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**SOAH DOCKET NO. 473-25-18477
PUC DOCKET NO. 58017**

**APPLICATION OF SOUTHWESTERN § BEFORE THE STATE OFFICE
PUBLIC SERVICE COMPANY TO § OF
ADJUST ITS ENERGY EFFICIENCY § ADMINISTRATIVE HEARINGS
COST RECOVERY FACTOR §**

**SOUTHWESTERN PUBLIC SERVICE COMPANY'S
RESPONSE TO COMMISSION STAFF'S
SECOND REQUEST FOR INFORMATION
QUESTION NOS. 2-1 THROUGH 2-6**

(Filename: SPSRespStaff2nd.doc; Total Pages: 11)

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**SOUTHWESTERN PUBLIC SERVICE COMPANY'S
RESPONSE TO COMMISSION STAFF'S
SECOND REQUEST FOR INFORMATION
QUESTION NOS. 2-1 THROUGH 2-6**

Southwestern Public Service Company ("SPS") files this response to Commission Staff's ("Staff") Second Request for Information, Question Nos. 2-1 through 2-6.

I. WRITTEN RESPONSES

SPS's written responses to Staff's Second Request for Information are attached and incorporated by reference. Each response is stated on or attached to a separate page on which the request has been restated. SPS's responses are made in the spirit of cooperation without waiving SPS's right to contest the admissibility of any of these matters at hearing. In accordance with 16 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 will be provided by secure document transfer link.

If a response or the responsive documents are provided pursuant to the protective order in this docket, the response will indicate that it or the attachment is either confidential (“CONF”) or Highly Sensitive (“HS”) as appropriate under the protective order. Confidential and Highly Sensitive materials will be served on all parties that have signed and filed certification under the protective order entered in this docket. Confidential and Highly Sensitive responsive documents will be provided by secure document transfer link.

Respectfully submitted,

By: /s/ Stephanie Green

XCEL ENERGY SERVICES INC.

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III. RESPONSES

QUESTION NO. STAFF 2-1:

Refer to Attachment PGG-3.

- a. Step 1 Fixed Inputs Tab; please indicate the docket/item number for the rate proceeding where the Utility Specific Discount Rate (WACC) was determined.
- b. EECRF Templates Tab; please label the table with appropriate program year date.

RESPONSE:

- a. Finding of Fact No. 76A from the Commission's February 23, 2016 Order on Rehearing in Docket No. 43695 approved a WACC of 7.88%. This was SPS's last fully litigated rate case.

76A. SPS's overall rate of return should be set as follows:

Capital Component	Capital Structure	Cost of Capital	Weighted Average Cost of Capital
Long-term Debt	49%	5.98%	2.93%
Common Equity	51%	9.70%	4.95%
Total	100.00%		7.88%

- b. Please refer to Exhibit SPS-Staff 2-1 - Attachment PGG-3 (bonus calc).

Preparers: P. Grant Gervais

Sponsor: P. Grant Gervais

QUESTION NO. STAFF 2-2:

Refer to Attachment PGG-5.

- a. Please provide total with formula intact.

RESPONSE:

Please refer to Exhibit SPS-Staff 2-2 which provides the formula for the total. The highlighted number in cell C 104, is the total of non-labor affiliate expenses

Preparer: P. Grant Gervais

Sponsor: P. Grant Gervais

QUESTION NO. STAFF 2-3:

Refer to Attachment PGG-7(CONF) workpaper, regarding program funding for calendar year 2024.

- a. Please provide invoices and contracts for all 2024 administrative expenses included in the application.
- b. Please provide, in Excel format with formulas intact, a detailed breakdown and summary of the internal administrative costs included in the application including totals.
 - i. Please itemize expenses for General Administration as listed on Table 11, cell E20.
- c. Please provide invoices and contracts for all 2024 research and development expenses included in the application.
- d. Please provide, in Excel format with formulas intact, a detailed breakdown and summary of internal research and development costs included in the application including totals.

