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**PROJECT NO. 35070**  
**2007 ANNUAL PROGRESS REPORTS ON FIVE-YEAR PLAN**  
**TO ENHANCE SUPPLIER AND WORKFORCE DIVERSITY – ELECTRIC**  
**FOR TIME PERIOD 10-01-06 THROUGH 09-30-07**

SOUTHWESTERN PUBLIC SERVICE COMPANY D/B/A XCEL ENERGY  
WORKFORCE DIVERSITY AND OTHER BUSINESS PRACTICES REPORT  
TO THE PUBLIC UTILITY COMMISSION OF TEXAS  
IN COMPLIANCE WITH SUBSTANTIVE RULES 25.79 AND 25.85

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**Southwestern Public Service Company (SPS)  
Five-Year Diversity Plan Executive Summary  
as of  
September 30, 2007**

**Xcel Energy Inc.**, a Fortune 500 company, is a leading combination electricity and natural gas energy company in the United States. We provide a comprehensive portfolio of energy-related products and services to customers in 8 Western and Midwestern states, stretching from the Canadian border to the Texas Panhandle (Colorado, Michigan, Minnesota, New Mexico, North Dakota, South Dakota, Texas, and Wisconsin). Our service area includes some of the fastest growing regions in the United States. Xcel Energy currently serves more than 3.3million electricity customers and 1.8 million natural gas customers through our regulated operating companies. **Southwestern Public Service Company (SPS)** in Amarillo, Texas is one of those operating companies.

Senate Bill (SB) 7 language required SPS to develop and submit a comprehensive five-year plan for enhancing diversity in the workforce and increasing contracting opportunities for small and historically underutilized businesses (minorities and women). Further, SB 7 requires electric utilities to provide business partnership initiatives to facilitate small and historically underutilized business entry into the electric energy market as retail energy providers, taking into account opportunities for contracting and joint ventures.

The initial five-year plan was filed before January 1, 2000 with the PUCT. SPS included twenty-five recommendations in its initial filing. **Twenty-two of the twenty-five recommendations have completed measurable outcomes as of this filing date.**

The power behind Xcel Energy lies in people: our employees and our business partners. We are committed to ensuring that our employee base and our network of suppliers and contractors reflect the diversity of the communities we serve. The Supplier and Workforce Diversity Programs are one way we carry out that commitment. The Xcel Energy Foundation is another extension of our commitment to diversity.

#### **Xcel Energy Supplier Diversity**

Our Supplier Diversity Program is charged with establishing and administering corporate supplier diversity initiatives. We provide guidance, consultation, and training on supplier diversity to effectively maximize the corporate utilization of small, minority, and women-owned businesses. Our supplier diversity manager develops and manages collaborative strategic relationships with corporate business units, suppliers, customers, stakeholders, and public and community organizations/groups by:

- Creating a competitive and quality-focused process for all parties, including a plan of action to monitor, achieve and report program activities;
- Developing new, creative and innovative opportunities to utilize minority-owned businesses, women-owned businesses and small businesses,
- Establishing qualified supplier relationships that ensure that Xcel Energy, its customers, and shareholders realize the benefits of competitive pricing and quality materials and services, and;
- Demonstrating ongoing commitment and support through outreach activities.

**Xcel Energy Workforce Diversity Organization**

Xcel Energy’s Workforce Diversity Department creates and maintains a business environment promoting inclusiveness. We value individual differences for the benefit of the company, employees, customers and the communities we serve. Our Workforce Diversity Department works in partnership with Xcel Energy Business Units to address the following strategic priorities:

- Making diversity an integrated part of our leadership and planning process.
- Strengthening our managers’ skills in leading diverse teams.
- Ensuring we have the workforce needed to meet our goals.
- Being recognized as a valued partner by the communities we serve.
- Ensuring Xcel Energy is complying with legal and reporting requirements.

**Promoting Good Will Through Community Service and Contributions**

The Xcel Energy Foundation uses our collective knowledge, resources and skills to help meet the needs of our communities, and ensure that Texas is a highly desirable place for all citizens to live, work or own a business. We have three main focus areas of education, building stronger communities, and arts and culture.

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**1. “List significant actions related to workforce diversity that have been either implemented or enhanced since the passage of SB 7.”**

*The following updates are as a result of the merger between New Centuries Energies and Northern States Power Company creating Xcel Energy, and developments subsequent to that during 2003.*

- The company implemented a new organizational structure headed by a Director of Workforce Diversity position and creating a Workforce Diversity Department. This organization reports to the Vice-President of Workforce Relations. This organizational change allows the company to review and revise existing diversity strategies for corporate-wide implementation with a staff dedicated to that goal.
- In accordance with an agreement with the U.S. Department of Labor, OFCCP, Xcel Energy has, beginning in 2003, implemented functional (as opposed to geographic) affirmative action programs; this functional alignment of affirmative action programs creates an infrastructure that will enhance the company’s ability to continue to implement effective diversity programs in the future.
- Continuing development of a corporate wide diversity strategy whose components will include EEO and AA compliance, SB7, diversity, work and home life, communications initiatives, and non-college recruiting.
- Progress continued during 2003 on strategy to develop and conduct company wide diversity training. Training design for the first phase was completed in early fall, 2003, and training was begun in Texas generating plants during December, 2003.
- In addition to company wide efforts in diversity training, all employees in the company’s Amarillo facilities were trained on AA/EEO law and company non-discrimination, anti-harassment policy, and inappropriate workplace behavior.
- Resources have been identified to own the process for establishing partnerships with professional, community and volunteer organizations to prepare potential candidates with workplace readiness skills.
- Discussions with students about potential careers in energy marketing were conducted at University of Texas Austin, University of Texas Houston, and Rice University. Although the discussions were open to all interested students, more than 60% of those in attendance were minorities.
- Xcel Energy was a participant in both NSBE and SWE national conferences in 2001.
- We have in the past several years furnished grant money to the following organizations and agencies, whose focus is on creating employment opportunities for women and people of color:
  - Texas Alliance for Minorities in Engineering (TAME) - program support
  - Amarillo College - support for TexPrep, an engineering program aimed at attracting females and minorities into engineering fields.
  - Boy Scouts of America Conquistador Council - Career-building program support in a partnership with Amarillo Area Center for Advanced Learning, an honors school operated by Amarillo School District.
  - Amarillo Independent School District - Program support for mathematics programs at AACAL (Amarillo Area Center for Advanced Learning).
  - West Texas A&M University - Support for Jason Project.
  - Texas Tech University (Lubbock) - Support for TexPrep program on South Plains.
- Xcel Energy continues to be a corporate sponsor of the Amarillo Center for Advanced Learning, and works with ACAL to schedule plant tours and job shadowing opportunities for potential candidates. In addition, we continue to work to identify additional organizations.
- Texas Tech., New Mexico State and Texas A&M continue to be target schools for company recruiting efforts because of their locations and demographics.

