



Control Number: 42004



Item Number: 197

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SOAH DOCKET NO. 473-14-1665
DOCKET NO. 42004

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APPLICATION OF SOUTHWESTERN § BEFORE THE STATE OFFICE
PUBLIC SERVICE COMPANY FOR §
AUTHORITY TO CHANGE RATES AND §
TO RECONCILE FUEL AND § OF
PURCHASED POWER COSTS FOR THE §
PERIOD JULY 1, 2012 THROUGH §
JUNE 30, 2013 § ADMINISTRATIVE HEARINGS

SOUTHWESTERN PUBLIC SERVICE COMPANY'S
RESPONSE TO STAFF'S
SIXTH REQUEST FOR INFORMATION
QUESTION NOS. 6-1 THROUGH 6-28

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**SOUTHWESTERN PUBLIC SERVICE COMPANY'S
RESPONSE TO STAFF'S
SIXTH REQUEST FOR INFORMATION
QUESTION NOS. 6-1 THROUGH 6-28**

Southwestern Public Service Company ("SPS") files this response to Commission Staff's ("Staff") Sixth Request for Information, Question Nos. 6-1 through 6-28.

I. WRITTEN RESPONSES

SPS's written responses to Staff's Sixth Request for Information are attached and incorporated by reference. Each response is stated on or attached to a separate page on which the request has been restated. SPS's responses are made in the spirit of cooperation without waiving SPS's right to contest the admissibility of any of these matters at hearing. In accordance with P.U.C. PROC. R. 22.144(c)(2)(A), each response lists the preparer or person under whose direct supervision the response was prepared and any sponsoring witness. When SPS provides certain information sought by the request while objecting to the provision of other information, it does so without prejudice to its objection in the interests of narrowing discovery disputes under P.U.C. PROC.

R. 22.144(d)(5). As allowed under P.U.C. PROC. R. 22.144(c)(2)(F), SPS stipulates that its responses may be treated by all parties as if they were made under oath.

II. INSPECTIONS.

If responsive documents are more than 100 pages but less than eight linear feet in length, the response will indicate that the attachment is voluminous (“(V)”) and, pursuant to P.U.C. PROC. R. 22.144(h)(2), the exhibit will be made available for inspection at SPS’s voluminous room at 401 Congress Avenue, Suite 2100, Austin, Texas 78701; telephone number (512) 370-2867. Voluminous exhibits will also be provided on CD to any requesting party. Further, SPS will upload all voluminous documents, along with all native files for review to SPS’s Sharepoint website:

<https://collaboration.xcelenergy.com/sps/SPSFinalRateCases/default.aspx>

All parties will be provided a log in id number at time of intervention to access the Sharepoint website.

If a response or the responsive documents are provided pursuant to the protective order in this docket, the response will indicate that it or the attachment is either confidential (“CONF”) or highly Sensitive (“HS”) as appropriate under the protective order. Confidential and Highly Sensitive materials will be served on all parties that have signed and filed the certification under the protective order entered in this docket. Confidential and Highly Sensitive responsive documents will also be made available for inspection at SPS’s voluminous room, unless they form a part of a response that exceeds eight linear feet in length; then they will be available at their usual repository in accordance

with the following paragraph. Please call in advance for an appointment to ensure that there is sufficient space to accommodate your inspection.

If responsive documents exceed eight linear feet in length, the response will indicate that the attachment is subject to the FREIGHT CAR DOCTRINE, and, pursuant to P.U.C. PROC. R. 22.144(h)(3), the attachment will be available for inspection at its usual repository, SPS's offices in Amarillo, Texas, unless otherwise indicated. SPS requests that parties wishing to inspect this material provide at least 48 hour notice of their intent by contacting Ron Moss of Winstead P.C., 401 Congress Avenue, Suite 2100, Austin, Texas 78701; telephone number (512) 370-2867; facsimile transmission number (512) 370-2850; email address rhmoss@winstead.com. Inspections will be scheduled to accommodate all requests with as little inconvenience to the requesting party and to SPS's operations as possible.

Respectfully submitted,

XCEL ENERGY SERVICES INC.

WINSTEAD P.C.

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BY: 
ATTORNEYS FOR
SOUTHWESTERN PUBLIC SERVICE COMPANY

RESPONSES

QUESTION NO. STAFF 6-1:

Please provide for **both SPS and Cities** (if requesting recovery):

- a. a Summary of Rate Case Expense Schedule of **total rate case expenses** by vendor within each discipline (legal, engineering, accounting, etc.) with subtotals for each month, broken down as follows: estimated expenses, expenses incurred and paid to date, expenses incurred and not paid to date, remaining estimated expenses, and specific areas of work by vendor. Please attach supporting invoices and receipts for all requested rate case expenses incurred to date.
- b. an explanation of the basis for any estimated rate case expenses requested and when the estimated expenses are expected to be incurred.
- c. assurance that the total amounts provided in response to item (a) equal your total requested rate case expenses.

