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APPLICATION OF SOUTHWESTERN §
PUBLIC SERVICE COMPANY FOR §
APPROVAL OF TRANSACTIONS WITH §
ESI ENERGY, LLC AND INVENERGY §
WIND DEVELOPMENT NORTH §
AMERICA, LLC, TO AMEND A §
CERTIFICATE OF CONVENIENCE AND §
NECESSITY FOR WIND GENERATION §
PROJECTS AND ASSOCIATED §
FACILITIES IN HALE COUNTY, TEXAS §
AND ROOSEVELT COUNTY, NEW §
MEXICO, AND FOR RELATED §
APPROVALS §

BEFORE THE STATE OFFICE

OF

ADMINISTRATIVE HEARINGS

SOUTHWESTERN PUBLIC SERVICE COMPANY'S
FIRST SET OF REQUESTS FOR INFORMATION TO
THE ALLIANCE OF XCEL MUNICIPALITIES
QUESTION NOS. 1-1 THROUGH 1-12

(Filename: SPS1stRFI_AXM.doc; Total Pages: 13)

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**SOUTHWESTERN PUBLIC SERVICE COMPANY'S
FIRST SET OF REQUESTS FOR INFORMATION TO
THE ALLIANCE OF XCEL MUNICIPALITIES
QUESTION NOS. 1-1 THROUGH 1-12**

Southwestern Public Service Company ("SPS") propounds this First Set of Requests for Information ("RFI") to the Alliance of Xcel Municipalities ("AXM"). Responses to these RFIs are due within four working days under the terms of the procedural schedule adopted in SOAH Order No. 4.

DEFINITIONS

The following definitions apply to each of the RFIs, instructions, and definition set forth in this document:

1. A reference to "SPS" shall mean Southwestern Public Service Company.
2. A reference to "AXM" shall mean the Alliance of Xcel Municipalities and all employees, agents, consultants, attorneys, and all other persons acting on behalf of AXM.
3. The term "Commission" refers to the Public Utility Commission of Texas.

4. The term “communication” includes all verbal and written communications (including written records of verbal communications) of every kind, including but not limited to, telephone calls, conferences, letters, electronic mail (e-mail), modem transfers, and all memoranda or other documents concerning the requested item. Where communications are not in writing, provide copies of all memoranda and documents and describe in full the substance of the communication to the extent that substance is not reflected in the memoranda and documents provided and to the extent it is within the knowledge of AXM.
5. “Documents” refers to all writings and records of every type, including e-mails or other electronic media, in the possession, control, or custody of AXM. “Documents” shall also refer to copies of documents, even though the originals of those documents are not in the possession, custody, or control of AXM, every copy of a document which contains handwritten or other notations or which otherwise does not duplicate the original or any other copy, and all attachments to any documents.
6. The term “e-mail” includes the entire string and all attachments found anywhere in the e-mail string.
7. The term “concerning” includes the following meanings: relating to; referring to; pertaining to; regarding; discussing; mentioning; containing; reflecting; evidencing; describing; showing; identifying; providing; disproving; consisting of; supporting; contradicting; in any way legally, logically, or factually connected with the matter to which the term refers; or having a tendency to prove or disprove the matter to which the term refers.
8. The term “Wind Projects” refers to the wind generating facilities proposed to be constructed by SPS in Hale County, Texas and Roosevelt County, New Mexico.

GENERAL INSTRUCTIONS

The following General Instructions apply to each of the RFIs by SPS:

1. Please provide all narrative responses in hard copy, on separate pages for each response, with the question restated at the top of the page. Where possible, please also provide responses via e-mail including all exhibits that are electronically available.
2. For each responsive answer, please identify the individual(s) responsible for its preparation, and the witness sponsoring the answer provided.
3. If a data request can be answered in whole or in part by reference to the response to a preceding or subsequent data request, including data requests of AXM and other parties, so indicate. Specify the preceding or subsequent data request by participant or party and by number, and state whether it is claimed that the response to the preceding or subsequent data request is a full response to the instant data request. If not, furnish the balance of the response needed to complete a full reply.

