

**DOCKET NO. 51802**

**APPLICATION OF SOUTHWESTERN § PUBLIC UTILITY COMMISSION  
PUBLIC SERVICE COMPANY FOR §  
AUTHORITY TO CHANGE RATES § OF TEXAS**

**UPDATE TESTIMONY**

*of*

**H. CRAIG ROMER**

*on behalf of*

**SOUTHWESTERN PUBLIC SERVICE COMPANY**

*(Filename: RomerRRUpdate.doc; Total Pages: 9)*

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

<b><u>Acronym/Defined Term</u></b>	<b><u>Meaning</u></b>
Commission	Public Utility Commission of Texas
RFP	Rate Filing Package
SPS	Southwestern Public Service Company, a New Mexico corporation
Test Year	October 1, 2019 through September 30, 2020
Total Company or total company	Total SPS (before jurisdictional allocations)
Update Period	October 1, 2020 through December 31, 2020
Updated Test Year	January 1, 2020 through December 31, 2020





1 Q. Do you incorporate Schedule I-U17.1 into this update testimony?

2 A. Yes.

1       **III.    COAL-RELATED COSTS INCLUDED IN SPS'S COST OF SERVICE**

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

3       A.    In my direct testimony, I explained that SPS incurs certain coal-related costs that do  
4           not qualify as eligible fuel expense, and therefore those costs must be recovered  
5           through base rates. I also quantified the amounts of those coal-related costs incurred  
6           during the Test Year and Updated Test Year, and I described the amount of such  
7           costs that SPS seeks to recover in base rates. The amount of coal-related costs  
8           incurred in the Test Year has not changed, but the amount of coal-related costs  
9           incurred in the Updated Test Year changed when SPS replaced estimates for the  
10          Update Period with actual costs. This update testimony provides the actual Updated  
11          Test Year coal-related costs that do not qualify as eligible fuel expense.

12       **Q.    Please quantify the actual Updated Test year coal-related costs that do not  
13           qualify as eligible fuel expense.**

14       A.    The actual total company amount of coal-related costs that do not qualify as eligible  
15           fuel expense was \$32,828,421 for the Updated Test Year.

16       **Q.    Are those Updated Test Year coal-related costs representative of the costs to be  
17           incurred in the future for coal-handling activities?**

18       A.    Yes.

19       **Q.    How have these recurring costs been included in this rate request?**

20       A.    These recurring costs are included in the cost of service study presented by Ms.  
21           Niemi.

22       **Q.    Have you made any pro adjustments to the Updated Test Year coal-related  
23           costs?**

24       A.    No.

1 **Q. Were SPS's coal-related costs incurred during the Updated Test Year prudently**  
2 **incurred, reasonable, and necessary?**

3 A. Yes. For the reasons discussed above and in my direct testimony, SPS's Updated  
4 Test Year coal-related costs were prudently incurred and were reasonable and  
5 necessary for SPS to have usable coal to burn at its Tolk and Harrington Generating  
6 Stations. Therefore, I recommend that the Commission allow SPS to recover those  
7 costs in base rates.

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

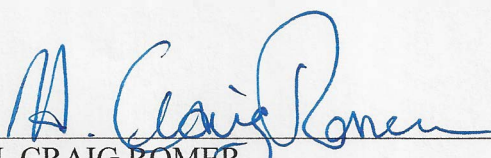
9 A. Yes.

**A. AFFIDAVIT**

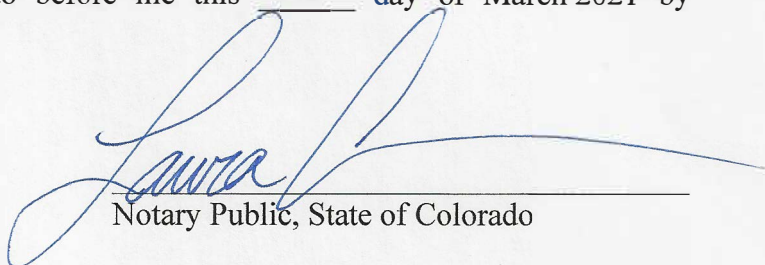
STATE OF COLORADO     )  
  )  
COUNTY OF JEFFERSON    )

H. CRAIG ROMER, first being sworn on his 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.

  
\_\_\_\_\_  
H. CRAIG ROMER

Subscribed and sworn to before me this 16<sup>th</sup> day of March 2021 by  
H. CRAIG ROMER.

  
\_\_\_\_\_  
Notary Public, State of Colorado

**LAURA ANGELICA CUEVAS VIELMAS**  
**NOTARY PUBLIC**  
**STATE OF COLORADO**  
**NOTARY ID 20204033470**  
**MY COMMISSION EXPIRES 09/25/2024**

My Commission Expires: 09/25/2024



**CERTIFICATE OF SERVICE**

I certify that on the 25<sup>th</sup> day of March 2021, notice of the filing of the foregoing update testimony with the PUCT was served on all parties of record by electronic service and was posted to SPS's file sharing platform.

/s/ Jeremiah W. Cunningham