

BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION

IN THE MATTER OF SOUTHWESTERN)
PUBLIC SERVICE COMPANY’S TRIENNIAL)
ENERGY EFFICIENCY PLAN APPLICATION)
REQUESTING APPROVAL OF: (1) SPS’S)
2020-2022 ENERGY EFFICIENCY PLAN AND)
ASSOCIATED PROGRAMS; (2) A FINANCIAL)
INCENTIVE FOR PLAN YEAR 2020; (3)) CASE NO. 19-_____ -UT
RECOVERY OF THE COSTS ASSOCIATED)
WITH A POTENTIAL ENERGY EFFICIENCY)
STUDY OVER A TWO-YEAR TIME PERIOD;)
AND (4) CONTINUATION OF SPS’S ENERGY)
EFFICIENCY TARIFF RIDER TO RECOVER)
ITS ANNUAL PROGRAM COSTS AND)
INCENTIVES,)
)
SOUTHWESTERN PUBLIC SERVICE)
COMPANY,)
)
APPLICANT)
)

DIRECT TESTIMONY

of

ALEAH K. BEEDY

on behalf of

SOUTHWESTERN PUBLIC SERVICE COMPANY

TABLE OF CONTENTS

GLOSSARY OF ACRONYMS AND DEFINED TERMS.....	iii
LIST OF ATTACHMENTS	iv
I. WITNESS IDENTIFICATION AND QUALIFICATIONS	1
II. ASSIGNMENT AND RECOMMENDATIONS	3
III. SPS’S TRIENNIAL EE RIDER IS CONSISTENT WITH THE EUEA AND EE RULE.....	6
A. DESCRIPTION AND CALCULATION OF THE 2020 EE RIDER.....	6
B. TRIENNIAL PROGRAM AND ADMINISTRATIVE COSTS	7
C. RECOVERY OF 2020 FINANCIAL INCENTIVE	9
D. 2020 EE RIDER BILL IMPACTS	10
E. SPS’S COMPLIANCE WITH OTHER EUEA REQUIREMENTS FOR THE EE RIDER.....	14
F. ADVICE NOTICE	15
IV. SPS’S PROPOSED ANNUAL RECONCILIATION PROCESSES ARE CONSISTENT WITH THE EUEA, EE RULE, AND OTHER RIDER RECONCILIATIONS.....	16
A. ANNUAL BUDGET RECONCILIATION PROCESS	16
B. ANNUAL FUNDING/EXPENDITURES COLLECTION RECONCILIATION PROCESS	17
VERIFICATION.....	19

GLOSSARY OF ACRONYMS AND DEFINED TERMS

<u>Acronym/Defined Term</u>	<u>Meaning</u>
Commission	New Mexico Public Regulation Commission
EE	Energy Efficiency
EE Potential Study	Energy Efficiency Study
EE Rider	Energy Efficiency Rider
EE Rule	Energy Efficiency Rule, 17.7.2 NMAC
EUEA	Efficient Use of Energy Act
kWh	kilowatt-hour
PY	Plan Year
SPS	Southwestern Public Service Company, a New Mexico corporation
Triennial Plan or Triennial	SPS's 2020, 2021, and 2022 Energy Efficiency Plan
Xcel Energy	Xcel Energy Inc.

LIST OF ATTACHMENTS

<u>Attachment</u>	<u>Description</u>
AKB-1	2020 EE Plan Budget and Revenue Requirement Calculation
AKB-2	Calculation of 2020 Energy Efficiency Rider Rate
AKB-3	Calculation of Customer Bill Impacts by Rate Class for 2020
AKB-4	Proposed 2020 EE Rider Tariff
AKB-5(CD)	Workpapers (<i>provided on CD only</i>)

Case No. 19-_____-UT
Direct Testimony
of
Aleah K. Beedy

1 **I. WITNESS IDENTIFICATION AND QUALIFICATIONS**

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

3 A. My name is Aleah K. Beedy. My business address is 790 South Buchanan Street,
4 Amarillo, Texas 79101.

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

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

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

10 A. I am employed by SPS as Pricing Analyst.

11 **Q. Please briefly outline your responsibilities as Pricing Analyst.**

12 A. My primary responsibilities include the development of new rate design proposals
13 and modifications to existing rate structures to comply with regulatory
14 requirements in SPS’s New Mexico and Texas retail jurisdictions.

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

16 A. I graduated from West Texas A&M University in 2014 with a Bachelor of
17 Science degree in Mathematics. I have also completed coursework towards an
18 M.B.A at West Texas A&M University and expect to graduate in August 2019.

Case No. 19-_____-UT
Direct Testimony
of
Aleah K. Beedy

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

2 A. I began my professional career in 2014 as an Operations Coordinator with Cabot
3 Corporation, a specialty chemicals company focused on producing carbon black.
4 While at Cabot, I compiled and maintained production data reports and performed
5 production accounting as well as financial verification of onsite inventories. I
6 also created and participated in initiatives to improve tracking of raw material
7 usage to reduce end of month inventory adjustments. In August of 2017, I
8 accepted my current position as Pricing Analyst with SPS.

