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**SOAH DOCKET NO. 473-22-1073
PUC DOCKET NO. 52485**

APPLICATION OF SOUTHWESTERN	§	
PUBLIC SERVICE COMPANY TO	§	BEFORE THE STATE OFFICE
AMEND ITS CERTIFICATE OF	§	
CONVENIENCE AND NECESSITY TO	§	OF
CONVERT HARRINGTON	§	
GENERATING STATION FROM COAL	§	ADMINISTRATIVE HEARINGS
TO NATURAL GAS	§	

**SOUTHWESTERN PUBLIC SERVICE COMPANY'S
RESPONSE TO COMMISSION STAFF'S
FIFTH REQUEST FOR INFORMATION
QUESTION NOS. 5-1 THROUGH 5-5**

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RESPONSE TO COMMISSION STAFF’S
FIFTH REQUEST FOR INFORMATION
QUESTION NOS. 5-1 THROUGH 5-5**

Southwestern Public Service Company (“SPS”) files this response to the Public Utility Commission of Texas Staff’s (“Staff”) Fifth Request for Information, Question Nos. 5-1 through 5-5. SPS has provided notice, by email, to all parties that SPS’s Responses to Staff’s Fifth Request for Information and accompanying exhibits (excluding voluminous and exhibits provided pursuant to the protective order) have been filed with the Commission and are available for download from the Commission’s Interchange website.

I. WRITTEN RESPONSES

SPS’s written responses to Staff’s Fifth Request for Information are attached and incorporated by reference. Each response is stated on or attached to a separate page on which the request has been restated. SPS’s responses are made in the spirit of cooperation without waiving SPS’s right to contest the admissibility of any of these matters at hearing. In accordance with 16 Tex. Admin. Code (“TAC”) § 22.144(c)(2)(A), each response lists the preparer or person under whose direct supervision the response was prepared and any sponsoring witness. When SPS provides certain information sought by the request while objecting to the provision of other information, it does so without prejudice to its objection in the interests of narrowing discovery

disputes under 16 TAC § 22.144(d)(5). Pursuant to 16 TAC § 22.144(c)(2)(F), SPS stipulates that its responses may be treated by all parties as if they were made under oath.

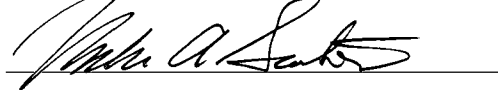
II. INSPECTIONS

If responsive documents are more than 100 pages but less than eight linear feet in length, the response will indicate that the attachment is voluminous (“(V)”) and, pursuant to 16 TAC § 22.144(h)(2), the exhibit will be made available for inspection at SPS’s voluminous room at 600 Congress Avenue, Suite 2000, Austin, Texas 78701; telephone number (512) 721-2700.

If a response or the responsive documents are provided pursuant to the protective order in this docket, the response will indicate that it or the attachment is either confidential (“CONF”) or Highly Sensitive (“HS”) as appropriate under the protective order. Access to Confidential and Highly Sensitive materials will be available on Coffin Renner’s file sharing link to all parties that have signed and filed the certification under the protective order entered in this docket. Confidential and Highly Sensitive responsive documents will also be made available for inspection at SPS’s voluminous room, unless they form a part of a response that exceeds eight linear feet in length; then they will be available at their usual repository in accordance with the following paragraph. Please call in advance for an appointment to ensure that there is sufficient space to accommodate your inspection.

If responsive documents exceed eight linear feet in length, the response will indicate that the attachment is subject to the FREIGHT CAR DOCTRINE, and, pursuant to 16 TAC § 22.144(h)(3), the attachment will be available for inspection at its usual repository, SPS's offices in Austin, Texas, unless otherwise indicated. SPS requests that parties wishing to inspect this material provide at least 48-hour notice of their intent by contacting Stephanie Tanner at Coffin Renner L.L.P. PC, 1011 West 31st Street, Austin, Texas 78705; telephone number (512) 879-0900; facsimile transmission number (512) 879-0912; email address stephanie.tanner@crtxlaw.com. Inspections will be scheduled to accommodate all requests with as little inconvenience to the requesting party and to SPS's operations as possible.

Respectfully submitted,



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ATTORNEYS FOR
SOUTHWESTERN PUBLIC SERVICE COMPANY

RESPONSES

QUESTION NO. Staff 5-1:

Please provide estimated rate class bill impacts if the proposed conversion of Harrington Generating Station from coal to natural gas is put into rates. Please include both base rate and fuel cost impacts.

RESPONSE:

Because this case is not a proceeding to change rates, SPS does not have in the record all the data, inputs and rate design details needed to calculate the bill impacts to the various rate classes that would result from proposed conversion of the Harrington Generation Station to natural gas operations. These rates and customer impacts would be determined in a future SPS rate case. However, for point of reference, if the Harrington Station is *not* converted to natural gas operations and is instead retired, in Ben Elsey's Direct Testimony (Table BRE-2 at page 32) SPS has calculated the net present value ("NPV") increased cost to ratepayers to replace the retired capacity to be \$168 million over the 2022–2024 time period (approximately \$98.8 million to Texas retail at the jurisdictional allocation factors provided by SPS in pending Docket No. 51802) and \$123 million NPV cost over 2022–2041 (approximately \$72.3 million to Texas retail at the jurisdictional allocation factors SPS provided in Docket No. 51802). This outcome would certainly result in greater rate impacts for customers than would the proposed conversion.

