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DOCKET NO. 51802

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

PUBLIC UTILITY COMMISSION
OF TEXAS
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FILING CLERK

UPDATE TESTIMONY

of

NORA LINDGREN

on behalf of

SOUTHWESTERN PUBLIC SERVICE COMPANY

(Filename: LindgrenRRUpdate.docx; Total Pages: 23)

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¹ For ease of cross-referencing this update testimony with the original direct testimony filed on February 8, 2021, the sections and subsections in this update testimony correspond with the original sections and subsections in the original direct testimony.

SL

Attachment NL-RR-UB(CD) (*filename: NL-RR-UABCD.xlsx*) 21
Attachment NL-RR-UC (*filename: NL-RR-UABCD.xlsx*) 22
Attachment NL-RR-UD (*filename: NL-RR-UABCD.xlsx*) 23

GLOSSARY OF ACRONYMS AND DEFINED TERMS

<u>Acronym/Defined Term</u>	<u>Meaning</u>
RFP	Rate Filing Package
SPS	Southwestern Public Service Company, a New Mexico corporation
Total Company or total company	Total SPS (before any jurisdictional allocation)
Update Period	October 1, 2020 through December 31, 2020
Updated Test Year	January 1, 2020 through December 31, 2020
Xcel Energy	Xcel Energy Inc.
XES	Xcel Energy Services Inc.

LIST OF ATTACHMENTS

<u>Attachment</u>	<u>Description</u>
NL-RR-U1 (Updated Test Year)	Native SPS Costs for Meter Reading and Customer Records and Collections (Filename: NL-RR-U1.xlsx)
NL-RR-UA (Updated Test Year)	Summary of XES Expenses to SPS by Affiliate Class and Billing Method (Filename: NL-RR-UABCD.xlsx)
NL-RR-UB(CD) (Updated Test Year)	XES Expenses by Affiliate Class, Activity, Billing Method, and FERC Account (Filename: NL-RR-UABCD.xlsx)
NL-RR-UC (Updated Test Year)	Exclusions from XES Expenses to SPS by Affiliate Class and FERC Account (Filename: NL-RR-UABCD.xlsx)
NL-RR-UD (Updated Test Year)	Pro Forma Adjustments to XES Expenses by Affiliate Class and FERC Account (Filename: NL-RR-UABCD.xlsx)

**UPDATE TESTIMONY
OF
NORA LINDGREN**

1 **I. WITNESS IDENTIFICATION**

2 **Q. Please state your name and business address.**

3 A. My name is Nora Lindgren. My business address is 1414 West Hamilton Avenue,
4 Eau Claire, Wisconsin 54701.

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

6 A. I am employed by Xcel Energy Services Inc. (“XES”) as Senior Manager,
7 Customer Policy and Assistance.

8 **Q. On whose behalf are you testifying in this proceeding?**

9 A. I am filing testimony on behalf of Southwestern Public Service Company, a New
10 Mexico corporation (“SPS”).

11 **Q. Are you the same Nora Lindgren who filed direct testimony on behalf of SPS**
12 **in this docket?**

13 A. Yes.

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

3 **Q. What is your assignment in this update testimony?**

4 A. As explained in SPS's direct testimony, SPS is using an Updated Test Year in this
5 case. The Updated Test Year is the period from January 1, 2020 through December
6 31, 2020. Because of the timing of the filing of this case, certain costs for the period
7 from October 1, 2020 through December 31, 2020 ("Update Period") in my direct
8 testimony were estimated. My assignment in this update testimony is to replace
9 those estimated costs with actual costs. The result of this update is that the Updated
10 Test Year now consists of only actual information, and no estimates. For ease of
11 cross-referencing this update testimony with my direct testimony filed on February
12 8, 2021, the sections and subsections in this update testimony correspond with the
13 original sections and subsections in my direct testimony.

14 Regarding the native meter reading and customer records and collection
15 costs I support, my update testimony includes an Attachment NL-RR-U1, which
16 replaces the estimated costs that I provided in my direct testimony for the Updated
17 Test Year with actual costs.