RESPONSE:

- a. For estimated rate case expenses, please refer to Attachment DTH-RR-6 to the Direct Testimony of David T. Hudson, (Vol. RR1, page 109 of 566). For expenses incurred through January 2014, along with supporting invoices and receipts, please refer to Exhibit SPS-Staff 6-1(V), which is provided on the enclosed CD.
- b. SPS estimated expenses for each consultant based on the number of hours expected to complete the work assigned. SPS expects to continue incurring costs to respond to Requests for Information, to prepare additional written testimony, to appear at hearing before the Commission, and to prepare briefs for filing with the Commission.
- c. SPS intends to recover its actual rate case expenses for this case at the conclusion of this proceeding. SPS will periodically update its actual expenses incurred to achieve this result.

Preparers: Ruth Sakya, Emily Bustos
Sponsor: David T. Hudson

QUESTION NO. STAFF 6-2:

Please provide a detailed schedule of, and justification for each individual whose **hourly billing rate** is \$400 an hour or greater. The schedule should include the vendor name, individual's name, individual's title, number of hours billed, and specific work hours.

RESPONSE:

Please refer to Exhibit SPS-Staff 6-2. To date, there is only one individual who has billed SPS at a rate of \$400 an hour or greater. This individual has specialized knowledge regarding the topics and issues that he is assisting SPS with in this case. Thus, it is not uncommon for consultants in this area to have a billing rate of \$400 or greater.

Preparers: Ruth Sakya, Emily Bustos
Sponsor: David T. Hudson

QUESTION NO. STAFF 6-3:

Please provide an affidavit signed by each professional stating that the rate charged is the normal hourly billing rate charged by the professional, is comparable to the hourly rate charged by other professionals for similar services provided to other Texas utilities, and is the normal hourly billing rate charged by the professional for services to non-regulated entities.

RESPONSE:

Please refer to Exhibit SPS-Staff 6-3. SPS is continuing to gather affidavits and will supplement this response.

Preparer: Ruth Sakya
Sponsor: David T. Hudson

QUESTION NO. STAFF 6-4:

Please provide a detailed schedule of, and justification for, any charges included in requested rate case expenses which result from a single person billing in excess of 12 **hours per day**.

RESPONSE:

To date, no single person has billed in excess of 12 hours per day in preparation of this rate case.

Preparer: Emily Bustos
Sponsor: David T. Hudson

QUESTION NO. STAFF 6-5:

Please provide a detailed schedule of all **hotel or lodging charges**. This schedule should provide the nightly room rate for each stay, shown separately from other charges.

RESPONSE:

Please refer to Exhibit SPS-Staff 6-5, for the requested information recorded through January 2014.

Preparer: Emily Bustos
Sponsor: David T. Hudson

QUESTION NO. STAFF 6-6:

Please provide a schedule of, and justification for, any charges included in requested rate case expenses which result from the use of **non-commercial aircraft**. Also, please provide a detailed narrative comparing the total cost per person flying on non-commercial aircraft to the cost per person for commercial airfare (based on the same travel date and itinerary).

RESPONSE:

SPS has not included any rate case expenses for the use of non-commercial aircraft.

Preparers: Ruth Sakya, Emily Bustos
Sponsor: David T. Hudson

QUESTION NO. STAFF 6-7:

Please provide a schedule of, and justification for, any charges included in requested rate case expenses which result from **first class air travel**.

RESPONSE:

There are no charges included in requested rate case expense that resulted from first class air travel.

Preparers: Emily Bustos, Ruth Sakya
Sponsor: David T. Hudson

QUESTION NO. STAFF 6-8:

Please provide a schedule of, and justification for, any charges included in requested rate case expense which result from **luxury items**, such as limousine services, sporting events, alcoholic beverages, gourmet coffee, bottled water, hotel movies, satellite radio, or other entertainment.

RESPONSE:

Please refer to Exhibit SPS-Staff 6-8. In regard to bottled water, the cost of a bottle of water is the same or less than the cost of a soft drink in most cases. Further, bottled water is available in a large number of establishments and sometimes, such as in airports, free water is not available at food establishments. Thus, the Commission should allow the recovery of the cost of bottled water just as it would other non-alcoholic beverages.

Preparers: Emily Bustos, Ruth Sakya
Sponsor: David T. Hudson

QUESTION NO. STAFF 6-9:

Please provide a schedule of, and justification for, any charges included in requested rate case expenses resulting from **meals** which cost in excess of \$25 per person per meal.

RESPONSE:

Please refer to Exhibit SPS-Staff 6-9.

