



## **Filing Receipt**

**Filing Date - 2024-10-07 02:59:15 PM**

**Control Number - 56921**

**Item Number - 15**

DOCKET NO. 56921

APPLICATION OF SOUTHWESTERN	§	
PUBLIC SERVICE COMPANY TO	§	
AMEND ITS INTERRUPTIBLE	§	
CREDIT OPTION TARIFF, AND FOR	§	PUBLIC UTILITY COMMISSION
APPROVAL OF A SOUTHWEST	§	OF TEXAS
POWER POOL INTEGRATED	§	
MARKETPLACE DEMAND	§	
RESPONSE OPTION TARIFF AND	§	
AN OFF-PEAK ALTERNATE RIDER	§	

**SOUTHWESTERN PUBLIC SERVICE COMPANY'S  
 RESPONSE TO TEXAS INDUSTRIAL ENERGY CONSUMERS  
 FIRST REQUEST FOR INFORMATION  
 QUESTION NOS. 1-1 THROUGH 1-31**  
*(Filename: SPSRespTIEC1st.docx; Total Pages: 48)*

**TABLE OF CONTENTS**

<b>I. WRITTEN RESPONSES .....</b>	<b>3</b>
<b>II. INSPECTIONS .....</b>	<b>4</b>
<b>RESPONSES .....</b>	<b>6</b>
QUESTION NO. TIEC 1-1:.....	6
QUESTION NO. TIEC 1-2:.....	7
QUESTION NO. TIEC 1-3:.....	8
QUESTION NO. TIEC 1-4:.....	9
QUESTION NO. TIEC 1-5:.....	10
QUESTION NO. TIEC 1-6:.....	11
QUESTION NO. TIEC 1-7:.....	12
QUESTION NO. TIEC 1-8:.....	13
QUESTION NO. TIEC 1-9:.....	14
QUESTION NO. TIEC 1-10:.....	15
QUESTION NO. TIEC 1-11:.....	16
QUESTION NO. TIEC 1-12:.....	17
QUESTION NO. TIEC 1-13:.....	18
QUESTION NO. TIEC 1-14:.....	19
QUESTION NO. TIEC 1-15:.....	20
QUESTION NO. TIEC 1-16:.....	21
QUESTION NO. TIEC 1-17:.....	22
QUESTION NO. TIEC 1-18:.....	23
QUESTION NO. TIEC 1-19:.....	24
QUESTION NO. TIEC 1-20:.....	25

QUESTION NO. TIEC 1-21:.....	26
QUESTION NO. TIEC 1-22:.....	27
QUESTION NO. TIEC 1-23:.....	28
QUESTION NO. TIEC 1-24:.....	30
QUESTION NO. TIEC 1-25:.....	31
QUESTION NO. TIEC 1-26:.....	32
QUESTION NO. TIEC 1-27:.....	33
QUESTION NO. TIEC 1-28:.....	34
QUESTION NO. TIEC 1-29:.....	35
QUESTION NO. TIEC 1-30:.....	36
QUESTION NO. TIEC 1-31:.....	37
<b>CERTIFICATE OF SERVICE .....</b>	<b>38</b>

**EXHIBITS ATTACHED:**

Exhibit SPS-TIEC 1 Slipsheet .....	39
------------------------------------	----

**DOCKET NO. 56921**

**APPLICATION OF SOUTHWESTERN §  
PUBLIC SERVICE COMPANY TO §  
AMEND ITS INTERRUPTIBLE § PUBLIC UTILITY COMMISSION  
CREDIT OPTION TARIFF, AND FOR §  
APPROVAL OF A SOUTHWEST §  
POWER POOL INTEGRATED §  
MARKETPLACE DEMAND § OF TEXAS  
RESPONSE OPTION TARIFF AND AN §  
OFF-PEAK ALTERNATE RIDER §**

**SOUTHWESTERN PUBLIC SERVICE COMPANY'S  
RESPONSE TO TEXAS INDUSTRIAL ENERGY CONSUMERS  
FIRST REQUEST FOR INFORMATION  
QUESTION NOS. 1-1 THROUGH 1-31**

Southwestern Public Service Company (“SPS”) files this response to the Texas Industrial Energy Consumers (“TIEC”) First Request for Information, Question Nos. 1-1 through 1-31. In accordance with the Commission’s *Order Suspending Rules* entered in Docket No. 50664, SPS has provided notice, by email, to all parties that SPS’s Responses to TIEC’s First Request for Information and accompanying exhibits (excluding voluminous and exhibits provided pursuant to the protective order) have been filed with the Commission and are available for download from the Commission’s Interchange website.

**I. WRITTEN RESPONSES**

SPS’s written responses to TIEC’s First 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 Tex. Admin. 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, pursuant to 16 TAC § 22.144(h)(2), the exhibit will be made available for inspection at SPS’s voluminous room at 98 San Jacinto Boulevard, Suite 1600, Austin, Texas 78701; telephone number (512) 721-2700. Voluminous exhibits will also be provided on SPS’s file sharing platform.

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. Access to confidential and highly sensitive materials will be available on SPS’s file sharing platform to 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 Jeffrey Stuart at Eversheds

Sutherland (US) L.L.P., 98 San Jacinto Boulevard, Suite 1600, Austin, Texas 78701; telephone number (512) 721-2700; facsimile transmission number (512) 721-2656; email address jeffreystuart@eversheds-sutherland.com. Inspections will be scheduled to accommodate all requests with as little inconvenience to the requesting party and to SPS's operations as possible.

Jeffrey B. Stuart  
State Bar No. 24066169  
Eversheds Sutherland (US) LLP  
98 San Jacinto Blvd., Suite 1600  
Austin, Texas 78701  
(512) 721-2700  
(512) 721-2656 (Fax)  
jeffreystuart@eversheds-sutherland.us

Respectfully submitted,

XCEL ENERGY SERVICES INC.

Stephanie G. Houle  
State Bar No. 24074443  
Xcel Energy Services Inc.  
919 Congress Ave., Suite 900  
Austin, Texas 78701  
(512) 236-6925  
(512) 236-6935 (Fax)  
Stephanie.g.houle@xcelenergy.com

/s/ Stephanie G. Houle

ATTORNEYS FOR  
SOUTHWESTERN PUBLIC SERVICE COMPANY

## RESPONSES

### QUESTION NO. TIEC 1-1:

Please explain why SPS is proposing language that completely eliminates the ability of customers to take advantage of multiple demand response or interruptible programs instead of more narrowly defining the limitation to only prevent the same kilowatt from being committed in two places?

### RESPONSE:

To clarify, SPS is proposing to limit each individual customer point of delivery to a single interruptible program. Thus, if a customer has multiple points of delivery, the customer can participate in multiple interruptible programs, if desired. SPS proposed this because each point of delivery typically has a single meter. In order for the usage at a single point of delivery to be properly identified if a customer participated under multiple interruptible programs, SPS would require metering to segregate the customer load behind the delivery point in order to avoid double counting.

Preparer: Wesley L. Berger

Sponsors: Wesley L. Berger and Richard Lain

**QUESTION NO. TIEC 1-2:**

Please state whether SPS agrees or disagrees with the following statement: the SPP allows load resources, including those in SPS's service territory, to directly contract with third-party demand response aggregators as long as the load meets all SPP requirements. If not an unqualified agree, please explain why.

**RESPONSE:**

If the Public Utility Commission of Texas does not prohibit customer participation in the Southwest Power Pool Integrated Marketplace through a contract with a third-party aggregator, the retail load is not a critical load, and the retail load satisfies all SPP requirements, SPS agrees that the Southwest Power Pool Open Access Transmission Tariff allows retail loads to contract with a third-party demand response aggregator.

Preparer: Wesley L. Berger  
Sponsor: Wesley L. Berger



**QUESTION NO. TIEC 1-3:**

Please describe how SPS intends to implement a reporting requirement on third-party aggregators when the aggregator is not a party to the tariffs or agreements.

**RESPONSE:**

SPS is required by the Southwest Power Pool to act as the meter agent for all SPS retail customer loads participating in the Southwest Power Pool Integrated Marketplace. So that SPS can perform that required market function, third-party aggregators must notify SPS when a customer has chosen to contract with them. Further, SPS intends to verify with each customer that the point of delivery the customer desires to have participate in an SPS program is not also under contract with a third-party aggregator.