Preparer: Ben Elsey
Sponsors: William A. Grant, Ben R. Elsey

QUESTION NO. Staff 5-2:

Did SPS issue an RFP for replacement resources for the proposed conversion of Harrington Generating Station?

- a) If yes, please provide supporting documentation.
- b) If no, please provide an explanation why an RFP was not issued.

RESPONSE:

- a) SPS did not issue a Request for Proposal (“RFP”). Instead, SPS issued a Request for Information (“RFI”). As described on pages 26-27 and 39-40 of the Direct Testimony of Ben R. Elsey, SPS issued a RFI for capacity and associated energy from all generating resource types, including energy storage, whether existing or yet-to-be constructed. The RFI included a maximum net capacity need of approximately 2,200 MW before the summer of 2025 and included pricing options for possible future owned generation, build-own-transfers, and purchased power agreements.

The RFI was designed to attract a broad market response at the same or greater level than an RFP and bidders were instructed to put forth best efforts so that SPS would be able to fully evaluate all potential available resource options. Based on SPS’s experience with project development in its service territory, and in SPP generally, the RFI was extremely successful and all projects capable of providing a response participated. Refer to the Direct Testimony of D. Dean Koujak, including Attachment DDK-1, for a detailed description of the responses SPS received to the RFI and the reasonableness of the RFI process employed by SPS.

Issuing an RFI was a reasonable decision given the circumstances. Regarding replacement options at Harrington, SPS did not have a specific type of replacement in mind and wanted to attract as broad a response as possible, so it issued an RFI to know what options existed in the market to replace the 1,050 MW of existing coal generation at Harrington. An RFP, on the other hand, is more appropriate when a utility seeks to identify specific options for meeting a specific need. For example, if SPS had decided it wanted to install 500 MW of solar generation at Harrington Station, it would have been appropriate to issue an RFP to solicit specific offers for that type of project that would have given SPS specific bidders with which to contract for the new solar generation.

- b) Please refer to subpart a.

Preparer: Ashley Gibbons
Sponsors: Ben R. Elsey, D. Dean Koujak

QUESTION NO. Staff 5-3:

Referring to SPS's response to Sierra Club 1-17 (a) and (b), please provide supporting documentation of SPS's Request for Information and the responses submitted to evaluate the availability and cost of alternative resource options.

RESPONSE:

Please refer to SPS's response to Question No. AXM 1-18.

Preparer: Ashley Gibbons
Sponsor: Ben R. Elsey

QUESTION NO. Staff 5-4:

Please explain and provide documentation, if SPS has adequately considered alternative sources of natural gas.

RESPONSE:

The closest pipeline that can provide sufficient and reliable natural gas supply together with gas storage balancing capability is El Paso Natural Gas (“EPNG”), approximately 20 miles northwest of Amarillo. The proposed pipeline route to EPNG crosses the Natural Gas Pipeline Company of America (“NGPL”) pipeline, so an interconnection with NGPL provides gas supply diversity.

SPS contracts for firm gas transportation and gas storage services with ONEOK, El Paso Natural Gas, Northern Natural Gas, MarkWest New Mexico and MarkWest Power Tex to support delivery of natural gas to all of the SPS power plants, including Harrington Station. Each of these contracts is capable of delivering to multiple power plant locations, providing SPS with the flexibility to redirect natural gas supplies where it is needed to support the ever-changing load demands on the system. SPS continually reviews its portfolio of gas transportation agreements and adjusts the level of contract capacity needed to support reliable system operations. SPS has engaged in preliminary discussions with ONEOK, Northern Natural Gas, El Paso Natural Gas and Natural Gas Pipeline Company of America regarding incremental gas transportation and gas storage services to support future operations of the SPS power plants, including the conversion of Harrington Station.

SPS is considering alternate supply sources of gas and is beginning to look into such options. The supply sources for alternate gas are limited to the points where SPS currently has firm transport rights or can obtain them efficiently and economically in the future.

Preparers: Craig Rozman, Richard Derryberry, Jeffrey Hild
Sponsor: William A. Grant

QUESTION NO. Staff 5-5:

Please explain and provide documentation, if SPS considered purchasing capacity from a competitive generator.

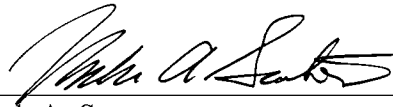
RESPONSE:

Please refer to SPS's response to Question No. Staff 5-2(a).

Preparer: Ashley Gibbons
Sponsor: Ben R. Elsey

CERTIFICATE OF SERVICE

I certify that, unless otherwise ordered by the presiding officer, notice of the filing of this document was provided to all parties of record via electronic mail on February 24, 2022, in accordance with the Order Suspending Rules, issued in Project No. 50664.



Mark A. Santos