	22,476.69	18,950.98	3,525.71	-	3,525.71	7.52	3,533.23	0.01%
47	Business Systems	200110 - Passport - Accounts Payable	Accounts Payable Transactions	41,196.15	35,944.52	5,251.63	-	5,251.63	-	5,251.63	0.01%
48	Business Systems	200081 - Accounting, Reporting, & Taxes	Assets/Revenue/No. of employees	86,928.68	74,336.52	12,592.16	-	12,592.16	-	12,592.16	0.04%
49	Business Systems	200146 - Energy Markets - Regulated Trading (Gen Book)	MWH Hours Sold	52,546.86	39,354.81	13,192.05	-	13,192.05	-	13,192.05	0.04%
50	Business Systems	200179 - Passport - All Modules	Total AP Inv Work	102,139.52	88,362.34	13,777.18	-	13,777.18	-	13,777.18	0.04%
51	Business Systems	200154 - Customer Service IT - FERC 903	Mgmt Prch Trns Number of Customers	204,583.27	190,282.99	14,300.28	-	14,300.28	(20.67)	14,279.61	0.04%
52	Business Systems	200162 - CL/QM (Call Logging and Quality Management)	Number of Cust Number of Contacts	183,280.97	162,697.50	20,583.47	-	20,583.47	-	20,583.47	0.06%
53	Business Systems	200079 - Federal Lobbying	Assets/Revenue/No. of employees	(65,699.31)	(60,518.11)	(5,181.20)	34,939.12	29,757.92	-	29,757.92	0.08%
54	Business Systems	200167 - e-Business	Number of Employees	329,680.46	282,225.54	47,454.92	-	47,454.92	-	47,454.92	0.13%
55	Business Systems	200184 - PowerPlant	Total Plant	587,054.83	504,684.80	82,370.03	-	82,370.03	-	82,370.03	0.23%
56	Business Systems	200074 - Corporate Systems - Corporate Governance	Assets/Revenue/No. of employees	666,712.76	580,835.93	85,876.83	-	85,876.83	(482.60)	85,394.23	0.24%
57	Business Systems	200097 - CBS/ALS/CFM	Assets/Revenue/No. of employees	654,323.56	559,477.53	94,846.03	-	94,846.03	-	94,846.03	0.27%
58	Business Systems	200119 - GIS (Geographic Information System)	Elec Dist Plant Gas Dist Plant	1,898,550.38	1,773,313.33	125,237.05	-	125,237.05	-	125,237.05	0.35%
59	Business Systems	200170 - MDMS (Monitoring Device Management System)	Number of Meters	2,040,151.55	1,901,815.75	138,335.80	-	138,335.80	-	138,335.80	0.39%
60	Business Systems	200147 - Business Objects	Number of Business Objects Users	1,462,584.92	1,316,621.71	145,963.21	-	145,963.21	(1,888.04)	144,075.17	0.41%