RESPONSE:

- a. Please refer to (CONF) Exhibits SPS-Staff 2-3(a)(i) for invoices related to administrative expenses and SPS-Staff 2-3(a)(ii) through (v) for contracts related to program administration.
- b. Please refer to Exhibit SPS-Staff 2-3(b).
 - i. Please refer to Exhibit SPS-Staff 2-3(b)
- c. Please refer to Exhibit SPS-Staff 2-3(c)(i) for invoices related to research and development and (CONF) Exhibit Staff 2-3(c)(ii) through (iii) for the contracts related to research and development.
- d. Please refer to Exhibit SPS-Staff 2-3(d).

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

QUESTION NO. STAFF 2-4:

Refer to Attachment PGG-7(CONF) workpaper, regarding proposed annual budget for 2026.

- a. Please provide, in Excel format with formulas intact, a detailed breakdown of the proposed administrative costs included in the application.
- b. Please provide, in Excel format with formulas intact, a detailed breakdown of the proposed research and development costs included in the application.
- c. Please provide all applicable contracts for research and development and administrative costs included in the application.

RESPONSE:

- a. Please refer to column T of the sheet "Forecast Pgm Data" in Attachment PGG-7 (CONF) for a program-by-program breakdown of administrative costs. There are no other Excel documents that are responsive to this request.
- b. Please refer to column U of the sheet "Forecast Pgm Data" in Attachment PGG-7 (CONF) for a program-by-program basis. There are no other Excel documents that are responsive to this request.
- c. Please refer to (CONF) Exhibits SPS-Staff 2-3(c)(ii) and (iii) for contracts related to research and development and (CONF) Exhibits SPS-Staff 2-3(a)(ii) through (v) for contracts related to administrative costs.

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

QUESTION NO. STAFF 2-5:

Refer to Attachment MFL-2. Please provide this document with formulas intact.

RESPONSE:

Please refer to Exhibit SPS-Staff 2-5.

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

QUESTION NO. STAFF 2-6:

Refer to the SPS application to adjust its Energy Efficiency Cost Recovery Factor (EECRF), specifically, Direct Testimony by Grant Gervais:

- a. On page 32, please provide Table PGG-3 in Excel format with formulas intact.
- b. On page 33, please provide Table PGG-4 in Excel format with formulas intact.
 - i. On pages 34-41 regarding affiliate costs: On page 35, please provide Table PGG-5 in Excel format with formulas intact, itemizing each expense.
- c. Please provide copies of the work orders for all affiliate expenses included in the application, ensuring the inclusion of (as applicable):
 1. A list of all expenses by the Federal Energy Regulatory Commission (FERC) account/sub-account; and
 2. For each work order:
 - a. Detail of the expenses by class of service
 - b. Scope of work with a statement of the purpose
 - c. Primary activities, products or deliverables; and
 - d. Justification for the billing method.

RESPONSE:

- a. Table PGG-3 was created in Word and presents data calculated in Attachment PGG-7. Therefore, there is no Excel document with formulas intact.
- b. Table PGG-4 was created in Word and presents data calculated in Attachment PGG-3. Therefore, there is no Excel document with formulas intact. For the Avoided Costs data underlying the table, please refer to column H of the "EECRF Templates" sheet in Attachment PGG-3. For the Avoided Costs data underlying the table, please refer to column C of the "Step 3 Admin Allocation" sheet in Attachment PGG-3.
 - i. Table PGG-5 was created in Word and therefore there is no Excel document with formulas intact. Affiliate expenses are included with Administrative costs in Exhibit SPS-Staff 2-3(b).

- c. Please refer to Exhibit SPS-Staff 2-6 (c) for a list of the work orders proposed in 2025 for the current EECRF filing.

- 1. Each month as program expenses are incurred, they are recorded to a default balance sheet account within the general ledger. During the month-end close process, the accounting team records the recovery journal entries, crediting the respective amount out of the default balance sheet account and debiting it to the income statement FERC Account 908, "Customer Assistance Expenses."

