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APPLICATION OF SOUTHWESTERN § BEFORE THE STATE OFFICE
PUBLIC SERVICE COMPANY FOR § OF
AUTHORITY TO CHANGE RATES § ADMINISTRATIVE HEARINGS

REBUTTAL TESTIMONY
of
MARK P. MOELLER

on behalf of

SOUTHWESTERN PUBLIC SERVICE COMPANY

(Filename: MoellerRRRebuttal.doc; Total Pages: 28)

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GLOSSARY OF ACRONYMS AND DEFINED TERMS

<u>Acronym/Defined Term</u>	<u>Meaning</u>
ADIT	Accumulated Deferred Income Taxes
ARAM	Average Rate Assumption Method
Commission	Public Utility Commission of Texas
FERC	Federal Energy Regulatory Commission
Prudence Period	July 1, 2017 through June 30, 2019
SPS	Southwestern Public Service Company, a New Mexico corporation
WBS	Work Breakdown Structure
Xcel Energy	Xcel Energy Inc.

LIST OF ATTACHMENTS

<u>Attachment</u>	<u>Description</u>
MPM-RR-R1(CD)	List of Distribution Blanket Work Orders placed in service during the Prudence Period (filename: MPM-RR-R1(CD).xlsx)
MPM-RR-R2(CD)	List of Distribution Blanket Work Orders placed in service Monthly or Quarterly during the Prudence Period (filename: MPM-RR-R2(CD).xlsx)
MPM-RR-R3(CD)	List of Transmission Blanket Work Orders placed in service Monthly or Quarterly during the Prudence Period (filename: MPM-RR-R3(CD).xlsx)
MPM-RR-R4	Summary of Distribution and Transmission Work Order placed in service during the Prudence Period (filename: MPM-RR-R4.xlsx)

**REBUTTAL TESTIMONY
OF
MARK MOELLER**

I. WITNESS IDENTIFICATION

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Q. Please state your name and business address.

A. My name is Mark P. Moeller. My business address is 401 Nicollet Mall,
Minneapolis, Minnesota 55401.

Q. By whom are you employed and in what position?

A. I am employed by Xcel Energy Services Inc., a wholly-owned subsidiary of Xcel
Energy Inc. ("Xcel Energy"), as Director, Capital Asset Accounting. XES is the
centralized service company for the Xcel Energy holding company system, and it
provides services to the subsidiaries of Xcel Energy.

Q. On whose behalf are you testifying in this docket?

A. I am testifying on behalf of Southwestern Public Service Company, a New
Mexico corporation ("SPS").

**Q. Are you the same Mark P. Moeller who filed direct and update testimony on
behalf of SPS in this docket?**

A. Yes.

1 **II. ASSIGNMENT AND SUMMARY OF TESTIMONY AND**
2 **RECOMMENDATIONS**

3 **Q. What is your assignment for this rebuttal testimony?**

4 A. I have two assignments for my rebuttal testimony. First, I respond to the concerns
5 expressed by Public Utility Commission of Texas (“Commission”) Staff witness
6 John Poole regarding whether all of the SPS transmission and distribution projects
7 listed in “blanket” work orders were in service before the end of the Updated Test
8 Year,¹ which is the twelve-month period ending June 30, 2019. I also address
9 certain other issues raised by Mr. Poole.

10 Second, I respond to the recommendation by Office of Public Utility
11 Counsel witness William P. Marcus that the Commission require SPS to return
12 unprotected plant-related excess accumulated deferred income taxes (“ADIT”)
13 over four years, rather than over the period prescribed by the Average Rate
14 Assumption Method (“ARAM”).²

15 **Q. Please summarize your rebuttal testimony and recommendations.**

16 A. In rebuttal testimony, I demonstrate that all of the capital investment included in
17 the transmission and distribution blanket projects was closed to plant in service
18 during the period from July 1, 2017 through June 30, 2019, a 24-month period
19 that I will refer to as the “Prudence Period.” In particular, my Attachment
20 MPM-RR-R1(CD) contains a list of all the work orders included within the
21 distribution blanket projects located in Texas, and it shows that all of the assets
22 constructed or acquired under those work orders were placed in service during the

¹ Poole Dir. at 11-13.

² Marcus RR Dir. at 8.