Preparer: Wesley L. Berger  
Sponsor: Wesley L. Berger

*The following requests pertain to the Interruptible Credit Option Tariff, Sheet IV-177:*

**QUESTION NO. TIEC 1-4:**

Please confirm or deny the following statement: the tariff allows the customer to establish a firm demand threshold, below which SPS will not require the customer to interrupt. If not confirm, please explain why.

**RESPONSE:**

As long as the customer's load available for interruption under the ICO tariff is 300 kW or greater, SPS can confirm that the ICO tariff allows a customer to establish a firm demand threshold.

Preparer: Wesley L. Berger  
Sponsor: Wesley L. Berger

**QUESTION NO. TIEC 1-5:**

Please confirm or deny the following statement: the tariff allows the customer to select a maximum number of interruptible hours per year, above which SPS will not require the customer to interrupt. If not confirm, please explain why.

**RESPONSE:**

To clarify, SPS is not proposing to change the number of interruptible hours under the ICO tariff in this proceeding. The ICO tariff allows customers to choose 40, 80, or 160 hours of interruption under the ICO tariff each calendar year. However, if SPS has system reliability issues, a customer may be requested to interrupt outside of the ICO tariff.

Preparer: Wesley L. Berger  
Sponsor: Wesley L. Berger

**QUESTION NO. TIEC 1-6:**

Please explain the basis for establishing 300 kW as the minimum Interruptible Demand? Is this 300 kW number per Point of Delivery or aggregated across all customer load?

**RESPONSE:**

To clarify, SPS is not proposing to change the minimum interruptible demand under the ICO tariff in this proceeding. SPS chose to reduce the minimum interruptible demand from 1 MW to 300 kW at the point of delivery in the same proceeding that the ICO program was expanded from the Large General Service customer classes to also include the Primary General and Secondary General customer classes (Docket No. 54634). SPS's objective in reducing the minimum load and adding the additional customer classes as eligible customers was to increase customer participation.

Preparer: Wesley L. Berger  
Sponsor: Wesley L. Berger

**QUESTION NO. TIEC 1-7:**

Please explain why SPS is proposing to limit commitment options to a single calendar year versus options for multi-year commitments.

**RESPONSE:**

To clarify, SPS is not proposing a change to the contract period in this proceeding. However, SPS supports multi-year commitments because multi-year contracts assist SPS in resource planning due to the amount of time necessary to acquire additional generation resources. Therefore, if customers prefer multi-year contracts to be allowed under the ICO tariff, SPS supports adding such a provision.

Preparer: Wesley L. Berger  
Sponsor: Wesley L. Berger

**QUESTION NO. TIEC 1-8:**

Please provide the following information in “live” Excel format, including any links, formulas and with all cells unlocked, for all customer participants in the ICO Tariff for the past five years by year and for each Point of Delivery:

- a. CIL.
- b. Contract firm demand.
- c. Service level contracted.
- d. Interruptible hours.
- e. The date/time and number of actual hours interrupted.

In responding, customer participant names can be anonymized, as long as labeling is done such that the information can be grouped by customer class.

**RESPONSE:**

Please refer to Exhibit SPS-TIEC 1-8

Preparer: Joseph Koski  
Sponsor: Wesley L. Berger

**QUESTION NO. TIEC 1-9:**

Does SPS attempt to ensure that interruptions are equally borne by all participants? If so, please describe how this is done and where in the tariff this concept is presented.

**RESPONSE:**

Currently, there is one customer participating under the ICO tariff. However, when SPS had multiple ICO customers in the past, it endeavored to group customers in similarly sized (MW) groups. SPS then rotated the interruptions among the customer groupings to ensure balanced interruptions. SPS believes this benefits both customers and SPS because customers know they are being treated similarly, and SPS can retain interruptible hours for more customers if a major reliability event occurs requiring the interruption of all interruptible customers.

Preparers: Wesley L. Berger, Joseph Koski  
Sponsor: Wesley L. Berger

**QUESTION NO. TIEC 1-10:**

Has SPS conducted any analyses to demonstrate that it is spreading the interruption burden equally across customers? If so, please provide any such analyses.

**RESPONSE:**

SPS has not conducted an analysis. Please refer to SPS's response to Question No. TIEC 1-9.

Preparer: Wesley L. Berger  
Sponsor: Wesley L. Berger



**QUESTION NO. TIEC 1-11:**

Referring to page 9, please reconcile the reference to a 200 MW cap with page 4 of the Application, which states that SPS is seeking removal of the 200 MW cap.

**RESPONSE:**

Page 9 of the ICO tariff should have been updated to correspond with the removal of the cap. Please refer to Exhibit SPS-TIEC 1-11 for a corrected tariff.

Preparer: Wesley L. Berger  
Sponsor: Wesley L. Berger

*The following requests pertain to the Interruptible Credit Option Agreement, Tariff Sheet V-34:*

**QUESTION NO. TIEC 1-12:**

If the customer desires to “buy-through an economic interruption in advance,” how does that customer receive confirmation that its election was received and that this election was documented properly in SPS’s system?

**RESPONSE:**

The Customer will make their buy through elections by logging into the ICO website and indicating their buy through request. Customers must notify SPS forty-five (45) minutes prior to the start of an Economic Interruption if they elect to buy-through.

Preparer: Joseph Koski  
Sponsor: Wesley L. Berger

**QUESTION NO. TIEC 1-13:**

Under section 6, “Notice of Interruption,” there appears to be a typographical error after the paragraph ending with “in section 4,” where it states “installation of additional facilities or the replacement of equipment due to obsolescence.” Please provide a corrected version of this section or clarify that it is correct as written.

**RESPONSE:**

There is a typographical error. The paragraph after “in section 4.” Should be removed. Please refer to Exhibit SPS-TIEC 1-13.

Preparer: Joseph Koski, Scottie Agnew  
Sponsor: Wesley L. Berger

**QUESTION NO. TIEC 1-14:**

Please explain the basis for a minimum of 14 days' notice of any load reduction unavailability, and why a shorter notice period would not be sufficient.

**RESPONSE:**

Please refer to SPS's response to Question No. TIEC 1-13.

Preparer: Joseph Koski  
Sponsor: Wesley L. Berger

*The following requests pertain to the Off-Peak Alternate Rider, Tariff Sheets IV-18, IV-173, and IV-108:*

**QUESTION NO. TIEC 1-15:**

In the Service Description for the Rider, it states, “Customers electing this optional alternate service agree to take firm service during off-peak hours only.” Is it SPS’s intention that the Rider limit participation to 100% of customer load instead of allowing a customer to select a partial load? If yes, please explain why partial load optionality exists in the ICO and SPP IM tariffs but not this Rider.

**RESPONSE:**

The Off-Peak Alternate Rider proposed by SPS requires a customer to enroll its full load at its point of delivery. The Off-peak Alternate Rider is a different concept than the ICO and SPP IM tariffs in that the customer pays a reduced rate in exchange for agreeing to be interruptible in all summer and winter peak hours. For that reason, SPS believes it would be simplest for participating customers (and SPS) to have a customer to enroll its full load at a particular point of delivery. However, if customers desire the ability to designate a partial load at a particular point of delivery as firm load, with the remainder placed under the Off-Peak Alternate Rider, SPS is willing to consider whether that is reasonable and whether parties are willing to expand the tariff modifications beyond the scope SPS originally proposed in this proceeding.

Preparer: Wesley L. Berger  
Sponsor: Wesley L. Berger

**QUESTION NO. TIEC 1-16:**

Please provide all supporting workpapers used to calculate the demand charge penalty for failing to interrupt in “live” EXCEL format.

**RESPONSE:**

The demand charge penalty calculation is shown on page 13 of Mr. Berger’s testimony. In addition, please refer to Exhibit SPS-TIEC 1-16.

Preparer: Wesley L. Berger  
Sponsor: Wesley L. Berger

**QUESTION NO. TIEC 1-17:**

Did SPS conduct any analyses, surveys, or benchmarking to understand customer receptiveness in establishing the 5-year commit and 3-year notice provisions given that this is a completely new program? If so, please provide all such information.

**RESPONSE:**

No. SPS based the contract period requirements on the estimated minimum time needed to acquire additional generation resources.

Preparer: Wesley L. Berger

Sponsor: Wesley L. Berger

*The following requests pertain to the SPP Integrated Marketplace Demand Response Option Tariff, Sheet IV-232:*

**QUESTION NO. TIEC 1-18:**

Referring to the Applicability section, the term “critical load” is lowercase and undefined. Please define “critical load,” including which authority(s) SPS will reference when making this determination.