Preparers: Emily Bustos, Ruth Sakya
Sponsor: David T. Hudson

QUESTION NO. STAFF 6-10:

Please describe in detail your **selection procedure for consultants**. For each category of consultant (legal, accounting, engineering, etc.), state whether your selection procedures include provisions for:

- a. review of the prior work products of each consultant
- b. determination that the rate does not exceed the normal hourly billing rate charged by the vendor to other clients
- c. an analysis of the rates charged by comparable consultants for similar services provided to other Texas utilities
- d. competitive bidding for each contract – If competitive bidding is used, please describe the factors considered in evaluation and acceptance of bids

RESPONSE:

SPS was familiar with the prior work product of all of its outside consultants, and SPS ensured that none of the consultants were proposing to charge SPS a higher hourly billing rate than they charged other clients.

For a detailed description of SPS's selection process, please refer to Attachment DTH-RR-7 to the Direct Testimony of David T. Hudson-Revenue Requirement, specifically the Affidavits of Stephen Fogel (for legal counsel), David T. Hudson (for the remaining consultants), and J. Kay Trostle (for both legal counsel and consultants) (Vol. RR1, pages 110-137 of 566). With regard to competitive bidding, please refer to the affidavit of Mr. Hudson. He explains that SPS used competitive bidding for SPS's ROE witness, but did not for any other witness.

Preparer: Ruth Sakya
Sponsor: David T. Hudson

QUESTION NO. STAFF 6-11:

Prior to submission of rate case expenses to the Commission, has the Company performed a **detailed review** of all rate case expenses (including internal expenses, as well as outside consultants' expenses) to:

- a. determine that invoice terms and amounts are in agreement with contract specifications?
- b. determine that contract limits have not been exceeded?
- c. determine that adequate supporting documentation was provided for each charge for professional or secretarial services, travel expenses, and miscellaneous expenses (consistent with documentation requirements specified above)?
- d. verify the mathematical accuracy of each invoice?
- e. determine that the calculation of the charges is correct?
- f. determine that the individual charges and rates are reasonable?
- g. determine that the amount of each service (e.g. number of hours billed) is reasonable?
- h. determine that there is no double-billing of charges?
- i. determine that each invoice was approved for payment by an appropriate person before payment was actually made?

For each item listed above, please describe in detail the procedures for making such a determination.

RESPONSE:

Yes. Before entering into a contract with a consultant, SPS reviews the proposed rates of the consultant to ensure that they are reasonable for the work required. Prior to processing the monthly invoices for payment, SPS reviews them for accuracy. Each invoice must be approved before payment is made to the vendor. In addition, SPS reviews the documentation to ensure that it can provide the Commission sufficient detail to find the expenditures prudent.

For internal expenses, employees are required to submit detailed expense reports, including all receipts. Employee expenses are reviewed and approved by the employee's supervisor.

Finally, all rate case expenses are reviewed by accounting and regulatory personnel to ensure that all expenses are rate case related.

Preparer: Ruth Sakya
Sponsor: David T. Hudson

QUESTION NO. STAFF 6-12:

Prior to submission of rate case expenses to the Commission was a **detailed review** of all rate case expenses (including internal expenses, as well as outside consultants' expenses) performed to:

- a. determine that none of the charges included in requested rate case expenses have been included in other cost of service amounts included in the rate filing package?
- b. determine that none of the charges included in requested rate case expenses should have been directly assigned to other functions?
- c. determine that any allocation of charges between functions is reasonable?
- d. determine that none of the charges included in requested rate case expenses have been recovered through reimbursement for other expenses?

For each item listed above, please describe in detail the procedures for making such determination.

RESPONSE:

- a. Yes. SPS records the rate case expenses to a separate deferred account, thereby tracking these expenses separately from the other cost of service amounts.
- b. Yes. SPS has reviewed the expenses recorded to the rate case expense deferred account to verify that they are all directly related to the rate case and not another function.
- c. Yes. If a consultant has allocated expenses to more than one project, SPS reviews the allocation and requests additional documentation from the vendor if needed. Not all consultants allocate charges between functions, but instead SPS allocates the charges.
- d. Yes. SPS has not been reimbursed for any of the charges included in the rate case expense deferred account. Also, please refer to SPS's response to Question No. Staff 6-21.

Preparers: Emily Bustos, Ruth Sakya
Sponsor: David T. Hudson

QUESTION NO. STAFF 6-13:

For each category of rate case expenses specified in the Summary of Rate Case Expense Schedule requested above, please provide a schedule of all **exceptions** noted upon any review of the rate case expenses performed as described in items 11 and 12 above. The schedule should be presented in the following format:

Vendor ID	Invoice No.	Explanation of Exception	How Cleared
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RESPONSE:

SPS has noted on at least two occasions that an invoice from ScottMadden did not detail the work performed adequately and one occasion from Concentric. SPS declined to pay each invoice until the necessary detail was provided.