1 Prudence Period.³ My Attachment MPM-RR-R2(CD) demonstrates that all of the
2 work orders under the transmission blanket projects were also placed in service
3 during the Prudence Period.

4 I also explain that, unlike production and transmission investment, which
5 is allocated among SPS's retail and wholesale jurisdictions, the investments in
6 distribution projects are directly assigned to the jurisdiction in which the
7 distribution assets are located. A number of the distribution blanket projects are
8 associated with distribution assets located in New Mexico, and therefore they are
9 not in the Texas retail rate base. Accordingly, Mr. Poole erred by including them
10 within the amounts he proposed to disallow from the Texas retail rate base.⁴

11 Finally, I recommend that the Commission reject Mr. Marcus's proposal
12 to require SPS to return the unprotected plant-related excess ADIT over a four-
13 year period. Such a proposal would give rise to intergenerational inequity
14 because many of the underlying plant assets will be in service for decades to
15 come. Mr. Marcus's proposal would force future customers to pay for the cost of
16 the assets without receiving any of the benefits associated with the excess ADIT.
17 His proposal would also increase SPS's rate base more quickly than SPS's
18 proposal to return the excess ADIT under ARAM.

³ These distribution blankets have additional costs that were incurred for assets placed in service outside the Prudence Period, but SPS is not asking for Commission approval of the prudence of those costs.

⁴ Mr. Poole also erred by including only distribution investment placed in service through March 31, 2019. His total should have included the Texas-based distribution investment placed in service on or before June 30, 2019, which was the end of the Updated Test Year.

1 **Q. Are any other SPS witnesses presenting rebuttal testimony related to the**
2 **topics you discuss?**

3 A. Yes. SPS witness Casey S. Meeks explains that SPS was not aware that Staff
4 wishes to have detailed information regarding distribution blanket work orders,
5 given that there is no such requirement in the Commission rules or the Rate Filing
6 Package, and that no such information has been required in previous SPS rate
7 cases. Nevertheless, Mr. Meeks itemizes the specific work orders under each
8 blanket project, and he shows not only when the capital asset was placed in
9 service, but also where it was placed in service and how much the investment was
10 for each work order.

11 In addition, SPS witness Jarred J. Cooley addresses the transmission
12 blanket projects, all of which involved the purchase of tools, fleet vehicles,
13 furniture, and security devices. Mr. Cooley explains that assets acquired under
14 those blankets are placed in service either on a monthly or quarterly basis, and all
15 of the assets in the transmission blankets were placed in service during the
16 Prudence Period.

III. BLANKET PROJECTS

2 **Q. What do you address in this section of your testimony?**

3 A. In this section of my testimony, I respond to Mr. Poole's concerns about the
4 blanket projects that are included within SPS's transmission and distribution
5 investment. He states that he is "recommending the disallowance of 77 projects
6 (11 transmission and 66 distribution) in the amounts of \$94,961,414.95 for
7 distribution and \$12,556,858.67 for transmission."⁵

8 **Q. Do you interpret Mr. Poole's testimony as recommending an unconditional**
9 **disallowance of those amounts?**

10 A. No. Later in his testimony, Mr. Poole states, "Staff recommends that this entire
11 amount be disallowed unless SPS can demonstrate that these amounts were
12 prudently incurred and are for equipment and projects that are used and useful and
13 currently in service." I interpret that testimony to mean that Mr. Poole will
14 withdraw his disallowance recommendation if SPS provides the requested
15 information in rebuttal testimony. Staff witness Frederick Quijano confirms that
16 Staff is inviting SPS to provide additional information about blanket work orders
17 in rebuttal testimony:

18 Given that the Commission and the Federal Energy Regulatory
19 Commission ("FERC") currently do not prescribe a system for
20 work order record keeping for blanket projects, I defer to Mr.
21 Poole's recommendation regarding the additional information that
22 is needed in order for him to determine the prudence of the costs
23 represented in the identified blanket projects. *The additional*
24 *information can be provided in the Company's rebuttal testimony.*
25 Going forward, I recommend that the Company maintain the
26 additional information and present the details in its direct case

⁵ Poole Dir. at 10.

