

**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
SHAWN M. WHITE**

on behalf of

SOUTHWESTERN PUBLIC SERVICE COMPANY

(Filename: WhiteRRUpdate.docx; Total Pages: 24)

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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.

Attachment SMW-RR-UA (*filename: SMW-RR-UABCD.xlsx*)..... 21

Attachment SMW-RR-UB(CD) (*filename: SMW-RR-UABCD.xlsx*)..... 22

Attachment SMW-RR-UC (*filename: SMW-RR-UABCD.xlsx*)..... 23

Attachment SMW-RR-UD (*filename: SMW-RR-UABCD.xlsx*)..... 24

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>
SMW-RR-U2	Updated SPS Energy Efficiency and Load Management Costs (Filename: SMW-RR-U2.xlsx)
SMW-RR-UA (Updated Test Year)	Summary of XES Expenses to SPS by Affiliate Class and Billing Method (Filename: SMW-RR-UABCD.xlsx)
SMW-RR-UB(CD) (Updated Test Year)	XES Expenses by Affiliate Class, Activity, Billing Method, and FERC Account (Filename: SMW-RR-UABCD.xlsx)
SMW-RR-UC (Updated Test Year)	Exclusions from XES Expenses to SPS by Affiliate Class and FERC Account (Filename: SMW-RR-UABCD.xlsx)
SMW-RR-UD (Updated Test Year)	Pro Forma Adjustments to XES Expenses by Affiliate Class and FERC Account (Filename: SMW-RR-UABCD.xlsx)

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Q. Please state your name and business address.

A. My name is Shawn M. White. 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 Manager of the Demand-Side Management (“DSM”) Regulatory Strategy & Financial Operations group.

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

A. I am filing testimony on behalf of Southwestern Public Service Company, a New Mexico corporation (“SPS”).

Q. Are you the same Shawn M. White who filed direct testimony on behalf of SPS in this docket?

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 SPS's 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 my direct testimony filed on
12 August 8, 2019, the sections and subsections in this update testimony correspond
13 with the original sections and subsections in my direct testimony.

14 Regarding the native SPS Energy Efficiency ("EE") and Load
15 Management ("LM") costs recovered through base rates that I support, my update
16 testimony includes Attachment SMW-RR-U2, which replaces the estimated costs
17 that I provided in my direct testimony for the Updated Test Year with actual
18 costs.

19 Regarding the Marketing affiliate costs I support, my direct testimony
20 provided actual figures for April and May 2019 and estimated figures for June
21 2019 based on the forecasted budget. In this testimony, I replace the June 2019
22 estimates with actuals. In addition, the April through June 2019 expenses have
23 now gone through the full pro forma adjustment review process. Thus, I provide
24 updated figures for those Update Period expenses. My update testimony includes

1 Attachments SMW-RR-UA through SMW-RR-UD in support of the Marketing
2 affiliate costs I support.

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

4 A. **Native Costs** – The amounts included in Attachment SMW-RR-U2 represent at a
5 total company level (total SPS before jurisdictional allocations, or “total
6 company”), reasonable and necessary costs incurred directly by SPS to support
7 SPS’s ability to provide safe and reliable electric service to its Texas retail
8 customers. I recommend the Public Utility Commission of Texas approve those
9 costs for the reasons discussed in my direct testimony.

10 **Affiliate Costs** – The estimated Updated Test Year costs for the services of the
11 Marketing affiliate class that SPS sought to recover were \$1,224,658 (total
12 company). The actual Updated Test Year costs for the services of the Marketing
13 affiliate class that SPS seeks to recover are \$681,681. Please refer to Attachments
14 SMW-RR-UA through SMW-RR-UD. In addition to providing updated SPS
15 numbers, those attachments also reflect the total updated XES class expenses for
16 the Marketing affiliate class. The actual costs are reasonable and necessary for
17 the reasons I provided in my direct testimony.

18 **Q. Were Attachments SMW-RR-U2 and SMW-RR-UA through SMW-RR-UD**
19 **prepared by you or under your direct supervision and control?**

20 A. Attachment SMW-RR-U2 was prepared by SPS witness Arthur P. Freitas and his
21 staff and is based on the cost of service study. My staff and I have reviewed this
22 attachment, and I believe it to be accurate. Attachments SMW-RR-UA through
23 SMW-RR-UD were prepared as described by Ms. Schmidt. My staff and I have
24 reviewed these attachments and I believe them to be accurate. Although the

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

**III. UPDATED AFFILIATE EXPENSES FOR THE
MARKETING CLASS OF SERVICES**

A. Summary of Affiliate Expenses for the Marketing Class of Services

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

A. The following table summarizes the dollar amount of the actual Updated Test Year XES charges for the Marketing affiliate class.

