



## **Filing Receipt**

**Filing Date - 2025-05-01 03:04:06 PM**

**Control Number - 58017**

**Item Number - 4**

**DOCKET NO. 58017**

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

**DIRECT TESTIMONY**  
*of*  
**TAYLOR D. AMASON**

*on behalf of*

**SOUTHWESTERN PUBLIC SERVICE COMPANY**

*(Filename: AmasonEECRFDirect.docx. Total Pages: 27)*

**Table of Contents**

GLOSSARY OF ACRONYMS AND DEFINED TERMS.....	2
LIST OF ATTACHMENTS .....	3
I. WITNESS IDENTIFICATION AND QUALIFICATIONS .....	4
II. SUMMARY AND RECOMMENDATIONS.....	6
III. SPS'S CURRENT EECRF .....	8
IV. ELEMENTS OF SPS'S PROPOSED PY 2026 EECRF .....	9
V. ALLOCATION OF EECRF COSTS.....	12
VI. RATE DESIGN OF EECRF .....	18
VII. COMPLIANCE WITH CUSTOMER COST CAPS .....	21
VIII. TARIFF REVISIONS.....	23
AFFIDAVIT .....	24
CERTIFICATE OF SERVICE .....	25
TESTIMONY ATTACHMENTS:	
Attachment TDA-1 Slipsheet.....	26
Attachment TDA-2 ( <i>non-native format</i> ).....	27

## **GLOSSARY OF ACRONYMS AND DEFINED TERMS**

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

## LIST OF ATTACHMENTS

<b><u>Attachment</u></b>	<b><u>Description</u></b>
TDA-1	Calculation of Energy Efficiency Cost Recovery Factor for PY 2026 ( <i>Filename: TDA-1.xls</i> )
TDA-2	Energy Efficiency Cost Recovery Factor Rider ( <i>Filename: TDA-2.docx</i> )

**DIRECT TESTIMONY  
OF  
TAYLOR D. AMASON**

1           **I.       WITNESS IDENTIFICATION AND QUALIFICATIONS**

2   **Q.       Please state your name and business address.**

3   A.       My name is Taylor D. Amason. My business address is 1800 Larimer St., Denver,  
4           CO 80202.

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

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

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

10  A.       I am employed by SPS as a Senior Pricing Analyst in the Regulatory and Pricing  
11           division.

12  **Q.       Please briefly outline your responsibilities as a Senior Pricing Analyst.**

13  A.       I am responsible for the presentation of technical cost and pricing information and  
14           the preparation of electric cost allocation studies and the development and design  
15           of retail electric rates and tariffs for SPS. These responsibilities also include  
16           development of rates, terms, and conditions for proposed service contracts, and the  
17           analysis of various other regulatory and business issues.

18  **Q.       Please describe your educational background.**

19  A.       I have a Bachelor of Arts degree in Writing from Colorado State University, and an  
20           International Masters in Business Administration from the University of Denver.

1   **Q.     Please describe your professional experience.**

2   A.     Since 2010, I have been employed at Fortune 200 corporations with over half of  
3           those years in Pricing roles. In 2016, I took a position within the Danaher  
4           Corporation at Hach, a world leader in water electrochemistry equipment  
5           manufacturing. Hach ensures the delivery of clean water serving municipalities and  
6           utilities with equipment vital to drinking water and wastewater operations. In 2022,  
7           I took a management role at a sister company, Radiometer, pricing medical devices  
8           for blood gas analysis. I joined SPS as a Senior Pricing Analyst on January 1, 2025.

1                                    **II.     SUMMARY AND RECOMMENDATIONS**

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

3     A.     I discuss SPS's current Energy Efficiency Cost Recovery Factor ("EECRF"). I also  
4           describe and quantify the elements of SPS's proposed EECRF for Program Year  
5           ("PY") 2026. In particular, I:

- 6           •     support the allocation of costs among rate classes eligible to  
7           participate in the energy efficiency programs whose costs are  
8           recovered through the EECRF;
- 9           •     support the billing determinants in PY 2026 and the EECRF rate  
10          design;
- 11          •     discuss SPS's PY 2024 net over-recovery balance;
- 12          •     discuss SPS's compliance with the customer cost caps imposed by 16  
13          Texas Administrative Code ("TAC") § 25.182; and
- 14          •     sponsor SPS's proposed EECRF rates included in SPS's tariff rider  
15          for PY 2026.

