



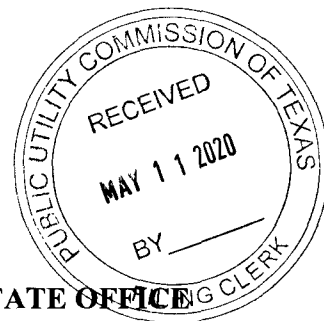
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SOAH DOCKET NO. 473-20-3568
DOCKET NO. 50804



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

SOUTHWESTERN PUBLIC SERVICE COMPANY'S PROPOSED LIST OF ISSUES

Southwestern Public Service company ("SPS") filed an application to adjust its energy efficiency cost recovery factor ("EECRF") for program year 2021 under Section 39.905 of the Public Utility Regulatory Act ("PURA")¹ and 16 Texas Administrative Code ("TAC") §§ 25.181 and 25.182. SPS submits this proposed list of issues that should be addressed in this docket in accordance with the Order of Referral issued by the Public Utility Commission of Texas ("Commission") on May 5, 2020. SPS has not identified any issues that should not be addressed or any threshold legal or policy issues.

Issues to be Addressed

SPS has identified the following issues that should be addressed in this docket:

Application

1. Does SPS's EECRF application comply with 16 TAC § 25.182(d) and contain the testimony and schedules in Excel format with formulas intact as required by 16 TAC § 25.182(d)(10) and address the factors listed in 16 TAC § 25.182(d)(11)?

2021 Program Year

2. What is SPS's growth in demand as defined in 16 TAC § 25.181(c)(25) and (44), calculated at source under 16 TAC § 25.181(e)(3)(A)?

¹ Public Utility Regulatory Act, Tex. Util. Code Ann. §§ 11.001-66.016 ("PURA").

3. What are SPS's appropriate demand-reduction and energy-savings goals for program year 2021 determined under 16 TAC § 25.181(e)?
 - a. Has SPS requested a lower demand-reduction goal under 16 TAC § 25.181(e)(2)? If so, has SPS demonstrated that compliance with the goal specified in 16 TAC § 25.181(e)(1) is not reasonably possible and demonstrated that good cause supports the lower demand-reduction goal proposed by SPS?
 - i. In this Application, is SPS requesting a performance bonus for a prior program year for which it has been granted a lowered demand-reduction goal?
 - ii. If so, were the factors that led to SPS being granted a lowered demand goal for the prior program year similar to the factors that SPS is relying upon to demonstrate that good cause supports the lower demand-reduction goal proposed in this docket? If so, should the Commission consider SPS's prior performance in determining whether to award a lowered demand goal?
 - b. Has SPS received any identification notices under 16 TAC § 25.181(u)? If so, has SPS's demand-reduction goal for program year 2021 been properly adjusted to remove any load that is lost because of identification notices submitted to SPS under that rule?
4. Do the total 2021 EECRF costs, excluding evaluation, measurement, and verification costs, municipal rate-case expenses, and any interest amounts applied to under- or over-recoveries exceed the EECRF cost caps prescribed in 16 TAC § 25.182(d)(7)? If so, did SPS request an exception to the EECRF cost caps under 16 TAC § 25.181(e)(2) and, if so, has SPS demonstrated that compliance with the EECRF cost caps is not reasonably possible and demonstrated that good cause supports the higher EECRF cost caps?

- a. In this Application, is SPS requesting a performance bonus for a prior program year for which it has been granted a higher EECRF cost cap?
 - b. If so, were the factors that led to SPS being granted a higher EECRF cost cap for the prior program year similar to the factors that SPS is relying upon to demonstrate that good cause supports a higher EECRF cost cap in this docket? If so, should the Commission consider SPS's prior performance in determining whether to award a higher EECRF cost cap?
5. What amount of projected energy-efficiency program costs should be recovered through SPS's program year 2021 EECRF?
- a. Are these costs reasonable estimates of the costs necessary to provide energy-efficiency programs and to meet SPS's goals under 16 TAC § 25.181?
 - b. Does SPS currently recover any energy-efficiency costs in its base rates? If so, what is the amount of projected program costs in excess of revenues collected through base rates?
 - c. Are the projected costs of administration and costs of research and development in compliance with the administrative-spending caps in 16 TAC § 25.181(g)? If not, has SPS requested an exception to those caps under 16 TAC § 25.181(e)(2)? If so, has SPS demonstrated that compliance with the administrative-spending cap is not reasonably possible, and that good cause supports the higher administrative-spending cap proposed by SPS?
 - i. In this Application, is SPS requesting a performance bonus for a prior program year for which it has been granted a higher administrative-spending cap?
 - ii. If so, were the factors that led to SPS being granted a higher administrative-spending cap for the prior program year similar to the factors that the utility