The remaining balance is then reclassified to an asset or a liability account, depending on whether the month-end balance is under or over-recovered. If the month-end balance is under-recovered, the balance is an asset and is recorded to FERC Account 182.3, "Other Regulatory Assets." If the month-end balance is over-recovered, it is a liability recorded to FERC Account 254, "Other Regulatory Liabilities."

2.

- a. SPS assumes that the term "class of service" refers to residential, commercial, industrial, or other classes. SPS does not allocate work order expenses by class of service. Please refer to the Direct Testimony of Tay Amason at Section V. Allocation of EECRF Costs for a description of how EECRF costs are allocated.
- b. Please refer to Exhibit SPS-Staff 2-6(c).
- c. Please refer to Exhibit SPS-Staff 2-6(c).
- d. Please refer to Exhibit SPS-Staff 2-6(c).

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

CERTIFICATE OF SERVICE

I certify that, on the 2nd day of June 2025, notice of the filing of the foregoing instrument with the Commission was served on all parties of record by electronic service, in accordance with the Commission's Second Order Suspending Rules issued in Project No. 50664.

/s/ Samantha Rabas

Southwestern Public Service Company

SOAH DOCKET NO. 473-25-18477

Docket No. 58017

APPLICATION OF SOUTHWESTERN PUBLIC SERVICE
COMPANY TO ADJUST ITS ENERGY EFFICIENCY COST
RECOVERY FACTOR

The Following are provided in native for:

Exhibit SPS-STAFF 2-1

Exhibit SPS-STAFF 2-2

Exhibit SPS-STAFF 2-3(c)(i)

Exhibit SPS-STAFF 2-3(d)

Exhibit SPS-STAFF 2-5

The Following are provided on iManage:

Exhibit SPS-STAFF 2-3(a)(i)(CONF) (iManage)

Exhibit SPS-STAFF 2-3(a)(ii)(CONF) (iManage)

Exhibit SPS-STAFF 2-3(a)(iii)(CONF) (iManage)

Exhibit SPS-STAFF 2-3(a)(iv)(CONF) (iManage)

Exhibit SPS-STAFF 2-3(a)(v)(CONF) (iManage)

Exhibit SPS-STAFF 2-3(c)(ii)(CONF) (iManage)

Exhibit SPS-STAFF 2-3(c)(iii)(CONF) (iManage)

The following files are not convertible:

Exhibit SPS-Staff 2-1.xlsx
Exhibit SPS-Staff 2-2.xlsx
Exhibit SPS-Staff 2-3(b).xlsx

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

Contact centralrecords@puc.texas.gov if you have any questions.

Invoice

NMR Group, Inc.
50-2 Howard Street
Somerville, MA 02144
617-284-6230
FEDERAL EIN #04-3553283

Accounts Payable
Xcel Energy
PO Box 840
Denver, CO 80201

Invoice Date: 6/5/2024
Invoice Number: 2441.TX.4 May-24
Description: TX Code Eval Planning - 2023
PO Number: 4501375232
Line Number: #00010

Amount Due This Invoice:

Total: \$2,268.93

Project Details (from PO):

Texas Residential Code Program Evaluation Planning to design research and coordinate with statewide evaluator for new program that will be launched in 2024. Funded via R&D budget.

Summary

Total this invoice	\$	2,268.93
Total invoiced - Prior	\$	15,930.75
Total Invoiced - 2023	\$	15,930.75
Total Invoiced - 2024	\$	2,268.93
Project budget	\$	23,000.00
Project budget remaining	\$	4,800.33
Percentage of budget remaining		21%

Invoice

NMR Group, Inc.
50-2 Howard Street
Somerville, MA 02144
617-284-6230
FEDERAL EIN #04-3553283

Accounts Payable

Xcel Energy
PO Box 840
Denver, CO 80201

Invoice Date: 7/3/2024
Invoice Number: 2441.TX.5 Jun-24
Description: TX Code Eval Planning - 2023
PO Number: 4501375232
Line Number: #00010

Amount Due This Invoice:

Total: \$1,062.05

Project Details (from PO):

Texas Residential Code Program Evaluation Planning to design research and coordinate with statewide evaluator for new program that will be launched in 2024. Funded via R&D budget.

