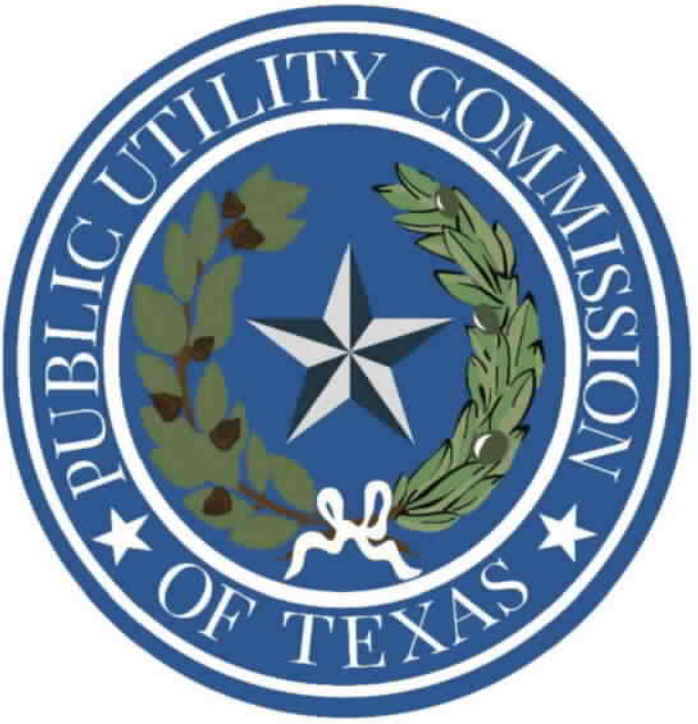

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DOCKET NO. _____

APPLICATION OF SOUTHWESTERN PUBLIC SERVICE COMPANY TO ADJUST ITS ENERGY EFFICIENCY COST RECOVERY FACTOR	**§**	**PUBLIC UTILITY COMMISSION OF TEXAS**

DIRECT TESTIMONY
of
MIGUEL A. CISNEROS

on behalf of

SOUTHWESTERN PUBLIC SERVICE COMPANY

(*Filename:* CisnerosEECRFDirect.docx. *Total Pages*: 37)

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GLOSSARY OF ACRONYMS AND DEFINED TERMS

Acronym/Defined Term	Meaning
Commission	Public Utility Commission of Texas
CP	Coincident Peak
CPI	Consumer Price Index
EECRF	Energy Efficiency Cost Recovery Factor
EM&V	Evaluation, Measurement & Verification
kV	Kilovolt
kW	Kilowatt
kWh	Kilowatt-hour
MTP	Market Transformation Program
PY	Program Year
R&D	Research and Development
RCE	Rate Case Expenses
SPS	Southwestern Public Service Company, a New Mexico corporation
TAC	Texas Administrative Code
TRM	Technical Reference Manual
Xcel Energy	Xcel Energy Inc.

LIST OF ATTACHMENTS

Attachment	**Description**
MAC-1	Calculation of Energy Efficiency Cost Recovery Factor for PY 2024 (*Filename:* MAC-1.xls)
MAC-2	Energy Efficiency Cost Recovery Factor Rider (*Filename: Non-Native Format*)

DIRECT TESTIMONY
OF
MIGUEL A. CISNEROS

I. WITNESS IDENTIFICATION AND QUALIFICATIONS

Q. Please state your name and business address.

A. My name is Miguel A Cisneros. My business address is 790 S Buchanan St, Amarillo, Texas 79101.

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

A. I am filing testimony on behalf of Southwestern Public Service Company ("SPS"), a New Mexico corporation and wholly-owned electric utility subsidiary of Xcel Energy Inc. ("Xcel Energy").

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

A. I am employed by SPS as a Pricing Analyst in the Regulatory and Pricing Analysis department.

Q. Please briefly outline your responsibilities as a Pricing Analyst.

A. I am responsible for the preparation of electric cost allocation studies and the development and design of retail electric rates and tariffs for SPS. Those responsibilities include development of rates, terms, and conditions for proposed service contracts, and the analysis of various other regulatory and business issues.

Q. Please describe your educational background.

A. I have a Bachelor of Science degree in Engineering Technology from West Texas A&M University.

Q. Please describe your professional experience.

A. I have over 18 years of experience in electrical engineering and electrical utilities. 12 years of which I worked as an Engineer Technician for Ellett & Gaynor LLC, and six years working at Xcel Energy as a Cost Analyst, Substation Designer, and SPS as Pricing Analyst.

Q. Have you testified or filed testimony before any regulatory authorities?

A. No. However, I have prepared Jurisdictional Allocation Model, Revenue Proof, and associated schedules such as billing determinants, bill comparison, customer counts, and load duration curves for both New Mexico and Texas rate cases.

II. SUMMARY AND RECOMMENDATIONS

Q. What is the scope of your testimony in this proceeding?

A. I discuss SPS's current Energy Efficiency Cost Recovery Factor ("EECRF"). I also describe and quantify the elements of SPS's proposed EECRF for Program Year ("PY") 2025. In particular, I:

- support the allocation of costs among rate classes eligible to participate in the energy efficiency programs whose costs are recovered through the EECRF;
- support the billing determinants in PY 2025 and the EECRF rate design;
- discuss SPS's PY 2023 net over-recovery balance;
- discuss SPS's compliance with the customer cost caps imposed by 16 Texas Administrative Code ("TAC") § 25.182; and
- sponsor SPS's proposed EECRF rates included in SPS's tariff rider for PY 2025.

In support of my testimony, I provide Attachment MAC-1, which reflects the calculation of SPS's PY 2025 EECRF, and Attachment MAC-2, which is the EECRF tariff reflecting the adjusted rates.

Q. What recommendations do you make in this proceeding?

A. I recommend that the Public Utility Commission of Texas ("Commission") adopt the overall EECRF cost allocation and rate design that I sponsor in my testimony. Those rates accurately reflect SPS's projected EECRF costs for PY 2025 and are within the cost caps prescribed by 16 TAC § 25.182.

Q. Were Attachments MAC-1 through MAC-2 prepared by you or under your direct supervision and control?

A. Yes.

III. SPS'S CURRENT EECRF

Q. Does SPS currently have a Commission-approved EECRF in place?

A. Yes. SPS currently charges the EECRF rates approved in Docket No. 54949 to its eligible customers.[1]

Q. What are the effective dates for SPS's current EECRF approved in Docket No. 54949?

A. The effective dates of SPS's current EECRF are January 1, 2024 through December 31, 2024.

[1] *Application of Southwestern Public Service Company to Adjust its Energy Efficiency Cost Recovery Factor*, Docket No. 54949, Order (Aug. 24, 2023).

