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

APPLICATION OF SOUTHWESTERN PUBLIC SERVICE COMPANY FOR AUTHORITY TO CHANGE RATES	**§**	**BEFORE THE STATE OFFICE OF ADMINISTRATIVE HEARINGS**

UPDATE TESTIMONY
of
EVAN D. EVANS

on behalf of

SOUTHWESTERN PUBLIC SERVICE COMPANY

(Filename: EvansRDUpdate.doc; *Total Pages*: 29)

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[1] For ease of cross-referencing this update testimony with the original direct testimony filed on August 8, 2019, the sections and subsections in this update testimony correspond with the original sections and subsections in the original direct testimony.

GLOSSARY OF ACRONYMS AND DEFINED TERMS

Acronym/Defined Term	Meaning
CCOSS	class cost of service study
Commission	Public Utility Commission of Texas
DCRF	Distribution Cost Recovery Factor
kV	kilovolt
kW	kilowatt
kWh	kilowatt-hour
LGS-T	Large General Service – Transmission
PCRF	Purchased Power Capacity Cost Recovery Factor
PG	Primary General
REC	Renewable Energy Credit
RFP	Rate Filing Package
ROR	rates of return
RS	Residential Service
RSH	Residential Service with Electric Space Heating
SAS-4	Service Agreement Summary-4
SPS	Southwestern Public Service Company, a New Mexico corporation
TCRF	Transmission Cost Recovery Factor
Test Year	April 1, 2018 through March 31, 2019
TOU	Time of Use
Update Period	April 1, 2019 through June 30, 2019
Updated Test Year	July 1, 2018 through June 30, 2019

LIST OF ATTACHMENTS

Attachment	**Description**
EDE-RD-U1	Proposed Class Revenue Distribution (*Filename:* EDE-RD-U1.xls)
EDE-RD-U4	Proposed Residential Service Rate Design (*Filename:* EDE-RD-U4.xls)
EDE-RD-U5	Alternative Residential Service Rate Design (*Filename:* EDE-RD-U5.xls)
EDE-RD-U6(CD)	Workpapers of Evan D. Evans (*Filename:* EDE-RD-U6(CD).xlsx)

UPDATE TESTIMONY
OF
EVAN D. EVANS

I. WITNESS IDENTIFICATION

Q. Please state your name and business address.

A. My name is Evan D. Evans. My business address is 790 South Buchanan Street, Amarillo, Texas 79101.

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

A. I am filing testimony on behalf of Southwestern Public Service Company, a New Mexico corporation ("SPS").

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

A. I am employed by SPS as Director – Regulatory and Pricing Analysis.

Q. Are you the same Evan D. Evans who filed direct testimony on behalf of SPS in this docket?

A. Yes.

II. ASSIGNMENT AND SUMMARY OF TESTIMONY AND RECOMMENDATIONS

Q. What is the purpose of your update testimony?

A. As noted on pages 10-11 of my direct testimony, SPS witness Richard M. Luth relied on Updated Test Year data – i.e., July 2018 through March 2019 (the last 9 months of the April 2018 through March 2019 Test Year) plus the Update Period (April 2019 – June 2019) – for certain calculations in the class cost of service study ("CCOSS") in order to match the period used to allocate costs with the period in which the costs were incurred. As noted below, Mr. Luth is updating the calculations that affect jurisdictional allocation, customer class cost allocation, and present revenue to reflect the actual billing determinants for the Update Period. Based on those updated calculations, I am updating SPS's proposed revenue distribution and rate design.

In connection with my update testimony, I am updating certain Rate Filing Package ("RFP") schedules that I sponsor or co-sponsor in this case. Specifically, I am updating the following schedules to replace forecasted or estimated data for the Update Period with actual data:

- Schedule Q – 1, 7, 8.8, and 8.9.

Q. With regard to the RFP schedules you are updating, have you made any changes other than replacing estimated numbers with actual numbers?

A. No.

Q. Please summarize your update testimony and recommendations.

A. Using the updated CCOSS developed by Mr. Luth, I updated the proposed base revenue increases among the Texas retail customer classes, and I have designed

updated rates in such a way as to bring each class to its full cost of service. The fundamental principles utilized in the updated proposed rate design are based on cost causation, and are consistent with those described in my direct testimony. I recommend the Public Utility Commission of Texas ("Commission") approve the updated proposed rate design.