9 **Q. Have you attended or taken any special courses or seminars related to public**
10 **utilities?**

11 A. Yes, I completed a course entitled, “The Basics: Practical Regulatory Training
12 for the Electric and Natural Gas Industries” in May of 2018 offered by the Center
13 for Public Utilities at New Mexico State University.

Case No. 19-____-UT
Direct Testimony
of
Aleah K. Beedy

1 **II. ASSIGNMENT AND RECOMMENDATIONS**

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

3 A. My testimony supports and addresses:

- 4 • the calculation of SPS's 2020, 2021, and 2022 Energy Efficiency Plan
5 ("Triennial Plan" or "Triennial") Energy Efficiency Rider ("EE
6 Rider") and projected customer bill impacts;
7
- 8 • recovery through the Triennial EE Rider of an incentive for spending
9 and savings achieved as a result of SPS's energy efficiency ("EE")
10 programs; and
- 11 • recovery through the Triennial EE Rider of the cost of an Energy
12 Efficiency Potential Study ("EE Potential Study") over a two-year
13 period (Plan Years ("PY") 2020 and 2021) as described in the Direct
14 Testimony of SPS witness Mark R. Schoenheider.

15 **Q. Do you sponsor any sections of SPS's Triennial EE Plan?**

16 A. Yes. I sponsor Section II(D) and Section II(D)(1) of the Triennial Plan¹.

17 **Q. Please summarize the recommendations made in your testimony.**

18 A. The New Mexico Public Regulation Commission ("Commission") should
19 authorize SPS to recover three percent of customers' bills, but no more than
20 \$75,000 from any individual customer (the "three percent funding level") to fund
21 its EE programs, consistent with Section 62-17-6(A) of the Efficient Use of

¹ The Triennial Plan is attached to the Mr. Schoenheider's direct testimony as Attachment MRS-1.

Case No. 19-_____-UT
Direct Testimony
of
Aleah K. Beedy

1 Energy Act (“EUEA”) and Section 17.7.2.8.C(1) of the Commission’s Energy
2 Efficiency Rule (17.7.2 NMAC, “EE Rule”). Pursuant to the EE Rule, SPS
3 proposes to recover an estimated \$9,511,304 of program costs for 2020, through
4 its EE Rider. For an average SPS residential customer (with consumption of 900
5 kilowatt-hours (“kWh”) per month), the recovery of this amount equals an
6 approximate charge of \$2.79 per month.

7 In addition to the three percent funding level to be recovered through the
8 EE Rider, as discussed by Mr. Schoenheider and SPS witness Ruth M. Sakya, the
9 Commission should authorize SPS to recover an incentive based on the actual
10 costs incurred by SPS for its EE programs and actual savings achieved under
11 SPS’s approved programs for the Triennial Plan. The maximum 2020 incentive
12 that can be earned is \$638,209, which would have an estimated incremental
13 impact on the EE Rider (above the three percent funding level) of 0.139%.
14 However, for purposes of the EE Rider, SPS models its incentive at the base
15 incentive amount of \$585,408. SPS models its incentive to be collected through
16 its EE Rider at the base amount because SPS believes the base goal is more
17 conservative and it would be inappropriate to assume SPS will meet the maximum
18 goal. As discussed later in this testimony, the factor to calculate the 2020

Case No. 19-_____-UT
Direct Testimony
of
Aleah K. Beedy

1 incentive is also adjusted for under-collected 2017 and over-collected 2018
2 incentives, which result in an estimated incremental total impact (above the three
3 percent funding level) of 0.127%.

4 Finally, SPS is proposing to undertake an EE Potential Study in 2020.
5 The estimated cost of this study is \$500,000 as discussed in more detail by Mr.
6 Schoenheider. SPS proposes to collect 50% in 2020 and the remaining 50% in
7 2021. Adding an additional \$250,000 to the revenue requirement will have an
8 estimated incremental impact on the EE Rider (above the three percent funding
9 level) of 0.072% for a total proposed EE Rider in 2020 of 3.199% (i.e., 3.000%
10 for program funding, 0.127% for base incentive, and 0.072% for half of the
11 estimated cost of the EE Potential Study).

12 **Q. Were the portions of the Triennial Plan that you sponsor prepared by you or**
13 **under your direct supervision and control?**

14 A. Yes.

15 **Q. Were Attachments AKB-1 through AKB-5(CD) prepared by you or under**
16 **your direct supervision?**

17 A. Yes.

Case No. 19-_____-UT
Direct Testimony
of
Aleah K. Beedy

1 **III. SPS'S TRIENNIAL EE RIDER IS CONSISTENT WITH**
2 **THE EUEA AND EE RULE**

3 **A. Description and Calculation of the 2020 EE Rider**

4 **Q. Does SPS currently have authorization to recover energy efficiency plan**
5 **expenses through its EE Rider?**

6 A. Yes. Most recently in Case No. 18-00139-UT,² the Commission authorized the
7 continuation of SPS's EE Rider to recover EE program costs and the Plan Year
8 2019 incentive, which is consistent with Section 62-17-6(A) of the EUEA and
9 17.7.2.13(B) NMAC. SPS designs its EE Rider to recover its annual energy
10 efficiency plan expenses over a 12-month period.