- Recruiting efforts for spring and fall 2002 were scheduled with Texas Tech., New Mexico State, and Texas A&M.
- Xcel Energy participated in the 2001 National Society of Hispanic Professional Engineers' Conference & Career Fair.
- Xcel Energy was a corporate sponsor for the 2002 SHPE National Conference, which held in Minneapolis, MN in February.
- NSBE and SWE assisted Xcel Energy in recruiting efforts at 3 schools in our service territory during 2001 through sponsorships and career fairs. Xcel Energy has plans to be a corporate sponsor of both NSBE and SWE on all of these campuses.
- At Amarillo Community College, internship programs for CAD students have been created. NACME is a national organization focusing on employment of minority engineers.
- In 2002, Xcel Energy sponsored minority and female engineering students at Colorado School of Mines (SWE) and University of MN (NSBE & SWE). Texas Tech. University was also contacted but did not respond in 2002.

#### 2003 updates

- Xcel Energy sponsored SHPE on a national level in 2003.
- Xcel Energy attended New Mexico State University's Career Fair on October 17, 2003.
- Xcel Energy posted two internship opportunities at Texas Tech in May of 2003. A Texas Tech student successfully obtained one of the internship positions and was hired as a full time employee after graduation. On October 1, 2003, Xcel Energy attended the Texas Tech career fair.
- Xcel Energy's Women's Issues Link & Workforce Recruitment sponsored an open house and recruiting event at Harrington Station Amarillo, TX. This event targeted women and minority women interested in non-traditional jobs. Two women were successful in the selection testing and entered into the Xcel Energy Entry Level Power Plant Pool.
- SOUTH PLAINS JOB FAIR - FALL 2003 – Agencies participating in this community fair included: WorkSource of the South Plains, Small Business Development Center, Texas Commission for the Blind, Lubbock Regional MHMR, Texas Rehabilitation Commission, Chambers of Commerce, Goodwill Industries, Texas Department of Human Services, and Lubbock State School.
- Xcel Energy in October, 2003 helped sponsor "Expanding Your Horizons," a conference for 6th, 7th and 8th grade girls at the Amarillo Area Center for Advanced Learning, a high school specializing in classes in medical fields, engineering, computers and animal science. The conference was designed to encourage young women to explore courses and career options in math, science and engineering. Scientists and engineers, including women from Xcel Energy, Owens Corning, BWXT Pantex and Bell Helicopter, led 58 students in hands-on workshops in aeronautical engineering, chemistry, physics, nursing, pharmacology, radiation safety, engineering and computer science.
- Xcel Energy actively posts call center positions at the Hispanic Chamber of Commerce.
- Xcel Energy Workshop at Amarillo Community College Women's group on how to prepare for and apply for entry level power plant positions.

#### 2004 updates

- As part of Xcel Energy's diversity training strategy, "MEET on Common Ground" training—targeted to all employees—was completed during 2004 at all Texas power plant locations.
- In addition to the "MEET on Common Ground" training sessions for all employees, "We have to MEET" training sessions—designed for managers and supervisors—was delivered in some locations during 2004 and will continue during 2005.
- Xcel Energy was a sponsor (for the 3<sup>rd</sup> consecutive year) of the Asian Marketing Conference.

- Xcel Energy continued its relationship with the Black HR Professionals Association.
- Orientation for Leaders, Xcel Energy's supervisory training program, incorporated affirmative action case studies as part of this training in 2004.
- Xcel Energy Foundation made grants to several non-profit agencies and groups that benefit the disadvantaged, people of color, and other groups.
- External job applicants now are able to apply online for openings at Xcel Energy; in addition, several national diversity professional organizations (e.g., Society of Women Engineers) have incorporated links in their websites directly to Xcel Energy's online job application site.
- "Interviewing and Diversity," a tool to assist both candidates and hiring leaders in the job interviewing process, is now available to hiring leaders and job applicants.
- Members of Xcel Energy Recruiting staff and/or members of the Energy Supply Strategic Recruiting Team attended the following events representing Xcel Energy:
  - Society for Hispanic Professional Engineers National Convention
  - Society for Women Engineers National Convention
  - National Black Society of Engineers National Convention
  - Annual Colorado School of Mines Engineering Days
  - Annual Colorado School of Mines Minority Engineering Program Professional Development Weekend
  - Over 20 additional College or Community Career Fairs, some in Texas
- Developed and presented career showcases at San Juan College – Farmington NM
- Developed and presented career showcases at South Plains College – Levelland TX
- Women's Issues Link, a women's employee network in Xcel Energy's Energy Supply business unit, sponsored an event at Harrington Power Station in Amarillo, TX, aimed at attracting women to "non-traditional" jobs in the power supply industry (and at Xcel Energy in particular). Xcel Energy's recruiting staff provided career information and consultation as part of this event, which also included speeches by women working in Energy Supply and tours of the power plant.

