

Southwestern Public Service Company
 Provided in Accordance with Filed Formula Rate Implementation Procedures
 Section 2.d.(ii), Sheet No. 344LL

Formula Line No.		2008 Actual Allocated Amount(1)	2008 Estimated Allocated Amount (1)	Change
1	CURRENT YEAR REVENUE REQUIREMENT (from formula line 188 and formula line 35)	\$ 85,037,208	\$ 86,929,491	\$ (1,892,283)
2	PRIOR YEAR TRUE UP ADJUSTMENT	0	0	0
3	INTEREST ON PRIOR YEAR TRUE UP ADJUSTMENT	0	0	0
4	CURRENT YEAR REVENUE REQUIREMENT WITH TRUE UP	\$ 85,037,208	\$ 86,929,491	\$ (1,892,283)
5	DIVISOR			
6	Transmission Network Load	4,472,000	4,125,000	347,000
7	RATES			
8	Annual Cost (\$/kW/Yr)	\$19.015	\$21.074	-\$2.059
9	Network & P-to-P Rate (\$/kW/Mo)	\$1.585	\$1.756	-\$0.171
10	Weekly Point to Point On and Off Peak	\$0.366	\$0.405	-\$0.039
11	Daily Point to Point On Peak	\$0.061	\$0.068	-\$0.007
11	Daily Point to Point Off Peak	\$0.052	\$0.058	-\$0.006
12	Hourly Point to Point On Peak	\$3.813	\$4.250	-\$0.437
12	Hourly Point to Point Off Peak	\$2.167	\$2.417	-\$0.250
13	METER CHARGE			
14	Current Year Revenue Requirement	\$148,705	\$142,697	\$6,008
15	Number of Delivery Points	168	166	2
16	Annual Meter Charge (\$ per delivery point)	\$882	\$860	\$22
17	Monthly Meter Charge (\$ per delivery point)	\$74	\$72	\$2
18	REVENUE REQUIREMENT (w/o incentives) from formula lines 287 and 134	\$ 98,144,881	\$ 99,158,723	\$ (1,013,842)
19	REVENUE CREDITS			
20	Account No. 454	1,218	1,175	43
21	Account No. 456	11,907,058	11,297,824	609,234
22	Total Revenue Credits	11,908,276	11,298,999	609,277
23	NET REVENUE REQUIREMENT (w/o incentives)	\$ 86,236,605	\$ 87,859,724	\$ (1,623,119)
24	NET PLANT CARRYING CHARGE (w/o incentives)			
25	Annual Rate	16.83%	17.34%	-0.51%
26	Monthly Rate	1.40%	1.45%	-0.05%
27	GROSS PLANT CARRYING CHARGE (w/o incentives)			
28	Annual Rate	11.91%	12.52%	-0.61%
29	NET PLANT CARRYING CHARGE, W/O DEPRECIATION (w/o incentives)			
30	Annual Rate	14.09%	14.63%	-0.54%
31	NET PLANT CARRYING CHARGE, W/O DEPRECIATION, INCOME TAXES AND RETURN			
32	Annual Rate	2.59%	2.75%	-0.16%
33	ADDITIONAL REVENUE REQUIREMENT (w/incentives)	\$ -	\$ -	\$ -
34	LESS SPP Base Plan Upgrade Revenue Requirement	\$ 1,199,397	\$ 930,233	\$ 269,164
35	CURRENT YEAR REVENUE REQUIREMENT (ln 23 + ln 33 - ln 34)	\$ 85,037,208	\$ 86,929,491	\$ (1,892,283)
36	CURRENT YEAR RADIAL LINE REVENUE REQUIREMENT DIRECTLY BILLED	\$ 581,539	\$ 594,285	\$ (12,746)
37	CURRENT YEAR METER CHARGE REVENUE REQUIREMENT DIRECTLY BILLED	\$ 148,705	\$ 142,697	\$ 6,008

