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SOAH DOCKET NO. 473-15-1556  
DOCKET NO. 43695

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APPLICATION OF SOUTHWESTERN § BEFORE THE STATE OFFICE  
PUBLIC SERVICE COMPANY FOR § OF  
AUTHORITY TO CHANGE RATES § ADMINISTRATIVE HEARINGS

**SOUTHWESTERN PUBLIC SERVICE COMPANY'S  
SECOND SUPPLEMENTAL RESPONSE TO  
ALLIANCE OF XCEL MUNICIPALITIES'  
THIRD REQUEST FOR INFORMATION  
QUESTION NOS. 3-1 AND 3-12**

*(Filename: SPSRespAXM3rd(SUPP2).doc; Total Pages: 12)*

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    QUESTION NO. AXM 3-12: ..... 7

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**EXHIBITS ATTACHED:**

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    Exhibit SPS-AXM 3-12(d)(SUPP2) (*filename: SPS-AXM 3-12(d)(SUPP2).xlsx*) .....10

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*PUC Docket No. 43695  
SOAH Docket No. 473-15-1556  
Southwestern Public Service Company's  
Second Supplemental Response to  
Alliance of Xcel Municipalities' Third Request for Information  
Question Nos. 3-1 and 3-12*

*260*

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PUBLIC SERVICE COMPANY FOR § OF  
AUTHORITY TO CHANGE RATES § ADMINISTRATIVE HEARINGS**

**SOUTHWESTERN PUBLIC SERVICE COMPANY'S  
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ALLIANCE OF XCEL MUNICIPALITIES'  
THIRD REQUEST FOR INFORMATION  
QUESTION NOS. 3-1 AND 3-12**

Southwestern Public Service Company ("SPS") files this supplemental response to Alliance of Xcel Municipalities' ("AXM") Third Request for Information, Question No. 3-1 and 3-12.

**I. WRITTEN RESPONSES**

SPS's written responses to AXM's Third 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.

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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.

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WINSTEAD P.C.

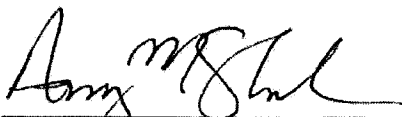
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BY:   
ATTORNEYS FOR  
SOUTHWESTERN PUBLIC SERVICE COMPANY

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*PUC Docket No. 43695  
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Second Supplemental Response to  
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## SUPPLEMENTAL RESPONSES

### QUESTION NO. AXM 3-1:

**[Income Taxes] Ref: DAB-RR-2\_1.1 – COS Results.xls, Total Company tab, lines 399-403 and 484-488.** The referenced lines appear to deduct tax depreciation in excess of book depreciation in calculating currently taxable income, then providing deferred income tax expenses on the same tax/book timing differences. Please provide the following additional information:

...

- d. Provide detailed calculations supporting each revision to the Company's cost of service calculations to properly reflect the availability of 2014 bonus tax depreciation, where applicable.
- e. Provide additional analyses and stated assumptions, as necessary, to update any Net Operating Loss ("NOL") deferred tax asset amounts that are included in the Company's asserted rate base.

### FEBRUARY 10, 2015 SUPPLEMENTAL RESPONSE:

...

- d. Please refer to Exhibit SPS-AXM 3-1(d)(SUPP2) for revisions to SPS's cost of service calculations to reflect the availability of 2014 bonus tax depreciation on qualifying plant.
- e. The NOL taking into account the availability of 2014 bonus tax depreciation is \$40,924,061. This is comprised of the beginning balance of \$22,906,633 and \$18,017,428 accumulated during the test year as a result of the bonus tax depreciation. Please refer to Exhibit SPS-AXM 3-1(e)(SUPP2)(CD), provided on the enclosed CD, for a revised native version of Attachment DAB-RR-2 reflecting the availability of 2014 bonus tax depreciation on SPS's filed case.

Preparers: Deborah Dzik, Arthur P. Freitas  
Sponsors: Christopher A. Arend, Deborah A. Blair, Lisa H. Perkett

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*PUC Docket No. 43695  
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Southwestern Public Service Company's  
Second Supplemental Response to  
Alliance of Xcel Municipalities' Third Request for Information  
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**QUESTION NO. AXM 3-12:**

**[Deferred Income Taxes] Ref: DAB-RR-2\_1.2 – Adjustments, “Post TY ADIT”.** At the referenced tab, SPS appears to be projected the estimated changes to each Plant-related Accumulated Deferred Income Taxes (“ADIT”) balances to coincide with its inclusion of projected Post-Test-Year Plant in Service additions in rate base. Please provide the following additional information:

...

- d. Explain and quantify the revisions to these calculations that would be required if “bonus” tax depreciation is available on qualifying post-test-year Plant Additions that SPS has included in its asserted rate base.