**RESPONSE:**

The term critical load is included in the Applicability section of the SPP Integrated Marketplace Demand Response Option Tariff (“SPP IM Tariff”) because the Southwest Power Pool Open Access Transmission Tariff (“SPP OATT”) excludes critical loads from participation in the Integrated Marketplace. In Attachment AE to the SPP OATT, critical load is defined as:

Load that is: (1) critical to delivering natural gas, fuel oil, or other necessary fuels to generators; or (2) identified as critical by an applicable regulatory authority.

SPS intends to work with its customers who desire to participate under the SPP IM Tariff to ensure they are not critical loads as defined by the SPP OATT.

Preparers: Wesley L. Berger, Apryl Eby  
Sponsor: Wesley L. Berger



**QUESTION NO. TIEC 1-19:**

Referring to page 3, “SPP Integrated Marketplace Interruptions,” does the SPP Integrated Marketplace, which this tariff represents SPS will be administering on behalf of customers, require a similar 90-day or longer static commitment from SPS for similar parameters as to what SPS is requiring of customers? If no, please explain why SPS cannot accommodate a more dynamic modification of customer bidding to better match the SPP market.

**RESPONSE:**

The Southwest Power Pool Open Access Transmission Tariff does not require a 90-day static commitment from Demand Response resources. As discussed on page 16 of Mr. Berger’s testimony, this is SPS’s first retail tariff allowing customer participation in the daily wholesale markets. SPS will be developing and working to improve the functionality of the administrative processes during the pilot program. SPS is concerned that allowing a more dynamic modification of customer bidding at the outset could create an administrative burden SPS is not yet equipped to manage. SPS will need to submit a bid curve each day for each customer participating in the Southwest Power Pool Integrated Marketplace. Initially, SPS will be performing most of the administrative tasks manually as customer interest and preferences are determined which makes adjustment of the customer bids a time-consuming task to be performed accurately. Until SPS can determine the full allotment of time and resources necessary to adjust the Integrated Marketplace tasks, and perhaps automate some, or all, of the tasks, SPS proposes to use the 90-day commitment.

Preparers: Wesley L. Berger, Joseph Koski  
Sponsor: Wesley L. Berger

**QUESTION NO. TIEC 1-20:**

What are the benefits to customers of participating in this tariff instead of contracting with a third-party aggregator?

**RESPONSE:**

SPS is not privy to the offerings of the third-party aggregators to share the benefits of participation in the Integrated Marketplace with their customers. However, SPS believes its SPP IM tariff will provide its customer participants significant benefit through the proposed sharing of 70% of the proceeds received from the Southwest Power Pool IM. In addition, participating customers under SPS's SPP IM tariff will know that they are being treated similarly to all other SPS customer participants. Once the pilot is concluded, SPS expects to have received significant feedback from participating customers to aid in the development of a permanent SPP IM tariff that is applicable to multiple customer classes.

Preparer: Wesley L. Berger  
Sponsors: Wesley L. Berger, Richard Lain

**QUESTION NO. TIEC 1-21:**

Please reconcile SPS's 90-day limitation on changing bids with the requirement to provide notice to the SPS if load is not available for interruption.

**RESPONSE:**

The 90-day limitation on changing bids is meant to replicate the requirement for customers to participate for a minimum of 90-days. Customers can modify the SPP IM markets they participate in, customers can modify their bid prices into the IM markets in which they are participating, or customers may exit the program upon 90 days prior written notice to SPS.

Please refer to SPS's response to Question No. TIEC 1-22 for an explanation of the notice SPS requires for a load being unavailable for interruption.

Preparers: Wesley L. Berger, Joseph Koski  
Sponsor: Wesley L. Berger

*The following request pertains to the SPP IM DR Option Agreement, Tariff Sheet V-33:*

**QUESTION NO. TIEC 1-22:**

Please explain the basis for a minimum of 14 days' notice of any load reduction unavailability, and why a shorter notice period would not be sufficient.

**RESPONSE:**

The Southwest Power Pool is responsible for approving transmission and generation outages. All transmission and generator outages and derates must be submitted in accordance with the Reliability Coordinator's Outage Coordination Methodology. The Reliability Coordinator's Outage Coordination Methodology outlines generation outage and derate priority and timing requirements. The 14-day notice requirement in the SPP IM Agreement aligns with the requirement for reporting planned outages, which have a minimum lead time of 14 days.

Preparers: Wesley L. Berger, Efrain Davila  
Sponsor: Wesley L. Berger

*The following requests pertain to the Direct Testimony of Wesley L. Berger:*

**QUESTION NO. TIEC 1-23:**

Referring to page 7, lines 5-6, regarding the ICO Tariff, please describe:

- a. How SPS will determine its resource needs and whether it will be tied to existing processes or a separate process dedicated to this tariff.
- b. How SPS plans to translate its resource needs into a customer enrollment limit for this tariff.
- c. How the enrollment limit will be documented and communicated to potential participants in the program if it is not listed in the tariff.
- d. How SPS plans to manage the annual enrollment process in the event that SPS sets a customer enrollment limit for the upcoming year that would be oversubscribed compared to the currently participating customer megawatts.
- e. How SPS plans to manage the annual enrollment process in the event that SPS is oversubscribed.

**RESPONSE:**

- a. SPS will use multiple metrics for evaluating the ICO Tariff. First, SPS will determine its resource needs by utilizing its most recent load forecast being used to plan future resource needs. Given the limited number of hours customers can be interrupted under the ICO Tariff, SPS may also review load duration curves to determine the limit for the ICO Tariff. In addition, the maximum limit may be impacted by any accredited capacity valuation the Southwest Power Pool establishes for interruptible programs. Finally, SPS will evaluate localized system reliability issues to determine if a customer's load should participate in the ICO program. Specifically, if localized system reliability issues can be improved by customer participation under the ICO Tariff, SPS may allow a customer to participate even if the load is not needed based on SPS's evaluation of other metrics.
- b. SPS intends to evaluate the system enrollment limit each fall so that it can begin working with customers for additional ICO registrations prior to the March 1 deadline for the upcoming year. However, if new issues arise after the evaluation in the fall, SPS may update its enrollment limit to account for the new issues.
- c. To clarify, SPS anticipates an increased need for demand response (interruptible) resources and is not proposing to lower the maximum in its proposal to delete the stated limits in the ICO Tariff. If the customer enrollment under the ICO Tariff is below the limit SPS determines, SPS will be contacting potential participants to add additional

- load to the ICO Tariff. These communications could include updates to the program web page, marketing materials, and direct communication via SPS representatives.
- d. Again, SPS anticipates an increasing need for demand response resources. However, if the ICO program is oversubscribed compared to the currently participating customer megawatts, SPS would let potential customers know that no additional customer loads will be added to the ICO Tariff for the coming calendar year.
  - e. If the ICO Tariff becomes oversubscribed, SPS may set enrollment timeline guidelines, implement waitlists, or consider other factors such as contract signature dates or previous performance history.

Preparers: Justin Gable, Michael Boughner, Joseph Koski  
Sponsors: Wesley L. Berger, Richard Lain

**QUESTION NO. TIEC 1-24:**

Referring to page 7, lines 23-24, through page 8, line 1 (as one example), will any parts of the service agreements associated with each tariff or rider be negotiable? If yes, please identify those parts for each agreement.

**RESPONSE:**

SPS's intention of having the service agreements approved by the Commission is to eliminate unnecessary delays in negotiating service agreements. SPS intends for the only negotiable parts of each agreement to be the areas where participating customers note their elections from the various options described in the underlying tariff applicable to the service agreement.

Preparers: Wesley L. Berger, Joseph Koski  
Sponsor: Wesley L. Berger

**QUESTION NO. TIEC 1-25:**

Referring to page 8, lines 7-8, please provide the customer agreements for tariffs that the Commission has approved for other utilities that are being referenced.

**RESPONSE:**

Please see footnote 12 on page 25 of Mr. Lain's Direct Testimony. In addition, utility tariffs are publicly available documents.

Preparer: Richard Lain  
Sponsor: Richard Lain



**QUESTION NO. TIEC 1-26:**

Referring to page 19, lines 19-21, did SPS consider establishing a mechanism in the tariff to pass-through excessive compensation for events similar to what is referenced given the customer is the one having to interrupt or be penalized? If not, please elaborate on why it did not.