11 **Q. Is SPS proposing to recover its Triennial program and administrative**
12 **expenses through the EE Rider?**

13 A. Yes, SPS proposes to continue program and administrative expense recovery
14 through the EE Rider for Plan Years 2020, 2021, and 2022.

² *In the Matter of Southwestern Public Service Company's Petition Seeking Commission Determination of an Appropriate Energy Efficiency and Load Management Filing*, Case No. 18-00139-UT, Final Order (June 20, 2018) at 8. In its order, the Commission concurred with SPS's approach by "recognizing the administrative efficiencies established under Section 17.7.2.S(A) of the EE Rule that permit a utility to elect whether to file an application prior to their first triennial filing, and which provides that the measures, programs, and incentive approved in the utility's last energy efficiency case shall continue in effect until modified or terminated."

Case No. 19-____-UT
Direct Testimony
of
Aleah K. Beedy

1 **Q. In addition to program and administrative expenses, are there any other**
2 **components to the EE Rider?**

3 A. Yes. The EE Rider also includes: (i) an estimate of the 2020 financial incentive;
4 (ii) a reconciliation of over collections for year two of 2017 equaling \$636,215;
5 (iii) all of 2018 under collections of \$1,011,043 per the EE Rule; (iv) cost
6 recovery for the EE Potential Study; and (v) the fourth and final installment of
7 2015 under collections per the Commission-approved 2016 Stipulation of
8 \$536,634, all of which are components of the 2020 EE Rider.

9 **Q. Please identify the tariff schedules to which the 2020 EE Rider is applied.**

10 A. The 2020 EE Rider will be applied to all of SPS's New Mexico retail rate
11 schedules. This is appropriate because all customers have the opportunity to
12 participate in SPS's EE programs.

13 **B. Triennial Program and Administrative Costs**

14 **Q. What amount of EE program and administrative costs is SPS proposing to**
15 **recover through its Triennial EE Rider?**

16 A. SPS proposes to recover \$9,511,304 in program expenses, which is SPS's
17 requested 2020 Commission-authorized funding level, adjusted for prior period
18 under collections (*i.e.*, the 2020 program and administrative cost budget). SPS
19 proposes a budget of \$10,404,002 for PYs 2021 and 2022.

Case No. 19-_____-UT
Direct Testimony
of
Aleah K. Beedy

1 **Q. How did SPS determine the amount for program cost recovery?**

2 A. SPS followed 17.7.2.8(C)(1) NMAC, which states:

3 (1) Estimated plan year funding for electric public utilities' energy
4 efficiency and load management program costs shall be three
5 percent (3%) of billing revenues from all of its customers' bills
6 that the public utility estimates to be billed during the plan
7 year, excluding:

8 (a) gross receipts taxes and franchise and right-of-way
9 access fees;

10 (b) revenues that the public utility estimates to bill
11 during the plan year to any single customer that
12 exceed \$75,000;

13 (c) any customer's plan year self-directed program
14 credits approved by the public utility or by a
15 commission approved self-direct administrator; and

16 (d) any customer's plan year self-directed program
17 exemptions approved by the public utility or by a
18 commission approved self-direct administrator.

19 Consistent with the requirements above, and as shown in Attachment AKB-1,
20 page 1, SPS:

21 1. Determined its 2018 revenues at present rates (as approved by the
22 Commission in Case No. 17-00255-UT³) by multiplying present rates
23 by the 2018 actual billing determinants, exclusive of gross receipts and
24 franchise fees. The result was \$409.1 million (line 16).

³ *In the Matter of Southwestern Public Service Company's Application for Revision of its Retail Rates Under Advice Notice No. 272, Case No. 17-00255-UT, New Final Order on Partial Mandate from the New Mexico Supreme Court (Mar. 6, 2019).*

Case No. 19-_____-UT
Direct Testimony
of
Aleah K. Beedy

- 1 2. SPS then removed approximately \$62.4 million to account for large
2 customer EE billings over \$75,000 a year (line 17). This resulted in
3 estimated 2018 post-cap revenues of \$346.8 million (line 18).
- 4 3. Finally, SPS multiplied the net result of approximately \$346.8 million
5 by three percent to arrive at the three percent funding level. The
6 resulting amount is \$10,404,002 (line 19). SPS then reduced the three
7 percent funding level by \$911,462 (line 20) to account for the total
8 Commission-approved adjustments, resulting in a requested budget of
9 \$9,492,540 (line 21) before interest. This amount does not include the
10 proposed Triennial incentive.

11 **C. Recovery of 2020 Financial Incentive**

12 **Q. Does SPS propose to recover the 2020 incentive through the 2020 EE Rider?**

13 A. Yes. Recovery of any approved financial incentive will be in addition to the three
14 percent funding level authorized under Section 62-17-6(A) of the EUEA.