1 when requesting a prudence determination for blanket project
2 costs.⁶

3 **Q. Does SPS's rebuttal testimony provide the additional information that Mr.**
4 **Poole seeks for the blanket projects?**

5 A. Yes. My Attachment MPM-RR-R1 contains a list of more than 19,000 work
6 orders that were recorded under distribution blanket projects and placed in service
7 during the Prudence Period.⁷ That spreadsheet contains the information listed in
8 Table MPM-R1:

9 **Table MPM-R1**
10 **Information Included in Attachment MPM-RR-R1**

Column	Description
A	Work order number
B	Description of work
C	Work Breakdown Structure ("WBS") number
D	WBS description
E	Project justification
F	In-service date
G	Location
H	Latitude
I	Longitude
J	Service Center City
K	Total expenditures associated with work order

⁶ Quijano Dir. at 23-24 (emphasis added).

⁷ Individual work orders are created to track discrete work performed by a field crew. After the crew completes the work, the costs associated with the work are assigned to the work order.

1 **Q. Is there a way to connect the work orders in Attachment MPM-RR-R1 to the**
2 **blanket projects?**

3 A. Yes. Column C of Attachment MPM-RR-R1, which is labeled “WBS,” is the
4 blanket number that ties work orders to blanket projects. For example, Mr.
5 Poole’s testimony refers to a blanket project labeled “TX-OH Extension Blanket,”
6 which has a total cost of \$6,480,290 for the Prudence Period.⁸ That blanket
7 project appears on page 33, line 622, of Mr. Meeks’s Attachment CSM-RR-4.
8 The “WBS Level 4 Number” for that project, which is its blanket project number,
9 is A.001.0001.001.001.001. In my Attachment MPM-RR-R1, the reader can find
10 blanket project number A001.0001.001.001.001 and then use the pivot function to
11 isolate all of the work orders under that blanket project. That will demonstrate
12 that there are more than 1,100 work orders under blanket project number
13 A.001.0001.001.001.001.⁹

14 **Q. Is it possible to determine the in-service date for each of the more than 1,100**
15 **work orders under blanket project number A.001.0001.001.001.001?**

16 A. Yes. Column F of my Attachment MPM-RR-R1 contains the in-service date for
17 each work order under the blanket projects. For example, one of the work orders
18 under blanket project number A.001.0001.001.001.001 appears on row 968 of
19 Attachment MPM-RR-R1. That work order pertains to the installation of
20 equipment needed to provide service to a new home near Seminole, Texas.
21 Column F shows that the assets were placed in service on June 10, 2019.

⁸ Poole Dir. at 10.

⁹ Mr. Meeks’s Attachment CSM-RR-R1 also contains the distribution work orders broken out by blanket project.

1 **Q. Why did SPS aggregate the information about that work order under a**
2 **blanket project that contained more than 1,100 other work orders?**

3 A. It is important to understand that most of the work orders collected under blanket
4 projects are opened and completed in a single day, and the remaining ones are
5 generally completed in two or three days. Moreover, the cost associated with
6 each such work order is relatively small. If SPS were to make each of those small
7 repairs or installations a stand-alone project, the administrative burden on SPS's
8 accounting and operational employees would be overwhelming, and it would
9 likely drive up operation and maintenance costs for customers.

10 **Q. Please explain how SPS decides whether to create a stand-alone project or to**
11 **aggregate work orders under a blanket project.**

12 A. Blanket projects are typically used for repeatable, high-volume work where assets
13 become used and useful on a very short time cycle. Additionally, individual work
14 orders within a blanket structure may not exceed \$300,000 in total expenditures.
15 The most common instances in which blankets are used involve overhead line
16 reconstructions and new service installations.

17 **Q. Mr. Poole asserts in testimony that projects to rebuild or extend overhead**
18 **lines and projects to replace or add transformers to substations “are**
19 **generally specific, targeted projects that should be reviewed individually for**
20 **prudence.”¹⁰ Do you agree?**

21 A. No, although our difference on this issue may be in part over terminology. When
22 SPS includes an overhead rebuild in a blanket project, it is because the rebuild
23 involves the replacement of only one or two poles or the replacement of an

¹⁰ Poole Dir. at 11.

1 overhead transformer. Typically, that type of rebuild is necessary because of an
2 incident such as vehicle damage to a pole or localized storm damage. Mr. Poole
3 may be contemplating a longer rebuild, such as when SPS re-conductors several
4 miles of distribution line and replaces the poles for that entire span. That type of
5 activity is assigned an individual project number, rather than a work order under a
6 blanket.