Preparer: Ruth Sakya
Sponsor: David T. Hudson

QUESTION NO. STAFF 6-14:

Are **payments to outside consultants** delayed or invoices rejected if adequate supporting documentation is not provided? Please explain.

RESPONSE:

Yes. SPS delays paying invoices that lack adequate documentation. If there is inadequate documentation, then SPS asks the vendor to provide the necessary documentation (*see* SPS's response to Question No. Staff 6-13). To date, vendors have ultimately provided adequate documentation, and no invoices have been rejected. But, if a vendor fails to provide the requested documentation, then SPS's practice is to reject the invoice.

Preparer: Ruth Sakya
Sponsor: David T. Hudson

QUESTION NO. STAFF 6-15:

Is any amount or retainer withheld from payments to outside consultants? If yes, please provide details.

RESPONSE:

No. SPS pays its consultants the full amount due after adequate documentation is provided.
No amount is withheld.

Preparer: Ruth Sakya
Sponsor: David T. Hudson

QUESTION NO. STAFF 6-16:

Have any outside parties (e.g. independent auditors) or internal auditors performed a **review of the requested rate case expenses**? If so, please describe the review performed and provide copies of the working papers prepared during this review.

RESPONSE:

SPS retained the services of J. Kay Trostle to review the rates and services of SPS's legal counsel and consultants to be included in rate case expense. Please refer to Attachment DTH-RR-7 to the Direct Testimony of David T. Hudson for Ms. Trostle's affidavit (Vol. RR1, pages 110-117 of 566).

No outside parties or internal auditors have performed a review of SPS's rate case expenses.

Preparer: Ruth Sakya
Sponsor: David T. Hudson

QUESTION NO. STAFF 6-17:

Does the Company have the contractual right to perform audits of consultants' expenses? If you do have this right, have you audited any consultants currently included in requested rate case expenses? If so, please identify the consultants audited, the procedures performed and the results of the audit. If you do have this right and have not performed any audits, why not?

RESPONSE:

Yes. SPS has a contractual right to perform audits of consultants' expenses. SPS has not found it necessary to perform formal audits of its consultants' expenses in this docket to date. SPS reviews all expenses during the verification of the invoices received by the consultants. In some instances, SPS has requested additional documentation from consultants of expenses requested in rate case expenses. The initial invoice review and the requirement that consultants justify the expenses upon request provide assurance that the invoices are reasonable and accurate.

Preparer: Ruth Sakya
Sponsor: David T. Hudson

QUESTION NO. STAFF 6-18:

Does the Company have any procedures for evaluating total costs for rate case expenses (actual vs. budgeted costs)? If so, please describe these procedures.

RESPONSE:

Yes, SPS has several procedures for evaluating total costs for rate case expenses. First, SPS establishes a budget for rate case expenses, and SPS then monitors the actual expenses to confirm that they are consistent with the budgeted expenses. Second, SPS creates a separate budget for each phase of the rate case, which leads to more accurate projections than a single, overall budget. Third, SPS compares its estimate of rate case expenses in the current docket to estimates in prior dockets. Fourth, SPS assesses the reasonableness of its estimated rate case expenses by comparing them to the rate case expenses incurred by other utilities in fully litigated base rate cases. Finally, SPS reviews each invoice from external service providers to ensure that the services provided are reasonable and necessary for the prosecution of the rate case. In addition, please refer to Attachment DTH-RR-7 to Mr. Hudson's revenue requirement direct testimony, specifically pages 11-12 (Vol. RR1, pages 135-136 of 566).

Preparer: Ruth Sakya
Sponsor: David T. Hudson

QUESTION NO. STAFF 6-19:

For all requested rate case expenses, please provide details of any instances in which more than one law firm or other consultant was engaged to provide similar services for the same aspect of the rate case. Please provide evidence that such charges did not result from a **duplication of services**.

RESPONSE:

Please refer to Attachment DTH-RR-7 to the Direct Testimony of David T. Hudson – Revenue Requirement, specifically pages 9-15 (Vol. RR1, pages 118-124 of 566).

Preparer: Ruth Sakya
Sponsor: David T. Hudson

QUESTION NO. STAFF 6-20:

Please list individually by entity, person and amount, any **salaries, wages**, employee benefits, or other payroll-related items which are included in requested rate case expenses.

RESPONSE:

Please refer to Exhibit SPS-Staff 6-20(CONF).

Preparers: Emily Bustos, Ruth Sakya
Sponsor: David T. Hudson

QUESTION NO. STAFF 6-21:

Has the Company **excluded all expenses** which are included in another component of requested cost of service for this docket (such as payroll or lease expense included in the historic test year) from its requested rate case expenses? If not, please provide a schedule listing these expenses and a detailed explanation of why they are not excluded.