#### 2005 updates

- Xcel Energy posts job openings on CareerBuilder which links to over 80 additional diversity websites. This new hosting site has allowed recruiters to resume mine for specific positions in specific locations.
- External job applicants now are able to apply online for openings at Xcel Energy; in addition, several national diversity professional organizations (e.g., Diversity/Careers, Society of Women Engineers) have incorporated links in their websites directly to Xcel Energy's online job application site.
- Xcel Energy during 2005 assembled a team of top business unit managers to study the business case for establishing an Xcel Energy Diversity Council. The CEO and Governance Council approved the team's recommendation in October, and the Diversity Council will be created during 2006.
- "MEET on Common Ground" and "We Need to MEET" training continues to be delivered to work groups throughout the company.
- Members of Xcel Energy Recruiting staff and/or members of the Energy Supply Strategic Recruiting Team attended the following events representing Xcel Energy:
  - Annual Colorado School of Mines Engineering Days
  - Annual Colorado School of Mines Minority Engineering Program Professional Development Weekend
  - Over 20 additional College or Community Career Fairs,
    1. Texas Tech

2. West Texas A & M
  3. New Mexico State University
  4. University of Texas @ El Paso
  5. Showcase at San Juan College-Farmington NM
  6. Showcase at South Plains – Levelland-TX
  7. Houston Area Consortium of Career Centers – Texas Job Fair (15 University & Colleges in the Houston primarily HBUC)
- Women’s Issues Link, a women’s employee network in Xcel Energy’s Energy Supply business unit, sponsored 2 events at Harrington Power Station in Amarillo, TX, aimed at attracting women to “non-traditional” jobs in the power supply industry (and at Xcel Energy in particular). Xcel Energy’s recruiting staff provided career information and consultation as part of this event, which also included speeches by women working in Energy Supply and tours of the power plant.
  - Community Career day in the local Mule Shoe high school that emphasized careers in the utility industry.
  - Energy Supply is working on several community colleges in the Texas panhandle to develop Energy Technology programs similar to programs currently sponsored by Xcel Energy at St. Paul College and Bismarck State College.

#### 2006 updates

- Texas-Specific recruiting efforts:
  1. 2/9/06: Texas Tech University, Lubbock, TX. Career Fair-Minority Engineering Program & Associations.
  2. 2/23/06: University of Texas El Paso. Engineering & Science Expo – High ranking for women and minority students.
  3. 03/22/06: Army Career & Alumni Program Military Fair, San Antonio, TX. Job Fair-Diverse military base.
  4. 3/28/06: Houston Area Consortium of Career Centers. Multi School Career Fair – high ranking for women and minority students.
  5. 10/05/06: Texas Tech University, Lubbock, TX. Engineering Career Fair.
- Diversity Careers Magazine: 2 full page 4 color ad’s with web button that links back to Xcel Energy’s online job application site.
- Equal Opportunity Publications: 4 ads in 4 college recruitment magazines that are distributed to 65 historically Black Colleges and Universities in the South and 52 in the North.
- CareerBuilder.com: Xcel Energy continues to post all open jobs on this website, which has direct links to approximately 80 Diversity web sites frequently visited by women and minority job-seekers. Job seekers are able to view information on open positions at Xcel Energy and link directly into Xcel Energy’s online job application process.
- Xcel Energy Human Resources has made diversity a key component of its “People Strategy” for 2007.
- As part of a major corporate restructuring during 2nd quarter 2006, the position of Director, Diversity and Staffing was created, and the workforce diversity processes were moved under that position, further strengthening the link between workforce diversity and the company’s recruiting and staffing processes.
- During 2006 Xcel Energy established a diversity council, known as the Council on Diversity and Inclusion. This group, consisting of representatives from all business areas and levels of the company, is assisting Human Resources in developing and implementing diversity initiatives going forward. The creation of the council has already resulted in diversity being significantly more visible company-wide.



- The first major initiative of the Council on Diversity and Inclusion will be to conduct a company-wide culture audit during early 2007. A vendor has been hired to perform the audit, and early planning and logistics for the effort began in late November, 2006.

#### 2007 updates

- Texas-Specific recruiting efforts:
  1. 3/6/07: South Plains Technical College, Levelland, TX. Job Fair.
  2. 3/7/07: New Mexico State University, Las Cruces, NM. "Employment Extravaganza". 1 intern hired as a result.
  3. 9/18/07: New Mexico State University, Las Cruces, NM. Career Expo.
  4. 9/19/07: Texas Tech. University, Lubbock, TX. University Career Fair. 2 interns hired Spring of 2007 as a result of previous (2006) efforts.
  5. 9/20-21/07: University of Texas, El Paso, TX. "Expo 2007".
  6. 11/14/07: Military.com Career Fair, Dallas, TX. Part of a new initiative at Xcel Energy to increase our presence in the area of military recruiting.
- During 2007 the Council on Diversity and Inclusion (CDI) completed the aforementioned culture audit, and results were shared with top leadership of the company as well as all employees. The results of this audit led to the establishment of several new diversity initiatives for the company for 2008, as well as top leadership of the company experiencing training in this area.
- In addition, the Council on Diversity & Inclusion (CDI) was re-formed to add a more significant role for top company leadership directly in the activities of the Council; the group's budget was increased as well.
- Organizationally, changes were made to establish a stand-alone diversity department, apart from compliance activities. This sends a message that diversity, while related to affirmative action and EEO, is different and broader. This effort is still underway as of the end of 2007, and the department is still in the process of being staffed.
- In July of 2007 we created and rolled out an online affirmative action training module, required for all hiring leaders in the company, and designed to increase their knowledge of affirmative action compliance issues.
- As a result of the establishment of the Corporate Diversity Department and the enhanced role of the diversity council, Xcel Energy's 5 active Employee Network Groups (ENG's) will in 2008 receive increased operating budgets and a more significant role as advisors to the Council and top company leaders. As of this writing the 5 active ENGs are SOURCE (employees of color), SAGE (gay/lesbian employees), WIN (women), WIL (women) and Xcellente (Latino employees).

