



Control Number: 47553



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**PUC DOCKET NO. 47553  
SOAH DOCKET NO. 473-17-5931**

**APPLICATION OF SOUTHWESTERN  
ELECTRIC POWER COMPANY FOR  
AUTHORITY TO RECONCILE FUEL  
COSTS**

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**PUBLIC UTILITY COMMISSION  
OF TEXAS**

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**CITIES ADVOCATING REASONABLE DEREGULATION'S  
PRELIMINARY LIST OF ISSUES**

COMES NOW, the Cities Advocating Reasonable Deregulation ("CARD") and files their response to the Public Utility Commission of Texas' Order of Referral permitting interested parties to file a list of issues to be addressed in this proceeding:<sup>1</sup>

1. What is the just, reasonable, and prudent amount of fuel and purchased power costs for the period March 1, 2014 through February 28, 2017 (the "Reconciliation Period") that should be included in rates to be paid by SWEPCO's end-use customers?
2. Are SWEPCO's fuel expenses during the Reconciliation Period eligible fuel and purchase-power energy expenses under 16 Texas Administrative Code § 25.236?
3. Were SWEPCO's fuel and purchased power contracts entered into or modified during the Reconciliation Period prudent and was the Company's administration of such contracts also prudent?
4. Has SWEPCO properly excluded all purchased power capacity and non-fuel costs from its eligible fuel expenses during the Reconciliation Period?
5. Did SWEPCO pay affiliates for fuel or purchased-power during the Reconciliation Period, and if so, did such payments for each item or class of items meet the requirements of PURA § 36.058?
6. Did SWEPCO properly account for the amount of fuel-related revenues collected through its fuel factor?
7. Has SWEPCO generated electricity and dispatched its power plants in a prudent and efficient manner?
8. Were any major outages during the reconciliation period caused by imprudent management of SWEPCO's generating facilities, or due to vendor errors, and if so, what

<sup>1</sup> Because the discovery process is in its preliminary stage, CARD's list of issues is not and should not be viewed as an exhaustive list of issues to be addressed in this proceeding. CARD reserves the right to raise additional issues as may be necessary as the case proceeds and as discovery responses may warrant.

are the replacement power costs associated with such outages? Were there any major outages?

9. Did SWEPCO reasonably take advantage of opportunities in purchased power and fuel markets to lower its system fuel and purchased energy expenses during the Reconciliation Period?
10. Has SWEPCO properly classified and calculated the costs and margins associated with off-system sales during the Reconciliation Period?
11. Has SWEPCO properly managed its coal supply costs and are such costs appropriately assigned to native and off-system loads?
12. Has SWEPCO properly classified and accounted for energy and ancillary service sales and purchases in the Southwest Power Pool's Integrated Market during the Reconciliation Period?
13. Is SWEPCO's proposed treatment of the mine closing costs for the mine that supplies lignite to the Pirkey Power Plant reasonable and consistent with the Commission's Final Order in Docket No. 40443?
14. Is SWEPCO's proposal for the treatment of profits from the sale of lignite to third parties reasonable and consistent with the Commission's Final Order in Docket No. 40443?
15. Has SWEPCO properly removed the equity component of the charges for lignite supplied by the Dolet Hills Lignite Company from its eligible fuel expense calculation as required by the settlement in Docket No. 28045?
16. Did SWEPCO properly remove the incremental fuel expenses and any imprudently incurred or ineligible expenses associated with merchant sales from the Turk Plant?
17. Did SWEPCO make the appropriate adjustment to account for certain tax deductions in the Dolet Hills Lignite Company's billings to SWEPCO during the Reconciliation Period?
18. Has SWEPCO properly accounted for fuel factor revenues, interim fuel refunds and interim fuel surcharges that were in effect during the Reconciliation Period?
19. Has SWEPCO properly allocated eligible fuel expenses incurred during the Reconciliation Period among its retail and wholesale jurisdictions?
20. Has SWEPCO properly allocated eligible fuel expenses incurred during the Reconciliation Period among its Texas retail rate classes?
21. Has SWEPCO properly calculated the under- and over-recovery of eligible fuel expenses and related interest incurred during the Reconciliation Period?

22. Should the Commission approve SWEPCO's proposal to defer its rate case expenses associated with this docket (including reimbursement of municipalities' rate case expenses participating in this docket) for review and recovery in a separate, future proceeding?
23. Has SWEPCO's reconcilable fuel balance been properly adjusted to remove any replacement energy costs arising from imprudent decisions to retire or restrict the operations of existing generating assets or from settlement concessions related to the Turk Plant which are found to be imprudent?
24. Has SWEPCO reasonably and properly accounted for energy losses incurred in determining the reconcilable fuel and purchased energy expenses for each rate class?

Respectfully submitted,

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**ATTORNEYS FOR CITIES ADVOCATING  
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**CERTIFICATE OF SERVICE**

I hereby certify that on this the 13<sup>th</sup> day of September 2017, a true and correct copy of the *Cities Advocating Reasonable Deregulation's Preliminary List of Issues* was served upon all parties of record by facsimile and/or First-class mail United States mail, postage paid.

By: 

Brennan J. Foley