Table SMW-RR-U1

Class of Services	Total XES Class Expenses	Requested Amount of XES Class Expenses Billed to SPS (Total Company)		
		Requested Amount	% Direct Billed	% Allocated
Marketing	\$6,839,203	\$681,681	4.92%	95.25%

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 SMW-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 SMW-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 SMW-RR-U1.**

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

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

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

10 **Q. Are there updated pro forma adjustments to SPS's per book expenses for the**
11 **Marketing 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 SMW-RR-UA, Column J, and on
15 Attachment SMW-RR-UB, Column M. The details for the pro forma
16 adjustments, including the witness or witnesses who sponsor each pro forma
17 adjustment, are provided in Attachment SMW-RR-UD.

18 **Q. Attachment SMW-RR-UD shows that you sponsor pro forma adjustments**
19 **for expenses for the Marketing affiliate class during the Updated Test Year**
20 **result in a net decrease for the Marketing affiliate class of \$2,858.14. Please**
21 **explain the adjustments.**

22 A. The adjustments that I sponsor remove alcohol charges (a decrease of \$260.66),
23 costs not benefitting SPS (a decrease of \$1,921.01), costs associated with life

1 events (a decrease of \$183.24), and costs associated with employee recognition (a
2 decrease of \$493.22).

3 **C. The Marketing Class of Services are Provided at a Reasonable**
4 **Cost**

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

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

10 *1. Additional Evidence*

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

13 A. Yes. Of the Updated Test Year costs for the Marketing class, 47.39% are
14 compensation and benefits costs for XES personnel. SPS witnesses Michael T.
15 Knoll and Richard R. Schrubbe establish that the level of Xcel Energy's
16 compensation and benefits is reasonable and necessary. In addition, the majority
17 of the remaining costs for this class were for goods or services procured by
18 contract. Xcel Energy's Supply Chain organization is responsible for the sourcing
19 and purchasing of goods and services needed by SPS, as well as the review and
20 processing of payments to vendors. SPS witness Gary J. O'Hara provides
21 testimony about these functions and demonstrates that the Supply Chain processes
22 and controls produce reasonable costs supporting SPS's operations.

3. *Cost Trends*

Q. Please state the dollar amounts of the actual charges (per book) from XES to SPS for the Marketing class of services for the three fiscal years preceding the end of the Updated Test Year and the charges (per book) for the Updated Test Year.

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

Table SMW-RR-U2

	(Per Book) Charges Over Time				
Class of Services	2016	2017	2018	Updated Test Year (Estimated)	Updated Test Year (Actual)
Marketing	\$1,044,875	\$779,826	\$795,863	\$1,253,719	\$719,787

Please note that the differences in the historical per book numbers in this update testimony from what was presented in my direct testimony reflect organizational changes made during the Update Period. The historical numbers have been adjusted to reflect the new organization to enable an apples-to-apples comparison of year-over-year changes in the numbers. Please refer to Ms. Schmidt's update testimony for an explanation regarding how the organizational changes caused differences in the historical per book numbers. The Updated Test Year number decreased significantly from the estimated number because during the

reorganization of this group, Customer Insights and Strategic Partnership cost centers were reassigned to other affiliate classes.

4. Staffing Trends

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

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 Marketing class of services. In my direct testimony, I explained that the overall staffing within the Marketing organization has increased slightly. Please note that the differences in the historical headcounts in this update testimony reflect organizational changes made during the Update Period. The historical counts have been adjusted to reflect the new organization for the accuracy of comparisons.

Table SMW-RR-U3

	Average of End of Month # of Staff				
Class of Services	2016	2017	2018	Updated Test Year (Estimated)	Updated Test Year (Actual)
Marketing	124	129	131	138	131

1 **D. The Costs for the Marketing Class of Services are Priced in a Fair**
2 **Manner**

3 **Q. Have any of the predominant allocation methods for the Marketing affiliate**
4 **operation and maintenance expenses changed?**

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

7 **Table SMW-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
Revenue	97.37% / \$1,192,480.22	95.25% / \$649,292.52
Direct Billing	2.63% / \$32,177.58	4.92% / \$33,563.00

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

9 **A.** Yes.

