

The Company has listed below any material changes that have taken effect since January 1, 2017.

(a) FERC Uniform System of Accounts Changes

There were no material changes.

(b) FERC Form No. 1 Reporting Requirements Changes

There were no material changes.

(c) FERC Ratemaking Orders Applicable to the SPS Formula Rate

There are no updates from the Annual True-Up.

(d) Accounting Policies, Practices or Procedures of SPS

Purchasing and Warehouse Overheads - With the implementation of SAP in 2016, purchasing and warehouse overhead costs are cleared monthly from the cost pools instead of quarterly. Effective 2017 with the implementation of Work Asset Management (“WAM”) system, the \$3,500 cap of purchasing and warehouse loads per invoice has been eliminated. In addition, costs for wind farms will no longer incur additional purchasing and warehouse overheads since they are not utilizing Xcel Energy traditional warehouses that stock inventory and use of the accounts payable system is limited to a few large milestone payments.

Capital and expense allocations – With the implementation of WAM, effective in 2017, charges on Distribution capital blanket structures are now allocated to Construction Work in Progress, (“CWIP”), Retirement Work in Progress (“RWIP”), and Operating and Maintenance (“O&M”) expense via a pre-defined template split for each blanket. The capital and expense splits are based on historical averages of work done under these blankets and will be monitored and updated on an ongoing basis. Previously, charges were allocated based on the monthly Unit Estimate split for each blanket, which reflected the actual CWIP, RWIP and O&M expense splits of the work orders completed for the month.

Capital policy changes – Effective April 1, 2017:

1. The minimum dollar guideline for general plant was decreased from \$1,000 of materials charges to \$750 of materials charges.
2. The 75 horsepower threshold was removed from the motor policy. Instead, the motor must simply meet the minimum dollar guidelines to be capital.
3. Plant specialty doors were added as a capital property unit in the Building, Structure policy.

(e) FERC Related Items

There were no material changes.

(f) GAAP-Related Items

There were no material changes.

(g) Significant Unusual or Non-Recurring Income or Expense

There were no material changes.

(h) Other

There were no material changes.

(i) SPP and/or Xcel Energy OATT changes that relate to SPS

- Docket ER15-2594 – On September 1, 2015, South Central MCN filed for a transmission formula rate and transmission rate incentives. Several parties filed interventions in the proceeding. Xcel Energy Service, on behalf of SPS, included a protest with their intervention. On October 12, 2016, South Central MCN filed a joint settlement and on January 27, 2017 the Commission issued a letter order accepting the uncontested settlement.
- Docket ER16-1774 – On May 24, 2016, SPP, on behalf and at the request of SPP member WFEC, submitted revisions to its OATT to update WFEC's ATRR and to adopt a formula rate template and implementation protocols for transmission service using the transmission facilities of WFEC. On July 21, 2016, FERC issued an order accepting the tariff revisions and establishing hearing and settlement procedures. Several parties including XES filed interventions in the proceeding. On March 28, 2017, the SPP submitted an unopposed joint settlement as well as a joint motion for authorization to implement settlement rates on an interim basis and on March 30, 2017 the motion for interim rates was granted. The Commission has yet to act on the settlement.
- Docket ER16-1912 – On June 10, 2016, SPP submitted revisions to its OATT that address SPP's processes regarding out-of-merit energy. Several parties including XES filed motions to intervene in the proceeding. On July 28, 2016, FERC issued a deficiency letter requesting additional information from SPP. On September 6, 2016, SPP submitted their deficiency response. On November 4, 2016, the Commission issued an order accepting the revisions subject to condition and on November 9, 2016 SPP filed its compliance filing. On January 17, 2017, the SPP's revisions were accepted by letter order.
- Docket ER16-2734 – On September 30, 2016, SPP filed to notify the Commission of the implementation of the year-five reallocation of revenue requirements in accordance with the Balanced Portfolio process pursuant to Attachments J and O of the SPP OATT. On January 4, 2017, SPP's notice was accepted by delegated letter order.
- Docket ER17-107 – On October 14, 2016, SPP submitted a compliance filing to Order Nos. 827 and 828 with proposed revisions to the *pro forma* LGIA and SGIA language adopted in Order Nos. 827 and 828. On February 2, 2017, the Commission issued an order accepting in part and rejecting in part SPP's revisions. On February 28, 2017 SPP submitted a compliance filing as directed. On April 13, 2017, SPP's compliance filing was accepted by delegated letter order.
- Docket ER17-310 – On January 17, 2017, SPP submitted revisions to Attachment AE of SPP's OATT in compliance with an order issued by the Commission on January 4, 2017. Specifically, SPP revised sections of Attachment AE for ARR Allocation, TCR Offer and Bid Submittal, and Monthly TCR Offer and Bid Submittal as directed in the Commission's January 4, 2017 order. On March 13, 2017, the revisions were accepted by delegated letter order.
- Docket ER17-358 – On November 16, 2016, as amended and supplemented on January 5, 2017, SPP filed revisions to Attachments AE and AF of the SPP OATT to modify the procedures by which SPP models, commits, and settles combined cycle resources that elect to register a MCRs with the SPP IM. On February 3, 2017, the Commission issued an order accepting the revisions subject to condition and directed a compliance filing. On February 17, 2017 SPP submitted the compliance filing and on April 18, 2017 the revisions were accepted by delegated letter order.
- Docket ER17-366 – On November 16, 2016, as amended November 29, 2016, SPP filed revisions to Attachment AE of the SPP OATT requiring all new non-wind VERs to register as DVERs. SPP also proposed revisions to Attachment V to exempt all non-synchronous

