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SOAH DOCKET NO. 473-21-2425
DOCKET NO. 52072

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APPLICATION OF SOUTHWESTERN § BEFORE THE STATE OFFICE
PUBLIC SERVICE COMPANY TO § OF
ADJUST ITS ENERGY EFFICIENCY § ADMINISTRATIVE HEARINGS
COST RECOVERY FACTOR §

SOUTHWESTERN PUBLIC SERVICE COMPANY'S
RESPONSE TO COMMISSION STAFF'S
SECOND REQUEST FOR INFORMATION
QUESTION NOS. 2-1 THROUGH 2-5

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APPLICATION OF SOUTHWESTERN § BEFORE THE STATE OFFICE
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response will indicate that the attachment is voluminous (“(V)”) and, pursuant to 16 TAC § 22.144(h)(2), the exhibit will be made available for inspection at SPS’s voluminous room at 600 Congress Avenue, Suite 1900, Austin, Texas 78701; telephone number (512) 495-8832. Voluminous exhibits will also be provided on CD to any requesting party.

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 (“CONF”) or highly Sensitive (“HS”) as appropriate under the protective order. Confidential and Highly Sensitive materials will be served on all parties that have signed and filed the certification under the protective order entered in this docket. Confidential and Highly Sensitive responsive documents will also 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 16 TAC § 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-hour notice of their intent by contacting Patrick Pearsall of Duggins Wren Mann & Romero, LLP, 600 Congress Avenue, Suite 1900, Austin, Texas 78701; telephone number (512) 495-8832; facsimile transmission number (512) 744-9399; email address ppearsall@dwmrlaw.com. Inspections will be scheduled to accommodate all requests with as little inconvenience to the requesting party and to SPS’s operations as possible.

SOAH Docket No. 473-21-2425

PUC Docket No. 52072

*Southwestern Public Service Company’s Response to
Commission Staff’s Second Request for Information*

- 3-

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BY: 
ATTORNEYS FOR
SOUTHWESTERN PUBLIC SERVICE COMPANY

RESPONSES

QUESTION NO. Staff 2-1:

Please refer to Jeremy M. Lovelady's Direct Testimony, page 39, at lines 9-10. With regard to Mr. Lovelady's testimony, please provide copies of the work orders for all affiliate expenses included in SPS's current energy efficiency cost recovery factor (EECRF) application.

In responding to this request, please ensure the inclusion of the following information:

- a. a list of all expenses by Federal Energy Regulatory Commission (FERC) account/sub-account; and
- b. for each work order:
 - i. a detail of the expenses by class of service;
 - ii. the scope of work with a statement of the purpose;
 - iii. the primary activities, products or deliverables; and
 - iv. the justification for the billing method.

RESPONSE:

Please refer to Exhibit SPS-Staff 2-1 for a list of the work orders used in 2020 for the current EECRF Filing.

- a) Each month as program expenses are incurred, they are recorded to a default balance sheet account within the general ledger. During the month-end close process, the accounting team records the recovery journal entries, crediting the respective amount out of the default balance sheet account and debiting it to the income statement FERC Account 908, "Customer Assistance Expenses."
The remaining balance is then reclassified to an asset or a liability account, depending on whether the month-end balance is under or over-recovered. If the month-end balance is under-recovered, the balance is an asset and is recorded to FERC Account 182.3, "Other Regulatory Assets." If the month-end balance is over-recovered, it is a liability recorded to FERC Account 254, "Other Regulatory Liabilities."
- b)

- i. SPS assumes that the term “class of service” refers to residential, commercial, industrial, or other classes. SPS does not allocate work order expenses by class of service.
- ii. Please refer to Exhibit SPS-Staff 2-1.
- iii. Please refer to Exhibit SPS-Staff 2-1.
- iv. Please refer to Exhibit SPS-Staff 2-1.