7 **Q Has SPS provided the types of information that Mr. Poole insists is necessary**
8 **to review the prudence of distribution and transmission blanket projects?**

9 A. Yes. Mr. Poole recommends that SPS “provide the following types of
10 information about the work performed in order to show that the costs included in
11 its blanket projects are prudently incurred: the location of the work performed on
12 SPS’s system pursuant to a work order, the justification for the work order, and
13 the date it went into service.”¹¹ As I explained earlier, column F of Attachment
14 MPM-RR-R1 contains the in-service date. In addition, column E provides the
15 justification, and columns H and I provide the longitude and latitude of the
16 activity undertaken in accordance with the work order. Column J also contains
17 the location of the nearest service center city, to make is easier to distinguish
18 between New Mexico and Texas distribution projects.

19 **Q. Why did SPS not provide the information in Attachment MPM-RR-R1 in its**
20 **direct case?**

21 A. SPS has not been aware of the Commission, Staff, or other parties desiring to
22 review that level of detailed information for such specific activities within blanket
23 projects in the past, for either SPS or other utilities. In part, that is because the

¹¹ Poole Dir. at 13.

1 task of reviewing each work order under a blanket would consume an enormous
2 amount of the parties' and Commission's resources. For example, blanket project
3 number A.0010017.007.001.001 alone encompasses 2,141 separate work orders,
4 with a total cost of \$3,357,458 for the entire blanket. Parties certainly could
5 evaluate the prudence of each of those 2,141 projects with an average cost of less
6 than \$1,600 each, but that evaluation would require a significant dedication of
7 resources. And as I have noted, those 2,141 work orders under blanket project
8 number A.0010017.007.001.001 represent just over one-tenth of the total number
9 of work orders associated with the Texas blanket projects for the Prudence Period.

10 **Q. How does SPS ensure that only appropriate costs are captured within these**
11 **work orders?**

12 A. Individual work orders for work are created and then "pushed" to the crews that
13 will be performing the work. This ensures that only those employees who are
14 responsible for performing the work have access to the work order. This targeted
15 communication, combined with the short duration most of these field work orders
16 are open, limits the opportunity for inappropriate costs to be charged to the work
17 order.

18 **Q. Is the use of work orders within blankets a new process for SPS?**

19 A. No. This methodology of utilizing blankets for repeatable, high-volume, low-cost
20 per unit work has been in place for at least the last 25 years. In addition to being
21 used with the current SAP accounting system, the blanket methodology was used
22 by SPS in the legacy accounting systems that existed prior to SAP.

1 **Q. Has FERC issued any guidance on how to capture costs in work orders?**

2 A. Yes. In the portion of the Uniform System of Accounts entitled “Electric Plant
3 Instructions,” FERC has provided general guidance on capturing costs:

4 Each utility shall keep its work order system so as to show the
5 nature of each addition to or retirement of electric plant, the total
6 cost thereof, the source or sources of costs, and the electric plant
7 account or accounts to which charged or credited. Work orders
8 covering jobs of short duration may be cleared monthly.¹²

9 **Q. Does the tracking provided by SPS comply with these FERC requirements?**

10 A. Yes. The work order cost tracking of SPS exceeds the requirements of FERC for
11 the accurate capture and classification of work and property.

12 **Q. What do you recommend with respect to Mr. Poole’s proposed disallowance
13 of costs associated with distribution and transmission blanket projects?**

14 A. I recommend that the Commission reject the conditional disallowance proposed
15 by Mr. Poole, particularly because SPS has now provided the information that
16 Staff has requested regarding the work orders underlying the blanket projects. As
17 I noted earlier, Staff expressly invited SPS to provide the information in rebuttal
18 testimony, and SPS has done so.

19 I further recommend that the Commission provide SPS and other utilities
20 with guidance regarding whether detailed information about blanket projects
21 should be provided as part of the direct testimony in future cases. SPS has filed
22 numerous rate cases in recent years, and that type of information has never been
23 required before, nor is it required by the Commission’s rules or the Rate Filing
24 Package prescribed for utilities outside of the Electric Reliability Council of

¹² 18 C.F.R. § 101, Electric Plant Instruction No. 11.

