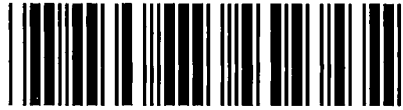




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Addendum StartPage: 0

1 development of the jurisdictional and class cost-of-service studies ordered by the
2 Commission in Docket No. 46449.

3 Q. HOW ARE THE RESULTS OF THE JURISDICTIONAL COST-OF-SERVICE
4 STUDY USED IN THIS PROCEEDING?

5 A. The jurisdictional allocations of rate base, revenues, and expenses shown in
6 Jurisdictional Schedules P-1 through P-3 are utilized in Schedules A-1 and B-1 to
7 determine the costs and revenues that are applicable to the Texas retail jurisdiction.
8 The costs and revenues applicable to SWEPCO's Texas retail jurisdiction are then used
9 in the retail customer class cost-of-service study.

10 Q. HOW ARE THE RESULTS OF THE CLASS COST-OF-SERVICE STUDY USED
11 IN THIS PROCEEDING?

12 A. The results of the class cost-of-service submitted in this proceeding are primarily used
13 to provide embedded cost information that can be used as one tool in developing the
14 pricing structures for each customer class, and provide information to compare and
15 review present and proposed relative rates of return by customer class. SWEPCO
16 witness Jackson utilized the results of SWEPCO's class cost-of-service study in the
17 development of her revenue distribution and rate design.

18 19 V. TRANSMISSION COST RECOVERY FACTOR

20 A. Baseline

21 Q. WHAT IS A TRANSMISSION COSTS RECOVERY FACTOR OR TCRF?

22 A. A TCRF is a rate mechanism approved by the Texas Legislature that allows an electric
23 utility outside of ERCOT to periodically update its recovery of transmission costs.

1 Specifically, PURA § 36.209 permits recovery on an annual basis of a utility's
2 "reasonable and necessary expenditures for transmission infrastructure improvement
3 costs and changes in wholesale transmission charges to the electric utility under a tariff
4 approved by a federal regulatory authority to the extent that the costs or charges have
5 not otherwise been recovered."

6 Q. HAS THE COMMISSION ADOPTED A RULE TO IMPLEMENT A TCRF?

7 A. Yes. The Commission has adopted 16 TAC § 25.239, which allows a non-ERCOT
8 electric utility that has received a final base rate order after December 2005 to have a
9 TCRF as described by PURA § 36.209.

10 Q. HAS SWEPCO IMPLEMENTED A TCRF?

11 A. Yes. The Commission approved a TCRF baseline value for SWEPCO in Docket No.
12 46449 and updated that baseline in Docket No. 48233. SWEPCO implemented an
13 update to its TCRF in PUC Docket No. 49042.

14 Q. WHAT IS SWEPCO SEEKING IN THIS PROCEEDING WITH RESPECT TO ITS
15 TCRF?

16 A. In this proceeding, SWEPCO is resetting the baseline values for the components that
17 are used for a subsequent implementation of the TCRF. Accordingly, with the approval
18 and implementation of revised base rates reflecting SWEPCO's Test Year adjusted
19 transmission costs, the TCRF rates will also be reset to zero.

20 Q. WILL THIS BASELINE TCRF VALUE BE CONSISTENT WITH PUC
21 SUBSTANTIVE RULES?

22 A. Yes, it will.

1 Q. PLEASE DESCRIBE THE CALCULATION OF THE TCRF BASELINE.

2 A. 16 TAC § 25.239(e) sets forth the following formula to quantify the TCRF revenue
3 requirement (RR):

4
$$RR = [\text{revreq} + \text{ATC}] * \text{ALLOC}$$

5 The “revreq” component, defined in 16 TAC § 25.239(e), is the return on
6 SWEPCO’s net change in transmission invested capital booked in FERC Accounts
7 350-359, net of accumulated depreciation and associated deferred income taxes plus
8 investment-related expenses such as income tax, other associated taxes, depreciation,
9 and transmission-related miscellaneous revenue credits but not including transmission
10 O&M or administrative expenses. The return is calculated by applying SWEPCO’s
11 weighted-average cost of capital (WACC) as established in a final commission order
12 in a base rate case.

13 “ATC” is an acronym for “Approved Transmission Charges” and is defined in
14 16 TAC § 25.239(b)(1) as “wholesale transmission charges approved by a federal
15 regulatory authority that are not being recovered through the utility’s other retail or
16 wholesale rates and that are properly allocated to Texas retail customers.” The
17 definition further explains that the charges “may relate to the use of transmission
18 facilities owned and operated by another transmission service provider or regional
19 transmission organization, including transmission-related administrative fees but not
20 including dispatch fees, congestion charges, costs incurred to hedge congestion
21 charges, or ancillary services charges.” Thus, for SWEPCO, the ATC component
22 includes the charges billed to SWEPCO by the SPP pursuant to its FERC-approved
23 OATT, excluding charges under Schedule 1 (System Control and Dispatch Fees).

1 “ALLOC” is defined in 16 TAC § 25.239(e) as “the utility’s Texas retail
2 allocation of transmission revenue requirements, as established in the utility’s most
3 recent base rate case.” Based on SWEPCO’s filing in this case, the jurisdictional
4 allocation factors are applied against the various elements of the RR calculation to
5 arrive at the Texas Jurisdictional values set forth in Column (C) of EXHIBIT JOA-5.

6 Q. HAVE YOU PREPARED AN EXHIBIT THAT SETS FORTH THE BASELINE
7 AMOUNTS THAT WOULD BE USED TO SUBSEQUENTLY CALCULATE THE
8 COMPONENTS OF THE TCRF REVENUE REQUIREMENT BASED ON
9 SWEPCO’S FILING IN THIS CASE?

10 A. Yes. EXHIBIT JOA-5, Page 1, sets forth SWEPCO’s TCRF revenue requirement
11 baseline calculation. Column (D) provides the baseline amounts for the elements that
12 will be used to compute the RR using the corresponding values from SWEPCO’s filing
13 in this case. These baseline values are from the cost allocation schedules I sponsor.
14 EXHIBIT JOA-5, Page 2, contains the jurisdictional allocation factors used to calculate
15 the TCRF baseline value and the TCRF class allocation factors.

16 B. Request to Defer Ongoing ATC Expenses

17 Q. ARE THE TEST YEAR ATC CHARGES INCLUDED IN SWEPCO’S PROPOSED
18 TCRF BASELINE REPRESENTATIVE OF THE ONGOING LEVEL OF SUCH
19 EXPENSES UNDER THE SPP OATT?

20 A. No, the Test Year ATC charges used in calculating the TCRF baseline revenue
21 requirement, as described above, will be outdated from the day rates in this case
22 become effective.

1 Q. WHAT IS THE RESULT IF THE ONGOING SPP CHARGES INCREASE OR
2 DECREASE FROM THAT IN THE ATC COMPONENT USED TO CALCULATE
3 THE TCRF BASELINE?

4 A. If the SPP charges billed to SWEPCO increase above the amount included in the Test
5 Year ATC component of the TCRF baseline, then SWEPCO would under-recover the
6 difference. Conversely, if the SPP charges billed to SWEPCO decrease below the
7 amount included in the Test Year ATC, then SWEPCO would over-recover the
8 difference.

9 Q. DOES SWEPCO HAVE A PROPOSAL TO ADDRESS THIS POSSIBILITY?

10 A. Yes. SWEPCO proposes that the portion of its ongoing SPP charges that qualify as ATC
11 under 16 TAC § 25.239(b)(1) that is above or below the net ATC component of the
12 baseline TCRF revenue requirement approved in this case be deferred into a regulatory
13 asset or liability until they can be addressed in a future TCRF or base-rate proceeding.

14 Q. IS THE COMPANY'S PROPOSAL CONSISTENT WITH COMMISSION POLICY
15 PURA § 36.209, AND 16 TAC § 25.239?

16 A. Yes. I am not an attorney, but it is my understanding that Commission policy has
17 consistently considered expenses paid by SWEPCO under FERC-approved tariffs to
18 be recoverable in the Company's retail rates. This policy is reflected in PURA
19 § 36.209, and the Commission's TCRF rule, 16 TAC 25.239(b). Both the statute and
20 the rule specify that the utility may recover changes in wholesale transmission charges
21 under FERC tariffs, to the extent not otherwise recovered. Moreover, the Commission

1 has found that SWEPCO is obligated to pay SPP the charges SPP bills to SWEPCO
2 pursuant to the SPP OATT for the provision of transmission services to SWEPCO.³
3

4 VI. DISTRIBUTION COST RECOVERY FACTOR

5 Q. WHAT IS A DISTRIBUTION COST RECOVERY FACTOR OR DCRF?

6 A. A DCRF is a rate mechanism approved by the Texas Legislature that allows an electric
7 utility to periodically adjust its rates for changes in certain distribution costs.

8 Q. HAS THE COMMISSION ADOPTED A RULE TO IMPLEMENT A DCRF?

9 A. Yes. The Commission has adopted 16 TAC § 25.243 to implement a DCRF as described
10 by PURA § 36.210. The rule allows an electric utility not offering customer choice (e.g.,
11 SWEPCO) to file an application for a DCRF at any time other than the months of April
12 and May.

13 Q. HAS SWEPCO IMPLEMENTED A DCRF?

14 A. Yes. SWEPCO had a DCRF baseline value approved in PUC Docket No. 48233 and
15 implemented an update to its DCRF in PUC Docket No. 49041.

16 Q. WHAT RELIEF IS SWEPCO SEEKING IN THIS PROCEEDING WITH RESPECT
17 TO THE ESTABLISHMENT OF THE DCRF?

18 A. In this proceeding, SWEPCO is resetting the DCRF baseline values for the components
19 that are used for a subsequent implementation of the DCRF. Accordingly, with the
20 approval and implementation of revised base rates reflecting SWEPCO's Test Year
21 adjusted distribution costs, the DCRF rates will also be reset to zero.

³ *Application of Southwestern Electric Power Company for Approval of Transmission Cost Recovery Factor*,
Docket No. 42448, Final Order at Conclusion of Law No. 16 (Nov. 24, 2014).

1 Q. HOW IS THE DISTRIBUTION REVENUE REQUIREMENT IN THE DCRF
2 FORMULA CALCULATED?

3 A. The distribution revenue requirement includes the return on net distribution invested
4 capital, depreciation expense related to the gross depreciation invested capital at the
5 PUC approved depreciation rates, federal income taxes related to the net distribution
6 invested capital and other taxes related to the net distribution invested capital but not
7 municipal franchise fees.

8 Q. HAVE YOU PREPARED AN EXHIBIT THAT SETS FORTH THE BASELINE
9 AMOUNTS THAT WOULD BE USED TO SUBSEQUENTLY CALCULATE THE
10 COMPONENTS MAKING UP THE DISTRIBUTION REVENUE REQUIREMENT
11 BASED ON SWEPCO'S FILING IN THIS CASE?

12 A. Yes. EXHIBIT JOA-6, Page 1, column (D) summarizes the baseline amounts for the
13 elements that will be used to compute the DCRF revenue requirement using the
14 corresponding values from SWEPCO's filing in this case. EXHIBIT JOA-6, page 2,
15 provides the detail supporting the amounts reflected in the DCRF revenue requirement
16 calculation. These baseline values are from the accounting schedules sponsored by
17 SWEPCO witness Baird and the cost allocation schedules I sponsor.

18 Q. 16 TAC § 25.243 REQUIRES A CALCULATION OF DISTRIBUTION REVENUES
19 BY RATE CLASS FROM THE LAST COMPREHENSIVE BASE-RATE
20 PROCEEDING. HAVE YOU MADE THAT CALCULATION?

21 A. Yes. EXHIBIT JOA-6, page 3, contains the allocation of the distribution revenue
22 requirement (DISTREV) to rate classes using allocation factors from the class cost-of-
23 service study in this filing. The calculation reflects the return on distribution invested

1 capital at the requested return on rate base, depreciation expense at SWEPCO's
2 requested Texas jurisdictional distribution rates, federal income taxes with interest
3 synchronized at SWEPCO's requested weighted average cost of debt and other taxes
4 related to SWEPCO's requested current net distribution invested capital.

5 Q. WHAT IS THE PURPOSE OF DETERMINING THE DISTRIBUTION REVENUE
6 REQUIREMENT BY RATE CLASS FOR USE IN THE DCRF?

7 A. As described in 16 TAC § 25.243(d)(1), distribution revenues by rate class adjusted for
8 growth in billing determinants reduces the distribution revenue requirement that can be
9 reflected in the DCRF.

10 Q. 16 TAC § 25.243 REQUIRES A CALCULATION OF DISTRIBUTION RATE
11 CLASS ALLOCATORS FROM THE LAST COMPREHENSIVE BASE-RATE
12 PROCEEDING. HAVE YOU MADE THAT CALCULATION?

13 A. Yes. EXHIBIT JOA-6, page 3, sets forth the rate class allocation factors based on the
14 class cost-of-service study in this filing. The allocation factors as required in 16 TAC
15 § 25.243(d)(1) are calculated by dividing total net distribution plant allocated to rate
16 classes by total net distribution plant.

17

18 VII. GENERATION COST RECOVERY RIDER

19 Q. WHAT IS A GENERATION COST RECOVERY RIDER?

20 A. A Generation Cost Recovery Rider (GCRR) is a rate mechanism approved by the Texas
21 Legislature that allows an electric utility to recover its investment in a power generation
22 facility outside of a base-rate proceeding.

1 Q. HAS THE COMMISSION ADOPTED A RULE TO IMPLEMENT A GCRR?

2 A. Yes. The Commission has adopted 16 TAC § 25.248 to implement a GCRR as described
3 by PURA § 36.213.

4 Q. WHAT RELIEF IS SWEPCO SEEKING IN THIS PROCEEDING WITH RESPECT
5 TO THE ESTABLISHMENT OF THE GCRR?

6 A. In this proceeding, SWEPCO is establishing the GCRR baseline values for the
7 components that are used for a subsequent implementation of the GCRR. Accordingly,
8 with the approval and implementation of base rates reflecting SWEPCO's Test Year
9 adjusted generation costs, the GCRR rates will also be set to zero.

10 Q. WHAT BASELINE VALUES ARE REQUIRED BY THE SUBSTANTIVE RULE?

11 A. The substantive rule requires the following baseline values based on the following used
12 to establish rates in the most recent base rate proceeding.

13 1) the Texas retail jurisdictional production allocation factor (TRAF),
14 2) the rate class billing determinants used to establish generation base rates
15 with energy-based billing determinants used for those rate classes that do not
16 include any demand charges and demand-based billing determinants for those
17 rate classes that include rate demand charges (BD_{RC-CLASS}),
18 3) the after-tax rate of return approved by the Commission in the last base-rate
19 proceeding (ROR_{RC}), and
20 4) the rate class allocation factor values (ALLOC_{RC-CLASS}).

21 Q. HAVE YOU PREPARED AN EXHIBIT THAT SETS FORTH THE BASELINE
22 VALUES DESCRIBED ABOVE?

23 A. Yes. EXHIBIT JOA-4 sets forth the GCRR baseline values described above that can
24 be utilized by SWEPCO in a subsequent GCRR proceeding.

VIII. CONCLUSION

1
2 Q. PLEASE STATE YOUR CONCLUSIONS.

3 A. SWEPCO's jurisdictional and class cost-of-service studies are based upon sound cost
4 allocation principles, reflect all Test Year adjustments, and establish the cost
5 responsibility for the provision of electric service to SWEPCO's retail customers in
6 Texas. For future GCRR, TCRF, and DCRF filings, the Commission should set forth
7 in the final order in this case the baseline values and allocation factors for the
8 components that will be used in the subsequent implementation of SWEPCO's GCRR,
9 TCRF, and DCRF.

