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APPLICATION OF SOUTHWESTERN
ELECTRIC POWER COMPANY FOR
AUTHORITY TO CHANGE RATES

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BEFORE THE STATE OFFICE
OF PUBLIC UTILITY REGULATION
ADMINISTRATIVE HEARINGS

FILING CLERK

**MOTION TO INTERVENE OF
EAST TEXAS ELECTRIC COOPERATIVE, INC. AND
NORTHEAST TEXAS ELECTRIC COOPERATIVE, INC.**

NOW COMES East Texas Electric Cooperative, Inc. (“ETEC”) and Northeast Texas Electric Cooperative, Inc. (“NTEC”) and file this Motion to Intervene in the above-referenced docket and in support thereof would show the following:

I. Background

On October 14, 2020, Southwestern Electric Power Company (“SWEPCO”) filed an Application for Authority to Change Rates. SOAH Order No. 2 set February 10, 2021 as the deadline to intervene.¹ Thus, this motion is timely filed.

II. Justiciable Interest

The Commission’s Preliminary Order contains several issues that may affect ETEC and NTEC.² For example, please see the following issues to be addressed:

29. What is SWEPCO’s reasonable and necessary depreciation expense? For each class of property, what are the proper and adequate rates and methods for depreciation, including service lives and salvage value?
49. Is it reasonable and necessary for SWEPCO to increase its expenditures for its distribution vegetation management program by \$5,000,000? If not, what is a reasonable increase?
55. What are appropriate allocations of SWEPCO’s revenue requirement to jurisdictions, functions, and rate classes?

¹ SOAH Order No. 2 at 1-2 (Nov. 23, 2020).

² Preliminary Order (Dec. 17, 2020).

- 55.d. Does SWEPCO have any FERC-approved tariffs? If so, identify each tariff and the FERC docket in which the tariff was approved. What are the appropriate allocations of SWEPCO's transmission investment, expenses, and revenues, including transmission expenses and revenues under those tariffs? Has SWEPCO made appropriate allocations for import to and exports from the Electric Reliability Council of Texas (ERCOT)?
57. Does SWEPCO provide wholesale transmission service at distribution voltage to any customers? If so, has SWEPCO properly allocated costs to and designed rates for those customers as required under PURA § 35.004(c)?
67. Is SWEPCO's decision to retire the Dolet Hills Power Station no later than December 31, 2021 prudent?
69. Is SWEPCO's proposal to offset the unrecovered balance of the Dolet Hills Power Station with the regulatory liability related to excess accumulated deferred income taxes in the public interest and consistent with PURA and Commission rules?
70. What adjustments, if any, to SWEPCO's accumulated depreciation are necessary to reflect the retirement of the Dolet Hills Power Station?
71. What adjustments, if any, to SWEPCO's depreciation expense, including any adjustments to rates, service lives, and salvage value, are necessary to properly reflect the retirement of the Dolet Hills Power Station?

The list above is intended to be illustrative and not necessarily comprehensive.

ETEC and NTEC are wholesale power customers of SWEPCO and currently have power supply agreements with SWEPCO. Issues affecting SWEPCO's generation fleet may have a direct effect on the power supplied to ETEC and NTEC and the cost of that power. Additionally, ETEC and NTEC are transmission customers in the Southwest Power Pool ("SPP"). Moreover, ETEC has an Interconnection and Local Delivery Service Agreement ("ILDSA") with AEP/SWEPCO. The distribution cooperative members of ETEC and NTEC have service areas adjacent to, and occasionally overlapping with, SWEPCO's service area. Issues affecting the operation and reliability of SWEPCO's transmission and distribution systems may affect the operation of ETEC's system and the systems of ETEC and NTEC's member distribution cooperatives. As such, their interests may be adversely affected by the outcome of this proceeding. Accordingly, they respectfully submit that each has standing to intervene under the Public Utility Regulatory Act ("PURA"), and 16 Texas Administrative Code § 22.103(b)(2) in this proceeding.

ETEC is a generation and transmission (“G&T”) cooperative headquartered in Nacogdoches, Texas. ETEC owns and operates transmission facilities in SPP, among other power regions. ETEC also generates and purchases wholesale electric power from various sources, including SWEPCO. ETEC then resells that power to its member cooperatives, including a G&T cooperative, NTEC, and ultimately ten member distribution cooperatives, which provide retail electric service to their members. Those ten member distribution cooperatives serve members in portions of over 40 east Texas counties, including within SPP and areas adjoining and overlapping portions of the service area of SWEPCO. NTEC is a G&T cooperative headquartered in Longview, Texas. NTEC also generates and purchases wholesale electric power from various sources, including SWEPCO, and has a current power supply agreement with SWEPCO. NTEC supplies this power to its member distribution cooperatives.

Both ETEC and NTEC were granted party status in SWEPCO’s recent rate case proceedings.³ Similar to those prior cases, the Commission’s list of issues in this case calls for a determination on issues that may directly affect both ETEC and NTEC under their respective agreements with SWEPCO and as neighboring transmission customers in SPP.

Accordingly, ETEC and NTEC each have a justiciable interest that may be adversely affected by the outcome of this proceeding and each is entitled to party status.

III. Party Representatives

The name, address and telephone number of the ETEC’s representative is as follows:

A.J. Goff
East Texas Electric Cooperative, Inc.
P.O. Box 631623
Nacogdoches, Texas 75963-1623
(936) 560-9532

The name, address and telephone number of NTEC’s representative is as follows:

Richard M. Tyler
Northeast Texas Electric Cooperative, Inc.
2221 H.G. Mosley Parkway, Suite 100
Longview, Texas 75604
903-757-3282

³ SOAH Docket No. 473-17-1764; PUC Docket No. 46449, *Application of Southwestern Electric Power Company for Authority to Change Rates*, SOAH Order No. 4 (Feb. 24, 2017); SOAH Docket No. 473-12-7519; PUC Docket No. 40443, *Application of Southwestern Electric Power Company for Authority to Change Rates and Reconcile Fuel Costs*, SOAH Order No. 2 (Aug. 28, 2012).

IV. Legal Representatives

The name, address and telephone number of ETEC and NTEC's legal authorized representatives are as follows:

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ETEC and NTEC respectfully request that the Commission and all parties to this proceeding serve copies of all notices, correspondence, pleadings, motions, briefs, requests for information, and other documents upon said legal representatives.

V. Conclusion and Prayer

WHEREFORE, PREMISES CONSIDERED, ETEC and NTEC respectfully move to intervene in this docket, as parties with all rights thereof. ETEC and NTEC also request all relief to which they may show themselves entitled.

Respectfully submitted,

/s/ Jacob Lawler

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**ATTORNEYS FOR THE EAST TEXAS ELECTRIC COOPERATIVE, INC., AND
NORTHEAST TEXAS ELECTRIC COOPERATIVE, INC. AND**

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the above and foregoing document was electronically mailed, hand-delivered and/or mailed by First Class, U.S. Mail, this 19th day of January, 2021 to all parties of record.

/s/ Jacob Lawler

Jacob J. Lawler