**2. "List significant actions related to supplier diversity that have been either implemented or enhanced during the 2006-2007 reporting period."**

- Processes implemented by SPS and peer AECT companies over the past few years has provided the opportunity to build upon a solid foundation in the improvement of MWBE spend and continuous improvement of MWBE spend, as well as, increasing the participation of small and diverse suppliers throughout its supply Chain. Included within this is the continued education, awareness and growth of Xcel Energy's Tier II reporting and subcontracting process that was initiated and released in FY 2006.
- Demand-side management efforts has been a niche well-suited to increase the participation of diverse suppliers in the SPS territory as small service providers are able to reap benefits of contracting opportunities, provide core services to the customer and participate in core utility operations.
- SPS has been coaching several diverse suppliers to improve their business acumen to impact the likelihood of these companies increasing their market share during 2005. Additionally, we are working with firms that qualify as diverse firms but have not achieved or applied for certification.
- SPS has adopted procurement strategies to consolidate and leverage spend yet the organization's strong commitment to HUB's remains unchanged. These strategies will challenge the company to meet both objectives. Mirroring the rich diversity of the company's territory and establishing business partnerships with qualified firms that reflect the cultural diversity of SPS's customer base; helping to strengthen its connection to the communities it serves is a cornerstone to successful business practices.
- Involvement with the National Minority Supplier Development Council (NMSDC) continued. The company had board representation on regional NMSDC councils. Service points were allocated to the Dallas/Fort Worth Business Council and serve as a direct conduit for qualified and certified firms.
- Continued outreached efforts on a local, regional and national basis with organizations that support diverse-owned businesses and their development.
- Sponsored the South Central South Texas Minority Business Development Council 'Face Time' Expo 2007 in South Padre Texas.
- Sponsored West Texas Business Connections for Minority and Women Owned Businesses Hub Forum. Participation included speaker/presenter at event, "How to do Business with a Utility", with representatives from the State of Texas.
- Sponsored Amarillo Hispanic Chamber of Commerce Franchise Event. Participation included presentation of sponsored award to small business owner and roundtable discussion concerning small business development.
- Participated in the Amarillo Chamber of Commerce Mega Market Event. Participation included educating small and diverse business owners on the topic, 'how to do business with Xcel energy'.

**3. List significant actions related to community participation that have been either implemented or enhanced during the 2006-2007 period.**

**Community involvement by Xcel Energy representatives included:**

- Member of Hispanic Chamber of Commerce in Lubbock
- Member of Hispanic Chamber of Commerce in Amarillo
- Increased participation of Hispanic Employee Association (Xcelente) in SPS-related activities.

**Xcel Energy Foundation Grants:**

The Xcel Energy Foundation grants money to 501(c)3 nonprofit groups for the purpose of building our communities through education, better neighborhoods and access to arts and cultures.

Many of our grants are target specially to groups elevating the status of females and minority groups in our society. We do this trough focus area grants, which are given at regular intervals through the year in the areas of education, building stronger communities, and arts and cultures. We also grant smaller amounts through our Community Grant fund to programs that don't fit into these focus areas. Listed below are the organizations that benefited from Xcel Energy funding.

**Focus Area Grants 2006**

- Amarillo Area CASA, Inc. was provided \$5,000 for program support for supervised, court ordered visits between abused children in foster care and their biological families to promote family reunification. Volunteer recruitment and training as well as staff support is requested.
- Habitat for Humanity, Inc. in Amarillo, Rosewell and Carlsbad were provided a minimum of \$5,000 for renovation and building of homes for low-income families with children.
- Another Chance House was provided \$5,000 for renovations on permanent housing owned by the organization. The process of moving up within the shelter proves to be successful for chronically homeless persons attempting to escape homelessness.
- Caprock Community Action Association, inc. was provided \$3,000 to continue to serve living, weatherization and housing needs in the counties of Hale, Floyd and Crosby for low-income families.
- Downtown Women's Center in Amarillo was provided \$5,000 for the HUD Super NOFA Continuum of Care grant for Transitional Housing. The Center works closely with the City of Amarillo to provide the supportive services portion for 21 families and individuals.
- First United Methodist Church in Canyon, was provided \$2,500 toward basic home repair for low-income families.
- Camp Fire USA Panhandle Plains Council was provided \$5,000 to expand their "Teens in Action" program for at-risk youth providing after-school enrichment including tutoring in math, science, financial literacy, career exploration, art and music.
- Eastern New Mexico University Foundation in Portales was provided \$5,000 to extend components of the Alliance for Minority Participation (AMP) Program. The program enables individuals from minority groups to finance higher education by way of scholarships, Undergraduate Research Assistantships.

- Texas Alliance for Minorities in Engineering (TAME) was provided \$5,000 to provide quality educational programs to students in the Panhandle area.

**4. List significant actions to Business Partnership Initiatives that have been either implemented or enhanced during the 2006-2007 period.**

- On October 3, 2007, member companies of the Association of Electric companies of Texas (AECT) presented a panel workshop focused on Workforce Diversity. AECT held this workshop in conjunction with the 2007 Central & South Texas Minority Business Council's Valley "Face Time" Expo.

Panelists included Mike Kuznar, VP of Organizational Development for Reliant Energy, Alice Otchere, Senior Director of HR at CenterPoint Energy, Patrick Dailey, Director of HR of TXU Energy and Moderator, Bonnie Beard, Director of HR for Reliant Energy. Such topics as "Workforce Initiatives & Aligning Diversity to the Business Strategy", "The Diversity Journey", "Generational Issues in the Workplace" and "Diversity Initiatives related to the Aging & Shrinking Workplace" were discussed.

The purpose of the workshop was to provide MWBEs tools to help them develop effective initiatives and business strategies related to diversity in the work place. The workshop also provided an opportunity for open and candid discussions about their specific workforce initiatives. The workshop was well received generating relevant questions and discussion topics.

The same day, AECT member company supplier diversity professionals conducted one-on-one meetings with participating MWBE businesses to engage in relationship building as well as exploring mutually beneficial business opportunities.

AECT also included Business Partnership outreach to diverse suppliers during the Central & South Texas Minority Business Council's Valley Networking Event. A CenterPoint Energy Competitive Retailer Relations Account Manager was on hand during the event and utilized multiple opportunities to discuss areas of electric deregulation with diverse businesses and major corporate sponsors. This information is still unfamiliar to many of the minority participants attending the conference. The event provided a way to highlight information contained in the PUC sponsored website, [www.PowerToChoose.com](http://www.PowerToChoose.com) and the opportunity for individual minority businesses to investigate the various electric rates provided by different Competitive Retailers.