16          In support of my testimony, I provide Attachment TDA-1, which reflects the  
17          calculation of SPS's PY 2026 EECRF, and Attachment TDA-2, which is the  
18          EECRF tariff reflecting the adjusted rates.

19     **Q.     What recommendations do you make in this proceeding?**

20     A.     I recommend that the Public Utility Commission of Texas ("Commission") adopt  
21           the overall EECRF cost allocation and rate design that I sponsor in my testimony.  
22           Those rates accurately reflect SPS's projected EECRF costs for PY 2026 and are  
23           within the cost caps prescribed by 16 TAC § 25.182.

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

3    **A.     Yes.**



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1                    **IV.     ELEMENTS OF SPS’S PROPOSED PY 2026 EECRF**

2     **Q.     How much does SPS seek to recover through its PY 2026 EECRF?**

3     A.     SPS seeks Commission approval to recover \$5,439,692<sup>2</sup> through its EECRF for PY  
4           2026, which is January 1, 2026 through December 31, 2026. These costs are  
5           summarized in Attachment TDA-1, page 1, lines 1-8.

6     **Q.     What are the elements of costs that comprise the \$5,439,692 recoverable**  
7           **through the EECRF in 2026?**

8     A.     The elements of costs in the PY 2026 EECRF are:

- 9           •     SPS’s forecasted energy efficiency costs in PY 2026 (including  
10           forecasted incentives, research and development (“R&D”), and  
11           administrative costs) of \$5,078,439;<sup>3</sup>
- 12          •     Forecasted Evaluation, Measurement & Verification (“EM&V”)   
13           expenses in the amount of \$52,415;<sup>4</sup>
- 14          •     \$533,808 net over-recovery, including interest,<sup>5</sup> of PY 2024 energy   
15           efficiency costs;
- 16          •     \$39,667 of rate-case expenses (“RCEs”)<sup>6</sup> incurred in Docket   
17           No. 56570, SPS’s 2024 EECRF proceeding, as discussed in more   
18           detail in the Direct Testimony of SPS witness Kyle G. Ingham; and
- 19          •     SPS’s performance bonus of \$802,978<sup>7</sup> earned in accordance with 16   
20           TAC § 25.182(e), which is discussed in the Direct Testimony of SPS   
21           witness Grant Gervais.

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<sup>2</sup> Attachment TDA-1, page 1 and 2, line 8, column (f).

<sup>3</sup> *Id.*, pages 3-5, line 19, columns (a) through (d), \$4,447,275 incentives + \$241,164 program-specific administrative costs + \$230,000 general administrative costs + \$160,000 R&D.

<sup>4</sup> *Id.*, column (c).

<sup>5</sup> *Id.*, \$493,740 net over-recovery + \$9,072 & +30,996 in interest from 2023 & 2024 respectively.

<sup>6</sup> *Id.*, page 1 and 2, line 8, column (c).

<sup>7</sup> *Id.*, column ((d).

1     **Q.     Do SPS's base rates recover any of the PY 2026 energy efficiency program or**  
2     **other expenses SPS is requesting to recover in this proceeding?**

3     A.     No. SPS's base rates do not recover any of the energy efficiency expenses that will  
4     be recovered through the EECRF for PY 2026.

5     **Q.     Please explain SPS's request for EM&V expenses for PY 2026.**

6     A.     As discussed in Mr. Gervais' direct testimony, EM&V costs are the costs allocated  
7     to SPS by the Commission for the efforts undertaken by the independent program  
8     evaluator to update the deemed savings in the Technical Reference Manual  
9     ("TRM") and review program performance. Total forecasted EM&V costs for PY  
10    2026 are based on EM&V costs calculated by the third-party implementer,  
11    TetraTech, for PY 2025 of \$52,415.