18 Regarding the Customer Care affiliate costs I support, my direct testimony
19 provided actual figures for October and November 2020 and estimated figures for
20 December based on the forecasted budget. In this testimony, I replace the
21 December 2020 estimates with actuals. In addition, the October through December
22 2020 expenses have now gone through the full pro forma adjustment review
23 process. Thus, I provide updated figures for those Update Period expenses. My
24 update testimony includes Attachments NL-RR-UA through NL-RR-UD in support
25 of the Customer Care affiliate costs I support.

1 **Q. Are any of the Rate Filing Package (“RFP”) schedules that you sponsor**
2 **updated in this filing?**

3 A. Yes. Schedule G-U3, Bad Debt Expense, is being provided as part of this update
4 filing in accordance with the RFP instructions. The requested bad debt amount is
5 \$6,234,020 (total SPS before jurisdictional allocations, or “total company”).²

6 **Q. Please summarize your update testimony and recommendations.**

7 A. *Native Costs* – The amounts included in Attachment NL-RR-U1 represent, at a total
8 company level, reasonable and necessary costs incurred directly by SPS to support
9 SPS’s ability to provide safe and reliable electric service to its Texas retail
10 customers. I recommend the Public Utility Commission of Texas approve those
11 costs for the reasons discussed in my direct testimony.

12 *Affiliate Costs* – The estimated Updated Test Year costs for the services of the
13 Customer Care affiliate class that SPS sought to recover were \$2,608,227 (total
14 company). The actual Updated Test Year costs for the services of the Customer
15 Care affiliate class that SPS seeks to recover are \$2,475,899. Please refer to
16 Attachments NL-RR-UA through NL-RR-UD. In addition to providing updated
17 SPS numbers, those attachments also reflect the total updated XES class expenses
18 for the Customer Care affiliate class. The actual costs are reasonable and necessary
19 for the reasons I provided in my direct testimony.

² The total company number consists of Customer Care-related commodity bad debt expense in the amount of \$6,378,992 (Schedule G-U3); Customer Care-related non-commodity bad debt expense in the amount of \$47,388; Corporate Other commodity bad debt expense in the amount of \$85,360 and Distribution Operations non-commodity bad debt expense in the amount of (\$277,720). The Corporate Other commodity bad debt expense is sponsored by Adam R. Dietenberger. The Distribution Operations non-commodity bad debt expense is sponsored by SPS witness Casey S. Meeks.

1 **Q. Were Attachments NL-RR-U1 and NL-RR-UA through NL-RR-UD prepared**
2 **by you or under your direct supervision and control?**

3 A. Attachment NL-RR-U1 was prepared by SPS witness Stephanie N. Niemi and her
4 staff and is based on the cost of service study. My staff and I have reviewed this
5 attachment, and I believe it to be accurate. Attachments NL-RR-UA through
6 NL-RR-UD were prepared as described by SPS witness Ross L. Baumgarten. My
7 staff and I have reviewed these attachments and believe them to be accurate.
8 Although the information I have described also is present in these other witnesses'
9 attachments, I have presented this information in the attachments to my update
10 testimony for the convenience of those reviewing it.

11 **Q. Were the portions of the updated RFP schedule you sponsor prepared by you**
12 **or under your supervision and control?**

13 A. Yes.

14 **Q. Do you incorporate the portions of the updated RFP schedule sponsored by**
15 **you into this testimony?**

16 A. Yes.

**III. UPDATED AFFILIATE EXPENSES FOR THE
CUSTOMER CARE CLASS OF SERVICES**

A. Summary of Affiliate Expenses for the Customer Care Class of Services

Q. What is the dollar amount of the Updated Test Year XES charges that SPS requests, on a total company basis, for the Customer Care affiliate class?

A. The following table summarizes the dollar amount of the actual Updated Test Year XES charges for the Customer Care affiliate class.

Table NL-RR-U1³

		Requested Amount of XES Class Expenses Billed to SPS (Total Company)		
Class of Services	Total XES Class Expenses	Requested Amount	% Direct Billed	% Allocated
Customer Care	\$33,944,237	\$2,475,899	1.20%	98.80%

Q. Please describe the updated attachments that support the information provided on Table NL-RR-U1.

A. Attachments NL-RR-UA through NL-RR-UD present the updated information about the requested SPS affiliate expenses for the Customer Care affiliate class. The detailed descriptions for Attachments NL-RR-A through NL-RR-D that were provided in my direct testimony remain applicable to these updated attachments.

