

Southwestern Public Service Company

Attachment O - Transmission Formula Rate 2018 Projection

Golden Spread Information Request No. 1

November 3, 2017

GSEC 1-1. In reference to page 3 of the Power Point Presentation that was made during the Customer Meeting on October 13, 2017, please provide a workpaper showing the adjustments that were made for the transmission O&M reduction for the distribution expense that was incorrectly booked to transmission accounts. Please identify the FERC Accounts that were affected and provide the amount of the adjustments.

Response:

Please refer to Attachment SPS-GSEC 1-1, specifically the tab labeled “WsG 2018 Proj.” for the adjustments made to reduce transmission O&M expense in WsG of Attachment O – Transmission Formula Rate 2018 Projection.

The Attachment O – Transmission Formula Rate 2016 True-up included in the informational filing to be posted December 1, 2017 will have an updated version of the adjustment to O&M that distinguishes between labor and non-labor. This was the adjustment mentioned in the customer meeting. Please refer to Attachment SPS-GSEC 1-1, specifically the tab labeled “WsG 2016 Act.” for the adjustments made to reduce transmission O&M expense and labor in WsG of Attachment O – Transmission Formula Rate 2016 True-up.

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The following questions pertain to the spreadsheet file “10-2017---Attachment O-SPS 2018 Rate Projected”:

GSEC 1-2. In reference to line 3 on the tab labeled “Rate”, please provide the supporting calculation of the Interest on Prior Year True-up Adjustment.

Response:

The Interest on Prior Year True-Up Adjustment is calculated in the 2016 True-up. Please refer to the spreadsheet file “10-2017---Attachment O-SPS 2016 SPS Tran Formula Rate True-up on the tab labeled “WsA True-up,” specifically lines 46-50 for the supporting calculation of the Interest on Prior Year True-up Adjustment.

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GSEC 1-3. In reference to line 23 on the tab labeled “WsD.1-13MoAvgRateBase”, Intangible Plant in Service, please explain and provide supporting documentation for the approximately \$11.4 million projected increase in the balance for Intangible Plant during 2018.

Response:

Please refer to Attachment SPS-GSEC 1-3 which is a subset of intangible plant additions originally included Variance Analysis provided for the customer meeting (Closings tab). The \$11.4 million is reflective of a 13 month average variance between the two projections, i.e., the 2017 projected 13 month average intangible plant in service vs 2018 projected 13 month average intangible plant in service. Attachment SPS-GSEC 1-3 shows \$14.7 million of intangible plant additions expected from January 1, 2018 through December 31, 2018. Again, the \$11.4 million in the projection is less than the \$14.7 million of additions because the \$11.4 million is a 13 month average.

2016 Distribution IO's with Transmission FERC's

SPS

FERC Booked-Transmission	Correct FERC-Distribution	Amount
562	588	15,849.99
566	588	10,668.88
566	592	72,002.59
570	582	274,695.80
570	588	106,112.45
570	592	437,437.84
		<u>\$ 916,767.55</u>

Summary of Internal Order Errors - 2016

Error Classification	Booked		Correct Co per IO		Correct FERC	Correct Utility	2016 Labor Amount		2016 Non-Labor Amt		Initial Assumption		Corrected Assumption	
	Company	Desc	Desc	FERC			FERC	Utility	2016 Labor Amount	2016 Non-Labor Amt	Initial Assumption	Corrected Assumption		
Distrib IO with Trm FERC	13	13	13	5620	588	588	10,208.11	5,641.88	Transmission	Non-Transmission				
Distrib IO with Trm FERC	13	13	13	5660	588	588	8,257.45	2,411.43	Transmission	Non-Transmission				
Distrib IO with Trm FERC	13	13	13	5660	592	592	50,326.71	21,675.88	Transmission	Non-Transmission				
Distrib IO with Trm FERC	13	13	13	5700	582	582	216,697.14	57,998.66	Transmission	Non-Transmission				
Distrib IO with Trm FERC	13	13	13	5700	588	588	82,466.20	23,646.25	Transmission	Non-Transmission				
Distrib IO with Trm FERC	13	13	13	5700	592	592	276,189.42	161,248.42	Transmission	Non-Transmission				

Line No.	Parent	Project Nbr Desc	Year	Total
1	D.0001726.058	Work and Asset Phase 1 SW SPS	2018	1,538,563
2	D.0001804.088	BS-Fcst-BD-SW-EL-S	2018	1,475,314
3	D.0001804.358	CIP Substation Ph2 SW SPS -10659	2018	1,401,159
4	D.0001807.004	Security Tech Refresh SW SPS	2018	1,383,996
5	D.0001826.191	Demand Response Manage SW SPS	2018	818,073
6	D.0001839.391	Sharepoint 2013 Ph2 SW SPS	2018	728,016
7	D.0001804.151	Interval Complex Billing SW SP	2018	645,792
8	D.0001804.296	eSOM SW SPS-10641	2018	594,198
9	D.0001738.014	GeoSpatial Integration SW SPS-10653	2018	586,420
10	D.0002033.004	Commodity Management System SW SPS	2018	576,839
11	D.0002062.004	Mainframe Modernization SW SPS	2018	439,453
12	D.0001826.205	Diagnostic Center Ph4 SW SPS	2018	438,271
13	D.0001744.019	IrthNet Damage Prevent SW SPS	2018	384,433
14	D.0002067.004	OSI PI Enterprise Agreement SW SPS	2018	377,654
15	D.0001839.628	ESB Environment SW SPS-10646	2018	371,553
16	D.0002003.010	2018 Oracle SW SPS	2018	368,610
17	D.0002043.004	Enterprise Learning Upgrade SW SPS	2018	354,429
18	D.0001792.152	XE.COM Optimization Ph2 SW SPS-1066	2018	291,506
19	D.0002004.004	SAP Data Mart SW SPS-10675	2018	271,225
20	D.0001792.034	NMS IX Upgrade SW SPS	2018	253,488
21	D.0001826.064	Mobile Application Customer SW	2018	205,294
22	D.0002034.004	CRS-TCPA Do Not Call Compliance SW	2018	151,266
23	D.0002049.004	Fleet Mgmt Information System Ph2 S	2018	150,394
24	D.0001839.335	Radio Microwave Planned SW SPS	2018	148,828
25	D.0001839.238	NOC Integration SW SPS	2018	130,000
26	D.0001839.210	SCCM Upgrade SW SPS	2018	110,000
27	D.0001826.023	Real Property Asset Mgmt Ph3 S	2018	96,167
28	D.0001839.297	Active Directory 2016 SW SPS	2018	81,975
29	D.0001804.344	Synchrophasor SW SPS-10655	2018	76,420
30	D.0002066.004	Bus Obj Ref SW SPS	2018	56,733
31	D.0001826.060	XpressNet Xcel Energy SW SPS	2018	47,289
32	D.0001826.072	Customer Care Start Stop SW SP	2018	43,397
33	D.0001770.014	Secure File&Transfer Ph 2 SW SPS-10	2018	36,877
34	D.0001747.008	Data Loss Ph2 SW SPS	2018	22,549
	Grand Total			14,656,181