Formula Line No.	RATE BASE:	Transmission		Change
		2008 Actual Allocated Amount	2008 Estimated Allocated Amount	
38	GROSS PLANT IN SERVICE			
39	Production	0	0	0
40	Transmission	724,303,234	701,571,054	22,732,180
41	Forecasted Transmission Plant Additions	0	17,035,430	(17,035,430)
42	Distribution	0	0	0
43	General	21,346,009	21,421,816	(75,807)
44	Intangible	5,422,297	5,022,174	400,123
45	Common	0	0	0
46	TOTAL GROSS PLANT (sum ins 39 to 45)	751,071,540	745,050,474	6,021,066
46	GROSS PLANT ALLOCATOR	0.21306	0.21320	(0.00014)
47	ACCUMULATED DEPRECIATION & AMORTIZATION			
48	Production - Depreciation	0	0	0
49	Transmission - Depreciation	211,900,015	194,977,555	16,922,460
50	Transmission - Forecasted Transmission Plant Additions	0	88,469	(88,469)
51	Distribution - Depreciation	0	0	0
52	General - Depreciation	11,648,797	11,350,393	298,404
53	Electric Intangible - Amortization	2,698,416	4,310,858	(1,612,442)
54	Common	0	0	0
55	Total Electric Accumulated Depr & Amort (sum Ins 48 to 54)	226,247,228	210,727,275	15,519,953
56	NET PLANT IN SERVICE			
57	Production	0	0	0
58	Transmission	512,403,219	506,593,499	5,809,720
59	Transmission Forecasted Plant Additions	0	16,946,961	(16,946,961)
60	Distribution	0	0	0
61	General	9,697,212	10,071,423	(374,211)
62	Intangible	2,723,881	711,316	2,012,565
63	Common	0	0	0
64	TOTAL NET PLANT (sum Ins 57 to 63)	524,824,312	534,323,199	(9,498,887)
64	NET PLANT ALLOCATOR	0.29275	0.29871	(0.00596)
65	ADJUSTMENTS TO RATE BASE			
66	Account No. 281 (enter negative)	0	0	0
67	Account No. 282 (enter negative)	(82,789,393)	(79,621,091)	(3,168,302)
68	Account No. 283 (enter negative)	(1,375,027)	(1,375,745)	718
69	Account No. 190	4,699,674	4,655,179	44,495
70	Account No. 255 (enter negative)	0	0	0
71	Account No. 107	0	0	0
72	Net Pre-Funded AFUDC on CWIP included in Rate Base	0	0	0
73	Unamortized Balance of Abandoned Incentive Plant	0	0	0
74	Unamortized Balance of Extraordinary Property Loss	0	0	0
75	TOTAL ADJUSTMENTS (sum Ins 66 to 74)	(79,464,746)	(76,341,657)	(3,123,089)
76	LAND HELD FOR FUTURE USE	17,081	17,122	(41)
77	WORKING CAPITAL			
78	CWC	0	0	0
79	Materials & Supplies	428,950	415,187	13,763
80	Materials & Supplies	(134,716)	(128,266)	(6,450)
81	Prepayments	1,211,032	1,502,283	(291,251)
82	TOTAL WORKING CAPITAL (sum Ins 78 to 81)	1,505,266	1,789,204	(283,938)
83	BALANCE OF NETWORK CREDITS	0	0	0
84	RATE BASE (sum Ins 64, 75, 76, 82, 83)	446,881,913	459,787,868	(12,905,955)

Formula
Line
No.