Q. Are there updated exclusions for the Customer Care affiliate class?

A. Yes. The actual exclusions are provided on Attachment NL-RR-UC.

³ **Total XES Class Expenses** is the Dollar amount of total Updated Test Year expenses that XES charged to all Xcel Energy Inc. ("Xcel Energy") companies for the services provided by this affiliate class. This is the amount from Column E in Attachment NL-RR-A. **Requested Amount** is SPS's requested amount after exclusions and pro forma adjustments. **% Direct Billed** is the percentage of SPS's requested XES expenses for the class that were billed 100% to SPS. **% Allocated** is the percentage of SPS's requested XES expenses for the class that were allocated to SPS.

1 **Q. Are there updated pro forma adjustments to SPS's per book expenses for the**
2 **Customer Care affiliate class?**

3 A. Yes. As I mentioned in my direct testimony, pro forma adjustments are revisions
4 to Updated Test Year expenses for known and measurable changes. Pro forma
5 adjustments are shown on Attachment NL-RR-UA, Column J, and on Attachment
6 NL-RR-UB, Column M. The details for the pro forma adjustments, including the
7 witness or witnesses who sponsor each pro forma adjustment, are provided in
8 Attachment NL-RR-UD.

9 **Q. Attachment NL-RR-UD shows that you sponsor pro forma adjustments for**
10 **expenses for the Customer Care affiliate class during the Updated Test Year**
11 **that result in a net decrease for the Customer Care affiliate class of \$17,053.55.**
12 **Please explain the adjustments.**

13 A. The adjustments that I sponsor: remove below the line charges (a decrease of
14 \$51.74); remove costs not benefitting SPS (a decrease of \$327.59); remove charges
15 associated with employee recognition awards (a decrease of \$16,036.30); and
16 remove charges associated with employee life/career events (a decrease of
17 \$637.92).

18 **C. The Customer Care Class of Services are Provided at a Reasonable**
19 **Cost**

20 **Q. What is the purpose of this section of your update testimony?**

21 A. In this section of my direct testimony, several numbers were based on estimates for
22 the Update Period. In this update testimony, I replace those estimates with actual
23 numbers, and explain that the actual costs for the Customer Care affiliate class are
24 reasonable.

1 1. *Additional Evidence*

2 **Q. Is there additional support for a portion of the expenses that you present in**
3 **this testimony?**

4 A. Yes. Of the Updated Test Year costs for the Customer Care class, 90.20% are
5 compensation and benefits costs for XES personnel. SPS witnesses Michael P.
6 Deselich and Richard R. Schrubbe establish that the level of Xcel Energy's
7 compensation and benefits is reasonable and necessary.

8 2. *Cost Trends*

9 **Q. Please quantify the actual per book charges from XES to SPS for the Customer**
10 **Care class of services for the three years preceding the Updated Test Year and**
11 **for the Updated Test Year.**

12 A. Table NL-RR-U2 shows the actual per book affiliate charges for the years from
13 2017-2019 and for the Updated Test Year. Those charges also appear on Column
14 I on Attachment NL-RR-UA).

15 **Table NL-RR-U2**

	(Per Book) Charges Over Time				
Class of Services	2017	2018	2019	Updated Test Year (Estimated)	Updated Test Year (Actual)
Customer Care	\$2,507,919	\$2,450,162	\$2,853,406	\$2,548,408	\$2,428,415

3. *Staffing Trends*

Q. Please provide the staffing levels for the Customer Care class of services for the three years preceding the Updated Test Year and for the Updated Test Year.

A. Table NL-RR-U3 shows the average end-of-month staffing levels for the Customer Care class of services

Table NL-RR-U3

	Average of End of Month # of Staff				
Class of Services	2017	2018	2019	Updated Test Year (Estimated)	Updated Test Year (Actual)
Customer Care	774	713	703	688	691

D. The Costs for the Customer Care Class of Services are Priced in a Fair Manner

Q. Have any of the predominant allocation methods for the Customer Care affiliate operation and maintenance expenses changed?

