

### Comparison of A&E/3CP to 12CP Demand Allocator

| Customer Class         | A&E/3CP           | 12CP              | Difference |
|------------------------|-------------------|-------------------|------------|
| Residential Service    | 0.30751450        | 0.275299          | -0.0322    |
| Small Commercial       | 0.02857796        | 0.026699          | -0.0019    |
| C&I                    | 0.63078689        | 0.665156          | 0.0344     |
| Public Authority-Small | 0.00113790        | 0.001278          | 0.0001     |
| Public Authority-Large | 0.02826547        | 0.027661          | -0.0006    |
| Street & Area Lighting | 0.00371727        | 0.0039            | 0.0002     |
| <b>TOTAL:</b>          | <b>0.99999999</b> | <b>1.00000000</b> |            |

**Sources:**

Exhibit OPC22-10, Page 1 of 1 (Data in 12CP column.)  
Southwestern Public Service Company. Retail Class Cost Allocation Study  
12 Months Ended September 30, 2005. (Data in allocation ratio column.)

**Impact of Applying 12 CP Demand to Retail Production Costs**

|                        | Production Capacity<br>Rev Req Per SPS | Application of 12 CP<br>To Prod. Cap Rev Req | Estimated Change<br>With 12 CP Demand |
|------------------------|----------------------------------------|----------------------------------------------|---------------------------------------|
| Residential Service    | \$ 38,317,546                          | \$ 34,303,365                                | \$ (4,014,181)                        |
| Small Commercial       | \$ 3,560,929                           | \$ 3,326,803                                 | \$ (234,126)                          |
| C&I                    | \$ 78,598,590                          | \$ 82,881,119                                | \$ 4,282,529                          |
| Public Authority-Small | \$ 141,787                             | \$ 159,244                                   | \$ 17,457                             |
| Public Authority-Large | \$ 3,521,992                           | \$ 3,446,672                                 | \$ (75,320)                           |
| Street & Area Lighting | \$ 463,187                             | \$ 486,828                                   | \$ 23,641                             |
| Total                  | \$ 124,604,031                         | \$ 124,604,031                               | \$ (0)                                |

## **SCHEDULE CJ-4**

CT CAPACITY COST  
12% RESERVE MARGIN  
22 % ADDER FOR FIXED O&M  
3.5 % ANNUAL ESCALATION

**Economic Carrying Charge**

| YEAR | (PER KW) | Per Month |
|------|----------|-----------|
| 2006 | \$40.04  | \$3.34    |
| 2007 | \$41.44  | \$3.45    |
| 2008 | \$42.89  | \$3.57    |
| 2009 | \$44.39  | \$3.70    |
| 2010 | \$45.95  | \$3.83    |
| 2011 | \$47.56  | \$3.96    |
| 2012 | \$49.22  | \$4.10    |
| 2013 | \$50.94  | \$4.25    |
| 2014 | \$52.73  | \$4.39    |

Notes: \$400/kw installed cost  
Wtd. Cost of Capital=8.20%  
Cost of Equity=10%