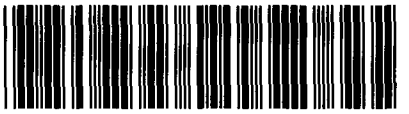

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SOAH DOCKET NO. 473-19-6862
PUC DOCKET NO. 49737

APPLICATION OF SOUTHWESTERN	**§**	**BEFORE THE STATE OFFICE**
ELECTRIC POWER COMPANY FOR	**§**	
CERTIFICATE OF CONVENIENCE	**§**	
AND NECESSITY AUTHORIZATION	**§**	**OF**
AND RELATED RELIEF FOR THE	**§**	
ACQUISITION OF WIND	**§**	
GENERATION FACILITIES	**§**	**ADMINISTRATIVE HEARINGS**

PUBLIC REDACTED

DIRECT TESTIMONY

AND EXHIBITS

OF

JAMES E. STRIEDEL

ON BEHALF OF

EAST TEXAS ELECTRIC COOPERATIVE, INC.

AND

NORTHEAST TEXAS ELECTRIC COOPERATIVE, INC.

JANUARY 14, 2020

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EXHIBITS

DIRECT TESTIMONY AND EXHIBITS OF JAMES E. STRIEDEL

I. EXPERIENCE AND QUALIFICATIONS

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is James E. Striedel. My business address is 919 Congress Avenue, Suite 1110, Austin, Texas 78701.

Q. PLEASE OUTLINE YOUR FORMAL EDUCATION.

A. I received a Master of Business Administration degree emphasizing in Finance and Accounting from the University of Texas at Austin in 1985. In addition, I received a Bachelor of Science degree in Electrical Engineering emphasizing in Power Systems from Texas A&M University at College Station in 1982. I also received an Associate of Arts degree in Liberal Arts from Florida College in Temple Terrace, Florida in 1979.

Q. WHAT IS YOUR PRESENT POSITION?

A. I am a Managing Director of the firm GDS Associates, Inc. ("GDS") in Austin, Texas.

Q. PLEASE STATE YOUR PROFESSIONAL EXPERIENCE.

A. From 1985 to 1994, I was employed by Gulf States Utilities Company ("GSU") and was assigned various engineering and management positions within field operations, the rate department, and sales and marketing of the regulated utility. While in the rate department, I served as Rate Engineer and Supervisor of Rate Research responsible for class cost of service and rate design for GSU's Texas, Louisiana, and FERC jurisdictions. In late 1993, GSU merged with Entergy Corporation. From January 1994 to January 1996, I held the

position of Area Line Manager – River Valley Area managing line crews, service, and meter service personnel in seven crew offices across central Arkansas.

In late 1995, Entergy purchased CitiPower from the Victorian government in Melbourne, Australia. I was assigned as an expat from January 1996 to September 1998 working as a manager in both distribution operations and competitive retail as Victoria unbundled its middle business market customers for retail electric competition. Upon return to Entergy in the states I assisted with the planning for the unbundling of Entergy's territories in Texas and Arkansas. My areas of responsibility were planning for the transmission and distribution service provider ("TDSP"), retail electric provider ("REP"), and qualified scheduling entity ("QSE").

In 2001, Entergy formed Entergy Solutions Ltd (REP) and Entergy Solutions Supply Ltd (QSE) in ERCOT and I was assigned as the Director and soon after VP – Retail Supply Operations leading the REP start-up, creating integrated and controlled trading, costing, deal management, retail market transactions, TDSP interface, forecasting, qualified scheduling entity ("QSE"), and wholesale settlements / risk functions. Entergy Solutions grew from fifty residential customers in the Texas Pilot to over 165,000 accounts and nearly 1,000 megawatts (MW)s of load including both Residential and Commercial and Industrial ("C&I") accounts from across the ERCOT portion of Texas. During that time, I served almost three years as a voting member on ERCOT Technical Advisory Committee ("TAC") and two years as alternate from the REP sector on the ERCOT Board of Directors. I also testified twice before the Public Utility Commission of Texas ("Commission") on behalf of Entergy Solutions Ltd regarding unbundling and market protocols for the Entergy Texas service territory in SERC. In 2006, Entergy decided to exit the competitive retail

business in ERCOT and sold its REP accounts to Direct Energy, and I managed the dissolution of Entergy Solutions Ltd and Entergy Solutions Supply Ltd.

In September of 2006, I accepted the position of VP – Asset Management, managing parts of Entergy's unregulated non-nuclear generation assets and joint ventures. In 2011, I was assigned responsibility for all of Entergy's unregulated non-nuclear generation assets, joint ventures, and Entergy Thermal, which provided chilled water and steam services in downtown Houston and New Orleans. From 2006 through 2013 I served as VP – Finance on the management committee of Top Deer Wind Ventures, Inc. (an Entergy joint venture with Shell Wind Energy) with wind farms in the Texas panhandle and Iowa. Upon the sale of Entergy Thermal in September of 2013, Entergy provided me a severance with early retirement.

