

September 11, 2018

VIA ELECTRONIC FILING

The Honorable Kimberly D. Bose, Secretary  
Federal Energy Regulatory Commission  
888 First Street, N.E.  
Washington, DC 20426

**Re: *Public Service Company of Colorado***  
***Southwestern Public Service Company***  
**Docket No. ER18-\_\_\_-000**  
**O&M Rate for Southwestern Public Service Company Generation Interconnection Facilities**

Dear Secretary Bose:

Pursuant to section 205 of the Federal Power Act, 16 U.S.C. § 824d, and part 35 of the Federal Energy Regulatory Commission’s (“FERC” or “Commission”) regulations, 18 C.F.R. § 35.13 (2016), Public Service Company of Colorado (“PSCo”),<sup>1</sup> on behalf of Southwestern Public Service Company (“SPS”), submits revised tariff records to the Xcel Energy Operating Companies FERC Electric Tariff, Third Revised Volume No. 1 (“Xcel Energy Tariff” or “Tariff”) to clearly identify the calculation and recovery of operation and maintenance (“O&M”) expenses charged to generators interconnected to the SPS transmission system.

The O&M charges are associated with Transmission Owner Interconnection Facilities (“TOIF”) installed by SPS pursuant to three party Generator Interconnection Agreements (“GIAs”) pursuant to the Southwest Power Pool, Inc. (“SPP”) Open Access Transmission Tariff (“Tariff”).<sup>2</sup> The proposed tariff changes are consistent with Section 10.5 of the *pro forma* GIA in the SPP Tariff, and are modeled after the O&M charge established by PSCo in 2016 and accepted for filing in Docket No. ER17-208-000.<sup>3</sup>

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<sup>1</sup> PSCo is the designated e-Tariff filing entity for the Xcel Energy Tariff, consistent with the requirements of Order No. 714.

<sup>2</sup> Attachment V – Generator Interconnection Procedures Appendix 6 – Generator Interconnection Agreement of the SPP Open Access Transmission Tariff, posted on SPP’s web site at: <https://www.spp.org/etariff/>.

<sup>3</sup> *Public Service Company of Colorado*, Docket No. ER17-208-000, delegated letter order (Dec. 28, 2016). The tariff revisions filed in Docket No. ER17-208-000 were applicable only to the PSCo system.

The affected tariff records are: (i) a new Schedule 18B, Annual Interconnection Customer O&M Charge, and (ii) modifications to existing tables in Attachment O-Southwestern Public Service Company Formulaic Rates (“Attachment O-SPS”), the SPS transmission Formula Rate Template. In addition, an updated Table of Contents to the Tariff is proposed.<sup>4</sup> Schedule 18B provides that generation Interconnection Customers who have executed a GIA with SPP and SPS, including SPS-owned generators, will be charged O&M costs for the Transmission Owner Interconnection Facilities owned by SPS, based on the formula described in Attachment 18. The modifications to Attachment O-SPS ensure that O&M revenues received from Interconnection Customers will be credited back to transmission service customers through the Attachment O-SPS formula.<sup>5</sup> The changes will result in a more precise allocation of transmission O&M costs incurred by SPS between Interconnection Customers and Network and Point-to-Point transmission service customers, mitigate any perceived subsidization of Interconnection Customers’ O&M costs by transmission service customers, and provide for consistent treatment between Interconnection Customers on the SPS and PSCo systems.<sup>6</sup>

SPS respectfully requests an effective date of January 1, 2019, more than sixty (60) days after this filing, for the modifications proposed. This effective date will allow SPS to begin charging this rate to interconnection customers on a prospective basis starting in 2019. SPS estimates the proposed tariff revisions would result in approximately \$45,000 in annual Schedule 18 O&M revenue. Assuming Commission approval of the proposed tariff revisions, the actual Schedule 18 revenues collected in 2019 would be reflected in the 2019 SPS transmission formula rate true-up, calculated in June 2020, and incorporated into the transmission formula rates in January 2021. In addition, estimated 2019 Schedule 18 revenues will be used in October of 2019 to project SPS’s estimated Annual Transmission Revenue Requirement (“ATRR”) and transmission rates for the 2020 Rate Year.

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<sup>4</sup> To reflect the addition of Schedule 18B, Schedule 18A – the PSCo O&M rate – had been renamed as Schedule 18A. This change is reflected in the revised Table of Contents.

<sup>5</sup> The proposed tariff revisions would not apply to pre-Order No. 2003 generation interconnection agreements.

<sup>6</sup> On June 1, 2018, the Midcontinent Independent System Operator, Inc. (“MISO”) and certain MISO member Transmission Owners filed revisions to the MISO Open Access Transmission, Energy and Operating Reserve Markets Tariff (“MISO Tariff”) to establish a similar O&M charge applicable to GIAs subject to the MISO Tariff. *See* New Schedule for Cost Recovery of Operating and Maintenance Expenses Associated with Transmission Owner’s Interconnection Facilities of Midcontinent Independent System Operator, Inc. and the MISO Transmission Owners, Docket No. ER18-1731-000 (June 1, 2018). The MISO Tariff changes would establish an O&M rate for the Transmission Owner Interconnection Facilities associated with generators interconnected to the transmission systems of, *inter alia*, Northern States Power Company, a Minnesota corporation, and Northern States Power Company, a Wisconsin corporation, operating company affiliates of SPS and PSCo. The MISO Tariff revisions are pending Commission action.

## **I. BACKGROUND**

### **A. The Filing Parties**

SPS is a vertically integrated electric utility that, inter alia, provides generation, transmission, and distribution services in Texas and New Mexico, and owns transmission in portions of Kansas and Oklahoma. SPS has been a transmission-owning member of the Southwest Power Pool, Inc. (“SPP”) since 1973, a FERC-approved Regional Transmission Organization (“RTO”). Transmission service over the SPS transmission system has been available under the SPP Open Access Transmission Tariff (“SPP OATT”) since June 2000.

Xcel Energy Services Inc. (“XES”) is the service company subsidiary of Xcel Energy and, as such, performs an array of administrative and general services on behalf of the Xcel Energy Operating Companies. Among other things, XES submits filings with and appears in proceedings before the Commission on behalf of SPS.<sup>7</sup>

### **B. SPS Three Party GIAs under the SPP Tariff**

Under the SPP Tariff, SPP is the Transmission Provider, and SPP administers the development, execution and administration of GIAs executed under the SPP Tariff. SPS is a Transmission Owner pursuant to multiple three-party GIAs executed with both non-affiliate Interconnection Customers and the SPS Energy Supply (generation) function. To date, SPS has identified approximately thirty five (35) *pro forma* or non-conforming GIAs which have been executed by SPS as Transmission Owner and filed with the Commission.

### **C. Pro Forma Tariff Responsibility for Interconnection Facility O&M Costs**

Consistent with the *pro forma* agreement established by the Commission, the GIA in the SPP Tariff (set forth in Attachment V, Appendix 6 to the SPP Tariff) contains language that places the O&M cost responsibility for interconnection facilities with the Interconnection Customer.<sup>8</sup> Specifically, the GIA generally state that the Interconnection Customer is responsible for all reasonable expenses, including overheads, for operating, maintaining and repairing the Transmission Owner’s interconnection facilities.<sup>9</sup> Specifically, Section 10.5 of the GIA in the SPP Tariff states:

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<sup>7</sup> The Xcel Energy Tariff was filed via eTariff in *Public Service Company of Colorado*, Docket No. ER10-2070-000, and accepted by the Commission on September 24, 2010. *See Pub. Svc. Co. of Colo.*, Docket No. ER10-2070, delegated letter order (Sept. 24, 2010). The Xcel Energy Tariff was “rebaselined” in the Commission’s eTariff system effective April 16, 2016, in order to implement a new eTariff software system. The rebaselined Xcel Energy Tariff was accepted for filing in Docket No. ER16-1422-000. *Public Service Company of Colorado*, delegated letter order (Aug. 16, 2016).

<sup>8</sup> The proposed tariff revisions would not apply to pre-Order No. 2003 generation interconnection agreements.

<sup>9</sup> The Interconnection Customer is also responsible for O&M associated with their own interconnection facilities (“Interconnection Customer Interconnection Facilities” (“ICIF”) under the *pro forma* LGIA). SPS generally does not operate, maintain, repair or replace third party Interconnection Customer’s

**10.5 Operating and Maintenance Expenses.** Subject to the provisions herein addressing the use of facilities by others, and except for operations and maintenance expenses associated with modifications made for providing interconnection or transmission service to a third party and such third party pays for such expenses, Interconnection Customer shall be responsible for all reasonable expenses including overheads, associated with: (1) owning, operating, maintaining, repairing, and replacing Interconnection Customer's Interconnection Facilities; and (2) operation, maintenance, repair and replacement of Transmission Owner's Interconnection Facilities.

The *pro forma* Tariff does not, however, establish the specific mechanism by which an Interconnection Customer is to reimburse the Transmission Owner for all such reasonable O&M expenses.

#### **D. The 2015 PSCo Final Audit Report**

As noted, both SPS and PSCo provide services and/or have established rates subject to the Xcel Energy Tariff. The Division of Audits in the Commission's Office of Enforcement commenced an audit of PSCo's compliance with the Xcel Energy Tariff on February 28, 2013.<sup>10</sup> The Final Audit Report was issued in July 2015. The Final Audit Report stated, *inter alia*, that Commission "audit staff determined that PSCo was not directly charging [O&M] costs to interconnection customers with agreements signed after Order 2003, as required."<sup>11</sup> The Final Audit Report stated "[i]t is clear from PSCo's OATT that the generator is responsible to pay for costs associated with owning, operating, maintaining, repairing, and replacing interconnection facilities." The Final Audit Report found that PSCo had billed costs associated with owning, operating, maintaining, repairing, and replacing interconnection facilities to its transmission customers through its formula rate mechanism instead of directly charging specific interconnection customers during the audit period,<sup>12</sup> and states that "PSCo should refrain from billing wholesale transmission customers for costs that should be directly assigned to generator interconnection facilities."<sup>13</sup>

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interconnection facilities, and such services (if applicable) would be determined and described in a separate contract filed with the Commission.