4. In the event any document requested in this request is unavailable, describe in detail the reasons the document is unavailable.
5. When an RFI requests copies of previously filed testimony, please provide either: (a) an electronic or paper copy of the testimony itself; or (b) sufficient information for SPS to retrieve the testimony from a publicly available source, including: (i) the jurisdiction in which the testimony was filed; (ii) the docket number of the proceeding in which the testimony was filed; (iii) the date the testimony was filed; and (iv) if available, an electronic link to the testimony itself, rather than just a link to the jurisdiction's website.
6. When producing documents pursuant to these RFIs, designate on the document or group of documents the RFI(s) in response to which the document(s) are produced.
7. If, in answering any of these RFIs, there is any ambiguity in interpreting either the request or a definition or instruction applied thereto, please contact Stephen Fogel at:

Xcel Energy Services Inc.
816 Congress Avenue, Suite 1650
Austin, Texas 78701
Office: (512) 236-6922
Facsimile: (512) 236-6935
Email: Stephen.e.fogel@xcelenergy.com

Parties can also contact Ron Moss at:

Winstead PC
401 Congress Avenue, Suite 2100
Austin, Texas 78701
Office: (512) 370-2867
Facsimile: (512) 370-2850
Email: rhmoss@winstead.com

If that is not possible, set forth the language deemed to be ambiguous and the interpretation chosen or used in responding to the request.

8. These data requests are continuing in nature and require supplemental responses when further or different information with respect to any of them is obtained.
9. Use of the singular or plural word form in a data request is not to be interpreted to exclude information or documents from the scope or intent of the specific request.
10. The terms "and" and "or" shall be construed either disjunctively or conjunctively whenever appropriate in order to bring within the scope of these requests any information or documents which might otherwise be considered to be beyond their scope.

11. If any document covered by this request is withheld for whatever reason, please furnish a list identifying all withheld documents in the following manner
 - (a) the reason for withholding;
 - (b) the date of the document;
 - (c) a brief description of the document;
 - (d) the name of each author or preparer;
 - (e) the name of each person who received the document; and
 - (f) a statement constituting the basis for withholding the document.

12. If AXM declines to respond to any request for information or data on the basis of privilege, please state as to each such request an explanation for the refusal. Identify those documents and communications that are withheld from the response to each specific data request. The identification shall be served within the time specified by the presiding examiner for this proceeding and in accordance with the Rules of the Commission, and shall:
 - (a) specify the date of the document, its author(s) (with title and designation if an attorney), and recipients (with title and designation if an attorney);
 - (b) contain a brief summary of the subject matter of the document; and
 - (c) contain a brief statement of the reason that, in your opinion, the assertion of privilege is justified.

13. Please provide data responses as they become available.

Respectfully submitted,

XCEL ENERGY SERVICES INC.

Stephen Fogel
State Bar No. 07202010
Matthew P. Loftus
State Bar No. 24052189
816 Congress Avenue, Suite 1650
Austin, Texas 78701-2471
Office: (512) 236-6922
Facsimile: (512) 236-6935
e-mail: stephen.e.fogel@xcelenergy.com
e-mail: matthew.p.loftus@xcelenergy.com

WINSTEAD PC

Ron H. Moss
State Bar No. 14591025
401 Congress Avenue, Suite 2100
Austin, Texas 78701
Office: (512) 370-2867
Facsimile: (512) 370-2850
e-mail: rhmoss@winstead.com

COURTNEY, COUNTISS, BRIAN & BAILEY, LLP

Amy M. Shelhamer
State Bar No. 24010392
600 S. Tyler, Suite 1700
Amarillo, Texas 79101
Office: (806) 372-5569
Facsimile: (806) 372-9761
e-mail: ashelhamer@courtnelawfirm.com

BY: 
ATTORNEYS FOR
SOUTHWESTERN PUBLIC SERVICE COMPANY

REQUESTS FOR INFORMATION

Question No. SPS-AXM 1-1:

Refer to the Direct Testimony of Scott Norwood at page 4, Table 1. Please explain how much additional wind capacity Mr. Norwood has assumed will be available to SPS in the form of power purchase agreements to support his reduction of \$596 million in total company savings and \$344 million reduction in Texas retail savings.