In January of 2014, I accepted the position of Managing Director at GDS Associates providing consulting services to clients in the areas of wholesale power supply, regional transmission organizations, energy risk management, generation asset management, competitive retail electric markets, rates and regulatory, and transmission and distribution.

Q. WOULD YOU PLEASE DESCRIBE GDS?

A. GDS is an engineering and consulting firm with offices in Marietta, Georgia; Austin, Texas; Auburn, Alabama; Manchester, New Hampshire; Madison, Wisconsin; and Orlando, Florida. GDS has over 160 employees with backgrounds in engineering, accounting, management, economics, finance, and statistics. GDS provides rate and regulatory consulting services in the electric, natural gas, water, storm, and telephone utility industries. GDS also provides a variety of other services in the electric utility

industry including power supply planning, generation support services, energy procurement and contracting, energy efficiency program development, financial analysis, load forecasting, and statistical services. Our clients are primarily electric cooperatives, publicly-owned utilities, municipalities, customers of investor-owned utilities, groups or associations of customers, and government agencies.

Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE ANY REGULATORY COMMISSIONS?

A. Yes. I am attaching as Exhibit JES-1 my résumé and a list of regulatory proceedings in which I have presented expert testimony.

II. INTRODUCTION

Q. ON WHOSE BEHALF ARE YOU TESTIFYING IN THIS PROCEEDING?

A. I am testifying on behalf East Texas Electric Cooperative, Inc. ("East Texas" or "ETEC"), a generation and transmission ("G&T") cooperative and Northeast Texas Electric Cooperative, Inc. ("NTEC"), also a G&T cooperative. Both cooperatives are currently wholesale customers of Southwestern Electric Power Company ("the Company" or "SWEPCO"). Hereinafter, both cooperatives will be referred to as the "Cooperatives."

Q. WHAT IS THE PURPOSE OF YOUR DIRECT TESTIMONY?

A. The purpose of my testimony is to address all or portions of issues 2, 3, 6, 10, 16, 18, and 29 in the Commission's Preliminary Order.

Q. ARE THE OPINIONS AND INFORMATION CONTAINED IN YOUR TESTIMONY TRUE AND CORRECT TO THE BEST OF YOUR KNOWLEDGE AND BELIEF?

A. Yes.

Q. PLEASE SUMMARIZE THE RESULTS OF YOUR REVIEW AND ANALYSIS.

A. Based on my review and analysis, I have reached the following conclusions and recommendations to the Commission:

(1) SWEPCO seeks to justify cost recovery of the Selected Wind Facilities based primarily on speculative energy savings and Production Tax Credits, with feasibility based on the generation mix in SWEPCO's existing supply portfolio including its existing generation fleet.

(2) SWEPCO's fuel costs from its ownership in the Dolet Hills lignite generation facilities are on average over four times higher than Southwest Power Pool ("SPP") locational marginal prices ("LMP") for comparable production in 2019 through October.

(3) On January 9, 2020 SWEPCO issued a press release announcing it has agreed to seek regulatory approval to retire the Dolet Hills Power Plant by the end of 2026.

(4) SWEPCO's application seeks recovery of the Selected Wind Facilities through a Generation Investment Recover Rider ("GIRR") claiming financial benefits, yet SWEPCO failed to reflect the retirement of the Dolet Hills lignite generation in its models.

(5) The Public Utility Commission of Texas should require SWEPCO to withdraw its application and resubmit an application that accurately models SWEPCO's overall portfolio generation fleet including Dolet Hills.

III. DESCRIPTION OF PROPOSED TRANSACTION

Q. PLEASE SUMMARIZE THE PROPOSED TRANSACTION.

A. SWEPCO is requesting Commission approval to acquire an ownership interest in three wind generation facilities located in Oklahoma. The three wind generation facilities are: (1) the Traverse Wind Facilities with a capacity of 999 megawatts ("MW"), (2) the Maverick Wind Facilities with a capacity of 287 MW, and (3) the Sundance Wind Facilities with a capacity of 199 MW (together the three wind facilities are referred to as "the Selected Wind Facilities"). The Selected Wind Facilities will be jointly owned by SWPECO and its affiliate, Public Service Company of Oklahoma ("PSO"). If approved, SWEPCO will own 54.5% of each wind facility for a total capacity of 810 MW. The total cost of the Selected Wind Facilities, including the owner's costs, are estimated to be $1.996 billion. SWEPCO's share of this estimated cost is $1.088 billion.

IV. PROPOSED SELECTED WIND FACILITIES COST AND BENEFIT VS. MARKET

Q. HOW DOES SWEPCO ATTEMPT TO JUSTIFY THE RECOVERY OF THE SELECT WIND FACILITIES FROM TEXAS RATEPAYERS?

A. SWEPCO states on page 5 of its application, "The Selected Wind Facilities are expected to provide several benefits to SWEPCO's customers, including reduced energy costs, deferred capacity additions and associated costs, and increased availability of renewable

energy credits for customers. The Selected Wind Facilities are expected to provide energy cost savings of approximately $2.1 billion ($588 million net present value), as compared to a baseline case without the Facilities. The Facilities provide customer benefits under a wide range of possible future conditions analyzed by the Company and would break even at future power and gas prices below the low range of plausible forecasts." As discussed by the Cooperatives' witnesses James Daniel and John Chiles, the economic benefits of the Selected Wind Facilities are speculative and not adequately supported.