<sup>10</sup> *Final Audit Report, Audit of Public Service Company of Colorado's Compliance with the Xcel Joint Open Access Transmission Tariff, including its Formula Rate Mechanism and Financial Accounting and Reporting Requirements*, Docket No. PA13-14-000, July 21, 2015 ("Final Audit Report").

<sup>11</sup> *Final Audit Report*, See section IV.A.8.

<sup>12</sup> *Final Audit Report*, See finding 18.

<sup>13</sup> *Final Audit Report* at Page 41.

PSCo then began to work to develop revisions to the Xcel Energy Tariff to establish a mechanism to bill O&M costs to generation interconnection customers. Schedule 18 to the Tariff was filed in Docket No. ER17-208-000, and accepted for filing effective January 1, 2017. Schedule 18 established a formula mechanism whereby PSCo calculates an O&M charge based on prior period actual O&M costs and transmission plant, and then assesses the Schedule 18 charge to current Interconnection Customers based on the cost of the interconnection facilities owned by PSCo and serving that Interconnection Customer, including the PSCo Energy Supply function. For example, the initial Schedule 18 rate effective January 1, 2017, reflected 2015 actual costs.

### **E. The Attachment O-SPS Transmission Formula Rate Template**

SPS calculates its ATRR pursuant to the formulae set forth in Attachment O-SPS to the Xcel Energy Tariff. These annual transmission revenue requirements are then used to calculate SPS's rates for Firm and Non-Firm Point-to-Point Transmission Service provided under Schedules 7 and 8, and Network Integration Transmission Service provided under Schedule 9 of the SPP Tariff. SPS employs a forward-looking Attachment O, whereby the transmission revenue requirement is projected under the applicable formula rate each year. The SPS ATRR projections are then subject to an annual true-up based on actual costs when actual data becomes available. SPS calculates the true-up by June of the year following the estimated Rate Year, and the true-up is applied to customer bills by the end of the year following the estimated Rate Year. In addition to postings on OASIS, customer meetings and discovery processes under the Formula Rate Implementation Procedures ("Protocols") to Attachment O-SPS, SPS submits an annual informational filing with the Commission with the estimated rates for the upcoming rate year.

## **II. DESCRIPTION AND JUSTIFICATION OF PROPOSED TARIFF REVISIONS**

SPS believes the proposed revisions to add Schedule 18B to the Xcel Energy Tariff are consistent with the recommendation in the PSCo Final Audit Report to begin charging Interconnection Customers for O&M costs so Interconnection Customers subject to GIAs are responsible for the costs of SPS owning, operating, maintaining, repairing and replacing Transmission Owner Interconnection Facilities.<sup>14</sup> The revisions to Attachment O-SPS will credit the O&M revenues in the transmission formula. The revisions will also provide consistency for Interconnection Customers on the SPS and PSCo transmission systems. The proposed changes identify a transparent rate to be charged to Interconnection Customers for the operation, maintenance, and repair of the Transmission Owner's Interconnection Facilities as defined in their SPP GIA and to mitigate any perceived subsidization by providing a transparent mechanism to ensure those costs are not charged to wholesale transmission service customers.

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<sup>14</sup> As part of SPS's normal process, SPS directly charges the Interconnection Customer the capital cost associated with replacing interconnection facilities if and when such a need occurs. Therefore the proposed rate described herein captures expenses associated with operating, maintaining, and repairing interconnection facilities and includes overheads, but excludes replacement costs, which would be directly billed consistent with the *pro forma* SPP Section 10.5 GIA provisions noted.

**A. Schedule 18B – Annual Interconnection Customer O&M Charge**

Under Section 10.5 of the *pro forma* SPP GIA, the interconnection customer is responsible for all reasonable expenses, including overheads, for operating, maintaining, repairing, and replacing the Transmission Owner's Interconnection Facilities. In this filing, SPS is proposing to add Schedule 18B, which describes a formula to calculate a rate to charge each Interconnection Customer in SPS for these O&M costs using standard ratemaking and cost allocation principles. SPS proposes to use the total transmission O&M expense identified in SPS's transmission formula ATRR calculation as the numerator of the rate, and the total gross plant from the transmission formula as the denominator. The resulting O&M cost factor is then multiplied by the gross plant associated with the Transmission Owner's Interconnection Facilities serving each Interconnection Customer to develop the annual charge to each Interconnection Customer subject to a GIA. For SPS, the Transmission Owner Interconnection Facilities are those facilities identified in the individual SPP GIA as Transmission Owner's Interconnection Facilities.<sup>15</sup>

Therefore, the Annual Interconnection Customer O&M Charge equals:

[Annual Interconnection O&M Rate] x [Gross Plant of the  
Transmission Owner Interconnection Facilities Serving the  
Interconnection Customer]

Where the Annual Interconnection O&M Rate is:

Total Annual Transmission O&M Expense/Total Annual Gross  
Transmission Plant

The "Gross Plant of the Transmission Owner Interconnection Facilities serving Interconnection Customer" is the actual cost of the installed facilities, before any contribution in aid of construction. The rate is developed using the SPS system transmission gross plant, so multiplying the average O&M rate per dollar of gross plant by the gross plant of the Transmission Owner's Interconnection Facilities is consistent.

For illustrative purposes, assume SPS's Total Annual Transmission O&M Expense is \$50 million, and its total Annual Gross Transmission Plant is \$2 billion. This would result in an O&M Rate of 2.5 percent, or \$2.5 per \$100 of gross plant. Assume the gross plant for the Transmission Owner Interconnection Facilities for an individual Interconnection Customer specified in the customer's GIA is \$100,000. The Annual Interconnection O&M charge would be  $0.025 \times \$100,000$ , or \$2,500.

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<sup>15</sup> As noted, the proposed revisions would not apply to the Interconnection Customer's Interconnection Facilities owned, operated and maintained by the Interconnection Customer.

Rather than estimate the O&M costs, SPS proposes using the prior year's actual annual transmission O&M expenses and actual annual gross transmission plant to develop the current year O&M rate. For example, the Schedule 18B O&M rate for 2019 will be calculated using 2017 actual SPS O&M expenses and gross plant. SPS's Total Annual O&M Expense is found in Attachment O-SPS, Table 9, Line 247, Column 5; and SPS's Total Annual Gross Plant is found in Attachment O-SPS, Table 8, Line 188, Column 5. For 2017, SPS's actual Total O&M Expense (Table 9 column 5, Line 247) was \$31,659,852, and SPS's Total Gross Plant (Table 8, Column 5, Line 188) was \$2,511,476,712. Therefore, if Schedule 18B were approved, the 2019 O&M Rate calculated using 2017 data would be  $\$31,659,852/\$2,511,476,712 = 0.013$ .

This O&M factor would then be applied to the gross plant of the Transmission Owner Interconnection Facilities for each Interconnection Customer. The Interconnection Customers will receive an invoice for 2019 O&M in January 2019.<sup>16</sup> The use of historic cost information for Schedule 18B and the proposed billing procedure are identical to the PSCo formula for calculating its O&M rate under Schedule 18 (now Schedule 18A) to the Xcel Energy Tariff, which is also calculated using historic information even though the Attachment O-PSCo transmission formula rate uses estimated information subject to true-up. The rate is also similar to the costs charged to SPS's transmission customers for operating, maintaining and repairing similar network and other facilities because SPS uses the same O&M costs to determine the Network and Point-To-Point transmission service rates.

This rate will be transparent to the Interconnection Customers because the actual costs are publicly posted on the Open Access Transmission Tariff link at the Xcel Energy Transmission web site ([www.transmission.xcelenergy.com](http://www.transmission.xcelenergy.com)) and the SPS OASIS, are sent electronically to each affected customer, and discussed with interested stakeholders as part of the formula rate annual true-up procedure.<sup>17</sup> SPS's Attachment O-SPS Protocols describe the Annual True-Up process.<sup>18</sup> As part of the Annual True-Up process, no later than June 1, SPS posts on its website and OASIS, actual costs as reflected in its FERC Form No. 1 and its books and records, including updated Total Annual O&M and Total Annual Gross Plant. By June 30, SPS holds an open Annual True-Up Customer Meeting to explain the annual true-up. SPS would calculate an updated O&M rate each June, when the prior Rate Year true-up is calculated, and notify affected customers as part of the customer notification process pursuant to the Protocols.

## **B. Crediting Interconnection O&M Revenues to Transmission Rates**

As noted, the PSCo Final Audit Report stated that "PSCo should refrain from billing wholesale transmission customers for costs that should be directly assigned to generator interconnection facilities."<sup>19</sup> Similar to the changes to Attachment O-PSCo accepted in Docket

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<sup>16</sup> Schedule 18 provides for a single annual bill rather than monthly billing.

<sup>17</sup> Interconnection Customers may participate in the true-up process as interested stakeholders.

<sup>18</sup> PSCo's Formula Rate Implementation Procedures are Appendix 1 of Attachment O-PSCo of the Xcel Energy Tariff.

<sup>19</sup> *Final Audit Report* at Page 41.

No. ER17-208-000, SPS provides a mechanism to remove the O&M expenses recovered through Schedule 18B from the SPS ATRR and wholesale transmission rates.