Q. Are you the only SPS witness on cost allocation and rate design in this proceeding?

A. No, two additional SPS witnesses are providing update testimony on cost allocation and rate design issues.

Richard M. Luth:

(1) describes SPS's updated jurisdictional allocation factors, which are used to allocate costs among SPS's three jurisdictions: Texas retail, New Mexico retail, and wholesale, which is regulated by the Federal Energy Regulatory Commission;

(2) updates SPS's present revenues calculation;

(3) explains SPS's updated CCOSS; and

(4) provides updated baselines for the Transmission Cost Recovery Factor ("TCRF"), Distribution Cost Recovery Factor ("DCRF"), and Purchased Power Capacity Cost Recovery Factor ("PCRF").

Jannell E. Marks:

(1) provides updated load research data and calculations, which serve as the primary basis for the development of Updated Test Year demand allocation factors; and

(2) provides weather normalization for the Update Period, which are inputs for allocations between jurisdictions and Texas customer classes.

Q. What relief is SPS requesting of the Commission regarding the issues in the Rate Design phase of this case?

A. In light of this update filing, SPS asks the Commission to grant the following relief regarding the Rate Design phase:

(1) SPS requests the Commission approve SPS's updated proposed cost allocation and calculation of present revenues;

(2) SPS requests the Commission approve SPS's updated proposed revenue distribution and rate design;

(3) SPS requests the Commission approve the proposed changes to the rule tariffs, and approve rate tariffs consistent with SPS's updated proof of revenue;

(4) SPS requests the Commission approve the updated proposed baselines for SPS's TCRF, DCRF, and PCRF; and

(5) SPS requests the Commission approve the final updated proposed tariffs as set out in Schedule Q-8.8.

Q. Were Attachments EDE-RD-U1 and Attachments EDE-RD-U4 through EDE-RD-U6 prepared by you or under your direct supervision and control?

A. Yes.

Q. Were the portions of the updated RFP schedules that you sponsor or co-sponsor prepared by you or under your supervision and control?

A. Yes.

Q. Do you incorporate the updated RFP schedules sponsored or co-sponsored by you into this testimony?

A. Yes.

IV. REVENUE INCREASE DISTRIBUTION

Q. Has SPS updated its proposed distribution of the base revenue increase among the customer classes to reflect the updated revenue requirement and rate increase in the update filing?

A. Yes. Attachment EDE-RD-U1 provides the updated base revenue increase distribution by class for this update filing. In particular, this attachment shows the updated proposed base rate increases and rates of return ("ROR") by class. This attachment moves all classes to equalized RORs consistent with the Commission's Order on Rehearing in Docket No. 43695.[2]

Q. Have you distributed the updated revenue requirement using the same principles discussed in your direct testimony?

A. Yes. Those principles are discussed on page 15 of my direct testimony. I have not changed the approach to the revenue distribution among the classes.

[2] Application of Southwestern Public Service Company for Authority to Change Rates, Docket No. 43695, Order on Rehearing at 10 (Feb. 23, 2016).

V. RATE DESIGN OVERVIEW

Q. In your direct testimony you explain that "rate design" refers to the way in which the revenue requirement amount recoverable from a particular class is allocated among demand charges, energy charges, and service availability charges. In SPS's updated proposed rate design, is the Updated Test Year revenue requirement collected using these same types of charges?

A. Yes.

Q. Has SPS updated any of these types of charges in its updated rate design?

A. No.

VII. PROPOSED CHANGES TO RATES

Q. Is SPS updating the proposed base rate structures for its customer classes as described in your direct testimony?

A. SPS is not revising the proposed base rate structures. However, SPS is updating the proposed base rate charges and revenues to be received from each class as described below.

A. Residential Service, Residential Service with Electric Space Heating Rider, and Residential Service Time of Use Rider

Q. Please summarize the updates to Residential Service ("RS") and Residential Service with Electric Space Heating ("RSH").

A. As discussed in my direct testimony, SPS is proposing to eliminate the RSH rider. In order to moderate the effect on current RSH customers, SPS is proposing to modify the design of the RS rate during the winter months to have a two-block energy rate structure with the second block priced at a lower rate than the first block and to increase the seasonal differential between the summer energy charge and the energy charge for the first winter block by 55%. The first block will be applicable to all kilowatt-hour ("kWh") consumption for an RS customer in a month up to 900 kWh. The proposed rate for consumption in the first block is $0.091894 per kWh. The second block will be applicable to all kWh consumption in a month above 900 kWh. The proposed rate for all kWh consumption above 900 kWh is $0.067772 per kWh, or $0.024122 per kWh less than the charge for energy consumption in the first block.