We are committed to continue supporting this type of program as an annual event.

- The partnership agreement between The Amarillo Hispanic Chamber of Commerce and Xcel Energy continues to strengthen as we have been asked to fill a board seat.
- Ties continue to strengthen between Xcel Energy and the Panhandle Regional Planning Commission's Contract Procurement Center.

**Southwestern Public Service Company  
Five Year Diversity Plan  
Status Update as of  
September 30, 2007**

**A. A. Corporate-wide Diversity Initiative**

\*\* Comments: The following updates to the previously submitted plan area a result of the 2000 merger between New Century Energy and Northern States Power Company resulting tin Xcel Energy. In addition, Xcel energy has a comprehensive Supplier Diversity program, which supports the company's commitment to the diverse business community. It provides access to and ensures inclusion of diversity suppliers in corporate-wide sourcing opportunities. Functionally situated in the Supply Chain organization, Xcel Energy enriched the program in 2006 with the creation of one program manager position which reports to the General Manager, Supply Chain and two jurisdictionally focused specialist in each of the company's primary operation centers. The group is responsible for design, development, implementation and administration of enterprise-wide programs to ensure equal opportunity and develop affirmative procurement for the company's daily procurement activities for diverse businesses. Provide strategic leadership in the implementation and maintenance of technology, which enhances productivity, improves information sharing and access, and adds value.

**Initiative 1**

**IMPLEMENTATION STRATEGIES AND TIMELINE**

*Establish a Workforce Diversity Department to provide initiatives and strategic oversight of corporate-wide diversity*

<b>Implementation Strategy</b>	<b>Measurable Outcome</b>	<b>Time Frame</b>	<b>Status</b>
1. Identify Workforce Diversity team members	Team members identified	September 2001	Completed
2. Develop a corporate-wide workforce diversity strategy	Vision and strategy complete	June 2002 – Finalized in 2006	On-going
3. Review diversity initiatives on annual basis	Review complete	March 2003	Completed and On progress

*initiatives.*

\*\* See above comments

**Initiative 2****IMPLEMENTATION STRATEGIES AND TIMELINE***Develop cultural diversity training for employees*

<b>Implementation Strategy</b>	<b>Measurable Outcome</b>	<b>Time Frame</b>	<b>Status</b>
1. Research and recommend cultural diversity training and resources needed	Proposal Complete	December 2002	Completed. Cultural diversity training was begun in Energy Supply business unit (including several generating plants in Texas) in late 2003 and will continue into 2004.
2. Present for Executive approval	Approved Proposal	March 2003	Completed
3. Develop implementation plan	Plan Developed	June 2003	Completed
4. Implement training	Attendance Forms	December 2003	Completed

\*\* See above comments

**B. Minority/Women Owned-Business Development Initiative****Initiative 1:****IMPLEMENTATION STRATEGIES AND TIMELINES***Develop and distribute a written policy statement signed by the CEO affirming senior management support for the M/WBE initiatives to all employees in the organization.*

<b>Implementation Strategy</b>	<b>Measurable Outcome</b>	<b>Time Frame</b>	<b>Status</b>
1. Use the M/WBE Office to draft a policy statement for the M/WBE initiatives.	Draft completed	October 2001	Completed
2. Present to senior management for approval and sign-off by CEO.	CEO sign-off and statement mailing to employees completed	November 2001	Completed

**Initiative 2:****IMPLEMENTATION STRATEGIES AND TIMELINES***Post M/WBE policy statement in locations that are easily visible to all company employees, such as the company information board, intranet communications, and company web site.*

<b>Implementation Strategy</b>	<b>Measurable Outcome</b>	<b>Time Frame</b>	<b>Status</b>
1. Post statement in company promotional information, bulletin boards, intranet, and web site.	Policy statement posted and visible to all employees	December 2001	Completed

**Initiative 3:****IMPLEMENTATION STRATEGIES AND TIMELINES**

*Prepare a written strategic plan with goals, action steps, position accountability, and timetables for the M/WBE initiative.*

<b>Implementation Strategy</b>	<b>Measurable Outcome</b>	<b>Time Frame</b>	<b>Status</b>
1. Integrate M/WBE into the next strategic planning cycle.	M/WBE initiatives integrated into the next strategic planning cycle	June 2001	Completed
2. Assign strategic planning development to the M/WBE Office/Supply Chain.	M/WBE Office assigned responsibility of strategic planning development	June 2001	Completed and continuing on an annual basis.

**Initiative 4:****IMPLEMENTATION STRATEGIES AND TIMELINES**

*Develop written purchasing policies and procedures for the M/WBE Initiative.*

<b>Implementation Strategy</b>	<b>Measurable Outcome</b>	<b>Time Frame</b>	<b>Status</b>
1. Determine processes required for implementing business development with M/WBE vendors.	Evaluate and enhance current process as needed	On-going	Completed
2. Document policies and procedures in writing.	Policies and procedures are formalized	November 2000	Completed and evaluated on an annual basis.

**Initiative 5:****IMPLEMENTATION STRATEGIES AND TIMELINES**

*Integrate M/WBE purchasing policies and procedures into the central company-wide Supply Chain purchasing policies and procedures.*

<b>Implementation Strategy</b>	<b>Measurable Outcome</b>	<b>Time Frame</b>	<b>Status</b>
1. Review existing purchasing policy and procedure manual including M/WBE initiative policies and procedures.	Evaluate and enhance current policies and procedures as needed	On-going	Completed and evaluated on an annual basis.

**Initiative 6:****IMPLEMENTATION STRATEGIES AND TIMELINES**

*Continue to provide annual training on M/WBE purchasing policies and procedures and supplier diversity to Supply Chain staff and internal customers annually.*

<b>Implementation Strategy</b>	<b>Measurable Outcome</b>	<b>Time Frame</b>	<b>Status</b>
1. Include M/WBE policies and procedures into corporate-wide Supply Chain purchasing manual.	M/WBE and Supply Chain policies and procedures included in training	On-going	Completed
2. Identify source for conducting supplier diversity training.	Trainer identified from M/WBE Office	On-going	Completed
3. Prepare materials and set schedule.	Logistics completed by M/WBE Office	On-going	Completed
4. Obtain employee signature for attendance.	Record kept of all training participants	On-going	Completed

**Initiative 7:****IMPLEMENTATION STRATEGIES AND TIMELINES***Conduct overview of M/WBE Initiative with senior management.*

<b>Implementation Strategy</b>	<b>Measurable Outcome</b>	<b>Time Frame</b>	<b>Status</b>
1. Schedule overview with senior management.	Overview presented to senior management	September 2000	Completed and continuing on an annual basis.