- a. Please list the names and locations of the additional wind facilities that Mr. Norwood has assumed will be selling their output to SPS under power purchase agreements.
- b. Of the additional wind generating facilities that Mr. Norwood assumes will sell to SPS, which ones are currently in the Southwest Power Pool generation interconnection queue? Has Mr. Norwood assumed that any wind generating facilities not currently in the generation interconnection queue will sell to SPS? If so, which ones?
- c. When is each of the additional wind facilities assumed by Mr. Norwood scheduled to begin commercial operation?
- d. Please describe whether the additional wind facilities assumed by Mr. Norwood are interconnected north or south of the transmission flowgate that exists between Amarillo and Lubbock. If some are located north of the flowgate and some are located south of the flowgate, please explain how much is located on each side of the flowgate.
- e. Please describe the price or prices charged under the power purchase agreements that Mr. Norwood assumed for purposes of calculating his reductions in savings.
- f. Did Mr. Norwood assume that the construction of additional wind generating facilities would give rise to the need for additional transmission infrastructure? If so, please quantify the cost of the additional transmission infrastructure. If not, please explain the basis for Mr. Norwood's assumption that the additional wind facilities will not create a need for additional transmission infrastructure.
- g. Please provide all documents supporting Mr. Norwood's responses to this discovery request.

Question No. SPS-AXM 1-2

Refer to the Direct Testimony of Scott Norwood at page 4, Table 1. Please explain what gas price Mr. Norwood has assumed to support his reduction of \$488 million in total company savings and \$282 million on Texas retail savings.

- a. Please provide all documents supporting Mr. Norwood's projection of lower gas prices.
- b. Does Mr. Norwood agree that gas prices in future years may be higher than those assumed in SPS's analysis? If not, please explain why not.

Question No. SPS-AXM 1-3

Refer to the Direct Testimony of Scott Norwood at page 4, Table 1. Please describe all bases for Mr. Norwood's assumption that capital costs for the Wind Projects will increase by 10%.

- a. Please provide all documents supporting Mr. Norwood's assumption that capital costs will exceed SPS's forecast by 10%.
- b. Does Mr. Norwood agree that the capital costs of the Wind Projects may be less than the amount forecasted by SPS? If not, please explain why not.

Question No. SPS-AXM 1-4

Refer to the Direct Testimony of Scott Norwood at page 4, Table 1. Please describe all bases for Mr. Norwood's assumption that the actual net capacity factors ("NCF") of the Wind Projects will be 10% lower than the NCFs forecasted by SPS.

- a. Does Mr. Norwood hold himself out as an expert on NCFs of wind facilities?
- b. If Mr. Norwood holds himself out as an expert on the NCFs of wind facilities, please describe all elements of his training and experience that qualify him as an expert on the NCFs of wind facilities.
- c. Has Mr. Norwood previously provided testimony regarding the likely NCFs of wind facilities? If so, please provide copies of that testimony.
- d. Please provide a list of all wind farms that Mr. Norwood evaluated to arrive at his opinion to arrive at his opinions regarding the NCFs of the Wind Projects, along with the NCFs of those wind facilities.
- e. Please provide all other documents supporting Mr. Norwood's assumption that the NCFs of the Wind Projects will be 10% lower than the NCFs forecasted by SPS.

- f. Does Mr. Norwood agree that the NCFs of the Wind Projects may be higher than the NCFs forecasted by SPS? If not, please explain why not.
- g. Has Mr. Norwood ever evaluated the NCFs of facilities equipped with Vestas 2.0 MW V110 and V116 turbines? If so, please describe the facilities and provide a copy of Mr. Norwood's analysis.

Question No. SPS-AXM 1-5

Refer to the Direct Testimony of Scott Norwood at page 4, Table 1. Please describe all bases for Mr. Norwood's assumption that SPS will qualify for only 80% of the Production Tax Credits ("PTC").

- a. Please provide all documents supporting Mr. Norwood's assumption that the Wind Projects will qualify for only 80% of the PTCs.
- b. Does Mr. Norwood agree that turbines qualify for PTCs on a turbine-by-turbine basis? If not, please explain why not.
- c. Is it Mr. Norwood's contention that none of the turbines of the Wind Projects will be operational and eligible for PTCs by December 31, 2020? If not, please describe the number of turbines Mr. Norwood has assumed will be operational and eligible for PTCs by December 31, 2020.

Question No. SPS-AXM 1-6

Refer to the Direct Testimony of Scott Norwood at page 4, Table 1. Please describe all bases for Mr. Norwood's assumption that SPS will incur congestion costs equal to \$10 million per year associated with the Wind Projects.

