



## Filing Receipt

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<b>APPLICATION OF SOUTHWESTERN</b>	<b>§</b>	<b>BEFORE THE STATE OFFICE</b>
<b>PUBLIC SERVICE COMPANY TO</b>	<b>§</b>	
<b>IMPLEMENT AN INTERIM NET</b>	<b>§</b>	<b>OF</b>
<b>SURCHARGE FOR UNDER-</b>	<b>§</b>	
<b>COLLECTED FUEL COSTS</b>	<b>§</b>	<b>ADMINISTRATIVE HEARINGS</b>

**AGREED MOTION FOR INTERIM RELIEF**

Southwestern Public Service Company (“SPS”) submits this agreed motion for interim relief pursuant to 16 Texas Administrative Code (“TAC”) § 22.125 on behalf of itself and Staff (“Staff”) of the Public Utility Commission of Texas (“Commission”), Texas Industrial Energy Consumers (“TIEC”), and the Alliance of Xcel Municipalities (“AXM”) (collectively, the “Parties”). In support of this motion, SPS shows the following:

**I. BACKGROUND**

Pursuant to Commission Rule 16 Tex. Admin. Code (“TAC”) § 25.236(e), on October 28, 2022, SPS filed an application requesting authority to implement an interim net surcharge for its over- and under-collected fuel costs incurred from March 2022 through August 2022. On February 17, 2023, the Parties entered into a unanimous stipulation (“Stipulation”) in which the parties agreed to resolve all issues in this case under certain conditions. The Parties agreed that in addition to the under-collected fuel costs incurred from March 2022 through August 2022, SPS can recover \$10.5 million of its under-collected fuel costs incurred in September, 2022; that the interim net surcharge should be implemented over 10 months, beginning April 1, 2023, with interest calculated at the Commission-approved rate; and that SPS will file an application with the Commission to revise its fuel factor formula by May 1, 2023, in consultation with the other Parties. As a result of the Parties’ agreement, all issues in this case are now resolved. On February 23, 2023, the State Office of Administrative Hearings (“SOAH”) Administrative Law Judge admitted evidence in support of the Stipulation and remanded this proceeding to the Commission.

## II. ARGUMENT

The Commission's rules allow for interim relief to be granted based on the agreement of all parties to a proceeding. 16 TAC § 22.125(c). The rules further provide that while requests for interim relief typically must be filed 30 days before the interim relief is proposed to take effect, the parties to a proceeding may agree to a later filing date. *Id.* at § 22.125(b). All the Parties to this proceeding agree to this motion for interim relief and to the timing of its filing.

The Commission has previously exercised its authority under 16 TAC § 22.125 to grant agreed motions for interim relief under similar circumstances, allowing SPS to implement an agreed surcharge where, after remand from SOAH, the Commission was unable to consider a matter prior to the agreed implementation date.<sup>1</sup>

Because the Commission is unable to approve the settlement and issue an order prior to April 1, 2023, the Parties request that the Commission Administrative Law Judge issue an order authorizing SPS to implement the surcharge beginning April 1, 2023 as reflected on Attachment A to this motion. Attachment A is a copy of SPS's fuel surcharge tariff sheets as agreed under the Stipulation.

The Parties agree that the proposed interim relief is just and reasonable, as it will allow the interim surcharge to be timely implemented pursuant to the terms of the Stipulation. If the Commission ultimately orders rates different from those agreed to in the Stipulation the interim rates would be subject to refund or surcharge during SPS's next fuel reconciliation proceeding.

## III. CONCLUSION

For the reasons set out in this motion, the Parties respectfully request that the Commission Administrative Law Judge issue an order that authorizes SPS to implement the surcharge as set out in Attachment A, subject to refund or surcharge, for usage beginning on April 1, 2023. To facilitate timely implementation the Parties respectfully request that such order be issued by March 24, 2023.

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<sup>1</sup> *Application of Southwestern Public Service Company for Authority to Implement an Interim Power Factor Surcharge in Accordance with Docket No. 45524, Docket No. 47857, Order No. 8 Granting Agreed Motion for Interim Relief (March 26, 2018).*

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Respectfully submitted,




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ATTORNEYS FOR SOUTHWESTERN PUBLIC SERVICE COMPANY

### **CERTIFICATE OF SERVICE**

I certify that on March 13, 2023, this instrument was filed with the Public Utility Commission of Texas and a true and correct copy was served on all parties of record by email in this proceeding in accordance with the Order Suspending Rules issued in Project No. 50664.