**Initiative 8:****IMPLEMENTATION STRATEGIES AND TIMELINES***Update the current vendor database to ensure that minority and women vendors are classified properly and certified by a reputable certification organization every two years.*

<b>Implementation Strategy</b>	<b>Measurable Outcome</b>	<b>Time Frame</b>	<b>Status</b>
1. Review entire database for M/WBE vendors that are not classified properly.	Database reviewed for improper classifications	December 2000	Completed
2. Utilize external M/WBE certification process to correctly code.	Improper classifications corrected through external M/WBE certification process	June 2001	Completed and continuing on an annual basis.

**Initiative 9:****IMPLEMENTATION STRATEGIES AND TIMELINES***Monitor initiative performance toward goals and timetables with quarterly reports to senior management.*

<b>Implementation Strategy</b>	<b>Measurable Outcome</b>	<b>Time Frame</b>	<b>Status</b>
1. Assess M/WBE initiative activities and progress toward goals quarterly.	Conduct assessment of quarterly activity	On-going	Completed
2. Prepare a formal written report for senior management.	Written report prepared	December 2000	Completed and continuing on an annual basis.



**Initiative 10:****IMPLEMENTATION STRATEGIES AND TIMELINES**

*Establish a formal subcontracting plan and mentor/protégé initiative that establishes goals for subcontracting with M/WBE suppliers. Provide training to prime contractors to obtain buy-in and ideas on how to make initiatives work.*

<b>Implementation Strategy</b>	<b>Measurable Outcome</b>	<b>Time Frame</b>	<b>Status</b>
1. Obtain senior management level approval to establish a subcontracting policy for prime contractors.	Approval obtained	June 2001	Completed
2. Prepare a formal written plan for increasing M/WBE participation in the mentoring initiative.	Mentoring plan completed	June 2001	Completed and reviewed for application continually.
3. Prepare workshop agenda and materials.	Logistics completed by M/WBE Office	January 2002	Completed
4. Schedule date for workshop.	Training established	January 2002	Annually provided on individual basis
5. Notify prime contractors.	Prime contractors invited to training	February 2002	Ongoing

**Initiative 11:****IMPLEMENTATION STRATEGIES AND TIMELINES**

*Benchmark M/WBE initiative elements, in addition to dollars spent annually, with industry peers and exemplary corporations nationwide.*

<b>Implementation Strategy</b>	<b>Measurable Outcome</b>	<b>Time Frame</b>	<b>Status</b>
1. Identify companies for benchmarking.	Companies identified	June 2000	Completed. Thirteen companies included in benchmarking.
2. Determine initiative elements to be measured.	Initiatives for measurement selected	June 2000	Completed
3. Conduct benchmarking exercise.	Benchmarking completed – formal report completed	December 2000	Completed. Final benchmarking report completed by Texas MBE firm of McConnell, Jones, Lanier & Murphy.

**Initiative 12:****IMPLEMENTATION STRATEGIES AND TIMELINES***Perform annual internal audits of M/WBE initiatives to monitor compliance with policy and procedures.*

<b>Implementation Strategy</b>	<b>Measurable Outcome</b>	<b>Time Frame</b>	<b>Status</b>
1. Add M/WBE initiative compliance to annual internal audit plan.	Initiative added to internal audit plan	June 2000	Completed
2. Conduct compliance audit.	Audit completed	June 2001	Completed

**Initiative 13:****IMPLEMENTATION STRATEGIES AND TIMELINES***Join the National Minority Supplier Development Council and participate on the committees.*

<b>Implementation Strategy</b>	<b>Measurable Outcome</b>	<b>Time Frame</b>	<b>Status</b>
1. Upgrade membership to national status with NMSDC.	National membership application accepted	January 2001	Completed
2. Secure information about committee participation.	National committee responsibilities reviewed – participation initiated	July 2001	Completed and includes national board membership, national committee involvement and local affiliate board chairmanship.

**Initiative 14:****IMPLEMENTATION STRATEGIES AND TIMELINES***Formalize feedback process for M/WBEs firms that submit unsuccessful bids and proposals. Use constructive feedback as a training tool to assist them to prepare future proposals.*

<b>Implementation Strategy</b>	<b>Measurable Outcome</b>	<b>Time Frame</b>	<b>Status</b>
1. Establish formalize feedback process	Feedback process established	June 2001	Completed
2. Identify deficiencies in M/WBE proposal responses.	Feedback process followed	On-going-post 6/01	Completed
3. Communicate deficiencies with the M/WBE.	Feedback process followed	On-going-post 6/01	Completed.
4. Provide advice for improvement on next bid opportunity.	Feedback process followed	On-going-post 6/01	Completed.

**Initiative 15:****IMPLEMENTATION STRATEGIES AND TIMELINES**

*Continue to conduct workshops for M/WBEs on how to do business with Xcel Energy/Southwestern Public Service and obtain feedback on problems and concerns.*

<b>Implementation Strategy</b>	<b>Measurable Outcome</b>	<b>Time Frame</b>	<b>Status</b>
1. Use M/WBE Office to plan workshop.	Workshop plan completed	On-going	Completed
2. Prepare workshop agenda and secure workshop materials.	Logistics handled by M/WBE Office	On-going	Completed
3. Schedule workshop.	Workshop scheduled	On-going	Completed
4. Send out notices.	M/WBE's invited	On-going	Completed. Participated in annual AECT Diversity workshops. In addition to collaborative relationship with M/WBE business development organizations in the SPS territory.

