



Control Number: 50455



Item Number: 12

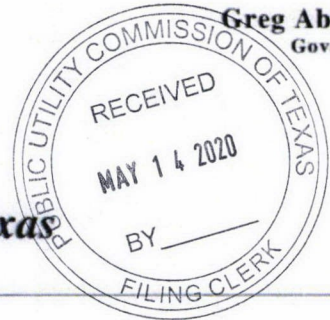
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**DeAnn T. Walker**  
(Chairman)

**Arthur C. D'Andrea**  
(Commissioner)

**Shelly Botkin**  
(Commissioner)

**John Paul Urban**  
(Executive Director)




**Greg Abbott**  
Governor

## ***Public Utility Commission of Texas***

**TO:** DeAnn T. Walker, Chairman  
Arthur C. D'Andrea, Commissioner  
Shelly Botkin, Commissioner

All Parties of Record

**FROM:** Steven Leary   
Office of Policy & Docket Management

**RE:** **Open Meeting of June 12, 2020**  
Docket No. 50455 – *Joint Application of Southwestern Public Service Company and Lea County Electric Cooperative, Inc. to Transfer Certificate of Convenience and Necessity Rights*

**DATE:** May 14, 2020

Because of the COVID-19 state of disaster, the Commission has moved to a work-at-home environment and is working to maintain operations as normally as possible. However, all known challenges have not yet been overcome and the dates provided in this notice are subject to change.

Enclosed is a copy of the Proposed Order in the above-referenced docket. The Commission will consider this docket at an open meeting currently scheduled to begin at 9:30 a.m. on Friday, June 12, 2020, at the Commission's offices, 1701 North Congress Avenue, Austin, Texas. The parties may file corrections or exceptions to the Proposed Order on or before Tuesday, June 2, 2020.

**If there are no corrections or exceptions, no response is necessary.**

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**DOCKET NO. 50455**

<b>JOINT APPLICATION OF</b>	<b>§</b>	<b>PUBLIC UTILITY COMMISSION</b>
<b>SOUTHWESTERN PUBLIC SERVICE</b>	<b>§</b>	
<b>COMPANY AND LEA COUNTY</b>	<b>§</b>	<b>OF TEXAS</b>
<b>ELECTRIC COOPERATIVE, INC. TO</b>	<b>§</b>	
<b>TRANSFER CERTIFICATE OF</b>	<b>§</b>	
<b>CONVENIENCE AND NECESSITY</b>	<b>§</b>	
<b>RIGHTS</b>	<b>§</b>	

**PROPOSED ORDER**

This Order addresses the application of Southwestern Public Service Company (SPS) and Lea County Electric Cooperative, Inc. (LCEC) for approval for SPS to transfer approximately four miles of a 69-kilovolt (kV) transmission line and associated facilities and certificate of convenience and necessity (CCN) rights to LCEC. The Commission amends LCEC's CCN number 30101 to add the requested transmission line segment and associated facilities and CCN rights and amends SPS's CCN number 30153 to remove the requested transmission line segment and associated facilities and CCN rights.

**I. Findings of Fact**

The Commission makes the following findings of fact.

**Applicants**

1. SPS is a New Mexico for-profit corporation registered with the Texas secretary of state under filing number 1392306.
2. SPS provides electric generation, transmission, and distribution services in Texas under CCN number 30153.
3. LCEC is a New Mexico non-profit corporation registered with the Texas secretary of state under filing number 801225947.
4. LCEC provides electric generation, transmission, and distribution service services in Texas under CCN number 30101.