Summary

Total this invoice	\$	1,062.05
Total invoiced - Prior	\$	18,199.68
Total Invoiced - 2023	\$	15,930.75
Total Invoiced - 2024	\$	3,330.98
Project budget	\$	23,000.00
Project budget remaining	\$	3,738.28
Percentage of budget remaining		16%

Invoice

NMR Group, Inc.
50-2 Howard Street
Somerville, MA 02144
617-284-6230
FEDERAL EIN #04-3553283

Accounts Payable
Xcel Energy
PO Box 840
Denver, CO 80201

Invoice Date: 8/8/2024
Invoice Number: 2441.TX.6 Jul-24
Description: TX Code Eval Planning - 2023,
TX Code Eval 2024 Research

PO Number: 4501375232

Line Number #00010, #00030

Amount Due This Invoice

Total: \$1,062.05

Project Details (from PO)

****06/27/2024: Revision, do not duplicate PO****

****Added new service line in the amount of \$68,000.00 for the TX Code Evaluation and Research****

Texas Residential Code Program Evaluation Planning to design research and coordinate with statewide evaluator for new program that will be launched in 2024. Funded via R&D budget.

Summary

Total this invoice	\$	1,062.05
Total invoiced - Prior	\$	19,261.73
Total Invoiced - 2023	\$	15,930.75
Total Invoiced - 2024	\$	4,296.48
Project budget	\$	91,000.00
Project budget remaining	\$	70,772.78
Percentage of budget remai		78%

Invoice

NMR Group, Inc.
50-2 Howard Street
Somerville, MA 02144
617-284-6230
FEDERAL EIN #04-3553283

Accounts Payable
Xcel Energy
PO Box 840
Denver, CO 80201

Invoice Date: 9/6/2024
Invoice Number: 2441.TX.7 Aug-24
Description: TX Code Eval Planning - 2023,
TX Code Eval 2024 Research

PO Number: 4501375232

Line Number #00010, #00030

Amount Due This Invoice

Total: \$9,896.38

Project Details (from PO)

****06/27/2024: Revision, do not duplicate PO****

****Added new service line in the amount of \$68,000.00 for the TX Code Evaluation and Research****

Texas Residential Code Program Evaluation Planning to design research and coordinate with statewide evaluator for new program that will be launched in 2024. Funded via R&D budget.

Summary

Total this invoice	\$	9,896.38
Total invoiced - Prior	\$	19,261.73
Total Invoiced - 2023	\$	15,930.75
Total Invoiced - 2024	\$	14,192.85
Project budget	\$	91,000.00
Project budget remaining	\$	60,876.40
Percentage of budget remai		67%

Invoice

NMR Group, Inc.
50-2 Howard Street
Somerville, MA 02144
617-284-6230
FEDERAL EIN #04-3553283

Accounts Payable
Xcel Energy
PO Box 840
Denver, CO 80201

Invoice Date: 10/6/2024
Invoice Number: 2441.TX.8 Sep-24
Description: TX Code Eval Planning - 2023,
TX Code Eval 2024 Research

PO Number: 4501375232

Line Number #00010, #00030

Amount Due This Invoice

Total: \$9,606.73

Project Details (from PO)

****06/27/2024: Revision, do not duplicate PO****

****Added new service line in the amount of \$68,000.00 for the TX Code Evaluation and Research****

Texas Residential Code Program Evaluation Planning to design research and coordinate with statewide evaluator for new program that will be launched in 2024. Funded via R&D budget.