Q. HOW DOES SWEPCO STATE THAT ITS MOST RECENTLY FILED INTEGRATED RESOURCE PLAN IN ARKANSAS AND LOUISIANA SUPPORTS THE ADDITION OF THE SELECTED WIND FACILITIES?

A. SWEPCO witness Thomas P. Brice states on page 21 of his direct testimony, "The IRP analyzes various scenarios that would provide adequate supply and demand resources to meet SWEPCO's peak load obligations and reduce or minimize costs to customers, including energy costs, for the next 20 years. Under the plan, SWEPCO's energy output attributable to solid fuel generation decreases from 83% to 44% over the planning period, while energy from natural gas resources increases from 7% to 19%. The plan introduces solar resources, which contributes 10% of total energy. Additionally, energy from wind resources increases from 9% to 26%, while Demand Side Management (DSM) resources increase from 0.3% to 1.3% of SWEPCO's total energy mix. Acquiring wind resources to help achieve this energy mix goal was a primary purpose of the RFP that led to the selection of the Selected Wind Facilities SWEPCO now seeks to acquire."

Q. WHAT DOES SWEPCO'S PLAN TO DO WITH ITS EXISTING GENERATION RESOURCES?

A. SWEPCO witness Thomas P. Brice further states on page 21 of his direct testimony, "To meet its customers' future energy requirements, SWEPCO will continue the operation of, and ongoing investment in, its existing fleet of generation resources. In addition, SWEPCO must consider the impact of the promulgation of environmental rules, as well as the emergence of new technologies and renewable energy resources."

Q. HOW DOES SWEPCO CLAIM ITS ACQUISITION OF AN INTEREST IN THE SELECTED WIND FACILITIES IS IN THE PUBLIC INTEREST?

A. SWEPCO witness Thomas P. Brice states on page 21 of his direct testimony, "As discussed above, the proposed acquisition will produce significant and immediate cost savings for SWEPCO customers by locking in a long-term, low-cost power supply. As a result, it is in the public interest."

V. TREATMENT OF DOLET HILLS IN SWEPCO'S STUDIES

Q. PLEASE DESCRIBE THE DOLET HILLS POWER PLANT?

A. Dolet Hills is a steam turbine generator fueled by lignite mined near the power plant facilities. The power plant is operated by Central Louisiana Electric Company ("CLECO") and the lignite is mined by the Dolet Hills Lignite Company, a subsidiary of AEP-SWEPCO, which oversees and supports the mining operations at the Oxbow Mine.

Q. WHO ARE THE DOLET HILLS OWNERS AND WHAT ARE THE OWNERSHIP PERCENTAGE SPLITS?

A. The Dolet Hills owners are: Central Louisiana Electric Company ("CLECO") (50%), SWEPCO (40.23%), NTEC (5.86%) and Oklahoma Municipal Power Authority ("OMPA") (3.91%).

Q. WHAT IS SWEPCO'S MW OWNERSHIP SHARE IN THE DOLET HILLS LIGNITE GENERATION FACITILITIES?

A. SWEPCO lists on its website that it owns 257 MWs of Dolet Hills' 639 MW total capacity (approximately 40.22%).

Q. WHAT ARE DOLET HILLS' AVERAGE FUEL COSTS FOR 2017 THROUGH 2019?

A. Based on SWEPCO's monthly fuel reports filed at the Public Utility Commission of Texas, Dolet Hill's average fuel costs were $43.46/MWh on 795,019 MWhs in 2017, $100.82/MWh on 496,345 MWhs in 2018 and $118.24/MWh on 463,253 MWhs in 2019 through October.

Q. WHAT IS DRIVING THE RECENT DRAMATIC INCREASE IN AVERAGE FUEL COSTS AT DOLET HILLS?

A. Cleco and SWEPCO in November 2018 announced a transition from year-round to seasonal operations for the plant. With the transition, mining continues year-round but with one dragline instead of three. This change has dramatically cut Dolet Hills' annual capacity factor. Dolet Hill's mostly fixed lignite mining and transportation costs are being spread over fewer generation hours dramatically driving up its average fuel cost charged to ratepayers.

Q. HOW DOES THE DOLET HILLS AVERAGE FUEL COSTS COMPARE WITH SOUTHWEST POWER POOL MARKET LOCATIONAL MARGINAL PRICES ("LMP") AT THE DOLET HILLS PRICING NODE?