**RESPONSE:**

Page 19, lines 19-21 of Mr. Berger's testimony is intended to clarify that a participating customer is compensated each and every time their load is dispatched in the IM. The customer may never be compensated, if SPP never selects the customer's offer in the market clearing process. On the other hand, a customer could be compensated every day, if its offer is selected by the SPP every day in the market clearing process. The fact that participating customers are paid only if/when the SPP selects their demand response offers into the IM is what makes the SPP IM Tariff distinctly different from SPS's other interruptible tariffs.

Preparer: Wesley L. Berger  
Sponsor: Wesley L. Berger

*The following requests pertain to the Direct Testimony of Richard Lain:*

**QUESTION NO. TIEC 1-27:**

How much interruptible capacity is SPS seeking from load resources through these tariff changes?

**RESPONSE:**

SPS will evaluate its resources each year as described in SPS's response to Question No. TIEC 1-23.

Preparer: Richard Lain  
Sponsor: Richard Lain

**QUESTION NO. TIEC 1-28:**

Referring to Table RL-3, did SPS consider modifying the ICO Tariff to align to a seasonal construct to potentially engage more participants (e.g., customers that may be able to participate in the summer but not the winter)? If yes, why was that not presented in this tariff? If no, why was it not considered, especially given the more acute need in the summer of 2027.

**RESPONSE:**

No, SPS did not consider modifying the ICO Tariff to align to a seasonal construct to potentially engage more participants because SPS's ICO Tariff has been approved and offered to customers for many years so SPS's chief objective was to propose the removal of the maximum load allowed to participate in ICO while also offering other tariff options to its customers through this Application. As currently designed, the ICO Tariff allows SPS to interrupt participating customers in either the summer or winter seasons. If SPS determines in the future that Southwest Power Pool's planning requirements require the ICO Tariff to apply to either summer or winter, SPS may propose to modify the ICO Tariff.

Preparer: Richard Lain  
Sponsor: Richard Lain

**QUESTION NO. TIEC 1-29:**

Referring to page 28, lines 7-12, please elaborate on how the SPP IM Tariff defines “how Aggregators of Retail Customers who represent SPS’s retail customers with demand response capabilities can operate in the IM if they wish to engage with SPS’s customers.” Is SPS representing that customers must go through SPS in order to engage with an aggregator and participate in SPP’s demand response markets?

**RESPONSE:**

SPS’s proposed SPP IM Tariff, in the Availability section, states, “Service hereunder is not available to Customers who are currently participating in another interruptible program offered by Company or are under contract with a third-party aggregator in the SPP Integrated Marketplace to interrupt load at the same Point of Delivery. So that Company can ensure Customers are participating in only one program, all third-party aggregators must provide Company each Customer Point of Delivery included in the third-party program and the amount of load Customer has nominated at each Point of Delivery for participation.” No, SPS is not representing that customers must go through SPS in order to engage with an aggregator and participate in SPP’s demand response markets.

Preparer: Richard Lain

Sponsor: Richard Lain

**QUESTION NO. TIEC 1-30:**

Referring to pages 29-30:

- a. Did SPS benchmark the 30% credit sharing with any other utilities or third-party aggregators offering a similar service?
- b. Please provide all analyses SPS conducted that demonstrates that the expected revenue from a 30% credit sharing scheme will reasonably offset the expected incremental expenses.
- c. Provide the breakdown of the incremental expenses that SPS used to estimate the costs to enable this program.
- d. Did SPS estimate the minimum amount of participation required to generate revenue at or above expenses? If yes, please provide this information and any supporting workpapers showing how that was estimated.
- e. Did SPS include any mark-up or contingency margin in its cost estimate to arrive at the 30% credit sharing number? If yes, what would the credit sharing percentage be without the mark-up or contingency?

**RESPONSE:**

- a. No, SPS did not benchmark the 30% credit sharing with any other utilities or third-party aggregators.
- b. Please see Exhibit TIEC 1-30 attached to this response.
- c. Please see SPS's response to TIEC 1-30 b., above.
- d. Yes, please see SPS's response to TIEC 1-30 b., above, tab "SPP IM Margin", cell E13, for the minimum amount of participation required to generate revenue for SPS to recover the estimated incremental expenses for the second year and beyond.
- e. SPS did not include any mark-up or contingency margin in its cost estimate to arrive at the 30% credit sharing number. Also, as Mr. Lain states on Page 30, lines 11 – 15, of his Direct Testimony, "SPS will separately track the incremental costs described above to enable it to identify and account for the costs attributed to this pilot program. If, at some later date, it is determined that the amount of retained revenue credits exceeds the incremental costs incurred, SPS will credit the excess amounts back to the participating customers."

Preparer: Richard Lain  
Sponsor: Richard Lain

**QUESTION NO. TIEC 1-31:**

Does SPS intend to administer the SPP IM program using its employees or is SPS intending to contract out the administration of the program to a third-party??

**RESPONSE:**

SPS plans to administer the SPP IM program using its own employees and those employed by Xcel Energy Services.

Preparer: Richard Lain  
Sponsor: Richard Lain

**CERTIFICATE OF SERVICE**

I certify that on the 7<sup>th</sup> day of October 2024, notice of the filing of the foregoing instrument with the PUCT was served on all parties of record by electronic service.

/s/ Scottie Agnew  
Scottie Agnew

**DOCKET NO. 56921**

**APPLICATION OF SOUTHWESTERN  
PUBLIC SERVICE COMPANY TO  
AMEND ITS INTERRUPTIBLE CREDIT  
OPTION TARIFF, AND FOR  
APPROVAL OF A SOUTHWEST  
POWER POOL INTEGRATED  
MARKETPLACE DEMAND RESPONSE  
OPTION TARIFF AND AN OFF-PEAK  
ALTERNATE RIDER**

§  
§  
§  
§  
§  
§  
§  
§  
§

**PUBLIC UTILITY COMMISSION  
OF TEXAS**

**SOUTHWESTERN PUBLIC SERVICE COMPANY'S  
RESPONSE TO TEXAS INDUSTRIAL ENERGY CONSUMERS  
FIRST REQUEST FOR INFORMATION  
QUESTION NOS. 1-1 THROUGH 1-31**

Files Attached:  
Exhibit SPS-TIEC 1-8.xlsx  
Exhibit SPS-TIEC 1-11.xlsx  
Exhibit SPS-TIEC 1-16.xlsx  
Exhibit SPS-TIEC 1-30(CONF).xlsx





Section No. V  
Sheet No. V-34 N  
Original N

Page 1 of 9

**ELECTRIC TARIFF**

**RULES, REGULATIONS AND CONDITIONS OF SERVICE**

**INTERRUPTIBLE CREDIT OPTION AGREEMENT**

(Customer Name)

Premise Number \_\_\_\_\_

**THIS INTERRUPTIBLE CREDIT OPTION AGREEMENT ("Agreement")**, is made and entered into this \_\_\_\_ day of \_\_\_\_\_ 20 \_\_\_\_, between Southwestern Public Service Company, a New Mexico Corporation, hereinafter called "Company", and \_\_\_\_\_, hereinafter called "Customer". This Agreement relates to the sale of electric energy by Company to Customer at \_\_\_\_\_ ("Point of Delivery").

WHEREAS, Customer desires to take electric service at the Point of Delivery under Company's Interruptible Credit Option Tariff ("ICO Tariff"), which is Tariff No. \_\_\_\_ of Company's Electric Tariffs on file with the Public Utility Commission of Texas ("Commission"); and

WHEREAS, Company has determined that Customer meets the eligibility requirements for taking electric service under the ICO Tariff;

NOW THEREFORE, in consideration of the mutual covenants set forth below, Company and Customer agree as follows:

1. **Terms and Conditions.** This Agreement is subject to the ICO Tariff, which is by this reference made a part of and incorporated into this Agreement. This Agreement, and the electric service provided to Customer, is also subject to the other tariffs, rules and regulations of the Company. The Company reserves the right to apply at any time to the Commission to modify or terminate its tariffs, including the ICO Tariff, this

**REGIONAL VICE PRESIDENT - REGULATORY AND PRICING**



Section No. V  
Sheet No. V-34 N  
Original N

**ELECTRIC TARIFF**

**RULES, REGULATIONS AND CONDITIONS OF SERVICE**

Agreement, and to change its rules and regulations. This Agreement shall be deemed to be modified to conform to any change or revision to Company's tariffs, including the ICO Tariff, any modification to this Agreement, or any change to rules and regulations as of the date of the effectiveness of such change.

