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**BEFORE THE
STATE OFFICE OF ADMINISTRATIVE
HEARINGS**

**APPLICATION OF SOUTHWESTERN ELECTRIC POWER
COMPANY TO AMEND ITS CERTIFICATE OF
CONVENIENCE AND NECESSITY TO CONSTRUCT THE
HALLSVILLE NATURAL GAS PLANT IN HARRISON
COUNTY, TEXAS AND CONVERT WELSH POWER PLANT
UNITS 1 AND 3 TO NATURAL GAS**

SOAH ORDER NO. 1

**PROJECT DESCRIPTION; JURISDICTION AND DECISION DEADLINE;
SETTING PREHEARING CONFERENCE; REQUIRING COMMENT ON
SUFFICIENCY OF THE APPLICATION; AND GENERAL PROCEDURES**

I. PROJECT DESCRIPTION

Southwestern Electric Power Company (SWEPCO) filed an application with the Public Utility Commission of Texas (Commission) to amend its certificate of convenience and necessity (CCN) number 30151 for the construction of the Hallsville natural gas plant in Harrison County, Texas (Hallsville Project) and for the fuel conversion, from coal to natural gas, of Units 1 and 3 at the Welsh plant

located in in Titus County, Texas (Welsh Conversion Project). SWEPCO estimates the total combined capital cost for both projects is approximately \$723 million.

The Hallsville Project would be a nominal 450-megawatt (MW) simple cycle natural gas facility located at the former site of SWEPCO's now-retired Pirkey Power Plant, with a proposed December 2027 commercial operation date. It is proposed to consist of two combustion gas turbine generators, with the capability to be converted to a combined cycle unit. A natural gas line would be brought to the property through a third-party gas transmission provider. The provider's pipeline would terminate at the Hallsville Project site property. From that point, SWEPCO would construct the necessary equipment and piping to bring the gas line to the facility to provide fuel to each combustion turbine.

Units 1 and 3 at the Welsh power plant are currently operating pulverized coal-fired units with a net generating capacity of 525 MW and 528 MW, respectively. The Welsh Conversion Project would convert SWEPCO's existing Welsh Units 1 and 3 coal-fired boilers to burn natural gas at the same MW rating. The proposed conversion date of Unit 1 is November 30, 2027, and the proposed conversion date for Unit 2 is May 31, 2028. A natural gas line would be brought to the Welsh plant property through a third-party gas transmission provider. The provider's pipeline would terminate at the Welsh conversion site property. From that point, SWEPCO would construct the necessary equipment and piping on its property to bring the gas line to the facility to provide fuel to each unit.

II. JURISDICTION AND DECISION DEADLINE

On January 15, 2025, the Commission issued its Order of Referral, referring the matter to the State Office of Administrative Hearings (SOAH) and requesting the assignment of a SOAH Administrative Law Judge to conduct a hearing and issue a proposal for decision, if necessary. The following day the Commission issued its Preliminary Order, setting forth the issues to be addressed in this proceeding.

The Commission has jurisdiction and authority over this matter pursuant to the Public Utility Regulatory Act (PURA)¹ sections 32.001, 37.053, 37.056, and 37.058. SOAH has jurisdiction over all matters relating to the conduct of a hearing in this matter pursuant to Texas Government Code section 2003.049 and PURA section 14.053. Per PURA section 37.058(d), **the Commission must issue a decision on SWEPCO's application by December 18, 2025.**²

Commission Order No. 1 erroneously stated the intervention deadline for this proceeding is January 16, 2025. SWEPCO's CCN application was not filed under PURA sections 37.057 or 39.203(e), and thus does not qualify for a shortened intervention deadline. Accordingly, **the intervention deadline is January 31, 2025.**³

¹ Tex. Util. Code §§ 11.001-66.016.

² The calculation of this deadline assumes, without finding, that the application as filed on December 17, 2024, is complete.

³ 16 Tex. Admin. Code § 22.104(b) (providing that motions to intervene must be filed within 45 days from the date the application was filed).

III. SETTING PREHEARING CONFERENCE

A hearing will be held at **10:00 a.m. (CT) on January 27, 2025**, remotely via Zoom videoconference. 1 Tex. Admin. Code § 155.405(c). Unless SWEPCO retains a court reporter to transcribe the prehearing conference, the audio portion of the hearing will be recorded, and the recording will be the official record of the proceeding. Attend the hearing in one of these ways:

To join by computer or smart device, go to
<https://soah-texas.zoomgov.com> and enter:

Meeting ID: 160 077 6887

Video Passcode: PUC543

To join by telephone (audio only), call
+1 669 254 5252, and enter:

Meeting ID: 160 077 6887

Telephone Passcode: 113633

The purpose of the prehearing conference, is to discuss the following matters:

- (1) Any pending motions and other preliminary matters related to the proceeding filed by 3:00 p.m. on January 24, 2025;
- (2) A procedural schedule including the scheduling of the hearing on the merits;
- (3) Procedures to be followed before and during the hearing; and
- (4) Any other matter that may assist in the disposition of these proceedings in a fair and efficient manner.