- a. Please provide all documents supporting Mr. Norwood's assumption that SPS will incur congestion costs equal to \$10 million per year.
- b. Please describe the specific transmission lines, substations, busses, or other elements of the transmission grid that will experience congestion due to the Wind Projects.
- c. Does Mr. Norwood hold himself out as an expert on transmission flows and transmission congestion on the Southwest Power Pool grid? If so, please describe all bases on which Mr. Norwood relies to support his claim that he is an expert on transmission flows and transmission congestion on the SPP grid.

Question No. SPS-AXM 1-7

Refer to the Direct Testimony of Scott Norwood at page 5, lines 13-17.

- a. If SPS is able to construct the Hale facility for less than \$769 million, would Mr. Norwood agree that the amount included in SPS's rate base should nevertheless be \$769 million? If Mr. Norwood would not agree, please explain why he would not.
- b. If SPS is able to construct the Sagamore facility for less than \$865 million, would Mr. Norwood agree that the amount included in SPS's rate base should nevertheless be \$865 million? If Mr. Norwood would not agree, please explain why he would not.

Question No. SPS-AXM 1-8

Refer to the Direct Testimony of Scott Norwood at page 5, lines 13-17.

- a. If the capacity factor for Hale exceeds 51%, would Mr. Norwood agree that SPS should be allowed to retain all benefits associated with output that exceeds 51%? If Mr. Norwood would not agree, please explain why he would not.
- b. If the capacity factor for Hale exceeds 52.3%, would Mr. Norwood agree that SPS should be allowed to retain all benefits associated with output that exceeds 52.3%? If Mr. Norwood would not agree, please explain why he would not.

Question No. SPS-AXM 1-9

Refer to the Direct Testimony of Scott Norwood at page 12, lines 25-27. On what date did AXM request that SPS conduct "an alternative scenario to address this shortcoming in its analysis"?

Question No. SPS-AXM 1-10

Refer to the Direct Testimony of Scott Norwood at page 13, lines 13-15.

- a. Please describe all assumptions Mr. Norwood made to arrive at the conclusion that "[u]nder a more realistic base case with the addition of a comparable level of future generic PPA purchases, the projected benefit of SPS's wind projects would likely be reduced by 50% or more."
- b. Please provide all calculations that support Mr. Norwood's statement that the projected

benefit would likely be reduced by 50% or more.

- c. Is it Mr. Norwood's contention that all benefits attributable to Production Tax Credits are passed along to the buyer in the form of lower purchase prices? If so, please describe all bases for that contention.

Question No. SPS-AXM 1-11

Please refer to the Direct Testimony of Scott Norwood at pages 17-18. In Mr. Norwood's opinion, what model or tool should SPS have used to estimate its cost savings?

- a. Please refer to the Direct Testimony of Scott Norwood at page 17, lines 13-15. Is Mr. Norwood aware of a model that does fully simulate operations of the SPP market? If so, what is that model?
- b. Please refer to the Direct Testimony of Scott Norwood at page 17, lines 13-15. Is Mr. Norwood aware of a model that does calculate SPP locational market prices? If so, what is that model?
- c. Please refer to the Direct Testimony of Scott Norwood at page 17, line 21 to page 18, line 2. In Mr. Norwood's opinion, what information should SPP have used to simulate operations of the SPP market for the remaining 28 years of the 30-year analysis?

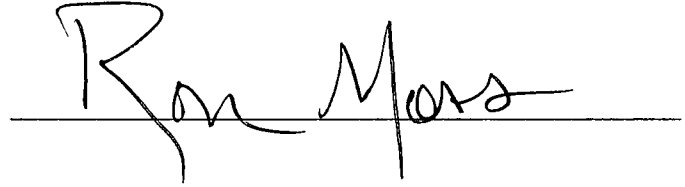
Question No. SPS-AXM 1-12

Please refer to the Direct Testimony of Scott Norwood at page 18, lines 6-15.

- a. What amount of new wind resource capacity should SPS have assumed between 2020 and 2025? Please explain why SPS should have made that assumption.
- b. Please provide all documents supporting your proposed amount of new wind resource capacity that SPS should have assumed for the period from 2020 through 2025 for the period from 2020 through 2025.

CERTIFICATE OF SERVICE

I certify that on the 5th day of October, 2017, 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 black ink, appearing to read "Ron Mars", is written over a horizontal line.