**FEBRUARY 10, 2015 SUPPLEMENTAL RESPONSE:**

...

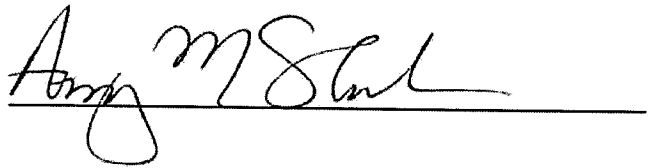
- d. Please refer to Exhibit SPS-AXM 3-12(d)(SUPP2) for qualifying revisions to SPS’s per book ADIT as well as ADIT on SPS’s requested Post-Test Year plant additions reflective of the availability of 2014 bonus tax depreciation.

Preparers: Deborah Dzik, Arthur P. Freitas  
Sponsors: Deborah A. Blair, Lisa H. Perkett



**CERTIFICATE OF SERVICE**

I certify that on the 10<sup>th</sup> day of February, 2015, a true and correct copy of the foregoing instrument was served on all parties of record by a combination of electronic service and hand delivery, Federal Express, regular first class mail, certified mail, or facsimile transmission as allowed under SOAH Order No. 3, pages 3-4.

  
\_\_\_\_\_

Southwestern Public Service Company June 30, 2014									
Line No.	Description	Account	Filed			Adjusted with Bonus			
			Per Book	Adjustments	Adjusted	Per Book	Adjustments (1)	Adjusted	
<b>PLANT IN SERVICE</b>									
<b>Schedule M Items:</b>									
<b>Plant Differences:</b>									
397	Plant Deferred Tax - Production	T	5,670,619	(36,709,727)	(31,039,108)	(3,197,183)	(45,577,529)	(48,774,712)	
398	Plant Deferred Tax - Transmission	T	(92,478,987)	(85,851,847)	(178,330,833)	(144,384,554)	(137,757,414)	(282,141,967)	
399	Plant Deferred Tax - Distribution	T	(35,068,284)	(2,889,161)	(37,957,445)	(51,209,631)	(19,030,508)	(70,240,139)	
400	Plant Deferred Tax - General	T	6,490,763	15,337,834	21,828,597	(4,237,479)	4,609,592	372,113	
401	Plant Related - General Call Center / CRS	T	(1,136,722)	(295,455)	(1,432,177)	(1,136,722)	(295,455)	(1,432,177)	
403			(116,522,611)	(110,408,355)	(226,930,966)	(204,165,569)	(198,051,314)	(402,216,883)	
<b>Deferred Income Tax Expense:</b>									
<b>Plant Related</b>									
482	Plant Deferred Tax - Production		(2,384,044)	13,247,732	10,863,688	719,686	16,351,462	17,071,148	
483	Plant Deferred Tax - Transmission		33,586,124	28,829,667	62,415,792	51,753,073	46,996,616	98,749,690	
484	Plant Deferred Tax - Distribution		13,177,693	107,413	13,285,106	18,827,165	5,756,885	24,584,050	
485	Plant Deferred Tax - General		(1,534,782)	(6,105,227)	(7,640,009)	2,220,103	(2,350,342)	(130,239)	
486	Plant Deferred Tax - General - CRS/Call Center		(394,353)	895,615	501,262	(394,353)	895,615	501,262	
487			42,450,638	36,975,200	79,425,838	73,125,674	67,650,236	140,775,910	
488									

