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SOAH DOCKET NO. 473-21-1892
PUC DOCKET NO. 51802

2021 JUN 11 PM 1:32

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

**COMMISSION STAFF'S SIXTH REQUEST FOR INFORMATION
TO SOUTHWESTERN PUBLIC SERVICE COMPANY
QUESTION NOS. STAFF 6-1 THROUGH 6-19**

The Staff of the Public Utility Commission of Texas (Staff) requests that Southwestern Public Service Company (SPS) provide the following information and answer the following questions under oath. The questions shall be answered in sufficient detail to fully present all of the relevant facts, within the time limit provided by the Presiding Officer or within 20 days if the Presiding Officer has not provided a time limit. Please copy the question immediately above the answer to each question. These questions are continuing in nature, and, if there is a relevant change in circumstances, SPS must submit an amended answer, under oath, as a supplement to its original answer. State the name of the witness in this cause who will sponsor the answer to the question and can vouch for the truth of that answer..

Provide responses to the Requests for Information by filing with the Commission solely through the Interchange on the Commission's website and provide notice, by email, to all other parties that the pleading or document has been filed with the Commission, unless otherwise ordered by the presiding officer pursuant to the Order Suspending Rules in Docket No. 50664.

Dated: June 11, 2021

Respectfully submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION**

Rachelle Nicolette Robles
Division Director

Eleanor D'Ambrosio
Managing Attorney

/s/ Merritt Lander
Merritt Lander
State Bar No. 24106183
1701 N. Congress Avenue
P.O. Box 13326
Austin, Texas 78711-3326
(512) 936-7290
(512) 936-7268 (facsimile)
Merritt.Lander@puc.texas.gov

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CERTIFICATE OF SERVICE

I certify that, unless otherwise ordered by the presiding officer, notice of the filing of this document was provided to all parties of record on June 11, 2021 in accordance with the Order Suspending Rules filed in Project No. 50664.

/s/ Merritt Lander
Merritt Lander

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DEFINITIONS

- 1) "SPS," "the Company," or "you" refers to Southwestern Public Service Company and any person acting or purporting to act on their behalf, including without limitation, attorneys, agents, advisors, investigators, representatives, employees, or other persons.
- 2) "Document" includes any written, recorded, or graphic matter, however produced or reproduced, including but not limited to correspondence, telegrams, contracts, agreements, notes in any form, memoranda, diaries, voice recording tapes, microfilms, pictures, computer media, work papers, calendars, minutes of meetings or other writings or graphic matter, including copies containing marginal notes or variations of any of the foregoing, now or previously in your possession. In the event any documents requested by this Request for Information have been transferred beyond the Company's control, describe the circumstances under which the document was destroyed or transferred and provide an exact citation to the subject document. In the event that documents containing the exact information do not exist, but documents do exist which contain portions of the required information or which contain substantially similar information, then the definition of "documents" shall include the documents which do exist and these documents will be provided.

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INSTRUCTIONS

- 1) Pursuant to 16 TAC § 22.144(c)(2), Staff requests that answers to the requests for information be made under oath.
- 2) Please copy the question immediately above the answer to each question. State the name of the witness in this cause who will sponsor the answer to the question and can vouch for the truth of the answer.
- 3) These questions are continuing in nature, and if there is a relevant change in circumstances, submit an amended answer, under oath, as a supplement to your original answer.
- 4) Words used in the plural shall also be taken to mean and include the singular. Words used in the singular shall also be taken to mean and include the plural.
- 5) The present tense shall be construed to include the past tense, and the past tense shall be construed to include the present tense.
- 6) If any document is withheld under any claim of privilege, please furnish a list identifying each document for which a privilege is claimed, together with the following information: date, sender, recipients or copies, subject matter of the document, and the basis upon which such privilege is claimed.
- 7) Pursuant to 16 TAC § 22.144(h)(4), if the response to any request is voluminous, please provide a detailed index of the voluminous material.
- 8) Staff requests that each item of information be made available as it is completed, rather than upon completion of all information requested.

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QUESTION NOS. STAFF 6-1 THROUGH 6-19**

- Staff 6-1** Refer to Schedule A-U0 and Schedule G-U15. Please explain why the detail for operations and maintenance expense on Schedule G-U15 does not match the totals for operations and maintenance expense on Schedule A-U0 for the test year amount, for the adjustment amount, and for the total amount requested in this docket. Please provide a schedule showing the detail, by FERC account, for the amounts requested in this docket on Schedule A-U0 for operations and maintenance expense. Make sure the schedule shows three columns by FERC account: one for the test year amount, one for the adjustment amount, and one that is the amount requested in rates. Make sure the totals of all columns match the totals on Schedule A-U0.
- Staff 6-2** Refer to Schedule A-U0 and Schedule G-U9. Please explain why the detail for taxes other than income taxes on Schedule G-U9 does not match the totals for taxes other than income taxes on Schedule A-U0 for the adjustment amount and for the total amount requested in this docket. Please provide a schedule showing the detail, by FERC account, for the amounts requested in this docket on Schedule A-U0 for taxes other than income taxes. Make sure the schedule shows three columns by FERC account: one for the test year amount, one for the adjustment amount, and one that is the amount requested in rates. Make sure the totals of all columns match the totals on Schedule A-U0.
- Staff 6-3** Refer to Schedule A-U0 and Schedule B-U1. Please explain why the detail for rate base and return on rate base on Schedule B-U1 does not match the totals for return on rate base on Schedule A-U0 for the test year amount and for the adjustment amount in this docket. Please provide a schedule showing the detail, by FERC account, for the amounts requested in this docket on Schedule A-U0 for return on rate base. Make sure the schedule shows three columns by FERC account: one for the test year amount, one for the adjustment amount, and one that is the amount requested in rates. Make sure the totals of all columns match the totals on Schedule A-U0.
- Staff 6-4** Refer to Schedule A-U0 and Schedule D-U4. Please explain why the detail for depreciation and amortization expense on Schedule D-U4 does not match the totals for depreciation and amortization expense on Schedule A-U0 for the test year amount, for the adjustment amount, and for the total amount requested in this docket. Please provide a schedule showing the detail, by FERC account, for the amounts requested in this docket on Schedule A-U0 for depreciation and amortization expense. Make sure the schedule shows three columns by FERC account: one for the test year amount, one for the adjustment amount, and one that