**Initiative 16:****IMPLEMENTATION STRATEGIES AND TIMELINES**

*Conduct a survey of M/WBEs about what Xcel Energy/Southwestern Public Service can do to improve in providing access and opportunity.*

<b>Implementation Strategy</b>	<b>Measurable Outcome</b>	<b>Time Frame</b>	<b>Status</b>
1. Prepare survey instrument.	Survey completed	June 2001	Completed
2. Send survey to current and potential M/WBEs.	Survey mailed	February 2001	Completed and on-going
3. Compile results.	Results compiled	March 2001	Completed
4. Prioritize issues and develop action plans for elimination.	Action plans developed	April 2001	Completed

**Initiative 17:****IMPLEMENTATION STRATEGIES AND TIMELINES**

*Analyze all current contract expiration dates and begin to identify M/WBE suppliers for inclusion in the procurement process, and educate end users about potential M/WBEs.*

<b>Implementation Strategy</b>	<b>Measurable Outcome</b>	<b>Time Frame</b>	<b>Status</b>
1. 1. Develop listing of current contracts.	Listing completed	January 2001	Completed
2. 2. Determine expiration dates.	Expiration dates determined	January 2001	Completed
3. 3. Begin identification of potential M/WBE vendors prior to expiration.	Potential M/WBE's identified prior to contract expiration	February 2001	Completed and on-going

**C. Minority and Women Hiring/Promotional Practices****Initiative 1****IMPLEMENTATION STRATEGIES AND TIMELINE**

*Establish partnership with professional, community and volunteer organizations to prepare potential candidates with workplace readiness skills.*

<b>Implementation Strategy</b>	<b>Measurable Outcome</b>	<b>Time Frame</b>	<b>Status</b>
1. Identify resources to conduct presentations to assist individuals to be better prepared for the workplace from an educational and work environment perspective.	Resources identified by Corporate HR and Business Unit HR.	June 2000	Completed
2. Create presentation materials to be presented to minority and community organization participants.	Presentation prepared	August 2000	Completed
3. Identify minority and community organizations to assist with identifying participants interested in receiving information related to workforce readiness.	Organizations identified.	September 2000	Completed, and continuing. Xcel Energy has established ongoing relationships with Texas Tech., Texas A&M, New Mexico State University, NSBE and SWE regional organizations, and the Society of Hispanic Professional Engineers, all for the purpose of identifying and preparing potential candidates for potential positions.
4. Establish both formal and informal networks to promote SPS and its goal to meet their diversity efforts.	Networks established and maintained by Business Units and Corporate HR. Provide list of network contacts.	October 2000	Completed.

**Initiative 2**

**IMPLEMENTATION STRATEGIES AND TIMELINE**

*Increase percentage of women and minorities in skilled and semi-skilled Crafts positions by establishing relationships with vocational schools, junior colleges and high schools to promote non-traditional positions for both women and minorities.*

<b>Implementation Strategy</b>	<b>Measurable Outcome</b>	<b>Time Frame</b>	<b>Status</b>
1. Identify vocational and high school programs whose educational curriculum is in line with our non-traditional positions.	Schools identified.	June 2000	Completed.
2. Identify resources within the Business Unit's to establish partnerships with vocational and high school programs and to educate them on the types of positions our company employs	Resources identified.	August 2000	Completed
3. Prepare a presentation related to non-traditional positions within SPS for promotion to vocational/high schools/jr. colleges	Presentation prepared.	October 2000	Completed

**Initiative 3**

**IMPLEMENTATION STRATEGIES AND TIMELINE**

*Increase percentage of women and minorities in professional and technical positions through college recruiting and diversity advertising.*

<b>Implementation Strategy</b>	<b>Measurable Outcome</b>	<b>Time Frame</b>	<b>Status</b>
Identify recruiting efforts to be undertaken at colleges and universities with historically high representation of minorities and/or women.	Colleges identified	March 2001	Completed and ongoing.
Determine recruiting positions as defined by individual business units.	Positions identified	May 2001	Completed and ongoing. As part of the annual work force planning process and on an ongoing basis, Xcel Energy managers work with recruiting to determine need for positions requiring recruitment.
Schedule recruiting with historically high representations of minorities and/or women colleges.	Scheduled colleges list	July 2001	Completed and continuing.
Identify minority and female publications and organizations, which will assist in promoting diversity within the professional and technical ranks at SPS.	Publications and organizations identified.	January 2001	Completed and ongoing.

**Initiative 4****IMPLEMENTATION STRATEGIES AND TIMELINE***Expand partnership with the INROADS and other intern programs.*

<b>Implementation Strategy</b>	<b>Measurable Outcome</b>	<b>Time Frame</b>	<b>Status</b>
1. Identify internship programs and determine which positions will be available for internships	Outline of internship program(s) to be initiated and positions to be targeted by business units.	June 2001	Completed and ongoing. Xcel Energy business unit management identifies internship positions on an annual basis as part of the affirmative action process.
2. Increase of participation in the INROADS/internship program(s) by individual business units.	List of INROADS/internship opportunities identified.	August 2001	Completed and ongoing.
3. Design internship evaluation process for intern program.	Evaluation process outline completed	January 2002	Completed and ongoing.
4. Implement internship program	Number of interns placed	April 2002	Completed and ongoing.
5. Provide mentors to work with individual interning students.	List of interns and mentors	June 2002	Completed and ongoing.

**Initiative 5****IMPLEMENTATION STRATEGIES AND TIMELINE***Increase diversity in applicant flow corporately*

<b>Program/Activity</b>	<b>Measurable Outcome</b>	<b>Time Frame</b>	<b>Status</b>
1. Establish goals to increase applicant pools by business unit	Establishment of goal	June 2000	Completed (and continuing) as part of annual affirmative action planning and goal setting process.
2. Report and monitor quarterly on hires, promotions, terminations and applicant flow.	Provide statistical data (meeting goal/not meeting goal)	June 2000	Completed (and continuing) as part of quarterly internal goals & demographics reporting process.