Preparers: Jeremy M. Lovelady

Sponsor: Jeremy M. Lovelady

QUESTION NO. Staff 2-2:

Please refer to the Application, specifically Mr. Lovelady's Direct Testimony, Table JML-5 at page 34, line 6. Please also refer to Mr. Lovelady's Direct Testimony at Attachment JML-4. Provide a reconciliation between the non-labor expenses in Table JML-5, listed as \$2,406.07, and the total amount of expenses from the receipts provided in Attachment JML-4.

RESPONSE:

Receipt amounts included in the total non-labor expenses are highlighted within Attachment JML-4 to the direct testimony of Jeremy M. Lovelady. The total of those receipts is \$2,406.07 and matches what was provided in Table JML-5. Please refer to page 1 of Attachment JML-4 for a breakdown of expenses and what pages to find the amounts.

Preparer: Jeremy M. Lovelady
Sponsor: Jeremy M. Lovelady

QUESTION NO. Staff 2-3:

Do SPS's requested EECRF affiliate expenses include amounts for carrying charges on shared assets? If so, please separate the amounts for carrying charges on shared assets as follows:

- a. depreciation amount;
- b. expenses amount;
- c. equity amount; and
- d. interest amount.

RESPONSE:

No.

Preparer: Jeremy M. Lovelady
Sponsor: Jeremy M. Lovelady

QUESTION NO. Staff 2-4:

Please refer to Mr. Lovelady's Direct Testimony, page 34. Did SPS remove all financially based employee incentive compensation from its EECRF request.

RESPONSE:

Yes. Please refer to the Direct Testimony of Jeremy M. Lovelady page 34.

Preparer: Jeremy M. Lovelady
Sponsor: Jeremy M. Lovelady

QUESTION NO. Staff 2-5:

Please refer to Staff 2-4. If SPS did not remove all financially-based employee incentive compensation from its EECRF request, please provide the following information:

- a. The amount remaining in the EECRF request related to financially-based incentive compensation , by FERC account.
- b. Refer to SPS's response to Staff 2-1 . Please break out the identified amounts as follows:
 - i. by the reconciled years;
 - ii. by current program year; and
 - iii. by 2020 estimated program year.
- c. Refer to SPS's response to Staff 2-1 . Based on the identified amount, please indicate as follows:
 - i. Which costs were directly incurred by SPS; and
 - ii. Which expenses were allocated by an affiliate.

RESPONSE:

Please refer to SPS's response to Staff Question No. 2-4.

Preparer: Jeremy M. Lovelady
Sponsor: Jeremy M. Lovelady

CERTIFICATE OF SERVICE

I certify that on the 29th day of June, 2021, a true and correct copy of the foregoing instrument was served on all parties of record by email in accordance with SOAH Order No. 1.



Work Order	Description
Research and Development	Work order used to track costs associated with R&D activities to determine future program offerings
Large C&I SOP	Work order used to track costs associated with participation in the Large C&I SOP Program
Load Management SOP	Work order used to track costs associated with participation in the Load Management SOP Program
M&V Costs	Work order used to track costs associated with measurement and verification activities including invoices from the third-party evaluator
EECRF Rider Costs	Work order to track expenses incurred developing, filing, and litigating SPS annual EECRF filings
Misc. Recoverable Admin	Work order used to track general administration costs such as program management time or employee expenses
Hard-to-Reach SOP	Work order used to track costs associated with participation in the Hard-to-Reach SOP Program
Low-Income	Work order used to track costs associated with participation in the Low-Income Weatherization Program
Residential SOP	Work order used to track costs associated with participation in the Residential SOP Program
Smart Thermostats	Work order used to track costs associated with participation in the Smart Thermostats Program
Refrigerator Recycling	Work order used to track costs associated with participation in the Refrigerator Recycling Program
Recommissioning MTP	Work order used to track costs associated with participation in the Recommissioning MTP Program
Small Commercial MTP	Work order used to track costs associated with participation in the Small Commercial MTP Program