	<u>Transmission 2008 Actual Allocated Amount</u>	<u>Transmission 2008 Estimated Allocated Amount</u>	<u>Change</u>
85 OPERATIONS & MAINTENANCE EXPENSE			
90 Transmission	12,218,578	12,618,915	(400,337)
95 A&G	6,303,805	5,829,413	474,392
96 Plus Acct 924 Property Insurance	465,032	444,938	20,094
97 Plus Acct 928 Transmission Specific	162,984	406,955	(244,071)
98 Plus Acct 928 Transmission Allocated	0	0	0
99 Plus Transmission Safety and Siting Advertising	0	0	0
100 A & G Subtotal	6,931,721	6,681,306	250,415
101 Common	0	0	0
102 Transmission Lease Payments	0	0	0
103 TOTAL O&M EXPENSE (sum lns 90, 100, 101, 102)	19,150,299	19,300,221	(149,922)
104 DEPRECIATION & AMORTIZATION EXPENSE			
105 Transmission	14,057,488	13,368,471	689,017
106 Plus Budgeted Transmission Capital Expenditures	0	358,103	(358,103)
107 Plus Pre-Funded AFUDC Amortization	0	0	0
108 Plus Recovery of Abandoned Incentive Plant	0	0	0
109 Plus Recovery of Extraordinary Property Loss	0	0	0
110 General	1,546,314	1,305,893	240,421
111 Electric Intangible Amortization	0	0	0
112 Common	0	0	0
113 TOTAL DEPRECIATION AND AMORTIZATION (sum lns 105 to 112)	15,603,802	15,032,467	571,335
114 TAXES OTHER THAN INCOME TAXES			
115 LABOR RELATED			
116 Payroll	675,057	647,084	27,973
117 PLANT RELATED			
118 Property	3,784,098	3,980,955	(196,857)
119 Franchise	0	0	0
120 Other - Texas Use	8,621	2,798	5,823
121 TOTAL OTHER TAXES (sum lns 116 to 120)	4,467,776	4,630,837	(163,061)
122 INCOME TAXES			
123 $T = 1 - \frac{1}{1 - (1 - SIT) * (1 - FIT)}$	36.04%	35.99%	0.05%
124 $CIT = (T - 1) * (1 - (WCLTD/R))$	36.96%	37.90%	-0.94%
125 where WCLTD=(page 4, line 167) and R= (page 4, line 170)			
126 and FIT, SIT & p are as given in Note M.			
127 $1 / (1 - T) =$ (from line 123)	1.5635	1.5623	0.0012
128 Amortized Investment Tax Credit (266.8f) (enter negative)	(305,365)	(220,101)	(85,264)
129 Income Tax Calculation = line 124 * line 132	15,938,669	16,572,088	(633,419)
130 ITC adjustment (line 127 * line 128) multiplied by net plant allocator	(139,770)	(102,716)	(37,054)
131 TOTAL INCOME TAXES (sum lns 129 to 130)	15,798,899	16,469,372	(670,473)
132 RETURN (Rate Base * Rate of Return - line 84 * line 170)	43,124,105	43,725,826	(601,721)
133 INTEREST ON NETWORK CREDITS			
134 REVENUE REQUIREMENT (sum lns 103, 113, 121, 131, 132)	98,144,881	99,158,723	(1,013,842)

Southwestern Public Service Company

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135	TRANSMISSION PLANT INCLUDED IN OATT TRANSMISSION RATE			
136	Total transmission plant (Line 40)	789,956,520	763,299,048	26,657,472
137	Less Generator Step-up facilities	24,487,845	24,468,912	18,933
138	Less Radial Line facilities	41,164,777	37,257,557	3,907,220
139	Transmission Plant Included in OATT Trans Rate (in 136 - 137 - 138)	724,303,898	701,572,579	22,731,319
140	Percentage of transmission plant included in ISO Rates (line 139 / 136)	TP= 0.91689	0.91913	(0.00224)
141	WAGES & SALARY ALLOCATOR (W&S)			
142	Production	FF1 Amount 35,216,038	FF1 Amount 35,683,787	FF1 Amount Change (467,749)
143	Transmission	7,960,096	7,659,364	300,732
144	Regional Market	134,478	99,848	34,630
145	Distribution	15,014,428	14,714,415	300,013
146	Other	9,940,637	9,723,407	217,230
147	Total (sum lines 142 to 146)	68,265,677	67,880,821	384,856
143	Transmission Wages & Salary Allocated Amount Based on TP Allocator	7,298,532	7,039,951	258,581
148	Transmission Wages & Salary Allocator	0.10691	0.10371	= W/S 0.00320
149	COMMON PLANT ALLOCATOR (CE)			
154	Electric Related Amount	1.00000	1.00000	
155	W/S Allocator	0.10691	0.10371	
156	Transmission Related Amount	0.10691	0.10371	= C/E 0.00320
157	RETURN (R)			
158	Long Term Interest	53,939,869	48,636,150	5,303,719
159	Preferred Dividends	0	0	0
160	Common Stock:			
161	Proprietary Capital	804,689,674	786,153,880	18,535,794
162	Less Preferred Stock	0	0	0
163	Less Account 216.1	0	0	0
164	Less Account 219	(6,139,860)	(6,004,566)	(135,294)
165	Common Stock:	810,829,534	792,158,446	18,671,088
		% Weighted	% Weighted	
167	Long Term Debt	0.0332	0.0310	0.0022
168	Preferred Stock	0.0000	0.0000	0.0000
169	Common Stock	0.0633	0.0641	-0.0008
170	Total (sum lines 167 to 169)	0.0965	0.0951	0.0014

(1) Note: The 2008 Estimated Allocated Amount utilizes EOY (2007) Plant Balances while the 2008 Actual Allocated Amount utilizes 2008 13 Monthly Average Plant Balances.