A. Average LMPs based on Dolet Hill's actual hours of generation were $27.03/MWh in 2017, $28.16/MWh in 2018 and $26.58/MWh in 2019 through October. Dolet Hills fuel costs paid by SWEPCO ratepayers were greater than SPP LMPs by approximately $13,065,754 in 2017, $36,064,499 in 2018 and $42,462,510 in 2019 through October. Dolet Hills average fuel cost, LMP and cost difference calculations are found in Exhibit JES-2.

In other words, Dolet Hills 2019 fuel cost through October is over four times greater than its comparable market cost, which is materially above the market price.

Q. WHAT HAS SWEPCO RECENTLY ANOUNCED CONCERNING THE DOLET HILLS GENERATION FACILITIES INCLUDING THE LIGNITE MINING FACILITIES?

A. Attached as Exhibit JES-3 is a January 9, 2019 SWEPCO press release titled, "SWEPCO to Seek Regulatory Approval to Retire Dolet Hills Power Plant by End of 2026." "As part of a settlement agreement in the recently concluded Arkansas rate review, Southwestern Electric Power Co. (SWEPCO), an American Electric Power (NYSE: AEP) company, has agreed to seek regulatory approval to retire the Dolet Hills Power Plant by the end of 2026. SWEPCO has committed to make the necessary regulatory filings at least 12 months prior to the retirement date. The Arkansas Public Service Commission approved the settlement agreement in late December 2019 as part of its overall decision in the SWEPCO rate review."

Q. IS DOLET HILLS GENERATION INCUDED IN SWEPCO'S SELECTED WIND FACILITES APPLICATION STUDIES?

A. Yes. As cited earlier from SWEPCO witness Thomas P. Brice on page 21 of his direct testimony, "To meet its customers' future energy requirements, SWEPCO will continue the operation of, and ongoing investment in, its existing fleet of generation resources."

Q. HAS SWEPCO REMOVED THE DOLET HILLS GENERATION AND COSTS FROM ITS STUDIES TO JUSTIFY THE ADDITION OF THE SELECTED WIND FACILITIES?

A. No. Based on a review of the confidential response to TIEC_1_19_SUPPLEMENTAL_Confidential_7, SWEPCO's cost and benefit vs. market analysis studies include its allocated portion of Dolet Hills generation and cost [redacted]. SWEPCO further assumed in the analysis that Dolet Hills generation MWhs [redacted]

Q. IS SWEPCO'S FUTURE TREATMENT OF DOLET HILLS GENERATION IN ITS SELECTED WIND FACILITIES CCN PROPOSAL CONSISTENT WITH ITS PLANS REVEALED IN ITS RECENT DOLET HILLS PRESS RELEASE?

A. No. As discussed earlier, SWEPCO witness Thomas P. Brice alleged a going forward strategy to "provide energy cost savings" and to "reduce or minimize costs to customers," however, SWEPCO has not recognized the cost saving and minimization that will be achieved by retiring Dolet Hills by 2026, savings which can be achieved without adding billions of dollars to customer rate base. SWEPCO attempts to justify the acquisition of Selected Wind Facilities, for at least $1.088 billion, by assuming speculative energy/fuel

cost savings based on the continued operation of a legacy generation fleet includes at least one generation asset, Dolet Hills, that we now know will be retired by 2026.

VI. PROPOSED TRANSACTION IS NOT IN THE PUBLIC INTEREST

Q. IS SWEPCO'S ADDITION OF THE SELECTED WIND FACILITIES IN THE PUBLIC INTEREST?

A. No. The SWEPCO CCN application, which includes an assumption of the continued operations of Dolet Hills generation beyond 2026, fails to present a factual and accurate case for acquiring the Selected Wind Facilities by adding more than a billion dollars to customer rate base and is therefore is not in the Public Interest.

Q. WHAT SHOULD THE COMMISSION DO WITH SWEPCO'S CCN FOR THE SELECTED WIND FACILITIES?

A. The Public Utility Commission of Texas should require SWEPCO to withdraw its application and resubmit an application that accurately models SWEPCO's overall portfolio generation fleet including the retirement of Dolet Hills.

VIII. SUMMARY AND CONCLUSIONS

Q. PLEASE SUMMARIZE YOUR CONCLUSIONS AND RECOMMENDATIONS REGARDING EPEC'S APPLICATION.

(1) On January 9, 2020 SWEPCO issued a press release announcing it has agreed to seek regulatory approval to retire the Dolet Hills Power Plant by the end of 2026.

(2) SWEPCO's application seeks recovery of the Selected Wind Facilities through a Generation Investment Recover Rider ("GIRR") claiming financial

benefits yet failed to reflect the retirement of the Dolet Hills lignite generation in its models.

(3) The Public Utility Commission of Texas should require SWEPCO to withdraw its application and resubmit an application that accurately models SWEPCO's overall portfolio generation fleet including the retirement of Dolet Hills.

Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?