Summary

Total this invoice	\$	9,606.73
Total invoiced - Prior	\$	30,123.60
Total Invoiced - 2023	\$	15,930.75
Total Invoiced - 2024	\$	23,799.58
Project budget	\$	91,000.00
Project budget remaining	\$	51,269.68
Percentage of budget remaini		56%

Invoice

NMR Group, Inc.
50-2 Howard Street
Somerville, MA 02144
617-284-6230
FEDERAL EIN #04-3553283

Accounts Payable
Xcel Energy
PO Box 840
Denver, CO 80201

Invoice Date: 11/4/2024
Invoice Number: 2441.TX.9 Oct-24
Description: TX Code Eval Planning - 2023,
TX Code Eval 2024 Research

PO Number: 4501375232

Line Number #00010, #00030

Amount Due This Invoice

Total: \$1,062.05

Project Details (from PO)

****06/27/2024: Revision, do not duplicate PO****

****Added new service line in the amount of \$68,000.00 for the TX Code Evaluation and Research****

Texas Residential Code Program Evaluation Planning to design research and coordinate with statewide evaluator for new program that will be launched in 2024. Funded via R&D budget.

Summary

Total this invoice	\$	1,062.05
Total invoiced - Prior	\$	39,730.33
Total Invoiced - 2023	\$	15,930.75
Total Invoiced - 2024	\$	24,861.63
Project budget	\$	91,000.00
Project budget remaining	\$	50,207.63
Percentage of budget remaini		55%

Invoice

NMR Group, Inc.
50-2 Howard Street
Somerville, MA 02144
617-284-6230
FEDERAL EIN #04-3553283

Accounts Payable

Xcel Energy
PO Box 840
Denver, CO 80201

Invoice Date: 12/4/2024
Invoice Number: 2441.TX.10 Nov-24
Description: TX Code Eval Planning - 2023,
TX Code Eval 2024 Research

PO Number: 4501375232

Line Number #00010, #00030

Amount Due This Invoice

Total: \$5,068.88

Project Details (from PO)

****06/27/2024: Revision, do not duplicate PO****

****Added new service line in the amount of \$68,000.00 for the TX Code Evaluation and Research****

Texas Residential Code Program Evaluation Planning to design research and coordinate with statewide evaluator for new program that will be launched in 2024. Funded via R&D budget.

Summary

Total this invoice	\$	5,068.88
Total invoiced - Prior	\$	40,792.38
Total Invoiced - 2023	\$	15,930.75
Total Invoiced - 2024	\$	29,930.50
Project budget	\$	91,000.00
Project budget remaining	\$	45,138.75
Percentage of budget remai		50%

The following files are not convertible:

costs.xlsx

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

Contact centralrecords@puc.texas.gov if you have any questions.

Work Order	Description
Large C&I SOP	Work order used to track costs associated with participation in the Large C&I SOP Program
Small Commercial MTP	Work order used to track costs associated with participation in the Small Commercial MTP Program
Load Management SOP	Work order used to track costs associated with participation in the Load Management SOP Program
Recommissioning MTP	Work order used to track costs associated with participation in the Recommissioning MTP Program
Residential SOP	Work order used to track costs associated with participation in the Residential SOP Program
Smart Thermostat MTP	Work order used to track costs associated with participation in the Smart Thermostat MTP Program
Refrigerator Recycling	Work order used to track costs associated with participation in the Refrigerator Recycling Program
Home Lighting MTP	Work order used to track costs associated with participation in the Home Lighting MTP Program
Residential HVAC MTP	Work order used to track costs associated with participation in the Residential HVAC MTP Program
Residential Codes MTP	Work order used to track costs associated with participation in the Residential Codes MTP Program
Hard-to-Reach SOP	Work order used to track costs associated with participation in the Hard-to-Reach SOP Program
Hard-to Reach Food Bank MTP	Work order used to track costs associated with participation in the Hard-to-Reach Food Bank MTP Program
Low-Income	Work order used to track costs associated with participation in the Low-Income Weatherization Program
Research and Development	Work order used to track costs associated with R&D activities to determine future program offerings
M&V Costs	Work order used to track costs associated with measurement and verification activities including invoices from the third-party evaluator
EECRF Rider Costs	Work order to track expenses incurred developing, filing, and litigating SPS annual EECRF filings
Misc. Recoverable Admin	Work order used to track general administration costs such as program management time or employee expenses