



Control Number: 32766



Item Number: 594

Addendum StartPage: 0

SOAH DOCKET NO. 473-06-2536
DOCKET NO. 32766

2006 OCT 24 PM 1:09
FILING CLERK

APPLICATION OF SOUTHWESTERN	§	
PUBLIC SERVICE COMPANY FOR:	§	
(1) AUTHORITY TO CHANGE	§	BEFORE THE STATE OFFICE
RATES; (2) RECONCILIATION OF	§	
ITS FUEL COSTS FOR 2004 AND	§	
2005; (3) AUTHORITY TO REVISE	§	OF
THE SEMI-ANNUAL FORMULAE	§	
ORIGINALLY APPROVED IN	§	
DOCKET NO. 27751 USED TO	§	ADMINISTRATIVE HEARINGS
ADJUST ITS FUEL FACTORS; AND	§	
(4) RELATED RELIEF	§	

SOUTHWESTERN PUBLIC SERVICE COMPANY'S
RESPONSE TO STATE OF TEXAS'
FIFTH REQUEST FOR INFORMATION
QUESTION NOS. 5-1 THROUGH 5-4
(Filename: 10M8.doc; Total Pages: 11)

I. WRITTEN RESPONSES	2
II. INSPECTIONS	3
RESPONSES	5
QUESTION NO. 5-1:	5
QUESTION NO. 5-2:	7
QUESTION NO. 5-3:	9
QUESTION NO. 5-4:	10
CERTIFICATE OF SERVICE	11

**SOAH DOCKET NO. 473-06-2536
DOCKET NO. 32766**

APPLICATION OF SOUTHWESTERN	§	
PUBLIC SERVICE COMPANY FOR:	§	
(1) AUTHORITY TO CHANGE	§	BEFORE THE STATE OFFICE
RATES; (2) RECONCILIATION OF	§	
ITS FUEL COSTS FOR 2004 AND	§	
2005; (3) AUTHORITY TO REVISE	§	OF
THE SEMI-ANNUAL FORMULAE	§	
ORIGINALLY APPROVED IN	§	
DOCKET NO. 27751 USED TO	§	ADMINISTRATIVE HEARINGS
ADJUST ITS FUEL FACTORS; AND	§	
(4) RELATED RELIEF	§	

**SOUTHWESTERN PUBLIC SERVICE COMPANY'S
RESPONSE TO STATE OF TEXAS'
FIFTH REQUEST FOR INFORMATION
QUESTION NOS. 5-1 THROUGH 5-4**

Southwestern Public Service Company (SPS) files this response to State of Texas' (OAG) Fifth Set of Requests for Information.

I. WRITTEN RESPONSES

SPS's written responses to the OAG's Fifth Set of Requests for Information are attached and incorporated by reference. Each response is stated on or attached to a separate page on which the request has been restated. SPS's responses are made in the spirit of cooperation without waiving SPS's right to contest the admissibility of any of these matters at hearing. Pursuant to P.U.C. PROC. R. 22.144(c)(2)(A), each response lists the preparer or person under whose direct supervision the response was prepared and any sponsoring witness. When SPS provides certain information sought by the request while objecting to the provision of other information, it does so without prejudice to its objection in the interests of narrowing discovery disputes pursuant to P.U.C. PROC.

*SOAH Docket No. 473-06-2536; PUC Docket No. 32766
Southwestern Public Service Company's Response to
State of Texas' Fifth Set of Requests for Information
Page 2*

R. 22.144(d)(5). Pursuant to P.U.C. PROC. R. 22.144(c)(2)(F), SPS stipulates that its responses may be treated by all parties as if they were made under oath.