IV. ELEMENTS OF SPS'S PROPOSED PY 2025 EECRF

Q. How much does SPS seek to recover through its PY 2025 EECRF?

A. SPS seeks Commission approval to recover $6,804,882 through its EECRF for PY 2025, which is January 1, 2025 through December 31, 2025. These costs are summarized in Attachment MAC-1, page 1, lines 1-8.

Q. What are the elements of costs that comprise $6,804,882 recoverable through the EECRF in 2025?

A. The elements of costs in the PY 2025 EECRF are:

- SPS's forecasted energy efficiency costs in PY 2025 (including forecasted incentives, research and development ("R&D"), and administrative costs) of $4,924,894;[2]
- Forecasted Evaluation, Measurement & Verification ("EM&V") expenses in the amount of $52,415;
- $156,339 net under-recovery, including interest,[3] of PY 2023 energy efficiency costs;
- $19,691 of rate-case expenses ("RCEs") incurred in Docket No. 54949, SPS's 2023 EECRF proceeding, as discussed in more detail in the Direct Testimony of SPS witness Jeremy M. Lovelady; and
- SPS's performance bonus of $1,651,543 earned in accordance with 16 TAC § 25.182(e), which is discussed in the Direct Testimony of SPS witness Grant Gervais.

Q. Do SPS's base rates recover any of the PY 2025 energy efficiency program or other expenses SPS is seeking permission to recover in this proceeding?

A. No. SPS's base rates do not recover any of the energy efficiency expenses that will be recovered through the EECRF in PY 2025 as SPS removes from its Texas retail

[2] $4,287,875 incentives + $252,900 program-specific administrative costs + $224,119 general administrative costs + $160,000 R&D.

[3] $147,284 net under-recovery ($0 rounding) + $9,055 in interest.

revenue requirement the energy efficiency expenses recovered through the EECRF in base rate cases.

Q. Please explain SPS's request for EM&V expenses for PY 2025.

A. As discussed in Mr. Gervais's direct testimony, EM&V costs are the costs allocated to SPS by the Commission for the efforts undertaken by the independent program evaluator to update the deemed savings in the Technical Reference Manual ("TRM") and review program performance. Total forecasted EM&V costs proposed by the third-party implementer, TetraTech, for PY 2024 were $52,415, and SPS expects these to remain the same for PY 2025.

Q. How did you determine SPS's net under-recovery balance of $156,339 in PY 2023?

A. Please refer to Attachment MAC-1, page 6. In PY 2023, SPS recovered a total of $6,475,097 (Column A) in revenue under the EECRF tariff, compared to $4,815,142 (Column H) of spending on energy efficiency programs. 2023 Program costs are adjusted, however, to include the following items also recovered through the 2023 EECRF:

- the 2021 net over-recovery of $383,199 determined in Docket No. 52072,
- $16,813 in 2021 EECRF RCEs incurred in Docket No. 52072, and
- an approved bonus of $2,173,626 for 2021.

Because the 2021 RCEs and bonus amounts were determined in the 2022 EECRF proceeding to establish the EECRF applicable in 2023, the amounts were recovered through the 2023 EECRF Rider and are reconciled in this proceeding.

With $9,055 of interest added to the 2023 over-recovery, the reconciliation results in a net under-recovery balance of $156,339 (Column K).[4]

Q. Does the net under-recovery balance of $156,339 for PY 2023 include SPS's RCEs incurred in Docket No. 54949?

A. No. In Docket No. 54949, SPS's 2023 EECRF proceeding, SPS incurred $19,691 in RCEs. Please refer to Attachment MAC-1, page 1, column (c). Under 16 TAC § 25.182(d)(1)(A), the utility's over-recovery or under-recovery amount includes the utility and municipal EECRF proceeding expenses. Docket No. 54949 EECRF RCEs are included in total costs to be recovered through the 2025 EECRF under review in this current docket. As discussed before, Docket No. 52072 EECRF RCEs that totaled $16,813 are included in the reconciliation of 2023 EECRF costs because those costs were authorized for recovery through the 2023 EECRF approved in Docket No. 53540. There is a lag in the amount of RCEs incurred in each EECRF docket because the total is not known until after the conclusion of each docket.

[4] $(147,284) + ($9,055) under-recovery interest = ($156,339). Attachment MAC-1, page 6, columns (I) - (K).

V. ALLOCATION OF EECRF COSTS

Q. How did you allocate the PY 2025 energy efficiency program costs?

A. First, I segregated the energy efficiency costs between residential and commercial programs, as shown in Attachment MAC-1, page 3. Of the $4,540,775 in budgeted direct program and administrative costs,[5] $2,503,298 is for residential programs including Hard-to-Reach programs, and the remaining $2,037,477 is for commercial programs (Columns a and b, page 3). Commercial program costs are then allocated based on program eligibility of the individual commercial classes. If eligible, a class is assigned a weighted share of program costs, based upon its share of PY energy and demand. In addition, I allocated $224,119 in general administrative costs, $160,000 in R&D costs, and $52,415 in EM&V costs to the residential and commercial programs based on their respective shares of the direct program budget, 55.09% residential and 44.91% commercial. In total, $2,741,798 is assigned to residential customers and $2,235,511 to commercial customers, for a total of $4,977,309 in PY 2025 costs recoverable under the EECRF. The cost allocation methodologies described above and discussed in more detail below are consistent with those employed in prior EECRF cases.

Q. Are any residential program costs allocated to commercial customers?

A. Yes. 5% of Home Lighting Market Transformation Program ("MTP") costs are allocated to Small General Service, with the remaining 95% allocated to Residential Service.

[5] $4,287,875 Budgeted Incentives + $252,900 Program-specific administrative costs.

Q. Why are 5% of the Home Lighting MTP costs allocated to commercial customers?

A. Implementation guidance in the Commission's TRM for PY 2018 recommended a 5% allocation of upstream lighting program benefits and costs to commercial customers with the remaining 95% allocated to residential customers.[6] The TRM concludes that a small percentage of upstream lighting program incentives are for the purchase of lighting used by small commercial customers. The split in the Home Lighting MTP results in a $30,000 allocation to Small General Service, and $570,000 to Residential. Including administrative costs for the Home Lighting MTP, the totals are $35,318 for Small General Service, and $671,043[7] for Residential.