15 **Q. What impact would the recovery of the 2020 incentive have on customers'**
16 **bills?**

17 A. The total bill impact would be 0.127% for the proposed incentive amount adjusted
18 for the 2017 under-collection and 2018 over-collection of prior incentives.
19 (Attachment AKB-2, line 5).

20 **Q. If the Commission authorizes SPS to recover an incentive through its EE**
21 **Rider based on actual savings achieved and actual spending, could actual**
22 **recovery differ from the approved incentive amount?**

23 A. Yes. The amount that is actually collected is expected to deviate from the amount
24 approved because the amount collected will be based on actual sales. As an

Case No. 19-_____-UT
Direct Testimony
of
Aleah K. Beedy

1 example, at \$595,408 (calculated by Mr. Schoenheider), the incentive for 2020 is
2 estimated to have a 0.127% impact on customer bills; however, actual recovery of
3 0.127% may not equal \$595,408 (*i.e.*, actual recovery will be greater or less than
4 \$595,408 based on actual customer sales).

5 **D. 2020 EE Rider Bill Impacts**

6 **Q. What is the percentage of Triennial Plan costs to applicable revenues?**

7 A. Consistent with 17.7.2.8(C)(1) NMAC, the funding level for the Triennial Plan
8 equates to three percent of billed revenue under SPS's current rates, excluding
9 gross receipts tax and franchise fees.

10 **Q. What impact will recovery of the adjusted funding level in the 2020 EE Rider**
11 **have on an average residential customer's monthly bill of 900 kWh?**

12 A. At the adjusted funding level, excluding gross receipts tax and franchise fees,
13 charges under the 2020 EE Rider would add approximately \$2.79 to a 900 kWh
14 year-round average monthly residential customer's bill. Attachment AKB-3
15 includes bill impact estimates of different levels of usage for residential and other
16 customers. Attachment AKB-3 also reflects the inclusion of the proposed 2020
17 incentive in the EE Rider.

Case No. 19-_____-UT
Direct Testimony
of
Aleah K. Beedy

1 **Q. What impact will recovery of the proposed incentive through the 2020 EE**
2 **Rider have on an average residential customer’s monthly bill of 900 kWh?**

3 A. The incentive for 2020 is estimated to have a 0.127% impact on customer bills
4 (Attachment AKB-2, line 5). For a 900 kWh year-round average monthly
5 residential customer’s bill, this would add approximately \$0.12.

6 **Q. What impact will recovery of 50% of the proposed 2020 EE Potential Study**
7 **through the 2020 EE Rider have on an average residential customer’s**
8 **monthly bill of 900 kWh?**

9 A. The 50% of the cost of the proposed EE Potential Study in 2020 is estimated to
10 have a 0.072% impact on customer bills (Attachment AKB-3, line 9). For a 900
11 kWh year-round average monthly residential customer’s bill, this would add
12 approximately \$0.07.

13 **Q. Is there a maximum amount that can be billed to individual customers for**
14 **program costs under the 2020 EE Rider?**

15 A. Yes. 17.7.2.8(C)(1) NMAC establishes funding for program costs for investor-
16 owned electric utilities at three percent of customer bills or \$75,000 per year,
17 whichever is less. The EUEA defines a customer as “a utility customer at a
18 single, contiguous field, location or facility, regardless of the number of meters at
19 that field, location or facility.” (Section 62-17-4(D)).

Case No. 19-____-UT
Direct Testimony
of
Aleah K. Beedy

1 **Q. What customers can potentially exceed \$75,000 in annual billings under the**
2 **EE Rider?**

3 A. Based on current rates and SPS's specific customer demographics, at a three
4 percent EE Rider rate, customers that are billed more than \$2.5 million in a year
5 are potential candidates for EE Rider billings of \$75,000 per year.⁴ Only a small
6 number of customers are billed a total of at least \$2.5 million in a year; there were
7 12 such customers in 2018, representing approximately 2,163 gigawatt-hours,
8 approximately 35% of SPS New Mexico energy use. As a result, only a small
9 number of customers may potentially reach the \$75,000 annual cap. These
10 customers generally fall into the Large General Service Transmission or Primary
11 General Service customer class.

12 **Q. Has SPS developed a representative customer impact analysis?**

13 A. Yes. Table AKB-1 shows how the proposed 2020 EE Rider will impact
14 representative customers in each rate class. The monthly bill is based on SPS's
15 present rates. In addition, please refer to Attachment AKB-3, which provides a
16 more detailed customer impact analysis.

⁴ \$75,000 ÷ 3% cap on Energy Efficiency billing = \$2.5 million.