Specifically, SPS proposes to revise Tables 16 and 17 of Attachment O-SPS to include a revenue credit for O&M revenues collected from the Interconnection Customers. This mechanism ensures that wholesale transmission customers are not billed for the costs now directly assigned to interconnection customers because the revenue credit is reflected in both the projected rates and true-up process. To facilitate this crediting process, SPS proposes to add references to account 456 “Other electric revenues” to Tables 4 and 5 and book the Schedule 18B O&M revenues collected from Interconnection Customers as “compensation for minor or incidental services provided for others such as customer billing, engineering, etc.”<sup>20</sup> Using this account allows a direct tie to the SPS FERC Form 1 report. The proposed changes to Attachment O-SPS also allow for an adjustment that subtracts from the total 456 account balance other electric revenues that are not associated with transmission expense and that are not appropriate to be credited back to transmission customers.

SPS will forecast the expected collections from the Annual Interconnection Customer O&M Charge in projected rates starting with projected rates for the 2019 rate year. SPS will also use actual revenues associated with the Schedule 18B Annual Interconnection Customer O&M Charge in the true-up process, starting with the true-up of 2019 rates, to be calculated in June 2020 and reflected (with interest) in the calculation of 2021 estimated rates.

### **C. Companion Revisions to SPP Tariff**

Upon Commission acceptance of the proposed revisions to Attachment O-SPS, XES and SPS will work with SPP to submit a companion filing to modify the SPP Tariff to reflect the revisions to Attachment O-SPS to the Xcel Energy Tariff in Attachment H to the SPP Tariff, effective January 1, 2019.

## **III. INFORMATION RELATING TO THE EFFECT OF THE RATE CHANGE**

SPS expects the total annual revenues associated with the O&M charge to be small, in the range of \$45,000 per year, compared to SPS’s total 2018 zonal ATRR of about \$111 million. SPS will impose the O&M charge both on non-affiliated generators and SPS-owned generating facilities where a SPP GIA has been executed and Transmission Owner Interconnection Facilities were installed, so all interconnection customers subject to a GIA *pro forma* interconnection agreement will be treated in a non-discriminatory manner.<sup>21</sup>

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<sup>20</sup> 18 CFR Part 101.

<sup>21</sup> The SPS Transmission Function will not invoice the SPS Energy Supply (generation) function, but will instead use interdepartmental accounting processes (work order numbers) to assign the costs to SPS Energy Supply, similar to the process used for interconnection study fees.



SPS issued a letter to all affected Interconnection Customers on August 2, 2018, notifying them of the planned filing to establish the Schedule 18B O&M rate. See Exhibit III.

#### **IV. WAIVER REQUESTS**

SPS respectfully requests waiver of the requirements of 18 C.F.R. § 35.13 to the extent the rules would require the submission of cost of service statements in support of the enclosed revisions to the Tariff. The rate is developed using the actual cost to provide the service and will be populated from FERC Form No. 1 data. SPS also respectfully requests that the Commission waive any requirement, including any other requirement of 18 C.F.R. § 35.13 that may be necessary to allow the proposed tariff changes to be accepted as proposed without modification or condition. Furthermore, granting a waiver under the circumstances would be consistent with Commission precedent as the rates at issue are formula rates based on actual costs.<sup>22</sup>

#### **V. ADDITIONAL INFORMATION SUBMITTED IN SUPPORT OF FILING<sup>23</sup>**

##### **A. Information Required by Section 35.13 of the Commission's Regulations, 18 C.F.R. § 35.13**

##### **1. Contents of Filing – Section 35.13(b)(1)**

In addition to this transmittal letter, this filing includes the following:

- Exhibit I – the revised Xcel Energy Tariff Table of Contents, the proposed Schedule 18B – Annual Interconnection Customer O&M Charge for SPS, and the revised portions of Attachment O-Southwestern Public Service Company Formulaic Rates in clean eTariff format;
- Exhibit II – the revised Xcel Energy Tariff Table of Contents, the proposed Schedule 18B – Annual Interconnection Customer O&M Charge for SPS, and the revised portions of Attachment O-Southwestern Public Service Company Formulaic Rates in marked format;
- Exhibit III – a copy of the form of notice letter sent to all Interconnection Customers notifying them of SPS's intent to submit this filing.

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<sup>22</sup> See, e.g., *Public Service Electric & Gas Co.*, 124 FERC ¶ 61,303 (2008); *Am. Elec. Power Serv. Corp.*, 120 FERC ¶ 61,205 (2007). See also *Pioneer Trans., LLC*, 126 FERC ¶ 61,281, at PP 125-126, *reh'g denied*, 130 FERC ¶ 61,044 (2009); *Commonwealth Edison Co. and Commonwealth Edison Co. of Indiana, Inc.*, 119 FERC ¶ 61,238, at P 94 (2007); *Trans-Allegheny Interstate Line Co.*, 119 FERC ¶ 61,219, at P 57, *reh'g denied*, 121 FERC ¶ 61,009 (2007); *Duquesne Light Co.*, 118 FERC ¶ 61,087, at P 79 (2007); *Allegheny Power Sys. Operating Cos.*, 111 FERC ¶ 61,308, at PP 55- 56 (2005), *order on reh'g*, 115 FERC ¶ 61,156 (2006).

<sup>23</sup> XES requests waiver of any other requirements of 18 C.F.R. § 35.13 as necessary to allow an effective date of January 1, 2019.

**2. Requested Effective Date – Section 35.13(b)(2)**

As described above, SPS requests an effective date of January 1, 2019, which is more than sixty (60) days after filing, without suspension, so SPS may begin billing Interconnection Customers the O&M rate in 2019 and transmission customers receive the O&M revenue credits in 2020 estimated rates and when 2019 rates are trued-up. As noted, the proposed revisions are consistent with the PSCo Final Audit Report recommendations, and are identical in substance with the revisions to the Xcel Energy Tariff accepted in Docket No. ER17-208-000 for PSCo. The revisions cause no change to the level of SPS's recoverable O&M costs, but instead ensure that the O&M costs are allocated to all of the customer classes that cause such costs to be incurred.

SPS believes the materials submitted herewith comply with the Commission's filing requirements and will permit the Commission to review the proposed revisions and determine them to be just and reasonable. SPS respectfully requests waiver of any applicable filing or notice requirements under the Commission's Rules and Regulations as may be necessary to accept the proposed revisions effective on January 1, 2019, the date requested.

**3. The Names and Addresses of Persons to Whom a Copy of the Rate Change Has Been Posted – Section 35.13(b)(3)**

An electronic notice of this filing will be served on the state commissions with jurisdiction over SPS, on all affected SPS transmission service customers taking service under the SPP Tariff, and all affected SPP Interconnection Customers who have executed a GIA with SPS. SPS will also serve electronic notice of this filing on all interested parties in SPP through use of the SPP FERC filings email exploder list. A courtesy copy or notice will be served on the Director, Division of Tariffs and Market Development (Central).

A copy of this filing will be available at the offices of XES at 414 Nicollet Mall – 6<sup>th</sup> Floor, Minneapolis, MN, 55401; and the offices of SPS at 790 Buchanan Street, Amarillo, Texas. In addition, a copy of this filing will be posted at the Open Access Transmission Tariff link at the Transmission page of the Xcel Energy Inc. transmission website ([www.transmission.xcelenergy.com](http://www.transmission.xcelenergy.com)), where it will be available to all transmission customers and SPS stakeholders.

**4. Brief Description of Rate Change – Section 35.13(b)(4)**

See Sections II and III above.

**5. Statement of Reasons for Rate Change – Section 35.13(b)(5)**

See Sections II and III above.

**6. Requisite Agreement for Rate Change – Section 35.13(b)(6)**

See Section II above.

**7. Statement Showing Expenses or Costs Included in Cost-of-Service Statements – Section 35.13(b)(7)**

None of the costs related to this filing have been alleged in any administrative or judicial proceeding to be illegal, duplicative, or unnecessary costs that are demonstrably the product of discriminatory practices.

**VI. COMMUNICATIONS**

Correspondence and communications with respect to this filing should be sent to, and the XES requests the Secretary include on the official service list, the following:<sup>24</sup>

Wes Berger  
Manager, Rate Cases  
Southwestern Public Service Company  
790 Buchanan Street - 7<sup>th</sup> floor  
Amarillo, TX 70101  
Phone: (806) 378-2891  
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<sup>24</sup> To the extent necessary, XES respectfully request waiver of Rule 203(b)(3) of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.203(b), to permit all of the persons listed to be placed on the official service list for this proceeding.

## **VII. CONCLUSION**

For the reasons stated above, SPS respectfully requests that the Commission accept the revised e-Tariff records, to be effective January 1, 2019. SPS further requests all necessary waivers of any additional Commission regulations in order to permit the e-Tariff records to become effective on the date requested.

Respectfully submitted,

/s/ Liam D. Noailles

Liam D. Noailles  
Manager, Federal Regulatory Affairs  
Xcel Energy Services Inc.  
1800 Larimer St, Suite 1200  
Denver, CO 80202  
Telephone: (303) 571-2794  
Email: Liam.D.Noailles@xcelenergy.com

Cc: State Commissions  
SPS Transmission Tariff customer list  
SPS Interconnection Customers

## CERTIFICATE OF SERVICE

I, Elizabeth A. Walkup, hereby certify that I have this day electronically served a notice of the enclosed filing on the state commissions with jurisdiction over SPS, on affected transmission service customers, and on the SPP FERC filings exploder list.

Dated at Minneapolis, Minnesota this 11<sup>th</sup> of September, 2018.