APPLICATION PACKAGE SCHEDULES
SPONSORED

<u>SCHEDULE</u>	<u>DESCRIPTION</u>
O-1.1	Test Year Data by Rate Class
O-1.2	Monthly Data by Rate Class
O-1.7	Adjustments to Billing Demand
O-1.8	Operating Statistics Narrative
O-3.1	Number of Customers
O-3.2	Customer Adjustment Methodology
O-3.3	Other Customer Adjustment Information
O-4.1	kWh Sales and kW Demand
O-4.2	Revenue Methodologies
O-5	Variability of Average Fuel Costs with kWh Sales
O-6.3	System Line Loss Calculations
P-1	Rate of Return
P-1.1	Proposed Rate Schedules/Proposed Rate Classes
P-1.2	Existing Rate Schedules/Proposed Rate Classes
P-1.3	Existing Rate Schedules/Existing Rate Classes
P-1.4	Proposed Rate Schedules/Existing Rate Classes
P-1.5	Financial Data for Non-Investor-Owned Utilities
P-2	Allocation of Revenue Deductions to Proposed Rate Classes
P-3	Allocation of Rate Base to Proposed Rate Classes

P-4	Separation of Expenses
P-5	Separation of Rate Base
P-6	Unit Cost Analysis
P-7	Allocation Factors
P-8	Classification Factors
P-9	Demand and Energy Loss Factors
P-10	Payroll Expense Distribution
P-11	Distribution Plant Study
P-12	Support for Production Allocation Methodology
P-13	Summary of Changes in Allocation Factors

SOUTHWESTERN ELECTRIC POWER COMPANY
 Production Demand Jurisdictional Allocation Factors
 For the Test Year Ending March 31, 2020

<u>Load (MW)</u>	<u>Jun-2019</u>	<u>Jul-2019</u>	<u>Aug-2019</u>	<u>Sep-2019</u>	<u>Average</u>	<u>Adjustments</u>	<u>Total</u>	<u>%</u>
						<u>Whsl Resources</u>		
AR Wholesale	204.78	225.07	227.91	196.69				
LA Wholesale	70.05	74.97	77.41	71.36				
TX Wholesale	661.59	726.79	753.83	682.49				
Remove Rayburn	(104.85)	(108.35)	(111.70)	(104.62)				
Total Wholesale	831.57	918.48	947.45	845.93	885.86	(566)	320.023	8.213%
AR Retail	743.44	816.09	808.53	724.29	773.09		773.089	19.840%
LA Retail	1,300.42	1,390.68	1,436.46	1,330.46	1,364.50		1,364.504	35.018%
TX Retail	1,423.18	1,471.77	1,491.77	1,368.97	1,438.92		1,438.923	36.928%
							3,896.538	100.000%

Wholesale Customer Resources
(MW) excluded from Wholesale
Demand

	<u>CDR</u> <u>Designation</u>	<u>Resource</u> <u>Capacity</u>	<u>Capacity</u> <u>Credit</u>
Minden Hydro	With Reserve	2.400	2.400
Bentonville Hydro	With Reserve	18.000	18.000
TEXLA Hydro	With Reserve	-	-
Rayburn Hydro	With Reserve	-	-
<u>NTEC</u>			
SPA Hydro	With Reserve	102.000	102.000
Pirkey	W/O Reserve	79.110	70.634
Dolet Hills	W/O Reserve	37.580	33.554
HCPP	W/O Reserve	300.290	268.116
SPA Narrows	W/O Reserve	25.500	22.768
Turk	W/O Reserve	54.165	48.362
Total		619.045	565.834

SOUTHWESTERN ELECTRIC POWER COMPANY
 Jurisdictional Transmission Allocation
 For the Test Year Ended March 31, 2020

	<u>AR Retail</u>	<u>LA Retail</u>	<u>TX Retail</u>	<u>Wholesale</u>	<u>Total</u>
4/10/19 17:00	461	799	1,039	0	2,299
5/23/19 17:00	594	1,035	1,255	0	2,884
6/21/19 17:00	718	1,273	1,503	0	3,493
7/17/19 17:00	803	1,370	1,563	0	3,736
8/12/19 16:00	809	1,428	1,480	0	3,717
9/6/19 17:00	734	1,309	1,509	0	3,553
10/2/19 16:00	626	1,120	1,348	0	3,094
11/13/19 9:00	471	839	1,041	0	2,352
12/18/19 9:00	571	1,163	1,487	0	3,220
1/21/20 9:00	625	1,218	1,492	0	3,335
2/27/20 9:00	564	1,027	1,354	0	2,944
3/26/20 17:00	520	898	1,296	0	2,714
Average	625	1,123	1,364	0	3,112
Percent	20.0757%	36.0991%	43.8252%	0.0000%	100.0000%

SOUTHWESTERN ELECTRIC POWER COMPANY
 Class - Production and Transmission Allocations
 For the Test Year Ended March 31, 2020

<u>Class (A&E 4CP)</u>	<u>Production</u>	<u>Transmission</u>
<u>Residential</u>		
Residential	39.673%	36.540%
Residential DG	0.024%	0.020%
<u>Commercial</u>		
General Service w/ Demand	4.181%	3.876%
General Service No Demand	1.346%	1.248%
General Service DG	0.002%	0.002%
Cotton Gin	0.040%	0.034%
Light & Power Sec	30.220%	27.252%
Light & Power Pri	6.514%	5.673%
Light & Power Sec DG	0.027%	0.024%
<u>Industrial</u>		
Large Light & Power Pri	1.877%	1.667%
Large Light & Power Trans	6.909%	15.371%
Metal Melting Service Dist Sec	0.017%	0.015%
Metal Melting Service Dist Pri	0.316%	0.269%
Metal Melting Service Trans	3.838%	3.716%
Oilfield Pri	3.222%	2.746%
Oilfield Sec	0.248%	0.221%
<u>Municipal</u>		
Municipal Pumping	0.521%	0.444%
Municipal Service	0.302%	0.267%
<u>Lighting</u>		
Municipal Public & Hwy Street Light	0.226%	0.192%
Public & Hwy Street Lighting	0.009%	0.008%
Outdoor Private & Area Lighting	0.429%	0.365%
Customer Owned Lighting	0.058%	0.050%
TOTAL TEXAS RETAIL	100.000%	100.000%

Source: Allocation Factors 2020.xlsx

Southwestern Electric Power Company
TCRF Revenue Requirement Calculation
For the Test Year Ending March 31, 2020

Line No.	(A) Component	(B) Total Company	(C) Texas Retail Transmission Function	(D) Texas Retail Amount Included in SWEPCO Base Rate Order	(E) Net Change Not Included In Base Rate Order (C - D)
1	TIC:				
2	Transmission Plant in Service	\$2,066,218,993	\$904,072,262	\$904,072,262	\$0
3	Accumulated Depreciation	(570,785,047)	(249,746,484)	(249,746,484)	0
4	Net Plant in Service	\$1,495,433,946	\$654,325,778	\$654,325,778	\$0
5					
6	Accumulated Deferred Taxes	(208,942,255)	(91,422,496)	(91,422,496)	0
7					
8	Total TIC	\$1,286,491,691	\$562,903,283	\$562,903,283	\$0
9					
10	WACC	7 22%	7 22%	7 22%	
11					
12	Return on TIC	\$92,935,304	\$40,663,759	\$40,663,759	\$0
13					
14					
15					
16	Investment-Related Expenses:				
17	Depreciation Expense	\$47,933,847	\$20,973,412	\$20,973,412	\$0
18	Income Tax Expense - Note 1	34,779,087	16,544,686	16,544,686	0
19	Other Associated Taxes	67,742,851	6,447,554	6,447,554	0
20	Revenue Credits	(172,655,780)	(75,666,738)	(75,666,738)	0
21	Total Investment-Related Expenses	(\$22,199,994)	(\$31,701,086)	(\$31,701,086)	\$0
22					
23	Revreq (line 12 + line 21)	\$70,735,310	\$8,962,673	\$8,962,673	\$0
24					
25	ATC:				
26	SPP Charges and Fees	\$157,881,876	\$68,652,821	\$68,652,821	\$0
27	Non-SPP Charges	6,005,430	2,631,891	2,631,891	0
29	Other Transmission Charges	914,530	400,795	400,795	0
32	Total ATC	\$164,801,836	\$71,685,507	\$71,685,507	\$0
33					
34	RR (line 23 + line 32)	\$235,537,145	\$80,648,180	\$80,648,180	\$0

Note (1) Income Tax Expense is calculated for the Texas Retail Transmission Function.

SOUTHWESTERN ELECTRIC POWER COMPANY
TCRF Allocation Factors
For the Test Year Ended March 31, 2020

Texas Jurisdictional Allocations Factors					
	TOTAL COMPANY	ARKANSAS RETAIL	LOUISIANA RETAIL	TEXAS RETAIL	FERC WHOLESALE
DEMPROD (4 CP Production Demand)	3,897 100 0000%	773 19 8404%	1,365 35 0184%	1,439 36 9282%	320 8 2130%
DEMTRANS (SPP 12 CP)	3,112 100.0000%	625 20 0757%	1,123 36 0991%	1,364 43 8252%	- 0 0000%
PLANT (Total Electric Plant In Service) used in tax calc	9,641,963,091 100 0000%	1,926,275,363 19.9780%	3,629,478,029 37 6425%	3,663,416,849 37 9945%	422,792,850 4.3849%
DEPREXP (Depreciation Expense) used in tax calc	245,438,986 100 0000%	49,074,207 19 9945%	92,676,479 37.7595%	92,832,527 37.8231%	10,855,773 4.4230%
TRANPLT	2,066,218,993 100 0000%	414,759,112 20 0733%	745,658,188 36.0881%	904,072,262 43 7549%	1,729,430 0.0837%
Texas Plant used in tax calc	Total 3,663,416,849	Production 1,880,853,036 51 3415%	Transmission 915,798,742 24 9985%	Distribution 866,765,071 23 6600%	

Class Allocation Factors (A&E 4CP)

<u>Residential</u>	
Basic RS	36 56077%
<u>Commercial</u>	
General Service W/ Demand	3 87849%
General Service W/O Demand	1 24777%
Lighting & Power - Sec	27 27551%
Lighting & Power - Pri	5.67304%
Cotton Gin	0 03378%
<u>Industrial</u>	
Large Lighting & Power - Pri	1 66730%
Large Lighting & Power - Tran	15 37123%
Metal Melting - Sec	0 01468%
Metal Melting - Pri	0 26898%
Metal Melting - Tran	3 71612%
Oilfield - Pri	2 74553%
Oilfield - Sec	0 22068%
<u>Municipal</u>	
Municipal Pumping	0 44411%
Municipal Service	0 26664%
<u>Lighting</u>	
Municipal Lighting	0 19239%
Public Highway	0 00792%
Private/Area Lighting	0 36547%
Customer Owned Lighting	0 04960%
Total	100 00000%

Southwestern Electric Power Company
DCRF Revenue Requirement Calculation
For the Test Year Ending March 31, 2020

Line No.	(A) Component	(B) Total Company Distribution Function	(C) Texas Retail Distribution Function	(D) Texas Retail Amount Included in SWEPCO Base Rate Order	(E) Net Change Not Included In Base Rate Order (C - D)
1	DIC				
2	Distribution Plant in Service	\$2,403,844,371	\$833,897,625	\$833,897,625	\$0
3	Accumulated Depreciation & Amortization	(838,475,732)	(285,573,021)	(285,573,021)	0
4	Net Plant in Service	\$1,565,368,639	\$548,324,604	\$548,324,604	\$0
5					
6	Accumulated Deferred Taxes	(259,103,262)	(91,294,999)	(91,294,999)	0
7					
8	Total DIC	\$1,306,265,377	\$457,029,605	\$457,029,605	\$0
9					
10	Rate of Return	7.22%	7.22%	7.22%	
11					
12	Return on DIC	\$94,365,607	\$33,016,167	\$33,016,167	\$0
13					
14					
15	Depreciation & Amortization Expense (DEPR)	\$93,666,178	\$26,295,632	\$26,295,632	\$0
16	Other Associated Taxes (OT)	67,742,851	6,162,802	6,162,802	0
17	Income Tax Expense (FIT) - Note 1	13,880,468	5,858,479	5,858,479	0
18					
19	DISTREV (line 12 + line 21)	\$269,655,105	\$71,333,080	\$71,333,080	\$0

Note 1 Income Tax Expense is calculated for the Texas Retail Distribution Function

Southwestern Electric Power Company
Distribution Cost Recovery Factor
Cost Components
For the Test Year Ending March 31, 2020

	(1)	(2)	(3)	(4)	(5)	(6)
Line No.	Description	FERC Account No	Total	Allocation Factor	Allocation %	Texas Retail Distribution Value
1	Misc Intangible Plant - Distribution	303	35,075,188	LABDIST	0.3520409	12,347,901
2						
3	<u>Transmission Plant</u>					
4	Structures and Improvements	352	-		0	-
5	Station Equipment	353	-		0	-
6	Total Transmission Plant		-			-
7						
8	<u>Distribution Plant</u>					
9	Land and Land Rights	360	9,962,607	SITUS		4,436,507
10	Structures and Improvements	361	9,549,726	SITUS		3,100,114
11	Station Equipment	362	337,556,443	SITUS		124,365,730
12	Poles, Towers and Fixtures - Primary	364	300,060,233	SITUS		108,869,874
13	Poles, Towers and Fixtures - Secondary	364	178,581,070	SITUS		72,161,933
14	Overhead Conductors, Devices - Primary	365	377,753,493	SITUS		133,683,977
15	Overhead Conductors, Devices - Secondary	365	104,382,427	SITUS		43,148,449
16	Underground Conduit - Primary	366	36,072,189	SITUS		11,780,774
17	Underground Conduit - Secondary	366	37,155,966	SITUS		9,330,294
18	Undergrnd Conductors, Devices - Primary	367	116,996,742	SITUS		37,468,698
19	Undergrnd Conductors, Devices - Secondary	367	120,560,094	SITUS		29,736,870
20	Line Transformers	368	410,262,098	SITUS		148,603,097
21	Services	369	97,827,493	SITUS		36,994,742
22	Meters	370	86,232,258	SITUS		23,016,963
23	Installs on Customer Premises	371	44,154,413	SITUS		16,342,083
24	Street Lighting, Signal System	373	43,164,228	SITUS		10,983,733
25	AFUDC Adjustment		976,298	DISTPLT	0.3523499	343,998
26	Total Distribution Plant		2,311,247,777	DISTPLT	0.3523499	814,367,837
27						
28	<u>General Plant (Note 1)</u>					
29	Office Furniture, Equipment	391	9,371,038	LABORT	0.1248559	1,170,029
30	Communication Equipment	397	48,150,368	LABORT	0.1248559	6,011,858
31	Total General Plant		57,521,405			7,181,887
32						
33	Total Distribution Related Invested Capital		2,403,844,371			833,897,625
34						
40	Distribution Plant Accumulated Depreciation		797,211,559	DISTPLT	0.352350	280,897,383
41						
42	<u>General Plant Acc Depr & Amortization (Note 1 & 2)</u>					
43	Accum Provision for Depr & Removal	108	26,408,178	GENPLT	0.1248559	3,297,217
44						
49	Acc Prov for Amortization of Intangible Plant (Dist Related)	111	14,855,996	INTPLT	0.0927855	1,378,421
50						
51	<u>Accumulated Deferred Income Taxes (Dist Related)</u>		259,103,262	DISTPLT	0.352350	91,294,999
52						
53	<u>Depreciation & Amortization Expense</u>					
54	Distribution Depreciation Expense	403	64,181,295	DISTPLT	0.352350	22,614,270
55	General Depreciation Expense (Note 1 & 2)	403	6,770,784	GENPLT	0.1248559	845,372
56	Intangible Amortization Expense (Note 1 & 2)	404	22,714,099	LABORT	0.1248559	2,835,989
57	Total Depreciation & Amortization Expense		93,666,178			26,295,632
58						
59	<u>Taxes Other Than Income Taxes</u>					
60	Plant Related Other Taxes (Note 1 & 2)	408	67,464,506	PLANT	0.0898951	6,064,727
61	Texas Gross Margin Tax	408	278,345	DISTPLT	0.352350	98,075
			67,742,851			6,162,802
	General Plant in DCRF		57,521,405			
	Total General Plant in COS		320,764,440			
	% General Plant in DCRF		17.933%			
	Functional Split - Acc Provision for Intangible		56,365,696			
	Production	63%	35,401,108			
	Transmission	11%	6,108,592			
	Distribution	26%	14,855,996			
			56,365,696			

Note 1 Values are total company amounts. Allocation factor is Texas retail factor times Texas functional factor.
Note 2. Reflects percent of general plant included in DCRF.