Case No. 19-____-UT
Direct Testimony
of
Aleah K. Beedy

1

Table AKB-1: Average Customer Impact by Rate Schedule

Rate Schedule	Monthly Bill excluding EE Rider	Monthly EE Rider Charge - 2020 Program Only	Monthly EE Rider Charge as % of Bill 2020 Program Only	Monthly EE Rider Charge - 2020 Incentive	Monthly EE Rider Charge as % of Bill - 2020 Incentive	Monthly EE Rider Charge - 2020 EE Potential Study	Monthly EE Rider Charge as % of Bill - 2020 EE Potential Study	Total Monthly EE Rider Charge	Total Monthly EE Rider Charge as % of Bill
Residential Service -- 900 kWh	\$93.15	\$2.79	3.000%	\$0.12	0.127%	\$0.07	0.072%	\$2.98	3.199%
Small General Service -- 1,500 kWh	\$130.20	\$3.91	3.000%	\$0.17	0.127%	\$0.09	0.072%	\$4.17	3.199%
Secondary General Service -- 50 kW; 20,000 kWh	\$1,473.32	\$44.20	3.000%	\$1.87	0.127%	\$1.06	0.072%	\$47.13	3.199%
Primary General Service -- 100 kW; 30,000 kWh	\$2,452.50	\$73.58	3.000%	\$3.11	0.127%	\$1.77	0.072%	\$78.46	3.199%
Large General Service Transmission -- 4,000 kW; 800,000 kWh	\$64,094.00	\$1,922.82	3.000%	\$81.40	0.127%	\$46.15	0.072%	\$2,050.37	3.199%

2

Q. When will the 2020 EE Rider be implemented?

3

A. As noted above, the 2020 EE Rider will be implemented upon issuance and in conformity with an order by the Commission approving the 2020 Plan, but no earlier than January 1, 2020.

4

5

Case No. 19-_____-UT
Direct Testimony
of
Aleah K. Beedy

1 **Q. How does the amount being collected currently in the 2019 EE Rider**
2 **compare to the amount requested for recovery of the 2020 EE Rider?**

3 A. At 3.199% of customer bills, the proposed 2020 EE Rider is lower than the
4 current 3.267% EE Rider.

5 **E. SPS's Compliance with other EUEA Requirements for the EE**
6 **Rider**

7 **Q. Are there other requirements related to tariff riders under the EUEA and**
8 **EE Rule?**

9 A. Yes. Section 62-17-6(A) of the EUEA and 17.7.2.13(C)(2) NMAC require tariff
10 riders, unless otherwise ordered by the Commission, to include a message on
11 customer bills explaining program benefits of EE programs. SPS proposes to
12 continue to include the following message on all customer bills to address this
13 requirement:

14 Energy Efficiency programs result in cost savings and benefit the
15 environment. For every \$1.00 spent on energy efficiency
16 programs, customers save nearly double that amount over time on
17 the cost of providing electricity. Customers who participate in
18 programs will save even more. Learn more about these programs
19 and rebates that may be available to you at www.xcelenergy.com.

20 SPS has used this same language in several prior energy efficiency filings.

Case No. 19-_____-UT
Direct Testimony
of
Aleah K. Beedy

1 **F. Advice Notice**

2 **Q. Is SPS filing an advice notice with its application?**

3 A. Yes. Consistent with 17.7.2.13(C)(3) NMAC, SPS has filed an advice notice
4 concurrently with its application, which requires the Commission to act on SPS's
5 advice notice within 30 days of filing, unless suspended for not more than 180
6 days. In accordance with the EE Rule, SPS has served all individuals and entities
7 required by 17.1.210.11 NMAC. The proposed tariff is included as Attachment
8 AKB-4 to my direct testimony.

**IV. SPS'S PROPOSED ANNUAL RECONCILIATION PROCESSES
ARE CONSISTENT WITH THE EUEA, EE RULE, AND
OTHER RIDER RECONCILIATIONS**

Q. What do you discuss in this section of your testimony?

A. I discuss SPS's plan to implement annual reconciliation processes. The reconciliation processes proposed by SPS involve the annual reconciliation of annual collections and expenditures. The reconciliation concerns prior actual expenditures and collections through the EE Rider.

A. Annual Budget Reconciliation Process

Q. How are Plan Year overage and underage defined?

A. The EE Rule (17.7.2.7(H) and (I) NMAC) defines "plan year overage" and "plan year underage" as follows:

Plan year overage means the public utility's actual prior plan year expenditures that exceeded the same plan year's actual collections; and

Plan year underage means the public utility's actual prior plan year collections that exceeded the same plan year's actual expenditures.

Q. What does the EE Rule require in relation to a plan year overage or underage?

A. The EE Rule (17.7.2.8(D) and (E) NMAC) requires the following, respectively:

The public utility's application shall calculate and provide the difference between its actual prior plan year expenditures for

Case No. 19-_____-UT
Direct Testimony
of
Aleah K. Beedy

1 measures and programs and the same plan year's applicable
2 funding required by statute. At the end of each plan year, the
3 public utility shall calculate the following applicable values:

4 (1) any plan year overage; or

5 (2) any plan year underage; and

6 In each plan year, a public utility shall make its best efforts to
7 expend its plan funding as calculated in 17.7.2.8(C) NMAC
8 subtracting any applicable prior plan year overage or adding any
9 applicable prior plan year underage.

10 Thus, consistent with the EE Rule requirement, a reconciliation of SPS's
11 collections compared to actual expenditures is necessary.

