

**Southwestern Public Service Company  
Transmission Annual Formulaic Rate Revenue Re-determination (ATRR)  
For the Rates Effective July 1, 2009  
Based on 2008 FERC Form 1 Data**

The updated ATRR is calculated using the Rate Formula Template filed as Exhibit XES-8 in Docket No. ER08-313-000 modified per FERC Order on Rehearing and Clarification, issued October 24, 2008. Reference 125 FERC ¶ 61,092, Section III.B.17, page 6:

“Accordingly, we direct Xcel to include in its case-in-chief at the hearing a formula rate template that reflects the average of thirteen monthly plant balances, as well as any conforming changes to the formula rate template necessary to effect such a change.”

The Prior Year True-up adjustment has not been calculated at this time because of ongoing settlement discussions.

**Formula Changes to Comply with FERC order:**

Worksheet C.1, “Average Rate Base” added to the formula template. This worksheet calculates Beginning of Year/End of Year average balances  $(BOY + EOY)/2$  for the following rate base items:

Deferred Taxes in Accounts 281, 282, 283 and 190.  
Unamortized Balance of Abandoned Incentive Plant. (Currently \$0)  
Unamortized Balance of Extraordinary Property Loss. (Currently \$0)  
Land Held for Future Use.

Worksheet C, “Rate Base Adjustments” now references Worksheet C.1 for the average balances of the deferred tax items and will reference Worksheet C.1 if and when any amounts are approved for Abandoned Incentive Plant or Extraordinary Property Losses.

Worksheet C.2, “Rate Base – 13 Month Average” added to the formula template. This worksheet calculates the average of the thirteen monthly plant balances for plant in service, accumulated depreciation and amortization, and generator step up (GSU) plant in service reclassified from transmission plant to production plant. Related to the GSU facilities, a note has been added to Worksheet J stating that the thirteen month average balance is calculated on Worksheet C.2. Worksheet J is now informational only.

Worksheet C.3, “Working Capital” added to the formula template. This worksheet calculates the Beginning of Year/End of Year average balances for the working capital related items of prepayments and materials and supplies.

In addition, Worksheet L, "Cost of Debt" has been renamed "Capital Structure" and revised to include calculating the average of the thirteen monthly balances of Common Equity and Long Term Debt. As a result of using thirteen monthly averages, the Cost of Debt – Annual Interest Expense calculation has been revised to use interest related costs reported on FF1 pages 117 and 257 as appropriate.

Rate Formula Template and worksheet references have been revised to reflect references to the added/modified worksheets.