A. Yes, it does.

GDS Associates, Inc
ENGINEERS & CONSULTANTS

JAMES E. STRIEDEL

Managing Director

EDUCATION

MBA, Finance & Accounting, University of Texas at Austin, 1985
BS, Electrical Engineering, Texas A&M University, 1982 (cum laude)
AA, Liberal Arts, Florida College, 1979 (magna cum laude)

EXPERIENCE

Mr. Striedel has over thirty-five years of management experience in the utility industry. He has a very broad base of experience including wholesale power supply and contract negotiations; RTO committees and board; generation asset management (gas, coal, hydro and wind; conventional, CT, CCGT and industrial cogeneration; MISO, SPP, Entergy & New England markets; self-owned, joint venture, generation operator and asset management); deregulation, retail energy procurement and risk management; rates, regulatory and expert testimony; transmission and distribution operations; management of IT system scoping, development and implementation; NERC compliance; and as an expat at a distribution and retail company in the Australian competitive electricity market. As Managing Director at GDS Associates, Inc., he has project management responsibilities serving client needs in the areas of power supply, generation services, deregulation and rates and regulatory.

PROFESSIONAL EXPERIENCE

GDS Associates, Inc., 2014 – Present
Managing Director

Provides consulting service to clients in power supply planning, negotiations and operations; generation asset management and optimization; electric industry restructuring; RTO committee processes, retail competition, retail energy procurement and risk management; and rate and regulatory analysis and testimony.

Additional experience including:

- Representing electric cooperative and municipal clients in Southwestern Power Resources Association regarding hydropower generation managed by the Corp of Engineers and marketed by the Southwestern Power Administration. Negotiated hydropower generation flexibility parameter with the Corps. Project managed approval by the Secretary of the Army and installation of two 50 MVA step-up transformers gifted by the preference customers to the Corps at a hydropower dam in Texas.
- Negotiated operating protocols in MISO South for municipal power agency agreements with IOU and Competitive Affiliate for wholesale supply from multiple generation assets to both wholesale PPA and service to industrial participant loads improving bottom-line, net margins.
- Planned and developing capabilities for scheduling, settlements and shadow settlements for municipal power agency in MISO South.
- Negotiated new Energy Management Agreement for municipal power agency in MISO South.
- Project managing a multi-consultant initiative for large municipal system's move of its interconnection from SPP to ERCOT Regional Transmission Organization involving reliability and production cost studies, wholesale and retail rate analysis, and regulatory testimony.

- Preparing annual Engineer's Reports for municipal power agency as required by its bond indenture.
- Providing wholesale power market, cost of service and rate design subject matter expertise to cooperatives in industrial customer tariff rulemaking before the Louisiana Public Service Commission.
- Preparing cost of service and rate design testimony for energy efficiency rates for a small investor owned utility before the Public Utility Commission of Texas.
- Evaluated the operation of a privately owned, FERC licensed hydropower dam and power marketer in Montana, recommending strategic opportunities to improve P&L.

2006 – 2013 Entergy Wholesale Commodities / Entergy Asset Management
VP, Entergy Asset Management, The Woodlands, Texas

- Wholesale asset management (P&L optimization & management, operations and maintenance, power supply, transmission, RTO and regulatory) of Entergy's non-nuclear competitive generation assets (gas, coal and wind), district energy businesses in Houston and New Orleans, and a 335 MW full requirements municipal customer in the US ($350M Total O&M Budget). Acquired and optimized the RISE merchant combined cycle generation plant profitably into Entergy's portfolio.

2000-2006 Entergy Solutions (Competitive Retail Electricity)
VP & Director – Retail Supply Operations, Entergy Solutions in Houston, Texas.

- Managed a wholesale power marketing organization to provide supply to competitive retail customers in ERCOT. Led start-up creating integrated and controlled trading, costing, deal management, retail market transactions, T&D interface, forecasting, qualified scheduling entity, and wholesale settlements / risk functions for a 1,000 MW Mass and C&I portfolio. Delivered $13M, $45M and $27M positive portfolio P&L in 2003-2005, respectively.

1999-2000 Entergy Services
Director – Transition to Competition at Entergy Services in New Orleans, Louisiana.

- Managed an organization to plan and create the competitive market mechanics (for Retail, Distribution, and Supply functions) under electric deregulation in Texas and Arkansas.

1999 Entergy Services
Director – Distribution University at Entergy Services in Little Rock, Arkansas.

- Managed a utility-wide support organization to Entergy's Utility Operations / Customer Service in the areas of process management, distribution standards, IT systems support, training and safety.

1997-1998 CitiPower
Manager – Competitive Retail Operations at CitiPower in Melbourne, Australia.

- Project managed planning and implementation of contestable sales strategy, processes and systems plus responsible for retail operations. Implemented competitive offer/deal management IT platform.

1996-1997 CitiPower
Manager – Network Control, Faults & Emergencies at CitiPower in Melbourne, Australia.

- Managed network control operators and servicemen in Melbourne CBD. Implemented fault shift operations, single-man fault crews, outsourced attendance at single premise outages to registered electricians, down sized by over 50% and reduced average outage duration from 65 to 60 minutes.

1994-1995 Entergy AP&L
Area Line Manager – River Valley at Entergy AP&L in Conway, Arkansas.

