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**SOAH DOCKET NO. 473-24-17666
PUC DOCKET NO. 56570**

**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 2-4
(Filename: SPSRespStaff2nd.doc; Total Pages: 10)**

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APPLICATION OF SOUTHWESTERN PUBLIC SERVICE COMPANY TO ADJUST ITS ENERGY EFFICIENCY COST RECOVERY FACTOR	§ § § §	BEFORE THE STATE OFFICE OF ADMINISTRATIVE HEARINGS
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**SOUTHWESTERN PUBLIC SERVICE COMPANY'S
RESPONSE TO COMMISSION STAFF'S
SECOND REQUEST FOR INFORMATION
QUESTION NOS. 2-1 THROUGH 2-4**

Southwestern Public Service Company ("SPS") files this response to Commission Staff's ("Staff") Second Request for Information, Question Nos. 2-1 through 2-4.

I. WRITTEN RESPONSES

SPS's written responses to Staff's Second Request for Information are attached and incorporated by reference. Each response is stated on or attached to a separate page on which the request has been restated. SPS's responses are made in the spirit of cooperation without waiving SPS's right to contest the admissibility of any of these matters at hearing. In accordance with 16 Texas Administrative Code § 22.144(c)(2)(A) ("TAC"), each response lists the preparer or person under whose direct supervision the response was prepared and any sponsoring witness. When SPS provides certain information sought by the request while objecting to the provision of other information, it does so without prejudice to its objection in the interests of narrowing discovery disputes under 16 TAC § 22.144(d)(5). Pursuant to 16 TAC § 22.144(c)(2)(F), SPS stipulates that its responses may be treated by all parties as if they were made under oath.

II. INSPECTIONS.

If responsive documents are more than 100 pages but less than eight linear feet in length, the

response will indicate that the attachment is voluminous (“(V)”) and will be provided by secure document transfer link.

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 certification under the protective order entered in this docket. Confidential and Highly Sensitive responsive documents will also be provided by secure document transfer link.

Respectfully submitted,

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ATTORNEYS FOR
SOUTHWESTERN PUBLIC SERVICE COMPANY

RESPONSES

QUESTION NO. Staff 2-1:

Please refer to SPS's current application to adjust its Energy Efficiency Cost Recover Factor (Application), specifically Grant Gervais' Direct Testimony on page 34. With regard to Mr. Gervais' 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 proposed in 2024 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. Please refer to the Direct Testimony of Miguel Cisneros at Section V. Allocation of EECRF Costs for a description of how EECRF costs are allocated.

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

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- 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: P. Grant Gervais
Sponsor: P. Grant Gervais

QUESTION NO. Staff 2-2:

Does 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. Affiliate expenses included in this EECRF filing do not include any expenses for shared assets.

Preparer: P. Grant Gervais
Sponsor: P. Grant Gervais

QUESTION NO. Staff 2-3:

Please provide the date when the most recent market compensation study was performed by SPS.

RESPONSE:

The most recently completed market compensation study is the one referenced in Mr. Gervais's testimony at page 39, lines 1-6 which was conducted in 2022, but was provided to SPS in 2023. SPS is currently undergoing its 2023 market compensation study, which it expects to receive the results of in Q3 2024.

Preparer: Michael Deselich, P. Grant Gervais
Sponsor: P. Grant Gervais

QUESTION NO. Staff 2-4:

Does SPS' EECRF request include any amount of financially based incentive compensation for an officer of SPS? If the answer is "yes," please provide the following information:

- a) The amount in the EECRF request related to financially based incentive compensation, by FERC account.
- b) Refer to the response at Staff 1-4(a). Please break out the identified amount as follows:
 - i. by the reconciled year;
 - ii. by current program year; and
 - iii. by estimated program year.

RESPONSE:

No.

Preparer: P. Grant Gervais
Sponsor: P. Grant Gervais

CERTIFICATE OF SERVICE

I certify that on the 13th day of June 2024, a true and correct copy of the foregoing instrument was served on all parties of record by electronic service.

/s/ Dee Hooley
Dee Hooley

Work Order	Description
Large C&I SOP	Work order used to track costs associated with participation in the Large C&I SOP Program
Small Commercial MTP	Work order used to track costs associated with participation in the Small Commercial MTP Program
Load Management SOP	Work order used to track costs associated with participation in the Load Management SOP Program
Recommissioning MTP	Work order used to track costs associated with participation in the Recommissioning MTP Program
Residential SOP	Work order used to track costs associated with participation in the Residential SOP Program
Smart Thermostat MTP	Work order used to track costs associated with participation in the Smart Thermostat MTP Program
Refrigerator Recycling	Work order used to track costs associated with participation in the Refrigerator Recycling Program
Home Lighting MTP	Work order used to track costs associated with participation in the Home Lighting MTP Program
Residential HVAC MTP	Work order used to track costs associated with participation in the Residential HVAC MTP Program
Residential Codes MTP	Work order used to track costs associated with participation in the Residential Codes MTP Program
Hard-to-Reach SOP	Work order used to track costs associated with participation in the Hard-to-Reach SOP Program
Hard-to Reach Food Bank MTP	Work order used to track costs associated with participation in the Hard-to-Reach Food Bank MTP Program
Low-Income	Work order used to track costs associated with participation in the Low-Income Weatherization Program
Research and Development	Work order used to track costs associated with R&D activities to determine future program offerings
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