SOUTHWESTERN ELECTRIC POWER COMPANY
DCRF Allocation Factors
For the Test Year Ended March 31, 2020

Texas Jurisdictional Allocations Factors					
	TOTAL COMPANY	ARKANSAS RETAIL	LOUISIANA RETAIL	TEXAS RETAIL	FERC WHOLESALE
PLANT (Total Electric Plant In Service)	9,641,963,091 100.0000%	1,926,275,363 19.9780%	3,629,478,029 37.6425%	3,663,416,849 37.9945%	422,792,850 4.3849%
LABORT (Total Payroll)	113,533,521 100.0000%	22,305,526 19.6466%	43,703,881 38.4943%	42,105,213 37.0862%	5,418,901 4.7730%
LABDIST (DISTR LABOR EXCL METERING)	18,301,702 100.0000%	3,159,565 17.2638%	8,672,388 47.3857%	6,442,948 35.2041%	26,801 0.1464%
DEPREXP (Depreciation Expense)	245,438,986 100.0000%	49,074,207 19.9945%	92,676,479 37.7595%	92,832,527 37.8231%	10,855,773 4.4230%
GENPLT (General Plant)	320,764,440 100.0000%	63,019,445 19.6466%	123,475,876 38.4943%	118,959,185 37.0862%	15,309,934 4.7730%
INTPLT (Intangible Plant)	133,080,102 100.0000%	25,414,949 19.0975%	51,035,815 38.3497%	49,528,372 37.2170%	7,100,966 5.3359%

Functional Allocation Factors				
	Total	Production	Transmission	Distribution
Texas Plant	3,663,416,849 100.0000%	1,880,853,036 51.3415%	915,798,742 24.9985%	866,765,071 23.6600%
LABORT (Total Payroll)	42,105,181 100.0000%	23,232,801 55.1780%	4,697,061 11.1555%	14,175,319 33.6664%
GENPLT (General Plant)	118,959,185 100.0000%	65,639,311 55.1780%	13,270,541 11.1555%	40,049,333 33.6664%
INTPLT (Intangible Plant)	49,528,372 100.0000%	30,948,468 62.4863%	6,232,003 12.5827%	12,347,901 24.9310%

Class Allocation Factors			
	NET DIC	Allocation Factor	DISTREV
<u>Residential</u>			
Basic RS	\$ 201,805,846	44.155968%	\$ 31,434,581
<u>Commercial</u>			
General Service W/ Demand	26,302,945	5.755195%	4,068,888
General Service W/O Demand	12,089,773	2.645293%	1,866,895
Lighting & Power - Sec	140,559,531	30.755017%	21,834,512
Lighting & Power - Pn	23,717,646	5.189521%	3,730,775
Cotton Gin	1,528,158	0.334367%	229,636
<u>Industrial</u>			
Large Lighting & Power - Pri	1,800,946	0.394055%	322,579
Large Lighting & Power - Tran	228,412	0.049977%	277,177
Metal Melting - Sec	555,936	0.121641%	83,728
Metal Melting - Pri	3,188,088	0.697567%	487,277
Metal Melting - Trans	60,559	0.013251%	87,067
Oilfield - Pri	14,192,062	3.105283%	2,222,220
Oilfield - Sec	1,185,791	0.259456%	183,755
<u>Municipal</u>			
Municipal Pumping	3,622,271	0.792568%	557,933
Municipal Service	2,170,894	0.475001%	336,310
<u>Lighting</u>			
Municipal Lighting	8,589,854	1.879496%	1,290,515
Public Highway	295,312	0.064615%	44,455
Private/Area Lighting	14,364,896	3.143100%	2,157,436
Customer Owned Lighting	770,684	0.168629%	117,343
Total	\$ 457,029,605	100.000000%	\$ 71,333,080

SOUTHWESTERN ELECTRIC POWER COMPANY

Generation Cost Recovery Rider

Baseline Values

For the Test Year Ended March 31, 2020

1) Texas Retail Jurisdictional Production Allocation Factor 36.928%

3) After Tax Return of Return 7.22%

	2) Rate Class Billing Determinants		4) Rate Class Allocation Factors
	kWh	kW	
<u>Residential</u>			
Residential	2,165,609,056	-	39.697%
<u>Commercial</u>			
General Service w/ Demand	205,598,031	1,402,994	4.183%
General Service No Demand	66,333,658	-	1.346%
Light & Power Sec	2,161,933,051	6,531,225	30.247%
Light & Power Pri	667,056,010	1,370,803	6.514%
Cotton Gin	5,234,123	23,250	0.040%
<u>Industrial</u>			
Large Light & Power Pri	164,644,585	358,160	1.877%
Large Light & Power Trans	818,720,986	1,433,918	6.909%
Metal Melting Service Dist Sec	1,983,769	24,392	0.017%
Metal Melting Service Dist Pri	37,667,206	194,231	0.316%
Metal Melting Service Trans	53,731,559	220,660	3.838%
Oilfield Pri	384,472,605	765,088	3.222%
Oilfield Sec	20,704,032	40,837	0.248%
<u>Municipal</u>			
Municipal Pumping	60,026,735	-	0.521%
Municipal Service	26,943,781	-	0.302%
<u>Lighting</u>			
Municipal Public & Hwy Street Lighting	26,004,489	-	0.226%
Public & Hwy Street Lighting	1,070,584	-	0.009%
Outdoor Private & Area Lighting	49,398,122	-	0.429%
Customer Owned Lighting	6,704,408	-	0.058%
TOTAL TEXAS RETAIL	6,923,836,789	12,365,557	100.000%

EXECUTIVE SUMMARY OF JENNIFER L. JACKSON

Jennifer L. Jackson is a Regulated Pricing and Analysis, Manager, in Regulated Pricing and Analysis, part of the American Electric Power Service Corporation (AEPSC) Regulatory Services Department. As a Regulated Pricing & Analysis Manager, Ms. Jackson's job duties include providing testimony, rate review analysis and support, pricing design, implementation of pricing programs, and regulatory compliance for the AEP operating companies.

Southwestern Electric Power Company's (SWEPCO or the Company) rate design proposal for its Texas jurisdiction consists of revised rates in its tariffs based on the proposed revenue distribution and any other language revisions to rate schedules and riders.

Ms. Jackson testifies that SWEPCO's goal for its proposed rate design is twofold. The first goal of the proposed rate design is to design rates that achieve the overall proposed revenue change based on the filed class cost-of-service study. The second goal of the proposed rate design is to develop rates that move all major classes of customers closer to an equalized return, meaning the proposed rates for each customer class are designed to recover the class responsibility for the cost to serve each respective major rate class. As explained by Ms. Jackson, these goals have been balanced with considerations such as overall customer impact and moderation of severe customer impact.

The overall level of non-fuel rate increase being requested by SWEPCO in this filing for its Texas retail jurisdiction is approximately \$105 million, or a 30.31% increase over Test Year¹ adjusted revenues, including the movement of Distribution Cost Recovery Factor (DCRF) and Transmission Cost Recovery Factor (TCRF) revenue requirements from rider

¹ The Test Year is the twelve-month period ending March 31, 2020.

recovery to base rate recovery. Including fuel revenues, the overall retail percentage change is 15.57%.

Ms. Jackson further explains that in this filing, SWEPCO is requesting a 7.22% return on rate base. Therefore, the equalized return from all classes will produce a revenue requirement necessary to achieve a return on rate base of 7.22%.

Ms. Jackson testifies that the revenue distribution is the rate design mechanism by which the revenue increase is assigned to the classes of customers. The revenue distribution also determines the revenue requirement targets for each class. In addition, Ms. Jackson sets out how the class revenue targets are determined, the results of the proposed revenue distribution, how the proposed rates revenue change is used in the design of rates, and how the final revenue change affects the relative rates of return for the classes.

Ms. Jackson also briefly describes each of the retail service rate schedules contained in SWEPCO's Texas Tariff and the changes to each. Ms. Jackson also notes that SWEPCO is proposing several changes to its Tariff Manual and provides a summary of the changes.

Overall, Ms. Jackson demonstrates that: (1) the base rate changes achieve the revenue required from each class according to the filed cost-of-service study and proposed revenue distribution; and (2) the proposed revenue distribution is reasonable and appropriately considers rate design factors such as class movement towards an equalized return and moderation of severe customer impacts.

PUBLIC UTILITY COMMISSION OF TEXAS

APPLICATION OF
SOUTHWESTERN ELECTRIC POWER COMPANY
FOR AUTHORITY TO CHANGE RATES

DIRECT TESTIMONY OF
JENNIFER L. JACKSON
FOR
SOUTHWESTERN ELECTRIC POWER COMPANY

OCTOBER 2020

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EXHIBITS

<u>EXHIBIT</u>	<u>DESCRIPTION</u>
EXHIBIT JLJ-1	Proposed Revenue Distribution
EXHIBIT JLJ-2	Changes to Tariff Manual
EXHIBIT JLJ-3	Residential Plug-in Electric Vehicle Rider
EXHIBIT JLJ-4	Residential Optional Time-of-Use Schedule
EXHIBIT JLJ-5	Commercial Optional Time-of-Use Schedule
EXHIBIT JLJ-6	Renewable Energy Credit Rider

1 I. INTRODUCTION AND PURPOSE

2 Q. PLEASE STATE YOUR NAME, POSITION, AND BUSINESS ADDRESS.

3 A. My name is Jennifer L. Jackson. I am a Regulated Pricing and Analysis, Manager, in
4 Regulated Pricing and Analysis, part of the American Electric Power Service
5 Corporation (AEPSC) Regulatory Services Department, 212 East Sixth Street, Tulsa,
6 Oklahoma 74119-1295.

7 Q. PLEASE BRIEFLY DESCRIBE THE AEPSC REGULATORY SERVICES
8 DEPARTMENT, YOUR CURRENT JOB RESPONSIBILITIES, AND
9 EDUCATION.

10 A. AEPSC Regulatory Services is part of the American Electric Power Company, Inc.
11 (AEP) Utilities Business Group. Among its activities, Regulatory Services provides
12 coordination and tariff-related services to the AEP operating companies, including
13 Southwestern Electric Power Company (SWEPCO or the Company). As a Regulated
14 Pricing & Analysis Manager, my job duties include providing testimony, rate review
15 analysis and support, pricing design, implementation of pricing programs, and
16 regulatory compliance for the AEP operating companies. I have been involved in
17 regulatory rate review and pricing design proceedings since 1991 in all four of the AEP
18 West state jurisdictions: Arkansas, Louisiana, Oklahoma, and Texas. I have a Bachelor
19 of Business Administration Degree with an emphasis in Marketing from Texas Tech
20 University.

1 Q. HAVE YOU PREVIOUSLY SPONSORED TESTIMONY BEFORE THIS
2 COMMISSION?

3 A. Yes. I have previously sponsored testimony before the Public Utility Commission of
4 Texas (PUC or Commission) in the following dockets: 20545, 28520, 28840, 31251,
5 31461, 32758, 33309, 33310, 35625, 35627, 36422, 36928, 36949, 36961, 36960,
6 36959, 38208, 38209, 38210, 39359, 39360, 39361, 40358, 40359, 40443, 41538,
7 41539, 41879, 41970, 42370, 42508, 42509, 44717, 44718, 45787, 45788, 45928,
8 45929, 47015, 47236, 48110, 48422, 49163, 49494, and 49592. I have also sponsored
9 testimony before the Arkansas Public Service Commission and the Oklahoma
10 Corporation Commission.

11 Q. ON WHOSE BEHALF ARE YOU TESTIFYING?

12 A. I am testifying on behalf of SWEPCO.

13 Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

14 A. The purpose of my testimony is to present, explain, and support SWEPCO's Texas
15 retail class rate design. I support the distribution of the proposed revenue increase to
16 the retail customer classes based on the results of the class cost-of-service study
17 sponsored by SWEPCO witness John O. Aaron. I also support the updated pricing for
18 the retail rate classes and the resulting revenue changes based on the updated pricing.
19 I sponsor SWEPCO's Texas Tariff, including the changes recommended through this
20 filing.

1 Q. WHAT SCHEDULES ARE YOU SPONSORING WITH YOUR TESTIMONY?

2 A. I am sponsoring the following schedules:

Schedule	Description
Q-1	Revenue Summary
Q-1.1	Revenue Summary
Q-2	Power Cost Recovery
Q-3	Proposed Changes to Miscellaneous Charges
Q-4.1	Present and Proposed Rate Classes
Q-4.2	Justification of Proposed Changes
Q-6	Justification for Consumption Level-Based Rates
Q-7	Proof of Revenue Statement
Q-8.6	Contract Prices
Q-8.8	Tariff Schedules
Q-8.9	Bill Comparison

3

4 II. RATE DESIGN SCHEDULES AND EXHIBITS

5 Q. PLEASE DESCRIBE THE RATE FILING PACKAGE RATE DESIGN
6 SCHEDULES THAT YOU ARE SPONSORING WITH YOUR TESTIMONY.

7 A. The schedules that I sponsor are shown in the table above and are required based on
8 the Commission's *Electric Utility Rate Filing Package for Generating Utilities* (RFP).

9 Q. PLEASE DESCRIBE SCHEDULE Q-1, REVENUE SUMMARY.

10 A. Schedule Q-1 shows three levels of base revenue, fuel revenue, and total revenue (base
11 and fuel combined) for all rate classes.

12 The first revenue level, unadjusted revenues, reflects the unadjusted base, fuel,
13 and total revenues. The unadjusted fuel revenues match the actual monthly fuel costs
14 that were recorded on the books of the Company.

15 The second revenue level, adjusted revenues, shows the base, fuel, and total
16 revenues as adjusted for weather and customer growth and other pro forma adjustments.

1 The third revenue level, proposed revenues, shows the base and total revenues
2 under proposed rates. Amounts and percent changes for proposed revenue compared
3 to adjusted revenue for base and total revenues are also shown for each rate class.

4 Q. PLEASE DESCRIBE SCHEDULE Q-1.1, REVENUE SUMMARY.

5 A. Schedule Q-1.1 shows the same three levels of base revenue as Schedule Q-1. In
6 addition, Schedule Q-1.1 shows unadjusted fuel revenues at the same level as Schedule
7 Q-1, but develops adjusted and proposed fuel revenues by applying Test Year² and
8 present fuel factors to the rate year kWh sales.

9 Q. PLEASE DESCRIBE SCHEDULE Q-2, POWER COST RECOVERY.

10 A. Schedule Q-2 is not applicable to this application because SWEPCO is not proposing
11 to adjust its fixed fuel factor in this application.

12 Q. PLEASE DESCRIBE THE SCHEDULE Q-3, PROPOSED CHANGES IN
13 MISCELLANEOUS CHARGES.

14 A. Schedule Q-3 details the justification for any new miscellaneous charges being
15 proposed or any proposed changes to existing miscellaneous charges. In this
16 application, SWEPCO is not requesting any new fees but has updated one of the
17 charges for miscellaneous services based on the updated cost-of-service study. The
18 Meter Data Pulse Fee, as shown on the Schedule of Fees and Charges for Miscellaneous
19 Services, sheet number IV-40, has been updated based on the new facilities charge as
20 shown in the workpapers supporting Schedule Q-7.

² The Test Year includes the twelve-month period ending March 31, 2020.

1 Q. PLEASE DESCRIBE THE Q-4 SCHEDULES, RATE CLASS DEFINITION.

2 A. Schedule Q-4.1, Present and Proposed Rate Classes, defines the existing and proposed
3 customer classes for whom separate rates are charged. Schedule Q-4.2, Justification of
4 Proposed Changes, requires the provision of the rationale for any changes in class
5 structure and/or rate design. This schedule refers back to this testimony for the required
6 explanation for the changes to rate design.

7 Q. PLEASE DESCRIBE SCHEDULE Q-6, JUSTIFICATION FOR CONSUMPTION
8 LEVEL BASED RATES.

9 A. Schedule Q-6 contains SWEPCO's justification for the proposed consumption level-
10 based rates. SWEPCO proposes one rate schedule containing charges per kWh that are
11 based in whole or in part on the consumption level (kWh) of the customer.
12 Consumption-level based rates are defined as a charge per kWh based upon a given
13 customer's consumption level such as a declining block, inverted block and block
14 extender rates. The rate schedules that have consumption-level based kWh charges are
15 included in the Residential Service. The proposed Residential Service rate schedules
16 are discussed later in my testimony.

17 Q. PLEASE DESCRIBE SCHEDULE Q-7, PROOF OF REVENUE STATEMENT.

18 A. Schedule Q-7 contains a detailed calculation of the adjusted revenues at present rates
19 and of revenues under the proposed rates for each present and proposed rate class.