- generation from implementing and operating power system stabilizers. On January, 27, 2017 the Commission issued an order accepting the revisions.
- Docket ER17-520 – On December 9, 2016, SPP filed revisions intended to add language to Attachment AE of the SPP OATT to specify that all resources that are dispatched to zero by SPP will be exempt from the real-time outage reliability unit commitment make whole payment deviation charge. On February 27, 2017, a delegated order accepting and suspending the filing, subject to refund and further Commission order was issued.
 - Docket ER17-524 – On December 12, 2016, SPP filed revisions to Attachment AD of the SPP OATT to revise and extend the Tariff Admin Agreement governing SPP's relationship with Southwestern Power Administration through March 31, 2017. On February 2, 2017, the revisions were accepted by delegated letter order.
 - Docket ER17-749 – On January 5, 2017, SPP filed revisions to Attachment AE of the SPP OATT to update the operating constraint violation relaxation limit. On March 3, 2017, the revisions were accepted by delegated letter order.
 - Docket ER17-772 – On January 11, 2017, SPP filed revisions to the SPP OATT to comply with Order No. 825. On February 23, 2017, SPP was issued a deficiency letter. On March 29, 2017 SPP submitted a deficiency response.
 - Docket ER17-835 – On January 23, 2017, SPP filed revisions to the SPP OATT to update Schedule 2, Reactive Supply and Voltage Control from Generation or Other Sources Service. On March 13, 2017, the revisions were accepted by delegated letter order.
 - Docket ER17-911 – On January 31, 2017, SPP filed revisions to Addendum 1 to Attachment AF of the SPP OATT to update the list of Frequently Constrained Areas. On March 24, 2017, the revisions were accepted by delegated letter order.
 - Docket ER17-973 – On February 15, 2017, SPP filed revisions to Attachment O of the SPP OATT to update Figure 2 of Section 1 of Attachment O to reflect the current ITP Near-Term process schedule. On April 5, 2017, the revisions were accepted for filing by delegated letter order.
 - Docket ER17-975 – On February 16, 2017, SPS filed a connection agreement among SPS, Golden Spread, and Rita Blanca Electric Coop. On April 6, 2017 the associated eTariff records were accepted by delegated letter order.
 - Docket ER17-976 – On February 16, 2017, SPP filed revisions to Attachment AQ of the SPP OATT to all non-material changes in delivery points to not go through the SPP Attachment AQ delivery point addition study process. On April 5, 2017 the revisions were accepted by delegated letter order.
 - Docket ER17-1015 – On February 23, 2017, SPS filed a notice of cancellation of a Construction and Ownership Agreement among SPS, Golden Spread, and Rita Blanca Electric Coop. On April 18, 2017 the notice was accepted by delegated letter order.
 - Docket ER17-1092 – On March 2, 2017, SPP filed revisions to Attachment AE of the SPP OATT to revise the methodology through which scarcity pricing reflects the value of Regulation and Operating Reserves in the SPP IM. Several interventions including one from XES and a protest by Golden Spread were filed. On May 10, 2017, a deficiency letter was issued to SPP.
 - Docket ER17-1098 – On March 3, 2017, SPP filed revisions to the SPP OATT to implement a Resource Adequacy Requirement (RAR) for the SPP footprint. Several interventions including some with comments and protests have been filed in the proceeding. On April 18, 2017 SPP filed an answer.
 - Docket ER17-1413 – On April 13, 2017, SPP filed revisions to the SPP OATT to modify the time of day at which unscheduled firm transmission is released for sale as hourly, non-firm service for the next day only. Comments were due May 4, 2017.
 - Docket ER17-1482 – On April 27, 2017, SPP filed revisions to Attachment AE of the SPP OATT to incorporate the term "Instantaneous Load Capacity." XES filed an intervention in the proceeding and Golden Spread has filed a protest.