Overall, base rate revenue from residential customers under the proposed rates will increase $55.0 million, or 27.6%. Under SPS's proposal, the service

availability charge will increase by $1.00 per month, or 10.00%, to $11.00 per month. The summer energy charge will increase $0.029179 per kWh, or 37.1%, to $0.107751 per kWh. For basic RS, the winter energy charge will increase $0.023541 per kWh, or 34.4%, to $0.091894 for the first block. For the second block, the energy charge will decrease $0.000581 per kWh, or 0.85%, from the first block to $0.067772 per kWh.

The development of the proposed RS rate is shown on Attachment EDE-RD-U4.

Q. Will the service availability charge recover the full customer component cost of service?

A. No. The $1.00 per month, or 10%, increase to the service availability charge was kept constant in order to moderate the impact of the proposed rate design on low usage residential customers, particularly those customers who are currently served under the RSH rider.

However, the service availability charge will recover approximately 91% of the customer component costs for RS customers. The remaining customer component costs for residential customers will be recovered under the energy charges.

Q. Have you also updated the alternative RS rate structure discussed in your direct testimony?

A. Yes. As noted in my direct testimony, SPS developed an alternative rate structure that is designed to mitigate the impacts on current RSH customers significantly more than the proposed structure. This alternative RS rate structure continues to

incorporate a winter credit set initially at 67% of the difference between the RS and the RSH winter energy charges in the current rates. The updates to the alternative RS rate structure are shown in Attachment EDE-RD-U5.

Q. Please summarize the updates to the RS Time of Use ("TOU") rider.

A. The RS TOU rider was developed in conjunction with the standard RS rate. As a result, consistent with RS, the monthly service availability charge was increased by $1.00 per month, plus an additional $0.50 to recover additional TOU metering costs. The base energy charge, which is applicable to energy usage in all hours, was increased by the same percentage as the proposed average increase for the energy charges under the standard RS service, 33.7%. The on-peak energy adder were increased the same percentage as the summer energy charge, 37.1%. This approach was utilized in order to maintain the same relationship between the TOU rate and the standard RS rate and to maintain the same relative difference between the base energy charge and the on-peak energy adder within the TOU rate.

B. Small General Service

Q. Please summarize the updates to Small General Service.

A. Overall, base rate revenue from Small General Service will increase by approximately $3.2 million, or 15.6%. Under SPS's proposal, the service availability charge will increase $2.15 per month, or 19.1%, to $13.40 per month. The proposed service availability charge for Optional Unmetered Service will be $6.60 per month, which is $6.80 per month lower than the charge under the standard rate. The summer energy charge will increase $0.011939 per kWh, or 18.9%, to $0.075077 per kWh. The winter energy charge will increase $0.009082 per kWh, or 17.0%, to $.062564 per kWh.

Q. Please summarize the updates to the Small General Service TOU rider.

A. The Small General Service TOU rider was developed in conjunction with the standard Small General Service rate. As a result, the monthly service availability charge was increased by the same amount as the standard Small General Service rate, $2.15. Also, the base energy charge, which is applicable to energy usage in all hours, was adjusted by the same percentage, as the winter energy charge under the standard Small General Service rate, 17.0%. The on-peak energy adder was increased by 18.9%, the same percentage as the summer energy charge under the standard Small General Service rate. This approach was utilized in order to maintain the same relationship between the TOU rate and the standard Small General Service rate and to maintain a comparable relationship between the base energy charge and the on-peak energy adder as was in the current TOU rate.

C. Secondary General Service

Q. Please summarize the updates to Secondary General Service.

A. Overall, base rate revenue from Secondary General Service will increase $15.0 million, or 13.3%. Under SPS's proposal, the service availability charge will increase $0.60 per month, or 2.3%, to $26.20 per month. The energy charge will increase $0.003637 per kWh, or 46.7%, to $0.011420 per kWh. The summer demand charge will increase $2.10 per kilowatt ("kW"), or 13.9%, to $17.22 per kW. The winter demand charge will increase $1.29 per kW, or 9.9%, to $14.35 per kW.

Q. Please summarize the updates to the Secondary General Service TOU rider.

A. The Secondary General Service TOU rider was developed in conjunction with the standard Secondary General Service rate. However, the current Secondary

General Service Experimental TOU rider, the monthly service availability charge had been inadvertently set at only $1.00 per month more than the service availability charge for the standard Secondary General Service, which is consistent with the original filing. The monthly service availability charges for TOU riders with demand rates are set at $2.00 more per month than the standard service rate in order to more adequately recover the incremental metering costs. Therefore, the monthly service availability charge was increased by $1.00 per month more than the standard Secondary General Service rate. The base energy charge, which is applicable to energy usage in all hours, was increased by the same percentage as the proposed increase for the energy charge under the standard Secondary General Service rate, 46.7%. The on-peak energy adder was increased by 13.9%, approximately the same percentage increase as the summer demand charge for the standard tariff. The TOU demand charge was increased by 11.5%, approximately the average of the increase of the seasonal demand charges under the standard rate. This approach was utilized in order to maintain a relatively consistent relationship between the TOU rate and the standard Secondary General Service rate and to maintain relatively the same difference between the base energy charge and the on-peak energy adder within the TOU rate.