N

The Customer acknowledges that its participation under the ICO Tariff is conditional on Customer's load at the Point of Delivery not being allowed to be interrupted under another interruptible program offered by Company or by a third-party. By signing this Agreement, the Customer agrees that the load interrupted pursuant to the ICO Tariff is not also permitted to be interrupted by any other third-party for any reason.

2. **Term and Termination.** This Agreement shall be effective as of the first day of \_\_\_\_\_, 20\_\_\_\_, and the Service Period shall remain in effect for an initial term ending December 31, 20\_\_\_\_ and shall automatically renew for a period of 12 months each calendar year, unless terminated as set forth in the ICO Tariff. This Agreement shall terminate concurrent with the termination of the ICO Tariff.

If reliability constraints are identified by (i) adding Point of Delivery to the system or (ii) by terminating the agreement to participate, Company may require Customer to participate and will not be eligible to opt out or terminate. Any such limitation would be specified in the contract for service. If this stipulation is applicable to this Agreement, a copy of the contract for service with these terms and conditions must be included as a supplement to the Agreement.

Any Customer who otherwise terminates the Agreement prior to the end of its term shall be required to pay the Company, as a penalty, an amount equal to the product of one hundred and ten percent (110%) times Customer's Contract Interruptible Loan ("CIL"), times Customer's Monthly Credit Rate ("MCR") for each of the remaining months of the unexpired contract term.

N

**REGIONAL VICE PRESIDENT - REGULATORY  
AND PRICING**



Section No. V  
Sheet No. V-34 N  
Original N

**ELECTRIC TARIFF**

**RULES, REGULATIONS AND CONDITIONS OF SERVICE**

3. **Customer Elections.** Customer makes the following elections regarding its service under this Agreement. Customer may change its elections under this section annually, by providing written notice to Company prior to December 31, which change(s) shall become effective on the succeeding January 1 and shall remain in effect for twelve months. If no notice of change is received by Company, then the elections in effect during the prior calendar year shall remain in effect during the succeeding calendar year.

a. **Contract Firm Demand.** Customer hereby nominates \_\_\_\_\_ kW of Contract Firm Demand, as defined in the ICO Tariff.

b. **Number of Interruptible Hours (Hrs).** Customer hereby elects the following hours of interruption per calendar year: (check one)

- 40 Hrs
- 80 Hrs
- 160 Hrs

c. **Notice Option.** Customer hereby elects the following notice option as described in the ICO Tariff:

- One Hour Notice Option
- No Notice Option

(in selecting the No Notice Option, Customer acknowledges that until such time as Company has completed development of and satisfactorily tested systems and equipment required to implement and manage the No Notice Option, and Customer's use of the No Notice Option has been tested and approved by Company, service will not be provided under the No Notice Option and will instead be provided under the One Hour Notice Option.

**REGIONAL VICE PRESIDENT –REGULATORY AND PRICING**



Section No. V  
Sheet No. V-34 N  
Original N

**ELECTRIC TARIFF**

**RULES, REGULATIONS AND CONDITIONS OF SERVICE**

d. Minimum Duration of Interruption. Customer hereby makes the following election with regard to the minimum duration of an interruption called by Company under the ICO Tariff.

Four Hour Minimum applies

Four Hour Minimum is waived

(in selecting waiver of the Four Hour Minimum, Customer acknowledges that until such time as Company has completed development of and satisfactorily tested systems and equipment required to implement and manage the waiver of the Four Hour Minimum, the waiver will not be in effect and the Four Hour Minimum will instead apply.)

4. Secure Website. Company shall provide Customer with access to a secure website for purposes of obtaining information regarding Customer's ICO account, interruptions (historic and current), and near real time load information. The website shall also be used by Customer for notifying Company of the buy-through of an economic interruption as provided in section 5 and updating contact information as provided in section 6.

5. Buy Through of Economic Interruption. If electing to buy-through an economic interruption, Customer shall notify Company of the amount of kW of Interruptible Load that Customer desires to buy-through during each hour of the economic interruption via the secure website identified in section 4.

If electing to buy-through an economic interruption in advance, as provided in the ICO Tariff, Customer shall notify Company of such election through the Customer's Xcel Energy Service Representative by electronic mail, specifying the amount of kW that Customer desires to buy-through, the maximum price per kWh, Customer's name, service address, premise number, and effective date. Customer's advance election buy-through price shall remain in effect until cancelled or modified by Customer.

Customer agrees to pay the actual cost, calculated as provided in the ICO Tariff, incurred by Company for all buy-through Kilowatts requested by the Customer.

**REGIONAL VICE PRESIDENT –REGULATORY AND PRICING**



Section No. V  
Sheet No. V-34 N  
Original N

**ELECTRIC TARIFF**

**RULES, REGULATIONS AND CONDITIONS OF SERVICE**

6. **Notice of Interruption.** Company shall provide notice to Customer of interruptions via text message, email and/or recorded phone message at the phone numbers and email addresses listed on the ICO Contact Information Form attached to this Agreement. Customer shall be responsible for the accuracy of the information on the Form and for updating the contact information on the Form via the secure website identified in section 4.

~~installation of additional facilities, or the replacement of equipment due to obsolescence. In the event of a planned outage/shutdown, Company must receive notification from Customer at least 14 calendar days before the day that the load reduction is unavailable. Notifications received with less than 14 calendar day notice may result in Customer being subject to charges, fees, and/or penalties imposed by SPP due to the unavailability of Customer's load reduction. Customer's inability to provide the offered load reduction amount is subject to verification by Company.~~

7. **Other Notice.** Except as otherwise provided herein, other notices or information that either party may desire to give to the other regarding this Agreement shall be given in writing to the following address, or to such other address as either of the parties shall designate in writing:

To: Xcel Energy  
Attention: Demand Management / TX ICO Program Manager  
401 Nicollet Mall  
Minneapolis, MN 55401

To: Customer  
Attention: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

N

**REGIONAL VICE PRESIDENT - REGULATORY  
AND PRICING**



Section No. V  
Sheet No. V-34 N  
Original N

**ELECTRIC TARIFF**

**RULES, REGULATIONS AND CONDITIONS OF SERVICE**

8. **Limitation of Liability.** *Customer shall indemnify and save harmless Company from any claims or losses of any sort due to death or injury to persons or property, resulting from interruption of electric service or resulting from the operation of the interruption signal and switching equipment.* N

9. **Entire Agreement.** This Agreement, together with its attachments, the ICO Tariff and the tariffs, rules and regulations of Company (as changed periodically), constitute the entire agreement among the parties with respect to the electric service provided to Customer by Company under this Agreement.

10. **Successors Bound.** This Agreement shall be binding upon and shall inure to the benefit of the successors and assigns of the parties respectively. Without limiting the foregoing, Customer shall: (1) cause any and all actions to be taken that are necessary to cause any successor or assign of Customer to be subject to and bound by the terms of this Agreement and the ICO Tariff; (2) upon any Change in Control, as defined below, cause any and all actions to be taken that are necessary in order for the electric service provided by Company at the Point of Delivery to continue to be provided pursuant to the terms of this Agreement and the ICO Tariff, and to cause a succeeding control entity to be subject to and bound by the terms of this Agreement and the ICO Tariff; and (3) shall notify Company of same. Failure to comply with this section shall be deemed to be a termination of this Agreement by Customer without complying with the Service Period requirements of the ICO Tariff and shall be subject to the Early Termination Penalty provided in the ICO Tariff.

For purposes of this Agreement, "Change in Control" includes, without limitation: a stock transfer or sale; change in voting control; change of name; merger; conversion; divisive merger; division; consolidation; reorganization; restructuring; dissolution; liquidation; transfer, sale, gift or lease of assets; change in a management or operational arrangement; temporary or permanent abandonment; temporary or permanent cessation of operations; or any other transaction or event that results in or causes Customer or its direct or indirect owner or owners to lose the capacity or ability to contract with respect to the electric service provided N

**REGIONAL VICE PRESIDENT –REGULATORY  
AND PRICING**



Section No. V  
Sheet No. V-34 N  
Original N

Page 7 of 9

**ELECTRIC TARIFF**

**RULES, REGULATIONS AND CONDITIONS OF SERVICE**

by Company to the Point of Delivery, or to be bound by the obligations under this Agreement and the ICO  
Tariff.

11. **Jurisdiction.** The laws of the State of Texas and the rules and regulations of the Public Utility  
Commission of Texas shall govern this Agreement.

**IN WITNESS WHEREOF**, the parties have executed this Interruptible Credit Option Agreement in their  
respective names, by their duly authorized representatives as of the date and year first written above.