- Docket ER17-1524 – On May 2, 2017, SPP filed revisions to Attachment AF of the SPP OATT to conform the language in Attachment AF to the MMUs practice of reviewing Market Participant submitted mitigated offers after the SPP market clears.
- Docket ER17-1528 – On May 8, 2017, SPP filed revisions to the SPP OATT to comply with Order No. 831's requirement that SPP implement a mechanism in the SPP IM to (1) cap each Resource's incremental energy offer at the higher of \$1,000/megawatt-hour or that Resource's verified cost-based incremental energy offer; and (2) cap verified cost-based incremental energy offers at \$2,000/MWh when calculating LMP prices. On May 18, 2017, SPP submitted amendments to the May 8 filing.
- Docket ER17-1575 – On May 9, 2017, SPP filed revisions to the SPP OATT to modify the current provisions governing the eligibility of customers taking NITS subject to redispatch (NITS-RD) to receive ARRs and/or LTCRs. The revisions are designed to address concerns identified by the Commission in its September 23, 2016 order in Docket No. EL16-110.
- Docket ER17-1610 – On May 15, 2017, SPP filed revisions to the SPP OATT to add an ATRR and to implement a formula rate template and formula protocols for transmission service using the facilities of Mountrail-Williams Electric Cooperative.
- Docket ER17-1643 – On May 19, 2017, SPP filed revisions to Attachment of the SPP OATT to modify the offer database roll forward logic by removing a process whereby Market Participants making an intraday change another to change subsequent real-time submissions back to the original, pre-intraday change value.
- Docket ER17-1694 – On May 26, 2017 SPP filed: (1) an executed Service Agreement for Network Integration Transmission Service between SPP as Transmission Provider and SPS as Network Customer ("Tenth Revised SPS Service Agreement"); and (2) an executed Network Operating Agreement ("NOA") between SPP as Transmission Provider and SPS as both Network Customer and Host Transmission Owner ("Tenth Revised SPS NOA").
- Docket ER17-1733 – On June 6, 2017, Southwest Power Pool, Inc. submits tariff filing per 35.13(a)(2)(iii): Attachment AE Revisions Regarding JOUs Registered Under Combined Resource Option to be effective 8/1/2017.
- Docket ER17-1795 - On June 9, 2017, Southwest Power Pool, Inc. submits tariff filing per 35.13(a)(2)(iii): Modifications of Conditions to Classify a Service Upgrade as a Base Plan Upgrade to be effective 8/8/2017.
- Docket ER17-1936 – On June 28, 2017, Southwest Power Pool, Inc. submits tariff filing per 35.13(a)(2)(iii): Credit Policy Revisions to Increase Unsecured Credit Allowance Maximum to be effective 8/27/2017.
- Docket ER17-2027 – On June 30, 2017, Southwest Power Pool, Inc. submits tariff filing per 35.13(a)(2)(iii): Integrated Transmission Planning Process Tariff Revisions to be effective 10/1/2017.
- Docket ER17-2107 – On July 19, 2017, Southwestern Public Service Company submits tariff filing per 35.13(a)(2)(iii): SPS-GSEC-SPEC-IA-T-L-Milwaukee-684-0.0.0 to be effective 9/18/2017.
- Docket ER17-2174 – On July 28, Southwest Power Pool, Inc. submits tariff filing per 35.13(a)(2)(iii): 1139R5 Southwestern Public Service Company NITSA NOA to be effective 7/1/2017.
- Docket ER17-2180 – On July 28, 2018, Southwest Power Pool, Inc. submits tariff filing per 35.13(a)(2)(iii): Attachment AE Revisions Regarding Staggered Start Resources to be effective 10/1/2017.
- Docket ER17-2229 – On August 2, 2017, Southwest Power Pool, Inc. submits tariff filing per 35.13(a)(2)(iii): Tariff Revisions to Change Frequency of Regional Cost Allocation Review to be effective 10/1/2017.
- Docket ER17-2256 – On August 7, 2017, Southwest Power Pool, Inc. submits tariff filing per 35.13(a)(2)(iii): Cost Allocation for Brookline and Morgan Transmission Projects (Part 1 of 2) to be effective 10/6/2017.