A. No. The predominant allocation methods have remained the same, but the percentages and amounts have changed as follows:

Table NL-RR-U4

Allocation Method	Estimated Percentage of XES charges to SPS/Amount Requested (total company) in Direct Testimony	Actual Percentage of XES charges to SPS/Amount Requested (total company) in Update Filing
Number of Customers	71.55% / \$1,866,102	71.39% / \$1,767,449
Number of Customer Bills	25.68% / \$669,869	25.96% / \$642,822
Direct Billing	1.31% / \$34,172	1.20% / \$29,591
Number of Residential Customers	1.46% / \$38,084	1.46% / \$36,037

1 **Q.** **Does this conclude your pre-filed update testimony?**


2 **A.** Yes.

AFFIDAVIT

STATE OF WISCONSIN)
)
COUNTY OF SAINT CROIX)

NORA LINDGREN, first being sworn on her oath, states:


I am the witness identified in the preceding Update Testimony. I have read the Update Testimony and the accompanying attachment(s) 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 Update Testimony are true, valid, and accurate.



NORA LINDGREN

Subscribed and sworn to before me this 19th day of March 2021 by NORA LINDGREN.





Notary Public, State of Wisconsin

My Commission Expires: 11/28/22

CERTIFICATE OF SERVICE

I certify that on the 25th day of March 2021, notice of the filing of the foregoing update testimony with the PUCT was served on all parties of record by electronic service and was posted to SPS's file sharing platform.

/s/ Jeremiah W. Cunningham

Southwestern Public Service Company

Native SPS Costs for Meter Reading &
Customer Records and Collections

Line No	FERC Acct	Account Description	Native SPS O&M Expense through the Update Period (Jan '20-Dec '20)	Test Year Affiliate O&M Expense (Jan '20-Dec '20)	Total Company Requested O&M
		Production			

Southwestern Public Service Company

Native SPS Costs for Meter Reading &
Customer Records and Collections

Line No	FERC Acct	Account Description	Native SPS O&M Expense through the Update Period (Jan '20-Dec '20)	Test Year Affiliate O&M Expense (Jan '20-Dec '20)	Total Company Requested O&M
Transmission					
Regional Market Expenses					
Total Transmission O&M Expenses					
			\$ 204,442,836	\$ 11,192,722	\$ 215,368,099

Southwestern Public Service Company

Native SPS Costs for Meter Reading &
Customer Records and Collections

Line No	FERC Acct	Account Description	Native SPS O&M Expense through the Update Period (Jan '20-Dec '20)	Test Year Affiliate O&M Expense (Jan '20-Dec '20)	Total Company Requested O&M
Distribution					

Southwestern Public Service Company

Native SPS Costs for Meter Reading &
Customer Records and Collections

Line No	FERC Acct	Account Description	Native SPS O&M Expense through the Update Period (Jan '20-Dec '20)	Test Year Affiliate O&M Expense (Jan '20-Dec '20)	Total Company Requested O&M
		Administrative and General Expenses			
<hr/>					
<hr/>					
Total Operations and Maintenance Expense			\$ 388,265,114	\$ 116,815,119	\$ 499,328,849

Note All amounts included in this attachment are included in the cost of service study provided as Attachment SNN-RR-U2

Southwestern Public Service Company

Summary of XES Expenses to SPS by Affiliate Class and Billing Method
For the Twelve Months ended December 31, 2020

