



Filing Receipt

Filing Date - 2025-01-02 02:56:40 PM

Control Number - 56921

Item Number - 35

**SOAH DOCKET NO. 473-25-07886
DOCKET NO. 56921**

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**SOUTHWESTERN PUBLIC SERVICE COMPANY'S
RESPONSE TO TEXAS INDUSTRIAL ENERGY CONSUMERS
FOURTH REQUEST FOR INFORMATION
QUESTION NOS. 4-1 THROUGH 4-4
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**SOUTHWESTERN PUBLIC SERVICE COMPANY'S
RESPONSE TO TEXAS INDUSTRIAL ENERGY CONSUMERS
FOURTH REQUEST FOR INFORMATION
QUESTION NOS. 4-1 THROUGH 4-4**

Southwestern Public Service Company ("SPS") files this response to the Texas Industrial Energy Consumers' ("TIEC") Fourth Request for Information, Question Nos. 4-1 through 4-4. 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 Fourth 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 Fourth 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 4-1:

Please state all of the avoided costs used to design the proposed Monthly Credit Rates.

RESPONSE:

As clarification, SPS is not proposing to modify the Monthly Credit Rates in this filing. The Monthly Credit Rates were approved in Docket No. 54634 with an effective date of July 13, 2023. SPS used the avoided costs for a Siemens 5000F model CT is a 200.9 MW unit to determine the Monthly Credit Rates in Docket No. 54634. These avoided costs calculations were included in Attachment BRE-RR-2 to the direct testimony of Ben R. Elsey.

Preparer: Wesley L. Berger
Sponsors: Wesley L. Berger

QUESTION NO. TIEC 4-2:

Please provide workpapers showing the derivation of the proposed Monthly Credit Rates in live EXCEL format with links intact, including but not limited to:

- a. Workpapers showing the derivation of the cost of avoided capacity, including identifying the type of resource assumed, the specifications, the costs, and the revenue requirement (*e.g.*, return, income taxes, depreciation, taxes other than income taxes, fixed O&M expenses).
- b. The capacity availability percentages for 40 hours, 80 hours, and 160 hours of annual curtailments.
- c. The adjustments for winter and summer capacity value.

RESPONSE:

As clarification, SPS is not proposing to modify the Monthly Credit Rates in this filing. The Monthly Credit Rates were approved in Docket No. 54634 with an effective date of July 13, 2023. Please refer to Attachment BRE-RR-2 to the direct testimony of Ben R. Elsey in Docket No. 54634.

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

QUESTION NO. TIEC 4-3:

Please confirm that the Monthly Credit Rate includes no transmission demand savings.

- a. If confirmed, please explain why no transmission demand savings are included in the Monthly Credit Rate when SPS can call capacity interruptions to relieve transmission facility overloads and under voltage, prevent system instability, relieve a system under frequency condition, or, as necessary, if directed by Southwest Power Pool (SPP) or in response to other transmission system emergencies.

RESPONSE:

As clarification, SPS is not proposing to modify the Monthly Credit Rates in this filing. The Monthly Credit Rates were approved in Docket No. 54634 with an effective date of July 13, 2023.

Confirmed. The Monthly Credit Rate (MCR) only includes estimated avoided generation demand savings.

- a. SPS cannot provide any transmission demand credits to customers under the ICO tariff because SPS does not expect to avoid any transmission investment costs. SPS and the Southwest Power Pool (“SPP”), in accordance with North American Electric Reliability Corporation transmission planning compliance standards, must plan its transmission system to serve all firm loads. The SPP does not provide SPS transmission credits for having the ability to interrupt customers for a limited number of hours. While the ICO demand credits are for SPS’s estimated avoided generation costs, any interruptions under the tariff to participating customers because of transmission constraints will count towards the customer maximum number of hours of annual curtailment.

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

QUESTION NO. TIEC 4-4:

Please provide an estimate of the cost of installing a Remote Terminal Unit and other special equipment required to qualify under the no-notice option.

RESPONSE:

Under the ICO tariff, the customer can utilize the Remote Terminal Unit (“RTU”) in two ways: (i) utilize the customer’s own automated intelligent equipment to interrupt load, or (ii) utilize a Company owned and operated switch to interrupt load.

If a customer chooses option (i), SPS only needs to install the RTU and supporting equipment. The cost of the RTU itself starts at approximately \$5,200. The total cost for an RTU installation including RTU, conduit, wiring, labor, and other miscellaneous costs typically ranges between \$6,000 to \$12,500, but can be greater depending on the required configuration.

If a customer chooses option (ii), SPS must install all the equipment described above for option (i) and SPS also must install a switch to interrupt the load. An engineering and design study is needed to determine the costs of installing a switch. A minimum of six (6) months is required to design, order, install, and test the required equipment. The cost structure of this option is highly variable due to the complexity of building a custom solution for each customer site.

There may be additional costs in regard to installing proper metering in order to meet both Company and program requirements.

Preparer: Joseph Koski
Sponsor: Wesley L. Berger

CERTIFICATE OF SERVICE

I certify that on the 2nd day of January 2025, 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