- Responsible for electric distribution field operations, meter services, construction and maintenance (150 employees) for ten county areas serving 110,000 customers out of five service centers in central Arkansas. Managed Capital and O&M budget of approximately $20M.

1991-1993 Gulf States Utilities
Lake Charles Division, Engineering Supervisor at GSU in Lake Charles, Louisiana.

- Responsible for engineering, survey and stores for division and $10M Division Capital Budget. Coordinated hurricane assessment / response for Lake Charles Division during Andrew.

1990-1991 Gulf States Utilities
Industrial Accounts Manager, Texas at GSU in Beaumont, Texas.

- Managed Industrial Account Reps covering all Texas major and petro-chemical customers. Negotiated industrial customer electricity deals as alternative to on-site Co-generation.

1988-1989 Gulf States Utilities
Marketing Superintendent, Beaumont Division at GSU in Beaumont, Texas.

- Responsible for sales and marketing programs, customer service, and local government relations.

1987-1988 Gulf States Utilities
Supervisor - Rate Research at GSU in Beaumont, Texas.

- Responsible for Rate Design and Class Cost of Service. Supported Rate Design and Cost of Service witnesses before the PUCT and FERC. Served as Rate Design and contract operation witness testifying in contract dispute at FERC.

1986-1987 Gulf States Utilities
Rate Engineer at GSU in Beaumont, Texas.

- Responsible for Rate Design and Class Cost of Service.

1985-1986 Gulf States Utilities
T&D Engineer at GSU in Beaumont, Texas.

- Responsible for Field Transmission and Distribution Engineering.

1984-1985 Southern Engineering Company
Consultant at Southern Engineering Company in Austin, Texas.

- Represented industrial, municipal and rural electric cooperative clients in rate making proceedings before the Public Utility Commission of Texas and FERC.

1979-1982 Gulf States Utilities
Coop Student Engineer at GSU in Port Arthur and Beaumont, Texas.

- Worked five alternating semesters in T&D field operations and in Transmission Planning (running load flow studies) while completing electrical engineering degree.

REGULATORY EXPERIENCE

- Rulemakings of Louisiana Public Service Commission to establish rules regarding electric utility tariff filings and related review, including site specific filings and related to electric service providers' provision of service to load outside its historical footprint and rates that may be offered for industrial load representing Association of Louisiana Electric Cooperatives (R-34738/34860)
- Review of Louisiana Public Service Commission Special Order 01-2001 to determine if it remains in the best interest of Louisiana ratepayers representing Sam Rayburn Municipal Power Agency (U-34332)
- Application of Sharyland Utilities, L.P. to Adjust the Energy Efficiency Cost Recovery Factor (EECRF) and for Related Relief (Aug. 8, 2014), Public Utility Commission of Texas, Docket No. 42486.
- Application of Sharyland Utilities, L.P. to Adjust the Energy Efficiency Cost Recovery Factor (EECRF) and for Related Relief (Oct. 8, 2015). Public Utility Commission of Texas, Docket No. 44788.

- Application of Sharyland Utilities, L.P. to Adjust the Energy Efficiency Cost Recovery Factor (EECRF) and for Related Relief (Nov. 14, 2016). Public Utility Commission of Texas, Docket No. 46024.
- Application of Sharyland Utilities, L.P. to Adjust the Energy Efficiency Cost Recovery Factor (EECRF) and for Related Relief (Sep. 29, 2017). Public Utility Commission of Texas, Docket No. 47248.
- Market Protocols for the Portions of Texas within the Southeastern Electric Reliability
- Competitive market protocols before Arkansas and Mississippi Public Service Commissions
- Council before the Public Utility Commission of Texas (filed August 11, 2003), as Market Protocols Witness for Entergy Solution Ltd, Docket No. 25089.
- Application by Entergy Gulf States Inc. for Unbundled Cost of Service before the Public Utility Commission of Texas (filed), as Cost of Service Witness for EGSL, Docket No. 24336.
- Application by Entergy Gulf States Inc. for Price to Beat Fuel Factor before the Public Utility Commission of Texas (filed), as Cost of Service and Rate Design Witness for EGSL, Docket No. 22356.
- Complaint Proceeding by Cajun Electric Power Coop vs. Gulf States Utilities regarding CTOC Transmission Agreement before the FERC (filed September 16, 1988), as Contracts, Rate Design and Class Cost of Service Witness for GSU, Dockets EL87-51 and EL88-477.