12    **Q.     How did you determine SPS's net over-recovery balance of \$533,808 for PY**  
13    **2024?**

14    A.     Please refer to Attachment TDA-1, page 6. In PY 2024, SPS recovered a total of  
15    \$5,084,243 (Column A) in revenue under the EECRF tariff, compared to  
16    \$4,281,313 (Column H) of spending on energy efficiency programs. 2024 Program  
17    costs are adjusted, however, to include the following items also recovered through  
18    the 2024 EECRF:

- 19                 •     the 2022 net over-recovery of \$762,343 determined in Docket  
20                 No. 53540,
- 21                 •     \$17,062 in 2022 EECRF RCEs incurred in Docket No. 53540, and
- 22                 •     an approved bonus of \$1,054,471 for 2022.

23                 Because the 2022 RCEs and bonus amounts were determined in the 2023  
24    EECRF proceeding to establish the EECRF applicable in 2024, the amounts were

1 recovered through the 2024 EECRF Rider and are reconciled in this proceeding.  
2 With \$40,068 of interest added to the 2024 over-recovery, the reconciliation results  
3 in a net over-recovery balance of \$533,808 (Column L).<sup>8</sup>

4 **Q. Does the net over-recovery balance of \$533,808 for SPS's 2024 EECRF**  
5 **proceeding include RCEs incurred in Docket No. 56570?**

6 A. No. In Docket No. 56570, SPS's 2024 EECRF proceeding, SPS incurred \$39,667  
7 in RCEs. Please refer to Attachment TDA-1, page 1, column (c). Under 16 TAC  
8 § 25.182(d)(1)(A), the utility's over-recovery or under-recovery amount includes  
9 the utility and municipal EECRF proceeding expenses. Docket No. 56570 EECRF  
10 RCEs are included in total costs to be recovered through the 2026 EECRF under  
11 review in this current docket. As discussed before, Docket No. 53540 EECRF  
12 RCEs that totaled \$17,062 are included in the reconciliation of 2024 EECRF costs  
13 because those costs were authorized for recovery through the 2024 EECRF  
14 approved in Docket No. 54949. There is a lag in the amount of RCEs incurred in  
15 each EECRF docket because the total is not known until after the conclusion of  
16 each docket.

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<sup>8</sup>  $\$(493,740) + ((\$9,072) + (30,996))$  over-recovery interest =  $\$(533,808)$ . Attachment TDA-1, page 6, columns (I) - (L).

1 **V. ALLOCATION OF EECRF COSTS**

2 **Q. How did you allocate the PY 2026 energy efficiency program costs?**

3 A. First, I segregated the energy efficiency costs between residential and commercial  
4 programs, as shown in Attachment TDA-1, page 3. Of the \$4,688,439 in budgeted  
5 direct program and administrative costs,<sup>9</sup> \$2,631,606 is for residential programs  
6 including Hard-to-Reach programs, and the remaining \$2,056,833 is for  
7 commercial programs (Columns a and b, page 3). Commercial program costs are  
8 then allocated based on program eligibility of the individual commercial classes. If  
9 eligible, a class is assigned a weighted share of program costs, based upon its share  
10 of PY energy and demand. In addition, I allocated \$230,000 in general  
11 administrative costs, \$160,000 in R&D costs, and \$52,415 in EM&V costs to the  
12 residential and commercial programs based on their respective shares of the direct  
13 program budget, 56.1% residential and 43.9% commercial. In total, \$2,878,577 is  
14 assigned to residential customers and \$2,252,277 to commercial customers, for a  
15 total of \$5,130,854 in PY 2026 costs recoverable under the EECRF. The cost  
16 allocation methodologies described above and discussed in more detail below are  
17 consistent with those employed in prior EECRF cases.

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

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

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<sup>9</sup> \$4,447,275 Budgeted Incentives + \$241,164 Program-specific administrative costs.

