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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 OFFICE OF PUBLIC UTILITY COUNSEL’S
THIRD REQUEST FOR INFORMATION
QUESTION NOS. 3-1 THROUGH 3-5**
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QUESTION NOS. 3-1 THROUGH 3-5**

Southwestern Public Service Company (“SPS”) files this response to the Office of Public Utility Counsel’s (“OPUC”) Third Request for Information, Question Nos. 3-1 through 3-5. SPS has provided notice, by email, to all parties that SPS’s Responses to OPUC’s Third 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 OPUC’s Third 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 § 22.144(c)(2)(A) (“TAC”), 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.

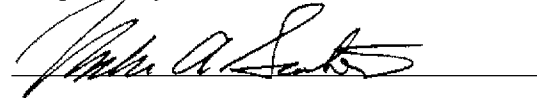
II. INSPECTIONS.

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 919 Congress Avenue, Suite 900, Austin, Texas 78701; telephone number (512) 721-2700. Voluminous exhibits will also be provided via email through Coffin Renner LLP’s file sharing link.

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, 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. OPUC 3-1:

Please refer to SPS' response to AXM RFI 3-17. If the National Ambient Air Quality Standard ("NAAQS") is an hourly standard based on the combined emissions from all sources in the area, please explain why SPS expects that cessation of coal burns at solely the Harrington plant will ensure conformity with the area NAAQS.

RESPONSE:

Harrington Station is a large contributor of SO₂ emissions in the area. SO₂ is produced in much greater quantities when burning coal as opposed to natural gas. As stated in the testimony of Jeffrey L. West, the conversion to gas will reduce the emissions of SO₂ in excess of 90%, thereby resulting in compliance with the NAAQS.

Preparer: Jeffrey L. West

Sponsor: Jeffrey L. West

QUESTION NO. OPUC 3-2:

Please refer to SPS' response to Staff RFI 3-8. Please explain the basis for SPS' expectation that transmission network upgrade costs could be reduced from those estimated by the Southwest Power Pool ("SPP").

RESPONSE:

To clarify SPS's response to Staff RFI 3-8, SPS does not know whether transmission network upgrade costs will ultimately be lower or higher than the costs estimated by the Southwest Power Pool. Due to this uncertainty, SPS does not have a firm basis to anticipate transmission network upgrade costs will be significantly lower than the costs estimated by the Southwest Power Pool. However, SPS does know that few, if any, generators will complete the generator interconnection process if they are assigned the transmission network upgrade costs estimated by the Southwest Power Pool. Therefore, SPS's economic analysis incorporates two aggressive assumptions or expectations to "stress test" the full conversion scenario against other options for ceasing coal operations at Harrington: (1) transmission network upgrades will be substantially lower than estimated, and (2) enough replacement resources remain in the generator interconnection process to replace the Harrington units. To be clear, SPS has no basis to assume either of these assumptions or expectations will ultimately be accurate. In fact, as described on pages 40-41 of Mr. Elsey's Direct Testimony, presumably because of the assigned transmission network upgrade costs, almost all replacement resources subsequently withdrew from Southwest Power Pool's 2017-01 definitive interconnection system impact study (DISIS) process. Therefore, not converting the Harrington units to operate on natural gas involves substantial risk that is not captured in SPS's economic modeling because there are less replacement options currently than there were when SPS conducted its analysis. Put differently, SPS's economic analysis supports converting the Harrington units to operate on natural gas even under the assumptions described above. The uncertainty in transmission network upgrade costs and fewer viable projects only further supports the Company's recommendation.

Preparer: Ben R. Elsey
Sponsor: Ben R. Elsey

QUESTION NO. OPUC 3-3:

Please refer to SPS' response to TIEC RFI 1-11. Please confirm that replacement of a generating unit with a new unit of the same or lower capacity will not trigger SPP's Generator Interconnection process.

RESPONSE:

SPS can neither confirm nor deny that replacement of a generating unit at the same generator interconnection with a new unit of the same or lower capacity will not trigger Southwest Power Pool's Generator Interconnection process. Pursuant to Attachment V "Generating Facility Replacement Process" of the Open Access Tariff, generator replacement requests that do not have a material adverse impact on the transmission system will be given expedited treatment that will encourage market participants to upgrade to newer, more efficient technology and will provide transparency for the interconnection market and for transmission planning in general. In order for generator replacement requests that do have a material adverse impact on the transmission system to move forward, the interconnect customer must submit a valid interconnection request for a new generating facility and proceed through the Definitive Interconnection System Impact Study ("DISIS") as an interconnection request for a new generating facility.

For the purposes of SPS's economic analysis, SPS did assume that generator replacement resources would not have a material adverse impact on the transmission system and therefore avoided Southwest Power Pool's generator interconnection process. This modeling assumption favors the acquisition of replacement resources, which may ultimately be required to proceed through Southwest Power Pool's DISIS.

Preparer: Ashley Gibbons

Sponsor: Ben R. Elsey

QUESTION NO. OPUC 3-4:

If SPS is not requesting a modification to the Commission approved retirement dates in this case, an inference may be drawn that the service lives of the converted boilers will be between 12 and 16 years. Please explain if SPS believes these service lives are appropriate. If SPS intends to extend the service lives, please provide the new service lives.

RESPONSE:

SPS is not requesting a modification to the Commission approved retirement dates in this case and is leaving the service lives of the boilers at 60 years (corresponding to ending service years 2036, 2038, 2040). Minimal equipment will be installed on the boilers, such as additional gas burners and gas piping, that will be used to increase the gas burning capacity of the boilers. This equipment will have shorter service lives that would run from the time that they are put into service until the boiler (unit) is retired (approximately 12-16 years), or until the equipment has reached the end of its useful life and is replaced as part of an ongoing capital expense.

Preparer: Mark Lytal
Sponsor: Mark Lytal

QUESTION NO. OPUC 3-5:

Please identify and explain any corrections to SPS' application based on the analysis conducted in New Mexico Public Regulation Commission Docket No. 21-00200-UT, and please provide supporting workpapers.

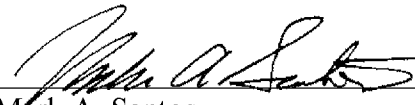
RESPONSE:

SPS does not have any corrections to its filing based on the analysis in the case in front of the New Mexico Public Regulation Commission. Commission Staff in New Mexico supports the SPS application as filed. New Mexico Commission Staff's testimony in support of SPS's application and that Staff's Initial Brief in support of SPS's request to convert Harrington can be found on the New Mexico Public Regulation Commission website. The proceeding is docketed as Case No. 21-00200-UT.

Preparer: Jeffrey Comer
Sponsor: William A. Grant

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 March 14, 2022, in accordance with the Order Suspending Rules, issued in Project No. 50664.



Mark A. Santos