/s/ Elizabeth A. Walkup

Elizabeth A. Walkup

Xcel Energy/Responsible by Nature

Transmission Business Analyst

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Minneapolis, MN 55401

(612) 330-6780

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# **EXHIBIT I**

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Proposed Effective Date: 1/1/2019

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	1.48	System Condition
	1.49	System Impact Study
	1.50	Third-Party Sale
	1.51	Transmission Customer
	1.52	Transmission Provider
	1.53	Transmission Provider's Monthly Transmission System Peak
	1.54	Transmission Service
	1.55	Transmission System
	1.56	Variable Energy Resource
<b>2</b>		<b>Initial Allocation and Renewal Procedures</b>
	2.1	Initial Allocation of Available Transfer Capability
	2.2	Reservation Priority For Existing Firm Service Customers
<b>3</b>		<b>Ancillary Services</b>
	3.1	Scheduling, System Control and Dispatch Service
	3.2	Reactive Supply and Voltage Control from Generation or Other Sources Service
	3.3	Regulation and Frequency Response Service
	3.4	Energy Imbalance Service
	3.5	Operating Reserve - Spinning Reserve Service
	3.6	Operating Reserve - Supplemental Reserve Service
	3.7	Flex Reserve Service
	3.8	Generator Imbalance Service
<b>4</b>		<b>Open Access Same-Time Information System (OASIS)</b>
	4.1	Terms and Conditions
	4.2	NAESB WEQ Business Practice Standards
<b>5</b>		<b>Local Furnishing Bonds</b>
	5.1	Transmission Providers That Own Facilities Financed by Local Furnishing Bonds
	5.2	Alternative Procedures for Requesting Transmission Service
<b>6</b>		<b>Reciprocity</b>
<b>7</b>		<b>Billing and Payment</b>
	7.1	Billing Procedure
	7.2	Interest on Unpaid Balances
	7.3	Customer Default
<b>8</b>		<b>Accounting for the Transmission Provider's Use of the Tariff</b>
	8.1	Transmission Revenues
	8.2	Study Costs and Revenues
<b>9</b>		<b>Regulatory Filings</b>
<b>10</b>		<b>Force Majeure and Indemnification</b>
	10.1	Force Majeure
	10.2	Indemnification
<b>11</b>		<b>Creditworthiness</b>



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- 12 Dispute Resolution Procedures**
  - 12.1 Internal Dispute Resolution Procedures
  - 12.2 Mediation Procedures
  - 12.3 External Arbitration Procedures
  - 12.4 Arbitration Decisions
  - 12.5 Costs
  - 12.6 Rights Under The Federal Power Act

## II. **POINT-TO-POINT TRANSMISSION SERVICE**

Preamble

- 13 Nature of Firm Point-To-Point Transmission Service**
  - 13.1 Term
  - 13.2 Reservation Priority
  - 13.3 Use of Firm Transmission Service by the Transmission Provider
  - 13.4 Service Agreements
  - 13.5 Transmission Customer Obligations for Facility Additions or Redispatch Costs
  - 13.6 Curtailment of Firm Transmission Service
  - 13.7 Classification of Firm Transmission Service
  - 13.8.1 Scheduling of Firm Point-To-Point Transmission Service on the PSCo System
  - 13.8.2 Scheduling of Firm Point-To-Point Transmission Service on the NSP and SPS Systems
- 14 Nature of Non-Firm Point-To-Point Transmission Service**
  - 14.1 Term
  - 14.2 Reservation Priority
  - 14.3 Use of Non-Firm Point-To-Point Transmission Service by the Transmission Provider
  - 14.4 Service Agreements
  - 14.5 Classification of Non-Firm Point-To-Point Transmission Service
  - 14.6.1 Scheduling of Non-Firm Point-To-Point Transmission Service on the PSCo System
  - 14.6.2 Scheduling of Non-Firm Point-To-Point Transmission Service on the NSP and SPS Systems
  - 14.7 Curtailment or Interruption of Service
- 15 Service Availability**
  - 15.1 General Conditions
  - 15.2 Determination of Available Transfer Capability
  - 15.3 Initiating Service in the Absence of an Executed Service Agreement
  - 15.4 Obligation to Provide Transmission Service that Requires Expansion or Modification of the Transmission System, Redispatch or Conditional Curtailment
  - 15.5 Deferral of Service
  - 15.6 Other Transmission Service Schedules
  - 15.7 Real Power Losses
- 16 Transmission Customer Responsibilities**
  - 16.1 Conditions Required of Transmission Customers
  - 16.2 Transmission Customer Responsibility for Third-Party Arrangements

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- 17 Procedures for Arranging Firm Point-To-Point Transmission Service**
  - 17.1 Application
  - 17.2 Completed Application
  - 17.3 Deposit
  - 17.4 Notice of Deficient Application
  - 17.5 Response to a Completed Application
  - 17.6 Execution of Service Agreement
  - 17.7 Extensions for Commencement of Service
- 18 Procedures for Arranging Non-Firm Point-To-Point Transmission Service**
  - 18.1 Application
  - 18.2 Completed Application
  - 18.3.1 Reservation of Non-Firm Point-To-Point Transmission Service on the PSCo System
  - 18.3.2 Reservation of Non-Firm Point-To-Point Transmission Service on the NSP and SPS Systems
  - 18.4 Determination of Available Transfer Capability
- 19 Additional Study Procedures For Firm Point-To-Point Transmission Service Requests**
  - 19.1 Notice of Need for System Impact Study
  - 19.2 System Impact Study Agreement and Cost Reimbursement
  - 19.3 System Impact Study Procedures
  - 19.4.1 Facilities Study Procedures
  - 19.4.2 Clustered Transmission Service Requests
  - 19.5 Facilities Study Modifications
  - 19.6 Due Diligence in Completing New Facilities
  - 19.7 Partial Interim Service
  - 19.8 Expedited Procedures for New Facilities
  - 19.9 Penalties For Failure to Meet Study Deadlines
- 20 Procedures if The Transmission Provider is Unable to Complete New Transmission Facilities for Firm Point-To-Point Transmission Service**
  - 20.1 Delays in Construction of New Facilities
  - 20.2 Alternatives to the Original Facility Additions
  - 20.3 Refund Obligation for Unfinished Facility Additions
- 21 Provisions Relating to Transmission Construction and Services on the Systems of Other Utilities**
  - 21.1 Responsibility for Third-Party System Additions
  - 21.2 Coordination of Third-Party System Additions
- 22 Changes in Service Specifications**
  - 22.1 Modifications On a Non-Firm Basis
  - 22.2 Modification On a Firm Basis
- 23 Sale or Assignment of Transmission Service**
  - 23.1 Procedures for Assignment or Transfer of Service
  - 23.2 Limitations on Assignment or Transfer of Service
  - 23.3 Information on Assignment or Transfer of Service
- 24 Metering and Power Factor Correction at Receipt and Delivery Points(s)**
  - 24.1 Transmission Customer Obligations
  - 24.2 Transmission Provider Access to Metering Data
  - 24.3 Power Factor

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- 25 Compensation for Transmission Service**
- 26 Stranded Cost Recovery**
- 27 Compensation for New Facilities and Redispatch Costs**

### III. **NETWORK INTEGRATION TRANSMISSION SERVICE**

Preamble

- 28 Nature of Network Integration Transmission Service**
  - 28.1 Scope of Service
  - 28.2 Transmission Provider Responsibilities
  - 28.3 Network Integration Transmission Service
  - 28.4 Secondary Service
  - 28.5 Real Power Losses
  - 28.6 Restrictions on Use of Service
- 29 Initiating Service**
  - 29.1 Condition Precedent for Receiving Service
  - 29.2 Application Procedures:
  - 29.3 Technical Arrangements to be Completed Prior to Commencement of Service
  - 29.4 Network Customer Facilities
  - 29.5 Filing of Service Agreement
- 30 Network Resources**
  - 30.1 Designation of Network Resources
  - 30.2 Designation of New Network Resources
  - 30.3 Termination of Network Resources
  - 30.4 Operation of Network Resources
  - 30.5 Network Customer Redispatch Obligation
  - 30.6 Transmission Arrangements for Network Resources Not Physically Interconnected With The Transmission Provider
  - 30.7 Limitation on Designation of Network Resources
  - 30.8 Use of Interface Capacity by the Network Customer
  - 30.9 Network Customer Owned Transmission Facilities
- 31 Designation of Network Load**
  - 31.1 Network Load
  - 31.2 New Network Loads Connected With the Transmission Provider
  - 31.3 Network Load Not Physically Interconnected with the Transmission Provider
  - 31.4 New Interconnection Points
  - 31.5 Changes in Service Requests
  - 31.6 Annual Load and Resource Information Updates
- 32 Additional Study Procedures For Network Integration Transmission Service Requests**
  - 32.1 Notice of Need for System Impact Study
  - 32.2 System Impact Study Agreement and Cost Reimbursement
  - 32.3 System Impact Study Procedures
    - 32.4.1 Facilities Study Procedures
    - 32.4.2 Clustered Transmission Service Requests
  - 32.5 Penalties For Failure to Meet Study Deadlines
- 33 Load Shedding and Curtailments**