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)
Line No.	Affiliate Class	Billing Method (Cost Center)	Allocation Method	Total XES Billings for Class to all Legal Entities (FERC Acct. 400-935)	XES Billings for Class to all Legal Entities Except SPS (FERC Acct. 400-935)	XES Billings for Class to SPS (Total Company) (FERC Acct. 400-935)	Exclusions	Per Book	Pro Formas	Requested Amount (Total Company)	% of Class Charges
1	Customer Care	200079 - Federal Lobbying	Assets/Revenue/No of Employees	\$ 2,875 41	\$ 2,500 87	\$ 374 54	\$ (374 54)	\$ -	\$ -	\$ -	0 00%
2	Customer Care	200151 - Customer Billing FERC 903	No of Customer Bills	7,437,294 88	6,808,988 10	628,306 78	-	628,306 78	14,514 95	642,821 73	25 96%
3	Customer Care	200152 - Customer Care 902	No of Customers	316,188 48	294,291 86	21,896 62	-	21,896 62	644 25	22,540 87	0 91%
4	Customer Care	200155 - Customer Care FERC 903	No of Customers	24,362,533 41	22,673,136 94	1,689,396 47	(1,181 71)	1,688,214 76	29,906 83	1,718,121 59	69 39%
5	Customer Care	200156 - Customer Care FERC 901	No of Customers	377,803 85	351,606 05	26,197 80	-	26,197 80	588 86	26,786 66	1 08%
6	Customer Care	200160 - Customer Care NSPM & NSPW FERC 903	No of Customers	337,795 35	337,795 35	-	-	-	-	-	0 00%
7	Customer Care	200161 - Customer Care Low Income Assistance FERC 908	No of Residential Customers	427,036 22	392,047 40	34,988 82	-	34,988 82	1,048 19	36,037 01	1 46%
8	Customer Care	Direct	Direct	682,709 15	644,765 76	37,943 39	(9,132 75)	28,810 64	780 40	29,591 04	1 20%
9	Customer Care	Total		\$ 33,944,236.75	\$ 31,505,132.33	\$ 2,439,104.42	\$ (10,689.00)	\$ 2,428,415.42	\$ 47,483.47	\$ 2,475,898.89	100.00%
10	Total Witness Nora Lindgren			\$ 33,944,236.75	\$ 31,505,132.33	\$ 2,439,104.42	\$ (10,689.00)	\$ 2,428,415.42	\$ 47,483.47	\$ 2,475,898.89	
Amounts may not add or tie to other schedules due to rounding											

Southwestern Public Service Company

XES Expenses by Affiliate Class, Activity, Billing Method and FERC Account

Nora Lindgren

Docket No. 51802

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

NL-RR-UB(CD) is provided in electronic format.

Southwestern Public Service Company**Exclusions from XES Expense to SPS
For the Twelve Months Ended December 31, 2020**

(A) Line No.	(B) Affiliate Class	(C) FERC Account	(D) Explanation for Exclusions	(E) Exclusions (Total Company)
1	Customer Care	417.1 - Expenses of nonutility operations	Below the Line	\$ (9,132.75)
2	Customer Care	426.4 - Expenditures for certain civic, political and related activities	Below the Line	(374.54)
3	Customer Care	426.5 - Other Deductions	Below the Line	(1,181.71)
4	Customer Care Total			<u>\$ (10,689.00)</u>
5	Total Witness Nora Lindgren			<u><u>\$ (10,689.00)</u></u>

Amounts may not add or tie to other schedules due to rounding

Southwestern Public Service Company

**Pro Forma Adjustments to XES Expenses by Affiliate Class and FERC
For the Twelve Months Ended December 31, 2020**

(A)	(B)	(C)	(D)	(E)	(F)
Line No.	Affiliate Class	FERC Account	Explanation for Pro Formas	Sponsor	Pro Formas (Total Company)
1	Customer Care	408.1 - Tax Other Than Income Tax - Payroll	Business Area Adjustment	Nora Lindgren	\$ (1.62)
2	Customer Care	901 - Supervision	3% Wage Adjustment	Stephanie N. Niemi/Michael P. Deselich	649.59
3	Customer Care	901 - Supervision	Business Area Adjustment	Nora Lindgren	(60.73)
4	Customer Care	902 - Meter reading expenses	3% Wage Adjustment	Stephanie N. Niemi/Michael P. Deselich	644.25
5	Customer Care	903 - Customer records and collection expenses	3% Wage Adjustment	Stephanie N. Niemi/Michael P. Deselich	61,921.20
6	Customer Care	903 - Customer records and collection expenses	Business Area Adjustment	Nora Lindgren	(16,991.20)
7	Customer Care	908 - Customer assistance expenses	3% Wage Adjustment	Stephanie N. Niemi/Michael P. Deselich	1,828.59
8	Customer Care	930.1 - General advertising expenses	Advertising	Stephanie N. Niemi	(506.60)
9	Customer Care Total				\$ 47,483.47
10	Total Witness Nora Lindgren				\$ 47,483.47
Amounts may not add or tie to other schedules due to rounding					