

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

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

UPDATE TESTIMONY

of

JANNELL E. MARKS

on behalf of

SOUTHWESTERN PUBLIC SERVICE COMPANY

(Filename: MarksRDUupdate.doc; Total Pages:60)

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GLOSSARY OF ACRONYMS AND DEFINED TERMS

<u>Acronym/Defined Term</u>	<u>Meaning</u>
Census Classes	Customer classes in which all customers have an IDR
IDR	Interval Demand Recorders
MW	Mega watt
Non-Census Classes	Customer classes in which not all customers have an IDR
RFP	Rate Filing Package
SPS	Southwestern Public Service Company, a New Mexico corporation
Update Period	April 1, 2019 through June 30, 2019
Updated Test Year	July 1, 2018 through June 30, 2019

LIST OF ATTACHMENTS

<u>Attachment</u>	<u>Description</u>
JEM-RD-U1	Weather Normalization of Updated Test Year Sales (<i>Filename: JEM-RD-U1.xlsx</i>)
JEM-RD-U2	Weather Normalization of Updated Test Year Sales Wholesale and New Mexico (<i>Filename: JEM-RD-U2.xlsx</i>)
JEM-RD-U3	Weather Normalization of Updated Test Year Peak Demand (<i>Filename: JEM-RD-U3.xlsx</i>)

**UPDATE TESTIMONY
OF
JANNELL E. MARKS**

I. WITNESS IDENTIFICATION

1

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

3 A. My name is Jannell E. Marks. My business address is 1800 Larimer Street,
4 Denver, Colorado 80202.

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

6 A. I am employed by Xcel Energy Services Inc. as Director of Sales, Energy and
7 Demand Forecasting.

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

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

11 **Q. Are you the same Jannell E. Marks who filed direct testimony on behalf of**
12 **SPS in this docket?**

13 A. Yes.

1 **II. ASSIGNMENT AND SUMMARY OF TESTIMONY**

2 **Q. What is the purpose of your update testimony?**

3 A. In my direct testimony, I relied on forecasts of certain load research data for the
4 Update Period (April 1, 2019 through June 30, 2019). The purpose of this
5 testimony is to update this load research data based on: (1) actual Update Period
6 demand data for the “Census classes,” the customer classes in which all customers
7 have Interval Demand Recorders (“IDR”);¹ and (2) Update Period load research
8 samples for the “non-Census classes,” the classes in which not all customers have
9 IDRs. In my direct testimony, I also relied on estimates of the weather
10 normalization adjustment for the Update Period. In this testimony, I provide the
11 actual weather normalization adjustment for the Updated Test Year (i.e., July 1,
12 2018 through June 30, 2019). I provided the updated load research data and
13 actual weather normalization adjustment to SPS witnesses Richard M. Luth and
14 Evan D. Evans, who incorporated both into the updated class cost of service study
15 and rate design they present.

16 I also update certain Rate Filing Package (“RFP”) schedules that I sponsor
17 or co-sponsor to reflect data for the Updated Test Year. Specifically, I am
18 updating the following schedules:

- 19 • Schedule O – 1.3, 1.4, 1.9, 8.1, and 8.2; and
20 • Schedule Q – 5.1 and 5.2.

¹ IDRs are meters capable of recording loads for each interval of time.

1 **Q. Were Attachments JEM-RD-U1, JEM-RD-U2 and JEM-RD-U3 prepared by**
2 **you or under your direct supervision and control?**

3 A. Yes.

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

6 A. Yes.

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

9 A. Yes.

1 **III. LOAD RESEARCH**

2 **Q. What is the purpose of the load research data you present?**

3 A. As explained in my direct testimony, load research is the systematic collection
4 and analysis of customers' electrical energy and demand requirements by
5 time-of-day, month, season, and year. SPS uses information from IDR meters to
6 determine the coincident and non-coincident peaks for all customer classes. For
7 the "Census classes," the IDR meters provide actual measurements of demand.
8 However, it is costly and not feasible to install an IDR meter for every customer
9 in every class. Therefore, it is necessary to develop load research samples for the
10 "non-Census classes" to estimate their coincident and non-coincident peaks.

11 **Q. What specific load research statistics have you updated?**

12 A. Specifically, for the Update Period, I provide: (1) the class coincident and non-
13 coincident peak demand for Census classes; and (2) the class coincident and non-
14 coincident load factors at peak for the non-Census classes. I recommend the
15 Public Utility Commission of Texas approve those Update Period peak demands
16 and load factors for purposes of allocating costs among classes and designing
17 rates.

18 **Q. How did SPS use the updated load research statistics you provided?**

19 A. I provided the non-Census class Update Period coincident and non-coincident
20 load factors at peak and the Census class Update Period coincident and non-
21 coincident peak demand for each month to Mr. Luth who used them to develop
22 demand allocators for the Update Period.