RESPONSE:

Yes. SPS records the rate case expenses to a separate deferred account, thereby tracking these expenses separately from the other cost of service amounts.

Preparer: Ruth Sakya
Sponsor: David T. Hudson

QUESTION NO. STAFF 6-22:

Are any charges included in requested rate case expenses for legal or other **services provided by your employees**? If yes, provide a schedule by employee showing the total amount included in rate case expenses, and a detailed description of how the amount was determined (e.g. based on actual salary, based on comparable outside consultants' billing rates, etc.). Provide a justification for any charges in excess of your actual costs.

RESPONSE:

Yes. A portion of rate case expense is for hourly employees who worked overtime. Please refer to the detail provided in SPS's response to Question No. Staff 6-20.

Preparers: Emily Bustos, Ruth Sakya
Sponsor: David T. Hudson

QUESTION NO. STAFF 6-23:

Are any charges requested by the Cities for legal or other **services provided by their employees**? If yes, provide a schedule by employee showing the total amount included in rate case expenses, and a detailed description of how the amount was determined (e.g. based on actual salary, based on comparable outside consultants' billing rates, etc.). Provide justification for any charges in excess of actual costs.

RESPONSE:

Please refer to Exhibit SPS-Staff 6-1(V) for the invoices received from the Alliance of Xcel Municipalities (AXM) to date for reimbursement of municipal rate case expenses. To SPS's knowledge, all of the expenses are for outside legal counsel and consultants, not for any city employees.

Preparers: Emily Bustos, Ruth Sakya
Sponsor: David T. Hudson

QUESTION NO. STAFF 6-24:

Are any Company or consultant **internal overhead charges** included in requested rate case expenses? If yes, provide a schedule by type of overhead expense showing the total amount included in rate case expenses and a detailed description of how the amount was determined (e.g. based on actual costs, based on market prices, etc.). Provide justification for any charges in excess of your actual costs.

RESPONSE:

Yes. Please refer to Exhibit SPS-Staff 6-24. Alliance Consulting Group ("Alliance") charged an administrative fee of 5 percent of professional services to cover administrative charges such as reproduction, postage, phone calls, over-night deliveries, processing, etc. The 5 percent administrative fee is in lieu of separate charges for expenses incurred by Alliance in the course of its work for SPS.

Preparers: Emily Bustos, Ruth Sakya
Sponsor: David T. Hudson

QUESTION NO. STAFF 6-25:

Please identify and list any charges included in the requested rate case expenses which are **contingent upon a certain outcome**. For example, any payments, bonuses or incentives based on a specific event or result would be included in this schedule. Conversely, any reimbursements the Company will receive due to a negative outcome would also be included.

RESPONSE:

None of SPS's rate case expenses are contingent upon a certain outcome.

Preparer: Ruth Sakya
Sponsor: David T. Hudson

QUESTION NO. STAFF 6-26:

Reference Attachment KMK-RR-1, page 202 of 233. Please explain the category of expense "Conversion of Rates into Billing System" in the amount of \$15,000.

RESPONSE:

The rate conversion expense refers to the incremental expenses paid to outside consultants for programming and related expenses for modifying rates resulting from this docket.

Preparer: James Bagley
Sponsor: David T. Hudson

QUESTION NO. STAFF 6-27:

Reference Attachment KMK-RR-1, page 202 of 233. For each of the three entities identified as "Legal Counsel," please provide a detailed description of services performed or to be performed which demonstrates the reasonableness and necessity of those three entities. Additionally, the description of services should identify any duplication of services.

RESPONSE:

Please refer to SPS's response to Question No. Staff 6-19.

Preparer: Ruth Sakya
Sponsor: David T. Hudson

QUESTION NO. STAFF 6-28:

Please provide evidence and testimony or affidavits showing the reasonableness of the cost of all professional services, including but not limited to:

- a. time and labor required;
- b. nature and complexities of the case;
- c. amount of money or value of property or interest at stake;
- d. extent of responsibilities the attorney or professional assumes; and
- e. benefits to the client from the services.

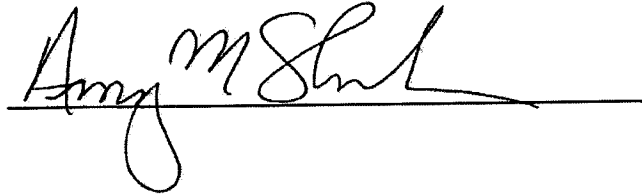
RESPONSE:

Please refer to Attachment DTH-RR-7 to the Direct Testimony of David T. Hudson – Revenue Requirement (Vol. RR7, pages 110-137 of 566).

Preparer: Ruth Sakya
Sponsor: David T. Hudson

CERTIFICATE OF SERVICE

I certify that on the 6th day of March, 2014, a true and correct copy of the foregoing instrument was served on all parties of record by electronic service and by either hand delivery, Federal Express, regular first class mail, certified mail, or facsimile transmission.