Q. Other than 5% of the Home Lighting MTP costs, are residential program costs allocated to residential customers?

A. Yes.

Q. What are the considerations in the allocation of commercial program costs?

A. In allocating commercial program costs, I excluded industrial customers taking service at 69 kilovolts ("kV") or higher because those customers are not eligible to participate in the energy efficiency programs under review in this docket. I also excluded the coincident peak ("CP") demand and kilowatt-hours ("kWh") of customers that satisfied the opt-out requirements set forth in 16 TAC § 25.181(u).

SPS does not design its commercial energy efficiency programs by EECRF

[6] Texas Technical Reference Manual, Vol. 5, page 4-5.

[7] Sum of columns a through c row 9, Page 3 Attachment MAC-1.

rate class, so PY 2025 program costs are allocated to eligible Commercial EECRF rate classes according to a 50/50 weighting of forecasted CP demand and forecasted kWh sales. Because the energy efficiency programs are designed to reduce both peak demand and energy, a 50/50 weighted allocation between CP and kWh is reasonable, and consistent with the Commission's final order approving SPS's current EECRF in Docket No. 54949. The allocation of commercial program costs is shown on Attachment MAC-1, pages 7-8.

Q. Did SPS take system line losses into consideration in its allocation of costs to the EECRF rate classes?

A. Yes. It is necessary to consider line losses because power and energy are lost between the power source (i.e., a generating station) and the customer's meter, especially as the voltage-level at which the customer takes service is reduced. Accounting for line losses is also consistent with how SPS allocates capacity and energy costs in base rate filings, the most recently completed base-rate case being Docket No. 54634.[8]

Q. What line loss factors did SPS use in its cost allocation?

A. SPS used the line loss factors approved in Docket No. 54634, which are shown in the following table:

[8] *Application of Southwestern Public Service Company for Authority to Change Rates*, Docket No. 54634, Order (Apr. 11, 2024).

Table MAC-1: Line Loss Factors

Service Level	Energy Loss Factor	Demand Loss Factor
Service Level 1 (Source Voltage)	1.000000	1.000000
Service Level 2 (115 kV and higher)	1.022750	1.020504
Service Level 3 (69 kV)	1.028269	1.026426
Service Level 4 (Primary Voltage Service)	1.095331	1.109977
Service Level 5 (Secondary Voltage Service at Transformer)	1.111184	1.133226
Service Level 6 (Secondary Voltage with distribution service line)	1.114823	1.137851

Q. How did you apply the line loss factors?

A. I applied the line loss factors to the meter-level forecasted kWh and CP kilowatts ("kW") to arrive at line loss-adjusted kWh and CP kW. Line loss-adjusted kWh and CP kW are then used to allocate EECRF costs among commercial rate class customers. Please refer to Attachment MAC-1, page 10 for the calculation.

Q. To which EECRF rate classes did SPS allocate energy efficiency costs?

A. SPS allocated PY 2025 energy efficiency costs to residential and commercial EECRF rate classes that received services under the programs in PY 2023 in accordance with 16 TAC § 25.182(c)(2) and (d)(2).

Q. How did you determine which rate classes to use for this proceeding?

A. 16 TAC § 25.182(d)(2) allows the Commission to set an EECRF for "each eligible rate class" and requires that costs be directly assigned to each EECRF rate class that receives services under the energy efficiency program to the maximum extent reasonably possible. Subsection (c)(2) of 16 TAC § 25.182 defines "rate class" for

the purpose of calculating EECRF rates as "those retail rate classes approved in the utility's most recent base-rate proceeding, excluding non-eligible customers."

Q. Did the Commission in its final order in Docket No. 54634 approve retail rate classes for the purposes of SPS's EECRF?

A. Yes. In Docket No. 54634, the Commission approved a settlement in which SPS agreed that for all its EECRF cases filed before the final order in SPS's next base-rate case becomes final, SPS will propose to use the same classes approved in Docket No. 45916, SPS's 2016 EECRF proceeding. Those classes are:

- Residential Service;
- Small General Service;
- Secondary General Service;
- Primary General Service;
- Small Municipal and School Service;
- Large Municipal Service; and
- Large School Service.

Q. Do SPS's proposed EECRF rate classes for PY 2025 comply with 16 TAC § 25.182(d)(2), 16 TAC § 25.182(c)(2), and the Commission's Final Order in Docket No. 54634?

A. Yes. SPS proposes to set an EECRF rate for the seven EECRF rate classes ordered by the Commission in Docket No. 54634. SPS does not propose to set an EECRF rate for the Large General Service – Transmission, 69-115kV; Large General Service – Transmission, 115kV+; Municipal and State Street Lighting; or Guard- and Flood-lighting Service because all the customers in those rate classes are non-eligible customers.

Q. Is SPS's proposal to set seven EECRF rates consistent with its approach in other SPS EECRF proceedings?

A. Yes, it is consistent with the method SPS has used to allocate costs in previous EECRF filings, and most recently approved by the Commission in Docket No. 54949.

Q. Please explain the allocation of EECRF RCEs from Docket No. 54949.

A. The $19,691 of RCEs are allocated to each EECRF rate class in proportion to its actual PY 2023 program costs incurred. Please refer to Attachment MAC-1, page 7.

Q. How will the net under-recovery balance of PY 2023 be reflected in PY 2025 EECRF rates?

A. Costs recoverable through the PY 2025 EECRF for each EECRF rate class will be adjusted by the amount of the PY 2023 net under-recovery from each EECRF rate class. Please refer to Attachment MAC-1, page 1, column (b).

Q. How will the performance bonus be reflected in PY 2025 EECRF rates?

A. Costs recoverable through the 2025 EECRF for each EECRF rate class will be increased by the amount of the PY 2023 performance bonus from each EECRF rate class.

Q. How was the performance bonus allocated to each EECRF rate class?

A. Consistent with the rule, bonus amounts were allocated in proportion to the program costs associated with meeting the demand and energy goals and allocated to eligible customers on a rate class basis.

VI. RATE DESIGN OF EECRF

Q. After costs are allocated to the appropriate EECRF rate classes, what is the next step in the EECRF calculation?

A. The next step is to divide the allocated PY 2025 costs by the forecasted billing determinants for each eligible rate class to calculate EECRF rates. As explained later in this section, SPS is proposing to recover EECRF costs through a kWh-based energy charge. SPS's proposed kWh-based EECRF rates are consistent with current EECRF charges as well as previous years. The forecasted kWh EECRF billing units are reflected in Attachment MAC-1, page 1.