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

3    A.    Implementation guidance in the Commission’s TRM for PY 2018 recommended a  
4       5% allocation of upstream lighting program benefits and costs to commercial  
5       customers with the remaining 95% allocated to residential customers.<sup>10</sup> The TRM  
6       concludes that a small percentage of upstream lighting program incentives are for  
7       the purchase of lighting used by small commercial customers. The split in the  
8       Home Lighting MTP results in a \$14,650 allocation to Small General Service, and  
9       \$278,350 to Residential. Including administrative costs for the Home Lighting  
10      MTP, the totals are \$15,908 for Small General Service, and \$302,245<sup>11</sup> for  
11      Residential.

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

14    A.    Yes.

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

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

21               SPS does not design its commercial energy efficiency programs by EECRF

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<sup>10</sup> Texas Technical Reference Manual, Vol. 5, page 4-5.

<sup>11</sup> Sum of columns (a) through (c) row 9, Page 3 Attachment TDA-1.

1 rate class, so PY 2026 program costs are allocated to eligible Commercial EECRF  
2 rate classes according to a 50/50 weighting of forecasted CP demand and forecasted  
3 kWh sales. Because the energy efficiency programs are designed to reduce both  
4 peak demand and energy, a 50/50 weighted allocation between CP and kWh is  
5 reasonable, and consistent with the Commission's final order approving SPS's  
6 current EECRF in Docket No. 56570. The allocation of commercial program costs  
7 is shown on Attachment TDA-1, pages 7-8.

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

10 A. Yes. It is necessary to consider line losses because power and energy are lost  
11 between the power source (i.e., a generating station) and the customer's meter,  
12 especially as the voltage-level at which the customer takes service is reduced.  
13 Accounting for line losses is also consistent with how SPS allocates capacity and  
14 energy costs in base rate filings, the most recently completed base-rate case being  
15 Docket No. 54634.<sup>12</sup>

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

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

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<sup>12</sup> *Application of Southwestern Public Service Company for Authority to Change Rates*, Docket No. 54634, Order (Apr. 11, 2024).

1

**Table TDA-1: Line Loss Factors**

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

2    **Q.     How did you apply the line loss factors?**

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

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

8    A.     SPS allocated PY 2026 energy efficiency costs to residential and commercial  
9           EECRF rate classes that received services under the programs in PY 2024 in  
10          accordance with 16 TAC § 25.182(c)(2) and (d)(2).

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

12   A.     16 TAC § 25.182(d)(2) allows the Commission to set an EECRF for “each eligible  
13          rate class” and requires that costs be directly assigned to each EECRF rate class  
14          that receives services under the energy efficiency program to the maximum extent  
15          reasonably possible. Subsection (c)(2) of 16 TAC § 25.182 defines “rate class” for  
16          the purpose of calculating EECRF rates as “those retail rate classes approved in the



1 utility's most recent base-rate proceeding, excluding non-eligible customers."

2 **Q. Did the Commission address the retail rate classes to be used for the purposes**  
3 **of SPS's EECRF in its final order in Docket No. 54634?**

4 A. Yes. In Docket No. 54634, the Commission approved a settlement in which SPS  
5 agreed that, in all its EECRF applications filed before the final order in SPS's next  
6 base-rate case becomes final and appealable under Texas Government Code  
7 §2001.144, SPS will propose to use the same classes approved in Docket  
8 No. 51802, which are the same as those set out in Docket No. 45916, SPS's 2016  
9 EECRF proceeding. Those classes are:

- 10 • Residential Service;
- 11 • Small General Service;
- 12 • Secondary General Service;
- 13 • Primary General Service;
- 14 • Small Municipal and School Service;
- 15 • Large Municipal Service; and
- 16 • Large School Service.

17 **Q. Do SPS's proposed EECRF rate classes for PY 2026 comply with 16 TAC**  
18 **§ 25.182(d)(2), 16 TAC § 25.182(c)(2), and the Commission's Final Order in**  
19 **Docket No. 54634?**

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

1 eligible customers.

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

4 A. Yes, it is consistent with the method SPS has used to allocate costs in previous  
5 EECRF filings, and most recently approved by the Commission in Docket  
6 No. 56570.

