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**SOAH DOCKET NO. 473-20-3568
PUC DOCKET NO. 50804**

APPLICATION OF SOUTHWESTERN	§	BEFORE THE STATE OFFICE
PUBLIC SERVICE COMPANY TO	§	
ADJUST ITS ENERGY EFFICIENCY	§	OF
COST RECOVERY FACTOR	§	
	§	ADMINISTRATIVE HEARINGS

**SOAH ORDER NO. 1
FILING DESCRIPTION; ADDRESSING JURISDICTION AND NOTICE;
REQUIRING STAFF COMMENTS ON NOTICE; APPROVING DISCOVERY
AND PROTECTIVE ORDER; AND SCHEDULING PREHEARING CONFERENCE**

I. FILING DESCRIPTION

On May 1, 2020, Southwestern Public Service Company (SPS or the Company) filed an application (Application) with the Public Utility Commission of Texas (Commission) requesting to Adjust its Energy Efficiency Cost Recovery Factor (EECRF).

SPS indicates its requested EECRF adjustment will recover the forecasted costs associated with SPS's Program Year (PY) 2021 energy efficiency programs as adjusted by its PY 2019 net over-recovery balance (including rate-case expenses (RCEs) incurred in its 2019 EECRF proceeding) and a proposed performance bonus. SPS received Commission approval to implement its first EECRF rider in Docket No. 39364,¹ and its current EECRF rider was approved to recover \$4,875,863 during PY 2020 in Docket No 49495.² SPS's Application seeks Commission approval to adjust its EECRF rider to recover \$5,109,615 during PY 2021, which includes:

- SPS's forecasted energy efficiency costs in PY 2021 (including forecasted incentives, research and development, and administrative costs) of \$4,446,560;

¹ *Application of Southwestern Public Service Company for Approval of Energy Efficiency Cost Recovery Factor*, Docket No, 39364, Order (Sept. 2, 2011).

² *Application of Southwestern Public Service Company to Adjust its Energy Efficiency Cost Recovery Factor*, Docket No, 49495, Order (Sept. 27, 2019).

- Projected Evaluation, Measurement, and Verification (EM&V) expenses in the amount \$34,265;
- \$466,860 for SPS's net over-recovery, including interest,³ of PY 2019 energy efficiency costs;
- \$26,815 of RCEs incurred in Docket No. 49495; and
- SPS's performance bonus of \$1,068,832 earned in accordance with 16 Texas Administrative Code (TAC)§ 25.182(e).

The relief requested in the Application will affect all of SPS's Texas retail customers receiving service at a metered point of delivery at a voltage less than 69 kilovolts (kV), except for its industrial customers that have opted out of SPS's energy efficiency programs under 16 TAC § 25.181(u), as well as non-profit customers or governmental entities, including educational institutions that are receiving service at a metered point of delivery at or above a voltage of 69 kV. SPS's adjusted EECRF costs during the PY 2021 results in the following cost recovery factors:

EECRF Rate Class	\$/kWh
Residential Service	\$0.001004
Small General Service	\$0.000865
Secondary General Service	\$0.000527
Primary General Service	\$0.000445
Small Municipal and School Service	\$0.004519
Large Municipal Service	\$0.000296
Large School Service	\$0.001327

³ \$447,241 in net over-recovery + \$19,619 in interest.

SPS requests that the Commission approve the adjusted EECRF effective January 1, 2021.

II. JURISDICTION AND NOTICE

The Commission has jurisdiction and authority over this proceeding pursuant to Public Utility Regulatory Act⁴ § 39.905 and 16 TAC § 25.182. The Commission referred this case to the State Office of Administrative Hearings (SOAH) on May 5, 2020, requesting the assignment of an Administrative Law Judge (ALJ) to conduct a hearing and issue a proposal for decision, if such is necessary. In its Order of Referral, the Commission set a deadline of May 11, 2020, for filing lists of issues to be addressed in this proceeding. The Commission adopted a Preliminary Order identifying the issues to be addressed during its May 14, 2020 open meeting agenda. SOAH has jurisdiction over the matters in this proceeding to conduct a hearing pursuant to Texas Government Code § 2003.049.

SPS proposes to provide notice of the Application consistent with 16 TAC § 25.182(d)(13), to all parties that participated in SPS's last EECRF proceeding, Docket No. 49495, and its last completed base rate proceeding, Docket No. 47527. SPS will also provide notice to Texas Department of Housing and Community Affairs, which is the state agency that administers the federal weatherization program.

III. REQUIRING STAFF COMMENT ON NOTICE

Commission Staff shall examine SPS's proposed notice and, by May 27, 2019, provide comments or objections regarding the sufficiency of notice. If Staff finds the proposed notice sufficient, SPS shall immediately commence providing notice. Proof of notice will be filed with the Commission upon completion of notice.

⁴ Public Utility Regulatory Act, Tex. Util. Code §§ 11.001-66.016.