Q. Do the forecasted kWh sales developed for this docket assume normal weather conditions?

A. Yes. Normal daily weather was based on the average of the last ten years of historical heating-degree days and cooling-degree days. The heating-degree days and cooling-degree days were weighted by the number of times a particular billing cycle day was included in a billing month. These weighted heating-degree days and cooling-degree days were divided by the total billing cycle days to arrive at average daily heating-degree days and cooling-degree days for a billing month.

Q. 16 TAC § 25.182(d)(10)(E) also requires the utility to provide the billing determinants for the most recent year. What were SPS's billing determinants for 2023?

A. The actual billing determinants for 2023 are shown in Attachment MAC-1, page 6. Those billing determinants were not weather-normalized because the amounts

billed under the PY 2023 EECRF are based upon actual kWh, not weather-normalized kWh.

Q. Is the difference between the forecasted PY 2025 billing determinants and the actual 2023 billing determinants solely attributable to weather-normalization?

A. No. Other factors, such as the changing mix of customers and changes in how customers use electricity also affect forecasted 2025 kWh compared to 2023 actual kWh.

Q. Does 16 TAC § 25.182 prescribe the types of billing determinants to be used for billing the EECRF?

A. Yes. Under 16 TAC § 25.182(d)(6), the utility can impose only energy charges for residential customers and for those commercial classes whose base rates do not provide for demand charges. For the commercial classes whose base rates do provide for demand charges, the EECRF rates can provide for energy charges or demand charges, but not both. If an EECRF charge is based upon demand, a demand ratchet mechanism cannot be applied to the EECRF.

Q. How does SPS propose to bill its customers for the EECRF?

A. SPS does not charge demand rates for its Residential Service, Small General Service, and Small Municipal and School Service rate classes. Therefore, under 16 TAC § 25.182(d)(6), SPS must recover the EECRF amounts from those rate classes using a kWh-based energy charge. Although SPS charges demand rates in addition to kWh energy rates under its Secondary General, Primary General, Large Municipal, and Large School rate classes, SPS proposes to use an energy charge (per kWh) only for recovery of energy efficiency costs from those classes as well.

For billing and rate design purposes, the rule states the maximum charge in kWh terms, making it easier and more consistent in determining whether the rate is in compliance with the maximum rate per kWh if the rate itself is kWh-based.

Q. How were the EECRFs for the various rate classes determined using PY 2025 projected billing units?

A. After quantifying the EECRF class energy efficiency revenue requirements and projected 2025 kWh billing units excluding industrial and opt-out customers, SPS calculated the EECRF for each rate class by dividing costs recoverable through the EECRF by the projected 2025 billing units for each rate class. Please refer to Attachment MAC-1, page 1, lines 1-7. The resulting EECRFs will be applied to each retail customer's 2025 billed kWh.

Q. What EECRF rates does SPS propose for PY 2025?

A. Based upon the calculations described above, the proposed PY 2025 EECRF factors are as shown in Table MAC-2. These factors also appear on Attachment MAC-1, page 1.

Table MAC-2: PY 2025 EECRF ($/kWh) by Rate Class

EECRF Rate Class	PY 2025 EECRF
Residential Service	$0.001567
Small General Service	$0.001370
Secondary General Service	$0.000687
Primary General Service	$0.000098
Small Municipal and School Service	$0.004211
Large Municipal Service	$0.001315
Large School Service	$0.003444

VII. COMPLIANCE WITH CUSTOMER COST CAPS

Q. Does 16 TAC § 25.182 establish any limits on the total EECRF charged to customers?

A. Yes. 16 TAC § 25.182(d)(7) sets maximum limits on the amounts that can be charged to retail customers for energy efficiency programs.

Q. Please describe the customer cost caps set forth in 16 TAC § 25.182(d)(7).

A. 16 TAC § 25.182 Subsection (d)(7)(C) states:

> For the 2021 program year and thereafter, the residential and commercial cost caps shall be calculated to be the prior period's cost caps increased or decreased by a rate equal to the most recently available calendar year's percentage change in the South urban [consumer price index ("CPI")], as determined by the Federal Bureau of Labor Statistics.

Q. What are the customer cost caps in place for PY 2024?

A. SPS's EECRF cost caps for the 2024 PY are $0.001556 per kWh for residential customers and $0.000973 per kWh for commercial customers.

Q. Have you determined the most recently available calendar year's percentage change in the South urban CPI?

A. Yes. The cumulative percentage change in the South urban CPI for calendar year 2023 over calendar year 2022 was 4.4968 percent.

Q. Have you calculated SPS's customer cost caps for PY 2025?

A. Yes. Applying the cumulative percentage change in the South urban CPI for calendar year 2023 over calendar year 2022 of 4.4968 percent to the current 2024 $0.001556 per kWh Residential and $0.000973 per kWh Commercial cost caps, as required by 16 TAC § 25.182(d)(7)(C), results in EECRF cost caps for PY 2025 of $0.001626 per kWh for residential customers, and $0.001017 per kWh for

commercial customers. This calculation is shown on Attachment MAC-1, page 2, line nos. 17-21.

Q. Do the PY 2025 EECRF rates requested by SPS in this proceeding exceed the caps?

A. No, as shown in Attachment MAC-1, page 2, line nos. 9-16.

Q. What is the expected impact of SPS's proposed EECRF rates on a residential customer's monthly bill?

A. The amount billed to a residential customer using 1,000 kWh of electricity per month would increase by approximately $0.369 per month as compared to the EECRF currently in place.[9] A 1,000 kWh per month residential customer is charged $1.198 per month under the current EECRF and would be charged $1.567 per month under the proposed EECRF.

[9] Proposed EECRF = $0.001567 x 1,000 kWh = $1.567. Current EECRF: $0.001198 x 1,000 kWh = $1.198.

VIII. TARIFF REVISIONS

Q. Have you included an updated EECRF tariff rider that reflects SPS's proposed rates for PY 2025?

A. Yes. Please refer to Attachment MAC-2.

Q. In conclusion, what do you recommend regarding SPS's EECRF request in this proceeding?

A. For the reasons described in my testimony, I recommend the Commission adopt the EECRF cost allocation and rate design proposed by SPS in this proceeding for PY 2025.

Q. Does this conclude your pre-filed direct testimony?

A. Yes.

AFFIDAVIT

STATE OF TEXAS)
)
COUNTY OF POTTER)

MIGUEL A. CISNEROS, first being sworn on his oath, states:

I am the witness identified in the preceding prepared direct testimony. I have read the testimony and the accompanying attachments and am familiar with their 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 testimony are true, valid, and accurate.