AFFIDAVIT

STATE OF MINNESOTA)
)
COUNTY OF HENNEPIN)

SHAWN M. WHITE, 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.



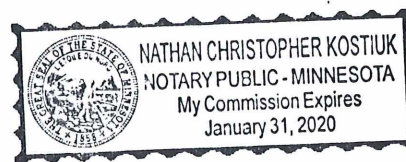
SHAWN M. WHITE

Subscribed and sworn to before me this 11th day of September 2019 by SHAWN M. WHITE.



Notary Public, State of Minnesota

My Commission Expires: January 31, 2020



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, consisting of stylized, overlapping loops and a long horizontal stroke extending to the right, positioned above a thin horizontal line.

Southwestern Public Service Company

SPS Native Operation & Maintenance Expenses

Total Company SPS Operation and Maintenance Expenses

Line No.	FERC Acct	Account Description	Native SPS O&M Expense through the Update Period (Jul '18-Jun '19)	Test Year Affiliate O&M Expense (Jul '18-Jun '19)	Total Company Requested O&M
Production					
1	500	Operation Supervision and Engineering	\$ 1,302,088	\$ 845,746	\$ 2,147,834
2	501.35*	Coal Non-Mine; Non-Freight	34,732,116	-	34,732,116
3	507.70	Coal Ash Sales	(1,730,689)	1,503,199	(227,490)
4	502	Steam Expenses	10,073,061	(24,863)	10,048,198
5	505	Electric Expenses	9,786,043	559	9,786,601
6	506	Miscellaneous Steam Power Expenses	8,396,464	5,057,641	13,454,105
7	507	Rents	1,467,127	4,334,766	5,801,893
8	509	Steam Operation SO2 Allowance Expense	124,830	-	124,830
9	509.02	Allowances - NM Nox Expense Amortz	(2,340)	-	(2,340)
10	510	Maintenance Supervision and Engineering	1,499,505	4,805	1,504,310
11	511	Maintenance of Structures	4,965,791	1,535	4,967,326
12	512	Maintenance of Boiler Plant	16,708,182	1,041,142	17,749,323
13	513	Maintenance of Electric Plant	12,734,579	438,068	13,172,648
14	514	Maintenance of Miscellaneous Steam Plant	9,892,881	1,300,657	11,193,538
15	546	Operation Supervision and Engineering	(16,230)	49,163	32,932
16	546W	Operation Supervision and Engineering Wind	27,667	-	27,667
17	548	Generation Expenses	328,123	-	328,123
18	549	Misc Other Power Generation Expenses	224,417	161,231	385,648
19	549W	Misc Other Power Generation Expenses Wind	5,800,304	-	5,800,304
20	550	Rents	99,441	406,940	506,381
21	551	Maintenance Supervision and Engineering	175,358	376	175,734
22	552	Maintenance of Structures	364,670	679	365,349
23	553	Maintenance of Generating and Electric Equipment	1,215,324	32,503	1,247,827
24	553W	Maintenance of Generating and Electric Equipment Wind	3,843,120	-	3,843,120
25	554	Maintenance of Misc Other Power Generation Plant	189,267	167,464	356,731
26	554W	Maintenance of Misc Other Power Generation Plant Wind	31,430	-	31,430
27	556	System Control and Load Dispatching	(2,639)	1,031,823	1,029,185
28	557	Purchased Power Other	(466,572)	1,774,980	1,308,408
29	557.9*	REC Costs	2,543,109	-	2,543,109
30	Total Production O&M Expense		\$ 124,306,427	\$ 18,128,414	\$ 142,434,841

