



Control Number: 49499



Item Number: 16

Addendum StartPage: 0

**SOAH DOCKET NO. 473-19-4424  
PUC DOCKET NO. 49499**

2019 MAY 31 PM 3:55  
BEFORE THE STATE OFFICE  
PUBLIC UTILITY COMMISSION  
FILING CLERK  
OF  
ADMINISTRATIVE HEARINGS

**APPLICATION OF SOUTHWESTERN  
ELECTRIC POWER COMPANY TO  
ADJUST ITS ENERGY EFFICIENCY  
COST RECOVERY FACTOR AND  
RELATED RELIEF** §  
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**SOAH ORDER NO. 1  
FILING DESCRIPTION; ADDRESSING JURISDICTION AND NOTICE;  
GRANTING MOTION TO INTERVENE; REQUIRING STAFF COMMENT ON NOTICE;  
APPROVING DISCOVERY AND PROTECTIVE ORDER;  
AND NOTICE OF PREHEARING CONFERENCE**

**I. FILING DESCRIPTION**

On May 24, 2019, Southwestern Electric Power Company (SWEPCO) filed an application with the Public Utility Commission of Texas (Commission) requesting to Adjust its Energy Efficiency Cost Recovery Factor and Related Relief (Application) for program year 2020 in accordance with § 39.905 of the Public Utility Regulatory Act (PURA)<sup>1</sup> and 16 Texas Administrative Code §§ 25.181-182.

SWEPCO provides service to approximately 185,000 customers in Texas, with service areas in 19 counties in northeast Texas and 5 counties in north Texas. SWEPCO proposes to apply the adjusted Energy Efficiency Cost Recovery Factor (EECRF) requested to all of its retail electric customers in its Texas service areas who take service below 69,000 volts, with the exception of industrial distribution customers who filed a notice of intent pursuant to 16 Texas Administrative Code § 25.181(u) and lighting customers, for whom no energy efficiency programs are available.

In Docket No. 48334, the Commission authorized SWEPCO to adjust its EECRF pursuant to PURA § 39.905 and 16 Texas Administrative Code § 25.182(d)(1) to recover \$5,109,984 in 2019 for energy efficiency. This included \$3,955,718, the amount of its projected energy efficiency costs for its 2019 programs, projected Evaluations, Measurement, and Verification (EM&V) expenses for program year 2018 in the amount of \$63,903, and \$859,328, the amount of SWEPCO's performance bonus

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<sup>1</sup> Public Utility Regulatory Act, Tex. Util. Code §§ 11.001-66.017 (PURA).

achieved by its 2017 energy efficiency results. SWEPCO's approved 2019 EECRF also included an adjustment of \$231,035 for the under-recovery of energy efficiency costs incurred in Program Year 2017. SWEPCO, is an electric utility, which serves in an area in which customer choice is not offered and is required to apply to adjust its EECRF not later than May 1 of each year.

## II. REQUEST TO ADJUST EECRF

SWEPCO requests the authority to update its EECRF and adjust its cost recovery factors for energy efficiency to collect \$5,097,476 in 2020 to reflect the following three components:

- Recovery of \$4,376,484 in projected energy efficiency program costs for SWEPCO's 2020 programs;
- An adjustment for the over-recovery of \$78,896 in 2018 for program costs and \$2,415 in interest;
- EM&V costs of \$64,991; and
- Recovery of \$746,312 representing SWEPCO's performance bonus for achieving demand and energy savings that exceed the goal to be achieved in 2018.

## III. ADJUSTED EECRF COST RECOVERY FACTORS FOR 2019

SWEPCO requests the Commission make their adjusted schedule EECRF effective as of January 1, 2020. The requested adjusted EECRF cost recovery factors to recover the applicable energy efficiency costs during 2020 are as follows:

EECRF Rate Class	kWh Factor
Residential	\$0.001181
General Service	\$0.000971
Lighting and Power	\$0.000755
Municipal Pumping	\$0.000165
Municipal Service	\$0.002061
Cotton Gin	\$0.000060

Large Lighting and Power < 69kV	\$0.000526
Metal Melting < 69 kV	\$0.003261
Oil Field Large Industrial Power	\$0.000258
Lighting	\$0.000000

#### IV. JURISDICTION AND NOTICE

The Commission has jurisdiction and authority over this proceeding pursuant to PURA §§ 11.004(1) and 31.002(6). The Commission has jurisdiction over SWEPCO and the subject matter of this Application under PURA §§ 14.001, 32.001, 36.001, 36.204, and 39.905 and 16 Texas Administrative Code §§ 25.181 and 25.182. The Commission referred this case to the State Office of Administrative Hearings (SOAH) on May 2, 2019, requesting the assignment of an Administrative Law Judge (ALJ) to conduct a hearing and issue a proposal for decision, if such is necessary. In its Order of Referral, the Commission set a deadline of May 10, 2019, for filing lists of issues to be addressed in this proceeding and stated it will consider and possibly adopt a preliminary order at its open meeting scheduled for May 23, 2019. SOAH has jurisdiction over the matters in this proceeding to conduct a hearing pursuant to Texas Government Code § 2003.049.