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- 33.1.1 Procedures on the PSCo System
- 33.1.2 Procedures on the NSP and SPS Systems
- 33.2 Transmission Constraints
- 33.3 Cost Responsibility for Relieving Transmission Constraints
- 33.4 Curtailments of Scheduled Deliveries
- 33.5 Allocation of Curtailments
- 33.6 Load Shedding
- 33.7 System Reliability
- 34 Rates and Charges**
  - 34.1.1 Monthly Demand Charge on the SPS Transmission System
  - 34.1.2 Monthly Demand Charge on the PSCo Transmission System
  - 34.2 Determination of Network Customer's Monthly Network Load
  - 34.3 Determination of Network Customer's Average Network Load on the SPS System
  - 34.4 Determination of Transmission Provider's Monthly Transmission System Load on the SPS Transmission System
  - 34.5 Reserved For Future Use
  - 34.6 Determination of Transmission Provider's Average Transmission System Load on the SPS Transmission System
  - 34.7 Redispatch Charge
  - 34.8 Stranded Cost Recovery
  - 34.9 SPS Meter Charge
- 35 Operating Arrangements**
  - 35.1 Operation under The Network Operating Agreement
  - 35.2 Network Operating Agreement
  - 35.3 Network Operating Committee

#### IV. **BALANCING AUTHORITY ANCILLARY SERVICES**

Preamble

- 36 Definitions**
  - 36.1 Ancillary Service Customer (ASC)
  - 36.2 Ancillary Service Load
  - 36.3 Balancing Authority Area (BAA)
  - 36.4 Balancing Authority (BA) Operator
  - 36.5 Balancing Authority (BA) Services
  - 36.6 Internal Transmission Owner (ITO)
  - 36.7 Load Serving Entity (LSE)
  - 36.8 Reserved Capacity
  - 36.9 RMRG
  - 36.10 WECC
- 37 Nature of Balancing Authority Services**
  - 37.1 Requirement to Provide and Obtain BA Services
  - 37.2 Source and Acquisition of BA Services
  - 37.3 Sufficiency of Balancing Authority Services
  - 37.4 Real Power Losses
  - 37.5 Service Agreements
  - 37.6 No Transmission Service Provided
- 38 Authority and Obligations**

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- 38.1 BA Operator Authority
- 38.2 ASC Obligations
- 39 Metering**
  - 39.1 ASC Obligations
  - 39.2 Metering Data
  - 39.3 Testing
  - 39.4 Meter Failure
  - 39.5 Billing Adjustments
  - 39.6 Examination of Records
  - 39.7 BA Operator Access to Metering Data
- 40 Billing**

**V. JOINT DISPATCH TRANSMISSION SERVICE (Applicable to Public Service Company of Colorado only)**

Preamble

- 41 Definitions**
  - 41.1 Joint Dispatch Arrangement
  - 41.2 Joint Dispatch Agreement
  - 41.3 Joint Dispatch Transmission Service
  - 41.4 Service Agreement for Joint Dispatch Transmission Service (“Service Agreement”)
  - 41.5 Joint Dispatch Transmission Service Customer
- 42 Nature of Joint Dispatch Transmission Service**
  - 42.1 Limited Transmission Provider Responsibilities
  - 42.2 Real Power Losses
  - 42.3 Restrictions on Use of Service
  - 42.4 Imbalance Service
- 43 Initiating Service**
  - 43.1 Condition Precedent for Receiving Service
  - 43.2 Application Procedures
  - 43.3 Joint Dispatch Transmission Customer Facilities
  - 43.4 Filing of Service Agreement

- SCHEDULE 1 -** Scheduling, System Control and Dispatch Service
- SCHEDULE 2 -** Reactive Supply and Voltage Control from Generation Sources Service
- SCHEDULE 3 -** Regulation and Frequency Response Service
- SCHEDULE 3A -** Regulation and Frequency Response Service for Point-To-Point Transmission Service for the PSCo Balancing Authority Area
- SCHEDULE 4 -** Energy Imbalance Service
- SCHEDULE 4A -** Reserve Sharing Energy Charges
- SCHEDULE 4B -** Reserve Sharing Energy Charges
- SCHEDULE 5 -** Operating Reserve - Spinning Reserve Service
- SCHEDULE 6 -** Operating Reserve - Supplemental Reserve Service
- SCHEDULE 7 -** Long-Term Firm and Short-Term Firm Point-To-Point Transmission Service
- SCHEDULE 8 -** Non-Firm Point-To-Point Transmission Service
- SCHEDULE 9 -** Generator Imbalance Service
- SCHEDULE 10 -** Tax Adjustment Rider for Service by Southwestern Public Service

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	Company
<b>SCHEDULE 11 -</b>	Reserved For Future Use
<b>SCHEDULE 12 -</b>	Midwest Independent Transmission System Operator, Inc. Charges
<b>SCHEDULE 13 -</b>	Network Integration Transmission Service on the PSCo Transmission System
<b>SCHEDULE 13A -</b>	Network Integration Transmission Service across the Lamar Tie Line
<b>SCHEDULE 14 -</b>	Point-to-Point Transmission Losses on the PSCo Transmission System
<b>SCHEDULE 15 -</b>	Joint Dispatch Transmission Service
<b>SCHEDULE 16 -</b>	Flex Reserve Service
<b>SCHEDULE 17 -</b>	Reserved for Future Use
<b>SCHEDULE 18A -</b>	Annual Interconnection Customer O&M Charge for the PSCo System
<b>SCHEDULE 18B -</b>	Annual Interconnection Customer O&M Charge for the SPS System
<b>ATTACHMENT A-1 -</b>	Form of Service Agreement For Short-Term Firm Point-To-Point Transmission Service
<b>ATTACHMENT A-2 -</b>	Form of Service Agreement For Long-Term Firm Point-To-Point Transmission Service
<b>ATTACHMENT A-3 -</b>	Form of Service Agreement For The Resale, Reassignment Or Transfer Of Point-To-Point Transmission Service
<b>ATTACHMENT B -</b>	Form of Service Agreement For Non-Firm Point-To-Point Transmission Service
<b>ATTACHMENT C -</b>	Methodology To Assess Available Transfer Capability
<b>ATTACHMENT D -</b>	Methodology for Completing a System Impact Study
<b>ATTACHMENT E -</b>	Index of Point-To-Point Transmission Service Customers
<b>ATTACHMENT F -</b>	Form of Service Agreement For Network Integration Transmission Service
<b>ATTACHMENT G -</b>	Form of Network Operating Agreement
<b>ATTACHMENT H -</b>	Annual Transmission Revenue Requirement For Network Integration Transmission Service
<b>ATTACHMENT I -</b>	Index of Network Integration Transmission Service Customers
<b>ATTACHMENT J -</b>	Procedures for Addressing Parallel Flows
<b>ATTACHMENT K -</b>	Form of System Impact Study Agreement
<b>ATTACHMENT L -</b>	Form of Facilities Study Agreement
<b>ATTACHMENT M -</b>	Methodology for Allocating Transmission Revenues Among Utility Operating Companies
<b>ATTACHMENT N -</b>	Standard Large Generator Interconnection Procedures (LGIP) - Applicable to Generating Facilities that exceed 20 MWs
<b>ATTACHMENT O -</b>	Public Service Company of Colorado Formulaic Rates
<b>ATTACHMENT O -</b>	SPS - Southwestern Public Service Company Formulaic Rates
<b>ATTACHMENT P -</b>	Standard Small Generator Interconnection Procedures (SGIP) - Applicable to Generating Facilities less than 20 MWs
<b>ATTACHMENT Q -</b>	Creditworthiness Procedures
<b>ATTACHMENT R -</b>	PSCo - Transmission Planning Process
<b>ATTACHMENT S -</b>	Reserved For Future Use
<b>ATTACHMENT T -</b>	Form of Service Agreement For Balancing Authority Ancillary Services Applicable to the Public Service Company of Colorado (PSCo) System
<b>ATTACHMENT U -</b>	Form of Service Agreement For Transmission to Load Interconnection Service

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- ATTACHMENT V** - Form of Service Agreement For Joint Dispatch Transmission Service
- ATTACHMENT AA** – Service Agreements For Point-To-Point Transmission Service
- ATTACHMENT BB** – Service Agreements For Network Transmission Service
- ATTACHMENT CC** – Service Agreements For Generation Interconnection Service
- ATTACHMENT DD** – Service Agreements For Balancing Authority Ancillary Services
- ATTACHMENT EE** - Reserved For Future Use
- ATTACHMENT FF** – Service Agreements For Transmission to Load Interconnection Service

**Additional Volumes of  
Xcel Energy Operating Companies  
Transmission Service Tariffs**

<u>Volume No.</u>	<u>Contents</u>
	Joint Open Access Transmission Tariff
Original Volume 2	Reserved for Future Use
	FERC Electric Transmission Tariff
Original Volume 3	Northern States Power Company transmission rate schedules
Original Volume 4	Northern States Power Company (Wisconsin) transmission rate schedules
Original Volume 5	Public Service Company of Colorado transmission rate schedules
Original Volume 6	Southwestern Public Service Company) transmission rate schedules
Original Volume 7	WestConnect Point-to-Point Regional Transmission Service Experiment Tariff

Note: The noted tariff volumes contain transmission-related rate schedules filed by the Transmission Services function of the Xcel Energy Operating Companies.

Rate schedules related to electric supply services may be found in the Electric Services Tariffs separately maintained by the Xcel Energy Markets function.



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## Schedule 18A

### Annual Interconnection Customer O&M Charge for the PSCo System

#### I. General

This Schedule 18A defines the Annual Interconnection Customer Operation and Maintenance (O&M) Charge designed to recover reasonable expenses including overheads, associated with operation, maintenance, and repair of Transmission Provider's Interconnection Facilities. For PSCo, these are the facilities identified in the *pro forma* Large Generation Interconnection Agreement (LGIA) or Small Generation Interconnection Agreement (SGIA) as Transmission Provider's Interconnection Facilities. PSCo is both the Transmission Owner and the Transmission Provider for these facilities. On an annual basis starting in 2017, and prospectively thereafter, PSCo shall charge each Interconnection Customer that has executed an LGIA (Attachment N) or SGIA (Attachment P) with PSCo pursuant to this Tariff for this O&M service pursuant to Section 10.5 of the Large Generator Interconnection Agreement and Section 4.1.2 of the Small Generator Interconnection Agreement.