Southwestern Public Service Company

SPS Native Operation & Maintenance Expenses

Total Company SPS Operation and Maintenance Expenses

			Native SPS O&M Expense through the Update Period (Jul '18-Jun '19)	Test Year Affiliate O&M Expense (Jul '18-Jun '19)	Total Company Requested O&M
Line No.	FERC Acct	Account Description			
Transmission					
31	560	Operation Supervision and Engineering	\$ (571,330)	\$ 9,857,223	\$ 9,285,893
32	561.1	Load Dispatch - Reliability	229,954	-	229,954
33	561.2	Load Dispatch - Monitor and Operate Trans. System	1,651,374	1,329,161	2,980,535
34	561.4	Scheduling, System Control and Dispatching Services	3,105,159	-	3,105,159
35	561.4W	Scheduling, System Control and Dispatching Services - Wholesale	974,315	-	974,315
36	561.5	Reliability, Planning and Standards Development	-	846	846
37	561.6	Transmission Service Studies	47,042	26,860	73,902
38	561.7	Generation Interconnection Studies	(3,424)	-	(3,424)
39	561.8	Reliability Planning and Standards Development Services	2,621,019	-	2,621,019
40	561.8W	Reliability Planning and Standards Development Services - Wholesale	454,281	-	454,281
41	562	Station Expenses	1,771,195	544	1,771,738
42	563	Overhead Line Expenses	945,666	12,197	957,863
43	565	Wheeling Lamar DC Tie	(420)	-	(420)
44	565	Wheeling Meter Charges	703,366	-	703,366
45	565	Wheeling Miscellaneous	33,381	-	33,381
46	565	Wheeling Schedule 11	102,664,790	-	102,664,790
47	565	Wheeling Schedule 11 - Wholesale	30,753,348	-	30,753,348
48	565	Wheeling Schedule 12	2,055,178	-	2,055,178
49	565	Wheeling Schedule 12 - Wholesale	535,444	-	535,444
50	565	Wheeling Schedule 1 - Wholesale	712,636	-	712,636
51	565	Wheeling Schedule 2	2,964	-	2,964
52	565	W-Wheeling Schedule 2 - Wholesale	508	-	508
53	565	Wheeling Schedule 9	6,040,362	-	6,040,362
54	565	Wheeling Schedule 9 - Wholesale	24,384,791	-	24,384,791
55	565	Z2 Direct Assigned Upgrade Charge	82,054	-	82,054
56	565	Z2 Direct Assigned Upgrade Charge - Wholesale	16,400	-	16,400
57	565	Z2 Schedule 11 Charges	(169,497)	-	(169,497)
58	565	Z2 Schedule 11 Charges - Wholesale	-	-	-
59	566	Misc Transmission Expenses	2,527,124	782,852	3,309,976
60	567	Rents	282,189	1,422,644	1,704,834
61	568	Maintenance Supervision and Engineering	(4,386)	7,960	3,574
62	570	Maintenance of Station Equipment	1,899,246	3,287	1,902,534
63	571	Maintenance of Overhead Lines	1,088,688	42,673	1,131,361
64	Sub-Total Transmission O&M Expenses		\$ 184,833,416	\$ 13,486,247	\$ 198,319,663
Regional Market Expenses					
65	575.1	Operation Supervision	\$ -	\$ 137,183	\$ 137,183
66	575.2	Day-Ahead and Real-Time Market Administration	-	302,981	302,981
67	575.5	Ancillary Services Market Administration	-	23,132	23,132
68	575.6	Market Monitoring and Compliance	-	46,429	46,429
69	575.7	Market Admin, Monitoring, and Compliance Services	6,163,708	-	6,163,708
70	575.7W	Market Admin, Monitoring, and Compliance Services - Wholesale	1,933,684	-	1,933,684
71	575.8	Regional Market Rents	5,371	45,687	51,058
72	Total Regional Market Expenses		\$ 8,102,764	\$ 555,412	\$ 8,658,175
73	Total Transmission O&M Expenses		\$ 192,936,179	\$ 14,041,659	\$ 206,977,838

