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PUC DOCKET NO. 49671

APPLICATION OF AEP TEXAS INC. TO §
AMEND ITS CERTIFICATE OF §
CONVENIENCE AND NECESSITY FOR §
THE PROPOSED CRYO TO SARAGOSA §
138-KV TRANSMISSION LINE IN §
REEVES COUNTY §

BEFORE THE PUBLIC UTILITY COMMISSION §
FILING CLERK §
PUBLIC UTILITY COMMISSION §
OF TEXAS §

RESPONSE OF AEP TEXAS INC.
TO ISSUES TO BE ADDRESSED IN ORDER NO. 1

COMES NOW AEP Texas Inc. (AEP Texas) and files this Response to the four issues to be addressed in Order No. 1 and in support thereof would respectfully show as follows:

I. INTRODUCTION

Order No. 1 issued in this docket on July 25, 2019 requires AEP Texas, in part, to provide certain information that address the need for the project and potential alternatives to the proposed project. Order No. 1 requires AEP Texas to respond by August 13, 2019. Accordingly, this Response is timely and AEP Texas provides the following information in Response to Order No. 1:

II. ISSUES TO BE ADDRESSED

- 1. Has the Electric Reliability Council of Texas (ERCOT) Independent System Operator (ISO) recommended the proposed transmission project as necessary to alleviate “existing and potential transmission and distribution constraints and system needs within ERCOT” in the annual report filed under PURA Section 39.155(b)? If not, is there a need for the proposed transmission project?**

No, the proposed transmission project is not included in the ERCOT annual report filed under PURA Section 39.155(b). As explained in the AEP Texas response to Question 14 in its Application in this docket, the transmission project is considered a Tier 4 “Neutral” project under the ERCOT Regional Planning Group (RPG) Charter and the associated Tier classifications outlined in the ERCOT Protocols Section 3.11.4 and, is not required to be reviewed by the RPG.

There is a need for the proposed transmission project, as further addressed in the AEP Texas response to Question 14 in its CCN Application. This proposed transmission line project is needed to permanently connect a new cryogenic gas processing plant with an expected load requirement of 108 MW onto the AEP Texas electrical system.

2. **If such a need exists, is the proposed transmission project the best option to meet the need, based on an analysis taking into account consideration of efficiency, reliability, costs, and benefits?**

Yes it is. As explained in response to Questions 14 and 15 in the AEP Texas CCN Application in this docket, the proposed transmission project is the best option to meet the need taking into account considerations of efficiency, reliability, costs, and benefits.

3. **For Utilities that are subject to unbundling requirements of PURA Section 39.051, is the proposed transmission project the best option when compared to employing distribution facilities to meet the specified need?**

AEP Texas is subject to the unbundling requirements of PURA Section 39.051. The proposed transmission project is the best option compared to employing distribution facilities. The need for the 138-kV transmission option was driven by the 108 MW size of the new cryogenic gas processing plant. A reasonable distribution solution does not exist to connect an expected load of 108 MW onto the AEP Texas electrical system.

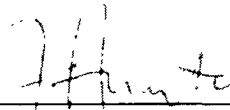
4. **For Utilities that are not subject to unbundling requirements of PURA Section 39.051, is the proposed transmission project the best option when compared to employing distribution facilities, distributed generation, and/or energy efficiency to meet the specified need?**

Not applicable.

Dated: August 13, 2019

RESPECTFULLY SUBMITTED.

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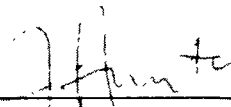
By:  _____

Jerry N. Huerta

ATTORNEY FOR AEP TEXAS INC.

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing document was served on all parties of record in this proceeding by hand-delivery, overnight delivery, facsimile transmission, or U.S. first-class mail on the 13 day of August, 2019.

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Jerry N. Huerta