#### II. Derivation of Rate and Annual Charge

The Annual Interconnection Customer O&M Charge equals:

[Annual Interconnection O&M Rate] x [Gross Plant of the Transmission Provider's Interconnection Facilities Serving the Interconnection Customer]

The Annual Interconnection O&M Rate equals:

Total Annual O&M Expense/Total Annual Transmission Gross Plant

PSCo's Total Annual O&M Expense is found in Attachment O-PSCo, Table 5, Line 88, Column 5; and PSCo's Total Annual Gross Plant is found in Attachment O-PSCo, Table 5, Line 9, Column 5. The Gross Plant of the Transmission Provider's Interconnection Facilities shall equal the actual installed gross cost of the Transmission Provider's Interconnection Facilities. The Transmission Provider's Interconnection Facilities are the facilities so identified in Interconnection Customer's applicable LGIA or SGIA. The Gross Plant is PSCo's actual cost of the installed facilities, before any contribution in aid of construction, and including any improvements, as reflected on PSCo's accounting books and records.

The Annual O&M Charge rate will be calculated in June each year and will use PSCo's actual Total O&M Expense in the prior Rate Year, divided by PSCo's actual Total Annual Transmission Gross Plant in the prior Rate Year.

Interconnection Customer will be separately directly charged for PSCo's actual costs (including applicable overheads) associated with replacing Transmission Provider

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Interconnection Facilities if and when such costs are incurred, pursuant to Section 10.5 of the Large Generator Interconnection Agreement and Section 4.1.2 of the Small Generator Interconnection Agreement.

### **III. Billing and Payment**

PSCo will issue invoices for the Annual Interconnection Customer O&M Charge in July of each Rate Year. Billing and Payment shall be subject to Section 7 (Billing and Payment) of this Tariff except that bills shall be issued once per year rather than monthly.

Where the PSCo Energy Supply (generation) function is the Interconnection Customer, charges and revenues shall be accounted for consistent with Section 8, Accounting for Transmission Provider's Use of the Tariff.

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## Schedule 18B

### Annual Interconnection Customer O&M Charge for the SPS System

#### I. General

This Schedule 18B defines the Annual Interconnection Customer Operation and Maintenance (O&M) Charge designed to recover reasonable expenses including overheads, associated with operation, maintenance, and repair of Transmission Owner's Interconnection Facilities. SPS is a member of the Southwest Power Pool (SPP) and has placed its transmission facilities under the functional control of the SPP Open Access Transmission Tariff (SPP OATT). SPP administers generator interconnections and executes a three-party Generation Interconnection Agreement (GIA) with the Interconnection Customer and SPS. SPS is the Transmission Owner and SPP is the Transmission Provider for the facilities subject to the GIA. For SPS, these are the facilities identified in the *pro forma* GIA as Transmission Owner's Interconnection Facilities in Attachment V of the SPP OATT. On an annual basis starting in 2019, and prospectively thereafter, SPS shall charge each Interconnection Customer that has executed a GIA (Attachment V Appendix 6 of the SPP OATT) with SPS for this O&M service pursuant to Section 10.5 of the Generator Interconnection Agreement.

#### II. Derivation of Rate and Annual Charge

The Annual Interconnection Customer O&M Charge equals:

$$[\text{Annual Interconnection O\&M Rate}] \times [\text{Gross Plant of the Transmission Owner's Interconnection Facilities Serving the Interconnection Customer}]$$

The Annual Interconnection O&M Rate equals:

$$\text{Total Annual O\&M Expense} / \text{Total Annual Transmission Gross Plant}$$

The SPS Total Annual O&M Expense is found in Attachment O-SPS, Table 9, Line 247, Column 5; and the SPS Total Annual Gross Plant is found in Attachment O-SPS, Table 8, Line 188, Column 5. The Gross Plant of the Transmission Owner's Interconnection Facilities shall equal the actual installed gross cost of the Transmission Owner's Interconnection Facilities. The Transmission Owner's Interconnection Facilities are the facilities so identified in Interconnection Customer's applicable SPP GIA. The Gross Plant is SPS' actual cost of the installed facilities, before any contribution in aid of construction, and including any improvements, as reflected on SPS' accounting books and records.

The Annual O&M Charge rate will be calculated in October each year and will use SPS' actual Total O&M Expense in the prior Rate Year, divided by SPS' actual Total Annual Transmission Gross Plant in the prior Rate Year.

Interconnection Customer will be separately directly charged for SPS' actual costs (including applicable overheads) associated with replacing Transmission Provider

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Interconnection Facilities if and when such costs are incurred, pursuant to Section 10.5 of the Interconnection Customer's SPP GIA.

### **III. Billing and Payment**

SPS will issue invoices for the Annual Interconnection Customer O&M Charge in January of each Rate Year. Billing and Payment shall be subject to Section 7 (Billing and Payment) of this Tariff except that bills shall be issued once per year rather than monthly.

Where the SPS Energy Supply (generation) function is the Interconnection Customer, charges and revenues shall be accounted for consistent with Section 8, Accounting for Transmission Provider's Use of the Tariff.

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**PROJECTED**		Rate Formula Template Utilizing Projected Data For the Billing Period 01/01/yy to 12/31/yy SOUTHWESTERN PUBLIC SERVICE COMPANY			Table 2
Line No.	(1)	(2)	(3)	(4)	(5) Transmission Amount
28	PROJECTED REVENUE REQUIREMENT (w/o incentives)	(In 141)			\$ -
29	REVENUE CREDITS	(Note A)	Total	Allocator	
30	Account No. 454	(Worksheet B)	-	DA	1.00000
31	Account No. 456.1	(Worksheet B)	-	DA	1.00000
31.1	Account No. 421.1 (or other applicable acct)	(Worksheet B)	-	DA	1.00000
31.2	Account No. 456.0	(Worksheet B)	-	DA	1.00000
32	Total Revenue Credits				\$ -
33	NET REVENUE REQUIREMENT (w/o incentives)	(In 28 less In 32)			\$ -
34	NET PLANT CARRYING CHARGE (w/o incentives) (Note B)				
35	Annual Rate	(In 33 / In 62 x 100)			0.00%
36	Monthly Rate	(In 35 / 12)			0.00%
37	GROSS PLANT CARRYING CHARGE (w/o incentives) (Note B)				
38	Annual Rate	(In 33 / In 48 x 100)			0.00%
39	NET PLANT CARRYING CHARGE, W/O DEPRECIATION (w/o incentives) (Note B)				
40	Annual Rate	((In 33 - In 114) / In 62 x 100)			0.00%
41	NET PLANT CARRYING CHARGE, W/O DEPRECIATION, INCOME TAXES AND RETURN (Note B)				
42	Annual Rate	((In 33 - In 114 - In 138 - In 139) / In 62 x 100)			0.00%
43	ADDITIONAL REVENUE REQUIREMENT (w/incentives) (Note C - Worksheet R)				\$ -
44	Projected SPP Base Plan Upgrades Revenue Requirement (WsP BPU Summary col (c) total and Note I)				\$ -
44a	SPP Base Plan Upgrades Revenue Requirement Prior Year True-up Adjustment (Input)				\$ -
44b	SPP Base Plan Upgrades Revenue Requirement Interest on Prior Year True-up Adjustment (Input)				\$ -
44c	SPP Base Plan Upgrades Revenue Requirement (Amount Provided to SPP for Next Billing Period)(sum lines 44, 44a ,and 44b)				\$ -
45	PROJECTED REVENUE REQUIREMENT	(In 33 + In 43 - In 44c)			\$ -

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**\*\*ACTUAL\*\***

Rate Formula Template  
 Utilizing FERC Form 1 Actual Data  
 For the Billing Period 01/01/yy to 12/31/yy

Table 7

**SOUTHWESTERN PUBLIC SERVICE COMPANY**

Line No.	(1)	(2)	(3)	(4)	(5) Transmission Amount
164	REVENUE REQUIREMENT (w/o incentives)	(In 277)			\$ -
165	REVENUE CREDITS	(Note A)	Total	Allocator	
166	Account No. 454	(Worksheet B)	-	DA 1.00000	\$ -
167	Account No. 456.1	(Worksheet B)	-	DA 1.00000	-
167.1	Account No. 421.1 (or other applicable acct)	(Worksheet B)	-	DA 1.00000	-
167.2	Account No. 456.0	(Worksheet B)	-	DA 1.00000	-
168	Total Revenue Credits				\$ -
169	NET REVENUE REQUIREMENT (w/o incentives)	(In 164 less In 168)			\$ -
170	NET PLANT CARRYING CHARGE (w/o incentives) (Note B)				
171	Annual Rate	(In 169 / In 198 x 100)			0.00%
172	Monthly Rate	(In 171 / 12)			0.00%
173	GROSS PLANT CARRYING CHARGE (w/o incentives) (Note B)				
174	Annual Rate	(In 169 / In 184 x 100)			0.00%
175	NET PLANT CARRYING CHARGE, W/O DEPRECIATION (w/o incentives) (Note B)				
176	Annual Rate	(( In 169 - In 250 ) / In 198 x 100)			0.00%
177	NET PLANT CARRYING CHARGE, W/O DEPRECIATION, INCOME TAXES AND RETURN (Note B)				
178	Annual Rate	(( In 169 - In 250 - In 274 - In 275 ) / In 198 x 100)			0.00%
179	ADDITIONAL REVENUE REQUIREMENT (w/incentives) (Note C - Worksheet R)				\$ -
180	LESS SPP Base Plan Upgrades Revenue Requirement	(WsP BPU Summary col (d) total and Note I)			\$ -
181	ACTUAL REVENUE REQUIREMENT	(In 169 + In 179 - In 180)			\$ -

Account 456.0, Other Electric Revenue, Actuals for Billing Year =

20yy \$ -



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30	0.00											
31												
32												
33	Total	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
34												
35	<b>Summarized by Type: Note 2</b>											
36	<b>Credit</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
37	Divisor	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
38	Ancillary	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
39	Other	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
40	Total	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

- 41 Description of Revenue Types:
- 42 Ancillary Ancillary services includes regulation & frequency, control & dispatch, voltage
- 43 control, reactive, spinning reserve, scheduling and generation step-up.
- 44 Divisor Load associated with these revenues are included in the formula divisor.
- 45 Credit Revenue credit because load not included in divisor.