is the amount requested in rates. Make sure the totals of all columns match the totals on Schedule A-U0.

- Staff 6-5** Refer to Schedule G-U7.8. Please provide a detailed breakdown of SPS's requested excess deferred income tax amounts into plant-related, non-plant-related, net operating loss (NOL), and other subaccounts.
- Staff 6-6** Refer to Schedule G-U7.4. Please provide a worksheet showing the calculation or derivation of the amount of \$13,003,293 for the NOL – Federal – Electric.
- Staff 6-7** Refer to Schedule G-U7.4 and Schedule G-7.13f. Please admit or deny that the NOL Carryforward referred to on Schedule G-7.13f is the same \$13,003,293 for the NOL – Federal – Electric on Schedule G-U7.4. If anything other than an unqualified admit, please explain in detail.
- Staff 6-8** Refer to Schedule G-7.13f. Please explain whether SPS received compensation for use of its NOL asset when it was utilized by the consolidated group to offset sufficient taxable income. If so, please provide all of the accounting journal entries—with debits and credits and amounts—for SPS and its parents and affiliates regarding the use of and remuneration for the NOL. If SPS did receive compensation for use of its NOL, please explain how and for what SPS used the proceeds. If compensation happened during the test year, please explain how SPS reflected the receipt of the proceeds in its application.
- Staff 6-9** Refer to Schedule G-7.13f. Please provide a detailed schedule showing the timing and amounts that gave rise to the NOL, as well as showing the timing and amounts as the NOL carryforward was utilized.
- Staff 6-10** Refer to Schedule G-7.13f. Please provide all worksheets that SPS used to account for its NOL carryforward on a stand-alone basis. Does SPS each year compute what its stand-alone tax position would have been and update the account for the stand-alone NOL carryforward? Please explain and provide such a schedule.
- Staff 6-11** Refer to Schedule G-7.13f. Please explain how long SPS thinks it should be allowed to record an asset in rate base for the particular NOL carryforward requested in rates in this docket.
- Staff 6-12** Refer to Schedule G-7.13f. Please provide the accounting journal entry SPS made to place its NOL carryforward back into rate base in this proceeding.
- Staff 6-13** Refer to RFI No. Staff 6-12. If SPS did not make an accounting journal entry to place its NOL carryforward back into rate base in this proceeding, please answer what credit SPS thinks would be appropriate in the journal entry to offset the debit to rate base.

- Staff 6-14** Refer to SPS's response to RFI No. Staff 3-46, specifically Exhibit SPS-Staff 3.46.1. Please provide additional detail on the business purpose for each lease included on the schedule (i.e., what is each location specifically used for, whether any locations are used for legislative advocacy purposes, etc.).
- Staff 6-15** Please refer to Attachment RLB-RR-U11 at page 15. Please provide a more detailed explanation related to the activities for Allocating Cost Center 200077. Please expand on the community affairs program and list the major sponsorships referred to on this page.
- Staff 6-16** Please refer to Attachment RLB-RR-U11 at page 16. Please provide a more detailed explanation related to the activities for Allocating Cost Center 200078. Please define internal legislative policy development. Please explain why SPS thinks that the activities for this allocating cost center differ from legislative advocacy.
- Staff 6-17** Please refer to Attachment MLS-RR-U11 at page 17. Please provide a more detailed explanation related to the activities for Allocating Cost Center 200079. Please expand on the services that Federal Lobbying services consists of. Did SPS remove amounts from Allocating Cost Center 200079 in its request for rates? Did SPS request any amount for Allocating Cost Center 200079 in this docket? If so, why does SPS think that any amount for Allocating Cost Center 200079 for Federal Lobbying should be included in rates?
- Staff 6-18** Please refer to Attachment RLB-RR-U11 at page 81. Please provide a more detailed explanation related to the activities for Allocating Cost Center 200177. Please define "policy development of regulatory and legislative strategy." Please explain why SPS thinks that the activities for this allocating cost center differ from legislative advocacy.
- Staff 6-19** Please refer to Attachment RLB-RR-U11 at page 82. Please provide a more detailed explanation related to the activities for Allocating Cost Center 200178. Please define "policy development of regulatory and legislative strategy." Please explain why SPS thinks that the activities for this allocating cost center differ from legislative advocacy.