MIGUEL A. CISNEROS

Subscribed and sworn to before me this 24th day of April, 2024 by MIGUEL A. CISNEROS

CINDY BAEZA
Notary Public, State of Texas
Comm. Expires 10-06-2024
Notary ID 130783650

Notary Public, State of Texas
My Commission Expires: 10-06-2024

CERTIFICATE OF SERVICE

I certify that on May 1, 2024 , this instrument was filed with the Public Utility Commission of Texas, and a true and correct copy of it was served on the Staff of the Public Utility Commission of Texas, all parties who participated in SPS's most recently completed EECRF proceeding, Docket No. 54949; SPS's most recently completed base-rate proceeding, Docket No. 54634; and to the state agency that administers the federal weatherization program, which is the Texas Department of Housing and Community Affairs by electronic mail.

/s/ Dee Hooley

Southwestern Public Service Company

Calculation of EECRF Rates for PY 2025

Line No.	EECRF Class	(a) Allocated 2025 Program Costs	(b) Plus/minus Under/(Over) Recovery of 2023 PY Costs (w/Interest)	(c) Plus: Docket No. 54949 Rate Case Expenses	(d) Plus: Performance Bonus	(e) Net Under/(Over) Recovery of 2023 Costs	(f) Net Recoverable Costs in 2025 Program Year[1]	(g) Divided by: Net Forecast 2025 EECRF Metered kWh	(h) 2025 EECRF per kWh
1	Residential	$ 2,741,798	$ 209,162	$ 11,069	$ 928,367	$ 1,148,598	$ 5,890,396	2,482,899,532	$ 0.001567
2	Small General Service	99,480	201,369	1,173	98,371	300,913	400,393	292,201,783	$ 0.001370
3	Secondary General Service	595,453	463,239	4,486	376,263	843,988	1,439,441	2,095,358,184	$ 0.000687
4	Primary General Service	1,451,062	(1,256,976)	404	33,907	(1,222,665)	228,396	2,327,670,431	$ 0.000098
5	Small Municipal and School Service	3,784	61,269	257	21,550	83,076	86,860	20,629,071	$ 0.004211
6	Large Municipal Service	57,463	122,480	755	63,318	186,553	244,016	185,576,484	$ 0.001315
7	Large School Service	28,269	355,797	1,547	129,766	487,110	515,380	149,656,719	$ 0.003444
8		$ 4,977,309	$ 156,339	$ 19,691	$ 1,651,543	$ 1,827,573	$ 6,804,882	7,553,992,204	

Southwestern Public Service Company

Calculation of EECRF Rates for PY 2025

Excluding Under/(Over) Recovery of 2022 Costs:

	EECRF Class	2025 Program Costs (excluding EM&V), 2023 Net Recovery (excluding interest), 2023 Performance Bonus	Divided by: Net Forecast 2025 EECRF Metered kWh	2025 Program Costs per kWh	Less than 2025 Cap?	Grouped Commercial Rate[2]	Less than 2025 Cap?
9	Residential	$ 3,838,575	2,482,899,532	$ 0.001546	*yes*	*n/a*	*n/a*
10	Small General Service	$ 386,527	292,201,783	$ 0.001323	*no*	$ ***0.000569***	*yes*
11	Secondary General Service	$ 1,401,801	2,095,358,184	$ 0.000669	*yes*	$ ***0.000569***	*yes*
12	Primary General Service	$ 285,323	2,327,670,431	$ 0.000123	*yes*	$ ***0.000569***	*yes*
13	Small Municipal and School Service	$ 83,014	20,629,070.66	$ 0.004024	*no*	$ ***0.000569***	*yes*
14	Large Municipal Service	$ 235,556	185,576,484	$ 0.001269	*no*	$ ***0.000569***	*yes*
15	Large School Service	$ 492,925	149,656,719	$ 0.003294	*no*	$ ***0.000569***	*yes*
16		$ 6,723,721	7,553,992,204				

Maximum Rates:

	EECRF Class	2024 Base EECRF, before CPI Adjustment	CPI - South Urban, 2023 ÷ 2022	Maximum 2025 EECRF, adjusted for CPI
17	Residential	$ 0.001556	1.044968	$ 0.001626
18	Commercial	$ 0.000973	1.044968	$ 0.001017
19		2023 CPI Factor	296.4220	
20		2022 CPI Factor	283.6660	
21		CPI Adjustment Factor	104.4968%	

[1] – Allocated 2025 Program Costs + Net Under/(over) Recovery of 2023 PY Costs

[2] – Sum of Costs, lines 10 through 15 ÷ Sum of Metered kWh, lines 10 through 15

Southwestern Public Service Company

Allocation of Budgeted PY 2025 Costs

Line No.	Program	(a) 2025 Budgeted Incentives	(b) 2025 Program-Specific Admin	(c) Allocation of 2025 General Administrative Costs	(d) Allocation of 2025 R&D	(e) Allocation of 2025 EM&V	(f) Total Allocated 2025 Program Costs	
1	**Commercial**	**$ 1,945,200**	**$ 92,277**	**$ 101,672**	**$ 72,584**	**$ 23,778**	**$ 2,235,511**	44.91% Commercial Share of Budget
2	Commercial & Industrial SOP	390,200	18,878	20,395	14,560	4,770	448,802	
3	Recommissioning MTP	900,000	-	47,041	33,583	11,002	991,626	
4	Load Management SOP	225,000	33,683	11,760	8,396	2,750	281,590	
5	Small Commercial MTP	400,000	5,966	20,907	14,926	4,890	446,689	
6	Home Lighting MTP	30,000	3,750	1,568	1,119	367	36,804	
7	**Residential**	**1,227,400**	**131,226**	**64,154**	**45,800**	**15,004**	**1,483,583**	55.09% Residential Share of Budget
8	Residential SOP	272,400	27,898	14,238	10,164	3,330	328,030	
9	Home Lighting MTP	570,000	71,250	29,793	21,269	6,968	699,279	
10	Smart Thermostat MTP	5,000	1,000	261	187	61	6,509	
11	Refrigerator Recycling MTP	110,000	15,000	5,749	4,105	1,345	136,199	
12	Residential HVAC MTP	200,000	10,927	10,454	7,463	2,445	231,289	
13	Residential Codes MTP	70,000	5,150	3,659	2,612	856	82,276	
14	**Hard-to-Reach**	**1,115,275**	**29,398**	**58,293**	**41,616**	**13,633**	**1,258,215**	
15	Hard-to-Reach	385,275	20,656	20,138	14,376	4,710	445,154	
16	Hard-to-Reach Food Bank	200,000	8,742	10,454	7,463	2,445	229,103	
17	Low-Income Weatherization	530,000	-	27,702	19,777	6,479	583,958	
18	Total	**$ 4,287,875**	**$ 252,900**	**$ 224,119**	**$ 160,000**	**$ 52,415**	**$ 4,977,309**	

C&I SOP Large Commercial SOP.