Q. Please summarize the updates to Secondary General Service – Low Load Factor Rate.

A. The Secondary General Service – Low Load Factor Rate was developed in conjunction with the standard Secondary General Service rate. Under SPS's

proposal, the service availability charge will increase $1.60 per month, or 6.0%, to $28.20 per month. The energy charge will increase $0.003637 per kWh, or 46.7%, to $0.011420 per kWh. The On-Peak Demand Charge Adder will increase by 13.9%, the same proposed percentage increase as the summer demand charge for standard Secondary General Service. This results in an increase of $2.93 per kW and results in a proposed On-Peak Adder of $24.05 per kW. The base demand charge will increase by 9.9%, the same proposed percentage increase as the winter demand charge for standard Secondary General Service. This results in an increase of $0.56 per kW and a proposed base demand charge of $6.21 per kW.

D. Primary General Service

Q. Please summarize the updates to Primary General ("PG") Service.

A. Overall, base rate revenue from PG Service will increase $14.1 million, or 21.4%. Under SPS's proposal, the service availability charge will decrease $13.10 per month, or 22.4%, to a cost of service-based level of $45.40 per month. The energy charge will increase $0.001885 per kWh, or 31.6%, to $0.007845 per kWh. The summer demand charge will increase $3.32 per kW, or 26.0%, to $16.08 per kW. The winter demand charge will increase $2.42 per kW, or 22.0%, to $13.40 per kW.

Q. Please summarize the updates to the Primary General Service TOU rider.

A. The Primary General Service TOU rider was developed in conjunction with the standard Primary General Service rate. The monthly service availability charge was decreased by $12.10 per month in order to establish a charge that is $2.00 per month more than the standard PG Service rate. This $2.00 differential is the same

monthly differential employed in the other TOU rates with demand charges. Also, the base energy charge, which is applicable to energy usage in all hours, was increased by the same percentage as the proposed decrease for the energy charge under the standard rate, 31.6%. The on-peak energy adder was increased by 26.0%, the same percentage increase as the summer demand charge for the standard tariff. The TOU demand charge was increased by 22.0%, approximately the same as the winter demand charge under the standard rate. This approach was utilized in order to maintain a consistent relationship between the TOU rate and the standard PG Service rate and to maintain a consistent relative difference between the base energy charge and the on-peak energy adder within the TOU rate.

Q. Please summarize the updates to Service Agreement Summary-4 ("SAS-4").

A. Overall, base rate revenue from SAS-4 will increase by approximately $561,000 per year, or 20.1%. Under SPS's proposal, the first block of the energy charge for the first 3.5 million kWh per month will increase $0.006539 per kWh, or 25.6%, to $0.032049 per kWh. The second block of the energy charge for kWh in excess of 3.5 million kWh per month will increase $0.005085 per kWh, or 25.6%, to $0.024923 per kWh.

Q. Please summarize the updates to Primary General Service – Low Load Factor Rate.

A. The Primary General Service – Low Load Factor Rate was developed in conjunction with the standard Primary General Service rate. Under SPS's proposal, the service availability charge will decrease $12.10 per month, or

20.3%, to a cost of service-based level of $47.40 per month. The energy charge will increase $0.001885 per kWh, or 31.6%, to $0.007845 per kWh. The On-Peak Demand Charge Adder will increase by 26.0%, the same proposed percentage increase as the summer demand charge for standard PG Service. This results in an increase of $5.28 per kW and results in a proposed On-Peak Adder of $25.58 kW. The base demand charge will increase by 22.05%, approximately the same proposed percentage increase as the winter demand charge for standard PG Service. This results in an increase of $1.16 per kW and a proposed base demand charge of $6.42 per kW.

E. Large General Service - Transmission

Q. Please summarize the updates to Large General Service – Transmission ("LGS-T") charges.

A. Overall, base rate revenue from LGS-T will increase $46.9 million, or 35.6%. The proposed service availability charge will increase $3,047.72 per month, or 429.3%, to a cost of service-based level of $3,757.72 per month. However, the service availability charge will only be approximately 1.6% of the average monthly base rate charges for LGS-T customers.