**Summary of XES Expenses to SPS by Affiliate Class and Billing Method
For Twelve Months ended June 30, 2019
Harkness**

(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
61	Business Systems	200150 - IVR (Interactive Voice Response)	Number of Contacts	1,003,975.18	848,732.84	155,242.34	-	155,242.34	-	155,242.34	0.44%
62	Business Systems	200166 - Human Resources (Diversity/Safety/Emp Relations)	Number of Employees	1,165,535.76	997,809.45	167,726.31	-	167,726.31	-	167,726.31	0.47%
63	Business Systems	200165 - PeopleSoft	Number of Employees	1,229,688.17	1,053,073.36	176,614.81	-	176,614.81	(270.77)	176,344.04	0.50%
64	Business Systems	200169 - Maximo	Number of Maximo Users	873,615.47	674,947.29	198,668.18	(83.57)	198,584.61	(361.12)	198,223.49	0.56%
65	Business Systems	200149 - CES (Customer & Enterprise Solutions)	Number of Computers Customers Empl	2,257,083.75	1,992,582.45	264,501.30	-	264,501.30	-	264,501.30	0.74%
66	Business Systems	200112 - Mainframe Charges From IBM	Avg of Select Set Softwr Allcrs	8,456,719.43	7,860,283.30	596,436.13	-	596,436.13	-	596,436.13	1.68%
67	Business Systems	200171 - CRS (Customer Resource System)	Number of Mtrs	6,214,682.22	5,523,813.22	690,869.00	-	690,869.00	(7,158.59)	683,710.41	1.92%
68	Business Systems	200180 - EMS-Shared (Energy Mgmt System-SCADA)	Number of Cnctcs Elec Prod Elec Tms Elec Dst Plnt	4,122,763.15	3,381,150.48	741,612.67	(179.82)	741,432.85	(11,807.47)	729,625.38	2.05%
69	Business Systems	200124 - EMS-Transmission (Energy Mgmt System-SCADA)	Electric Transmission Plant	2,727,591.48	1,919,885.39	807,706.09	-	807,706.09	(19,701.15)	788,004.94	2.22%
70	Business Systems	200096 - Energy Markets - Business Services	Assets/Revenue/No. of employees	5,940,483.20	5,079,912.36	860,570.85	(46.08)	860,524.77	(7,660.04)	852,864.72	2.40%
71	Business Systems	200172 - Network Applications	Phones Radios Computers	19,758,036.42	17,190,170.11	2,567,866.31	(192.42)	2,567,673.89	(7,537.56)	2,560,136.34	7.20%
72	Business Systems	200115 - Miscellaneous Applications	Average of All Software Percent	22,822,437.81	20,213,887.49	2,608,550.32	-	2,608,550.32	(1,523.21)	2,607,027.11	7.33%
73	Business Systems	200111 - EAI (Entrpris Applic Integrat)	Avg of Select Set Softwr Allcrs	44,287,148.26	38,469,397.50	5,817,750.76	(13.04)	5,817,737.72	(63,044.27)	5,754,693.45	16.18%
74	Business Systems	200148 - Business Systems	Number of Computers	77,035,274.91	68,576,139.46	8,459,135.45	-	8,459,135.45	-	8,459,135.45	23.78%
75	Business Systems	200148 - Business Systems	Number of Computers	78,954,590.81	68,059,735.03	10,894,855.78	(3,642.20)	10,891,213.58	(162,169.27)	10,729,044.31	30.17%
76	Business Systems	Total		\$ 286,825,477.98	\$ 251,006,033.16	\$ 35,819,444.83	\$ 30,781.99	\$35,850,226.82	\$ (283,975.00)	\$35,566,251.82	100.00%
77	Total Witness - David Harkness			\$ 286,825,477.98	\$ 251,006,033.16	\$ 35,819,444.83	\$ 30,781.99	\$35,850,226.82	\$ (283,975.00)	\$35,566,251.82	
	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

David C. Harkness

SOAH Docket No. 473-19-6677

Docket No. 49831

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

DCH-RR-UB(CD)

**Exclusions from XES Expenses to SPS by Affiliate Class and FERC Account
For Twelve Months ended June 30, 2019
Harkness**

(A) Line No.	(B) Affiliate Class	(C) FERC Account	(D) Explanation for Exclusions	(E) Exclusions (Total Company)
1	Business Systems	426.1 - Donations	Below the Line	\$ (1,721.78)
2	Business Systems	426.4 - Life Insurance	Below the Line	34,906.67
3	Business Systems	426.5 - Other Deductions	Below the Line	(2,402.90)
4	Business Systems Total			\$30,781.99
5	Total Witness - David Harkness			\$30,781.99
	Amounts may not add or tie to other schedules due to rounding			

**Pro Forma Adjustments to XES Expenses by Affiliate Class and FERC Account
For Twelve Months ended June 30, 2019
Harkness**