A handwritten signature in cursive script, appearing to read "Amy M. Shul", is written over a horizontal line.

SOUTHWESTERN PUBLIC SERVICE COMPANY

Individuals that were involved in preparing the SPS Rate Filing Package whose billing rate was \$400 or greater.

Vendor Name	Individual's		# of Hours Billed	Hourly Rate
	Name	Individual's Title		
Scott Madden	Richard D. Starkweather	Partner	2.00	\$420.00

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AFFIDAVIT OF ANN E. BULKLEY

STATE OF MASSACHUSETTS §
§
COUNTY OF MIDDLESEX §

Ann E. Bulkley, first being sworn on his oath, states:

1. My name is Ann E. Bulkley. I am over eighteen years of age. If called as a witness, I am competent to testify to the statements in this affidavit, all of which are within my personal knowledge.

2. I am employed by Concentric Energy Advisors as an economic and financial consultant on public utility issues. My business address is Concentric Energy Advisors, 293 Boston Post Road, Suite 500, Marlborough, Massachusetts 01752. Southwestern Public Service Company retained me as a consultant to assist it in presenting its case in Public Utility Commission of Texas Docket No. 42004, State Office of Administrative Hearings Docket No. 473-14-1665 ("Docket No. 42004").

3. I make this affidavit to respond to Staff's sixth request for information, question Staff-6-3, in Docket No. 42004.

4. For work performed for Docket No. 42004, my billing rate is \$450 per hour. As of January 1 2014, this rate is my normal hourly billing rate charged to all clients, whether they are rate regulated entities such as public utilities or non-regulated entities, for the types of services provided for Docket No. 42004. To the best of my knowledge, my hourly billing rate for Docket No. 42004 is comparable to the hourly billing rate currently charged by other consultants to other Texas utilities and the law firms representing those utilities for similar services.

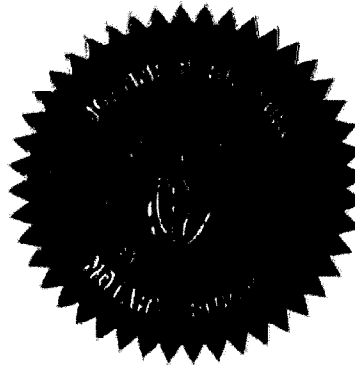
Ann E. Bulkley
Ann E. Bulkley

Subscribed to and sworn before me, the undersigned notary public, by the previously identified Ann E. Bulkley, whom I know personally, today, March 5, 2014.



JOANNE P. BICKFORD
NOTARY PUBLIC
COMMONWEALTH OF MASSACHUSETTS
MY COMMISSION EXPIRES
OCTOBER 15, 2015

Joanne P. Bickford
Notary Public, State of Massachusetts
My Commission expires: 10/15/15



**SOAH DOCKET NO. 473-14-1665
DOCKET NO. 42004**

APPLICATION OF SOUTHWESTERN	§	BEFORE THE STATE OFFICE
PUBLIC SERVICE COMPANY FOR	§	
AUTHORITY TO CHANGE RATES	§	
AND TO RECONCILE FUEL AND	§	OF
PURCHASED POWER COSTS FOR	§	
THE PERIOD JULY 1, 2012 THROUGH	§	
JUNE 30, 2013	§	ADMINISTRATIVE HEARINGS

AFFIDAVIT OF LESTER BALDOCK

STATE OF TEXAS §
 §
POTTER COUNTY §

Lester Baldock, first being sworn on his oath, states:

1. My name is Lester Baldock. I am over eighteen years of age. If called as a witness, I am competent to testify to the statements in this affidavit, all of which are within my personal knowledge.

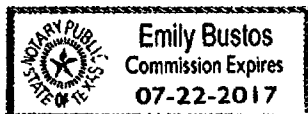
2. I am a self-employed consultant on public utility cost issues. My business address is Xcel Energy Services, Inc., SPS Tower 24, 6th and Tyler, Amarillo, Texas 79101. Southwestern Public Service Company retained me as a non-testifying consultant to assist it in presenting its case in Public Utility Commission of Texas Docket No. 42004, State Office of Administrative Hearings Docket No. 473-14-1665 ("Docket No. 42004").

3. I make this affidavit to respond to Staff's Sixth Request for Information, Question 6-3, in Docket No. 42004.

4. For work performed for Docket No. 42004, my billing rate is \$175 per hour. This rate is my normal hourly billing rate charged to all clients, whether they are rate regulated entities such as public utilities or non-regulated entities, for the types of services provided for Docket No. 42004. To the best of my knowledge, my hourly billing rate for Docket No. 42004 is comparable to the hourly billing rate currently charged by other consultants to other Texas utilities and the law firms representing those utilities for similar services.