The energy charge for 69 kilovolts ("kV") service will increase $.003539 per kWh, or 78.6%, to $0.008044 per kWh. The energy charge for inside city limits for 69 kV service will increase $.003578 per kWh, or 61.7%, to $0.009376 per kWh. The energy charge for 115 kV and higher service will increase $0.003740 per kWh, or 87.5%, to $0.008013 per kWh. The energy charge for inside city limits for 115 kV and higher service will increase $.003779 per kWh, or 67.9%, to $0.009345 per kWh.

The Renewable Energy Credit ("REC") Opt-out credit for 69 kV service will be $0.000103 per kWh lower, or 54.1%, at a cost-based $0.000088 per kWh. The REC Opt-out credit for 115 kV service will be $0.000103 per kWh lower, or 54.1%, at a cost-based $0.000087 per kWh.

The summer demand charge for 69 kV service will increase $0.91 per kW, or 7.8%, to $12.59 per kW. The winter demand charge for 69 kV service will increase $2.36 per kW, or 29.0%, to $10.49 per kW. The summer demand charge for 115 kV and above service will increase $1.34 per kW, or 12.0%, to $12.50 per kW. The winter demand charge for 115 kV and above service will increase $2.61 per kW, or 33.4%, to $10.42 per kW.

F. Schools and Municipals

Q. Please summarize the updates to Small Municipal and School Service.

A. Overall, base rate revenue from the Small Municipal and School Service class will increase $4,236, or 0.3%. Under SPS's proposal, the service availability charge will increase $1.20 per month, or 9.1%, to $14.40 per month. The proposed service availability charge for Optional Unmetered Service will be $6.90 per month, which is $7.50 lower than the charge under the standard rate. The summer energy charge will increase $0.009400 per kWh, or 20.8%, to $0.054536 per kWh. The winter energy charge will increase $0.006550 per kWh, or 16.8%, to $0.045447 per kWh.

Q. Please summarize the updates to the Small Municipal and School Service Experimental TOU rider.

A. The Small Municipal and School Service Experimental TOU rider was developed in conjunction with the standard Small Municipal and School Service rate. As a

result, the monthly service availability charge was increased by the same amount, $1.20, as the standard Small Municipal and School Service rate. Also, the base energy charge, which is applicable to energy usage in all hours, was increased by the same percentage, 16.8%, as the winter energy charge under the standard rate. The on-peak adder was increased by the same percentage, 20.8%, as the summer energy charge under the standard rate. This approach was utilized in order to maintain a comparable relationship between the TOU rate and the standard Small Municipal and School Service rate and to maintain a comparable relative difference between the base energy charge and the on-peak energy adder within the TOU rate.

Q. Please summarize the updates to Large Municipal Service.

A. Overall, base rate revenue from the Large Municipal Service class will increase $1.5 million, or 20.0%. Under SPS's proposal, the service availability charge will increase $1.12 per month, or 4.3%, to a cost of service-based level of $27.02 per month. The energy charge at primary voltage will increase $.003063 per kWh, or 40.4%, to $0.010636. At secondary voltage, the energy charge will increase $0.003160 per kWh, or 41.1%, to $0.010852. The summer demand charge at primary voltage will increase $1.10 per kW, or 10.3%, to $11.83 per kW. At secondary voltage, the summer demand charge will increase $2.20 per kW, or 20.2%, to $13.07 per kW. The winter demand charge at primary voltage will increase $1.06 per kW, or 12.0%, to $9.86 per kW. At secondary voltage, the winter demand charge will increase $2.00 per kW, or 22.5%, to $10.90 per kW.

Q. Please summarize the updates to the Large Municipal Service Experimental TOU rider.

A. The Large Municipal Service Experimental TOU rider was developed in conjunction with the standard Large Municipal Service rate. The monthly service availability charge was increased by $2.12 per month in order to establish a charge that is $2.00 per month more than the standard Large Municipal Service rate. This $2.00 differential is the same monthly differential employed in the other TOU rates with demand charges. The base energy charges for primary and secondary voltages, which are applicable to energy usage in all hours, were adjusted by approximately the same percentages as the respective energy charges under the standard rates, 40.4% for primary and 41.1% for secondary. The on-peak energy adders by voltage level were increased by the same percentage as the summer demand charges by voltage level under the standard rate, 10.3% for primary and 20.2% for secondary. The demand charges by voltage level were increased by approximately the same percentages as the winter demand charges by voltage level under the standard rate, 12.0% for primary and 22.5% for secondary. This approach was utilized in order to maintain a consistent relationship between the TOU rate and the standard Large Municipal Service rate and a consistent relative difference between the base energy charge and the on-peak energy adder within the TOU rate.

