



Control Number: 49737



Item Number: 195

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

<b>APPLICATION OF SOUTHWESTERN</b>	<b>§</b>	<b>BEFORE THE STATE OFFICE</b>
<b>ELECTRIC POWER COMPANY FOR</b>	<b>§</b>	
<b>CERTIFICATE OF CONVENIENCE</b>	<b>§</b>	
<b>AND NECESSITY AUTHORIZATION</b>	<b>§</b>	<b>OF</b>
<b>AND RELATED RELIEF FOR THE</b>	<b>§</b>	
<b>ACQUISITION OF WIND</b>	<b>§</b>	<b>ADMINISTRATIVE HEARINGS</b>
<b>GENERATION FACILITIES</b>	<b>§</b>	

**OFFICE OF PUBLIC UTILITY COUNSEL'S  
THIRD REQUEST FOR INFORMATION TO  
SOUTHWESTERN ELECTRIC POWER COMPANY**

Pursuant to 16 Texas Administrative Code ("TAC") § 22.144, the Office of Public Utility Counsel ("OPUC") submits this Third Request for Information to Southwestern Electric Power Company ("SWEPCO"). OPUC requests that SWEPCO provide answers to the request for information under oath as required by 16 TAC § 22.144(c)(2)(F). OPUC further requests that SWEPCO provide an answer to the questions and sub-questions in the order listed below with sufficient detailed information to provide a complete and accurate answer to each question and sub-question.

**Definitions**

1. "SWEPCO," the "Company," "Applicant," "You," and "Your" refer to Southwestern Electric Power Company and its affiliates, subsidiaries, and any person acting or purporting to act on their behalf, including without limitation, attorneys, agents, advisors, investigators, representatives, employees, or other persons.
  
2. "Document" and "documents" include any written, recorded, filmed, or graphic matter, whether produced, reproduced, or on paper, cards, tape, film, electronic facsimile, computer storage device, or any other media, including, but not limited to, electronic mail (e-mail), memoranda, notes, analyses, minutes, records, photographs, correspondence, telegrams, diaries, bookkeeping entries, financial statements, tax returns, checks, check stubs, reports, studies, charts, graphs, statements, notebooks, handwritten notes, applications, contracts, agreements, books, pamphlets, periodicals, appointment calendars,

records and recordings of oral conversations, work papers, observations, commercial practice manuals, reports, summaries of interviews, reports of consultants, appraisals, forecasts, tape recordings, or any form of recording that is capable of being transcribed into written form.

### **Instructions**

1. The Definitions, Instructions, and Claim of Privilege sections set forth in this request for information apply to these questions.
2. In providing an answer to each question, please furnish all of the information that is in your possession, custody, or control, as defined by Texas Rules of Civil Procedure (Tex. R. Civ. Proc.) 192.7(b), including information in the possession, custody, or control of your affiliates, subsidiaries, and any person acting or purporting to act on their behalf, including without limitation, attorneys, agents, advisors, investigators, representatives, employees, or other persons.
3. Please answer each question based upon your knowledge, information, or belief, and state whether each answer is based upon your knowledge, information, or belief.
4. If you have possession, custody, or control, as defined by Tex. R. Civ. Proc. 192.7(b), of an original requested document, please produce the original requested document or a complete copy of the original requested document and all copies that are different in any way from the original requested document, whether by interlineation, receipt stamp, or notation.
5. If you do not have possession, custody, or control of an original requested document, please produce copies of the document, however made, in your possession, custody, or control. If any requested document is not in your possession, custody, or control, please explain why the document is not in your possession, custody, or control and provide the current location and custodian of the requested document or any copy, summary, or other form of the requested document thereof.
6. If there is any confusion about a question, please contact the undersigned counsel for clarification.
7. In providing your response to a question, please start each response on a separate page and type, at the top of the page, the question that is being answered by the response.

8. As part of the response to each question, please state, at the bottom of the answer to the question, the name and job position of each person(s) who participated in any way, other than by providing clerical assistance, in the preparation of the answer to the question. If the question has sub-parts, please identify each person(s) by name and job position that participated in any way, other than by providing clerical assistance, in the preparation of the answer for each sub-part of the question.
9. Please state the name of the witness in this docket who will sponsor the answer to the question and/or sub-part of the question and who will swear to the truthfulness of the answer to the question and/or sub-part of the question.
10. Please provide individual responses to questions as each response becomes available, rather than waiting to provide all of the responses to the questions at the same time.
11. These questions are continuing in nature. If there is a change in circumstances or facts or if you receive or generate additional information that changes your answer to a question between the time of your original response and the time of the hearing, then you should submit, under oath, a supplemental response to your earlier answer to the question.
12. If you consider any question to be unduly burdensome, or if the response would require the production of a voluminous amount of material, please contact the undersigned counsel, as soon as possible, to discuss the situation and try to resolve the issue. Furthermore, if you object to any question on the grounds that the question seeks confidential information, or on any other grounds, please contact the undersigned counsel, as soon as possible, to discuss the situation and try to resolve the issue.
13. If the response to any question is voluminous, please make available all of the voluminous material at a designated location in Austin. Please provide a detailed index for the voluminous material with your response to the question to enable efficient review of the material. The index should include information sufficient to locate each individual document by page, file, and box number, date of each document, title of each document, description of each document if no document title exists, name of the preparer of each document, and length of each document.
14. If the requested information is included in previously furnished exhibits, workpapers, or responses to other discovery inquiries or otherwise, in hard copy or electronic format,

please furnish specific references thereto, including Bates Stamp page citations and detailed cross-references to the previously furnished information.