1 Texas. Nevertheless, SPS is willing to provide that information on a going-
2 forward basis if that is what the Commission believes is appropriate.

3 **Q. Do you have any other comments regarding Mr. Poole's proposed**
4 **disallowance?**

5 A. Yes. I have two. First, it appears that Mr. Poole included only the costs included
6 in blanket projects through March 31, 2019, which was the end of the original
7 Test Year. The Updated Test Year, however, ended on June 30, 2019, and SPS
8 updated its capital investment through that date. Therefore, Mr. Poole's
9 quantification of the amounts of investment recorded under blanket projects is
10 erroneous. The correct totals are \$76,624,942 for distribution blanket projects and
11 \$12,346,925 for transmission blanket projects.

12 Second, as I explained earlier, it appears that Mr. Poole has included the
13 costs of all distribution blanket projects in this proposed disallowance, but several
14 of those distribution blanket projects pertain to New Mexico distribution assets,
15 which are directly assigned to the New Mexico retail jurisdiction. Because the
16 blanket projects associated with New Mexico-based assets are not included in the
17 Texas rate base, there would be nothing to disallow with respect to those blanket
18 projects even if SPS had not provided the requested information in rebuttal
19 testimony.

20 **Q. Have you quantified the amount attributable to distribution blanket projects**
21 **whose costs have been direct-assigned to the New Mexico retail jurisdiction?**

22 A. Yes. Table MPM-R2 lists the blanket projects that are assigned directly to the
23 New Mexico retail jurisdiction.

1
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Table MPM-RR-R2
Distribution Blanket Projects Direct-Assigned to New Mexico

Blanket Project Number	Total Cost of Blanket Project
A.0001118.007.001.001	\$481,955
A.0005014.084.001.001	\$9,586
A.0006056.223.001.001	\$141,379
Total	\$632,920

3 In addition, blanket project number A.0001118.009.001.001 was direct-assigned
4 to assets located in Oklahoma, so the \$18,733 associated with those assets must
5 also be excluded from the amount in controversy.

6 **Q. Have you also provided an attachment showing the dates that amounts**
7 **recorded under transmission blankets closed to plant in service?**

8 A. Yes. My Attachment MPM-RR-R2 shows the closings for the amounts recorded
9 under transmission blankets during the Prudence Period. As that attachment
10 shows, all of the amounts that SPS has included in transmission blankets were
11 closed to plant in service on a quarterly or monthly basis during the Prudence
12 Period.

1 **IV. RETURN OF EXCESS ADIT**

2 **Q. What topic do you address in this section of your rebuttal testimony?**

3 A. In this section of my testimony, I respond to the testimony of Mr. Marcus, who is
4 recommending that SPS be required to return unprotected plant-related excess
5 ADIT to customers over a four-year period.¹³

6 **Q. What method does SPS propose to return unprotected plant-related excess**
7 **ADIT?**

8 A. SPS proposes to return the unprotected plant-related excess ADIT under ARAM.

9 **Q. What is the ARAM period for unprotected plant-related excess ADIT?**

10 A. There is not a set ARAM period, but SPS recommends that the unprotected plant-
11 related excess ADIT be flowed back to customers through ARAM over the life of
12 the asset.

13 **Q. Why does SPS propose that the unprotected non-plant excess ADIT be**
14 **returned through ARAM over the life of the assets, rather than the four-year**
15 **period proposed by Mr. Marcus?**

16 A. There are several reasons. First, the unprotected plant-related excess ADIT is, as
17 the name suggests, associated with utility plant, and much of that plant will
18 remain in service for decades. The tax benefit resulting from the return of that
19 plant-related excess ADIT should be distributed over the lives of the assets to
20 ensure that customers receiving service more than four years from now are
21 allowed to share in the tax benefit. It would be inequitable to bestow all of the tax

¹³ Marcus RR Dir. at 9-10.

1 benefits on customers within the next four years when customers will still be
2 paying for the associated plant well beyond that time. And to the extent Mr.
3 Marcus believes that SPS will somehow realize a windfall as a result of the longer
4 amortization period, he is mistaken. SPS has already taken the deductions that are
5 reflected in the deferred tax liability, and the reversal of the deferred tax liability
6 will occur over the life of the plant as book depreciation expense is recovered
7 from customers.