R&D and EM&V costs are allocated according to each program's share of total incentive costs (consistent with Company request).

Southwestern Public Service Company

Allocation of Budgeted PY 2025 Costs

	Assignment of Residential Costs	Residential SOP	Home Lighting MTP	Smart Thermostat MTP Pilot	Refrigerator Recycling MTP Pilot	Residential HVAC MTP	Hard-to-Reach	Hard-to-Reach Food Bank	Low-Income Weatherization	Residential Codes MTP	Total
18	Residential	$ 328,030	$ 699,279	$ 6,509	$ 136,199	$ 231,289	$ 115,151	$ 229,103	$ 583,958	$ 82,276	$ 2,741,798

Allocation of Commercial Budget

Eligibility of Commercial EECRF Classes for Programs

	Commercial EECRF Class	C&I SOP	Retro-Cmsn MTP	Load Mgt. SOP	Small Comm MTP	Home Lighting MTP
19	Small General Service	No	No	Yes	Yes	Yes
20	Secondary General Service	Yes	Yes	Yes	Yes	No
21	Primary General Service	Yes	Yes	Yes	Yes	No
22	Small Municipal and School Service	No	No	Yes	Yes	No
23	Large Municipal Service	Yes	Yes	Yes	Yes	No
24	Large School Service	Yes	Yes	Yes	Yes	No
25	Total	$ 478,802	$ 901,626	$ 281,590	$ 446,689	$ 36,804

Southwestern Public Service Company

Allocation of Budgeted PY 2025 Costs

Allocation of Budget to Eligible Customer EECRF Classes

Line No.	Commercial EECRF Class	C&I SOP - Alloc.	Retro-Cmsn. MTP - Alloc.	Load Mgt. SOP - Alloc.	Small Comm. MTP - Alloc	Home Lighting MTP - Alloc	SubTotal	Allocation of R&D	Allocation of EM&V	Total
26	Small General Service	$ -	$ -	$ 18,733	$ 41,257	$ 35,318	$ 95,307	$ 3,143	$ 1,030	$ 99,480
27	Secondary General Service	69,802	143,873	119,037	237,118	-	569,830	19,300	6,323	595,453
28	Primary General Service	381,081	785,164	113,187	108,611	-	1,388,345	47,241	15,476	1,451,062
29	Small Municipal and School Service	-	-	1,128	2,493	-	3,621	122	40	3,784
30	Large Municipal Service	8,589	17,704	9,926	18,768	-	54,987	1,864	611	57,463
31	Large School Service	-	-	8,433	18,624	-	27,057	913	299	28,269
32	Total	$ 459,473	$ 947,041	$ 270,443	$ 426,871	$ 35,318	$ 2,139,149	$ 72,584	$ 23,778	$ 2,235,511

*Note: Net 4-CP kW proj. 2025 and net 2025 proj. kWh do not include opt-out customers.
Allocation adjusted to reflect to the extent which customers in Sec Gen, Pri Gen, Large Muni, Large School are eligible for Small Commercial SOP.

		4-CP kW 2025 Projected, net of opt-out		
		Small	Large	Total
33	Small General Service	67,924	-	67,924
34	Small Municipal and School Service	3,576	-	3,576
35	Large Municipal Service	26,421.00	4,481	30,902
36	Large School Service	27,621	-	27,621
37	Secondary General Service	354,224	38,442	392,666
38	Primary Service	140,699	184,166	324,865
		620,464	227,089	847,553

		Projected 2025 Line Loss-adjusted kWh, net of opt-out		
		Small	Large	Total
39	Small General Service	332,482,091	-	332,482,091
40	Small Municipal and School Service	23,472,809	-	23,472,809
41	Large Municipal Service	179,872,163	30,504,636	210,376,799
42	Large School Service	169,537,253	-	169,537,253
43	Secondary General Service	2,142,049,416	232,464,957	2,374,514,374
44	Primary Service	1,118,983,424	1,464,677,218	2,583,660,642
45		3,966,397,157	1,727,646,811	5,694,043,968
46				

Southwestern Public Service Company

Calculation of Net Under/Over Recovery for PY 2023

Line No.	Rate Class	(A) Actual 2023 EECRF Revenue	(B) Docket No. 52072, 2022 EECRF Rate Case Expenses Recovered in 2023	(C) Actual EECRF Revenue Less Rate Case Expenses (A - B = C)	(D) 2021 Bonus	(E) Actual EECRF Revenue Less 2021 Rate Case Expenses and Bonus (C - D = E)	(F) 2021 Under/(Over) Recovery	(G) Actual 2023 Revenue Less 2022 Over Recovery (E - F = G)	(H) 2023 Actual Costs (page 6)	(I) 2023 Under/(Over) Recovery	(J) 2023 (Over)/Under Recovery with 2023 Interest	(K) 2023 (Over)/Under Recovery with 2023 and 2024 Interest
1	Residential	$ 3,238,117	$ 8,492	$ 3,229,655	$ 1,097,896	$ 2,131,759	$ (377,886)	$ 2,509,645	$ 2,706,692	$ 197,047	$ 199,392	$ 209,162
2	Small General Service	$ 235,741	$ 594	235,148	$ 76,729	158,419	$ 61,319	97,101	$ 286,806	189,705	$ 191,962	$ 201,369
3	Secondary General Service	$ 1,013,292	$ 2,749	1,010,543	$ 355,148	685,094	$ 21,490	660,604	$ 1,097,011	436,407	$ 441,600	$ 463,239
4	Primary General Service	$ 1,379,084	$ 3,509	1,375,575	$ 453,652	921,923	$ (361,103)	1,283,027	$ 98,857	(1,184,170)	$ (1,198,262)	$ (1,256,976)
5	Small Municipal & School Service	$ 41,807	$ 110	41,697	$ 14,228	27,468	$ 22,357	5,111	$ 62,831	57,720	$ 58,407	$ 61,269
6	Large Municipal Service	$ 44,852	$ 100	44,751	$ 12,988	31,763	$ (37,458)	69,221	$ 184,607	115,386	$ 116,759	$ 122,480
7	Large School Service	$ 192,174	$ 1,258	190,915	$ 162,685	328,230	$ 285,082	43,149	$ 378,338	335,189	$ 339,178	$ 355,792
8	Total	$ 6,475,097	$ 16,813	$ 6,458,284	$ 2,173,626	$ 4,284,658	$ (383,199)	$ 4,667,858	$ 4,815,142	$ 147,284	$ 149,037	$ 156,339