Q. Please summarize the updates to Large School Service.

A. Overall, base rate revenue from Large School Service will decrease approximately $299,000, or 2.9%. Under SPS's proposal, the service availability charge will increase $2.23 per month, or 7.1%, to a cost of service-based level of

$33.53 per month. The energy charge at primary voltage will increase $0.004014 per kWh, or 44.6%, to $0.013004 per kWh. At secondary voltage, the energy charge will increase $0.003651 per kWh, or 38.1%, to $0.013228 per kWh. The summer demand charge at primary voltage will decrease $0.87 per kW, or 7.3%, to $11.10 per kW. At secondary voltage, the summer demand charge will decrease $1.22 per kW, or 8.9%, to $12.44 per kW. The winter demand charge at primary voltage will decrease $0.60 per kW, or 6.1%, to $9.25 per kW. At secondary voltage, the winter demand charge will decrease $0.84 per kW, or 7.5%, to $10.37 per kW.

Q. Please summarize the updates to the Large School Service Experimental TOU rider.

A. The Large School Service Experimental TOU rider was developed in conjunction with the standard Large School Service rate. The monthly service availability charge was increased by $3.23 per month in order to establish a charge that is $2.00 per month more than the standard Large School Service rate. This $2.00 differential is the same monthly differential employed in the other TOU rates with demand charges. The base energy charges for primary and secondary voltages, which are applicable to energy usage in all hours, were increased by approximately the same percentages as the respective energy charges under the standard rates, 44.6% for primary and 38.1% for secondary. The on-peak energy adders by voltage level were decreased by the same percentage as the summer demand charges by voltage level under the standard rate, 7.3% for primary and 8.9% for secondary. The demand charges by voltage level were decreased by approximately the same percentages as the winter demand charges by voltage

level under the standard rate, 6.1% for primary and 7.5% for secondary. This approach was utilized in order to maintain a consistent relationship between the TOU rate and the standard Large Municipal Service rate and a consistent relative difference between the base energy charge and the on-peak energy adder within the TOU rate.

G. Guard and Flood Lighting and Municipal State Street Lighting

Q. Please summarize the updates to Guard and Flood Lighting.

A. Overall, base rate revenue from Guard and Flood Lighting will increase approximately $315,000, or 8.0%. SPS proposes that monthly rates be increased 8.7% to recover costs allocated to Guard and Flood Lighting, which includes the elimination of the TCRF at the time rates are adjusted at the conclusion of this docket.

Q. Please summarize the updates to Municipal and State Street Lighting.

A. Overall, base rate revenue from Municipal and State Street Lighting will increase by approximately $723,000, or 18.2%. SPS proposes that monthly rates be increased 18.8% to recover costs allocated to Municipal and State Street Lighting, which includes the elimination of the TCRF at the time rates are adjusted at the conclusion of this docket.

Q. Does this conclude your pre-filed update testimony?

A. Yes.

AFFIDAVIT

STATE OF TEXAS)
)
COUNTY OF POTTER)

EVAN D. EVANS, first being sworn on his oath, states:

I am the witness identified in the preceding testimony. I have read the testimony and the accompanying attachment(s) and am familiar with the 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.

DONNA M. ANDERSON
Notary Public, State of Texas
Notary ID #853163-5
My Commission Expires 06-17-2020

Evan D. Evans
EVAN D. EVANS

Subscribed and sworn to before me this 12th day of September, 2019 by EVAN D. EVANS.

Donna M Anderson
Notary Public, State of Texas

My Commission Expires: 6/17/2020

CERTIFICATE OF SERVICE

I certify that on the 20th 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
2019 TEXAS RATE CASE - REVENUE DISTRIBUTION