8 Second, SPS has recorded the excess ADIT as a deferred tax liability, and
9 that liability offsets SPS's rate base. Therefore, current customers benefit not
10 only from the return of excess ADIT through ARAM, but also through a reduced
11 rate base on which they pay a return. On the other hand, accelerating the return of
12 the unprotected plant-related excess ADIT, as Mr. Marcus proposes, will reduce
13 the deferred tax liability more quickly, which will increase rate base for future
14 customers. Thus, requiring SPS to return the unprotected plant-related excess
15 ADIT in four years is doubly unfair to customers who will begin taking service
16 from SPS close to or after the end of that four-year period because they will
17 receive little or none of the excess ADIT refund and they will have to pay a return
18 on a higher rate base. To avoid that intergenerational inequity, the Commission
19 should allow SPS to return the unprotected plant-related excess ADIT under
20 ARAM.

21 Third, requiring SPS to return the excess ADIT over a four-year period
22 will reduce SPS's cash flow as compared to a refund under the longer ARAM

1 period. SPS witnesses Patricia Martin and Todd Shipman discuss cash flow
2 issues in their rebuttal testimonies.

3 **Q. Can you quantify the effect of the intergenerational inequity if the excess**
4 **ADIT is returned over four years?**

5 A. Yes. The accelerated refund of \$50 million of unprotected plant-related excess
6 ADIT over four years will decrease the revenue requirement by \$12.5 million for
7 each of these four years, and it will simultaneously increase rate base by an
8 equivalent amount.¹⁴ The \$50 million in excess ADIT is attributable to
9 approximately \$500 million of plant, primarily distribution lines. Those assets
10 have, on average, a service life of approximately 60 years, which would result in
11 \$8.3 million per year in straight-line depreciation, for a total of \$33.3 million in
12 depreciation over the four-year period.¹⁵ After four years, the net book value of
13 these assets, including the offsetting deferred tax liability, would increase by
14 \$16.7 million.¹⁶ Not only would the \$12.5 million decrease go away after year
15 four, but customers in year five would be paying a return on a larger rate base
16 than they would have paid if the excess ADIT had been returned on a slower
17 schedule. For example, assuming a 7% weighted average cost of capital,
18 customers would be paying an additional \$1.2 million on top of the \$12.5 million
19 increase.¹⁷ Thus, customers will experience a rate increase of approximately

¹⁴ ADIT is an offset to rate base, so any activity that reduces the ADIT balance increases rate base by an equivalent amount, all else being equal.

¹⁵ \$500 million / 60 = \$8.3 million x 4 = \$33.33 million.

¹⁶ \$500 million + \$50 million - \$33.33 million = \$516.66 million.

¹⁷ \$16.7 million x .07 = \$1.169 million.

1 \$13.7 million in year five because they will have already consumed all of the
2 excess ADIT and increased the rate base. That is not fair to customers in later
3 years.

4 **Q. Mr. Marcus relies on the treatment of unprotected plant-related excess ADIT**
5 **in other Texas utilities' cases to support his request for a four-year**
6 **amortization period.¹⁸ Do you agree that those cases support his proposal?**

7 A. No. As Mr. Marcus concedes, the other cases he cites were settled cases and
8 therefore are non-precedential.¹⁹ But if the Commission were to view prior
9 settlements as precedential, the most analogous settlement would be SPS's own
10 settlement in Docket No. 47527, in which parties agreed that "SPS will unwind
11 the excess ADIT balances associated with unprotected plant balances based on the
12 ARAM."²⁰ That stipulation did provide that parties are free to request a different
13 amortization period in the next base rate case,²¹ but so are the parties to the other
14 settlements that Mr. Marcus relies upon.

15 **Q. Mr. Marcus also refers to Xcel Energy affiliates in Colorado and Wisconsin**
16 **to support his request for a four-year amortization period. What is your**
17 **response?**

18 A. In the Colorado case that Mr. Marcus alludes to in his testimony, the Colorado
19 Public Utilities Commission adopted a ten-year period for unprotected plant-

¹⁸ Marcus RR Dir. at 9-10.

¹⁹ Marcus RR Dir. at 10.

²⁰ *Application of Southwestern Public Service Company for Authority to Change Rates*, Docket No. 47527, Unopposed Stipulation at 8 (Jun. 29, 2018).