12 **Q. Did SPS incur an overage or underage subject to reconciliation?**

13 A. Yes, as I discuss earlier in my testimony, a reconciliation of year two of 2017
14 over collections of \$636,215, all of the 2018 under collection of (\$1,011,043) per
15 the EE Rule, and finally, the fourth and final installment of 2015 under collections
16 per the Commission-approved 2016 Stipulation of (\$536,634). Each of these
17 reconciling items is included in Attachment AKB-1, page 1.

18 **B. Annual Funding/Expenditures Collection Reconciliation Process**

19 **Q. Please describe SPS's proposed over- or under-collection reconciliation**
20 **process.**

21 A. SPS proposes an annual reconciliation, which is nearly identical to the
22 Commission-approved process for reconciliation of SPS's annual renewable

Case No. 19-_____-UT
Direct Testimony
of
Aleah K. Beedy

1 portfolio standard rider. In each annual EE Plan proceeding, SPS would present
2 the reconciliation of its EE Rider, for the same time period as the EE Report. The
3 reconciliation would flow through the EE Rider following Commission review in
4 the then-current EE Plan proceeding.

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

6 A. Yes.

VERIFICATION

STATE OF TEXAS)

) SS.

COUNTY OF POTTER)

Aleah K. Beedy, first being sworn on her oath, states:

I am the witness identified in the preceding 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.

Aleah Beedy
ALEAH K. BEEDY

SUBSCRIBED AND SWORN TO before me this 9 day of May, 2019.



Cindy Baeza
Notary Public
My Commission Expires: 10-06-2020

Southwestern Public Service Company

EE Program Budget Calculation
For PY 2020

Line No.	Description	Amount	Notes
1	1. Reconcile Collections Versus Spending (\$862 17 6(A))		
	<i>2017 Collections vs. Spending</i>		
2	2017 Program Revenue (Collections)	\$ 9,615,159	
3	Less: 2017 Actual Program Spending	\$ 8,342,729	
4	2017 Overcollection (L2-L3)	\$ 1,272,430	
6	2nd Year of 2-Year Amortization (L4/2)	\$ 636,215	Per Final Order in Case No. 18-00139-UT
7	<i>2018 Collections vs. Spending</i>		
8	2018 Program Revenue (Collections)	\$ 9,989,254	
9	Less: 2018 Actual Program Spending	\$ 11,000,297	
	2018 Undercollection (L7-L8)	\$ (1,011,043)	
10	1-Year Amortization	\$ (1,011,043)	Per 17.7.2.8(A) NMAC
11	2. Prior Period Adjustments		
12	2015 Undercollection Amortization (Year 4 of 4)	\$ (536,634)	Per Stipulation, Section 3.3 at 10
13	Total Prior Period Adjustments (L12)	\$ (536,634)	
14	3. Total Adjustments (L6+L10+L13)	\$ (911,462)	
15	4. Budget Calculation		
16	2018 Total Revenue (using actual billing determinants)	\$ 409,165,855	Annualized for rates effective 3/6/19
17	Less: Revenue in Excess of Large Customer Cap	\$ (62,365,788)	
18	Revenue Subject to Energy Efficiency (L16+L17)	\$ 346,800,067	
19	3% of Revenue Subject to Energy Efficiency (L18*3%)	\$ 10,404,002	
20	Plus: Total Adjustments (L14)	\$ (911,462)	
21	2020 Energy Efficiency Budget, before Interest (L19+L20)	\$ 9,492,540	
22	Plus: Interest (2.25%/12*Avg. Monthly Balance)	\$ 18,764	At Annual Customer Deposit Rate
23	Total Budget (L21 + L22)	\$ 9,511,304	

Southwestern Public Service Company

EE Revenue Requirement Calculation
 For PY 2020

Line No.	Description	Amount	Notes
1	Program Budget		
2	2018 Program Budget	\$ 9,511,304	Attachment AKB-1, pg1, Line 23
3	Incentive		
4	2017 Under-Collection of Earned Incentive	\$ 22,754	Final Order in Case 18-00139-UT
5	2018 Over-Collection of Earned Incentive	\$ (177,674)	Per Utility Accounting
6	2018 Over-Collection of Interest	\$ (1,468)	Per Utility Accounting
7	2020 Base Incentive	\$ 595,408	Schoenheider Direct
8	Total Reconciled Incentive	\$ 439,020	
9	Total Revenue Requirement		
10	Program Budget (L2)	\$ 9,511,304	
11	Incentive (L8)	\$ 439,020	
12	Total Revenue Requirement (L10+L11)	\$ 9,950,324	