II. INSPECTIONS.

If responsive documents are more than 100 pages but less than eight linear feet in length, the response will indicate that the attachment is VOLUMINOUS and, pursuant to P.U.C. PROC. R. 22.144(h)(2), the attachment will be made available for inspection at SPS's voluminous room at 1150 Capitol Center, 919 Congress Ave., Austin, Texas 78701, telephone number (512) 476-7137. If a response or the responsive documents are provided pursuant to the protective order in this docket, the response will indicate that it or the attachment is either CONFIDENTIAL or HIGHLY SENSITIVE as appropriate under the protective order. Highly sensitive responses will be made available for inspection at SPS's voluminous room, unless they form a part of a response that exceeds eight linear feet in length; then they will be available at their usual repository in accordance with the following paragraph. Please call in advance for an appointment to ensure that there is sufficient space to accommodate your inspection.

If responsive documents exceed eight linear feet in length, the response will indicate that the attachment is subject to the FREIGHT CAR DOCTRINE, and, pursuant to Commission Procedural Rule 22.144(h)(3), the attachment will be available for inspection at its usual repository, SPS's offices in Amarillo, Texas, unless otherwise indicated. SPS requests that parties wishing to inspect this material provide at least 48 hours' notice of their intent by contacting Steven D. Arnold of Hinkle, Hensley, Shanor & Martin, L.L.P., 1150 Capitol Center, 919 Congress Ave., Austin, Texas 78701; telephone number (512) 476-7137; facsimile transmission number (512) 476-7146. Inspections will be scheduled to accommodate all requests with as little inconvenience to the requesting party and to SPS's operations as possible.

XCEL ENERGY


Jerry F. Shackelford
Texas Bar. No. 18070000
e-mail: jerry.f.shackelford@xcelenergy.com
816 Congress Ave., Suite 1650
Austin, Texas 78701
(512) 478-9229
(512) 478-9232 (FAX)

Respectfully submitted,

HINKLE, HENSLEY, SHANOR
& MARTIN, L.L.P.

Steven D. Arnold
Texas Bar No. 01345480
e-mail: sarnold@hinklelawfirm.com
Richard R. Wilfong
Texas Bar No. 21474025
e-mail: dwilfong@hinklelawfirm.com
Stephen Fogel, Of Counsel
Texas Bar No. 07202010
email: sfogel@hinklelawfirm.com
1150 Capitol Center
919 Congress Ave.
Austin, Texas 78701
(512) 476-7137
(512) 476-7146 (FAX)

COURTNEY, COUNTISS, BRIAN
& BAILEY, L.L.P.

By: 
Amy M. Shelhamer
Texas Bar Card No. 24010392
email: ashelhamer@courtneylawfirm.com
1700 Chase Tower
Amarillo, Texas 79101
(806) 372-5569
(806) 372-9761 (FAX)

ATTORNEYS FOR SOUTHWESTERN
PUBLIC SERVICE COMPANY

RESPONSES

QUESTION NO. 5-1:

Please refer to page 283 of the SECOND ERRATA Attachment TLW-1, page 11 of 53. Please explain in detail what the following revenue credits are and the items comprising each credit:

- a. Other Electric Revenues-EEI Mutual - \$540,294
- b. RTO revenues - \$5,900,784
- c. Network Transmission Revenues - \$21,147,657
- d. Sch 1 Sys Ctrl Disp Serv Revenue - \$604,674
- e. Sch 2 Ret Supp Voltage Ctr Revenue - \$1,550,731
- f. Sch 3 Reg 7 Prep Rspn Rv - \$229,832
- g. Sch 5 Oper Rev Spinning Revenue - \$485,929
- h. Sch 6 Oper Rev Sup Rev - \$228,517
- i. Misc Transmission Adj-Gen Step-Up - \$16,390
- j. JOA-Other Elec Rev fr PSCO - \$6,714,593
- k. Texas Contingency - (\$24,000,000)
- l. Other - \$1,103,006
- m. Other - \$577,171

RESPONSE:

- a. Other Electric Revenues-EEI Mutual refers to reimbursements for storm damage assistance.
- b. RTO revenues (FERC Account 45605) include point to point and network revenues for the first three months of the Test Year (October through December 2004) and a small prior period correction (January 2005). Specifically, this account includes revenues from the Southwest Power Pool (SPP) for the financial settlement of transmission losses, transmission service, Schedule 1, Schedule 2, and wholesale distribution service. For detailed descriptions, refer to SPS's response to Question Nos. OAG4-2 and OAG4-6. In addition, this account includes reimbursements for penalties and charges for network upgrades.
- c. Network transmission revenues (FERC Account 45607) include point to point and network revenues received for transmission service. Refer to SPS's response to Question No. OAG4-2(a).