46 Note 2 - SPP point to point revenues are being revenue credited here because SPP will not revenue credit these revenues to LSEs.



Proposed Effective Date: 1/1/2019

Approved Effective Date:

Southwestern Public Service Company  
 Worksheet B - Revenue Credits

Worksheet B  
 Table 17

Account 456.1, Revenues from Transmission of Electricity of Others, Actual for Billing Year = 20yy \$ - (Total Company - FF1, p 330, col. N)

Lin e No.	Type	Description	(a) RTO	(b) Transmission	(c) Dispatch	(d) Control	(e) Frequency	(f) Imbalance	(g) Reserve	(h) Reserve	(i) Through	(j) Assess Pass	(k) Total Of Line Items	Total Per FERC Form No. 1
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75	Total	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
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77 **Summarized by Type: Note 2**

78	<b>Credit</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
79	Divisor	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
80	Ancillary	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
81	Other	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
82	Total	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

83 Description of Revenue Types:

- 84 Ancillary Ancillary services includes regulation & frequency, control & dispatch, voltage control, reactive, spinning reserve, scheduling and generation step-up.
- 85 Divisor Load associated with these revenues are included in the formula divisor.
- 87 Credit Revenue credit because load not included in divisor.

88 Note 2 - SPP point to point revenues are being revenue credited here because SPP will not revenue credit these revenues to LSEs.

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**Additional Volumes of  
Xcel Energy Operating Companies  
Transmission Service Tariffs**

<u>Volume No.</u>	<u>Contents</u>
	Joint Open Access Transmission Tariff
Original Volume 2	Reserved for Future Use
	FERC Electric Transmission Tariff
Original Volume 3	Northern States Power Company transmission rate schedules
Original Volume 4	Northern States Power Company (Wisconsin) transmission rate schedules
Original Volume 5	Public Service Company of Colorado transmission rate schedules
Original Volume 6	Southwestern Public Service Company) transmission rate schedules
Original Volume 7	WestConnect Point-to-Point Regional Transmission Service Experiment Tariff

Note: The noted tariff volumes contain transmission-related rate schedules filed by the Transmission Services function of the Xcel Energy Operating Companies.

Rate schedules related to electric supply services may be found in the Electric Services Tariffs separately maintained by the Xcel Energy Markets function.

## Schedule 18A

### Annual Interconnection Customer O&M Charge for the PSCo System

#### I. General

This Schedule 18A defines the Annual Interconnection Customer Operation and Maintenance (O&M) Charge designed to recover reasonable expenses including overheads, associated with operation, maintenance, and repair of Transmission Provider's Interconnection Facilities. For PSCo, these are the facilities identified in the *pro forma* Large Generation Interconnection Agreement (LGIA) or Small Generation Interconnection Agreement (SGIA) as Transmission Provider's Interconnection Facilities. PSCo is both the Transmission Owner and the Transmission Provider for these facilities. On an annual basis starting in 2017, and prospectively thereafter, PSCo shall charge each Interconnection Customer that has executed an LGIA (Attachment N) or SGIA (Attachment P) with PSCo pursuant to this Tariff for this O&M service pursuant to Section 10.5 of the Large Generator Interconnection Agreement and Section 4.1.2 of the Small Generator Interconnection Agreement.

#### II. Derivation of Rate and Annual Charge

The Annual Interconnection Customer O&M Charge equals:

[Annual Interconnection O&M Rate] x [Gross Plant of the Transmission Provider's Interconnection Facilities Serving the Interconnection Customer]

The Annual Interconnection O&M Rate equals:

Total Annual O&M Expense/Total Annual Transmission Gross Plant

PSCo's Total Annual O&M Expense is found in Attachment O-PSCo, Table 5, Line 88, Column 5; and PSCo's Total Annual Gross Plant is found in Attachment O-PSCo, Table 5, Line 9, Column 5. The Gross Plant of the Transmission Provider's Interconnection Facilities shall equal the actual installed gross cost of the Transmission Provider's Interconnection Facilities. The Transmission Provider's Interconnection Facilities are the facilities so identified in Interconnection Customer's applicable LGIA or SGIA. The Gross Plant is PSCo's actual cost of the installed facilities, before any contribution in aid of construction, and including any improvements, as reflected on PSCo's accounting books and records.

The Annual O&M Charge rate will be calculated in June each year and will use PSCo's actual Total O&M Expense in the prior Rate Year, divided by PSCo's actual Total Annual Transmission Gross Plant in the prior Rate Year.

Interconnection Customer will be separately directly charged for PSCo's actual costs (including applicable overheads) associated with replacing Transmission Provider

Interconnection Facilities if and when such costs are incurred, pursuant to Section 10.5 of the Large Generator Interconnection Agreement and Section 4.1.2 of the Small Generator Interconnection Agreement.

### **III. Billing and Payment**

PSCo will issue invoices for the Annual Interconnection Customer O&M Charge in July of each Rate Year. Billing and Payment shall be subject to Section 7 (Billing and Payment) of this Tariff except that bills shall be issued once per year rather than monthly.

Where the PSCo Energy Supply (generation) function is the Interconnection Customer, charges and revenues shall be accounted for consistent with Section 8, Accounting for Transmission Provider's Use of the Tariff.

## **Schedule 18B**

### **Annual Interconnection Customer O&M Charge for the SPS System**

#### **I. General**

This Schedule 18B defines the Annual Interconnection Customer Operation and Maintenance (O&M) Charge designed to recover reasonable expenses including overheads, associated with operation, maintenance, and repair of Transmission Owner's Interconnection Facilities. SPS is a member of the Southwest Power Pool (SPP) and has placed its transmission facilities under the functional control of the SPP Open Access Transmission Tariff (SPP OATT). SPP administers generator interconnections and executes a three-party Generation Interconnection Agreement (GIA) with the Interconnection Customer and SPS. SPS is the Transmission Owner and SPP is the Transmission Provider for the facilities subject to the GIA. For SPS, these are the facilities identified in the *pro forma* GIA as Transmission Owner's Interconnection Facilities in Attachment V of the SPP OATT. On an annual basis starting in 2019, and prospectively thereafter, SPS shall charge each Interconnection Customer that has executed a GIA (Attachment V Appendix 6 of the SPP OATT) with SPS for this O&M service pursuant to Section 10.5 of the Generator Interconnection Agreement.

#### **II. Derivation of Rate and Annual Charge**

The Annual Interconnection Customer O&M Charge equals:

[Annual Interconnection O&M Rate] x [Gross Plant of the Transmission Owner's Interconnection Facilities Serving the Interconnection Customer]

The Annual Interconnection O&M Rate equals:

Total Annual O&M Expense/Total Annual Transmission Gross Plant

The SPS Total Annual O&M Expense is found in Attachment O-SPS, Table 9, Line 247, Column 5; and the SPS Total Annual Gross Plant is found in Attachment O-SPS, Table 8, Line 188, Column 5. The Gross Plant of the Transmission Owner's Interconnection Facilities shall equal the actual installed gross cost of the Transmission Owner's Interconnection Facilities. The Transmission Owner's Interconnection Facilities are the facilities so identified in Interconnection Customer's applicable SPP GIA. The Gross Plant is SPS' actual cost of the installed facilities, before any contribution in aid of construction, and including any improvements, as reflected on SPS' accounting books and records.

The Annual O&M Charge rate will be calculated in October each year and will use SPS' actual Total O&M Expense in the prior Rate Year, divided by SPS' actual Total Annual Transmission Gross Plant in the prior Rate Year.

Interconnection Customer will be separately directly charged for SPS' actual costs (including applicable overheads) associated with replacing Transmission Provider Interconnection Facilities if and when such costs are incurred, pursuant to Section 10.5 of the Interconnection Customer's SPP GIA.

#### **III. Billing and Payment**

SPS will issue invoices for the Annual Interconnection Customer O&M Charge in January of each Rate Year. Billing and Payment shall be subject to Section 7 (Billing and Payment) of this Tariff except that bills shall be issued once per year rather than monthly.

Where the SPS Energy Supply (generation) function is the Interconnection Customer, charges and revenues shall be accounted for consistent with Section 8, Accounting for Transmission Provider's Use of the Tariff.