In developing a proposed procedural schedule, the parties shall anticipate a record close date⁴ that:

- ensures the ALJs will have 60 days to write and issue the proposal for decision;
- accounts for two weeks for parties' exceptions and replies after the PFD has been issued; and
- provides the Commission with at least 35 days to consider and discuss the PFD at an open meeting and issue a final order prior to the expiration of the December 18, 2025 deadline.

IV. REQUIRING COMMENTS ON SUFFICIENCY OF THE APPLICATION

By **January 23, 2025**, Staff shall, and any other party may, comment on the sufficiency of the application for further consideration.⁵

V. GENERAL PROCEDURES

All Commission filings are available for viewing and downloading from the Commission's Interchange available at <http://interchange.puc.texas.gov/>, by entering the control number 57376 and selecting the "search" tab. A list of documents filed in the applicable docket will appear, which can be accessed by clicking on the document number (with a few exceptions such as confidential documents, if any). The Commission's procedural rules are available on the

⁴ The record close date is the date the parties' final post-hearing briefs or proposed findings of fact, conclusions of law, and proposed ordering provisions are due, whichever is later. 1 Tex. Admin. Code § 155.425(e).

⁵ 16 Tex. Admin. Code § 22.75.

Commission's website.⁶ The procedural rules will govern the conduct of this proceeding, and the parties are expected to comply with those rules.

Routine procedural and logistical questions may be directed to the ALJs' administrative assistant Nora Arizola at nora.arizola@soah.texas.gov. SOAH support personnel may not provide advice or interpret law or orders for the parties.

Except as modified by orders issued in this proceeding by the Commission or SOAH, the Commission's procedural rules govern. The parties should review the Commission and SOAH websites as needed for updates regarding any such modifications.

A. FILING AND SERVICE

Filing of pleadings is governed by 16 Texas Administrative section (Rule) 22.71 and service is governed by Rule 22.74. However, under the Commission's Second Order entered in Docket No. 50664, all parties must file any pleading or document with the Commission solely through the Interchange on the Commission's website (<https://interchange.puc.texas.gov/filer>) and provide notice, by e-mail, to all other parties that the pleading or document has been filed with the Commission, unless otherwise ordered. It will be incumbent upon all other parties to obtain a copy of the pleading or document by accessing the Interchange. **Filings should not be**

⁶ The procedural rules are located at: <http://www.puc.texas.gov/agency/rulesnlaws/procrules/Procedural.aspx>.

made at SOAH. All filings must contain both the applicable SOAH and PUC docket numbers.

When a party files a document with the Commission, that party is also required to serve (i.e., provide a copy of that document to) every other party. At this time, service must be accomplished by e-mail. Any party to this proceeding who has not previously provided an e-mail address **SHALL** file a notice informing the parties of the e-mail address to be used for service no later than seven days after the date of this order.

B. MOTIONS

Motions for continuance are governed by Rule 22.79. If a continuance or extension of time is sought, the motion shall propose a range of new dates and state whether the other parties agree. The ALJs will not contact parties to ascertain their position or to negotiate dates. In the absence of a ruling by the ALJs, a contested motion for continuance or extension is not granted and the existing schedule remains in place.

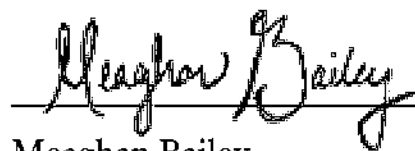
Unless otherwise specified in the applicable procedural rules, responses to any motion or other pleading shall be filed within five working days from receipt of the motion or pleading. The response shall state the date of receipt of the motion or pleading to which a response is made. If a party does not respond to a motion, the ALJs will assume that the party agrees with the motion or does not oppose the requested relief.

C. DISCOVERY

Discovery may begin immediately. Copies of requests for information (RFIs) and objections and responses to RFIs will not be provided to the ALJs. If a party files a motion to compel responses to discovery, the motion shall include every RFI and objection to which the motion applies. Any affidavits supporting an objection, motion to compel, or response shall be attached to the relevant document. The ALJs will resolve discovery disputes based on the written documents, any sworn affidavits attached thereto, and materials, if any, provided for in camera inspection, unless the ALJs conclude that a prehearing conference on the discovery dispute should be held.

If a party seeks in camera review of documents in accordance with Rule 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.

Signed January 17, 2025



Meaghan Bailey,

Administrative Law Judge



Christiaan Siano,

Administrative Law Judge