- d. Sch 1 Sys Ctrl Disp Serv Revenues includes point to point and transmission revenues for providing Schedule 1 services under the SPP Open Access Transmission Tariff (OATT). Refer to SPS's response to Question No. OAG4-2(a).
- e. Sch 2 Ret Supp Voltage Ctr Revenue includes point to point and transmission revenues for providing Schedule 2 services under the SPP OATT. Refer to SPS's response to Question No. OAG4-2(a).
- f. Sch 3 Reg 7 Prep Rspn Rv (FERC Account 45616) includes revenues for providing Schedule 3, Regulation and Frequency Response services under the SPP OATT.
- g. Sch 5 Oper Rev Spinning Revenue (FERC Account 45622) includes revenues for providing Schedule 5, Operating and Spinning Reserve services under the SPP OATT.
- h. Sch 6 Oper Rev Sup Rev (FERC Account 45624) includes revenues for providing Schedule 6, Operating Reserve - Supplemental Reserve services under the SPP OATT.
- i. Misc Transmission Adj-Gen Step-Up (FERC Account 45628) includes revenues related to generator step-ups collected from customers under the SPS OATT.
- j. JOA-Other Elec Rev fr PSCO includes revenues associated with the Xcel Energy Joint Operating Agreement (JOA) sharing mechanism. A portion of the JOA revenues, Electric Commodity Trading revenues, are allocated to NSP, PSCo, and SPS based upon their relative system peaks.
- k. Texas Contingency refers to the reduction in revenues recorded during the Test Year for the potential liability due to the fuel reconciliation proceeding in PUCT Docket No. 29801.
- l. This portion of Other includes the allocated portion of miscellaneous other revenues.
- m. This portion of Other includes the direct assigned portion of miscellaneous other revenues.

Preparers: Ruth Sakya, Wesley Berger, Timothy L. Willemsen
Sponsors: Timothy L. Willemsen, David B. Grover

QUESTION NO. 5-2:

Please refer to page 283 of the SECOND ERRATA Attachment TLW-1, page 11 of 53. Please explain in detail what the following revenue credit adjustments are, the items comprising each adjustment, and the reasons that these adjustments are made:

- a. RTO revenues—(\$4,782,075)
- b. Network Transmission Revenues—(\$12,709,947)
- c. Sch 1 Sys Ctrl Disp Serv Revenue---(\$360,544)
- d. Sch 2 Ret Supp Voltage Ctr Revenue----(\$943,170)
- e. Misc Transmission Adj-Gen Step-Up---(\$16,390)
- f. JOA-Other Elec Rev fr PSCO----(\$6,714,593)
- g. Texas Contingency—\$24,000,000
- h. Other---(\$392,348)

RESPONSE:

- a. Refer to Attachment TLW-1 to the Direct Testimony of Timothy L. Willemssen, Bates Stamp page 302, lines 55A through 55D and WP/A-3, pages 9a and 9b to the Second Errata. The adjustment removes network revenues to eliminate the double credit through both a revenue credit and the transmission allocator; removes the financial settlement of transmission losses because a credit for the losses is given in the fuel adjustment mechanism; reclassifies Schedule 2 revenue to FERC Account 45614; and eliminates a prior period adjustment.
- b. Refer to WP/A-3 Bates Stamp page 9b and Attachment TLW-1 to the Direct Testimony of Timothy L. Willemssen, Bates Stamp page 302, lines 55E and 55F. The adjustment removes network revenues to eliminate the double credit through both a revenue credit and the transmission allocator. Also, the adjustment adds a new revenue credit for the point to point transmission revenues related to the PNM interruptible contract.
- c. Refer to WP/A-3 Bates Stamp page 9b and Attachment TLW-1 to the Direct Testimony of Timothy L. Willemssen, Bates Stamp page 302, line 55G. The adjustment removes network revenues to eliminate the double credit through both a revenue credit and the transmission allocator.
- d. Refer to WP/A-3, Bates Stamp pages 9a, 9b, and 9r and Attachment TLW-1 to the Direct Testimony of Timothy L. Willemssen, Bates Stamp page 302, lines 55H and 55I. The adjustment adds Schedule 2 revenues reclassified from FERC Account 45605, removes network revenues to eliminate the double credit through both a revenue credit and the production allocator.

- e. Refer to WP/A-3 Bates Stamp page 9b and Attachment TLW-1 to the Direct Testimony of Timothy L. Willemssen, Bates Stamp page 302, line 55K. The adjustment removes network revenues to eliminate the double credit through both a revenue credit and the production allocator.
- f. Refer Attachment TLW-1 to the Direct Testimony of Timothy L. Willemssen, Bates Stamp page 302, line 56. The adjustment removes the electric commodity trading revenues, which are shared through the fuel adjustment clause mechanisms in accordance with the Final Order in Docket No. 29801. SPS has proposed the same sharing mechanism be continued in this proceeding. Refer to the Direct Testimony of David T. Hudson, Volume RR-1, Bates Stamp pages 80-82.
- g. Refer Attachment TLW-1 to the Direct Testimony of Timothy L. Willemssen, Bates Stamp page 302, line 57. The adjustment increases Texas jurisdictional revenues by removing the fuel-related item discussed in SPS's response to OAG5-1, subpart (k) above.
- h. Refer to Attachment TLW-1 to the Direct Testimony of Timothy L. Willemssen, Bates Stamp page 302, line 58. The adjustment removes revenues from the sale of RECs because the cost of these RECs is not included in the Texas retail cost of service. Refer to SPS's responses to Question Nos. TIEC4-28, OPC4-33, and OPC23-6.

Preparers: Ruth Sakya, Wesley Berger, Timothy L. Willemssen
Sponsors: Timothy L. Willemssen, David T. Hudson

QUESTION NO. 5-3:

Please refer to page 141 of the SECOND ERRATA Schedules P-1.3 and P-1.4, page 1 of 1. Please explain in detail what the numbers included in the Columns "Earned Return" and "Relative Return" are and how there numbers were determined

RESPONSE:

The "Earned Return" column is the ratio of the "Current Return on RB" value for each class to the "Rate Base" value for each class. The "Relative Return" is the ratio of each individual rate class "Earned Return" percentage to the total retail "Earned Return" percentage located on the line labeled "Total Retail."

Preparers: James M. Elliott, James C. Jordan
Sponsor: James C. Jordan

QUESTION NO. 5-4:

Please refer to page 141 of the SECOND ERRATA Schedules P-1.3 and P-1.4, page 1 of 1. Do the numbers included in Column "Proposed Base Revenue" reflect any rate impact mitigation adjustments? If so, please identify the adjustments and explain in detail the reasons that these adjustments are made.

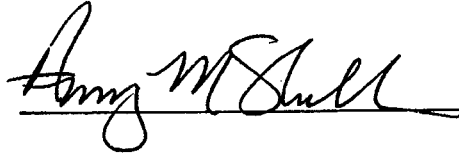
RESPONSE:

No. The rate mitigation adjustments were applied in Schedules P-1.1 and P-1.2 - the proposed classes and revenues.

Preparers: James M. Elliott, James C. Jordan
Sponsor: James C. Jordan

Certificate of Service

I certify that on the 24th day of October 2006, a true and correct copy of the foregoing instrument was served on all parties of record by hand delivery, Federal Express, regular first class mail, certified mail, or facsimile transmission.

_____