		2023 Billed kWh
9	Residential	2,517,235,795
10	Small General Service	296,734,630
11	Secondary General Service	2,018,713,841
12	Primary General Service	1,877,207,229
13	Small Municipal & School Service	21,935,991
14	Large Municipal Service	191,141,897
15	Large School Service	157,113,323
16	Total	7,110,142,707

Allocation of EECRF Rate Case Expenses, based in part upon
Allocation of Commercial Program Administrative, General Administrative, R&D and EM&V

Line No.		(a) 2023 Program Costs	(b)	(c) Allocated Rate Case Expenses	(d) Allocated Performance Bonus
	Rate Case Expenses From Docket No. 54949			**$ 19,691**	**$ 1,651,543**
1	Residential	$ 2,706,692	56.212%	$ 11,069	$ 928,367
2	Small General Service	286,806	5.956%	1,173	98,371
3	Secondary General Service	1,097,011	22.783%	4,486	376,263
4	Primary General Service	98,857	2.053%	404	33,907
5	Small Municipal and School Service	62,831	1.305%	257	21,550
6	Large Municipal Service	184,607	3.834%	755	63,318
7	Large School Service	378,338	7.857%	1,547	129,766
8		**$ 4,815,142**	100.000%	**$ 19,691**	**$ 1,651,543**

	Commercial Program Administrative, General Administrative, R&D, and EM&V	2023 Program Incentive Costs	Class Share	Allocation of Program Administration; General Administration and R&D and EM&V	Total
	Commercial SOP				
9	Small General Service	$ 13,341	3.501%	$ 1,931	$ 15,271
10	Secondary General Service	346,669	90.987%	50,170	396,839
11	Primary General Service	8,668	2.275%	1,254	9,922
12	Small Municipal and School Service	-	0.000%	-	-
13	Large Municipal Service	12,330	3.236%	1,784	14,115
14	Large School Service	-	0.000%	-	-
15		**$ 381,008**	100.000%	**$ 55,140**	**$ 436,148**
	Small Commercial MTP				
16	Small General Service	$ 194,694	46.950%	$ 11,605	$ 206,299
17	Secondary General Service	219,989	53.050%	13,113	233,102
18	Primary General Service	-	0.000%	-	-
19	Small Municipal and School Service	-	0.000%	-	-
20	Large Municipal Service	-	0.000%	-	-
21	Large School Service	-	0.000%	-	-
22		**$ 414,683**	100.000%	**$ 24,718**	**$ 439,401**

Allocation of PY 2023 Costs

	Load Management SOP						
23	Small General Service	$	-	0.000%	$	-	$ -
24	Secondary General Service	$	86,431	55.259%		11,592	98,023
25	Primary General Service	$	69,981	44.741%		9,385	79,366
26	Small Municipal and School Service	$	-	0.000%		-	-
27	Large Municipal Service	$	-	0.000%		-	-
28	Large School Service	$	-	0.000%		-	-
29		**$**	**156,412**	100.000%	**$**	**20,977**	**$ 177,389**
	Recommissioning SOP						
30	Small General Service		14,216	1.498%	$	847	$ 15,063
31	Secondary General Service		348,288	36.709%		20,760	369,048
32	Primary General Service		9,030	0.952%		538	9,568
33	Small Municipal and School Service		59,296	6.250%		3,534	62,831
34	Large Municipal Service		160,901	16.959%		9,591	170,492
35	Large School Service		357,055	37.633%		21,283	378,338
36		**$**	**948,786**	100.000%	**$**	**56,554**	**$ 1,005,340**
	Home Lighting MTP						
30	Small General Service	$	47,350	100.000%	$	2,822	$ 50,172
31	Secondary General Service		-	0.000%	$	-	-
32	Primary General Service		-	0.000%	$	-	-
33	Small Municipal and School Service		-	0.000%	$	-	-
34	Large Municipal Service		-	0.000%	$	-	-
35	Large School Service		-	0.000%	$	-	-
36		**$**	**47,350**	100.000%	**$**	**2,822**	**$ 50,172**
37	Total Commercial Program Costs	**$**	**1,948,238**		**$**	**160,211**	**$ 2,108,449**

Southwestern Public Service Company

Calculation of Net Line Loss - Adjusted EECRF kWh

	Year Ending 2025 Commercial Line Loss-adjusted kWh	(a) Forecasted Metered kWh	(b) Less: Opt-out kWh	(c) Net EECRF kWh	(d) Multiplied by: kWh Line Loss Factor	(e) Net Line Loss-adjusted EECRF kWh
	Commercial EECRF Class					
1	Small General Service	292,265,990	64,207	292,201,783	1.137851	332,482,091
2	Secondary General Service	2,099,338,740	3,980,556	2,095,358,184	1.133226	2,374,514,374
3	Primary General Service	2,393,043,797	65,373,366	2,327,670,431	1.109977	2,583,660,642
4	Small Municipal and School Service	20,629,071	-	20,629,071	1.137851	23,472,808.68
5	Large Municipal Service	185,576,484	-	185,576,484	see below	210,376,799
6	Large School Service	149,656,719	-	149,656,719	see below	169,537,253
7		5,140,510,801	69,418,129	5,071,092,672		5,694,043,968
8	Large Municipal Service - secondary	157,536,445	-	157,536,445	1.137851	179,253,001
9	Large Municipal Service - primary	28,040,039	-	28,040,039	1.109977	31,123,798
10	Total Large Municipal Service	185,576,484	-	185,576,484	1.133639	210,376,799
11	Large School Service - secondary	147,177,815	-	147,177,815	1.133226	166,785,727
12	Large School Service - primary	2,478,904	-	2,478,904	1.109977	2,751,526
13	Total Large School Service	149,656,719	-	149,656,719	1.132841	169,537,253