(1) Adjustments are to the Post-Test Year

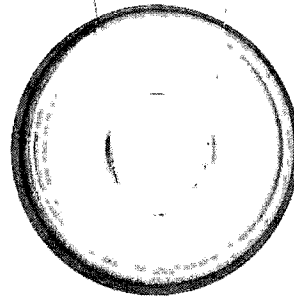
Line	No.	Description	Account	Per Book As Filed	Adjust Per Book for Bonus	Adjustments as Filed	Adjustments for Bonus
<b>Accumulated Deferred Income Taxes:</b>							
<b>Account 190:</b>							
210		Plant Timing Differences - Production		7,540,252	-	(63,636)	-
211		Plant Timing Differences - Transmission		25,861,934	-	1,248,573	-
255		Plant Timing Differences - Distribution		30,632,671	-	(384,736)	-
256		Plant Timing Differences - General		819,220	-	23,345	-
257		Plant Timing Differences - Non Utility		(952,514)	-	952,514	-
258		<b>Total Account 190</b>	190	<b>63,901,563</b>		<b>1,776,061</b>	
259		<b>Account 281:</b>					
260		Plant - 281	281	(1,262,777)	-	(286,788)	-
261		<b>Account 282:</b>					
262		Plant Timing Differences - Production		(234,225,353)	(3,103,730)	-	-
263		Plant Timing Differences - Transmission		(311,325,984)	(18,166,949)	1,522,777	-
264		Plant Timing Differences - Distribution		(189,828,131)	(5,649,472)	-	-
265		Plant Timing Differences - General		(43,676,701)	(2,037,483)	-	-
266		Plant Timing Differences - CRS / General Call Center		(930,931)	-	-	-
267		Plant Timing Differences - South Georgia		109,019	-	-	-
268		Plant Timing Differences - Future Use		-	-	-	-
269		Plant Timing Differences - Non Utility		3,900	(3,900)	-	-
270		Plant Timing Differences - Unblend Adj Production		-	(51,250,571)	-	-
271		Plant Timing Differences - Unblend Adj Transmission		-	7,398,504	-	-
272		Plant Timing Differences - Unblend Adj Distribution		-	-	-	-
273		Plant Timing Differences - Unblend Adj General		-	-	-	-
274		Plant Timing Differences - Unblend Adj CRS/Call Center		-	-	-	-
275		Plant Timing Differences - Post TY Adj Production		-	(2,375,115)	-	-
276		Plant Timing Differences - Post TY Adj Transmission		-	(295,454)	-	-
277		Plant Timing Differences - Post TY Adj Distribution		-	(1,704,776)	-	-
278		Plant Timing Differences - Post TY Adj General		-	(31,634,234)	-	(3,103,730)
279		Plant Timing Differences - Post TY Adj CRS/Call Center		-	(3,634,622)	-	(18,166,949)
280		Plant Timing Differences - State Tax Portion Exclusion (Texas Retail) Production		-	106,062	-	(5,649,472)
281		Plant Timing Differences - State Tax Portion Exclusion (Texas Retail) Transmission		-	139,535	-	(2,037,483)
282		Plant Timing Differences - State Tax Portion Exclusion (Texas Retail) Distribution		-	6,721,831	-	-
283		Plant Timing Differences - State Tax Portion Exclusion (Texas Retail) General		-	3,074,799	-	-
284		Plant Timing Differences - State Tax Portion Exclusion (Other Jurisdictions) Production		-	2,528,373	-	-
285		Plant Timing Differences - State Tax Portion Exclusion (Other Jurisdictions) Transmission		-	948,991	-	-
286		Plant Timing Differences - State Tax Portion Exclusion (Other Jurisdictions) Distribution		-	53,487,918	-	-
287		Plant Timing Differences - State Tax Portion Exclusion (Other Jurisdictions) General		-	(3,623,184)	-	-
288		Plant Timing Differences - State Tax Portion Exclusion (Other Jurisdictions) Production		-	2,184,764	-	-
289		Plant Timing Differences - State Tax Portion Exclusion (Other Jurisdictions) Transmission		-	3,283,211	-	-
290		Plant Timing Differences - State Tax Portion Exclusion (Other Jurisdictions) Distribution		-	-	-	-
291		FAS 109 Related		-	-	-	-
292		<b>Total Account 282</b>	282	<b>(34,085,491)</b>	<b>(28,957,634)</b>	<b>20,960,401</b>	<b>(28,957,634)</b>
293		<b>Account 283:</b>					
294		Accelerated Amortization & Basis Differences - Software		(4,832,227)	(1,717,402)	290,097	(1,717,402)
295		Accelerated Amortization & Basis Differences - State Tax Unblend		(4,832,227)	(1,717,402)	(565,923)	-
312		<b>Total Account 283</b>	283	<b>(4,832,227)</b>	<b>(1,717,402)</b>	<b>(73,826)</b>	<b>(1,717,402)</b>
313		<b>Total Accumulated Deferred Income Taxes</b>		<b>(756,153,114)</b>	<b>(30,675,036)</b>	<b>22,373,848</b>	<b>(30,675,036)</b>
314							
315							
316							
317							