- Docket ER17-2257 – On August 7, 2017, Southwest Power Pool, Inc. submits tariff filing per 35.13(a)(2)(iii): Cost Allocation for Brookline and Morgan Transmission Projects (Part 2 of 2) to be effective 10/6/2017.
- Docket ER17-2280 – On August 10, 2017, Southwestern Public Service Company submits tariff filing per 35.13(a)(2)(iii): SPS-GSEC-RBEC-CA-Wolves-668-0.0.0 to be effective 10/8/2017.
- Docket ER17-2312 – On August 15, 2017, Southwest Power Pool, Inc. submits tariff filing per 35.13(a)(2)(iii): Tariff Revisions to Remove Day-Ahead Limited Must Offer Requirement to be effective 10/16/2017.
- Docket EL17-86 – On August 31, 2017, Nebraska Public Power District filed a complaint against SPP regarding Attachment Z2 charges.
- Docket ER17-2447 – On September 7, 2017, Public Service Company of Colorado submits tariff filing per 35.13(a)(2)(iii): OATT Att O-PSCo AGIS Update to be effective 1/1/2017.
- Docket ER17-2455 – On September 11, 2017, Southwestern Public Service Company submits tariff filing per 35.13(a)(2)(iii): SPS-WILD-E&P Agrmt-697-0.0.0 to be effective 9/12/2017.
- Docket EL17-89 – On September 15, 2017, Formal Complaint of American Electric Power Service Corporation on behalf of Southwestern Electric Power Company under EL17-89.
- Docket ER17-2523 – On September 20, 2017, Southwest Power Pool, Inc. submits tariff filing per 35.13(a)(2)(iii): Revisions to Attachment Y to Add A Competitive Project Minimum Threshold to be effective 11/19/2017.

(j) Classification or Reclassification of Facilities from Transmission to Radial or from Radial to Transmission

In the Revised 2016 True-Up, SPS uses the Radial Line Study (10-2017---SPS RLS for 2016 True-UpRv1) populated with end of year 2016 plant balances.

There are some changes to the classifications of radials shown as invalid but should have been directly assigned to wholesale customers from what was originally provided. These changes affected:

Central Valley Electric Cooperative – Lakewood Substation
Lyntegar Electric Cooperative- Plains Tap Substation, Levelland, and Clauene
Rita Blanca Electric Cooperative - Sneed Substation
South Plains Electric Cooperative – Quaker Sub, Woodrow Sub
Lubbock Power and Light Doud Substation
Deaf Smith Electric Cooperative Sub #20

There were also changes made to SPS retail assignments where they were marked as invalid and changed to direct assigned.

These changes to classifications are noted in the Radial Line Study and impact Worksheets O and M of the True-Up template. In addition, revisions were made to the Radial Line Study to update certain components such as circuit numbers, mileages, asset locations, and “to and from” descriptions.

In the 2018 Estimate, SPS uses the Radial Line Study populated with end of year 2016 plant balances updated to account for system modifications from 1/1/2017 through 9/30/2017. The file name is 10-2017---SPS RLS for 2018 Projection.

There were no changes to the classifications of radials directly assigned to wholesale customers nor any new wholesale radials added.

There were 4 additions made to SPS retail assignments due to new construction

These changes to classifications are noted in the Radial Line Study and impact Worksheets O and M of the True-Up template. In addition, revisions were made to the Radial Line Study to update certain components such as circuit numbers, mileages, asset locations, and “to and from” descriptions