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**SOAH DOCKET NO. 473-21-0538
PUC DOCKET NO. 51415**



APPLICATION OF SOUTHWESTERN § BEFORE THE STATE OFFICE
ELECTRIC POWER COMPANY FOR § OF
AUTHORITY TO CHANGE RATES § ADMINISTRATIVE HEARINGS

**SOAH ORDER NO. 1
FILING DESCRIPTION; JURISDICTION; SUFFICIENCY OF APPLICATION AND
NOTICE; EFFECTIVE DATE AND MOTIONS TO INTERVENE; ADOPTING
PROTECTIVE ORDER; NOTICE OF PREHEARING CONFERENCE; PROCEDURES**

I. FILING DESCRIPTION

On October 13, 2020, Southwestern Electric Power Company (SWEPCO) filed an application (Application) with the Public Utility Commission (Commission) requesting authority to change rates. SWEPCO proposes to increase its Texas retail base rate revenue by \$90,199,736, which is an increase of 26.03% over its adjusted Texas retail test year base rate revenues exclusive of fuel and rider revenues. SWEPCO states that the overall impact of the proposed revenue requirement increase, considering both fuel and non-fuel revenues, is a 15.57% increase. The impact of the rate change on various customer classes will vary from the overall impact.

SWEPCO states that a rate increase is needed to reflect incremental investment in generation since its last test year and incremental investment in transmission and distribution since SWEPCO last modified its Transmission Cost Recovery Factor and Distribution Cost Recovery Factor. SWEPCO notes that it has announced the retirement of its Dolet Hills Power Station (Dolet Hills). As a result, SWEPCO proposes in this case a rate treatment to mitigate the impact of depreciating Dolet Hills over its remaining economically useful life. In addition, SWEPCO requests an increase of \$5 million over test year costs to expand its distribution vegetation management program. SWEPCO also requests approval of a self-insurance reserve, deferred recovery of Hurricane Laura restoration costs and certain charges billed to SWEPCO by the Southwest Power Pool, a declaratory order related to investment in battery storage, and recovery of rate case expenses.

II. JURISDICTION

The Commission referred this case to the State Office of Administrative Hearings (SOAH) on October 30, 2020, requesting the assignment of an Administrative Law Judge (ALJ) to conduct a hearing and issue a proposal for decision (PFD), if necessary. In its referral order, the Commission set a deadline of November 12, 2020, for filing lists of issues to be addressed in this proceeding, and stated that it will consider and possibly adopt a preliminary order in the open meeting scheduled to convene on December 17, 2020.

The Commission has jurisdiction over this proceeding pursuant to PURA¹ §§ 14.001, 32.001, and 36.001. SOAH has jurisdiction over all matters relating to the conduct of the hearing in this proceeding pursuant to Texas Government Code § 2003.049.

III. SUFFICIENCY OF APPLICATION AND NOTICE

Any objection to SWEPCO's notice of its Application must be filed by November 9, 2020. Commission Staff shall provide a recommendation on the sufficiency of SWEPCO's notice of its Application by November 10, 2020. Any objection to the sufficiency of SWEPCO's Application shall be filed no later than November 24, 2020. SWEPCO shall respond to any such motion within five working days.

IV. EFFECTIVE DATE AND MOTIONS TO INTERVENE

The Commission's Order No. 1 issued on October 29, 2020, suspended the effective date of SWEPCO's proposed rate change to April 19, 2021. The Commission's Order No. 1 also granted motions to intervene filed by the Office of Public Utility Counsel and Texas Industrial Energy Consumers. The pending motion to intervene filed by Cities Advocating Reasonable Deregulation will be addressed at the prehearing conference scheduled below.

¹ Public Utility Regulatory Act, Tex. Util. Code §§ 11.001-66.016.

V. ADOPTING PROTECTIVE ORDER

SWEPCO requested entry of a protective order to permit this case to proceed expeditiously. The ALJs agree and adopt the form of protective order included as Appendix C to SWEPCO's Application as the protective order applicable to this docket. Any objections to the form of protective order must be filed no later than five working days after the date of this order.

VI. NOTICE OF PREHEARING CONFERENCE

The undersigned ALJs will convene a **prehearing conference at 10:00 a.m. on November 13, 2020**, via the Zoom videoconferencing application. The contact information for the Zoom prehearing conference is:

Join ZoomGov Meeting
<https://soah-texas.zoomgov.com/j/1603447894?pwd=SGxzSEpuaGRwa0pDd2I2M1Zla1BPQT09>

Meeting ID: 160 344 7894
Passcode: hdh0Hq

Dial by your location
+1 669 254 5252 US (San Jose)
+1 646 828 7666 US (New York)
Meeting ID: 160 344 7894
Passcode: 826597

The following matters will be discussed at the prehearing conference:

1. Pending motions to intervene;
2. Pending motions filed by 1:00 p.m. on November 12, 2020, and emailed to the ALJs' assistant, Nadia Martinez at Nadia.Martinez@soah.texas.gov;
3. A procedural schedule, including a date for the hearing on the merits that will enable the Commission to make a final decision by April 19, 2021, or, in the alternative, a subsequent date should SWEPCO agree to a further extension of the jurisdictional deadline;

4. SWEPCO's proposal regarding recovery of rate case expenses; and
5. Any other matter that may assist in the disposition of this case in a fair and efficient manner.