Southwestern Public Service Company

Customer

By: \_\_\_\_\_

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

N  
N  
N

**REGIONAL VICE PRESIDENT –REGULATORY  
AND PRICING**



Section No. V  
Sheet No. V-34 N  
Original N

**ELECTRIC TARIFF**

**RULES, REGULATIONS AND CONDITIONS OF SERVICE**

**ICO CONTACT INFORMATION**

N

Customer Name: \_\_\_\_\_

Service Address: \_\_\_\_\_

Premise Number: \_\_\_\_\_

Date: \_\_\_\_\_

You may provide up to 3 phone numbers and 2 Email addresses per contact.

NAME: \_\_\_\_\_

TITLE: \_\_\_\_\_

PHONE NUMBERS: \_\_\_\_\_

EMAIL ADDRESSES: \_\_\_\_\_

TEXT MESSAGE ADDRESS: \_\_\_\_\_

NAME: \_\_\_\_\_

TITLE: \_\_\_\_\_

PHONE NUMBERS: \_\_\_\_\_

EMAIL ADDRESSES: \_\_\_\_\_

TEXT MESSAGE ADDRESS: \_\_\_\_\_

N

**REGIONAL VICE PRESIDENT –REGULATORY  
AND PRICING**





Section No. V  
 Sheet No. V-34 N  
 Original N

Page 9 of 9

**ELECTRIC TARIFF**

**RULES, REGULATIONS AND CONDITIONS OF SERVICE**

NAME: \_\_\_\_\_

TITLE: \_\_\_\_\_

PHONE NUMBERS: \_\_\_\_\_

EMAIL ADDRESSES: \_\_\_\_\_

TEXT MESSAGE ADDRESS: \_\_\_\_\_

N  
|  
N

**REGIONAL VICE PRESIDENT –REGULATORY  
AND PRICING**

## ELECTRIC TARIFF

### INTERRUPTIBLE CREDIT OPTION

**AVAILABILITY:** Available as an optional, interruptible service for Customers who receive electric service under Company's Large General Service Transmission, Primary General Service, and Secondary General Service rate schedules, ~~when the total Contract Interruptible Load (CIL) for all existing Customers taking service under this tariff is less than 85 MW, and the addition of the new Customer's CIL does not cause the total CIL of all existing Customers to exceed 85 MW in 2023, 200 MW in 2024, and 200 MW in 2025.~~ Not available to Customers who receive electric service under Company's standby service rate schedules. Service hereunder is not available to Customers who are currently participating in another interruptible program offered by the Company or contract with a third-party aggregator program in the SPP Integrated Marketplace to interrupt load at the same Point of Delivery. So that the Company can ensure Customers are participating in only one program, all third-party aggregators must provide Company each Customer Point of Delivery included in the third-party program and the amount of load Customer has nominated at each Point of Delivery for participation. Availability for participation is at the discretion of the Company based on total Contract Interruptible Load (CIL) of all existing Customers and the need for load reductions based on Company's resource adequacy and other system reliability considerations.

**APPLICABILITY:**

Optional service under this tariff is applicable to a Customer under the following conditions:

- (1) Customer's CIL to be used in calculating the Monthly Credit is 300 kilowatts (kW) or greater; and
- (2) Customer achieved an Interruptible Demand of at least 300 kW during each of the most recent four summer peak season months of June, July, August, and September; or, Company estimates that Customer will achieve an Interruptible Demand of at least 300 kW during each of the four summer peak season months of June, July, August, and September in the coming season; and
- (3) Customer and Company have executed an Interruptible Credit Option Agreement (Agreement) that specifies the Contract Firm Demand, Number of Interruptible Hours, the Service Options elected by Customer, as described under CUSTOMER SPECIFIED TERMS AND CONDITIONS in this tariff, and Customer specific data necessary for Company to calculate Customer's Monthly Credit Rate (MCR).

REGIONAL VICE PRESIDENT REGULATORY &  
PRICING

**ELECTRIC TARIFF**

**INTERRUPTIBLE CREDIT OPTION**

**TARIFF TERMINATION AND CHANGE:**

This tariff and the Agreement shall be deemed to be modified to conform to any changes or revisions approved by the Public Utility Commission of Texas, as of the date of the effectiveness of such change, including cancellation or termination of this option. Changes in the Customer's MCR will take effect in the billing month following the effective date of a change in this tariff. Company reserves the right to request approval by the Public Utility Commission of Texas for changes to or termination of this tariff at any time.

**TERM OF AGREEMENT, SERVICE PERIODS, AND TERMINATION OF AGREEMENT BY CUSTOMER:**

Service Periods under this tariff normally will begin on January 1 and continue for one calendar year. Customer may enter into an Agreement at any time during the calendar year; however, if Customer enters into the Agreement after March 1 of any year, the first Service Period under this tariff will begin at the start of the following calendar year. If Customer enters into the Agreement prior to March 1 of any year, the first Service Period will begin on the first day of the following month and will consist of the remainder of that calendar year.

At any time during the first Service Period under this rate schedule, Customer may opt to cancel the Agreement by returning all Monthly Credits paid by Company up until the date of cancellation. No additional payment will be assessed. Economic buy-through payments made by Customer and Economic buy-through penalty charges shall not be refunded by Company. Capacity Interruption penalties shall be refunded.

If reliability constraints are identified by adding a Customer to the system or by terminating their agreement to participate, the Customer may be required to participate and will not be eligible to opt out or terminate. Any such limitation would be specified in the contract for service.

Any Customer who otherwise terminates the Agreement prior to the end of its term shall be required to pay the Company, as a penalty, an amount equal to the product of one hundred and ten percent (110%) times Customer's CIL, times Customer's MCR for each of the remaining months of the unexpired contract term. In addition, Customer shall reimburse the Company for

**REGIONAL VICE PRESIDENT REGULATORY &  
PRICING**

## ELECTRIC TARIFF

### INTERRUPTIBLE CREDIT OPTION

the direct cost incurred by the Company for equipment (including its installation cost, less salvage value) to measure Customer's Interruptible Demand and to interrupt Customer.

#### **OBLIGATION TO INTERRUPT:**

A Customer taking service under this tariff is required to reduce its load to the level of the Contract Firm Demand specified in the Agreement when Company schedules an interruption pursuant to the terms and conditions specified herein, or the appropriate penalties will be enforced. Company shall have the right to interrupt Customer's available interruptible load for the total Number of Interruptible Hours (Ha) specified in the Agreement.

#### **CUSTOMER SPECIFIED TERMS, CONDITIONS, AND SERVICE OPTIONS :**

**Contract Firm Demand** - that portion of Customer's total load that is not subject to interruptions by Company, as specified in the Agreement. The Contract Firm Demand of an existing Customer taking service under this tariff may not be changed unless approved by Company.

**Number of Interruptible Hours (Ha)** – the number of hours in the Year that each Customer elects as interruptible as set forth in the Agreement. The options are: 40 hours, 80 hours, or 160 hours annually.

**Four (4) Hour Minimum / Waiver of Four (4) Hour Minimum** - an interruption shall be a minimum of four (4) hours in duration. In the Agreement, however, Customer may elect to waive the 4 hour minimum, in which case, the interruption may be less than 4 hours in duration. The duration of any interruption shall not be less than one hour. The Company retains sole discretion to determine the duration of the interruptions that it requires from such Customers that have waived the four (4) hour minimum duration.

**One Hour Notice / No Notice Option** - Company shall provide notice a minimum of one hour prior to the start of the interruption. In the Agreement, however, Customer may allow Company to interrupt Customer's load without providing prior notice of the interruption.

#### **ECONOMIC INTERRUPTION:**

REGIONAL VICE PRESIDENT REGULATORY &  
PRICING

## ELECTRIC TARIFF

### INTERRUPTIBLE CREDIT OPTION

Company shall have the right to call an Economic Interruption for one or more Customers once per day when Company determines, in its sole discretion, that calling an interruption will lower its overall system costs when compared to what the overall system cost would be in the absence of the interruption. The duration of any Economic Interruption shall not be less than four hours, unless Customer has opted to waive the four-hour minimum and, in such case, the duration shall not be less than one hour. Company will provide notice at least one hour prior to an Economic Interruption.