7 **Q. Please explain the allocation of EECRF RCEs from Docket No. 56570.**

8 A. The \$39,667 of RCEs are allocated to each EECRF rate class in proportion to its  
9 actual PY 2024 program costs incurred. Please refer to Attachment TDA-1, page  
10 7.

11 **Q. How will the net over-recovery balance of PY 2024 be reflected in PY 2026**  
12 **EECRF rates?**

13 A. Costs recoverable through the PY 2026 EECRF for each EECRF rate class will be  
14 adjusted by the amount of the PY 2024 net over-recovery from each EECRF rate  
15 class. Please refer to Attachment TDA-1, page 1, column (b).

16 **Q. How will the performance bonus be reflected in PY 2026 EECRF rates?**

17 A. Costs recoverable through the 2026 EECRF for each EECRF rate class will be  
18 increased by the amount of the PY 2024 performance bonus from each EECRF rate  
19 class.

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

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

1 **VI. RATE DESIGN OF EECRF**

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

4 A. The next step is to divide the allocated PY 2026 costs by the forecasted billing  
5 determinants for each eligible rate class to calculate EECRF rates. As explained  
6 later in this section, SPS is proposing to recover EECRF costs through a kWh-based  
7 energy charge. SPS's proposed kWh-based EECRF rates are consistent with  
8 current EECRF charges as well as previous years. The forecasted kWh EECRF  
9 billing units are reflected in Attachment TDA-1, page 1.

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

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

18 **Q. 16 TAC § 25.182(d)(10)(E) also requires the utility to provide the billing**  
19 **determinants for the most recent year. What were SPS's billing determinants**  
20 **for 2024?**

21 A. The actual billing determinants for 2024 are shown in Attachment TDA-1, page 6.  
22 Those billing determinants were not weather-normalized because the amounts

1 billed under the PY 2024 EECRF are based upon actual kWh, not weather-  
2 normalized kWh.

3 **Q. Is the difference between the forecasted PY 2026 billing determinants and the**  
4 **actual 2024 billing determinants solely attributable to weather-normalization?**

5 A. No. Other factors, such as the changing mix of customers and changes in how  
6 customers use electricity also affect forecasted 2026 kWh compared to 2024 actual  
7 kWh.

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

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

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

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

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

4 **Q. How were the EECRFs for the various rate classes determined using PY 2026**  
5 **projected billing units?**

6 A. After quantifying the EECRF class energy efficiency revenue requirements and  
7 projected 2026 kWh billing units excluding industrial and opt-out customers, SPS  
8 calculated the EECRF for each rate class by dividing costs recoverable through the  
9 EECRF by the projected 2026 billing units for each rate class. Please refer to  
10 Attachment TDA-1, page 1, lines 1-7. The resulting EECRFs will be applied to  
11 each retail customer's 2026 billed kWh.

12 **Q. What EECRF rates does SPS propose for PY 2026?**

13 A. Based upon the calculations described above, the proposed PY 2026 EECRF factors  
14 are as shown in Table TDA-2. These factors also appear on Attachment TDA-1,  
15 page 1.

**Table TDA-2: PY 2026 EECRF (\$/kWh) by Rate Class**

<b>EECRF Rate Class</b>	<b>PY 2026 EECRF</b>
Residential Service	\$0.001380
Small General Service	\$0.000489
Secondary General Service	\$0.000710
Primary General Service	\$0.000083
Small Municipal and School Service	\$0.000244
Large Municipal Service	\$0.000199
Large School Service	\$0.001521

16

1                   **VII. COMPLIANCE WITH CUSTOMER COST CAPS**

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

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

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

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

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

14   **Q. What are the current customer cost caps in place for PY 2025?**

15   A. SPS's EECRF cost caps for the PY 2025 are \$0.001626 per kWh for residential  
16   customers and \$0.001017 per kWh for commercial customers.

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

19   A. Yes. The cumulative percentage change in the South urban CPI for calendar year  
20   2024 over calendar year 2023 was 2.9569 percent.