**Application**

5. On February 10, 2020, SPS and LCEC filed a joint application for approval to transfer an approximately four-mile transmission line segment and associated facilities and CCN rights.
6. SPS owns, maintains, and operates the approximately four-mile transmission line segment.
7. LCEC possesses the capability to own, operate, and maintain additional transmission facilities, including the transmission line segment and associated facilities proposed for transfer in the application.
8. The sale of this transmission line segment and related facilities will not impact the availability or reliability of service.
9. The transmission line segment and associated facilities are located in Gaines County, Texas, and are located between the LCEC-owned KCM Substation and a tap into the SPS transmission system.
10. The transmission line segment and associated facilities are connected in the Southwest Power Pool region and currently serve load in Lea and Gaines Counties.
11. LCEC will use the transmission line segment and associated facilities to energize its KCM Substation in order to provide for continuing service capability to its customers.
12. The retail electric service area boundaries of SPS and LCEC are unaffected by this filing.
13. SPS will sell the transmission line segment and associated facilities to LCEC for \$63,673. The purchase price was agreed upon by SPS and LCEC in keeping with the facilities' value and SPS will account for the proceeds as an accumulated depreciation credit to its customers.
14. In Order No. 2 filed on March 18, 2020, the administrative law judge (ALJ) deemed the application sufficient for further review.

**Notice**

15. On March 23, 2020, SPS mailed notice of the application to county and municipal officials, the Office of Public Utility Counsel, and the Texas Parks and Wildlife Department, and emailed notice to the Department of Defense Siting Clearinghouse.

16. On March 25, 2020, notice of the application was published in the *Seminole Sentinel*, a newspaper of general circulation in Gaines County.
17. On March 26, 2020, SPS filed affidavits attesting to the provision of mailed, emailed, and published notice.

**Evidence**

18. On April 16, 2020, SPS, LCEC, and Commission Staff filed a joint motion to admit evidence.
19. In Order No. 3 filed on May 12, 2020, the ALJ admitted the following evidence into the record of this proceeding: (a) the joint application of SPS and LCEC and all attachments filed on February 10, 2020; (b) Commission Staff's sufficiency recommendation filed on March 11, 2020; (c) proof of notice filed on March 26, 2020; and (d) Commission Staff's final recommendation and all attachments filed on April 9, 2020.

**Informal Disposition**

20. More than 15 days have passed since completion of notice provided in this docket.
21. No person filed a protest or motion to intervene.
22. SPS, LCEC, and Commission Staff are the only parties to this proceeding.
23. No party requested a hearing and no hearing is needed.
24. This decision is not adverse to any party.
25. Commission Staff recommended approval of the application.

**II. Conclusions of Law**

The Commission makes the following conclusions of law.

1. The Commission has authority over the proposed transaction under PURA<sup>1</sup> § 37.154.
2. SPS is an electric utility as defined in PURA § 31.002(6).
3. LCEC is an electric utility as defined by PURA § 37.001(2).

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<sup>1</sup> Public Utility Regulatory Act, Tex. Util. Code §§ 11.001-66.016.

4. The Commission processed the application in accordance with the requirements of PURA, the Administrative Procedure Act,<sup>2</sup> and Commission rules.
5. LCEC has demonstrated that it has the capability to provide adequate service upon the transfer of the transmission line segment and associated facilities and CCN rights as required by PURA § 37.154(a).
6. Notice of the application complies with 16 Texas Administrative Code (TAC) § 22.52(a).
7. The application does not constitute a major rate proceeding as defined in 16 TAC § 22.2(27).
8. The requirements for informal disposition under 16 TAC § 22.35 have been met in this proceeding.

### **III. Ordering Paragraphs**

In accordance with these findings of fact and conclusions of law, the Commission issues the following orders.

1. The Commission amends LCEC's CCN number 30101 to add the approximately four miles of 69-kV transmission line and associated facilities and CCN rights.
2. The Commission amends SPS's CCN number 30153 to remove the approximately four miles of 69-kV transmission line and associated facilities and CCN rights.
3. No later than ten days following the closing of the transaction, SPS must file a notice in this docket confirming the completion of the sale and transfer.
4. The Commission denies all other motions and any other requests for general or specific relief, if not expressly granted.

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<sup>2</sup> Tex. Gov't Code §§ 2001.001-.902.

**Signed at Austin, Texas the \_\_\_\_\_ day of \_\_\_\_\_ 2020.**

**PUBLIC UTILITY COMMISSION OF TEXAS**

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**DEANN T. WALKER, CHAIRMAN**

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**ARTHUR C. D'ANDREA, COMMISSIONER**

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**SHELLY BOTKIN, COMMISSIONER**