In developing a proposed procedural schedule, the parties must anticipate a record close date that ensures the ALJs have 60 days to issue the PFD. Additionally, the parties must endeavor to provide the Commission with enough time for two dates for open meetings to discuss the PFD, and seven calendar days after the last open meeting to issue an order. This can usually be achieved by allowing the Commission five weeks before the effective date to issue an order.

VII. PROCEDURES

A. Filing

The procedures regarding filings are specified in Subchapter E of the Commission's procedural rules and apply in this proceeding. Parties are expected to know those procedures and comply with them fully. Pleadings and other filings shall be deemed filed when the proper number of legible copies are presented to the PUC filing clerk for filing. **All pleadings must contain both the SOAH and PUC docket numbers to allow for efficient processing.**

All PUC filings in this case are available for viewing and downloading from the Commission's website (www.puc.texas.gov). Click on "Filings" at the top of the page; then click on "Filings Search" and type in control number (PUC Docket Number) 51415 and press "enter." You may access any of the listed documents by clicking on the item number in the first column. You may also access the PUC's procedural rules from the PUC website.

B. Service of Filed Documents on All Parties

All documents filed in this case must also be delivered or "served" to all other parties.

C. Request that Parties Sign Up for Service of SOAH-issued Orders by Email

The parties are requested to receive service of SOAH orders by email. Like filings by the parties, SOAH orders must be served on all parties. If a party has consented to service by email, the order may be transmitted more efficiently than by regular mail. Service of SOAH orders by email saves a significant amount of SOAH's time and resources. As a result, **parties are strongly encouraged to provide an email address to SOAH, to be served with notice of SOAH's orders in this case by email.** To do so, go to SOAH's website at www.soah.texas.gov, click on the "E-Services" link at the top of the webpage, then click on "Email Service" and complete the Email Service Request Form. This will also update the service list with the party's email address.

Only one address per party will be included on the official service list maintained by SOAH. Corrections to the service list should be directed to the ALJs' assistant, Ms. Martinez.

D. Motions and Responses to Motions and Other Pleadings

Unless otherwise specified, responses to any motion or other pleading shall be filed within **five working days** from receipt of the pleading to which the response is made. Such responsive pleadings shall state the date of receipt of the pleading to which a response is made. Failure to file a timely response will be considered acquiescence to the relief requested.

If the parties file a motion that requires the ALJs' immediate attention, the parties must also email a copy of the motion to Ms. Martinez at the email address provided above.

A copy of each contested motion and reply filed in this proceeding must also be provided in an editable Word format to Ms. Martinez at the email address provided above.

E. Discovery

Discovery may begin immediately pursuant to Subchapter H of the Commission's procedural rules. All discovery requests and responses shall be filed with the PUC.


F. *In Camera* Review

When a party seeks *in camera* review of documents in accordance with 16 Texas Administrative Code § 22.144(g), it will submit the documents to the ALJs at SOAH. Documents submitted for review should not be filed with the Commission filing clerk. If they are filed with the Commission filing clerk, even inadvertently, the documents may not be physically removed from the Commission. Further, any claim to privilege or exemption may be waived by the filing.

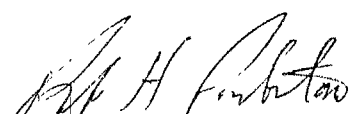
At the time the documents are submitted for *in camera* review, the objecting party will file affidavits that list the facts necessary to support the explanation and the privilege or exemption that is claimed. The affidavits will be public documents and will be filed with the Commission filing clerk and served upon the propounding party.

Answers to Requests for Information (RFIs) that are submitted for *in camera* review will be grouped and separated from other answers by envelope, folder, box, or other appropriate containers; materials that constitute an answer to more than one RFI will be clearly cross-referenced. RFI answers submitted for *in camera* review will not be accessible to the other parties unless the ALJs order otherwise.

SIGNED November 2, 2020.



STEVEN H. NEINAST
ADMINISTRATIVE LAW JUDGE
STATE OFFICE OF ADMINISTRATIVE HEARINGS



ROBERT H. PEMBERTON
ADMINISTRATIVE LAW JUDGE
STATE OFFICE OF ADMINISTRATIVE HEARINGS