IV. DISCOVERY AND PROTECTIVE ORDER

Discovery may begin immediately pursuant to Subchapter H of the Commission's Procedural Rules. SPS has requested approval of the proposed protective order attached to its Application. The proposed protective order is hereby **APPROVED**, subject to any objections raised by the parties before the prehearing conference. Any objections raised by the parties will be discussed at that time.

VI. NOTICE OF PREHEARING CONFERENCE

The undersigned ALJ will convene a **prehearing conference** via Zoom commencing at **10:00 a.m., June 1, 2020**. Parties may access the prehearing through the link below and enter the password. You may also access the hearing by going to www.zoom.us and entering the meeting ID and password to "join a meeting." The contact information for the Zoom videoconference, which also includes information for dialing in as an audio-only participant, is as follows:

Join Zoom Meeting:

<https://zoom.us/j/97026090991?pwd=WE16R3lzeDF1RCsrZUdKZHIkSXdZQT09>

Meeting ID: 970 2609 0991

Password: 7aivyV

One tap mobile

+13462487799,,97026090991#,,1#,449783# US (Houston)

+12133388477,,97026090991#,,1#,449783# US (Los Angeles)

Dial by your location

+1 346 248 7799 US (Houston)

+1 213 338 8477 US (Los Angeles)

+1 253 215 8782 US (Tacoma)

+1 602 753 0140 US (Phoenix)

+1 669 219 2599 US (San Jose)

+1 669 900 6833 US (San Jose)
+1 720 928 9299 US (Denver)
+1 971 247 1195 US (Portland)
+1 206 337 9723 US (Seattle)
+1 312 626 6799 US (Chicago)
+1 470 250 9358 US (Atlanta)
+1 470 381 2552 US (Atlanta)
+1 646 518 9805 US (New York)
+1 646 876 9923 US (New York)
+1 651 372 8299 US (St. Paul)
+1 786 635 1003 US (Miami)
+1 267 831 0333 US (Philadelphia)
+1 301 715 8592 US (Germantown)

Meeting ID: 970 2609 0991

Password: 449783

Find your local number: <https://zoom.us/j/97026090991>

The following matters will be discussed at the prehearing conference:

1. Pending motions to intervene.
2. Any other motion filed by 3:00 p.m. on May 29, 2020, and emailed to the ALJ's assistant on that day.⁵
3. SPS's proposed procedural schedule, assuming no hearing is requested, or, if a hearing is requested, a procedural schedule, including a date for the hearing that will enable the Commission to make a final decision by the jurisdictional deadline. To assist the parties in making this determination, the parties should calculate a hearing date in the following manner:
 - a. Find the open meeting date immediately prior to the effective date.

⁵ erin.hunley@uscourts.gov.

- b. Assume PFD issuance at least 21 days prior to the date in a. above.
 - c. Subtract 60 days from the date in b. above, which is the day that reply briefs would be due.
 - d. Determine appropriate briefing deadlines that allow reply briefs to be filed on the date calculated in c. above.
 - e. Depending on transcript turnaround time, calculate the last hearing day that would allow a briefing deadline calculated in d. above.
 - f. Determine the number of days needed for hearing and determine which day would be the first day of hearing.
- 4. Service procedures, including service by email, by Interchange, or any other method acceptable to the parties.
 - 5. Any other matters that may assist in the disposition of this case in a fair and efficient manner.

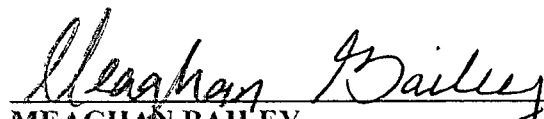
VII. FILING AND SERVICE PROCEDURES

All pleadings shall be filed with the Commission's filing clerk, not with the SOAH filing clerk. The Commission's filing clerk will forward a copy of the pleadings to SOAH. Parties wishing to hand-deliver a file-stamped copy of a pleading to the ALJ should deliver it to Room 505, Fifth Floor, William P. Clements Building, 300 West 15th Street, Austin, Texas. Parties may also email copies of pleadings, especially those that are time-sensitive, to the ALJ's Administrative Assistant, Erin Hurley, at 512-475-3419 or erin.hurley@soah.texas.gov as long as all other parties are copied on the same email. SOAH support personnel may not provide advice or interpret orders or regulations for the parties.

The procedures regarding filing specified in the Subchapter E of the Commission's procedural rules apply in this proceeding. All parties are expected to know those procedures and comply with them fully. Pleadings and other filing shall be deemed filed when the proper number of legible copies are presented to the Commission filing clerk for filing.

All mail sent to the parties by the ALJ will be sent first class mail or by email, unless a party requests express mailing and provides an express mail account number. Parties wishing to receive ALJ mailings by email should register for email service on the SOAH website. Parties seeking to arrange express mailing should contact Ms. Hurley at the email address, above.

SIGNED: May 18, 2020.


MEAGHAN BAILEY
ADMINISTRATIVE LAW JUDGE
STATE OFFICE OF ADMINISTRATIVE HEARINGS