

“critical natural gas facility.” If all weatherized facilities throughout the full breadth of the natural gas supply chain are deemed to be critical, as is currently proposed by the RRC in § 3.65, then SWEPCO and other electric utilities are likely to receive a vast number of notifications from gas operators, occupying a vast number of circuits on their systems.

This warrants further categorization of the facilities by the RRC. Unless the list of critical natural gas facilities is further defined through a ranking or other method of classification, the designation risks becoming meaningless. If an electric utility were to receive a homogenous, unranked list of critical natural gas facilities, occupying a vast number of circuits on the utility’s system, then the utility will have few remaining circuits upon which to rely in its load shed plan. If only a small number of circuits remain, then a utility is less likely to be capable of rotating outages or it may need to de-energize circuits containing critical natural gas facilities without the benefit of knowing which of those gas facilities are the most critical. Manual load shedding in response to an RTO directive is a tool by which to manage a potentially unstable situation on the electric system. If an inadequate number of circuits are available to the utility’s dispatchers during an event, then the probability of automatic and uncontrolled load shed increases.

Customers would therefore be well-served by an objective ranking or classification of critical natural gas facilities by the RRC. This would enable more outage rotation and shorter outage duration for any one customer or group of customers. Various criteria might be used to categorize natural gas facilities according to their criticality. For example, some natural gas facilities may be able to withstand participating in a controlled, two-hour outage of electric service, whereas others may not be able to do so. Additionally, some production facilities’ natural gas might need to be gathered or processed at a different, larger facility before moving downstream. Or the volume of natural gas production at a particular facility could be so small as to be substantially less important during an emergency than others’. Furthermore, gas operators applying for critical designation could assert

whether they are contracted with a power generator. The Texas Electricity Supply Chain Security and Mapping Committee's work products may also be informative for this purpose. Indeed, some of the information described herein is included in the RRC's proposed forms. However, proposed § 3.65 does not include an objective categorization of the criticality of natural gas facilities based on such information.

Thus, the RRC should objectively rank or classify critical natural gas facilities into two distinct categories, according to the facilities' impact, ability to withstand a controlled electric outage of short duration, and other criteria, with only the most impactful and sensitive being prioritized for the purpose of load shed. This should be done prior to notification of the electric utility. With such a ranking, the utility could incorporate the facilities of which it is notified into its load shed and restoration plans in the most meaningful manner possible.

II. Conclusion

SWEPCO appreciates the opportunity to comment on the proposed rule and related proposed forms, and is available to respond to questions if needed.

Respectfully submitted,

/s/ Leila Melhem _____

AMERICAN ELECTRIC POWER SERVICE
CORPORATION

Leila Melhem
State Bar No. 24083492
400 West 15th Street, Suite 1520
Austin, Texas 78701
Telephone: (512) 481-3321
Facsimile: (512) 481-4591
Email: lmelhem@aep.com

ON BEHALF OF SOUTHWESTERN
ELECTRIC POWER COMPANY