is relying upon to demonstrate that good cause supports the higher administrative-spending cap proposed in this docket? If so, should the Commission consider SPS's prior performance in determining whether to award a higher administrative-spending cap?

- d. Are SPS's projected annual expenditures for the targeted low-income energy-efficiency program budget for 2021 in compliance with 16 TAC § 25.181(p)?
- 6. Does SPS include evaluation, measurement, and verification costs assigned to SPS, and have any of these costs already been recovered in a prior EECRF proceeding?

Program Year 2019 Reconciliation

- 7. Were the costs recovered by SPS through its EECRF for Program Year 2019 in compliance with PURA § 39.905 and 16 TAC §§ 25.181 and 25.182?
- 8. Were the costs recovered by SPS through its EECRF for program year 2019 reasonable and necessary to reduce demand growth or energy consumption?
 - a. Are the actual costs of administration and costs of research and development for program year 2019 in compliance with the administrative-spending caps in 16 TAC § 25.181(g) or higher spending caps otherwise established by the Commission? If otherwise established by the Commission, in which docket were the higher spending caps established?
 - b. Did any costs for program year 2019 result from payments to an affiliate? If so, do those costs meet the requirements for affiliate expenses in PURA § 36.058?
 - c. Does the EECRF application include, as administrative costs or otherwise, EECRF rate-case expenses for SPS's immediately previous EECRF proceeding? If so:
 - i. Do the EECRF rate-case expenses requested comply with 16 TAC § 25.245(b)(1) through (6)?

- ii. Using the factors listed in 16 TAC § 25.245(c)(1) through (6), what amount of rate-case expenses actually and reasonably incurred by SPS, if any, does a preponderance of the evidence support?
 - iii. Should any of SPS's rate-case expenses be disallowed under 16 TAC § 25.245(d)? If so, how was the disallowance calculated?
 - iv. What amount, if any, of SPS's rate-case expenses should the Commission award pursuant to PURA §§ 36.061(b) and 36.062?
- d. Does the EECRF application include, as administrative costs or otherwise, any municipality's EECRF rate-case expenses for SPS's immediately previous EECRF proceeding?
- i. Do the municipality's EECRF rate-case expenses requested comply with 16 TAC § 25.245(b)(1) through (6)?
 - ii. Using the factors listed in 16 TAC § 25.245(c)(1) through (6), what amount of rate-case expenses actually and reasonably incurred by the municipality, if any, does a preponderance of the evidence support?
 - iii. Should any of the municipality's rate-case expenses be disallowed under 16 TAC § 25.245(d)? If so, how was the disallowance calculated?
 - iv. What amount, if any, of the municipality's rate-case expenses should the Commission award under PURA § 33.023(b) that are not excluded by PURA § 36.062?
9. For each EECRF rate class, what is the appropriate amount, if any, of under- or over-recovered EECRF costs under 16 TAC § 25.182 for program year 2019?

- a. Did SPS recover any of its energy-efficiency costs through base rates for program year 2019? If so, what is the actual amount of energy-efficiency revenues collected through base rates consistent with 16 TAC § 25.182(d)(2)?
- b. What was the actual revenue collected through SPS's EECRF for program year 2019?
- c. What were the actual costs that comply with 16 TAC § 25.182(d)(12) of SPS's energy-efficiency programs for program year 2019?

Performance Bonus

- 10. What were SPS's demand-reduction and energy-reduction goals for program year 2019? If the Commission granted an exception for a lower demand-reduction goal, in what docket was the lower goal established?
- 11. What is the appropriate energy-efficiency performance bonus, if any, calculated under 16 TAC § 25.182(e) for program year 2019?
 - a. Did SPS exceed its demand-reduction and energy-reduction goals for program year 2019? If so, by what amounts?
 - b. Did SPS exceed the EECRF cost caps in 16 TAC § 25.182(d)(7)?
 - c. What are the net benefits of SPS's energy-efficiency programs for program year 2019?
 - d. If a performance bonus is requested for program year 2019, was the performance bonus, if any, that was awarded based on the 2018 program year included in the program costs for purposes of this calculation?
 - e. Did the Commission grant a good-cause exception establishing a lower demand-reduction goal, higher administrative-spending cap, or higher EECRF cost cap for SPS for program year 2019?