(A) Line No.	(B) Affiliate Class	(C) FERC Account	(D) Explanation for Pro Formas	(E) Sponsor	(F) Pro Formas (Total Company)
1	Business Systems	506 - Miscellaneous steam power expenses	223.62% Incentive	Arthur Freitas/Michael Knoll	\$ (814.43)
2	Business Systems	506 - Miscellaneous steam power expenses	3% Wage Adjustment	Arthur Freitas/Michael Knoll	490.54
3	Business Systems	556 - System control and load dispatching	223.62% Incentive	Arthur Freitas/Michael Knoll	(278.14)
4	Business Systems	556 - System control and load dispatching	3% Wage Adjustment	Arthur Freitas/Michael Knoll	105.62
5	Business Systems	556 - System control and load dispatching	Business Area Adjustment	David Harkness	(2.63)
6	Business Systems	560 - Operation supervision and engineering	223.62% Incentive	Arthur Freitas/Michael Knoll	(70,094.90)
7	Business Systems	560 - Operation supervision and engineering	3% Wage Adjustment	Arthur Freitas/Michael Knoll	22,746.82
8	Business Systems	561.2 - Load dispatch-Monitor and operate transmiss system	223.62% Incentive	Arthur Freitas/Michael Knoll	(33,983.08)
9	Business Systems	561.2 - Load dispatch-Monitor and operate transmiss system	3% Wage Adjustment	Arthur Freitas/Michael Knoll	11,298.88
10	Business Systems	561.2 - Load dispatch-Monitor and operate transmiss system	Business Area Adjustment	David Harkness	(14.29)
11	Business Systems	561.5 - Reliability planning and standards development	223.62% Incentive	Arthur Freitas/Michael Knoll	(54.09)
12	Business Systems	561.5 - Reliability planning and standards development	3% Wage Adjustment	Arthur Freitas/Michael Knoll	23.02
13	Business Systems	561.5 - Reliability planning and standards development	Business Area Adjustment	David Harkness	(11.53)
14	Business Systems	580 - Operation supervision and engineering	223.62% Incentive	Arthur Freitas/Michael Knoll	(7.50)
15	Business Systems	580 - Operation supervision and engineering	3% Wage Adjustment	Arthur Freitas/Michael Knoll	2.70
16	Business Systems	581 - Load dispatching	223.62% Incentive	Arthur Freitas/Michael Knoll	(4,005.54)
17	Business Systems	581 - Load dispatching	3% Wage Adjustment	Arthur Freitas/Michael Knoll	1,522.36
18	Business Systems	581 - Load dispatching	Business Area Adjustment	David Harkness	(6.47)

**Pro Forma Adjustments to XES Expenses by Affiliate Class and FERC Account
For Twelve Months ended June 30, 2019
Harkness**

(A) Line No.	(B) Affiliate Class	(C) FERC Account	(D) Explanation for Pro Formas	(E) Sponsor	(F) Pro Formas (Total Company)
19	Business Systems	588 - Miscellaneous distribution expenses	223.62% Incentive	Arthur Freitas/Michael Knoll	(69,90)
20	Business Systems	588 - Miscellaneous distribution expenses	3% Wage Adjustment	Arthur Freitas/Michael Knoll	30.75
21	Business Systems	901 - Supervision	Business Area Adjustment	David Harkness	(2.73)
22	Business Systems	902 - Meter reading expenses	223.62% Incentive	Arthur Freitas/Michael Knoll	(74.62)
23	Business Systems	902 - Meter reading expenses	3% Wage Adjustment	Arthur Freitas/Michael Knoll	31.71
24	Business Systems	902 - Meter reading expenses	Business Area Adjustment	David Harkness	(40.82)
25	Business Systems	903 - Customer records and collection expenses	223.62% Incentive	Arthur Freitas/Michael Knoll	(9,183.76)
26	Business Systems	903 - Customer records and collection expenses	3% Wage Adjustment	Arthur Freitas/Michael Knoll	3,387.55
27	Business Systems	903 - Customer records and collection expenses	Business Area Adjustment	David Harkness	(32.95)
28	Business Systems	908 - Customer assistance expenses	Wholesale	Arthur Freitas	(329.49)
29	Business Systems	920 - Administrative and general salaries	223.62% Incentive	Arthur Freitas/Michael Knoll	(232,999.59)
30	Business Systems	920 - Administrative and general salaries	3% Wage Adjustment	Arthur Freitas/Michael Knoll	88,400.56
31	Business Systems	921 - Office supplies and expenses	Business Area Adjustment	David Harkness	(1,531.86)
32	Business Systems	921 - Office supplies and expenses	Foundation	William Grant	(62.30)
33	Business Systems	926 - Employee pensions and benefits	Pension & Benefits Adjustment	William Grant	(58,414.87)
34	Business Systems Total				\$ (283,975.00)
35	Total Witness - David Harkness				\$ (283,975.00)
	Amounts may not add or tie to other schedules due to rounding				