20 Q. PLEASE DESCRIBE THE Q-8 SCHEDULES YOU ARE SPONSORING.

21 A. I am sponsoring Schedules Q-8.6, Q-8.8, and Q-8.9, which contain Contract Prices,
22 Tariff Schedules and Bill Comparisons, respectively.

1 Q. PLEASE DISCUSS THE EXHIBITS YOU ARE SPONSORING.

2 A. EXHIBIT JLJ-1 is the proposed distribution of the revenue increase to the retail classes
3 based on the filed cost-of-service study. The revenue distribution details the present
4 adjusted revenues by class along with rates of return by class, the proposed equalized
5 increase, the final target revenue change by class, and the base and total bill impact to
6 the customer classes. EXHIBIT JLJ-2 is the document detailing all the changes to the
7 Tariff requested in this application. EXHIBIT JLJ-3 is the proposed Residential Plug-
8 in Electric Vehicle Rider. EXHIBIT JLJ-4 is the proposed optional Residential Time-
9 of-Use rate schedule. EXHIBIT JLJ-5 is the proposed optional Commercial Time-of-
10 Use rate schedule. EXHIBIT JLJ-6 is the proposed optional Renewable Energy Credit
11 Rider.

12

13 III. SUMMARY OF RATE DESIGN PROPOSAL

14 Q. PLEASE SUMMARIZE THE RATE DESIGN PROPOSAL FOR SWEPCO'S
15 TEXAS CUSTOMERS.

16 A. SWEPCO's Texas jurisdiction rates were last approved in the Company's most recent
17 general rate case, Docket No. 46449,³ and subsequently updated in Docket No. 48233.⁴
18 The current rate structures serve customers of all usage types including residential,
19 small commercial, large commercial and small industrial, large industrial, municipal,
20 and lighting. Rate schedules that are differentiated by usage type, energy usage level,

³ *Application of Southwestern Electric Power Company for Authority to Change Rates*, Docket No. 46449, Order on Rehearing (Mar. 19, 2018).

⁴ *Application of Southwestern Electric Power Company to Implement a Base Rate Decrease in Compliance with Docket No. 46449*, Docket No. 48233, Final Order (Dec. 20, 2018).

1 demand level, use of the system, and service voltage levels. Customers are grouped
2 together by similar usage patterns. A mix of rate components recover the costs to serve
3 SWEPCO's customers. Base service charges recover a portion of the fixed costs of
4 serving customers that generally do not vary with the demand or energy use of the
5 customer. Seasonal energy charges recover costs that vary with the monthly kWh
6 usage or capacity requirements of SWEPCO's customers, demand charges and
7 minimum bill components recover costs based on a customer's maximum load required
8 for service. Each of the components recovers costs associated with the generation,
9 transmission, distribution, and customer service functions, and each rate schedule is
10 designed to recover the costs of serving each customer class based on the type of
11 customer and the mix of requirements needed to serve each class of customers.

12 Test Year billing units and revenues for each class reflect the changes in
13 customer base, customer class composition, and load characteristics since the close of
14 the Docket No. 46449 test year. SWEPCO's rate design proposal consists of updated
15 pricing based on the equalized cost-of-service study and the proposed revenue
16 distribution. SWEPCO has also proposed several rate structure modifications to certain
17 rate schedules discussed further in this testimony. SWEPCO is also proposing several
18 new rate schedules in order give customers some additional options in managing their
19 electricity bills. Details of the proposed updates and changes to the rate schedules and
20 terms and conditions of service are in EXHIBIT JLJ-2 and Schedule Q-8.8, the
21 proposed Tariff.

1 Q. WHAT ARE THE GOALS FOR THE PROPOSED RATE DESIGN?

2 A. There are two main goals for the proposed rate design. The first goal of the proposed
3 rate design is to design rates that achieve the overall proposed revenue change based
4 on the filed class cost-of-service study. The second goal of the proposed rate design is
5 to develop rates that move all major classes of customers closer to an equalized return,
6 meaning the proposed rates for each customer class are designed to recover the class
7 responsibility for the cost to serve each respective major rate class. These goals have
8 been balanced with considerations such as overall customer impact and moderation of
9 severe customer impact, as discussed below.

10 The proposed rate design includes additions to and modifications of current rate
11 schedules to provide services that are not being offered by SWEPCO in Texas today.

12 Q. WHAT LEVEL OF NON-FUEL RATE INCREASE IS SWEPCO REQUESTING IN
13 THIS FILING?

14 A. The overall level of non-fuel rate increase being requested by SWEPCO in this filing
15 for its Texas retail jurisdiction is approximately \$105 million, or a 30.31% increase
16 over Test Year adjusted revenues, including the movement of Distribution Cost
17 Recovery Factor (DCRF) and Transmission Cost Recovery Factor (TCRF) revenue
18 requirements from rider recovery to base rate recovery. Including fuel revenues, the
19 overall retail percentage change is 15.57%.

20 Q. PLEASE DISCUSS THE CLASS BASE RATE INCREASES DETERMINED BY
21 THE COST-OF-SERVICE STUDY.

22 A. The percent increase for each class is based on each class's revenue deficiency as
23 determined by the filed class cost-of-service study. The revenue deficiency is then used

1 to determine the revenue requirement needed to bring each class to what is called an
2 equalized return. In other words, the revenue requirement at an equalized return is the
3 amount of revenue needed from each class to recover the full costs of serving that
4 customer class. In this filing, SWEPCO is requesting a 7.22% return on rate base.
5 Therefore, the equalized return from all classes will produce a revenue requirement
6 necessary to achieve a return on rate base of 7.22%. SWEPCO witness Mr. Aaron
7 sponsors the jurisdiction and class cost-of-service study.

8 The equalized revenue requirement and revenue change based on that
9 requirement is the starting place for the revenue distribution. However, other
10 considerations must be examined before the final revenue change for each class can be
11 determined. EXHIBIT JLJ-1, the proposed revenue distribution, details the
12 development of the proposed class increases.

13 14 IV. REVENUE DISTRIBUTION

15 Q. PLEASE DESCRIBE WHAT THE REVENUE DISTRIBUTION ACCOMPLISHES.

16 A. The revenue distribution is the rate design mechanism by which the revenue increase
17 is assigned to the classes of customers. The revenue distribution also determines the
18 revenue requirement targets for each rate class. As discussed above, the filed cost-of-
19 service study is the basis for the revenue distribution. However, factors other than the
20 cost-of-service results have been taken into consideration and presented in the target
21 base rate increases for each class.

22 The proposed revenue distribution shows the present rate schedule revenue by
23 class along with each class's present rate of return, return relative to the retail total class

1 return at the proposed return level (relative rate of return), equalized base increase,
2 target base change in revenue, and total rate design proposed base change in revenue.
3 The target base change in revenue determines the rate design revenue target for each
4 class and is the basis for the class rate design. EXHIBIT JLJ-1 shows the components
5 that make up the proposed revenue distribution.

6 Q. PLEASE DESCRIBE HOW THE CLASS REVENUE TARGETS REPRESENTED
7 IN THE REVENUE DISTRIBUTION WERE DEVELOPED.

8 A. The cost-of-service study determines the equalized revenue requirement necessary for
9 each class to achieve a retail class average return on rate base. As stated above,
10 SWEPCO is requesting a return on rate base of 7.22%. Ideally, the cost-of-service
11 study results would dictate the change to each class's revenue requirement. However,
12 other considerations, such as moderation of customer impact and customer migration,
13 are taken into account before the final class revenue change targets are determined.

14 Q. PLEASE DISCUSS THE MODERATION APPLIED TO THE EQUALIZED CLASS
15 INCREASES.

16 A. The proposed system average base rate increase is 30.31%. Several classes show
17 greater than system average increases at an equalized return and some classes show
18 less than a system average increase. In order to mitigate the large increases and large
19 impacts to certain classes, classes with similarly-situated customers were combined
20 into a major rate class and the combined change in class revenue requirement at an
21 equalized rate of return was applied to the individual classes. SWEPCO's Industrial
22 class has several individual rate classes that serve one or very few customers. Having
23 few customers in a rate class can make the class cost-of-service study results for a

1 particular class susceptible to unusual outcomes that may impact the rate design in a
2 particular test year. Grouping individual rate classes into major classes mitigates this
3 situation. The major classes of customers used in the proposed revenue distribution
4 include: Residential Commercial and Industrial, Municipal, and Lighting. SWEPCO
5 is proposing to group the Commercial and Industrial customer classes into one large
6 rate class to share the proposed increase among all the customers in the General
7 Service, Lighting and Power, Large Lighting and Power, Metal Melting, Oilfield, and
8 Cotton Gin rate classes and to facilitate sustainable migration among the customer
9 classes within a family of rate options.

10 Q. WHAT ARE THE RESULTS OF THE PROPOSED REVENUE DISTRIBUTION?

11 A. The results of the proposed revenue distribution show that all the designated major
12 classes of customers have either achieved an equalized return (a rate of return of 7.22%
13 or a relative rate of return of 1.0) at the requested level of increase, or have made
14 movement toward an equalized return. While the equalized return for each individual
15 rate class is ideal, making the move to the equalized return all at the same time may
16 lead to excessive impacts on certain groups of customers. The proposed revenue
17 distribution appropriately considers both the equalized return and moderation. For
18 example, the General Service, Lighting and Power, and Large Lighting and Power
19 classes are combined with several specialty industrial rate classes including the Metal
20 Melting rate class, the Oil Field Industrial rate class, and the Cotton Gin rate class to
21 form the Commercial and Industrial major rate class. There are very few customers
22 included in each of the industrial rate classes and combining them into a Commercial
23 and Industrial major rate class provides stability and moderation in the individual

1 customer impacts. The proposed revenue distribution for the combined Commercial
2 and Industrial rate class indicates that a 32.98% increase is needed for the class as a
3 whole to achieve an equalized rate of return at the major class level.

4 The revenue distribution also shows the total change including fuel and other
5 rider revenues. The total bill change reflects the movement of Test Year DCRF and
6 TCRF retail revenue requirements into base rates. The proposed DCRF and TCRF
7 rates are set to \$0.00 for all classes. The total bill change by rate class will vary by
8 class depending on each class's kWh usage and fuel consumption. The revenue
9 distribution shows the base rate and total bill change detail for all rate classes. The
10 table below shows the major class base and total bill increase.

MAJOR RATE CLASS	BASE %	TOTAL %
RESIDENTIAL	27.93%	15.64%
COMMERCIAL	32.98%	16.82%
INDUSTRIAL	32.98%	13.28%
COMMERCIAL & INDUSTRIAL	32.98%	15.90%
MUNICIPAL	13.49%	5.84%
LIGHTING	19.41%	10.57%
TOTAL FIRM RETAIL	30.31%	15.57%

11 Q. HOW IS THE CLASS PROPOSED TARGET BASE REVENUE CHANGE AS
12 SHOWN ON THE REVENUE DISTRIBUTION USED IN THE DESIGN OF THE
13 PROPOSED RATES?

14 A. The proposed rate design for all classes is based on the target level of base rate change
15 as shown in the revenue distribution. Each class's rate components, such as the
16 customer charge, energy rate, demand rate, and minimum bill components, have been
17 adjusted based on the target percent change as shown on the proposed revenue
18 distribution. In most cases, where a class rate structure includes a demand and energy

1 component, the demand and energy rate were adjusted by the same amount in order to
2 alleviate wide variations in customer impact based on individual customer load factors
3 or usage patterns. A few proposed rate structures have been modified differently based
4 on the individual circumstances of those particular rate classes, specifically those
5 classes that have rate structure changes. After the rate components have been adjusted,
6 some individual rate component fine-tuning is done in order to achieve the total
7 proposed base revenue target. Any variation in the base revenue target is due to the
8 fact that the rate design revenues are slightly more or less than the target.

9 The revenue produced by the proposed rate design is shown in the proposed
10 base revenue column of the revenue distribution and is also shown in the rate design
11 proof of revenue, Schedule Q-7. The revenue distribution shows the resulting base
12 percentage change for each class but also calculates the total bill percentage change for
13 each class when the base rate revenue changes and fuel revenues are taken into account.

14
15 V. RETAIL SERVICE RATE SCHEDULES AND
16 THE DEVELOPMENT OF PROPOSED RATES

17 Q. PLEASE BRIEFLY DESCRIBE THE RETAIL SERVICE RATE SCHEDULES
18 CONTAINED IN SWEPCO'S TEXAS TARIFFS.

19 A. The SWEPCO Texas Tariff contains rate schedules for the following classes:

- 20 • Residential Service (RS) for service to residential customers;
- 21 • General Service (GS) for small commercial and industrial loads;
- 22 • Recreational Lighting;
- 23 • Lighting and Power (LP) for commercial customers and industrial
- 24 customers;
- 25 • Large Lighting and Power (LLP) for service to primary and transmission
- 26 voltage customers with billing demands of 10,000 kW or greater;
- 27 • Metal Melting Service (MMS) and Oil Field Large Industrial Power (OLI);

- Cotton Gin Service (CGS) and Cotton Gin Off Peak Lighting and Power Service (CG LP);
- Rider C-2 and the Off-peak rider to LP, LLP, and MMS;
- Municipal Pumping (MP) for service to municipal pumping loads;
- Municipal Service (MS) for service to municipal loads other than pumping and municipal street lighting; and
- Lighting Service (Private, Security, Area, Municipal, and Parkway Lighting).

The Tariff includes two Interruptible Power Service schedules; a Supplementary, Backup, Maintenance, and As-Available Standby Power Service schedule; a Standby Service schedule; and a separate As-Available Standby Power Service schedule, (SBMAA).

Q. PLEASE DESCRIBE THE RATE CHANGES SWEPCO IS PROPOSING.

A. SWEPCO is proposing pricing changes to its rate schedules based on the proposed revenue distribution. In addition, SWEPCO is proposing rate structure changes to the General Service class to better serve its customers. SWEPCO is proposing two new rate schedules to accommodate the swiftly evolving electric vehicle (EV) industry, a rate schedule for home Plug-in EV (PEV) charging and a time-of-use rate suitable for commercial electric vehicle fleet service. SWEPCO is also introducing two new optional offerings including a Residential Time-of-Use rate schedule and a Renewable Energy Credit (REC) Rider offering. SWEPCO is closing all lighting tariff offerings to new installations for high and low pressure sodium (HPS) and metal halide (MH) service⁵ and offering light emitting diode (LED) fixtures for future lighting service or to replace existing closed lighting services. SWEPCO received approval for its LED services in Docket No. 50786. The approved LED rate schedules, adjusted for changes

⁵ Mercury Vapor fixtures have been closed since April 2007.

1 in the energy service cost, are included in the proposed Tariff, Schedule Q-8.8.
2 SWEPCO is also introducing a provision to the SBMAA rate schedules designed to
3 recover the cost of customers with self-generation synchronized with the SWEPCO
4 transmission system whose load is required to be included in SWEPCO's load ratio
5 share from the Southwest Power Pool (SPP). SWEPCO has proposed to eliminate the
6 Special Contract tariff. As discussed in the testimony of SWEPCO witness Lynn Ferry-
7 Nelson, SWEPCO is proposing that the Commission review the reasonableness of the
8 rate-case expenses incurred in connection with this filing in this proceeding. In
9 addition, SWEPCO is seeking recovery of additional expenses as discussed by Ms.
10 Ferry-Nelson. The current Rate Case Surcharge Rider (RCS) will be updated to include
11 those expenses deemed reasonable for recovery in this proceeding. SWEPCO is
12 proposing to continue the current structure of the approved RCS. The rate will be
13 adjusted to account for additional approved expenses and any over or under-recovery
14 true up from previous rate-case expense recovery in a future rate proceeding.

15 A. Residential Service

16 Q. PLEASE DESCRIBE THE CURRENT RESIDENTIAL RATE SCHEDULE.

17 A. The current residential rate schedule has seasonal definitions and includes a customer
18 charge, a flat on-peak rate in the months of May through October and a declining off-
19 peak rate with a block at usage above 600 kWh in the off-peak months of November
20 through April. The current residential customer charge recovers the cost of metering,
21 billing and providing customer service to the residential class and the energy charge
22 recovers the cost of providing generation, transmission, and distribution of electricity
23 services to the residential class.