Lester Baldock
Lester Baldock

Subscribed to and sworn before me, the undersigned notary public, by the previously identified Lester Baldock, whom I know personally, today, March 4, 2014.



Emily Bustos
Notary Public, State of Texas
My Commission expires: 7-22-2017

**SOAH DOCKET NO. 473-14-1665
DOCKET NO. 42004**

APPLICATION OF SOUTHWESTERN	§	BEFORE THE STATE OFFICE
PUBLIC SERVICE COMPANY FOR	§	
AUTHORITY TO CHANGE RATES	§	OF
AND TO RECONCILE FUEL AND	§	
PURCHASED POWER COSTS FOR	§	ADMINISTRATIVE HEARINGS
THE PERIOD JULY 1, 2012	§	
THROUGH JUNE 30, 2013		

AFFIDAVIT OF RON MOSS

STATE OF TEXAS §
 §
TRAVIS COUNTY §

Ron Moss, first being sworn on his oath, states:

1. My name is Ron Moss. I am over eighteen years of age. If called as a witness, I am competent to testify to the statements in this affidavit, all of which are within my personal knowledge.

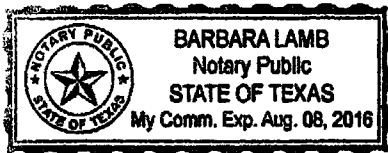
2. I am employed by Winstead PC. My business address is 401 Congress Avenue, Suite 2100, Austin, Texas 78701. Southwestern Public Service Company retained me as an attorney to assist it in presenting its case in Public Utility Commission of Texas Docket No. 42004, State Office of Administrative Hearings Docket No. 473-14-1665 ("Docket No. 42004"). I have been assisted in that representation by Carrie Collier-Brown, an associate attorney at Winstead PC.

3. I make this affidavit to respond to Staff's Sixth Request for Information, Question No. Staff-6-3, in Docket No. 42004.

4. For work performed for Docket No. 42004, my hourly rate is \$375, and Ms. Collier-Brown's rate is \$250 per hour. These rates are either the same as or lower than our normal hourly billing rate charged to all of our clients, whether they are rate regulated entities such as public utilities or non-regulated entities, for the types of services provided for Docket No. 42004. To the best of my knowledge, the hourly billing rates set forth above for Docket No. 42004 are comparable to the hourly billing rates currently charged by other attorneys to other Texas utilities for similar services.

Ron Moss
Ron Moss

Subscribed to and sworn before me, the undersigned notary public, by the previously identified Ron Moss, whom I know personally, today, March 4th, 2014.



Barbara Lamb
Notary Public, State of Texas
My Commission expires: 8/8/16

**SOAH DOCKET NO. 473-14-1665
DOCKET NO. 42004**

APPLICATION OF SOUTHWESTERN	§	BEFORE THE STATE OFFICE
PUBLIC SERVICE COMPANY FOR	§	
AUTHORITY TO CHANGE RATES	§	OF
AND TO RECONCILE FUEL AND	§	
PURCHASED POWER COSTS FOR	§	ADMINISTRATIVE HEARINGS
THE PERIOD JULY 1, 2012	§	
THROUGH JUNE 30, 2013	§	

AFFIDAVIT OF THOMAS B. HUDSON, JR.

STATE OF TEXAS §
 §
TRAVIS COUNTY §

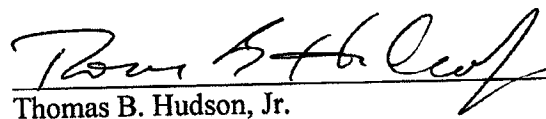
Thomas B. Hudson Jr., first being sworn on his oath, states:

1. My name is Thomas B. Hudson, Jr. I am over eighteen years of age. If called as a witness, I am competent to testify to the statements in this affidavit, all of which are within my personal knowledge.

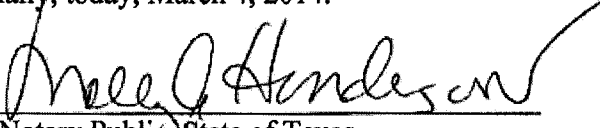
2. I am employed by Graves Dougherty Hearon & Moody ("GDHM") as an attorney on public utility issues and other administrative law matters. My business address is 401 Congress Ave., Suite 2200, Austin, Texas 78701. Southwestern Public Service Company retained me and other lawyers at GDHM to assist it in presenting its case in Public Utility Commission of Texas Docket No. 42004, State Office of Administrative Hearings Docket No. 473-14-1665 ("Docket No. 42004").

