



Control Number: 29801



Item Number: 246

Addendum StartPage: 0

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APPLICATION OF SOUTHWESTERN
PUBLIC SERVICE COMPANY FOR (1)
RECONCILIATION OF ITS FUEL AND
PURCHASED POWER COSTS FOR 2002
AND 2003; (2) A SPECIAL
CIRCUMSTANCES FINDING; AND (3)
RELATED RELIEF

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BEFORE THE STATE OFFICE
PUBLIC UTILITY OFFICE
HEARING CLERK
OF
ADMINISTRATIVE HEARINGS

WEST TEXAS MUNICIPAL POWER AGENCY'S
STATEMENT OF POSITION

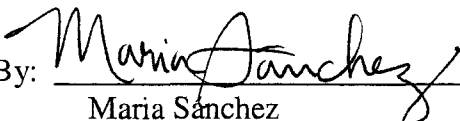
West Texas Municipal Power Agency ("WTMPA") files this Statement of Position in lieu of filing direct testimony in the above-referenced docket. WTMPA is not proposing any specific adjustments of its own. SPS has the burden of proof in the proceeding. SPS has the burden of showing that its eligible fuel expenses during the reconciliation period were reasonable and necessary expenses incurred to provide reliable service to its retail customers; and it has properly accounted for the amount of fuel-related revenues collected pursuant to the fuel factor during the reconciliation period. SPS seeks to reconcile \$ 579,702,069.30 of eligible fuel expense for Texas retail customers during the Reconciliation Period beginning in January 2002 through December 2003. SPS claims that its under-recovery balance at the end of the Reconciliation Period was \$43,309,592.16 (not including interest). SPS also has the burden of showing that it meets the requirements under Substantive Rule 25.236(a)(8) to be entitled to retain 10 percent of the margins from all off-system energy sales transactions. Those requirements are that:

- a. the electric utility participates in a transmission region governed by an independent system operator or functionally equivalent independent organization;
- b. a generally-applicable tariff for firm and non-firm transmission service is offered in the transmission region in which the electric utility operates; and
- c. the transaction is not found to be to the detriment of its retail customers.

WTMPA reserves the right to participate on issues by other parties, to attend the hearing and file a post-hearing brief.

Respectfully submitted,

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By: 
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ATTORNEYS FOR WTMPA

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing document has been sent via first class mail and/or by facsimile to all parties of record on this 26th day of October, 2004.


Maria Sánchez