- i. For the program year 2019, what factors did SPS rely upon to demonstrate that compliance with its demand-reduction goal, the administrative-spending cap, or the EECRF cost cap was not reasonably possible?
 - ii. Has SPS established that the factors SPS relied upon to demonstrate that compliance with the demand-reduction goal, administrative-spending cap, or EECRF cost cap was not reasonably possible actually occurred?
 - iii. What other considerations, if any, should the Commission weigh in determining whether to reduce SPS's performance bonus?
- f. What amount of SPS's requested performance bonus should be approved?

EECRF Rate Classes

- 12. What are the appropriate EECRF rate classes for SPS's program year 2021 EECRF?
 - a. What retail rate classes were approved in SPS's most recent base-rate proceeding, excluding non-eligible customers?
 - b. Has SPS proposed an EECRF for each eligible rate class?
 - c. Has SPS requested a good-cause exception under 16 TAC § 25.182(d)(2) to combine two or more rate classes? If so, for each rate class that is proposed to be combined, does it have fewer than 20 customers, is it similar to the other rate classes, and does it receive services under the same energy-efficiency programs as the other rate classes? Has the utility demonstrated that good cause supports the proposed combining of rate classes?

EECRF Rate Design

- 13. What is the total cost that should be recovered through SPS's 2021 EECRFs under 16 TAC § 25.182(d)(1)?

14. What are the appropriate 2021 EECRFs for each rate class calculated under 16 TAC § 25.182(d)(2)?
- a. Are the costs assigned or allocated to rate classes reasonable and compliant with 16 TAC §§ 25.181 and 25.182?
 - i. Are SPS's program costs directly assigned to each EECRF rate class that receives services under the programs to the maximum extent possible in accordance with 16 TAC § 25.182(d)(2)?
 - ii. Is any bonus allocated in accordance with 16 TAC § 25.182(e)(6)?
 - iii. Are administrative costs, including rate-case expenses and research and development costs, allocated in accordance with 16 TAC § 25.181(g)?
 - iv. If applicable, how are the EM&V costs assigned to the rate classes, and is the assignment compliant with PURA § 39.905 and 16 TAC § 25.181(o)(10)?
 - v. Are any under- or over-recovered EECRF costs allocated to the rate classes in accordance with 16 TAC § 25.182(d)(2)?
 - b. Does SPS propose an EECRF for any commercial rate classes as a demand charge? If so, for each such rate class, do the base rates for that class contain demand charges? For each such rate class, should the EECRF for that rate class be an energy charge or a demand charge?
 - c. What is the appropriate estimate of billing determinants for the 2021 program?
 - d. What are the appropriate calculated or estimated system losses and line losses for each eligible retail rate class?
 - i. Were these line losses used in calculating the 2021 EECRF charges?
 - ii. Are the calculated or estimated line losses in evidence in this docket?

15. Do the incentive payments for each customer class in program year 2019 comply with 16 TAC § 25.181(f)?

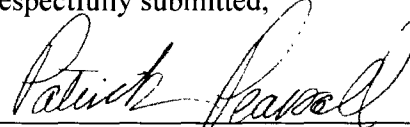
Tariff

16. What tariff schedule should be adopted for SPS in compliance with 16 TAC §§ 25.181 and 25.182?

Conclusion and Prayer

SPS requests that the Commission adopt this list of issues. SPS further requests any other relief to which it has shown itself entitled.

Respectfully submitted,



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ATTORNEYS FOR SOUTHWESTERN PUBLIC SERVICE COMPANY

CERTIFICATE OF SERVICE

I certify that on May 11, 2020, a true and correct copy of the foregoing instrument was served on all parties of record by electronic service, hand delivery, Federal Express, regular first class mail, certified mail, or facsimile transmission.

A handwritten signature in cursive script, reading "Patrick Pearsall", is written over a horizontal line.

Patrick Pearsall