²¹ *Id.*

1 related excess ADIT, which is more than twice the four-year period Mr. Marcus
2 advocates.²² In any event, each jurisdiction has its own regulatory framework and
3 unique factual circumstances, which makes it difficult to compare outcomes
4 across jurisdictions. For example, in the case Mr. Marcus cites, the Colorado
5 commission approved a “current test year,” instead of the historical test year that
6 is required in Texas. I doubt that Mr. Marcus would be willing to allow SPS to
7 update its rate base to a current test year in exchange for a shorter refund period
8 for excess ADIT.

9 **Q. Does this conclude your pre-filed rebuttal testimony?**

10 **A. Yes.**

²² Colorado Public Utilities Comm’n, Proceeding No. 19AL-0268E, Decision No. 20-0096 at ¶ 246 (mailed Feb. 11, 2020).

AFFIDAVIT

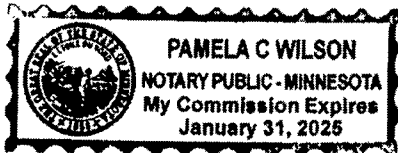
STATE OF)
)
COUNTY OF)


MARK P. MOELLER, first being sworn on his oath, states:

I am the witness identified in the preceding rebuttal testimony. I have read the testimony and am familiar with the contents. Based upon my personal knowledge, the facts stated in the testimony are true. In addition, in my judgment and based upon my professional experience, the opinions and conclusions stated in the testimony are true, valid, and accurate.


MARK P. MOELLER

Subscribed and sworn to before me this 9th day of March, 2020 by MARK P. MOELLER.




Notary Public, State of _____

My Commission Expires: 1-31-2025

CERTIFICATE OF SERVICE

I certify that on the 11th day of March 2020, a true and correct copy of the foregoing rebuttal testimony was served on all parties of record by electronic service and by one of the following methods: hand delivery, Federal Express, regular first class mail, certified mail, or facsimile transmission.


A handwritten signature in black ink, consisting of stylized, overlapping loops and a long horizontal stroke extending to the right, positioned above a solid horizontal line.

Southwestern Public Service Company

SOAH Docket No. 473-19-6677

Docket No. 49831

**APPLICATION OF
SOUTHWESTERN PUBLIC SERVICE COMPANY
FOR AUTHORITY TO CHANGE RATES**

MPM-RR-R1(CD)

Southwestern Public Service Company

**SOAH Docket No. 473-19-6677
Docket No. 49831**

**APPLICATION OF
SOUTHWESTERN PUBLIC SERVICE COMPANY
FOR AUTHORITY TO CHANGE RATES**

MPM-RR-R2(CD)

Southwestern Public Service Company

SOAH Docket No. 473-19-6677

Docket No. 49831

**APPLICATION OF
SOUTHWESTERN PUBLIC SERVICE COMPANY
FOR AUTHORITY TO CHANGE RATES**

MPM-RR-R3(CD)

Southwestern Public Service Company

**Summary of Distribution and Transmission Work Orders
placed in service during the Prudence Period**

MPM-RR-R1			
Function	Total in Poole Direct	Minus New Mexico	July 2017 - March 2019 Closings
Distribution Contruction	\$ 55,547,463.13	\$ 22,275,553.78	\$ 33,271,909.35
MPM-RR-R2			
Distribution Other	\$ 39,554,385.67	\$ 10,233,828.36	\$ 29,320,557.31
MPM-RR-R3			
Transmission	\$ 12,682,619.09	N/A	\$ 12,682,619.06

Southwestern Public Service Company

Summary of Distribution and Transmission Work Orders
placed in service during the Prudence Period

MPM-RR-R1					
Function	April 2019 - June 2019 Closings	Total Texas Closings-Per Detailed Schedules	July 2017 - March 2019 Expenditures	April 2019 - June 2019 Expenditures	Total Expenditures-Per Detailed Schedules
Distribution Construction	\$ 6,574,808.94	\$ 39,846,718.29	\$ 34,131,080.25	\$ 6,395,998.06	\$ 40,527,078.31
MPM-RR-R2					
Distribution Other	\$ 7,457,667.08	\$ 36,778,224.39			
MPM-RR-R3					
Transmission	\$ 315,958.95	\$ 12,998,578.01			