#### **BUY-THROUGH - ECONOMIC INTERRUPTION:**

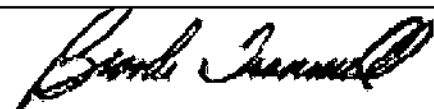
Once Company has called an Economic Interruption, Company will provide Customer, via the contact methods identified on the Contact Information Sheet of the Agreement, with the estimated buy-through price for each hour of the interruption period. Such notice shall advise Customer of Company's best estimate of the buy-through price. The estimated buy-through price for each hour shall also be made available on the ICO web site, log-on information for

#### **~~BUY-THROUGH - ECONOMIC INTERRUPTION (cont.):~~**

which will be provided in the Agreement. Customers must notify Company forty-five (45) minutes prior to the start of an Economic Interruption if they elect to buy-through all or a portion of their available interruptible load by logging into the ICO Web Site and indicating their buy-through request for each hour of the Economic Interruption period.

The buy-through price shall be calculated using the integrated hourly real-time Locational Marginal Price at the SPS\_SPS load node, or successor load node, as calculated by the Southwest Power Pool for the energy used to serve Customer(s) who elected to buy-through in each buy-through hour.

If Customer elects to buy-through the Economic Interruption, it must continue to buy-through all hours of the interruption period unless Company provides notice to Customer of an updated buy-through price for any hour of the interruption that exceeds the original estimated buy-through price for the hour in question, whereupon Customer that elected initially to buy-through the Economic Interruption will have 15 minutes after being provided notice of the updated estimated price to advise the Company that such Customer desires to be interrupted at the start of the next hour. Once Customer chooses to interrupt, Customer will be interrupted for the remainder of the interruption period, as determined by the Company.



REGIONAL VICE PRESIDENT REGULATORY &  
PRICING

## ELECTRIC TARIFF

### INTERRUPTIBLE CREDIT OPTION

If Company chooses to extend an Economic Interruption from the original notification, all ICO Customers affected by the Economic Interruption will be provided notice of the opportunity to buy-through or interrupt for the duration of the Economic Interruption extension period. Economic Interruption extensions may be less than four hours in duration.

Customer may provide advance election to ~~buy-through~~ buy-through up to a specified price. Such election shall be made no later than the last business day prior to the first day of the month to which the election will apply, and shall be delivered to Customer's service representative by electronic mail as provided in Customer's Agreement. Any Customer with a standing ~~buy-through~~ buy-through order shall have the option, up to 45 minutes before the start of an event, to advise Company that it desires to be interrupted. Further, in the event that the ~~buy-through~~ buy-through price exceeds the Customer-specified price, Customer may nevertheless elect to ~~buy-through~~ buy-through the interruption by providing the Company with the required notice within 45 minutes.

### CAPACITY INTERRUPTION:

Company shall have the right to call a Capacity Interruption for one or more Customers at any time when Company believes, in its sole discretion, that generation or transmission capacity is not sufficiently available to serve its firm load obligations, other than obligations to make intra-day energy sales. Capacity Interruptions will typically be called when the Company forecasts or, on shorter notice, has presently scheduled all available energy resources that are not held back for other contingency or reserve purposes, to be online generating to serve obligation loads. The Capacity Interruption may be activated to enable the Company to ensure adequate capability above firm system demand to provide for such things as load forecasting error, equipment forced outages and local area protection. A Capacity Interruption may be called to relieve transmission facility overloads, relieve transmission under voltage conditions, prevent system instability, relieve a system under frequency condition, shed load if SPS is directed to shed load by the Southwest Power Pool (or subsequent regional reliability organization) Reliability Coordinator, and respond to other transmission system emergencies.

The duration of any Capacity Interruption shall not be less than four hours, unless Customer has opted to waive the four-hour minimum duration and, in such case, the duration shall not be less than one hour. In addition, a single interruption of less than four hours is permitted for any Customer, if the Customer has less than four hours remaining of its Number of Interruptible Hours.

REGIONAL VICE PRESIDENT REGULATORY &  
PRICING

## ELECTRIC TARIFF

### INTERRUPTIBLE CREDIT OPTION

**CONTINGENCY INTERRUPTION:** Company shall have the right to call a Contingency Interruption for one or more Customers receiving service under the No Notice Option at any time when the Company believes, in its sole discretion, that interruption is necessary for the Company to be able to meet its Disturbance Control Standard (DCS) criteria. Contingency Interruptions will typically be called by the Company following the unexpected failure or outage of a system component, such as a generator, transmission line or other element. Interruptible loads that are qualified as Contingency Reserve may be deployed by the Company, or requested by the Southwest Power Pool (or subsequent regional reliability organization) Reliability Coordinator, to meet current or future North American Electric Reliability Corporation (NERC) and other Regional Reliability Organization contingency or reliability standards.

The duration of any Contingency Interruption shall not be less than four hours, unless Customer has opted to waive the four-hour minimum duration and, in such case, the duration shall not be **CONTINGENCY INTERRUPTION (cont.):** less than one hour. In addition, a single interruption of less than four hours is permitted if Customer has less than four hours of interruption available to use the remaining hours.

#### FAILURE TO INTERRUPT

**Economic Interruption** - In the event that Customer fails to interrupt during an Economic Interruption, Customer will be deemed by the Company to have failed to interrupt for all demand that Customer was obligated to interrupt but did not interrupt. The failure-to-interrupt charge shall be equal to the integrated hourly real-time Locational Marginal Price at the SPS\_SPS load node, or successor load node, as calculated by the Southwest Power Pool for power during the Economic Interruption plus \$0.003 per kWh, as determined by the Company after the fact. The charge will only apply to the portion of the load Customer fails to interrupt.

**Capacity or Contingency Interruption** - In the event Customer is directed to interrupt and fails to comply during a Capacity or Contingency Interruption, Customer shall pay the Company fifty percent (50%) of Customer's expected annual credit rate times the maximum 30 minute demand recorded during the event for all demand that Customer was obligated to interrupt, but did not. The penalty will apply only to the portion of the load that Customer fails to interrupt. After Customer fails to interrupt twice, the Company shall have the option to cancel the Agreement. If the Agreement is cancelled by the Company, Customer shall not be eligible for service under this tariff for a minimum of one year, and Customer will not be liable for the payment of 110% times the Customer's CIL, times Customer's MCR for each of the remaining months of the unexpired

REGIONAL VICE PRESIDENT REGULATORY &  
PRICING

## ELECTRIC TARIFF

### INTERRUPTIBLE CREDIT OPTION

contract term, as previously specified under term of agreement, service periods, and termination of agreement by customer. For determining compliance during a Capacity or Contingency Interruption, the first and last fifteen-minute interval of each event shall not be considered. If Customer's violation is less than 60 minutes in duration, not including the first and last control period intervals, then Customer's penalty shall be: (1) ~~be~~ reduced by 75% if the violation is 15 minutes or shorter; (2) reduced by 50% if the violation is 16 to 30 minutes in duration; and (3) reduced by 25% if the violation is 31 to 59 minutes in duration. This provision does not apply to Economic Interruptions.

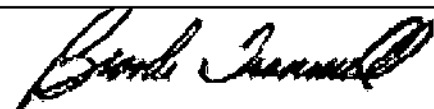
If Customer is a No Notice Option Customer and Company controls Customer's load through the operation of a Company installed, operated, and owned disconnect switch, in the event that Customer violates a Capacity or Contingency Interruption, Customer shall not be penalized unless evidence of tampering or bypassing the direct load control of Company is shown.

In the event that Company issues a Capacity or Contingency Interruption during a time in which the Customer's phone line is not working, the above described penalties shall apply if Customer fails to comply with the interruption.

#### **BILLING AND MONTHLY CREDIT:**

A Customer electing to take service under this tariff shall be billed on a calendar month basis, such that the first day of each month shall be the beginning and the last day of each month shall be the end of the monthly billing period. Company shall apply a Monthly Credit to Customer's monthly bill, pursuant to the terms and conditions specified herein.

The Customer's Monthly Credit shall be calculated by multiplying the applicable Monthly Credit Rate (MCR), by the lesser of the Customer's CIL, or the actual Interruptible Demand, during the billing month. The MCR is determined using the applicable capacity credit in the table below multiplied by the planning reserve margin and multiplied by the applicable Service Level adjustment.



