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

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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 § ADMINISTRATIVE HEARINGS
GENERATION FACILITIES §

**SOUTHWESTERN ELECTRIC POWER COMPANY'S RESPONSE TO
COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION**

OCTOBER 9, 2019

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Question No. Staff 2-1:

If SWEPCO uses the 30-year life method of depreciation for tax purposes for the wind facilities, how does the projected utilization of the PTC's change over the life of the project as compared to SWEPCO's plan to classify the wind facilities as five-year property under MACRS for income tax purposes? Do any IRS regulations preclude the Company from using the 30-year life method? If so, please identify. Please list all assumptions used in estimating the cost for the gen-tie alternative, including the length of all segments (i.e. the main line and each of the legs to the Selected Wind Facilities).

Response No. Staff 2-1:

For the tax information, please refer to the Company's response to Staff 1-1.

See the Company's response to ETEC/NTEC 1-32 for gen-tie information.

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Question No. Staff 2-2:

In PUC Docket No. 47461, SWEPCO determined that current and forecasted congestion in the SPP transmission system necessitated construction of a gen-tie from the Windcatcher facility to Tulsa to ensure adequate transmission capacity for the wind farm’s output. Is there a significant difference in the congestion forecast for the Selected Wind Facilities when compared with that of the Windcatcher facility?

Response No. Staff 2-2:

In PUC Docket No. 47461, the proposed Wind Catcher gen-tie would have provided the transmission capacity required to deliver the 1950 MW output of the Wind Catcher project, located in the Oklahoma Panhandle, to Tulsa. In the absence of the gen-tie, to enable deliverability of Wind Catcher’s output, significant transmission investments to the SPP transmission system were needed, as explained by SWEPCO witness Robert Bradish on page 5 of his Wind Catcher direct testimony. But unlike the gen-tie, only constructing these transmission investments to the local infrastructure would have continued to expose Wind Catcher output to significant congestion between its Panhandle location and Tulsa. Thus, the proposed gen-tie enabled the reliable deliverability of Wind Catcher energy to Tulsa and also eliminated significant congestion costs between the Panhandle location and Tulsa. A comparison of Wind Catcher’s congestion costs associated with the delivery of its output from Tulsa to AEP loads and the congestion costs estimated for the Selected Wind Facilities was provided in the discovery response to CARD 1-26.

As explained on page 8 of the Direct Testimony of SWEPCO witness Kamran Ali in this case, in the Company’s RFP bid evaluation analysis, the Company eliminated a project from a cluster that included the Panhandle area, as its capacity exceeded the maximum deliverability limit assessed for the entire cluster. No such transmission deliverability limitations were identified through the Company’s deliverability assessment for the Selected Wind Facilities, which are not located in the Panhandle area, but rather, in central Oklahoma.

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Question No. Staff 2-3:

Are there interconnection agreements with SPP for all of the Selected Facilities? If not, what is the timeline for these?

Response No. Staff 2-3:

Sundance and Traverse have executed interconnection agreements. Please see ETEC/NTEC 1-13 and Supplemental ETEC/NTEC 1-13 for the interconnection agreements. The interconnection agreement for Maverick is being targeted for execution in November 2019.

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