Southwestern Public Service Company

EE Rider - Percent of Bill Calculations
For the 2020 EE Rider

Line No.	Description	Amount	Notes
Calculation of Financial Incentive as a Percent of Bill			
1	2020 Projected Revenue	\$ 10,404,002	Attachment AKB-1 pg 1, Line 19
2	3% Funding Requirement	3.000%	
3	Revenue Attributed to EE, Net of Caps	\$ 346,800,067	Line 1 / Line 2
4	Total Reconciled Incentive	\$ 439,020	Attachment AKB-1 pg 2, Line 8
5	Financial Incentive as a Percent of Bill	0.127%	Line 4 / Line 3
6	Revenue Attributed to EE, Net of Caps	\$ 346,800,067	Line 1 / Line 2
7	Proposed 2020 Potential Study	\$ 250,000	50% of Total Estimated Cost
8	Potential Study as a Percent of Bill	0.072%	Line 7 / Line 6
Summary of 2020 Rider Rate Calculation			
9	2020 Program Funding Percent of Bill	3.000%	Line 2
10	2020 Financial Incentive Percent of Bill	0.127%	Line 5
11	2020 Potential Study Percent of Bill	0.072%	Line 8
12	2020 Rider Rate as a Percent of Bill	3.199%	

EE Bill Impacts

Residential Service

	Annualized Monthly Bill		Bill Change	
	Including 2019 EE Rate (3.267%)	2020 EE Rate (3.199%)	Proposed \$ Change	Proposed % Change
Consumption Level	Present	2020	2020	2020
0 kWh	\$ 9.04	\$ 9.03	\$ (0.01)	-0.11%
250 kWh	\$ 33.24	\$ 33.22	\$ (0.02)	-0.06%
500 kWh	\$ 57.46	\$ 57.42	\$ (0.04)	-0.07%
750 kWh	\$ 81.67	\$ 81.62	\$ (0.05)	-0.06%
1000 kWh	\$ 105.88	\$ 105.81	\$ (0.07)	-0.07%
2000 kWh	\$ 202.72	\$ 202.59	\$ (0.13)	-0.06%

Small General Service

	Annualized Monthly Bill		Bill Change	
	Including 2019 EE Rate (3.267%)	2020 EE Rate (3.199%)	Proposed \$ Change	Proposed % Change
Consumption Level	Present	2020	2020	2020
0 kWh	\$ 14.87	\$ 14.86	\$ (0.01)	-0.07%
250 kWh	\$ 34.80	\$ 34.78	\$ (0.02)	-0.06%
500 kWh	\$ 54.73	\$ 54.69	\$ (0.04)	-0.07%
750 kWh	\$ 74.66	\$ 74.61	\$ (0.05)	-0.07%
1000 kWh	\$ 94.59	\$ 94.52	\$ (0.07)	-0.07%
2000 kWh	\$ 174.31	\$ 174.19	\$ (0.12)	-0.07%

Secondary General Service

	Annualized Monthly Bill		Bill Change	
	Including 2019 EE Rate (3.267%)	2020 EE Rate (3.199%)	Proposed \$ Change	Proposed % Change
Consumption Level	Present	2020	2020	2020
1,500 kWh and 12 kW	\$ 281.88	\$ 281.70	\$ (0.18)	-0.06%
7,500 kWh and 35 kW	\$ 865.04	\$ 864.46	\$ (0.58)	-0.07%
15,000 kWh and 35 kW	\$ 1,106.19	\$ 1,105.45	\$ (0.74)	-0.07%
30,000 kWh and 100 kW	\$ 2,691.32	\$ 2,689.55	\$ (1.77)	-0.07%

EE Bill Impacts

Primary General Service

	Annualized Monthly Bill		Bill Change	
	Including 2019 EE Rate (3.267%)	2020 EE Rate (3.199%)	Proposed \$ Change	Proposed % Change
Consumption Level	Present	2020	2020	2020
1,500 kWh and 12 kW	\$ 267.68	\$ 267.50	\$ (0.18)	-0.07%
7,500 kWh and 35 kW	\$ 813.90	\$ 813.36	\$ (0.54)	-0.07%
15,000 kWh and 35 kW	\$ 1,050.74	\$ 1,050.05	\$ (0.69)	-0.07%
30,000 kWh and 100 kW	\$ 2,532.62	\$ 2,530.96	\$ (1.66)	-0.07%

Large General Service Transmission (69 kV)

	Annualized Monthly Bill		Bill Change	
	Including 2019 EE Rate (3.267%)	2020 EE Rate (3.199%)	Proposed \$ Change	Proposed % Change
Consumption Level	Present	2020	2020	2020
500,000 kWh and 800 kW	\$ 24,195.11	\$ 24,179.18	\$ (15.93)	-0.07%
1,000,000 kWh and 1,500 kW	\$ 43,183.80	\$ 43,155.36	\$ (28.44)	-0.07%
4,000,000 kWh and 6,100 kW	\$ 170,710.37	\$ 170,597.95	\$ (112.42)	-0.07%
8,000,000 kWh and 12,200 kW ⁽¹⁾	\$ 335,875.92	\$ 335,875.92	\$ -	0.00%

⁽¹⁾ LGST customers at this level are assumed to meet the \$75,000 Energy Efficiency cap and will therefore show no change.

SOUTHWESTERN PUBLIC SERVICE COMPANY

Exhibit B
Page 5 of 6

**SIXTEENTH REVISED RATE NO. 44
CANCELING FIFTHTEENTH REVISED RATE NO. 44**

X
X

ENERGY EFFICIENCY RIDER

Tariff No. 7203.16

X

Page 1 of 2

APPLICABLE: This rate rider is applicable to bills for electric service provided under all SPS's retail rate schedules.

