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SOAH DOCKET NO. 473-16-2751  
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APPLICATION OF THE CITY OF §  
GARLAND TO AMEND A §  
CERTIFICATE OF CONVENIENCE §  
AND NECESSITY FOR THE RUSK TO §  
PANOLA DOUBLE-CIRCUIT 345-KV §  
TRANSMISSION LINE IN RUSK AND §  
PANOLA COUNTIES §


BEFORE THE STATE OFFICE  
OF  
ADMINISTRATIVE HEARINGS

TEXAS INDUSTRIAL ENERGY CONSUMER'S RESPONSE TO  
SOUTHERN CROSS TRANSMISSION, LLC'S  
THIRD REQUEST FOR INFORMATION

Texas Industrial Energy Consumers (TIEC) files the following responses to the Third Requests for Information (RFI) to TIEC filed by Southern Cross Transmission, LLC (SCT). The request was filed at the Commission and received by TIEC on May 16, 2016. Accordingly, pursuant to the procedural schedule entered in this case, TIEC's response is timely filed. TIEC's responses to specific questions are set forth as follows, in the order of the questions asked. Pursuant to P.U.C. Proc. R. 22.144(c)(2)(F), these responses may be treated as if they were filed under oath.

Respectfully submitted,

THOMPSON & KNIGHT LLP




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ATTORNEYS FOR TEXAS INDUSTRIAL  
ENERGY CONSUMERS

### **CERTIFICATE OF SERVICE**

I, Michael McMillin, Attorney for TIEC, hereby certify that a copy of the foregoing document was served on all parties of record in this proceeding on this 26<sup>th</sup> day of May, 2016 by hand-delivery, facsimile, electronic mail and/or First Class, U.S. Mail, Postage Prepaid.

  
\_\_\_\_\_  
Michael McMillin

**SOAH DOCKET NO. 473-16-2751  
DOCKET NO. 45624**

<b>APPLICATION OF THE CITY OF GARLAND TO AMEND A CERTIFICATE OF CONVENIENCE AND NECESSITY FOR THE RUSK TO PANOLA DOUBLE-CIRCUIT 345-KV TRANSMISSION LINE IN RUSK AND PANOLA COUNTIES</b>	§ § § § § § §	<b>BEFORE THE STATE OFFICE  OF  ADMINISTRATIVE HEARINGS</b>
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**TEXAS INDUSTRIAL ENERGY CONSUMER'S RESPONSE TO  
SOUTHERN CROSS TRANSMISSION, LLC'S  
THIRD REQUEST FOR INFORMATION**

**SCT-TIEC 3-1**      The following question relates to Mr. Griffey's response to SCT RFI No. 2-4. Specifically, Mr. Griffey concludes "The analysis presented showed only monthly average prices for the connecting load node, and at these prices the value of the imports across the SCT line are an insignificant amount of total production cost." Please provide the analysis relied on by Mr. Griffey that supports Mr. Griffey's conclusion including the workpaper(s) associated with the analysis. If no workpapers were created, please provide the details regarding the specific calculations and/or comparisons that were made to reach the conclusion.

**RESPONSE:**

Please see the attached workpapers, some of which are being produced as highly sensitive protected material, and some of which are being produced on a compact disc. The value of the imports in Case 2 is approximately \$1.5 million and in Case 3 is approximately \$3 million. These imports represent an insignificant amount of total production cost.

Preparer:      Charles Griffey  
Sponsor:      Charles Griffey

**SOAH DOCKET NO. 473-16-2751  
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<b>APPLICATION OF THE CITY OF</b>	§	
<b>GARLAND TO AMEND A</b>	§	
<b>CERTIFICATE OF CONVENIENCE</b>	§	<b>BEFORE THE STATE OFFICE</b>
<b>AND NECESSITY FOR THE RUSK TO</b>	§	
<b>PANOLA DOUBLE-CIRCUIT 345-KV</b>	§	<b>OF</b>
<b>TRANSMISSION LINE IN RUSK AND</b>	§	<b>ADMINISTRATIVE HEARINGS</b>
<b>PANOLA COUNTIES</b>	§	

**TEXAS INDUSTRIAL ENERGY CONSUMER'S RESPONSE TO  
SOUTHERN CROSS TRANSMISSION, LLC'S  
THIRD REQUEST FOR INFORMATION**

**SCT-TIEC 3-2**      The following question relates to Mr. Griffey's response to SCT RFI No. 2-4. Specifically, Mr. Griffey concludes: "Based on the information presented, the production cost decreases shown for imports in SCT's analysis appear to be caused by increased imports on the existing DC ties rather than imports across the SCT line." Please provide a full and complete explanation of the following:

- a)      Upon what does Mr. Griffey base his conclusion that the benefits from imports are caused by increased imports on the existing DC ties rather than imports across SCT?
- b)      Provide a copy of any quantitative or qualitative analysis Mr. Griffey relied on to support his conclusion that the benefits from imports are caused by increased imports on the existing DC ties rather than imports across SCT?
- c)      Upon what basis is Mr. Griffey linking flows on the existing ties vs. flows on SCT to benefits of the SCT project?
- d)      On what basis does Mr. Griffey assign the benefits to flows across the existing DC ties?
- e)      Does Mr. Griffey believe that lower production costs in the change case that he attributes to flow across the existing DC ties are entirely independent of the SCT project – for example would they exist independent of the presence of the SCT project? If the answer is anything other than "yes" please provide explain the basis for your response.

**RESPONSE:**

- a)      Please refer to the response to SCT-TIEC 3-1.
- b)      Please refer to the response to SCT-TIEC 3-1.

- c) As shown in its response to TIEC 1-26, SCT made that linkage in its calculation of total production costs.
- d) Imports over the SCT line are a small fraction of the imports over the existing ties in both MWh and dollar terms.
- e) It is impossible to answer the question without more granular data to examine what is happening in the hours when increased imports are projected from SPP over the existing lines. Without that data, it is not possible to determine whether the production cost savings are capable of occurring in reality or whether they occur simply do to the modeling assumptions employed.

Preparer: Charles Griffey  
Sponsor: Charles Griffey