Customer Class	Total Base Revenues	Total Present Revenues	Base Rate Increase	% Base Rate Increase	Proposed Base Rate Revenues	Fuel Savings	Total Proposed Revenues with New Fuel	% Increase on Total Revenues
Residential Service	$199,367,033	$258,747,324	$ 54,976,191	27.58%	$254,343,224	$15,325,885	$298,397,630	**15.32%**
Small General Service	20,839,871	27,429,885	3,245,480	15.57%	24,085,351	1,759,355	28,916,010	**5.42%**
Secondary General Service	112,764,586	163,787,726	14,985,289	13.29%	127,749,875	13,408,064	165,364,951	**0.96%**
Primary General Service	66,231,204	115,214,334	14,143,293	21.35%	80,374,497	13,241,705	116,115,922	**0.78%**
Large General Service Transmissio	131,720,488	273,354,987	46,873,026	35.59%	178,593,514	38,611,082	281,616,931	**3.02%**
Small School and Municipal Servic	1,473,962	2,068,104	4,236	0.29%	1,478,198	128,228	1,944,112	**-6.00%**
Large Municipal Service	7,531,848	11,682,887	1,509,115	20.04%	9,040,963	1,117,132	12,074,870	**3.36%**
Large School Service	10,415,272	14,224,731	(298,806)	-2.87%	10,116,466	1,020,943	12,904,982	**-9.28%**
Street Lighting	3,971,740	4,737,957	723,181	18.21%	4,694,921	207,799	5,253,339	**10.88%**
Area Lighting	3,960,444	4,513,553	315,301	7.96%	4,275,745	150,004	4,678,850	**3.66%**
Total Texas Retail	**$558,276,448**	**$875,761,489**	**$136,476,306**	**24.45%**	**$694,752,754**	**$84,970,199**	**$927,267,596**	**5.88%**

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SOUTHWESTERN PUBLIC SERVICE COMPANY
Proposed Residential Rate Design

	Present Rates					Proposed Rates		
Description	Rate	Billing Units	Unit Definition	Component Revenue	Adjustment %	Rate	Billing Units	Component Revenue
Residential Service								
Service Availability Charge	$ 10.00	2,125,056	Bill	$21,250,560	10.0000%	$ 11.00	2,125,056	$23,375,616
Summer Energy Charge	$ 0.078572	792,527,991	kWh	$62,270,509	37.1372%	$ 0.107751	792,527,991	$85,395,684
Winter Energy Charge Block 1	$ 0.068353	816,476,690	kWh ≤ 900	$55,808,631	34.4403%	$ 0.091894	816,476,690	$75,029,309
Winter Energy Charge Block 2	$ 0.068353	337,390,876	kWh > 900	$23,061,679	-0.8500%	$ 0.067772	337,390,876	$22,865,654
Total Base Revenue				$162,391,379				$206,666,263
Residential Service with Electric Space Heating								
Service Availability Charge	$ 10.00	338,496	Bill	$3,384,960		$ 11.00	338,496	$3,723,456
Summer Energy Charge	$ 0.078572	168,098,130	kWh	$13,207,806	37.1372%	$ 0.107751	168,098,130	$18,112,742
Winter Energy Charge Block 1	$ 0.048582	165,225,504	kWh ≤ 900	$8,026,985	89.1524%	$ 0.091894	165,225,504	$15,183,232
Winter Energy Charge Block 2	$ 0.048582	159,000,367	kWh > 900	$7,724,556	39.5002%	$ 0.067772	159,000,367	$10,775,773
Total Base Revenue				$32,344,308				$47,795,203
Residential Service Time of Use								
Service Availability Charge	$ 10.50	504	Bill	$5,292		$ 12.00	504	$6,048
Off-Peak Energy Charge	$ 0.058183	616,313	kWh	$35,859	33.6638%	$ 0.077770	616,313	$47,931
On-Peak Energy Adder	$ 0.124929	53,502	On-Peak kWh	$6,684	37.1372%	$ 0.171324	53,502	$9,166
Total Base Revenue				$47,835				$63,145
Total Residential Service				$194,783,522				$254,524,611
$ Increase								$59,741,089
Target $ Increase								$59,740,522
Difference from Target							>>>	$568

Price Differentials	Current	Proposed	Change			
Summer - Winter Energy Block 1	$0.010219	$0.015857	$0.005638		$0.015099	105%
Winter Energy Block 1 to Block 2	$0.000000	$0.024122	$0.024122		$0.022970	

Description	Average kWh	Impact at 25% of Average	Impact at 50% of Average	Impact at 75% of Average	Impact at 100% of Average	Impact at 150% of Average	Impact at 200% of Average	Impact at 300% of Average
Base Rate Impacts by Usage Level								
Residential Service - Summer	1183	28.97%	32.33%	33.73%	34.50%	35.32%	35.75%	36.20%
Residential Service - Winter	822	24.28%	28.02%	29.75%	30.75%	23.30%	17.76%	11.90%
Residential Space Heating - Summer	1581	30.53%	33.37%	34.51%	35.11%	35.75%	36.09%	36.43%
Residential Space Heating - Winter	1466	60.69%	71.80%	69.04%	62.57%	55.54%	51.79%	47.88%
Total Bill Impacts by Usage Level								
Residential Service - Summer	1183	17.50%	18.54%	18.96%	19.18%	19.41%	19.54%	19.66%
Residential Service - Winter	822	14.20%	15.05%	15.42%	15.63%	9.49%	5.10%	0.54%
Residential Space Heating - Summer	1581	17.99%	18.85%	19.18%	19.36%	19.54%	19.63%	19.73%
Residential Space Heating - Winter	1466	37.21%	41.41%	37.86%	32.59%	27.02%	24.11%	21.12%