REGIONAL VICE PRESIDENT REGULATORY &  
PRICING



**ELECTRIC TARIFF**
**INTERRUPTIBLE CREDIT OPTION**
**Monthly Credit Rate (MCR)**

Ha	ONE HOUR NOTICE OPTION		NO NOTICE OPTION	
	WINTER PER KW MONTH CREDIT	SUMMER PER KW MONTH CREDIT	WINTER PER KW MONTH CREDIT	SUMMER PER KW MONTH CREDIT
40	\$1.62	\$2.31	\$2.17	\$3.09
80	\$2.68	\$3.80	\$3.59	\$5.09
160	\$4.06	\$5.76	\$5.43	\$7.72

Planning Reserve Margin Adjustment – 1.15  
 Service Level Adjustment

SERVICE LEVEL	ADJUSTMENT
Backbone Transmission (115kV+)	1.020504
Sub-Transmission (69 kV)	1.026426
Primary Distribution	1.109977
Secondary Distribution	1.136331

**Contract Interruptible Load (CIL)** - Customer's CIL is the median of Customer's maximum daily thirty (30) minute integrated kW demands occurring between the hours of 12:00 noon and 8:00 p.m. Monday through Friday, excluding federal holidays, during the period June 1 through September 30 of the prior year, less the Contract Firm Demand, if any. If Customer has no history in the prior year or Customer anticipates that its CIL for the upcoming year will exceed the prior year's CIL by one hundred (100) kW or more, at Customer's request, Company may, in its sole

**REGIONAL VICE PRESIDENT REGULATORY &  
 PRICING**

## ELECTRIC TARIFF

### INTERRUPTIBLE CREDIT OPTION

discretion, estimate the CIL. In extraordinary circumstances, Company may calculate CIL using load data from the year prior to the year normally used to calculate the CIL, if Customer has shown that, due to extraordinary circumstances, the load data that would normally be used to calculate its CIL is less representative of what Customer's load is likely to be in the upcoming year. For existing Customers, Company shall calculate Customer's CIL to be used in the upcoming year by December 31<sup>st</sup> of the current year. If the Company determines that Customer's CIL to be used in the upcoming year is less than 300 kW, then the Agreement shall terminate at the end of the current year. If the Company determines that the combined CIL of all existing Customers to be used in the upcoming year meets or exceeds Company's projected needs, no additional loads will be added unless Company determines a Customer's load needs to be added for system reliability issues.

**Interruptible Demand** –Customer's Interruptible Demand is the maximum thirty (30) minute integrated kW demand, determined by meter measurement, that is used during the month, less ~~Interruptible Demand (cont.):~~  
the Contract Firm Demand, if any, but not less than zero. Interruptible Demand is measured between the hours of 12:00 noon to 8:00 p.m. Monday through Friday, excluding federal holidays.

**Application of Monthly Credit** - the Monthly Credit shall be applied to Customer's monthly bill beginning in January if the Agreement was executed prior to that January. If the Agreement is executed between January 1 and May 1, to be effective in that year, the Monthly Credit will begin in the month following the month in which service begins. If the Agreement is executed after May 1, the Monthly Credit will begin in January of the following year. In the event that Customer's CIL is estimated, the Monthly Credit applicable to the estimated CIL will be applied to Customer's December bill, after the CIL calculation is completed for that year. For Customers with no history, the entire accumulated Monthly Credit will be credited to the December bill. For Customers with history, but who estimate an increase, accumulated credits attributable to the estimated increase in the CIL will be credited to the December bill and credits attributable to the actual CIL will be credited monthly.

**METERING:** Customer must have metering equipment at the Point of Delivery capable of participating in the Interruptible Credit Option program. If Company determines Customer needs additional/replacement metering equipment, Company shall install the required metering equipment at Customer's expense. Company shall own and maintain all metering equipment.

REGIONAL VICE PRESIDENT REGULATORY &  
PRICING

**ELECTRIC TARIFF**

**INTERRUPTIBLE CREDIT OPTION**

**PHONE LINE REQUIREMENTS:** Customer is responsible for the cost of installing and maintaining a properly working communication path between Customer and Company. The communication path must be dedicated. Options for the communication path include, but are not limited to, a dedicated analog phone line to the meter location. The communication path must be installed and working before Customer may begin taking service under this rate schedule.

In the event that the Company issues a Capacity or Contingency interruption during a time in which Customer's phone line is not working, the penalties detailed in the section of this tariff titled FAILURE TO INTERRUPT – Capacity and Contingency Interruptions, shall apply if Customer fails to comply with the interruption.

**COMMUNICATION AND PHYSICAL CONTROL REQUIREMENTS FOR NO NOTICE  
OPTION CUSTOMERS:**

A No Notice Option Customer must install and maintain a Company specified dedicated phone line to the meter location. In addition, a No Notice Option Customer must also pay for the communication charges associated with the Company specified communication equipment installed in the Remote Terminal Unit (RTU) used to receive and transmit interruption signals and real time usage information. The communication path(s) must be installed and working before Customer may begin taking service under this rate schedule.

**COMMUNICATION AND PHYSICAL CONTROL REQUIREMENTS FOR NO NOTICE  
OPTION CUSTOMERS (cont.):**

A No Notice Option Customer shall either:

- (i) utilize its own Energy Management System (EMS) automated intelligent equipment to reduce load down to the Contract Firm Demand level when requested by Company. Customer will pay for the cost of an RTU that will receive the interruption and restore signals via phone or cellular communication. The RTU shall be designed, purchased, installed, and tested by Company or Company contractor at Customer's expense. Customer must demonstrate that its automated intelligent device or equipment will receive Company's signal and automatically act upon that signal to remove load down to the Contract Firm Demand level within a time period to be specified in the Agreement. A \$1,000 non-refundable contribution is required to perform the engineering and design work required to determine the costs associated with purchasing and installing the RTU;

**REGIONAL VICE PRESIDENT REGULATORY &  
PRICING**

## ELECTRIC TARIFF

### INTERRUPTIBLE CREDIT OPTION

or

- (ii) utilize a Company owned and operated switch to remove Customer's entire load during a Capacity or Contingency Interruption. Use of a Company switch requires that Customer have no Contract Firm Demand. Customer must pay for the cost of Company-owned switch and an RTU that will receive the interruption and restore signals via phone or cellular communication, and lock Customer's load out during a Capacity or Contingency Interruption. The RTU shall be designed, purchased, installed, and tested by Company at Customer's expense. A \$1,000 non-refundable contribution is required to perform the engineering and design work needed to determine the costs associated with providing Company physical control over Customer's load. A minimum of six (6) months is required to design, order, install and test the required equipment to give the Company control over Customer's load. During a Capacity or Contingency Interruption, the Company shall lock out Customer's load to prevent Customer from terminating the interruption before release.

A No Notice Option Customer shall submit to equipment testing at least once per year at Company's discretion, provided no other Capacity or Contingency events occurred in the past 12 months that could be used to verify the correct operation of the disconnect equipment and RTU. Equipment testing may last less than the four-hour duration and may not count toward Customer's Number of Interruptible Hours.

#### TAMPERING:

If Company determines that its load management or load control equipment on Customer's premises has been rendered ineffective due to tampering by use of mechanical, electrical, or other devices or actions, then Company may terminate Customer's Agreement, or remove Customer from the No Notice Option and place Customer on the One Hour Notice Option rate for a minimum one-year period. The Customer's credits will be adjusted accordingly. In addition, Customer may be billed for all expenses involved with the removal, replacement or repair of the load management equipment or load control equipment and any charges resulting from the investigation of the device tampering. Customer shall also pay 50% of the expected annual credit rate, times the maximum 30 minute demand recorded during the interruption event for all demand Customer was obligated to interrupt, but did not. The penalty will apply only to the portion of the load that Customer fails to interrupt. A Customer that is removed from the program is only eligible to participate again at the discretion of Company. Company will verify installation has been corrected before Customer is permitted to participate in the program again.

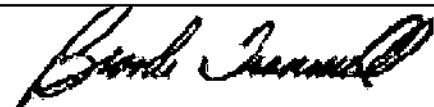
REGIONAL VICE PRESIDENT REGULATORY &  
PRICING

**ELECTRIC TARIFF**

**INTERRUPTIBLE CREDIT OPTION**

**LIMITATION OF LIABILITY:**

Customers who elect to take service under this tariff agree to indemnify and save harmless Company from all claims or losses of any sort due to death or injury to person or property resulting from interruption of electric service under this tariff or from the operation of the interruption signal and switching equipment.



**REGIONAL VICE PRESIDENT REGULATORY &  
PRICING**

The following files are not convertible:

Exhibit SPS-TIEC 1-16.xlsx

Exhibit SPS-TIEC 1-8.xlsx

Please see the ZIP file for this Filing on the PUC Interchange in order to access these files.

Contact [centralrecords@puc.texas.gov](mailto:centralrecords@puc.texas.gov) if you have any questions.