Southwestern Public Service Company

SPS Native Operation & Maintenance Expenses

Total Company SPS Operation and Maintenance Expenses

			Native SPS O&M Expense through the Update Period (Jul '18-Jun '19)		Test Year Affiliate O&M Expense (Jul '18-Jun '19)		Total Company Requested O&M
Line No.	FERC Acct	Account Description					
Distribution							
74	580	Operation Supervision and Engineering	\$	2,633,263	\$	1,025,866	\$ 3,659,129
75	581	Load Dispatching		32,133		239,967	272,099
76	582	Station Expenses		1,592,293		(14,169)	1,578,124
77	583	Overhead Line Expenses		3,937,620		99,718	4,037,338
78	584	Underground Line Expenses		263,184		-	263,184
79	585	Street Lighting and Signal Systems Expenses		350,477		2,904	353,381
80	586	Meter Expenses		2,493,053		169,959	2,663,012
81	587	Customer Installations Expenses		869,414		2,306	871,719
82	588	Misc Distribution Expense		10,534,860		1,207,141	11,742,001
83	589	Rents		1,004,026		1,515,415	2,519,442
84	590	Maintenance Supervision and Engineering		-		24,754	24,754
85	591	Maintenance of Structures		300		-	300
86	592	Maintenance of Station Equipment		770,434		1,147	771,581
87	593	Maintenance of Overhead Lines		10,623,795		202,369	10,826,164
88	594	Maintenance of Underground Lines		269,725		-	269,725
89	595	Maintenance of Line Transformers		-		-	-
90	596	Maintenance of Street Lighting and Signal Systems		490,965		2,021	492,986
91	597	Maintenance of Meters		14,821		-	14,821
92	598	Maintenance of Misc Distribution Plant		(543,095)		1,371	(541,724)
93	Total Distribution O&M Expenses		\$	35,337,269	\$	4,480,769	\$ 39,818,037
Customer Accounts							
94	901	Supervision	\$	-	\$	29,707	\$ 29,707
95	902	Meter Reading Expenses		4,340,928		471,846	4,812,774
96	903	Customer Records and Collection Expenses		3,461,044		3,646,671	7,107,715
97	904.0*	Uncollectible Expenses		4,447,042		-	4,447,042
98	904.1*	Uncollectible Expenses		1,182,664		-	1,182,664
99	DEPINT Customer Deposit Interest Expense			131,865		-	131,865
100	Total Customer Accounts Expense		\$	13,563,543	\$	4,148,224	\$ 17,711,767
Customer Service							
101	908.00	Customer Assistance Expense	\$	1,968,094	\$	87,030	\$ 2,055,124
102	908.00	Historical EE Amortization		258,825	\$	-	\$ 258,825
103	908.01	EE Amortization - Texas		-		-	-
104	908.03	EE Amortization - New Mexico		-		-	-
105	908.04	SaversSwitch		712,529		3,492	716,021
106	909.10	Informational and Instructional Advertising Expense		-		-	-
107	910.00	Miscellaneous Customer Service Expense		-		16,994	16,994
108	Total Customer Service Expense		\$	2,939,448	\$	107,515	\$ 3,046,963
Sales							
109	912.00	Demonstration and Selling Expense-Economic Development	\$	268,577	\$	97	\$ 268,674
110	Total Sales Expense		\$	268,577	\$	97	\$ 268,674

Southwestern Public Service Company

SPS Native Operation & Maintenance Expenses

Total Company SPS Operation and Maintenance Expenses

			Native SPS O&M		Test Year		
Line	FERC		Expense through the		Affiliate O&M		Total Company
No.	Acct	Account Description	Update Period		Expense		Requested O&M
			(Jul '18-Jun '19)		(Jul '18-Jun '19)		
Administrative and General Expenses							
111	920*	Administrative and General Salaries	\$	4,790,698	\$	23,150,797	\$ 27,941,496
112	921	Office Supplies and Expenses		304,031		18,918,661	19,222,692
113	922*	Administrative Expenses Transferred-Credit		(14,470,585)		(230,528)	(14,701,112)
114	923	Outside Services Employed		1,835,157		9,175,083	11,010,241
115	924	Property Insurance		3,180,828		1,633	3,182,461
116	925*	Injuries and Damages		5,330,221		2,118,099	7,448,320
117	926.01*	Employee Pensions and Benefits		16,109,725		12,729,019	28,838,744
118	926.03*	Deferred Pension Expense		1,574,975		-	1,574,975
119	928	Regulatory Commission Expense - TX		8,742,791		-	8,742,791
120	928.01	Regulatory Commission Expense - NM		4,851,744		-	4,851,744
121	928.02	Regulatory Commission Expense - Wholesale		523,587		-	523,587
122	928.03	Regulatory Commission Expense - Transmission Related		183,845		-	183,845
123	928.04	Regulatory Commission Expense - Misc		94,203		-	94,203
124	928.05	Regulatory Commission Expense - Energy Related		3,657		-	3,657
125	929	Duplicate Charges-Credit		(1,380,460)		-	(1,380,460)
126	930.11	General Advertising Expenses		-		-	-
127	930.20	Misc General Expenses		16,227		302,594	318,821
128	931	Rents		(1,010,618)		12,598,995	11,588,377
129	935	Maintenance of General Plant		482		89,165	89,647
130		Recoverable Contributions, Dues, and Donations		2,034,743		-	2,034,743
131	Total Administrative and General Expenses		\$	32,715,253	\$	78,853,520	\$ 111,568,773
132	Total Operations and Maintenance Expense		\$	402,066,695	\$	119,760,197	\$ 521,826,893