SOUTHWESTERN PUBLIC SERVICE COMPANY
Alternative Residential Rate Design

	Present Rates					Proposed Rates			
Description	Rate	Billing Units	Unit Definition	Component Revenue	Adjustment %	Rate	Billing Units	Component Revenue
Residential Service								
Service Availability Charge	$ 10.00	2,125,056	Bill	$21,250,560	**10.0000%**	$ 11.00	2,125,056	$23,375,616
Summer Energy Charge	$ 0.078572	792,527,991	kWh	$62,270,509	31.2304%	$ 0.103110	792,527,991	$81,717,561
Winter Energy Charge	$ 0.068353	1,153,867,566	kWh < 900	$78,870,310	31.2305%	$ 0.089700	1,153,867,566	$103,501,921
Total Base Revenue				$162,391,379				$208,595,098
Residential Service with Electric Space Heating								
Service Availability Charge	$ 10.00	338,496	Bill	$3,384,960	**10.0000%**	$ 11.00	338,496	$3,723,456
Summer Energy Charge	$ 0.078572	168,098,130	kWh	$13,207,806	31.2304%	$ 0.103110	168,098,130	$17,332,598
Winter Energy Charge	$ 0.048582	324,225,871	kWh < 900	$15,751,541	84.6363%	$ 0.089700	324,225,871	$29,083,061
Winter Energy Credit	$ -	324,225,871	kWh ≥ 900	$0		**$ (0.013181)**	324,225,871	-$4,273,513
Total Base Revenue				$32,344,308				$45,865,602
Residential Service Time of Use								
Service Availability Charge	$ 10.50	504	Bill	$5,292	**14.2857%**	$ 12.00	504	$6,048
Off-Peak Energy Charge	$ 0.058183	616,313	kWh	$35,859	33.6634%	$ 0.077769	616,313	$47,930
On-Peak Energy Adder	$ 0.124929	53,502	On-Peak kWh	$6,684	33.6634%	$ 0.166985	53,502	$8,934
Total Base Revenue				$47,835				$62,912
Total Residential Service				$194,783,522				$254,523,612
$ Increase								$59,740,090
Target $ Increase								$59,741,206
Difference from Target								-$1,116

Price Differentials	Current	Proposed	Change
Summer - Winter Energy Charge	$0.010219	$0.013410	$0.003191
RS to RSH Price Differential/Credit	-$0.019771	-$0.013181	$0.006590

Description	Average kWh	Impact at 25% of Average	Impact at 50% of Average	Impact at 75% of Average	Impact at 100% of Average	Impact at 150% of Average	Impact at 200% of Average	Impact at 300% of Average
Base Rate Impacts by Usage Level								
Residential Service - Summer	1183	24.84%	27.47%	28.57%	29.17%	29.81%	30.15%	30.49%
Residential Service - Winter	822	22.40%	25.66%	27.16%	28.02%	28.98%	29.50%	30.04%
Residential Space Heating - Summe	1581	26.06%	28.29%	29.17%	29.65%	30.15%	30.41%	30.68%
Residential Space Heating - Winter	1466	40.42%	47.09%	50.01%	51.66%	53.44%	54.39%	55.38%
Total Bill Impacts by Usage Level								
Residential Service - Summer	1183	14.74%	15.40%	15.66%	15.81%	15.96%	16.03%	16.11%
Residential Service - Winter	822	14.42%	15.26%	15.62%	15.82%	16.03%	16.14%	16.25%
Residential Space Heating - Summe	1581	15.05%	15.60%	15.81%	15.92%	16.03%	16.09%	16.15%
Residential Space Heating - Winter	1466	23.00%	25.03%	25.85%	26.30%	26.77%	27.02%	27.27%

Southwestern Public Service Company

Workpapers of Evan D. Evans

SOAH Docket No. 473-19-6677
Docket No. 49831

APPLICATION OF
SOUTHWESTERN PUBLIC SERVICE COMPANY
FOR AUTHORITY TO CHANGE RATES

EDE-RD-U6(CD)