  
Andrea Moore Stover

**ELECTRIC TARIFF****Fall 2022 Fuel Cost Surcharge Rider**

Application of Fuel Cost Surcharge Factors are as follows:

Applicable to all fuel rate schedules under the Fuel Cost Recovery Factor Tariff (Sheet IV-69). For usage from April 1, 2023 through January 31, 2024, the fuel cost surcharge factors will be billed to all applicable customers except for the transmission voltage level customers, through the application of a Fuel Surcharge Factor. The fuel cost surcharge is applied to transmission voltage level customers on the basis of their actual historical kWh usage recorded monthly during the period that the under-recovery accumulated. In Docket No. 54282, the total amount of the fuel cost surcharge for all applicable customer classes consists of \$70,079,557.39 and related interest of \$627,910.02 for a total of \$70,707,467.41. Interest was calculated at the rate of 0.12 percent per annum in 2022 and 1.19 percent per annum in 2023 and 2024 in accordance with Texas Admin Code § 25.236(e)(1).

Method of Calculation

- (a) For all applicable Texas retail customers except for transmission voltage level customers:

The fuel surcharge is calculated by the application of a Fuel Surcharge Factor, determined in accordance with the following formula:

Fuel Surcharge Factor (FSF) =  $\{(F + I) / K\}$ , where:

- F= Total cumulative fuel cost under-recovery by fuel rate schedule from March 2022 through August 2022 plus a settled amount of \$10.5 million in under-recovered fuel costs from September 2022;
- I= Interest on the remaining principal balance at the end of each month;
- K= The estimated kWh usage for the fuel rate schedule for April 2023 through January 2024.
- FSF= The total amount of the surcharge attributable to each respective fuel rate schedule, inclusive of interest through January 2024, divided by projected kWh sales for each respective fuel rate schedule during April 2023 through January 2024. The FSF is calculated to the nearest 0.0001 cent.

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To determine the customer's surcharge amount the FSF is multiplied by the customer's kWh usage for April 2023 through January 2024. The fuel cost surcharge to each customer is determined to the nearest whole cent.

Residential Service	\$ 15,156,486.88	\$ 0.007462
Small General Service	\$ 1,789,799.90	\$ 0.007227
Small Municipal and School Service (Secondary)	\$ 112,967.67	\$ 0.006915
Large Municipal Service (Secondary)	\$ 934,278.86	\$ 0.007252
Large School Service (Secondary)	\$ 886,792.15	\$ 0.007163
Secondary General Service	\$ 12,321,259.24	\$ 0.006587
Large Municipal Service (Primary)	\$ 186,458.92	\$ 0.007954
Large School Service (Primary)	\$ 13,780.66	\$ 0.006225
Primary General Service	\$ 9,647,999.89	\$ 0.004432
Guard Lighting and Flood Lighting Service	\$ 118,488.49	\$ 0.005815
Municipal and State Street Lighting Service	\$ 79,111.64	\$ 0.007114
Subtotal	\$ 41,247,424.30	

- (b) For all transmission voltage level customers, the fuel cost surcharge amounts are determined on the basis of each customer's actual historical kWh usage recorded monthly during the period that the under-recovery accumulated. The monthly fuel cost surcharge

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for each of these customers is calculated by determining the fuel cost surcharge to the nearest whole cent then dividing it by ten. The total amount of the surcharge for each fuel rate schedule is as follows including interest as previously described.

Large General Service Transmission 69 to 115 kV	\$ 5,224,180.99
Large General Service Backbone Transmission 115 kV+	\$ 24,235,862.12
Subtotal	\$ 29,460,043.11
<b>Total of All Schedules</b>	<b>\$ 70,707,467.41</b>

- (c) Any difference between amounts actually surcharged and the amounts of the surcharge specified herein will be maintained in the under/over-recovery balance pursuant to Texas Admin Code § 25.236 (e) on a per fuel rate schedule basis.
- (d) The surcharges implemented through this Fuel Cost Surcharge Rider will be subject to final review by the Commission in SPS's next fuel reconciliation proceeding.

Effective: April 1, 2023

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