1 Q. PLEASE DESCRIBE THE CHANGES TO THE RESIDENTIAL (RS) RATE
2 SCHEDULE AND PROPOSED RATES.

3 A. SWEPCO is proposing to increase the revenue requirement of the residential class by
4 the class deficiency of \$41.1 million or by a 27.93% increase over current Test Year
5 adjusted base rate levels. SWEPCO is not proposing to change the current structure of
6 the residential rate schedule but has proposed updated rates based on the filed cost-of-
7 service study and the revenue distribution, EXHIBIT JLJ-1.

8 The class deficiency is eliminated by adjusting the current per kWh rates in both
9 the on-peak and off-peak season by the same percentage change, which distributes the
10 deficiency among all kWh and usage levels. The customer charge has also been
11 adjusted by the class percentage increase.

12 B. General Service and Lighting and Power Service

13 Q. PLEASE DESCRIBE THE CURRENT GENERAL SERVICE (GS) AND LIGHTING
14 AND POWER (LP) RATE SCHEDULES.

15 A. The GS and LP rate schedules are demand and energy based. The GS rate schedule
16 allows for non-demand metered customers and demand-metered customers with load
17 requirements up to a maximum of fifty kW, served at secondary voltage. The rate
18 structure consists of a customer charge, a flat, non-seasonal kWh charge, and a demand
19 charge for all billing kW over 10 kW in the month. The LP rate structure has a demand
20 and energy charge for customers served at secondary and primary voltage levels.

21 Both GS and LP have a minimum bill clause based on the customer charge and
22 the high demand charge recorded in the previous eleven months.

1 Q. DOES SWEPCO HAVE ANY RIDERS THAT ARE APPLICABLE TO THE GS
2 AND LP CUSTOMERS?

3 A. Yes. SWEPCO has Rider C-2 that is applicable to the GS and LP classes of customers.

4 Q. PLEASE DESCRIBE RIDER C-2.

5 A. Rider C-2 provides for space heating for loads served under the GS or LP rate schedules
6 having in regular use permanently-installed space heating loads of 5 kW or greater.
7 Billing demand for off-peak load served under Rider C-2 is adjusted based on a
8 comparison of demand required during the on- and off-peak seasons. Rider C-2 does
9 not require a separate meter for heating load. SWEPCO is requesting to continue to
10 offer Rider C-2. However, because the shoulder months of May and October include
11 some heating loads, SWEPCO is proposing to base the C-2 billing demand on the
12 months of June through September.

13 Q. PLEASE DESCRIBE THE CHANGES TO THE PROPOSED GS RATE
14 SCHEDULE.

15 A. SWEPCO is proposing several structural changes to the GS rate schedule in response
16 to customer inquiries regarding demand limitations and minimum bill issues. The
17 current GS rate schedule restricts the availability to Customers with a maximum
18 demand that does not exceed 50 kW. There are customers with higher kW demand
19 requirements that have lower than class average load factors that see high bill impacts
20 under the Lighting and Power rate schedule, which is the next available rate schedule
21 for commercial customers over 50 kW. Commercial Customers with capacity
22 requirements (demand) greater than 50 kW would like the option of taking service
23 under the GS rate schedule and commercial customers with lower load factors are better

1 served under a kWh-only rate. In order to be responsive to its customers, SWEPCO
2 has split the GS rate schedule into a kWh-only option and a demand-based option, and
3 removed the 50 kW maximum demand for the GS rate schedule. Customers may
4 choose the tariff option that is the best match for their usage requirements. The
5 proposed GS rate design separates the shared kWh and the demand component. The
6 kWh-only option has a higher per kWh rate than the GS demand rate but does not
7 include a kW charge. The kWh-only rate may be a better option for lower-load factor
8 customers. For higher load factor customers, the demand charge has been revised to
9 include a charge for *each* kW of billing demand to replace the current charge for
10 demand in excess of 10 kW. Including all demand measured during the month has
11 increased the amount of the class billing kW thereby lowering the current kW rate, even
12 with the overall proposed rate increase for the class. Monthly billing demand will
13 continue to be based on the average kilowatt load used by the Customer during the 15-
14 minute period of maximum usage during the billing month. The structure of the energy
15 charge for the GS Demand rate option will remain a flat per kWh charge. The fixed
16 monthly customer charge will be the same for both GS rate options. The minimum bill
17 for the GS kWh-only rate will be the monthly customer charge. The minimum bill for
18 the GS demand rate option will continue to include a maximum demand charge based
19 on the maximum demand established during the previous 11 billing months. The
20 combined GS class base rate increase is 32.98% as part of the Commercial and
21 Industrial major rate class.

1 Q. WILL THE STRUCTURAL CHANGES TO THE GS RATE SCHEDULE CREATE
2 MIGRATION OF CUSTOMERS TO THE REVISED GS RATE SCHEDULE THAT
3 WERE PREVIOUSLY NOT ELIGIBLE FOR THE GS RATE SCHEDULE?

4 A. Yes. Customers that have demand requirements that exceeded the previous GS 50 kW
5 maximum would be eligible to take service under the revised GS rate if that rate is more
6 economical.

7 Q. HAS ESTIMATED CUSTOMER MIGRATION BEEN RECOGNIZED IN THE
8 PROPOSED RATE DESIGN FOR THE GS AND LP RATE SCHEDULES?

9 A. Yes. Proposed class billing determinants and rate design are linked and estimated
10 migration has to be taken into account. If the proposed revenue requirement of this
11 class is adjusted through a final order in this filing, migration of customer billing units
12 would also need to be analyzed. The impacts of all of the rate design changes to the GS
13 customer class at various usage levels are shown in Schedule Q-8.9.

14 Q. PLEASE DESCRIBE THE PROPOSED LP RATES.

15 A. SWEPCO is not proposing any structural changes to the LP rate schedules. The LP
16 class is included in the Commercial and Industrial major class for revenue distribution
17 and the proposed change for the LP Primary and Secondary class is a 32.98% increase
18 in current base rate revenues, according to the revenue distribution.

19 C. Industrial Service

20 Q. PLEASE DESCRIBE THE RATE SCHEDULES INCLUDED IN THE INDUSTRIAL
21 SERVICE RATE CLASS.

22 A. The Industrial rate class consists of customers of all sizes engaging in industrial-type,
23 specialty end-uses other than those customers taking service under the GS or LP rate

1 schedules. The Industrial Class includes the following rate schedules; LLP, MMS,
2 EFS, OLI, and Cotton Gin Service. The Industrial class also includes two Interruptible
3 Power Service schedules; a Supplementary, Backup, Maintenance, and As-Available
4 Standby Power Service; Standby Service schedule; a separate As-Available Standby
5 Power Service schedule; and the Off-peak rider to LP, LLP, and MMS.

6 Q. PLEASE DESCRIBE THE CURRENT INDUSTRIAL CLASS RATE SCHEDULES.

7 A. The LLP rate schedule has a minimum charge for 10,000 kW and a demand and energy
8 charge. LLP also has a demand ratchet of 80% of the highest kW of billing demand
9 established during the preceding eleven months applicable to the monthly billing
10 demand. The structure of the LLP rate schedule will not change; however, the demand
11 and energy charge prices were increased by the percentage increase assigned to the
12 LLP class.

13 The OLI rate schedule for secondary and primary service is designed to meet
14 the operating characteristics of oil and gas companies in the East Texas oil field and is
15 available to oil well pumping, pipeline pumping, refineries, and incidental lighting for
16 oil and gas companies having demands of 50 kW or more.

17 The MMS 69 kV or higher rate schedule is available to transmission voltage-
18 level customers served at 69,000 volts or higher for service to electric furnaces and
19 metal melting devices with demands greater than 500 kVA. The rate schedule has a
20 demand and energy charge and a minimum bill clause. The MMS Distribution
21 Voltages rate schedule is available for primary and secondary service voltage
22 customers with demands of not less than 500 kW for operation of electric furnaces and
23 metal melting devices for service delivered at the Company's standard distribution

1 voltages of 12.5 KV and above. The rate schedule has a demand and energy charge
2 and a minimum bill clause.

3 The EFS rate schedule is available for electric metal melting furnaces of greater
4 than 500 kW served at secondary voltage. The rate schedule has a time-of-day format
5 with a peak demand charge for on-peak period demand occurring from the hour starting
6 1 p.m. and ending at 7 p.m., Monday through Friday in the months of June, July,
7 August, and September, and a billing kW for all demand occurring outside of the on-
8 peak period window. The EFS rate schedule also has an energy charge and a monthly
9 customer charge.

10 Q. PLEASE DESCRIBE THE CURRENT COTTON GIN SERVICE RATE
11 SCHEDULES.

12 A. SWEPCO currently has two rate options specifically for cotton gin customers. The
13 first rate schedule is Cotton Gin Service, which is available to cotton gins having loads
14 not less than 65 horsepower. Cotton Gin Service includes a customer charge and a
15 seasonal energy charge with a minimum monthly bill provision. Cotton gins are highly
16 seasonal users of electricity with peak usage usually occurring during the months of
17 October through March. Because of their highly seasonal usage pattern, SWEPCO
18 offers a Cotton Gin Off-Peak Lighting and Power Service (CG LP). The CG LP rate
19 schedule has a demand and energy charge and a minimum bill provision that is
20 applicable only during the defined ginning season of October through March.
21 SWEPCO is proposing to continue both the Cotton Gin Service and CG LP rate
22 schedules with updated pricing based upon the filed cost-of-service study and the
23 proposed revenue distribution.

1 Q. PLEASE DESCRIBE THE PROPOSED CHANGES TO THE INDUSTRIAL CLASS
2 RATE SCHEDULES.

3 A. The LLP, MMS, OLI, and Cotton Gin classes have been combined on the revenue
4 distribution with the GS and LP rate classes, resulting in a target 32.98% increase for
5 the class over test year adjusted base revenues, including post-test year adjustments.
6 SWEPCO is not proposing any changes to the rate structures of the LLP, MMS, OLI
7 or Cotton Gin rate schedules. However, the demand and energy charges have all been
8 updated based on a 32.98% percentage increase.

9 Q. PLEASE DESCRIBE THE INTERRUPTIBLE POWER SERVICE, STANDBY
10 SERVICE, STANDBY AS-AVAILABLE POWER SERVICE, THE
11 SUPPLEMENTARY, BACK-UP, MAINTENANCE, AND AS-AVAILABLE
12 POWER RIDERS, AND THE OFF-PEAK RIDER.

13 A. SWEPCO currently has two Interruptible Power Service (IPS) rate schedules, one
14 schedule for customers with loads not less than 5,000 kW at transmission voltage
15 available for interruption, and one schedule for customers with customer-owned
16 backup generation. SWEPCO is proposing to update the monthly rates for service under
17 the IPS schedules by continuing the rate differential between the LP and LLP rates and
18 the IPS rates that is applied in the current IPS rates. This preserves the relationship
19 between the IPS rates and the other secondary, primary, and transmission industrial
20 rates.

21 SWEPCO currently has two classes of Supplementary, Backup, Maintenance,
22 and As-Available Standby Power Service, Class I and Class II. SWEPCO is not
23 proposing any changes to the structure of these schedules but is proposing to update

1 the current rates based on the proposed base revenue percent change applied to the LP
2 and LLP rate classes. The rates for service under the separate Standby Service rate
3 schedule and As-Available Standby Power Service rate schedule have also been
4 adjusted based on the percent change applied to the LP and LLP classes. SWEPCO is
5 also introducing a provision for customers with self-generation synchronized with the
6 SWEPCO transmission system whose load is required to be included in SWEPCO's
7 load ratio share allocation by the SPP. The synchronized self-generation rate is
8 determined first by dividing the total Commercial and Industrial class transmission
9 functional revenue requirement by the total class non-coincident peak NCP kW to
10 arrive at a transmission demand unit cost. The unit cost is then multiplied by 50% to
11 account for the additional transmission demand cost not associated with the reservation
12 backup charge that includes approximately 50% of the class functional transmission
13 demand cost. The amount of revenue requirement associated with the synchronized
14 self-generation load is removed from the total class revenue requirement and the
15 remaining revenue requirement change is applied to the kW and kWh charges and other
16 SBMAA charges within the class.

17 The Off-Peak Rider is available to the LP, LLP, and MMS Distribution Service
18 Rate Schedules. The Off-Peak Rider works by modifying the billing demand clause
19 of the LP, MMS and LLP based on the average of the on-peak and off-peak demands.
20 The on-peak hours included in the on-peak window are defined as the hours beginning
21 at 1:00 p.m. and ending at 7:00 p.m. SWEPCO is not proposing any structural changes
22 to the Off-Peak Rider.

1 D. Municipal Service

2 Q. PLEASE DESCRIBE THE CURRENT MUNICIPAL PUMPING AND MUNICIPAL
3 SERVICE SCHEDULES.

4 A. The current MS rate schedule available to municipal buildings and the MP rate is
5 available to municipal and water and sewage pumping customers. Both rate schedules
6 have a flat kWh rate and a non-seasonal minimum kW billing provision.

7 Q. PLEASE DESCRIBE ANY PROPOSED CHANGES TO THE MS AND MP RATE
8 SCHEDULES.

9 A. SWEPCO is not proposing any structural changes to either the MS or MP rate schedule.
10 The MS and MP classes are combined with the Municipal Lighting class in the revenue
11 distribution. The Municipal class proposed increase is 13.48% The results of the
12 municipal class rate design are shown in Schedule Q-7 and in EXHIBIT JLJ-1.

13 E. Lighting Service

14 Q. PLEASE DESCRIBE THE CURRENT SWEPCO LIGHTING RATE SCHEDULES.

15 A. The lighting rate schedules consist of lighting facilities for municipal street lights and
16 public, street, and highway lights for the illumination of streets, parkways, and
17 highways, and private, area, and outdoor lighting for residential and commercial
18 customers. The lighting rate schedules are distinguished by SWEPCO service
19 territories: the North Texas service territory, and what is considered the East Texas
20 service territory. Both sets of schedules were designed with different amounts of
21 investment built into the current rates. In this filing, SWEPCO is proposing to apply
22 different rate changes to each service territory lighting tariffs in an effort to move
23 toward consolidating the lighting rates.

1 Q. WHAT CHANGES ARE BEING PROPOSED FOR THE LIGHTING RATES FOR
2 THE NORTH AND EAST TEXAS SERVICE TERRITORIES?

3 A. The lighting rates for both the North and East Texas service territories have been
4 revised based on the results of the class cost-of-service study and the proposed revenue
5 distribution. The total revenue requirement includes any facilities charges and the
6 monthly fixture charges for each type of lighting fixture. Because the revenue
7 requirement associated with the existing facilities charges did not change, the total
8 change for the class is based on the increase assigned to the monthly fixture charge.
9 Therefore, the fixture charge percentage change as proposed is higher than that of the
10 total revenue requirement percent change as reflected in EXHIBIT JLJ-1.

11 The total revenue requirement for the Private, Outdoor and Area Lighting rates
12 has been increased by 19.41%. The current and proposed monthly fixture charges for
13 the lighting classes are detailed in Schedule Q-7.

14 Q. ARE ANY OTHER PRICE CHANGES BEING PROPOSED FOR ANY OF THE
15 LIGHTING TARIFFS?

16 A. Yes. SWEPCO is proposing to update the facilities charge for new installations. New
17 installations added under the LED rate schedule will be subject to the facilities rate
18 calculation based on the proposed cost-of-service study. The facilities calculation is
19 shown in the workpapers supporting Schedule Q-7.

20 Q. WHAT CHANGES WILL BE MADE TO THE AVAILABILITY OF THE
21 CURRENT LIGHTING SCHEDULES?

22 A. SWEPCO is proposing that all lighting schedules except for the LED class of fixtures
23 will be closed to new customers and new installations.

1 F. Additional Rate Schedules and Riders

2 Q. IS SWEPCO PROPOSING ANY ADDITIONAL CHANGES TO ITS CURRENT
3 RATE SCHEDULES OR RIDERS?

4 A. SWEPCO updated its current fixed charge rate percentage rates that apply to facilities
5 maintenance and rental, accounts requiring redundant service, and for monthly charges
6 for a customer's contribution in aid of construction. The percentages are based on the
7 updated test year information included in the facilities charge rate calculation.