3. I make this affidavit to respond to Staff's sixth request for information, question Staff-6-3, in Docket No. 42004.

4. For work performed for Docket No. 42004, the hourly rates for GDHM attorneys range from \$175 per hour to \$385 per hour. These rates are equal to or less than the normal hourly billing rates charged to all clients, whether they are rate regulated entities such as public utilities or non-regulated entities, for the types of services provided for Docket No. 42004. To the best of my knowledge, the hourly billing rates for GDHM attorneys working on Docket No. 42004 are comparable to the hourly billing rates currently charged by other law firms representing public utilities in Texas for similar services.


Thomas B. Hudson, Jr.

Subscribed to and sworn before me, the undersigned notary public, by the previously identified Thomas B. Hudson, Jr., whom I know personally, today, March 4, 2014.



Notary Public, State of Texas
My Commission expires: 5/24/2014

**SOAH DOCKET NO. 473-14-1665
DOCKET NO. 42004**

APPLICATION OF SOUTHWESTERN	§	BEFORE THE STATE OFFICE
PUBLIC SERVICE COMPANY FOR	§	
AUTHORITY TO CHANGE RATES	§	OF
AND TO RECONCILE FUEL AND	§	
PURCHASED POWER COSTS FOR	§	ADMINISTRATIVE HEARINGS
THE PERIOD JULY 1, 2012 THROUGH	§	
JUNE 30, 2013	§	

AFFIDAVIT OF RICHARD D. STARKWEATHER

STATE OF MINNESOTA §
 §
HENNEPIN COUNTY §

Richard D. Starkweather, first being sworn on his oath, states:

1. My name is Richard D. Starkweather. I am over eighteen years of age. If called as a witness, I am competent to testify to the statements in this affidavit, all of which are within my personal knowledge.

2. I am a partner at ScottMadden, Inc. ("ScottMadden"), a management consulting firm. My business address is 2626 Glenwood Avenue, Suite 480, Raleigh, North Carolina 27608. Southwestern Public Service Company retained ScottMadden to assist it in presenting its case in Public Utility Commission of Texas Docket No. 42004, State Office of Administrative Hearings Docket No. 473-14-1665 ("Docket No. 42004").

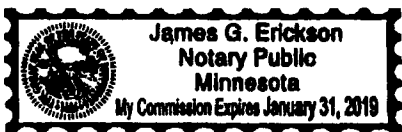
3. I make this affidavit to respond to Staff's sixth request for information, question Staff-6-3, in Docket No. 42004.

4. For work performed for Docket No. 42004, my billing rate is \$420 per hour. This rate is my normal hourly billing rate charged to all clients, whether they are rate regulated entities such as public utilities or non-regulated entities, for the types of services provided for Docket No. 42004. To the best of my knowledge, my hourly billing rate for Docket No. 42004 is comparable to the hourly billing rate currently charged by other consultants to other Texas utilities and the law firms representing those utilities for similar services.

Richard D. Starkweather

Richard D. Starkweather

Subscribed to and sworn before me, the undersigned notary public, by the previously identified Richard D. Starkweather, whom I know personally, today, March 5, 2014.



J. Erickson
Notary Public, State of Minnesota

My Commission expires: 1-31-19

**SOAH DOCKET NO. 473-14-1665
DOCKET NO. 42004**

APPLICATION OF SOUTHWESTERN PUBLIC SERVICE COMPANY FOR AUTHORITY TO CHANGE RATES AND TO RECONCILE FUEL AND PURCHASED POWER COSTS FOR THE PERIOD JULY 1, 2012 THROUGH JUNE 30, 2013	§ § § § § § §	BEFORE THE STATE OFFICE OF ADMINISTRATIVE HEARINGS
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AFFIDAVIT OF DANE A. WATSON

STATE OF TEXAS §
 §
COLLIN COUNTY §

Dane A. Watson, first being sworn on his oath, states:

1. My name is Dane A. Watson. I am over eighteen years of age. If called as a witness, I am competent to testify to the statements in this affidavit, all of which are within my personal knowledge.

2. I am a Partner at Alliance Consulting Group. My business address is 1410 Avenue K, Suite 1105B Plano, TX 75074. Southwestern Public Service Company retained Alliance Consulting Group to assist it in presenting its case in Public Utility Commission of Texas Docket No. 42004, State Office of Administrative Hearings Docket No. 473-14-1665 ("Docket No. 42004").

3. I make this affidavit to respond to Staff's sixth request for information, question Staff-6-3, in Docket No. 42004.

4. For work performed by Alliance consultants for Docket No. 42004, the hourly rates range from \$50 per hour to \$250 per hour. These rates are the normal hourly billing rates charged by these Alliance consultants to all clients, whether they are rate regulated entities such as public utilities or non-regulated entities, for the types of services provided for Docket No. 42004. To the best of my knowledge, the hourly billing rates for these Alliance consultants for Docket No. 42004 are comparable to the hourly billing rates currently charged by other consultants to other Texas utilities for similar services.