**\*\*PROJECTED\*\***

Rate Formula Template  
**Utilizing Projected Data**  
 For the Billing Period 01/01/yy to 12/31/yy  
**SOUTHWESTERN PUBLIC SERVICE COMPANY**

Table 2

Line No.	(1)	(2)	(3)	(4)	(5) Transmission Amount
28	PROJECTED REVENUE REQUIREMENT (w/o incentives)	(ln 141)			\$ -
29	REVENUE CREDITS	(Note A)	Total	Allocator	
30	Account No. 454	(Worksheet B)	-	DA	1.00000
31	Account No. 456.1	(Worksheet B)	-	DA	1.00000
31.1	Account No. 421.1 (or other applicable acct)	(Worksheet B)	-	DA	1.00000
31.2	<u>Account No. 456.0</u>	<u>(Worksheet B)</u>	<u>-</u>	<u>DA</u>	<u>1.00000</u>
32	Total Revenue Credits				\$ -
33	NET REVENUE REQUIREMENT (w/o incentives)	(ln 28 less ln 32)			\$ -
34	NET PLANT CARRYING CHARGE (w/o incentives) (Note B)				
35	Annual Rate	(ln 33 / ln 62 x 100)			0.00%
36	Monthly Rate	(ln 35 / 12)			0.00%
37	GROSS PLANT CARRYING CHARGE (w/o incentives) (Note B)				
38	Annual Rate	(ln 33 / ln 48 x 100)			0.00%
39	NET PLANT CARRYING CHARGE, W/O DEPRECIATION (w/o incentives) (Note B)				
40	Annual Rate	((ln 33 - ln 114) / ln 62 x 100)			0.00%
41	NET PLANT CARRYING CHARGE, W/O DEPRECIATION, INCOME TAXES AND RETURN (Note B)				
42	Annual Rate	((ln 33 - ln 114 - ln 138 - ln 139) / ln 62 x 100)			0.00%
43	ADDITIONAL REVENUE REQUIREMENT (w/incentives) (Note C - Worksheet R)				\$ -
44	Projected SPP Base Plan Upgrades Revenue Requirement (WsP BPU Summary col (c) total and Note I)				\$ -
44a	SPP Base Plan Upgrades Revenue Requirement Prior Year True-up Adjustment (Input)				\$ -
44b	SPP Base Plan Upgrades Revenue Requirement Interest on Prior Year True-up Adjustment (Input)				\$ -
44c	SPP Base Plan Upgrades Revenue Requirement (Amount Provided to SPP for Next Billing Period)(sum lines 44, 44a ,and 44b)				\$ -
45	PROJECTED REVENUE REQUIREMENT	(ln 33 + ln 43 - ln 44c)			\$ -

**\*\*ACTUAL\*\***

Rate Formula Template  
 Utilizing FERC Form 1 Actual Data  
 For the Billing Period 01/01/yy to 12/31/yy

Table 7

**SOUTHWESTERN PUBLIC SERVICE COMPANY**

Line No.	(1)	(2)	(3)	(4)	(5) Transmission Amount
164	REVENUE REQUIREMENT (w/o incentives)	(In 277)			\$ -
165	REVENUE CREDITS	(Note A)	Total	Allocator	
166	Account No. 454	(Worksheet B)	-	DA 1.00000	\$ -
167	Account No. 456.1	(Worksheet B)	-	DA 1.00000	-
167.1	Account No. 421.1 (or other applicable acct)	(Worksheet B)	-	DA 1.00000	-
167.2	<u>Account No. 456.0</u>	<u>(Worksheet B)</u>	-	<u>DA 1.00000</u>	-
168	Total Revenue Credits				\$ -
169	NET REVENUE REQUIREMENT (w/o incentives)	(In 164 less In 168)			\$ -
170	NET PLANT CARRYING CHARGE (w/o incentives) (Note B)				
171	Annual Rate	(In 169 / In 198 x 100)			0.00%
172	Monthly Rate	(In 171 / 12)			0.00%
173	GROSS PLANT CARRYING CHARGE (w/o incentives) (Note B)				
174	Annual Rate	(In 169 / In 184 x 100)			0.00%
175	NET PLANT CARRYING CHARGE, W/O DEPRECIATION (w/o incentives) (Note B)				
176	Annual Rate	(( In 169 - In 250 ) / In 198 x 100)			0.00%
177	NET PLANT CARRYING CHARGE, W/O DEPRECIATION, INCOME TAXES AND RETURN (Note B)				
178	Annual Rate	(( In 169 - In 250 - In 274 - In 275 ) / In 198 x 100)			0.00%
179	ADDITIONAL REVENUE REQUIREMENT (w/incentives) (Note C - Worksheet R)				\$ -
180	LESS SPP Base Plan Upgrades Revenue Requirement	(WsP BPU Summary col (d) total and Note I)			\$ -
181	ACTUAL REVENUE REQUIREMENT	(In 169 + In 179 - In 180)			\$ -



238												0.00
239												0.00
340												0.00
341												0.00
342												0.00
343	Total	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
344												
345	<b>Summarized by Type: Note 2</b>											
346	<b>Credit</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
347	Divisor	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
348	Ancillary	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
349	Other	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
450	Total	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

- 451 Description of Revenue Types:
- 452 Ancillary Ancillary services includes regulation & frequency, control & dispatch, voltage
- 453 control, reactive, spinning reserve, scheduling and generation step-up.
- 454 Divisor Load associated with these revenues are included in the formula divisor.
- 455 Credit Revenue credit because load not included in divisor.

456 Note 2 - SPP point to point revenues are being revenue credited here because SPP will not revenue credit these revenues to LSEs.

Southwestern Public Service Company  
 Worksheet B - Revenue Credits

Worksheet B  
 Table 17

Account 456.1, Revenues from Transmission of Electricity of Others, Actual for Billing Year = 20yy \$ - (Total Company - FF1, p 330, col. N)

Lin	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	
	Network	Transmission	Scheduling, Reactive System Control & Dispatch	Supply & Voltage Control	Regulation and Frequency	Network & Energy Imbalance	Network & Interco. Reserve	Supplemental Spinning Reserve	FERC Assess Pass Through	Total Of Line Items	Total Per FERC Form No. 1	
No.	Type	Description										
457												
458												
459												
560												
561												
562												
563												
564												
565												
566												
567												
568												
569												
670												
671												
672												
673												
674												
675												
676												
677												
678												
679												
780												
781												
782												
783												
784												
785	Total	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
786												
787	<b>Summarized by Type: Note 2</b>											
788	Credit	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
789	Divisor	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
890	Ancillary	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
891	Other	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
892	Total	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	

893 Description of Revenue Types:

- 894 Ancillary Ancillary services includes regulation & frequency, control & dispatch, voltage control, reactive, spinning reserve, scheduling and generation step-up.
- 895 control, reactive, spinning reserve, scheduling and generation step-up.
- 896 Divisor Load associated with these revenues are included in the formula divisor.
- 897 Credit Revenue credit because load not included in divisor.

898 Note 2 - SPP point to point revenues are being revenue credited here because SPP will not revenue credit these revenues to LSEs.

## **EXHIBIT III**



414 Nicollet Mall  
Minneapolis, MN 55401

<Date>

«Customer»

Attn: «First\_Name» «Last\_Name»

«Filing\_Contact\_Title»

«Address\_Line\_1»

«Address\_Line\_2»

«City», «State» «ZIP\_Code»

RE: «Contract\_Name» SA, between Southwestern Public Service Company (“SPS”) and «Customer» (“Customer”), dated «Execution\_Date\_of\_Contract» (“Agreement”)

Dear «Salutation» «Last\_Name»:

The Federal Energy Regulatory Commission (“FERC”) issued a final audit report reviewing another Xcel Energy operating company, Public Service Company of Colorado’s (“PSCo”), compliance with the Xcel Energy Operating Company’s Joint Open Access Transmission Tariff (“Xcel Energy OATT”). The FERC Division of Audits determined that PSCo was not charging generation interconnection customers for operation, maintenance and repair expenses for Transmission Owner Interconnection Facilities in accordance with the *pro forma* generator interconnection agreements in the Xcel Energy OATT.<sup>1</sup> As a result of the FERC audit report findings, PSCo filed a schedule to begin charging generation interconnections customers on an annual basis in Docket No. ER17-208.

In order to address this same issue, SPS will be making a filing at FERC very soon. SPS will begin charging generation interconnection customers on an annual basis, beginning in January of 2019, for Operation and Maintenance (“O&M”) expenses in accordance with the terms of its *pro forma* generator interconnection agreements. SPS intends to complete a Section 205 filing on or before August 31, 2018 seeking FERC approval of a proposed rate methodology to be implemented to calculate each generation interconnection customer’s annual O&M charge.

The proposed rate (“Rate”) for calculating the annual charge will be based on an allocation of SPS’s total transmission O&M costs and the installed cost of the SPS-owned transmission interconnection facilities. The revenues collected will be credited to the SPS transmission formula rate. The Rate will be charged for generation interconnection agreements implemented pursuant to FERC Order No. 2003 and the Xcel Energy OATT. It will not be applied to interconnection customers who have executed pre-Order No. 2003 grandfathered generation interconnection agreements containing a monthly facilities charge. The Rate will be charged on a non-discriminatory basis to both non-affiliated generation interconnection customers as well as to the SPS Energy Supply function.

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<sup>1</sup> You may view the Commission’s findings in their entirety in the FERC e-library system (at [www.ferc.gov](http://www.ferc.gov)) under FERC Docket No. PA13-14-000.

All impacted customers will be served a link to an electronic copy of the SPS Section 205 filing when the filing is submitted to FERC. Interventions and comments regarding the SPS rate proposal will be due 21 days after filing.

Should you have any questions, please contact Skip Black at (806) 378-2238 or skip.larry.black@xcelenergy.com.

Sincerely,

*/s/ Mark C. Moeller*

Mark C. Moeller  
Manager, Transmission Business Relations  
414 Nicollet Mall – GO6  
Minneapolis, MN 55401  
Xcel Energy Services Inc., on behalf of  
Southwestern Public Service Company