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DOCKET NO. 50708

**APPLICATION OF SOUTHWESTERN §
PUBLIC SERVICE COMPANY FOR A §
PUBLIC UTILITY COMMISSION OF §
TEXAS CONSULTING FEE RIDER §**

**PUBLIC UTILITY COMMISSION
OF TEXAS**

COMMISSION STAFF'S RECOMMENDATION ON FINAL DISPOSITION

COMES NOW the Staff of the Public Utility Commission of Texas (Staff), representing the public interest, and files this response to Order No. 2, Staff's Recommendation on Final Disposition. Staff recommends that the application be approved, as revised. In support thereof, Staff shows the following:

I. BACKGROUND

On March 27, 2020, Southwestern Public Service Company (SPS), filed an application under its Public Utility Commission of Texas Consulting Fee Rider (PCF Rider), seeking authority to recover costs incurred in accordance with Public Utility Regulatory Act (PURA) § 39.408. On April 17, 2020, SPS filed revisions to its application in order to correct a minor miscalculation in its initial application. Following SPS's revisions, it seeks a recovery amount of \$199,709.77, related to consulting fees and expenses incurred by SPS on behalf of the Commission. The requested recovery amount includes payments made for calendar year 2019 invoices in the amount of \$170,645.00. In addition, SPS requests under-recovered PCF revenues approved in Docket No. 49384 in the amount of \$23,159.61. Finally, SPS requests carrying charges on payments made for calendar year 2019 invoices in the amount of \$5,905.16.

SPS proposes to apply the rate adjustment within its PCF Rider, titled "Section No. IV, Sheet No. IV-219, Revision No. 1," to all of its retail electric customers that fall within the classes subject to the PCF Rider. SPS's proposed effective date for its PCF Rider is July 1, 2020. SPS's proposed termination date for the PCF Rider is December 31, 2020.

On April 14, 2020, the Commission administrative law judge issued Order No. 2, requiring Staff to file comments or request a hearing by May 19, 2020. Therefore, this pleading is timely filed.

II. RECOMMENDATION ON FINAL DISPOSITION

Staff has reviewed the application and SPS's revisions to the application, and, as detailed in the attached memorandum of William Abbott of the Commission's Rate Regulation Division, Staff recommends approval of SPS's application, as revised on April 17, 2020. Staff further recommends that SPS be required to file a clean copy of its PCF Rider, titled "Section No. IV, Sheet No. IV-219, Revision No. 1," with the Commission's Central Records Division, to be stamped "Approved" and retained for future reference.

III. CONCLUSION

For the reasons specified herein, Staff respectfully recommends approval of SPS's application, as modified by the revisions filed on April 17, 2020. Staff will work with SPS to file an agreed proposed order by May 29, 2020, as required by the procedural schedule established in Order No. 2.

Dated: May 14, 2020

Respectfully submitted,

PUBLIC UTILITY COMMISSION OF TEXAS LEGAL DIVISION

Rachelle Nicolette Robles
Division Director

/s/ Richard Nemer

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CERTIFICATE OF SERVICE

I certify that, unless otherwise ordered by the presiding officer, notice of the filing of this document was provided to all parties of record via electronic mail on May 14, 2020, in accordance with the Order Suspending Rules, issued in Project No. 50664.

/s/ Richard Nemer

Richard Nemer

Public Utility Commission of Texas

Memorandum

TO: Richard Nemer, Legal Division

FROM: William Abbott, Director, Tariff & Rate Analysis, Rate Regulation Division

RE: **Docket No. 50708** – *Application of Southwestern Public Service Company for a Public Utility Commission of Texas Consulting Fee Rider*

DATE: May 14, 2020

On March 27, 2020, Southwestern Public Service Company (SPS) filed an application seeking authority to recover, under its Public Utility Commission of Texas (Commission) Consulting Fee Rider (PCF Rider), costs incurred in accordance with Public Utility Regulatory Act (PURA) § 39.4525 relating to hiring assistance for federal proceedings, and 16 Tex. Admin Code § 25.241 governing the form and filing of tariffs. On April 17, 2020, SPS filed revisions to its application in order to correct a minor miscalculation in its initial application. The revisions filed on April 17, 2020, did not affect the proposed PCF Rider rates.

PURA § 39.4525 establishes the mechanism under which the Company may recover costs associated with fees charged by consultants, attorneys, or others hired by the Commission. PURA § 39.4525 also states that the electric utility shall pay the reasonable costs of the services of a consultant, attorney, or others hired to represent the Commission before the Federal Energy Regulatory Commission. It also authorizes an electric utility to recover both the total costs the electric utility paid for the consultant fees as well as the carrying charges for those costs through a rider. The total costs an electric utility pays under PURA § 39.4525 may not exceed \$1.5 million in a 12-month period. In its April 17, 2020 filing, SPS states that payments made in calendar year 2019 amount to \$176,550.16, inclusive of carrying costs. The application also indicates an under-recovered amount of \$23,159.61 associated with 2019 PCF Rider collections, resulting in proposed rates associated with a total recovery amount of \$199,709.77.

Based upon my review of the rate calculations in SPS's revised request, I recommend that SPS's PCF Rider be approved, as revised on April 17, 2020, with an effective date of July 1, 2020. Additionally, I recommend that SPS be required to file a clean copy of its PCF Rider with the Commission's Central Records Division to be stamped "Approved" and retained for future reference.