8 SWEPCO is also proposing several changes to the existing Experimental
9 Economic Development Rider (EDR). SWEPCO is proposing to update its EDR to
10 include two options to attract loads from a variety of different businesses with different
11 load requirements. Option 1 is available to customers receiving electric service under
12 the LP or LLP rate schedules who increase the number of full time employees
13 prescribed under the EDR provisions for new loads, or expansion or resumption of
14 loads, of 500 kW or more. Option 2 is available for service under the LP tariff for new
15 loads of 200 kW or more who meet the requirements of the provisions in Option 2. The
16 EDR determines an economic development billing credit applied to the kW charge of
17 the LP or LLP rate schedule based on each of three contract years and employee count
18 (under Option 1). The proposed EDR is sheet IV-17 in Schedule Q-8.8. All tariff
19 changes are shown in Schedule Q-8.8, the proposed Tariff.

20 Q. IS SWEPCO PROPOSING ANY NEW TARIFF OFFERINGS IN THIS FILING?

21 A. Yes. SWEPCO is proposing a new rate schedule for home PEV charging. SWEPCO
22 is also proposing two new optional time-of-use rate schedules for residential and
23 commercial service customers, and an optional Renewable Energy Credit Rider.

1 Q. PLEASE DESCRIBE THE RESIDENTIAL PEV RATE OPTION.

2 A. This rate option is available to customers taking service under the Residential Service
3 rate schedule who use PEV charging. This option works with the standard Residential
4 rate schedule and is suitable for PEV customers who do not want a whole-house time-
5 of-use schedule but want to take advantage of over-night charging and receive an off-
6 peak rate for that usage.

7 For service under the PEV rider, a standard meter will measure total residence
8 kWh usage as usual for standard residential service and an additional sub-meter capable
9 of measuring energy consumption during on-peak and off-peak billing periods will be
10 installed to separately measure PEV kWh usage. Total residence usage will be billed
11 under the standard Residential Service rate schedule. A credit will be applied to the
12 customers' bill for all off-peak period PEV kWh usage measured at the sub-meter.
13 There is no billing adjustment for on-peak period PEV usage, which will be billed under
14 the normal Residential Service charges. The PEV off-peak period is defined as the
15 hour beginning at 11:00 p.m. through the hour ending at 5:00 a.m. for all months of the
16 year. All other hours are considered on-peak and will be billed at the standard
17 residential rate based on the whole house meter. The credit is used to determine an off-
18 peak period base rate applicable to the 11:00 p.m. through 5:00 a.m. window for service
19 under a non-time-of-use based rate structure. The credit is based on the difference
20 between the residential off-peak season second step proposed rate and a 24-month
21 average of the SPP locational market price (SPP LMP) for the SWEPCO SPP area.
22 The proposed credit for PEV usage measured by the sub-meter in the PEV off-peak
23 period is \$0.03310 per kWh for all months. The sub-meter required under this optional

1 rider is an AMI meter capable of measuring the PEV usage in each time period. The
2 charge for the AMI sub-meter is \$8.91 per month. The proposed PEV rate schedule is
3 included as EXHIBIT JLJ-3 and is also part of Schedule Q-8.8.

4 Q. PLEASE DESCRIBE THE PROPOSED OPTIONAL RESIDENTIAL TIME-OF-USE
5 (TOU) OFFERING.

6 A. SWEPCO is proposing a new optional Residential Service Time-of-Use (RSTOU) rate
7 schedule as a pilot available to residential customers who can take advantage of a
8 whole-house time-of-use rate structure. Customers choosing this option will have an
9 advanced meter installed to measure energy usage during specific time-of-use periods.
10 The on-peak season is defined as the billing months of May through October and the
11 off-peak season is defined as the billing months of November through April. These are
12 the same seasonal definitions as the standard residential rate schedule. However, unlike
13 the standard residential rate schedule, within those seasons, on and off-peak
14 timeperiods, with different pricing, are defined to encourage shifting demand and
15 energy requirements from the peak times of high usage during the day to the off-peak
16 times.

17 In the months of May through October (on-peak season) there are two on-peak
18 periods; a super-peak from the hour beginning 3:00 p.m. until 7:00 p.m. and an on-peak
19 period that encompasses the hours from 5:00 a.m. until 11:00 p.m. that are not defined
20 as super-peak hours. In the months of November through April (off-peak season), the
21 on-peak period is defined as the hour beginning 5:00 a.m. through the hour ending
22 11:00 p.m. and the off-peak period is defined as the hour beginning 11:00 p.m. through
23 the hour ending 5:00 a.m.

1 Shifting demand and energy to an off-peak period benefits the system and
2 allows the customer to receive a lower off-peak period price if they can control when
3 and how they use their electric service during the day. Shifting demand and energy off
4 of the defined super-peak period benefits SWEPCO's system by shifting load from the
5 likely peak hour of the system in the summer months. The proposed RSTOU rate
6 schedule is attached as testimony EXHIBIT JLJ-4.

7 Q. PLEASE DESCRIBE THE COMMERCIAL TIME-OF-USE OFFERING.

8 A. SWEPCO is proposing a new optional Commercial time-of-use schedule for
9 commercial loads of 100 kW or greater. This proposed rate schedule is a pilot to gauge
10 interest and acceptance of the time-of-use format by customers who may be interested
11 in a time-of-use rate schedule but who do not qualify for SWEPCO's Off Peak Rider
12 for LP, LLP, and MMS service, which has a 500 kW minimum billing demand.
13 Customers choosing this option will have an AMI meter installed to measure the
14 demand during specific time-of-use periods. The Lighting and Power Time-of-Use
15 (LPTOU) proposal includes an on-peak period including the hour beginning at 1:00
16 p.m. through 7:00 p.m. weekdays, excluding national holidays, during the billing
17 months of June, July, August, and September. The off-peak period is defined as all
18 hours not defined as on-peak. The proposed LPTOU encourages customers to shift
19 demand requirements outside of the on-peak period window to the off-peak period by
20 differentiating the kW pricing for each of on-peak and off-peak periods. The two
21 demand charges each month are based on the maximum kW used during each of the
22 peak and off-peak periods, but not less than 70% of the highest billing kW from the
23 preceding eleven months. The proposed LPTOU contains a billing provision for

1 secondary and primary service and the kWh rates mirror the LP rates. The proposed
2 LPTOU is attached as testimony EXHIBIT JLJ-5.

3 Q. PLEASE DESCRIBE THE RENEWABLE ENERGY CREDIT RIDER.

4 A. The Renewable Energy Credit (REC) Rider is a voluntary rider available to customers
5 who wish to support the beneficial attributes also known as Renewable Energy
6 Certificates derived from SWEPCO's investment in renewable energy resources. A
7 Renewable Energy Certificate represents the environmental, societal and other non-
8 power attributes of renewable electricity generation and is issued when one megawatt-
9 hour (MWh) of electricity is generated and delivered to the electricity grid from a
10 renewable energy resource. Customers participating in the rider may purchase RECs
11 that are equivalent up to 100 percent of their total monthly billed kilowatt-hour usage.
12 The proposed REC Rider is EXHIBIT JLJ-6.

13 Q. HOW IS THE PRICE FOR THE REC PURCHASE IN THE RIDER DETERMINED?

14 A. The REC price will reflect a twelve-month average value calculated using the S&P
15 Global Renewable Energy Credit Index for Texas RECs. This index is a reasonable
16 indication of the market price for RECs in SWEPCO's service area and is currently
17 used by SWEPCO in Texas fuel reconciliation filings. The REC price will be updated
18 on an annual basis to be effective with the first billing cycle of the January billing
19 month.

20 Q. HOW WILL THE PROCEEDS FROM THESE REC SALES BE TREATED?

21 A. The proceeds from the REC sales, net of any transaction costs, will be treated as a
22 revenue credit to customers through SWEPCO's fuel balance.

1 Q. HOW WILL THE RECS ASSOCIATED WITH PROGRAM PARTICIPATION BE
2 TREATED?

3 A. SWEPCO will retire RECs on behalf of the customers participating in this program.

4 Q. DOES THE PROPOSED REC RIDER BENEFIT SWEPCO'S TEXAS
5 CUSTOMERS?

6 A. Yes. All Texas customers will benefit from the proceeds of the REC sales because
7 proceeds will be treated as a reduction to SWEPCO's fuel balance. For customers
8 participating in the rider, the proposed REC rider will enable customers to meet either
9 their personal or corporate environmental and sustainability goals by purchasing the
10 environmental attributes of renewable energy resources at a reasonable, market-based
11 rate.

12

13 VI. CHANGES TO THE TARIFF MANUAL

14 Q. IS SWEPCO PROPOSING ANY CHANGES TO ITS TARIFF MANUAL IN
15 ADDITION TO THOSE DETAILED ABOVE?

16 A. Yes. SWEPCO is proposing a minor change in addition to the rate schedules
17 modifications and rate updates detailed above. The language of the terms and
18 conditions was revised to better reflect the Public Utility Commission of Texas rules.

19 Q. DO YOU HAVE A SUMMARY OF THE CHANGES TO THE TARIFF MANUAL?

20 A. Yes. A listing of the proposed changes to SWEPCO's Texas Tariff Manual is attached
21 in EXHIBIT JLJ-2.

VII. CONCLUSION

- 1
- 2 Q. IS IT YOUR RECOMMENDATION THAT THE RATE DESIGN, NEW RATE
- 3 STRUCTURE, AND TARIFF MANUAL BE APPROVED AS FILED?
- 4 A. Yes, it is. The proposed rates are based on the cost-of-service study results and the
- 5 proposed revenue distribution. The base rate changes achieve the revenue required
- 6 from each class according to the filed cost-of-service study and proposed revenue
- 7 distribution. The proposed revenue distribution is reasonable and appropriately
- 8 considers rate design factors such as class movement towards an equalized return and
- 9 moderation of severe customer impacts. SWEPCO has provided justification for its
- 10 rate design proposal through testimony, exhibits, and schedules that support the
- 11 proposed rate changes and tariff additions, deletions, and modifications. The proposed
- 12 Tariff Manual sets forth all rates and terms and conditions of service to SWEPCO's
- 13 Texas retail customers.
- 14 Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?
- 15 A. Yes, it does.

SWEPCO TEXAS
MAJOR RATE CLASS REVENUE DISTRIBUTION

MAJOR RATE CLASS	PRESENT RATE SCHEDULE REVENUE	BASE REVENUE CHANGE	BASE PERCENT INCREASE	FUEL REVENUE	TCRF/DCRF REVENUE	OTHER RIDER REVENUE	PRESENT TOTAL REVENUE	PROPOSED TOTAL REVENUE	TOTAL % CHANGE @ PROPOSED
RESIDENTIAL	147,077,995	41,074,177	27.93%	67,292,540	6,149,974	2,813,216	223,333,725	258,257,929	15.64%
GENERAL SERVICE	22,667,595	7,475,721	32.98%	8,453,460	846,690	191,888	32,159,633	38,788,664	20.61%
LIGHTING & POWER	123,864,927	40,848,527	32.98%	87,389,121	5,275,081	2,183,709	218,712,838	254,286,285	16.26%
COTTON GIN	265,617	87,598	32.98%	156,913	18,170	270	440,970	510,398	15.74%
TOTAL COMMERCIAL	146,798,138	48,411,846	32.98%	95,999,495	6,139,941	2,375,868	251,313,442	293,585,346	16.82%
INDUSTRIAL	41,956,723	13,836,902	32.98%	44,018,981	2,098,532	291,995	88,366,231	100,104,601	13.28%
TOTAL COMM & INDUSTRIAL	188,754,861	62,248,747	32.98%	140,018,476	8,238,473	2,667,863	339,679,673	393,689,947	15.90%
MUNICIPAL	3,929,551	529,937	9.51%	2,706,185	162,520	66,981	6,865,237	7,232,654	5.35%
MUNICIPAL LIGHTING	2,297,255	309,704	20.29%	840,413	87,636	1,891	3,227,194	3,449,262	6.88%
TOTAL MUNICIPAL	6,226,806	839,641	13.49%	3,546,598	250,156	68,871	10,092,431	10,681,916	5.84%
LIGHTING	4,443,639	862,643	19.41%	1,744,624	187,898	8,867	6,385,028	7,059,773	10.57%
TOTAL FIRM RETAIL	346,503,301	105,025,209	30.31%	212,602,238	14,826,502	5,558,817	579,490,857	669,689,564	15.57%

SOUTHWESTERN ELECTRIC POWER COMPANY
Texas Revenue Distribution

CUSTOMER GROUP	RATE CODE	VOLTAGE LEVEL	TEST YEAR ADJ KWH	PRESENT RATE SCHEDULE REVENUE	PRESENT OPERATING INCOME	RATE BASE	PRESENT RATE OF RETURN	PRESENT RELATIVE RATE OF RETURN	EQUALIZED BASE REVENUE CHANGE	EQUALIZED BASE PERCENT CHANGE	TARGET BASE REVENUE CHANGE	TARGET BASE PERCENT CHANGE	PROPOSED BASE REVENUE CHANGE	RATE DESIGN DIFF FROM TARGET	PROPOSED BASE PERCENT CHANGE
RESIDENTIAL	12,15,16,19,61	SEC	2,165,609,056	147,077,995	28,602,462	832,966,681	3.43%	1.06	41,074,656	27.93%	41,074,656	27.93%	41,074,177	(479)	27.93%
GENERAL SERVICE W/DEM	200,205,207,210-215,224,281	SEC	205,598,031	16,998,369	3,748,840	93,260,889	4.02%	1.24	3,886,913	22.87%	5,605,870	32.98%	5,101,574	(504,296)	30.01%
GENERAL SERVICE WO/DEM	202,208,218	SEC	66,333,658	5,669,225	730,637	34,009,683	2.15%	0.66	2,247,226	39.64%	1,869,646	32.98%	2,374,147	504,500	41.88%
LIGHTING & POWER	60,63,240,243,291	SEC	2,161,933,051	100,037,248	16,488,045	614,875,723	2.68%	0.83	36,349,498	36.34%	32,991,155	32.98%	32,990,727	(428)	32.98%
LIGHTING & POWER	66,246,249,251,252,254,277	PRI	667,056,010	23,827,679	5,891,549	123,849,861	4.76%	1.47	3,971,269	16.67%	7,658,099	32.98%	7,857,800	(299)	32.98%
COTTON GIN	253	SEC	5,234,123	265,617	(34,215)	2,119,792	-1.61%	(0.50)	244,080	91.89%	87,597	32.98%	87,598	1	32.98%
TOTAL COMMERCIAL			3,106,154,872	146,798,138	26,824,856	868,115,948	3.09%	0.95	46,698,987	31.81%	48,412,368	32.98%	48,411,846	(523)	32.98%
LARGE LIGHTING & POWER	351	PRI	164,644,585	5,298,104	1,035,317	31,255,013	3.31%	1.02	1,590,320	30.02%	1,747,255	32.98%	1,747,318	63	32.98%
LARGE LIGHTING & POWER	342,344	TRAN	818,720,986	22,387,847	4,226,052	155,899,244	2.71%	0.84	9,147,516	40.86%	7,383,259	32.98%	7,383,336	77	32.98%
METAL MELTING - SEC	335	SEC	1,983,769	143,749	17,272	804,615	2.15%	0.66	53,205	37.01%	47,407	32.98%	47,402	(5)	32.98%
METAL MELTING - PRI	325	PRI	37,667,206	1,402,858	174,016	8,006,774	2.17%	0.67	526,501	37.53%	462,647	32.98%	462,652	5	32.98%
METAL MELTING - TRANS	318,321	69 TRAN	53,731,559	1,498,929	424,148	6,743,741	6.29%	1.94	81,464	5.43%	494,330	32.98%	494,289	(41)	32.98%
OILFIELD PRIMARY	330	PRI	384,472,605	10,636,387	1,762,777	63,152,705	2.79%	0.86	3,643,272	34.25%	3,507,760	32.98%	3,507,691	(69)	32.98%
OILFIELD SECONDARY	331	SEC	20,704,032	588,848	(24,972)	5,053,862	-0.49%	(0.15)	507,957	86.26%	194,196	32.98%	194,214	19	32.98%
TOTAL INDUSTRIAL			1,481,924,742	41,956,723	7,614,611	270,915,954	2.81%	0.87	15,550,235	37.06%	13,836,853	32.98%	13,836,902	48	32.98%
TOTAL COMMERCIAL & INDUSTRIAL			4,588,079,614	188,754,861	34,439,467	1,139,031,902	3.02%	0.93	62,249,222	32.98%	62,249,222	32.98%	62,248,747	(474)	32.98%
MUNICIPAL PUMPING	541,543,550,553	SEC	60,026,735	2,279,333	527,394	11,569,484	4.56%	1.41	401,037	17.59%	307,396	13.49%	307,379	(17)	13.49%
MUNICIPAL SERVICE	544,548	SEC	26,943,781	1,650,219	522,720	6,950,240	7.52%	2.32	(27,445)	-1.66%	222,552	13.49%	222,558	6	13.49%
TOTAL MUNICIPAL PUMPING & SERVICE			86,970,515	3,929,551	1,050,113	18,519,724	5.67%	1.75	373,592	9.51%	529,948	13.49%	529,937	(11)	13.49%
MUNICIPAL LIGHTING	521,528,529,535, 538	SEC	26,004,489	2,267,085	557,855	11,951,475	4.67%	1.44	397,616	17.54%	305,744	13.49%	305,627	(117)	13.48%
PUBLIC STREET & HWY	534,539,739	SEC	1,070,584	30,170	(21,163)	435,374	-4.86%	(1.50)	68,554	227.23%	4,069	13.49%	4,077	8	13.51%
TOTAL MUNICIPAL LIGHTING			27,075,073	2,297,255	536,692	12,386,848	4.33%	1.34	466,170	20.29%	309,813	13.49%	309,704	(109)	13.48%
TOTAL MUNICIPAL & MUNICIPAL LIGHTING		SEC	114,045,588	6,226,806	1,586,806	30,906,572	5.13%	1.58	839,761	13.49%	839,761		839,641	(121)	13.48%
PRIVATE, OUTDOOR, AREA	90-143	SEC	49,398,122	4,150,616	937,573	20,975,925	4.47%	1.38	751,957	18.12%	751,957	18.12%	752,003	46	18.12%
CUST-OWNED LIGHTING	203,204,532	SEC	6,704,408	293,022	35,064	1,661,640	2.11%	0.85	110,641	37.76%	110,641	37.76%	110,640	(1)	37.76%
TOTAL LIGHTING			56,102,530	4,443,639	972,637	22,637,565	4.30%	1.33	862,598	19.41%	862,598	19.41%	862,643	45	19.41%
TOTAL FIRM RETAIL			6,923,836,788	346,503,301	65,601,371	2,025,542,720	3.24%	1.00	105,026,238	30.31%	105,026,238	30.31%	105,025,209	(1,029)	30.31%