BOARDS & COMMITTEES

- Southwestern Power Resources Association Alternate Board Member (2015-Present)
- Top Deer Wind Ventures LLC (w/ Shell WindEnergy) Members Committee (2006-2013)
- RS Cogen LLC (w/ Axiall) Members Committee (2006-2013)
- Nelson 6 Coal (w/ Entergy GSU LA, SRG&T & ETEC) Members Committee (2008-2013)
- ISES 2 Coal (W/ Entergy Mississippi, ETEC & NTEC) Members Committee (2008-2013)
- Entergy Power Ventures LLC (w/ ETEC & NTEC) Members Committee (2006-2011)
- ERCOT Board of Directors from REP Sector for 2005 & 2006 (Alternate)
- ERCOT Technical Advisory Committee from REP Sector for 2004 and partial terms in 2002 and 2003
- PUCT Completive Retail Electric Market Pilot Rulemaking Committee in 2000-2001
- Arkansas Competitive Market Working Group 1999-2000 (Chairperson)

Dolet Hillis Power Plant
Fuel Cost - LMP Comparison
2017-2019 To Date

Line No.	Year	Month	Dolet Hills (1) MWh	Dolet Hills (1) Cost	Dolet Hills (1) $/MWh	262 Cap Factor	Market (2) LMP	Market Cost	Dollar Difference	Unit Difference
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
1	2017	Jan	130,601	$6,229,485	$47.70	67.0%	$26 59	$3,472,535	($2,756,950)	($21.11)
2	2017	Feb	94,537	$3,961,305	$41.90	53.7%	$22.41	$2,118,486	($1,842,819)	($19.49)
3	2017	Mar	24,094	$831,563	$34.51	12.4%	$21.09	$508,130	($323,433)	($13.42)
4	2017	Apr	61,693	$2,680,831	$43.45	32.7%	$30.19	$1,862,564	($818,267)	($13.26)
5	2017	May	163,161	$6,658,042	$40.81	83.7%	$27.37	$4,464,946	($2,193,096)	($13.44)
6	2017	Jun	160,413	$6,592,765	$41.10	85.0%	$27.25	$4,371,686	($2,221,079)	($13.85)
7	2017	Jul	112,285	$4,958,793	$44.16	57.6%	$30.63	$3,439,072	($1,519,721)	($13.53)
8	2017	Aug	48,235	$2,493,595	$51.70	24.7%	$25.92	$1,250,261	($1,243,334)	($25.78)
9	2017	Sep	0	$147,047		0.0%	$0.00	$0	($147,047)	$0.00
10	2017	Oct	0	$9,343,968		0.0%	$0.00	$0	($9,343,968)	$0.00
11	2017	Nov	0	$3		0.0%	$0.00	$0	($3)	$0.00
12	2017	Dec	0	$3		0.0%	$0.00	$0	($3)	$0.00
13	2018	Jan	72,699	$8,662,774	$119.16	37.3%	$29.90	$2,173,657	($6,489,117)	($89.26)
14	2018	Feb	61,088	$7,047,078	$115.36	34.7%	$23.43	$1,431,548	($5,615,530)	($91.93)
15	2018	Mar	0	$817,809		0.0%	$0.00	$0	($817,809)	$0.00
16	2018	Apr	0	$0		0.0%	$0.00	$0	$0	$0.00
17	2018	May	16,232	$1,936,060	$119.27	8.3%	$32.94	$534,758	($1,401,302)	($86.33)
18	2018	Jun	74,362	$7,313,814	$98.35	39.4%	$29.62	$2,202,847	($5,110,967)	($68.73)
19	2018	Jul	70,683	$6,148,358	$86.98	36.3%	$29.58	$2,090,804	($4,057,554)	($57.40)
20	2018	Aug	75,740	$6,713,733	$88.64	38.9%	$26.10	$1,976,724	($4,737,009)	($62.54)
21	2018	Sep	76,386	$7,080,214	$92.69	40.5%	$24.82	$1,895,713	($5,184,501)	($67.87)
22	2018	Oct	49,155	$4,208,390	$85.61	25.2%	$34.03	$1,672,810	($2,535,580)	($51.58)
23	2018	Nov	0	$114,980		0.0%	$0.00	$0	($114,980)	$0.00
24	2018	Dec	0	$149		0.0%	$0.00	$0	($149)	$0.00
25	2019	Jan	0	$1,620		0.0%	$0.00	$0	($1,620)	$0.00
26	2019	Feb	0	$0	$0.00	0.0%	$0 00	$0	$0	$0.00
27	2019	Mar	10,470	$1,373,781	$131.21	5.4%	$61.79	$646,919	($726,862)	($69.42)
28	2019	Apr	0	$44,325		0.0%	$0.00	$0	($44,325)	$0.00
29	2019	May	33,817	$4,599,496	$136.01	17.3%	$26.49	$895,775	($3,703,721)	($109.52)
30	2019	Jun	94,200	$12,154,398	$129.03	49.9%	$24.53	$2,310,800	($9,843,598)	($104.50)
31	2019	Jul	100,294	$12,247,537	$122.12	51.5%	$26.18	$2,626,024	($9,621,513)	($95.93)
32	2019	Aug	99,887	$11,907,164	$119.21	51.2%	$25.12	$2,509,089	($9,398,075)	($94.09)
33	2019	Sep	117,101	$11,579,610	$98.89	62.1%	$26.44	$3,095,568	($8,484,042)	($72.45)
34	2019	Oct	7,484	$868,564	$116.06	3.8%	$30.71	$229,809	($638,755)	($85.35)
35	2019	Nov								
36	2019	Dec								
37										
38	2017	Total	795,019	$43,897,400	$55.22	34.6%	$27.03	$21,487,681	($22,409,719)	($28.19)
39	2018	Total	496,345	$50,043,359	$100.82	21.6%	$28 16	$13,978,860	($36,064,499)	($72 66)
40	2019	Total	463,253	$54,776,495	$118.24	24.2%	$26.58	$12,313,985	($42,462,510)	($91.66)

