## SOAH DOCKET NO. 473-19-6677 PUC DOCKET NO. 49831

APPLICATION OF SOUTHWESTERN	§	BEFORE THE STATE OFFICE
PUBLIC SERVICE COMPANY FOR	§	$\mathbf{OF}$
AUTHORITY TO CHANGE RATES	§	ADMINISTRATIVE HEARINGS

## **AFFIDAVIT**

STATE OF TEXAS	)
	)
COUNTY OF POTTER	)

DAVID T. HUDSON, first being sworn on his oath, states:

- 1. My name is David T. Hudson. I am the President of Southwestern Public Service Company ("SPS"). My business address is 790 S. Buchanan Street, Amarillo, Texas 79101.
- 2. I am over the age of 18 years, am of sound mind, and am fully competent to testify to all matters stated herein. I have personal knowledge of the facts stated herein, and they are true and correct.
- 3. I am a witness in SPS's pending base rate case, Public Utility Commission of Texas Docket No. 49831. The purpose of this affidavit is to update certain portions of the direct testimony that I provided in that case.
- 4. As I stated in my direct testimony, SPS invested more than \$791.3 million (total company) in capital improvements in SPS's service area between July 1, 2017 and March 31, 2019. In addition, SPS forecasted that it would place in service approximately \$951.4 million (total company) of additional capital investment during the Update Period. Now, after the Update Period is known with actual results, the actual amount of capital investment that SPS placed into service during the Update Period was approximately \$940.8 million (total company). Thus, SPS actually invested approximately \$1.73 billion (total company) over a 24-month period. This

increased investment affects SPS's Texas retail rates in the same manner that I described in my direct testimony.

5. Based upon SPS's update filing, SPS is asking to increase its base and miscellaneous tariff revenues by \$136.5 million. However, as stated in my direct testimony, given the no-fuel cost wind resource along with the crediting of the PTCs through eligible fuel expense, the fixed fuel factor dropped in July of 2019, and the impact on jurisdictional fuel revenues is a reduction of \$84.6 million. Thus, the proposed net increase in revenues is \$51.9 million, which is a 6% increase in overall Texas retail revenues, including fuel and purchased power costs. Attachment DTH-RR-U3 is a summary of the proposed increase on a Texas retail jurisdictional basis, shown on a base revenue and total jurisdictional revenue basis.

DAVID T. HUDSON

HUDSON.

MARY C. JOHNSON Notary Public, State of Texas Notary ID #12084834 My Commission Expires 08-28-2020 May C Johnson

Notary Public, State of Texas

My Commission Expires:  $8 \cdot \lambda \delta \cdot \lambda \diamond$ 

## CERTIFICATE OF SERVICE

I certify that on the 20<sup>th</sup> day of September 2019, a true and correct copy of the foregoing update testimony was served on all parties of record by electronic service and by either hand delivery, Federal Express, regular first class mail, certified mail, or facsimile transmission.

Southwestern Public Service Company

Summary of Texas Retail Rate Increase Request

			(1)	(2)		(3)		(4)	(5)
Line No.	Description	<b>о</b> <u>в</u>	Current Revenue	Rate Case Request		<b>Proposed Revenues</b>		Revenue Increase	Percent Increase
- 0	Base Rate and TCRF Revenues	↔	\$53,798,751	136,476,306	<b>↔</b>	690,275,057	<b>↔</b>	136,476,306	24.6%
1 W 2	EECRF Revenue		5,028,342	1		5,028,342		ı	
4 v	Rate Case Expense Rider Revenue		1,068,463	1		1,068,463			
0 / 0	Net Non-Fuel Revenue	€	559,895,556		<del>\$</del>	696,371,862	<del>\$</del>	136,476,306	24.4%
0 0 5	Fuel and Purchased Energy Revenue		311,133,201			226,506,812		(84,626,389)	-27.2%
11	Total Texas Retail Revenue	<del>⊗</del>	871,028,757		<del>∽</del>	922,878,674	<del>∽</del>	51,849,917	6.0%