1 **Q. Did SPS perform its Update Period load research and calculate its Update**
2 **Period load research statistics using the same methodologies described in**
3 **your direct testimony?**

4 **A. Yes. Those methodologies are described on pages 17-22 of my direct testimony.**

1 **IV. WEATHER'S EFFECT ON UPDATED TEST YEAR**
2 **SALES AND PEAK DEMAND**

3 **Q. Did SPS calculate the effects on sales of abnormal weather for the Update**
4 **Period?**

5 A. Yes. Using the same methodology as discussed in my direct testimony on pages
6 23-43, SPS performed the weather normalization for the Update Period to ensure
7 that its Updated Test Year sales and the present revenues calculated using those
8 sales are adjusted to eliminate the effects of abnormal weather.

9 Because the twelve months that comprise the Updated Test Year were
10 cooler and wetter than the 10-year average in SPS's service area during the
11 cooling season and colder than the 10-year average during the heating season,
12 SPS calculated the effects of abnormal weather, as it has done in prior cases. The
13 Updated Test Year heating degree days were 8.7% above normal; the Updated
14 Test Year cooling degree days were 9.7% below normal; and the Updated Test
15 Year precipitation was 5.1% above normal. Taken together, the weather
16 deviations resulted in 45,685 mega watt hours less being consumed in the
17 Updated Test Year than would have been consumed in the Updated Test Year
18 with normal weather, which amounts to -0.3% of total Texas retail sales. The
19 calculation of the weather impact and the percent deviation are provided in
20 Attachment JEM-RD-U1.

21 **Q. Did SPS adjust its New Mexico retail sales during the Updated Test Year to**
22 **account for the effects of abnormal weather on New Mexico retail sales?**

23 A. Yes. SPS adjusted the Updated Test Year sales for the weather-sensitive New
24 Mexico retail classes using the same process described for Texas retail sales.
25 These calculations are provided in Attachment JEM-RD-U2.

1 **Q. Did SPS adjust its firm wholesale sales during the Updated Test Year to**
2 **account for the effects of abnormal weather on wholesale sales?**

3 A. Yes. SPS adjusted the Updated Test Year sales for SPS firm wholesale customers
4 using weather adjustment coefficients developed for each wholesale customer and
5 weather specific to the location of each wholesale customer, as described in my
6 direct testimony. The calculations of the weather adjustment for firm wholesale
7 sales are provided in Attachment JEM-RD-U2.

8 **Q. Did SPS calculate the effects of abnormal weather on its Updated Test Year**
9 **system peak demand?**

10 A. Yes. For the same reason I explained in Section VI of my direct testimony, I
11 adjusted the peak demands in all three of SPS's rate jurisdictions to ensure that
12 the allocation percentages for each jurisdiction are determined on the same basis
13 for purposes of this rate case.

14 **Q. How did the Updated Test Year peak day weather for the June through**
15 **September period compare to normal weather?**

16 A. The total SPS Updated Test Year summer months (July through September, 2018
17 and June 2019) peak day average daily temperature was 0.1% above normal, and
18 accumulated precipitation was 7.7% below normal. As shown on page 2 of
19 Attachment JEM-RD-U3, taken together these weather deviations resulted in an
20 average of 7 mega watt ("MW") , or 0.2%, more retail peak demand per month
21 and an average of 2 MW, or 0.2%, more full requirements wholesale peak
22 demand per month from June, July, August, and September in the Updated Test
23 Year compared to normal weather. SPS adjusted the Updated Test Year peak

1 demand for deviations of the actual Updated Test Year weather from the 10-year
2 average weather.

3 **Q. Did SPS calculate the effect of weather on the Golden Spread full load peak**
4 **demand coincident with the SPS system peak demand?**

5 A. Yes. I calculated the effect of weather on the Golden Spread full load peak
6 demand coincident with the SPS system peak demand using the same
7 methodology described in my direct testimony. The weather values used to adjust
8 the Golden Spread full load peak demand were calculated for the Texas
9 Panhandle region. For the Texas Panhandle, the Updated Test Year summer
10 months (June 2019, July, August, and September, 2018) peak day average daily
11 temperature was 0.2% above normal, and the accumulated precipitation was
12 19.2% below normal. As shown on page 2 of Attachment JEM-RD-U3, the
13 average weather adjustment for the Golden Spread full load peak demand
14 coincident with the SPS system peak demand for the four months of June 2019,
15 July, August, and September, 2018 of the Updated Test Year was 9 MW per
16 month. Page 5 of Attachment JEM-RD-U3 provides the weather adjustment
17 calculation for the Golden Spread full load peak demand.

18 **Q. How did SPS use the weather-adjusted sales and peak demand figures?**

19 A. After calculating the weather adjustments for sales and peak demand by customer
20 class, I supplied those adjustments to Mr. Luth, who used them to calculate
21 present revenues and the allocation of production and transmission capacity costs
22 among classes.

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

24 A. Yes.

AFFIDAVIT

STATE OF COLORADO)
)
COUNTY OF DENVER)

JANNELL E. MARKS, first being sworn on her oath, states:

I am the witness identified in the preceding testimony. I have read the testimony 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.

Jannell E Marks
JANNELL E. MARKS

Subscribed and sworn to before me this 10th day of September ^{RSA} ~~August~~, 2019 by JANNELL E MARKS.

RYAN S. ATTIG
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20194030682
MY COMMISSION EXPIRES AUGUST 13, 2023

Ryan S Attig
Notary Public, State of Colorado
My Commission Expires: 8/13/2023

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.