SOUTHWESTERN ELECTRIC POWER COMPANY
Texas Revenue Distribution

CUSTOMER GROUP	RATE CODE	VOLTAGE LEVEL	PROPOSED RATE OF RETURN	PROPOSED RELATIVE RATE OF RETURN	PROPOSED REVENUE CHANGE	PROPOSED ELECTRIC REVENUE	FUEL REVENUE	TCRF / DCRF RIDER REVENUE	OTHER RIDER REVENUE	PRESENT BASE + FUEL + RIDER REVENUE	PROPOSED BASE + FUEL + RIDER REVENUE	TOTAL BILL CHANGE	PROPOSED TOTAL % CHANGE	PROPOSED BASE \$/KWH
RESIDENTIAL	12,15,16,19,61	SEC	7.22%	1.00	41,074,177	188,152,172	67,292,540	6,149,974	2,813,216	223,333,725	258,257,929	34,924,204	15.64%	\$0.0869
GENERAL SERVICE W/DEM	200,205,207,210-215,224,281	SEC	8.22%	1.14	5,101,574	22,099,943	6,392,438	640,098	144,536	24,175,441	28,636,917	4,461,476	18.45%	\$0.1075
GENERAL SERVICE WO/DEM	202,208,218	SEC	7.51%	1.04	2,374,147	8,043,372	2,061,022	206,592	47,352	7,984,192	10,151,747	2,167,555	27.15%	\$0.1213
LIGHTING & POWER	60,63,240,243,291	SEC	6.82%	0.94	32,990,727	133,027,975	67,346,866	4,206,300	1,728,435	173,318,849	202,103,276	28,784,427	16.61%	\$0.0615
LIGHTING & POWER	66,246,249,251,252,254,277	PRI	9.63%	1.33	7,857,800	31,685,479	20,042,256	1,068,781	455,274	45,393,990	52,183,009	6,789,019	14.96%	\$0.0475
COTTON GIN	253	SEC	1.56%	0.22	87,598	353,215	156,913	18,170	270	440,970	510,398	69,427	15.74%	\$0.0675
TOTAL COMMERCIAL			7.38%	1.02	48,411,846	195,209,984	95,999,495	6,139,941	2,375,868	251,313,442	293,585,346	42,271,904	16.82%	\$0.0628
LARGE LIGHTING & POWER	351	PRI	7.61%	1.05	1,747,318	7,045,422	4,900,632	240,342	25,437	10,464,515	11,971,492	1,506,976	14.40%	\$0.0428
LARGE LIGHTING & POWER	342,344	TRAN	6.36%	0.88	7,383,336	29,771,184	24,118,872	1,082,875	23,330	47,612,925	53,913,385	6,300,461	13.23%	\$0.0364
METAL MELTING - SEC	335	SEC	6.67%	0.92	47,402	191,151	61,756	7,277	12,509	225,291	265,417	40,125	17.81%	\$0.0964
METAL MELTING - PRI	325	PRI	6.61%	0.92	462,652	1,865,510	1,137,979	93,452	182,561	2,816,851	3,186,050	369,199	13.11%	\$0.0495
METAL MELTING - TRANS	318,321	69 TRAN	11.92%	1.65	494,289	1,993,218	1,613,932	173,479	7,848	3,294,188	3,614,998	320,810	9.74%	\$0.0371
OILFIELD PRIMARY	330	PRI	7.06%	0.98	3,507,691	14,144,077	11,574,972	498,564	40,056	22,749,978	25,759,105	3,009,127	13.23%	\$0.0368
OILFIELD SECONDARY	331	SEC	2.46%	0.34	194,214	783,063	610,838	2,543	254	1,202,483	1,394,154	191,671	15.94%	\$0.0378
TOTAL INDUSTRIAL			6.74%	0.93	13,836,902	55,793,625	44,018,981	2,098,532	291,995	88,366,231	100,104,601	11,738,370	13.28%	\$0.0376
TOTAL COMMERCIAL & INDUSTRIAL			7.22%	1.00	62,248,747	251,003,609	140,018,476	8,238,473	2,667,863	339,679,673	393,689,947	54,010,274	15.90%	\$0.0547
MUNICIPAL PUMPING	541,543,550,553	SEC	6.60%	0.91	307,379	2,586,712	1,868,449	111,135	12,260	4,271,177	4,467,421	196,244	4.59%	\$0.0431
MUNICIPAL SERVICE	544,548	SEC	9.98%	1.38	222,558	1,872,777	837,736	51,385	54,720	2,594,060	2,765,233	171,173	6.60%	\$0.0695
TOTAL MUNICIPAL PUMPING & SERVICE			7.87%	1.09	529,937	4,459,489	2,706,185	162,520	66,981	6,865,237	7,232,654	367,417	5.35%	\$0.0513
MUNICIPAL LIGHTING	521,528,529,535, 538	SEC	6.63%	0.92	305,627	2,572,712	809,002	84,359	1,820	3,162,266	3,383,534	221,268	7.00%	\$0.0989
PUBLIC STREET & HWY	534,539,739	SEC	-4.14%	(0.57)	4,077	34,246	31,411	3,277	70	64,928	65,728	800	1.23%	\$0.0320
TOTAL MUNICIPAL LIGHTING			6.25%	0.87	309,704	2,606,958	840,413	87,636	1,891	3,227,194	3,449,262	222,068	6.88%	\$0.0963
TOTAL MUNICIPAL & MUNICIPAL LIGHTING		SEC	7.22%	1.00	839,641	7,066,447	3,546,598	250,156	68,871	10,092,431	10,681,916	589,485	5.84%	\$0.0620
PRIVATE, OUTDOOR, AREA	90-143	SEC	7.22%	1.00	752,003	4,902,619	1,536,642	156,828	4,759	5,848,844	6,444,019	595,175	10.18%	\$0.0992
CUST-OWNED LIGHTING	203,204,532	SEC	7.22%	1.00	110,640	403,662	207,983	31,071	4,108	536,184	615,753	79,569	14.84%	\$0.0602
TOTAL LIGHTING			7.22%	1.00	862,643	5,306,282	1,744,624	187,898	8,867	6,385,028	7,059,773	674,745	10.57%	\$0.0946
TOTAL FIRM RETAIL			7.22%	1.00	105,025,209	451,528,509	212,602,238	14,826,502	5,558,817	579,490,857	669,689,564	90,198,707	15.57%	\$0.0652

SWEPSCO TEXAS TARIFF CHANGES

<u>Sheet No</u>	<u>Title</u>	<u>Proposed Changes</u>
II-1	Utility Operations	No change
III-1	Cities, Towns and Communities in Which Service is Provided	Updated
III-2	Counties in Which Service is Provided	No change
IV-1	Residential Service (RS)	Updated charges
IV-2	General Service	Updated charges. Added provision for kWh- only rate. Eliminated 50 kW maximum demand. All kW are subject to kW charge. Provided clarification that rate is applicable to non-residential only.
IV-3	Lighting and Power Service (LP)	Updated charges
IV-4	Large Lighting and Power Service (LLP)	Updated charges Added a separate kWh rate to the primary service charge
IV-5	Electric Furnace Service (EFS)	Updated charges
IV-6	Metal Melting Service (MMS) Distribution Voltages	Updated charges
IV-7	Metal Melting Service (MMS-69 KV) 69 KV or Higher	Updated charges
IV-8	Off-Peak Service Rider to the Lighting and Power Service (LP) Schedule, Large Lighting and Power Service (LLP) Schedule and Metal Melting Service—Distribution Voltages (MMS) Schedule	Updated charges.
IV-9	State Institution of Higher Education Base Rate Adjustment	No change
IV-10	Rider C-2 Providing for Seasonal Electric Space Heating	Elimination of May and October shoulder months from determination of C-2 demand.
IV-11	Contract with U S Steel Tubular Products, Inc.	Removed from tariff book.
IV-12	Red River Army Depot (RRAD) Special Rate	No change
IV-13	Oil Field Large Industrial Power Schedule (OLI)	Updated charges
IV-14	Cotton Gin Service	Updated charges
IV-15	Federally Owned and Operated Military Base Discount	No change
IV-16	Military Base Adjustment Factor	No change
IV-17	Experimental Economic Development Rider	Revised provisions
IV-18	Radio Frequency Meter Installation Rider	No change
IV-19	Municipal Pumping Service (MPS)	Updated charges
IV-20	Municipal Service Schedule (MS)	Updated charges
IV-21	Recreational Lighting	Updated charges
IV-22	Customer Supplied Lighting Service (CSL)	Updated charges
IV-23	Street Lighting Service (ML-1)	Updated charges
IV-24	Municipal Street Lighting Mercury Vapor Service (ML-MV) (No new installations allowed)	Updated charges

SWEPCO TEXAS TARIFF CHANGES

IV-25	Municipal Street and Parkway Lighting (MS & PL)	Updated charges. Closed to new applications.
IV-26	Public Highway Lighting Service Energy Only (PHL-E)	Updated charges. Closed to new applications.
IV-27	Public Highway Lighting Service (PHL)	Updated charges. Closed to new applications.
IV-28	Private Lighting Service (PL)	Updated charges
IV-29	Area Lighting – Outdoor (AL-MV)	Updated charges.
IV-30	Area Lighting – Outdoor (AL-MH & HPS)	Updated charges. Closed to new applications.
IV-31	Street Lighting (SLS)	Updated charges. Closed to new applications.
IV-32	Floodlighting (FL)	Updated charges. Closed to new applications.
IV-33	Outdoor Lighting (OL)	Updated charges. Closed to new applications.
IV-34	Fixed Fuel Factor	No change
IV-35	Energy Efficiency Cost Recovery Rider	No change
IV-36	Purchased Power and Conservation Factor	No change
IV-37	Interruptible Power Service (IPS)	Updated charges
IV-38	Interruptible Power Service (IPS)	Updated charges
IV-39	Temporary Service	No change
IV-40	Schedule of Fees and Charges for Miscellaneous Services	Updated
IV-41	Rate Application for Municipal Accounts Requiring Redundant Service	Updated charges
IV-42	Emergency Maintenance Service	No change
IV-43	Fee for Advanced Metering Equipment Installation and/or Access to Meter Data	No change
IV-44	Supplementary, Backup, Maintenance, and As-Available Standby Power Service – Class I	Updated charges and added assessment for SPP required inclusion of behind-the-meter self-generation load synchronized with the SWEPCO transmission system
IV-45	Supplementary, Backup, Maintenance, and As-Available Standby Power Service – Class II	Updated charges and added assessment for SPP required inclusion of behind-the-meter self-generation load synchronized with the SWEPCO transmission system
IV-46	As-Available Standby Power Service	Updated charges
IV-47	Standby Service Schedule (S)	Updated charges
IV-48	Qualified Facility Non-Firm Power Purchase Schedule	Updated charges
IV-49	Purchased Power Service (PPS)	No change.
IV-50	Standby Service (Available to Purchased Power Service (PPS) Customers)	No change
IV-51	Distributed Generation Interconnection – Rider to Standby Service Schedule	No change
IV-52	Reserved for Future Use	Reserved for future use
IV-53	Residential PEV	New Rider
IV-54	Monthly Charges for Special or Additional Facilities	Updated charges
IV-55	Monthly Charges for Rental of Special or Additional Distribution Voltage Facilities	Updated charges
IV-56	Renewable Energy Credit	New schedule

SWEPCO TEXAS TARIFF CHANGES

IV 57	Cotton Gin Off-Peak Lighting and Power Service	Updated charges
IV 58	Rate Case Surcharge	No changes
IV 59	Reserved for Future Use	Reserved for future use
IV 60	TRRR	Updated and charges to zero
IV 61	Transmission Cost Recovery Factor	Updated charges to zero for recovery through base rates
IV 62	Distribution Cost Recovery Factor	Updated charges to zero for recovery through base rates
IV 63	Metering and Billing for Distributed Renewable Generation	No change
IV 64	PUCT Consulting Fee Rider	No change
IV 65	Municipal Street and Parkway Lighting LED	Updated charges
IV 66	Area – Outdoor Lighting LED	Updated charges
IV-67	Residential Service TOU - Pilot	New schedule
IV-68	Lighting and Power TOU - Pilot	New schedule
V-1	Standard Terms and Conditions	No change
V-2	Deposit Policy	No change
V-3	Collection and Disconnect Policy	No change
V-4	Extension Policy	No change
V-5	Policy for Providing Underground Electric Distribution Service	No change
V-6	Meter Policy	No change
V-7	Service Refusal Policy	No change
V-8	Guide for Furnishing Meter Data Pulses to Customers Electric Demand Control Equipment	No change
V-9	Terms and Conditions for Purchase by the Company of Electricity Applicable to Rate Schedule Purchased Power Service (PPS)	No change
V-10	Terms and Conditions for Interconnection of Customer- Owned Generation	No change
V-11	Retail Electric Service Switchovers	No change

*Revision No. – The Revision No. listed is the Revision No. shown on the first page of the rate schedule in the current PUCT tariff.

SOUTHWESTERN ELECTRIC POWER COMPANY

EXHIBIT JLJ-3

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RESIDENTIAL SERVICE PLUG-IN ELECTRIC VEHICLE (PEV) RIDER

N

AVAILABILITY

This Rider is available to customers taking service under the Residential Service (RS) rate schedule who use Plug-In Electric Vehicles (PEV) and are in good standing with the Company. Customers under this tariff may not operate distributed generation resources or take service under the Company's Metering and Billing for Distributed Renewable Generation schedule.

A standard meter will measure total residence kWh usage and an additional submeter capable of measuring energy consumption during on-peak and off-peak billing periods will be installed to separately measure PEV kWh usage. Total residence standard meter usage will be billed under the Residential Service rate schedule. A credit will be applied to the customer's bill for all off-peak PEV kWh usage measured at the submeter. There is no billing adjustment for on-peak PEV usage which will be billed at the normal RS charges.

This rate schedule is available to customers on a voluntary basis and is limited to customers with an Advanced Metering Infrastructure (AMI) meter. Company reserves the right to limit participation based on the AMI infrastructure availability.