Note: All amounts included in this attachment are included in the cost of service study provided as Attachment APF-RR-U2 to the Update Testimony of Arthur P. Freitas

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

(A) Line No.	(B) Affiliate Class	(C) Billing Method (Cost Center)	(D) Allocation Method	(E) Total XES Billings for Class to all Legal Entities (FERC Acct. 400-935)	(F) XES Billings for Class to All Legal Entities Except SPS (FERC Acct. 400-935)	(G) XES Billings for Class to SPS (Total Company) (FERC Acct. 400-935)	(H) Exclusions	(I) Per Book	(J) Pro Formas	(K) Requested Amount (Total Company)	(L) % of Class Charges
1	Marketing	200063 - Executive - Corporate Governance	Assets/Revenue/No. of employees	\$ -	\$ -	\$ -	-	\$ -	\$ (1,174.25)	\$ (1,174.25)	-0.17%
2	Marketing	Direct		2,458,321.85	2,402,322.69	55,999.16	(21,253.48)	34,745.68	(1,182.68)	33,563.00	4.92%
3	Marketing	200176 - Marketing & Sales	Revenue	4,380,880.96	3,695,215.56	685,665.40	(624.34)	685,041.06	(35,748.54)	649,292.52	95.25%
4	Marketing Total			\$ 6,839,202.81	\$ 6,097,538.26	\$ 741,664.55	\$ (21,877.82)	\$ 719,786.73	\$ (38,105.47)	\$ 681,681.27	100.00%
5	Total Witness - Shawn White			\$ 6,839,202.81	\$ 6,097,538.26	\$ 741,664.55	\$ (21,877.82)	\$ 719,786.73	\$ (38,105.47)	\$ 681,681.27	
	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

Shawn M. White

SOAH Docket No. 473-19-6677

Docket No. 49831

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

SMW-RR-UB(CD)

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

(A) Line No.	(B) Affiliate Class	(C) FERC Account	(D) Explanation for Exclusions	(E) Exclusions (Total Company)
1	Marketing	417.1 - Expenses of nonutility operations	Below the Line	\$ (21,253.48)
2	Marketing	426.5 - Other Deductions	Below the Line	(624.34)
3	Marketing Total			\$ (21,877.82)
4	Total Witness - Shawn White			\$ (21,877.82)
	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
White**

(A) Line No.	(B) Affiliate Class	(C) FERC Account	(D) Explanation for Pro Formas	(E) Sponsor	(F) Pro Formas (Total Company)
1	Marketing	408.2 - Taxes other than income taxes, other income and deductions	Business Area Adjustment	Shawn White	\$ (777.41)
2	Marketing	908 - Customer assistance expenses	223.62% Incentive	Arthur Freitas/Michael Knoll	(158.46)
3	Marketing	908 - Customer assistance expenses	3% Wage Adjustment	Arthur Freitas/Michael Knoll	149.84
4	Marketing	909 - Customer Service Instructional Advertising	Business Area Adjustment	Shawn White	(26.30)
5	Marketing	910 - Miscellaneous customer service and informational expenses	223.62% Incentive	Arthur Freitas/Michael Knoll	(265.73)
6	Marketing	910 - Miscellaneous customer service and informational expenses	3% Wage Adjustment	Arthur Freitas/Michael Knoll	7.16
7	Marketing	912 - Sales Demo & Sales	Business Area Adjustment	Shawn White	(8.02)
8	Marketing	920 - Administrative and general salaries	223.62% Incentive	Arthur Freitas/Michael Knoll	(16,936.00)
9	Marketing	920 - Administrative and general salaries	3% Wage Adjustment	Arthur Freitas/Michael Knoll	6,188.00
10	Marketing	921 - Office supplies and expenses	Business Area Adjustment	Shawn White	(1,545.51)
11	Marketing	925 - Injuries & Damages	Business Area Adjustment	Shawn White	(469.50)
12	Marketing	926 - Employee pensions and benefits	Pension & Benefits Adjustment	William Grant	(2,891.14)
13	Marketing	930.1 - General advertising expenses	Advertising	Arthur Freitas	(21,341.00)
14	Marketing	930.2 - Miscellaneous general expenses	Business Area Adjustment	Shawn White	(7.85)
15	Marketing	931 - Rents	Business Area Adjustment	Shawn White	(23.54)
16	Marketing Total				\$ (38,105.47)
17	Total Witness - Shawn White				\$ (38,105.47)
	Amounts may not add or tie to other schedules due to rounding				