15. If a question requests the production of copyrighted material, you may provide a list of such material, including the title, publisher, author, edition, and page references relied on or otherwise relevant to the question.

#### **Claim of Privilege**

If any document is withheld under any claim of privilege, please provide a list that identifies each document for which a privilege is being claimed, including the date, sender, recipient(s) of the privileged document, recipient(s) of copies of the privileged document, subject matter of the privileged document, and the basis upon which a privilege is being claimed by the Company.

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- 3-1.** Refer to the Direct Testimony of Karl Bletzacker at pages 4-5. Please explain in detail how an in-depth assessment of AEPSC's energy market research information can yield an indication of the supply, demand, and price relationship (price elasticity) over a period of time. Provide all supporting analysis and calculations of price elasticity based on the aforementioned energy market data.
- 3-2.** Refer to the Direct Testimony of Karl Bletzacker at page 5, line 3. Please explain what "other things" have been derived from AEPSC's energy market data that support its fundamentals model.
- 3-3.** Refer to the Direct Testimony of Karl Bletzacker at page 6. Please explain how AEP weather-normalizes its energy market fundamentals forecast. What is the source of the normal heating and cooling degree days? Does AEP use region-specific normal heating and cooling degree days? If not, please explain why not.
- 3-4.** Refer to SWEPCO's response to TIEC RFI 1-4. Regarding the AEP fundamentals forecast, please provide the forecasts of natural gas demand for the electric generation, residential, commercial and industrial sectors, net LNG exports, net pipeline exports and all other demand forecasts that are inputs into the fundamentals model. Please explain if a forecast of natural gas supply is used in the fundamentals model. If a forecast is used, identify the source of the forecast.
- 3-5.** Refer to SWEPCO's response to OPUC RFI 2-6. Please identify which of the forecasts provided in response to TIEC RFI 1-9 are inputs to, and which forecasts are outputs from, the Aurora model. Please identify the source of the monthly and annual fuel price inputs to the Aurora model.
- 3-6.** Refer to SWEPCO's response to OPUC RFI 2-9. Please provide any empirical evidence developed by AEP that congestion and loss-related costs would increase from 2021 to 2024, proportionally with the increase in market prices forecasted by the Company in its AURORA-based fundamental forecasts.
- 3-7.** Refer to the Direct Testimony of Akarsh Sheilendranath at page 10, lines 19-21. Please provide any empirical evidence developed by AEP showing that congestion and loss-related costs would remain constant from 2030 to 2051 at the 2029 value forecasted by the Company in its AURORA-based fundamental forecasts.
- 3-8.** Refer to SWEPCO's response to ETEC/NTEC RFI 1-32. SWEPCO states that it does not have a detailed project timeline nor routing plans or options as it is not known if or when a gen-tie may be needed, but given SWEPCO's understanding of the SPP system, please provide SWEPCO's best estimate as to the need and timing of gen-tie lines to any of the proposed wind facilities. Please describe the analysis that AEP would perform to determine whether it was economic in the future to construct gen-tie lines to any of the proposed wind facilities. Please confirm or deny that the net benefit to customers of the wind facilities

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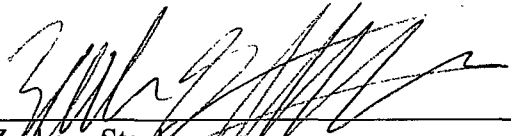
would be reduced if transmission congestion limits delivery of power from the wind facilities to an amount below the minimum production guarantee.

- 3-9.** Please reconcile the gen-tie revenue requirement reflected on John Torpey Exhibit JFT-3, pages 10-12, with the gen-tie revenue requirement provided in SWEPCO's response to ETEC/NTEC RFI 1-32.
- 3-10.** Please refer to SWEPCO's response to TIEC RFI 10-1 (j). Please clarify whether the "Panhandle" values shown on Attachment 3 represent the Panhandle futures price index or the Panhandle basis differential.

December 11, 2019

Respectfully submitted,

Lori Cobos  
Chief Executive & Public Counsel  
State Bar No. 24042276



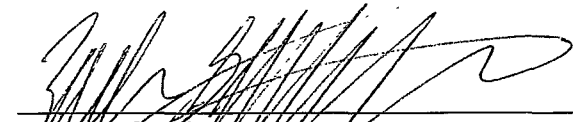
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Zachary Stephenson  
Assistant Public Counsel  
State Bar No. 24073402  
Chris Ekoh  
Senior Managing Public Counsel  
State Bar No. 06507015

OFFICE OF PUBLIC UTILITY COUNSEL  
1701 N. Congress Avenue, Suite 9-180  
P.O. Box 12397  
Austin, Texas 78711-2397  
512-936-7500 (Telephone)  
512-936-7525 (Facsimile)  
zachary.stephenson@opuc.texas.gov  
chris.ekoh@opuc.texas.gov  
opuc\_eservice@opuc.texas.gov (Service)

**CERTIFICATE OF SERVICE**

I hereby certify that a copy of the foregoing document was served on all parties of record in this proceeding on this 11th day of December 2019, by facsimile, electronic mail, and/or first class, U.S. Mail.



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Zachary Stephenson