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

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 APPLICATION OF SOUTHWESTERN	§	BEFORE THE STATE OF THE STATE O
ELECTRIC POWER COMPANY FOR	§	or or our
CERTIFICATE OF CONVENIENCE	§	
AND NECESSITY AUTHORIZATION	§	OF
AND RELATED RELIEF FOR THE	8	
ACQUISITION OF WIND	§	
GENERATION FACILITIES	§	ADMINISTRATIVE HEARINGS

# TEXAS INDUSTRIAL ENERGY CONSUMERS' SECOND ERRATA TO THE DIRECT TESTIMONY AND EXHIBITS OF JEFFRY POLLOCK

Texas Industrial Energy Consumers ("TIEC") submits the following second errata to the Direct Testimony and Exhibits of Jeffry Pollock:

Page 17, Table 4; Column 2017:

Strike "71%" and replace with "8%"; and

Page 17, Line 8:

Strike "25%" and replace with "8%".

Clean and redline errata pages are attached.

Respectfully submitted,

Rex D. VanMiddlesworth

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ATTORNEYS FOR TEXAS INDUSTRIAL ENERGY CONSUMERS

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### CERTIFICATE OF SERVICE

I, James Z. Zhu, Attorney for TIEC, hereby certify that a copy of the foregoing document was served on all parties of record in this proceeding on this 21<sup>st</sup> day of February, 2020 by facsimile, electronic mail and/or first Class, U.S. Mail, Postage Prepaid.

James Z. Zh

#### 1 Q PLEASE EXPLAIN TABLE 4.

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Α

Table 4 compares SWEPCO's forecasts by year with actual Henry Hub natural gas prices. For instance, the first line shows that SWEPCO forecasted in the second half of 2010 that 2019 gas prices would be \$6.98/MMBtu. Actual 2019 prices were \$2.56/MMBtu. Thus, SWEPCO's forecast 2019 gas price was 173% than the actual 2019 gas prices.

Projected Vs. A		Tabl ral Gas Pri /MMBtu)		Henry Hub		
Description	2015	2016	2017	2018	2019	
Past SWEPCO Forecasts						
2010 2H	\$5.65	\$6.12	\$6.30	\$6.64	\$6.98	
2011 1H	\$5.52	\$5.99	\$6.13	\$6.32	\$6.46	
2012 1H	\$5.44	\$5.97	\$6.13	\$6.32	\$6.46	
2013 2H	\$5.47	\$5.83	\$6.01	\$6.12	\$6.19	
2015 1H		\$4.34	\$5.09	\$5.40	\$5.50	
2016 2H			\$3.22	\$4.89	\$5.13	
2018 2H						
2019 1H (Base Gas)						
Actual Henry Hub Gas Prices	\$2.63	\$2.51	\$2.98	\$3.16	\$2.56	
Difference From Actual	108% to 115%	73% to 144%	8% to 111%	55% to 110%	25% to 173%	

As Table 4 demonstrates, AEP's forecasts overstated natural gas prices by between 8% and 173% higher than actual Henry Hub natural gas prices. Thus, AEP's forecasts have a track record of predicting much higher Henry Hub natural gas prices than what actually occurs.

3. Economic Assessment



#### 1 Q PLEASE EXPLAIN TABLE 4.

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Table 4 Projected Vs. Actual Natural Gas Prices At the Henry Hub (\$/MMBtu)									
Description	2015	2016	2017	2018	2019				
Past SWEPCO Forecasts					No.				
2010 2H	\$5.65	\$6.12	\$6.30	\$6.64	\$6.98				
2011 1H	\$5.52	\$5.99	\$6.13	\$6.32	\$6.46				
2012 1H	\$5.44	\$5.97	\$6.13	\$6.32	\$6.46				
2013 2H	\$5.47	\$5.83	\$6.01	\$6.12	\$6.19				
2015 1H		\$4.34	\$5.09	\$5.40	\$5.50				
2016 2H			\$3.22	\$4.89	\$5.13				
2018 2H			7.7		\$3.88				
2019 1H (Base Gas)					\$3.21				
Actual Henry Hub Gas Prices	\$2.63	\$2.51	\$2.98	\$3.16	\$2.56				
Difference From Actual	108% to 115%	73% to 144%	<u>8</u> 71% to 111%	55% to 110%	25% to				

As Table 4 demonstrates, AEP's forecasts overstated natural gas prices by between 825% and 173% higher than actual Henry Hub natural gas prices. Thus, AEP's forecasts have a track record of predicting much higher Henry Hub natural gas prices than what actually occurs.

3. Economic Assessment