Southwestern Public Service Company

Calculation of 4 CP - Commercial Classes for Program Year 2024

	2025 Commercial 4-Coincident Peak ("4-CP") kW	(a)	(b)	(c)	(d)
	2025	June	July	August	September
	Commercial EECRF Class				
1	**Small General Service**	24,290,562	30,448,635	33,962,810	26,444,061
2	Less: Opt-out kWh	5,305	8,341	6,162	3,187
3		24,285,258	30,440,294	33,956,648	26,440,874
4	divided by: load factor at peak	0.7286	0.6640	0.6018	0.6673
5		33,330,412	45,840,713	56,428,515	39,620,796
6	divided by: number of hours	720	744	744	720
7	= peak kW	46,292	61,614	75,845	55,029
8	multiplied by: line-loss factor	1.137851	1.137851	1.137851	1.137851
9	Coincident Peak kW Demand	52,674	70,107	86,300	62,615
10	**Secondary General Service**	182,452,452	220,612,656	201,332,394	183,781,467
11	Less: Opt-out kWh	344,576	328,865	316,771	348,675
12		182,107,876	220,283,791	201,015,623	183,432,792
13	divided by: load factor at peak	0.8486	0.7928	0.7048	0.7694
14		214,608,764	277,862,694	285,202,436	238,416,877
15	divided by: number of hours	720	744	744	720
16	= peak kW	298,068	373,471	383,337	331,135
17	multiplied by: line-loss factor	1.133226	1.133226	1.133226	1.133226
18	Coincident Peak kW Demand	337,778	423,227	434,407	375,250
19	**Primary General Service**	207,403,165	200,685,769	207,272,960	191,071,212
20	Less: Opt-out kWh	5,367,880	5,177,713	5,324,645	5,383,276
21		202,035,285	195,508,056	201,948,314	185,687,935
22	divided by: load factor at peak	0.9668	0.9572	1.0061	0.9708
23		208,972,129	204,240,407	200,723,340	191,278,732
24	divided by: number of hours	720	744	744	720
25	= peak kW	290,239	274,517	269,789	265,665
26	multiplied by: line-loss factor	1.109977	1.109977	1.109977	1.109977
27	Coincident Peak kW Demand	322,159	304,707	299,460	294,882
28	**Service Agreement 4**	12,678,089	14,258,913	14,876,006	15,260,732
29	divided by: load factor at peak	1.1742	1.0872	1.0543	1.1208
30		10,797,107	13,115,796	14,109,636	13,615,414
31	divided by: number of hours	720	744	744	720
32	= peak kW	14,996	17,629	18,965	18,910
33	multiplied by: line-loss factor	1.109977	1.109977	1.109977	1.109977
34	Coincident Peak kW Demand	16,645	19,568	21,050	20,990

Southwestern Public Service Company

Calculation of 4 CP - Commercial Classes for Program Year 2024

	2025 Commercial 4-Coincident Peak ("4-CP") kW	(a)	(b)	(c)	(d)
	2025	June	July	August	September
	Commercial EECRF Class				
42	**Small Municipal and School Service**	1,500,590	2,021,288	2,050,305	1,812,831
43	divided by: load factor at peak	0.8829	0.8878	0.7020	0.7807
44		1,699,663	2,276,690	2,920,818	2,322,122
45	divided by: number of hours	720	744	744	720
46	= peak kW	2,361	3,060	3,926	3,225
47	multiplied by: line-loss factor	1.137851	1.137851	1.137851	1.137851
48	Coincident Peak kW Demand	2,686	3,482	4,467	3,670
49	**Large Municipal Service (secondary voltage)**	13,821,166	17,290,986	16,627,935	13,740,337
50	divided by: load factor at peak	0.9980	0.8698	0.9192	0.9148
51		13,848,423	19,879,545	18,088,669	15,019,978
52	divided by: number of hours	720	744	744	720
53	= peak kW	19,234	26,720	24,313	20,861
54	multiplied by: line-loss factor	1.137851	1.137851	1.137851	1.137851
55	Coincident Peak kW Demand	21,885	30,403	27,664	23,737
56	**Large Municipal Service (primary voltage)**	2,371,465	3,187,749	3,564,133	2,968,945
57	divided by: load factor at peak	0.9980	0.8698	0.9192	0.9148
58		2,376,141	3,664,973	3,877,236	3,245,444
59	divided by: number of hours	720	744	744	720
60	= peak kW	3,300	4,926	5,211	4,508
61	multiplied by: line-loss factor	1.109977	1.109977	1.109977	1.109977
62	Coincident Peak kW Demand	3,663	5,468	5,784	5,003
63	**Large School Service (secondary voltage)**	10,808,671	15,054,705	14,116,759	14,373,719
64	divided by: load factor at peak	0.9259	0.7503	0.6963	0.7883
65		11,673,741	20,065,628	20,274,398	18,234,702
66	divided by: number of hours	720	744	744	720
67	= peak kW	16,214	26,970	27,251	25,326
68	multiplied by: line-loss factor	1.133226	1.133226	1.133226	1.133226
69	Coincident Peak kW Demand	18,374	30,563	30,881	28,700
70	**Large School Service (primary voltage)**	212,359	254,414	246,430	294,556
71	divided by: load factor at peak	0.9259	0.7503	0.6963	0.7883
72		229,355	339,095	353,921	373,678
73	divided by: number of hours	720	744	744	720
74	= peak kW	319	456	476	519
75	multiplied by: line-loss factor	1.109977	1.109977	1.109977	1.109977
76	Coincident Peak kW Demand	354	506	528	576
77					

Xcel Energy℠
SOUTHWESTERN PUBLIC SERVICE

Section No. IV
Sheet No. IV-195

Revision No. 14

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ELECTRIC TARIFF

ENERGY EFFICIENCY COST RECOVERY FACTOR RIDER

APPLICABILITY: To all Texas retail Customers taking service at a metered Point of Delivery less than 69 kV, and to all non-profit Customers and governmental entities, including educational customers, in addition to all other charges under the applicable rate schedule. Not applicable to Industrial Customers that have timely provided appropriate Identification Notice to the Company, as described in 16 Tex. Admin Code § 25.181(u).

RATE: All estimated or metered kWh is charged the rate applicable to the EECRF rate class, as listed below:

Rate Schedule		$/kWh
Residential Service	$	0.001567
Small General Service	$	0.001370
Secondary General Service	$	0.000687
Primary General Service[1]	$	0.000098
Small Municipal and School Service	$	0.004211
Large Municipal Service	$	0.001315
Large School Service	$	0.003444

Effective January 1, 2025

[1] Primary General Service includes tariff sheets IV-61.

REGIONAL VICE PRESIDENT
REGULATORY AND PRICING