**D. Business Assistance Plan**

**Initiative 1:**

**IMPLEMENTATION STRATEGIES AND TIMELINES**

*Establish the framework for a business partnership plan.*

<b>Implementation Strategy</b>	<b>Measurable Outcome</b>	<b>Time Frame</b>	<b>Status</b>
1. Evaluate and determine services to be provided.	Services to be provided determined	June 2001	On-going
2. Determine what department or organizational unit will administer the business partnership plan.	Plan administration determined through the Supplier Diversity Office	June 2001	Completed
3. Determine if sufficient staffing and expertise is available within the department or organizational unit to administer the plan.	Resource evaluation completed	September 2001	Complete. Update in 2006.
4. Establish criteria for entities receiving business assistance based on the type of services to be provided.	Criteria established	October 2001	Completed and on-going.

**Southwestern Public Service Company**  
**Project No. 35070**  
**WORKFORCE AND SUPPLIER DIVERSITY FORM**

<b>Actual = [Total HUB(6) procurement + Total Small Business procurement]/Total Company procurement</b>	<b>Actual for Previous FY (2006)</b>	<b>Actual for Current FY (2007)</b>	<b>Percentage change</b>
Construction Contracts	0.21%	0.00%	-100.00%
Commodities Contracts	8.50%	8.21%	-.96%
Other Services	0.00%	0.57%	570.00%
Professional Services Contracts	2.28%	0.01%	-100.00%
Major Equipment	0.00%	0.00%	0.00%
Other	0.00%	0.00%	0.00%

**(1) Construction** -- Construction done by general contractors and special trade contractors which includes new work, additions, alterations, reconstruction, installations, repairs, remodeling, renovating, and repair of office buildings. Heavy construction other than buildings such as pipelines, communication and power lines, sewer and water mains, asphalt and concrete construction of roads, trenching, cable laying, conduit construction, land clearing and leveling.

**(2) Commodities** -- All materials, goods or tangibles purchased to conduct business, not including fuel or purchased power contracts and major equipment purchases and rentals.

**(3) Others Services** -- All specialty work, special circumstances that required contract labor, special consultants or other non-defined services. Examples include audio/visual, staffing services, landscaping, forestry, tree trimming, art and decorative services, janitorial, travel/lodging, automotive repair, and photography.

**(4) Professional Services** -- Contracted professional services which include legal, consulting, health, engineering, accounting, advertising/marketing, architectural, real estate, computer services, research and analysis, education/training, insurance, surveying services, weather services, environmental, financial, etc.

**(5) Major Equipment** -- Includes all major equipment purchases and rentals including but not limited to transmission and distribution equipment, power plant equipment, substation equipment, heavy construction equipment, fleet requirements, etc.

**(6) HUB** -- Business enterprises that are 51% owned and controlled by U.S. citizens who are socially disadvantaged because of their identification as members of certain groups, including African-American, Hispanic, Native American, or Asian Pacific and Women as defined in the Texas Government Code § 481.101(1).

**(7) Other** -- Any commodity or service not covered by the above categories.



# WORKFORCE DIVERSITY FORM

(Data for Year 2007)

NUMBER OF FULL-TIME EMPLOYEES FOR REPORTING YEAR													
Occupational Categories	Combined Total	Company Totals		Caucasian		African American		Hispanic		Asian		American Indian	
		Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
1 - Officials and Managers	128	112	16	102	11	0	2	9	3	0	0	1	0
2 - Professionals	162	131	31	118	28	1	0	8	3	2	0	2	0
3 - Technicians	101	94	7	78	5	1	1	12	1	1	0	2	0
4 - Sales Workers	0	0	0	0	0	0	0	0	0	0	0	0	0
5 - Office and Clerical	239	44	195	25	126	2	17	15	52	2	0	0	0
6 - Craft Workers (Skilled)	412	408	4	340	3	16	0	51	0	1	0	0	1
7 - Operatives (Semi-skilled)	99	98	1	82	1	1	0	15	0	0	0	0	0
8 - Laborers (Unskilled)	55	38	17	21	16	3	1	13	0	0	0	1	0
9 - Service Workers	31	25	6	18	5	0	1	7	0	0	0	0	0
<b>Previous Year Totals</b>													
<b>Year Totals</b>	1176	919	257	755	197	24	15	131	44	4	0	5	1
	1227	950	277	784	195	24	22	130	59	6	0	6	1

**Southwestern Public Service Company  
Hire Data\* by EEO Category 2007**

Job Categories	TOTAL HIRES	Females					Males				
		White	Black	Hispanic	Asian	Native American	White	Black	Hispanic	Asian	Native American
Officials & Managers	1	0	0	0	0	0	0	0	0	0	0
Professionals	18	1	0	2	0	0	0	0	2	1	0
Technicians	8	0	0	1	0	0	0	0	1	0	0
Sales Workers	0	0	0	0	0	0	0	0	0	0	0
Office and Clerical	18	12	0	3	0	0	0	0	0	0	0
Craft Workers	2	0	0	0	0	0	0	0	0	0	0
Operatives	44	0	0	0	0	0	0	4	0	0	0
Unskilled	13	5	0	0	0	0	0	2	0	0	0
Service Workers	1	0	0	0	0	0	0	0	0	0	0
Totals	105	18	0	6	0	0	0	9	1	0	0

**Southwestern Public Service Company  
Promotion Data\* by EEO Category 2007**

Job Categories	TOTAL PROMOTIONS	Females					Males				
		White	Black	Hispanic	Asian	Native American	White	Black	Hispanic	Asian	Native American
Officials & Managers	23	5	0	2	0	0	14	0	2	0	0
Professionals	21	9	0	0	0	0	11	0	1	0	0
Technicians	18	1	0	0	0	0	13	0	3	0	1
Sales Workers	0	0	0	0	0	0	0	0	0	0	0
Office and Clerical	18	7	1	3	0	0	4	0	3	0	0
Craft Workers	24	1	0	0	0	0	19	1	3	0	0
Operatives	9	0	0	0	0	0	8	1	0	0	0
Unskilled	1	0	0	0	0	0	0	0	1	0	0
Service Workers	1	0	0	0	0	0	1	0	0	0	0
Totals	115	23	1	5	0	0	70	2	13	0	1

\*These #'s do not include temporary or seasonal employees