Notes: (1) Texas PUCT Monthly Fuel Reports
(2) Weighted Average LMP based on Dolet Hills Actual Hourly MW Generation

SWEPCO to Seek Regulatory Approval to Retire Dolet Hills Power Plant by End of 2026

SHREVEPORT, La., Jan. 9, 2020 – As part of a settlement agreement in the recently concluded Arkansas rate review, Southwestern Electric Power Co. (SWEPCO), an American Electric Power (NYSE: AEP) company, has agreed to seek regulatory approval to retire the Dolet Hills Power Plant by the end of 2026.

SWEPCO has committed to make the necessary regulatory filings at least 12 months prior to the retirement date.

Also as part of the settlement agreement, the Sierra Club has agreed to withdraw its pending challenges related to the Dolet Hills Power Plant in Texas and Louisiana.

"With this agreement, we continue to focus on the economic operations of the plant and lignite mine to best serve our customers. This action follows our change to seasonal operations last year as we adjust to electric power market conditions and the challenges of mining the Oxbox lignite reserves," said Brian Bond, SWEPCO vice president of External Affairs.

"The plant's environmental performance has been exceptional for decades, operating in full compliance with applicable federal and state regulations protective of human health and the environment," Bond said.

Dolet Hills is a 650-megawatt (MW) lignite-fueled plant near Mansfield, La. SWEPCO owns 40% of the plant. Cleco Corp. owns 50% of the plant and operates the facility. Dolet Hills Lignite Co., a subsidiary of SWEPCO, operates the Oxbow Mine to provide fuel for the power plant.

Cleco and SWEPCO in November 2018 announced a transition from year-round to seasonal operations for the plant. With the transition, mining continues year-round but with one dragline instead of three.

The Arkansas Public Service Commission approved the settlement agreement in late December 2019 as part of its overall decision in the SWEPCO rate review.

SWEPCO serves more than 536,300 customers in Arkansas, Louisiana and Texas.

About Southwestern Electric Power Co. (SWEPCO)

SWEPCO, an American Electric Power (AEP: NYSE) company, serves more than 536,300 customers in western Arkansas, northwest and central Louisiana, northeast Texas and the Texas Panhandle. SWEPCO's headquarters are in Shreveport, La. News releases and other information about SWEPCO can be found at SWEPCO.com. Connect with us at Facebook.com/SWEPCO, Twitter.com/SWEPCOnews, Youtube.com/SWEPCOtv and SWEPCOConnections.com.

About American Electric Power (AEP)

American Electric Power, based in Columbus, Ohio, is focused on building a smarter energy infrastructure and delivering new technologies and custom energy solutions to our customers. AEP's approximately 18,000 employees operate and maintain the nation's largest electricity transmission system and more than 219,000 miles of distribution lines to efficiently deliver safe, reliable power to nearly 5.4 million regulated customers in 11 states. AEP also is one of the nation's largest electricity producers with approximately 32,000 megawatts of diverse generating capacity, including about 5,200 megawatts of renewable energy. AEP's family of companies includes utilities AEP Ohio, AEP Texas, Appalachian Power (in Virginia and West Virginia), AEP Appalachian Power (in Tennessee), Indiana Michigan Power, Kentucky Power, Public Service Company of Oklahoma, and Southwestern Electric Power Company (in Arkansas, Louisiana, East Texas and the Texas Panhandle). AEP also owns AEP Energy, AEP Energy Partners, AEP OnSite Partners, and AEP Renewables, which provide innovative competitive energy solutions nationwide. For more information, visit aep.com.

SWEPCO Corporate Communications
Peter Main (479-973-2526)
Carey Sullivan (318-673-3458)

AFFIDAVIT

THE STATE OF TEXAS §

COUNTY OF TRAVIS §

BEFORE ME, the undersigned notary public, this day personally appeared James E. Striedel, to me known, who being duly sworn according to law, deposes and says:

"My name is James E. Striedel. I am of legal age and a resident of the State of Texas. I certify that the foregoing testimony and exhibits, offered by me on behalf of East Texas Electric Cooperative, Inc. and Northeast Texas Electric Cooperative, Inc. are true and correct based upon my personal knowledge and professional experience."

James E. Striedel

SUBSCRIBED AND SWORN TO BEFORE ME, notary public, on this the 13th day of January 2020.

NOTARY PUBLIC STATE OF TEXAS
Camie Dell Flowers
My Commission Expires
05/03/2022
ID No 11172312

Notary Public in and for the State of Texas