



Control Number: 52485




Item Number: 75

Public Utility Commission of Texas

Memorandum

2021 DEC 15 PM 4:00

TO: Chairman Peter M. Lake
Commissioner Will McAdams
Commissioner Jimmy Glotfelty

FROM: Commissioner Lori Cobos 

DATE: December 15, 2021

RE: December 16, 2021 Open Meeting – Agenda Item No. 16
Docket No. 52485 – *Application of Southwestern Public Service Company to Amend its Certificate of Convenience and Necessity to Convert Harrington Generating Station from Coal to Natural Gas*

First and foremost, I would like to thank Staff for developing a thorough Draft Preliminary Order on a case of first impression for our consideration. In addition to the issues identified in Staff's Draft Preliminary Order, I would recommend adding the following new issues after Issue 13.b, 15, and 17.e.:

XX. Was building new generation facilities considered?

XX. Did SPS adequately consider entering into firm fuel supply or firm transportation contracts as an alternative to constructing a new natural gas pipeline?

XX. Compare the differences in service and cost between converting the Harrington generating station and building new generation facilities.

According to Southwestern Public Service Company's (SPS) application and the Direct Testimony of SPS witness Mr. Mark Lytal, the estimated total cost of converting the Harrington generating station from coal to natural gas is approximately \$65 to \$75 million,¹ with approximately \$45 to \$52 million allocated to Texas.² More than two-thirds of the estimated total conversion costs, \$57 million³ out of approximately \$65 to \$75 million,⁴ are associated with the construction of the new natural gas pipeline. Therefore, it is important that the evidentiary record in this case is fully developed to provide the Commission with sufficient information to evaluate the costs and benefits of the station conversion and new natural gas pipeline for Texas ratepayers.

I look forward to discussing this matter with you.

¹ Application at 5 (Aug. 27, 2021); Direct Testimony of Mark Lytal at 18.

² *Id.*

³ Direct Testimony of Mark Lytal, Attachment ML-1.

⁴ Application at 5 (Aug. 27, 2021); Direct Testimony of Mark Lytal at 18; Direct Testimony of Mark Lytal, Attachment ML-1.