TERRITORY: Area served by the Company in New Mexico.

RIDER: For the 2020 Plan Year, there shall be included on each non-exempt customer's bill an Energy Efficiency charge, which shall be calculated by multiplying all of the Company's utility charges (including the service availability charge, energy charge, the fuel and purchased power cost adjustment clause charge, and where applicable, the demand charge and other authorized charges), except gross-receipt taxes and franchise fees, by a percentage equal to 3.267 percent. The 3.199 % is comprised of: (1) 3.0% for SPS's 2020 Energy Efficiency Plan costs, (2) 0.127 % for SPS's 2020 energy efficiency incentive and (3) 0.072% for SPS's Energy Efficiency Potential Study.

X

X
X
X

For customer accounts granted exemption for self-direct programs as described below, the Energy Efficiency Rider percentage shall be reduced by seventy percent.

ANNUAL RECONCILIATION OF AUTHORIZED ENERGY EFFICIENCY INCENTIVES:

Upon the filing of SPS's annual application and annual report in compliance with the Commission's Energy Efficiency Rule (17.7.2 NMAC), SPS will also file the calculation of incentives earned as authorized by Sections 62-17-5(F) and 62-17-6(A) of the Efficient Use of Energy Act; and revenue received through the Energy Efficiency Rider for collection of incentives. SPS is authorized to reconcile the difference between Energy Efficiency Rider collections for incentive(s) and the actual incentive(s) earned

In support of the reconciliation of the difference between Energy Efficiency Rider collections for incentive(s) and the actual incentive(s) earned SPS will also provide: (1) an Advice Notice and the proposed Energy Efficiency Rider to allow the amounts to be reconciled; and (2) affidavits, exhibits, and/or other support for the Advice Notice and the amount to be reconciled.

INTEREST ON OVER AND UNDER RECOVERY: In accordance with section 62-13-13 NMSA 1978 of the Public Utility Act, SPS will use the interest rate set by the NMPRC each January used for calculating interest on customer deposits, to calculate the monthly carrying charges on the over or under recovery balance.

281

X

Advice Notice No.


DIRECTOR OF REGULATORY AND PRICING
ANALYSIS

SOUTHWESTERN PUBLIC SERVICE COMPANY

Exhibit B
Page 6 of 6

**SIXTEENTH REVISED RATE NO. 44
CANCELING FIFTHTEENTH REVISED RATE NO. 44**

X
X

ENERGY EFFICIENCY RIDER

Tariff No. 7203.16

X

Page 2 of 2

STATUTORY CAPS: Funding for program costs for investor-owned electric utilities shall be three percent of customer bills, excluding gross receipts taxes and franchise and right-of-way access fees, or seventy-five thousand dollars (\$75,000) per customer per calendar year, whichever is less, for customer classes with the opportunity to participate. Customer means a utility customer at a single, contiguous field, location or facility, regardless of the number of meters at that field, location or facility.

DETERMINATION OF ENERGY EFFICIENCY RIDER EXEMPTION: As described in 17.7.2.11 NMAC, a large customer shall receive an exemption from paying seventy percent of the Energy Efficiency Rider if the customer demonstrates to the reasonable satisfaction of the utility or self-direct program administrator that it has exhausted all cost-effective energy efficiency measures in its facility (or group if facilities are aggregated in order to qualify). A determination of exemption shall be valid for 24 months. After the 24 months, a customer may request approval for exemption again by demonstrating that it has exhausted all cost-effective energy efficiency measures in its facility or facilities.

CREDITS FOR SELF-DIRECT PROGRAMS: Credits for self-direct programs may be used to offset up to seventy percent of the tariff rider until the credit is exhausted. Any credit that is not fully utilized in the year it is received shall carry over to subsequent years. Credits will be granted if the customer demonstrates to the reasonable satisfaction of the utility or self-direct program administrator that it has implemented a self-direct energy efficiency program and demonstrated its actual costs.

281

X

Advice Notice No.



DIRECTOR OF REGULATORY AND PRICING
ANALYSIS

CASE NO. 19-00 -UT

IN THE MATTER OF SOUTHWESTERN PUBLIC SERVICE
COMPANY'S TRIENNIAL ENERGY EFFICIENCY PLAN APPLICATION
REQUESTING APPROVAL OF: (1) SPS'S 2020-2022 ENERGY EFFICIENCY
PLAN AND ASSOCIATED PROGRAMS; (2) A FINANCIAL INCENTIVE FOR
PLAN YEAR 2020; (3) RECOVERY OF THE COSTS ASSOCIATED WITH A POTENTIAL
ENERGY EFFICIENCY STUDY OVER A TWO-YEAR TIME PERIOD; AND
(4) CONTINUATION OF SPS'S ENERGY EFFICIENCY TARIFF RIDER TO RECOVER ITS
ANNUAL PROGRAM COSTS AND INCENTIVES