SWEPCO proposes to provide notice of the Application by U.S. mail, postage prepaid, to all parties to SWEPCO Docket No. 46449, SWEPCO'S most recent completed base rate case; Docket No. 48334, its last EECRF case; and the Texas Department of Housing and Community Affairs consistent with 16 Texas Administrative Code § 25.182.

#### V. MOTION TO INTERVENE

On May 14, 2019, Texas Industrial Energy Consumers (TIEC), timely filed a motion to intervene. The basis for TIEC's motion is that it is an association of industrial consumers of electricity with member companies that own and operate industrial facilities in SWEPCO's service territory and that purchase electricity from SWEPCO. Thus, TIEC notes that its members will be impacted by any determination the

Commission may make involving SWEPCO's application. There were no objections to the motion, which is **GRANTED**.

#### **VI. REQUIRING STAFF COMMENT ON NOTICE**

Commission Staff shall examine SWEPCO's proposed notice and, on or about June 7, 2019, provide comment or objection about sufficiency of notice. If Staff finds the proposed notice sufficient, SWEPCO shall immediately commence providing notice. Proof of notice will be filed with the Commission upon completion of notice.

#### **VII. DISCOVERY AND PROTECTIVE ORDER**

Discovery may begin immediately pursuant to Subchapter H of the Commission's Procedural Rules. SWEPCO has requested approval of the proposed protective order attached to its Application. The proposed protective order is hereby **APPROVED**, subject to any objections raised by the parties before the prehearing conference. Any objections raised by the parties will be discussed at that time.

#### **VIII. NOTICE OF PREHEARING CONFERENCE**

The undersigned ALJ will convene a prehearing conference at **10:00 a.m., June 13, 2019**, in a SOAH hearing room in the **William P. Clements Office Building, 300 West 15<sup>th</sup> Street, Fourth Floor, Austin, Texas.**<sup>2</sup> At the prehearing conference the ALJ will take up any issues raised by the parties including, but not limited to service procedures, pending motions to intervene, the adoption of a procedural schedule, and any other motion filed by 3:00 p.m. on June 6, 2019, and emailed to the ALJ's administrative assistant on that day. A list of issues the parties may wish to discuss at the prehearing conference must also be filed no later than 3:00 p.m., June 6, 2019.

#### **IX. FILING AND SERVICE PROCEDURES**

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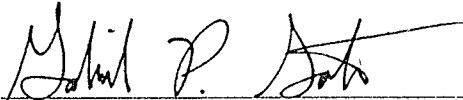
<sup>2</sup> Those attending the prehearing are advised that they must check in with building security personnel in the lobby of the William P. Clements Building and be issued visitor badges before proceeding to the hearing room. The parties should allow sufficient time for the check-in procedure.

All pleadings shall be filed with the Commission's filing clerk, not with the SOAH filing clerk. The Commission's filing clerk will forward a copy of the pleadings to SOAH. Parties wishing to hand-deliver a file-stamped copy of a pleading to the ALJ should deliver it to Room 505, Fifth Floor, William P. Clements Building, 300 West 15th Street, Austin, Texas. Parties may also email copies of pleadings, especially those that are time-sensitive, to the ALJ's Administrative Assistant, Erin Hurley, at 512-475-3419 or [erin.hurley@soah.texas.gov](mailto:erin.hurley@soah.texas.gov) as long as all other parties are copied on the same email. SOAH support personnel may not provide advice or interpret orders or regulations for the parties.

The procedures regarding filing specified in the Subchapter E of the Commission's procedural rules apply in this proceeding. All parties are expected to know those procedures and comply with them fully. Pleadings and other filing shall be deemed filed when the proper number of legible copies are presented to the Commission filing clerk for filing.

All mail sent to the parties by the ALJ will be sent first class mail or by email, unless a party requests express mailing and provides an express mail account number. Parties wishing to receive ALJ mailings by email should register for email service on the SOAH website. Parties seeking to arrange express mailing should contact Ms. Hurley at the email address, above.

**SIGNED: May 31, 2019.**

  
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GABRIEL P. SOTO  
ADMINISTRATIVE LAW JUDGE  
STATE OFFICE OF ADMINISTRATIVE HEARINGS