21   **Q. Have you calculated SPS's customer cost caps for PY 2026?**

22   A. Yes. Applying the cumulative percentage change in the South urban CPI for  
23   calendar year 2024 over calendar year 2023 of 2.9569 percent to the current 2025  
24   \$0.001626 per kWh Residential and \$0.001017 per kWh Commercial cost caps, as  
25   required by 16 TAC § 25.182(d)(7)(C), results in EECRF cost caps for PY 2026 of  
26   \$0.001674 per kWh for residential customers, and \$0.001047 per kWh for

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

3 **Q. Do the PY 2026 EECRF rates requested by SPS in this proceeding exceed the**  
4 **caps?**

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

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

8 A. The amount billed to a residential customer using 1,000 kWh of electricity per  
9 month would decrease by approximately \$0.19 per month as compared to the  
10 EECRF currently in place.<sup>13</sup> A 1,000 kWh per month residential customer is  
11 charged \$1.57 per month under the current EECRF and would be charged \$1.38 per  
12 month under the proposed EECRF.

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<sup>13</sup> Proposed EECRF =  $\$0.001380 \times 1,000 \text{ kWh} = \$1.38$ . Current EECRF:  $\$0.001567 \times 1,000 \text{ kWh} = \$1.57$ .

1 **VIII. TARIFF REVISIONS**

2 **Q. Have you included an updated EECRF tariff rider that reflects SPS's**  
3 **proposed rates for PY 2026?**

4 A. Yes. Please refer to Attachment TDA-2.

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

7 A. For the reasons described in my testimony, I recommend the Commission adopt the  
8 EECRF cost allocation and rate design proposed by SPS in this proceeding for PY  
9 2026.

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

11 A. Yes.




AFFIDAVIT

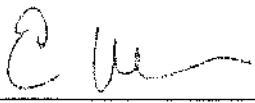
STATE OF COLORADO     )  
  )  
COUNTY OF DENVER     )

TAYLOR D. AMASON, first being sworn on his oath, states:

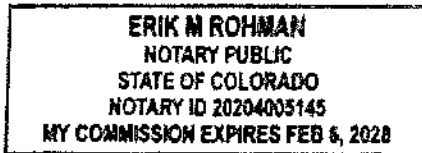
I am the witness identified in the preceding prepared direct testimony. I have read the testimony and the accompanying attachments and am familiar with their contents. Based upon my personal knowledge, the facts stated in the testimony are true. In addition, in my judgment and based upon my professional experience, the opinions and conclusions stated in the testimony are true, valid, and accurate.

  
TAYLOR D. AMASON

Subscribed and sworn to before me this 30<sup>th</sup> day of April, 2025 by TAYLOR D. AMASON

  
Notary Public, State of Colorado

My Commission Expires: FEB 6<sup>th</sup> 2028



### **CERTIFICATE OF SERVICE**

I certify that on May 1, 2025, this instrument was filed with the Public Utility Commission of Texas, and a true and correct copy of it was served on the Staff of the Public Utility Commission of Texas, all parties who participated in SPS's most recently completed EECRF proceeding, Docket No. 56570; SPS's most recently completed base-rate proceeding, Docket No. 54634; and to the state agency that administers the federal weatherization program, which is the Texas Department of Housing and Community Affairs by electronic mail.

/s/ Dee Hooley

**Southwestern Public Service Company**

**DOCKET NO. 58017**

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

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The following Files are provided in native form:  
Attachment TDA-1.xlsx



**ELECTRIC TARIFF**

**ENERGY EFFICIENCY COST RECOVERY FACTOR RIDER**

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

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

<b>Rate Schedule</b>	<b>\$/kWh</b>
Residential Service	\$ 0.001380
Small General Service	\$ 0.000489
Secondary General Service	\$ 0.000710
Primary General Service <sup>1</sup>	\$ 0.000083
Small Municipal and School Service	\$ 0.000244
Large Municipal Service	\$ 0.000199
Large School Service	\$ 0.001521

Effective January 1, 2026

<sup>1</sup> Primary General Service includes tariff sheets IV-61.

**REGIONAL VICE PRESIDENT  
REGULATORY AND PRICING**

The following files are not convertible:

Attachment TDA-1.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.