Line	No.	Description	Adjusted As Filed	Adjusted with Bonus	State Allocator	Texas Retail as Filed	Texas Retail with Bonus
		<b>Accumulated Deferred Income Taxes:</b>					
		<b>Account 190:</b>					
210	211	Plant Timing Differences - Production	7,476,616	7,476,616	PIS-PROD	3,918,331	3,918,331
255	256	Plant Timing Differences - Transmission	27,110,507	27,110,507	PIS-TRAN	12,722,097	12,722,097
257	258	Plant Timing Differences - Distribution	30,247,935	30,247,935	PIS-DIST	21,217,537	21,217,537
259	260	Plant Timing Differences - General	842,565	842,565	LABXAG	493,279	493,279
261	262	Plant Timing Differences - Non Utility	-	-	N/A	-	-
263	264	Total Account 190	63,677,623	63,677,623		38,351,244	38,351,244
265	266	<b>Account 281:</b>					
267	268	Plant - 281	(1,549,565)	(1,549,565)	PIS-PROD	(812,093)	(812,093)
269	270	<b>Account 282:</b>					
271	272	Plant Timing Differences - Production	(234,225,353)	(237,329,083)	PIS-PROD	(122,752,399)	(124,378,996)
273	274	Plant Timing Differences - Transmission	(309,803,207)	(327,970,156)	PIS-TRAN	(145,380,775)	(153,908,945)
275	276	Plant Timing Differences - Distribution	(189,828,131)	(195,477,603)	PIS-DIST	(133,155,713)	(137,118,538)
277	278	Plant Timing Differences - General	(45,676,701)	(45,714,184)	LABXAG	(25,570,480)	(26,763,325)
279	280	Plant Timing Differences - CRS / General Call Center	(930,931)	(930,931)	CUST-RET	(653,451)	(653,451)
281	282	Plant Timing Differences - South Georgia	109,019	109,019	N/A	-	-
283	284	Plant Timing Differences - Future Use	-	-	N/A	-	-
285	286	Plant Timing Differences - Non Utility	(51,250,571)	(51,250,571)	PIS-PROD	(26,859,306)	(26,859,306)
287	288	Plant Timing Differences - Unblend Adj. Production	7,398,504	7,398,504	PIS-TRAN	3,471,882	3,471,882
289	290	Plant Timing Differences - Unblend Adj. Transmission	-	-	PIS-DIST	-	-
291	292	Plant Timing Differences - Unblend Adj. Distribution	-	-	PIS-GEN	(1,398,436)	(1,398,436)
293	294	Plant Timing Differences - Unblend Adj. General	-	-	CUST-RET	(201,041)	(201,041)
295	296	Plant Timing Differences - Unblend Adj. CRS/Call Center	(2,375,115)	(2,375,115)	PIS-PROD	(893,436)	(893,436)
297	298	Plant Timing Differences - Post TY Adj. Production	(295,454)	(295,454)	PIS-TRAN	(14,844,938)	(14,844,938)
299	300	Plant Timing Differences - Post TY Adj. Transmission	(4,808,506)	(4,808,506)	PIS-DIST	(2,549,520)	(2,549,520)
301	302	Plant Timing Differences - Post TY Adj. Distribution	(49,801,183)	(49,801,183)	PIS-GEN	62,448	62,448
303	304	Plant Timing Differences - Post TY Adj. General	(31,634,234)	(31,634,234)	CUST-RET	94,946	94,946
305	306	Plant Timing Differences - Post TY Adj. CRS/Call Center	(3,634,622)	(3,634,622)	TX	6,721,831	6,721,831
307	308	Plant Timing Differences - State Tax Portion Exclusion (Texas Retail) Production	106,062	139,535	TX	3,074,799	3,074,799
309	310	Plant Timing Differences - State Tax Portion Exclusion (Texas Retail) Transmission	139,535	139,535	TX	2,528,373	2,528,373
311	312	Plant Timing Differences - State Tax Portion Exclusion (Texas Retail) Distribution	6,721,831	6,721,831	TX	948,991	948,991
313	314	Plant Timing Differences - State Tax Portion Exclusion (Texas Retail) General	3,074,799	3,074,799	TX	-	-
315	316	Plant Timing Differences - State Tax Portion Exclusion (Other Jurisdictions) Production	2,528,373	2,528,373	TX	-	-
317	318	Plant Timing Differences - State Tax Portion Exclusion (Other Jurisdictions) Transmission	948,991	948,991	TX	-	-
319	320	Plant Timing Differences - State Tax Portion Exclusion (Other Jurisdictions) Distribution	53,487,918	53,487,918	TX	-	-
321	322	Plant Timing Differences - State Tax Portion Exclusion (Other Jurisdictions) General	(3,623,184)	(3,623,184)	TX	-	-
323	324	Plant Timing Differences - State Tax Portion Exclusion (Other Jurisdictions) Distribution	2,184,764	2,184,764	TX	-	-
325	326	FAS (09) Related	3,283,211	3,283,211	TX	-	-
327	328	Total Account 282	(792,999,272)	(850,914,540)		(457,336,225)	(487,957,934)
329	330	<b>Account 283:</b>					
331	332	Accelerated Amortization & Basis Differences - Software	(4,542,130)	(7,976,934)	LABXAG	(2,659,185)	(4,670,083)
333	334	Accelerated Amortization & Basis Differences - State Tax Unblend	(365,923)	(365,923)	TX	(365,923)	(365,923)
335	336	Total Account 283	(4,908,052)	(8,342,856)		(3,025,108)	(5,035,976)
337	338	<b>Total Accumulated Deferred Income Taxes</b>	(733,779,266)	(795,129,338)		(422,822,182)	(455,454,794)

PUCT DOCKET NO. 43695

APPLICATION OF SOUTHWESTERN PUBLIC  
SERVICE COMPANY FOR AUTHORITY TO CHANGE  
RATES

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SPS - AXM 03 SUPP 02 (CD)