MONTHLY RATE

PEV Submeter: \$8.91 second meter charge

Credit for all off-peak kWh: 3.310¢ per kWh

For the purpose of this tariff, the daily off-peak billing period is defined as 11 p.m. to 5 a.m. Central time. The on-peak billing period is defined as those hours not designated as off-peak hours.

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RESIDENTIAL TIME OF USE - PILOT**AVAILABILITY**

This rate schedule is available to individual residential customers on a voluntary basis. This rate schedule is limited to customers with an Advanced Metering Infrastructure (AMI) meter for residential use, including the primary residential dwelling, and individually metered outbuildings supporting the primary residence, which are located on the site of the primary residence. Company reserves the right to limit participation based on the AMI infrastructure availability.

N

Where a portion of a residential unit is used for non-residential purposes, the appropriate non-residential service schedule is applicable to all uses of electric service. However, this rate schedule may be applied to the residential portion of such use, provided Customer's wiring is so arranged that the use of electric service for residential purposes can be metered separately from the non-residential use.

This schedule is not available for resale, stand-by, business, manufacturing or agricultural use. Once this schedule is selected, service will continue to be supplied under this schedule for twelve consecutive months unless a material and permanent change in the customer's load occurs.

The Company will provide service at one location for the entire electrical requirements of the customer and at a nominal secondary voltage of 120/240 volts single phase unless specifically agreed to otherwise by the Company.

Customers under this tariff may not operate distributed generation resources or take service under the Company's Metering and Billing for Distributed Renewable Generation schedule.

This rate schedule is offered on a pilot basis and may be withdrawn by the Company following written notice to each Customer served under the Rider given at least one year prior to such withdrawal. The continued availability of this Rider to new applicants is at the sole discretion of the Company.

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RESIDENTIAL TIME OF USE - PILOT**NET MONTHLY RATE**

Customer Charge \$16.00

N

May - October

\$0.09920	Per kWh for On-Peak period 5:00 am - 3:00 pm
\$0.14490	Per kWh for Super On-Peak period 3:00 pm - 7:00 pm
\$0.09920	Per kWh for On-Peak period 7:00pm - 11:00 pm
\$0.02380	Per kWh for Off-Peak period 11:00 pm - 5:00 am

November - April

\$0.07320	Per kWh for On-Peak period 5:00 am - 11:00 pm
\$0.02380	Per kWh for Off-Peak period 11:00 pm - 5:00 am

Determination of On-Peak and Off-Peak Periods:**May through October Billing Months**

On-Peak: The On-Peak hours shall be the hours from 5:00 a.m. to 3:00 p.m. and 7:00 p.m. to 11:00 p.m. during the billing months of May through October.

Super On-Peak: The Super On-Peak hours shall be the hours from 3:00 p.m. to 7:00 p.m. during the billing months of May through October.

Off-Peak: The Off-Peak hours shall be the hours from 11:00 p.m. to 5:00 a.m. during the billing months of May through October.

November through April Billing Months

On-Peak: The On-Peak hours shall be the hours from 5:00 a.m. to 11:00 p.m. during the billing months of November through April.

Off-Peak: The Off-Peak hours shall be the hours from 11:00 p.m. to 5:00 a.m. during the billing months of November through April.

IV-67 Residential TOU 10-11-2020 (002).doc

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RESIDENTIAL TIME OF USE - PILOT

Fuel Cost Component of Monthly Rates: In addition to all other charges, the amount of the bill will be increased by an amount per kWh as provided in the Fixed Fuel Factor schedule, Sheet IV-34.

N

Additional Components of Monthly Rates: This rate schedule is subject to other applicable rate adjustments in effect from time to time in this tariff.

PAYMENT FOR SERVICE

Bills for electric service are due 16 days after the date of issuance and become delinquent if not paid by the due date. Bills paid after the due date will be assessed a penalty of 2% of the total monthly bill. If the bill is unpaid after the due date, service is subject to being disconnected in accordance with the rules of the Public Utility Commission of Texas.

TERMS AND CONDITIONS

Service will be furnished under the Company's Standard Terms and Conditions.

Pursuant to PURA § 36.211, certain charges will be made effective for consumption on and after _____ through the surcharge set out in Tariff Sheet IV-60, Temporary Rate Reconciliation Rider.

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LIGHTING AND POWER TIME OF USE**AVAILABILITY**

This rate schedule is available to customers for service under the Lighting and Power Service Schedule on an annual basis having loads of 100 Kilowatts of maximum demand or greater. Service will be provided at one point of delivery through one meter where facilities of adequate capacity and suitable phase and voltage are available.

N

This rate schedule is available to customers on a voluntary basis and is limited to customers with an Advanced Metering Infrastructure (AMI) meter. Company reserves the right to limit participation based on the AMI infrastructure availability.

This rate schedule is offered on a pilot basis and may be withdrawn by the Company following written notice to each Customer served under the Rider given at least one year prior to such withdrawal. The continued availability of this Rider to new applicants is at the sole discretion of the Company.

Customers under this tariff may not operate distributed generation resources or take service under the Company's Metering and Billing for Distributed Renewable Generation schedule, Purchase Power Service schedule, or Qualified Facility Non-Firm Power Purchase Schedule. This schedule is not available to customers also taking service under the C-2 Rider, Supplemental, Backup, Maintenance, As-Available Power Service schedule or the Off-Peak Service Rider to the Lighting and Power Service (LP) Schedule, Large Lighting and Power Service (LLP) Schedule and Metal Melting Service—Distribution Voltages (MMS) schedule.

IV-68 LP TOU 10-11-2020 (002) doc

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LIGHTING AND POWER TIME OF USENET MONTHLY RATESecondary Service: **On-Peak** \$16.31 for each Kilowatt of On-Peak Billing Demand

N

\$0.022038 per kilowatt-hour

Off-Peak \$11.65 for each Kilowatt of Off-Peak Billing Demand

\$0.022038 per kilowatt-hour

Primary Service: **On-Peak** \$16.04 for each Kilowatt of On-Peak Billing Demand

\$0.020470 per kilowatt-hour

Off-Peak \$11.15 for each Kilowatt of Off-Peak Billing Demand

\$0.020470 per kilowatt-hour

Determination of Kilowatts of Billing Demand: Billing Demands will be separately maintained and applied for the On-Peak and Off-Peak periods. Billing Demands shall be calculated as follows:

On-Peak: The Kilowatts of On-Peak Billing Demand for each month in which On-Peak period rates are applicable shall be the average kilowatt load used by the customer during the 15-minute period of maximum use during that month's On-Peak period, but not less than 70% of the highest Kilowatts of Billing Demand established during the On-Peak period during the 11 preceding months. The Kilowatts of On-Peak Billing Demand shall be subject to the Power Factor Adjustment Clause.

Off-Peak: The Kilowatts of Off-Peak Billing Demand for each month shall be the average kilowatt load used by the Customer during the 15-minute period of maximum use during the Off-Peak period of that month, but not less than 70% of the highest Kilowatts of Billing Demand established during either the On-Peak or Off-Peak period during the 11 preceding months. The Kilowatts of Off-Peak Billing Demand shall be subject to the Power Factor Adjustment Clause.

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LIGHTING AND POWER TIME OF USE**Determination of On-Peak and Off-Peak Periods**

N

On-Peak: The On-Peak hours shall be the hours from 1:00 p.m. through 7:00 p.m. during weekdays, excluding national holidays, during the months of June, July, August and September.

Off-Peak: The Off-Peak hours shall be all hours other than the On-Peak hours.

Capacity Charge for Highly Fluctuating Loads: Should the Customer operate equipment with highly fluctuating, intermittent, or abnormal characteristics that make it necessary for the Company to install special facilities to serve the Customer or to prevent disturbances to the service to other Customers, an additional charge of \$2.08 per month per kilovolt-ampere (KVA) or fraction thereof of transformer capacity installed by the Company to serve the Customer will be added to the Customer's bill.

Power Factor Adjustment: The Company reserves the right to determine the power factor of the Customer's installation served hereunder. Should the average lagging power factor during the month be determined to be below 90%, the Customer's Kilowatts of Billing Demand will be adjusted by multiplying the Kilowatts of Billing Demand by 90% and dividing by the average lagging power factor.

PAYMENT FOR SERVICE

Bills for electric service are due 16 days after the date of issuance and become delinquent if not paid by the due date. Bills paid after the due date will be assessed a penalty of 2% of the total monthly bill. If the bill is unpaid after the due date, service is subject to being disconnected in accordance with the rules of the Public Utility Commission of Texas.

TERMS AND CONDITIONS

Service will be furnished under the Company's Standard Terms and Conditions.

Pursuant to PURA § 36.211, certain charges will be made effective for consumption on and after _____ through the surcharge set out in Tariff Sheet IV-60, Temporary Rate Reconciliation Rider.

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RENEWABLE ENERGY CREDIT (REC) RIDER**AVAILABILITY**

This Renewable Energy Credit (REC) Rider is a voluntary rider available to customers who wish to support the beneficial attributes also known as Renewable Energy Certificates derived from SWEPCO's procurement of renewable energy resources. A Renewable Energy Certificate represents the environmental, societal and other non-power attributes of renewable electricity generation and is issued when one megawatt-hour (MWh) of electricity is generated and delivered to the electricity grid from a renewable energy resource.

Participation in this program is limited by the availability of SWEPCO's Texas share of the RECs from renewable energy resources currently available to SWEPCO for sale to its Texas jurisdictional customers. If the total kWh subscribed under this rider equals or exceeds the availability of SWEPCO's Texas share of RECs from existing resources available to sell by SWEPCO, SWEPCO may suspend the availability of this rider to new participants. Subscribing customers pay for the value of RECs and related administrative costs.

SWEPCO reserves the right to limit the amount of RECs provided to individual customers under this rider. Should subscriptions exceed available supply, SWEPCO is not obligated to acquire additional RECs for customers in the Texas jurisdiction to purchase.

CONDITIONS OF SERVICE

Customers participating in this rider may purchase RECs equivalent to a percentage of their total monthly billed usage (kWh). Customers may only purchase RECs in whole percentages up to 100 percent of their monthly load. To be considered for participation during the upcoming year, applications will be approved in the order received and must be received no later than December 1. Applications received after December 1 may be considered for the next billing year. The REC subscription shall be determined at the time the customer enters service under this rider and may be updated each contract year, to be made effective beginning with the January billing cycle. A customer may increase their REC subscription amount only if enough outstanding RECs are available for the next billing year.

In the event of over subscription, SWEPCO will maintain a waiting list of customers requesting subscription. Customers on the waiting list will only be provided service under this schedule if and when additional RECs are made available through the discontinuation of a current subscriber or an increase in available RECs under the rider.

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RENEWABLE ENERGY CREDIT (REC) RIDER

Customers may not enroll if they have a time-payment agreement in effect, have received two or more final disconnect notices, or have been disconnected for non-payment within the last 12 months. SWEPCO may terminate service under this rider to participating customers who become delinquent in any amount owed to SWEPCO with a 30-day notice of termination.

SWEPCO will suspend the sales of RECs under the rider for the remaining period of the contract year if sales approach full availability of RECs under this rider.

TERM AND CONTRACT

The term for all subscribers is a minimum of one year. Subscription to this rider shall be automatically renewed each January unless termination from the program is specifically requested with at least a 30-day notice by the customer. If for any reason the subscriber is no longer eligible to subscribe or cancels the subscription during the term of the contract, they will not be eligible to re-apply for subscription for one year.

MONTHLY RATE

In addition to the monthly charges pursuant to the applicable standard rate schedules and riders under which the customer bill is calculated, the customer shall also pay the following rate for each kWh under contract.

Rate per Subscribed kWh,**\$0.00XXX**

On an annual basis, no later than November 1, SWEPCO will file with the Commission the updated rate to be effective with the first billing cycle of the January billing month. The REC price will be the most recent 12-month average value using the S&P Global Renewable Energy Credit Index for Texas RECs.

SPECIAL TERMS AND CONDITIONS

This rider is subject to the Company's Terms and Conditions of Service and all provisions of the standard rate schedule under which the customer takes service, including all payment provisions.

Service under this rider provides for the purchase of renewable attributes of renewable energy currently available for sale to third parties by SWEPCO. The Company will retire all renewable attributes purchased under this rider on behalf of Subscribers.

SOUTHWESTERN ELECTRIC POWER COMPANY
Overall Cost of Service
For the Test Year Ended March 31, 2020

Line No	(1) Description	(2) Schedule Reference	(3) Total Company Per Books	(4) Adjustments		(5) Post Test Year Adjustment	(6) Total Company Pro Forma	(7) Revenue Deficiency	(8) Total Company Pro Forma with Revenue Increase
				Pro Forma Adjustment					
1	Operating Revenue (Total Cost of Service	WP/A	\$1,710,435,177	\$ (555,064,766)	\$ -	\$ 1,155,370,411	\$ 228,419,735	\$ 1,383,790,146	
2	Operating Expenses:								
3	Fuel and Purchased Power	WP/A	617,760,649	(594,039,434)	0	23,721,216	0	23,721,216	
4	Other Operation and Maintenance	WP/A	478,879,840	49,574,609	0	528,454,449	1,190,699	529,645,148	
5	Other Taxes	WP/A	100,064,580	(4,666,863)	0	95,397,717	4,615,468	100,013,186	
6	Texas Gross Margin Tax	WP/A	462,753	(958,573)	0	(495,820)	774,165	278,345	
7	Depreciation and Amortization	WP/A	258,448,502	16,920,129	0	275,368,632	0	275,368,632	
8	Operating Expenses Before Income Taxes		1,455,616,325	(533,170,131)	0	922,446,194	6,580,332	929,026,526	
9	Operating Income Before Income Taxes		254,818,852	(21,894,635)	0	232,924,218	221,839,403	454,763,620	
10	Other State Income Tax	WP/A	(1,364,764)	1,364,764	0	0	0	0	
11	Income Taxes	G-7.6	(7,262,011)	26,121,280	0	18,859,269	46,586,275	65,445,544	
12	Net Operating Income		\$ 263,445,627	\$ (49,380,678)	\$ -	\$ 214,064,948	\$ 175,253,128	\$ 389,318,076	
13	Rate Base	B-1	\$5,252,746,362	\$ 136,534,666	\$ -	\$ 5,389,281,028		\$ 5,389,281,028	
14	Rate of Return		5.02%	0.00		3.97%		7.22%	

SOUTHWESTERN ELECTRIC POWER COMPANY
Calculation of revenue deficiency and related expenses
For the Test Year Ended March 31, 2020

Line No	(1) Description	(2)	(3)	(4) Amount
1	Adjusted Rate Base			\$5,389,281,028
2	Weighted Average COC (Schedule K-1)			7 22%
3	Allowed Return			389,318,076
4	Proforma Net Operating Income			\$ 214,064,948
5	Deficiency			175,253,128
6	Operating Income Deficiency			175,253,128
7	Federal Tax Rate	21.0000%		
8	State Tax Rate	0.0000000		
9	Combined Tax Rate	21 0000%		
10	Factoring Rate	0.521277%		
11	Rev Related Tax Rate (inc Gross Margin	2.359530%		
12	Gross Rev Conversion Factor			1 3033704
13	Revenue Deficiency			228,419,735
14	Revenue			228,419,735
15	Factoring Expense			1,190,699
16	Rev Related Taxes			5,389,633
17	NIBT			221,839,403
18	Inc Tax			46,586,275
19	Net Op Inc			<u>175,253,128</u>
20	PUCT Test Year Payments	0.0017837977		407,455
21	Texas Gross Receipts	0 011207986		2,560,125
22	Municipal Franchise	0.0072143007		1,647,889
23	Gross Margin Tax	0 003389220		774,165
24	Total Revenue Related Taxes	0.0235953040		5,389,633

SOUTHWESTERN ELECTRIC POWER COMPANY
Overall Cost of Service
For the Test Year Ended March 31, 2020

Line No.	(1) Description	(2) Pro Forma with Revenue Increase	(3) Texas Jurisdictional %	(4) Total Company Pro Forma Texas Jurisdiction
1	Operating Revenue	\$1,383,790,146	38.60%	534,166,132
2	Operating Expenses:			
3	Fuel and Purchased Power	23,721,216	35.17%	8,343,590
4	Other Operation and Maintenance	529,645,148	39.16%	207,397,921
5	Other Taxes	100,291,531	41.45%	41,570,103
6	Depreciation and Amortization	275,368,632	38.47%	105,928,834
7	Operating Expenses Before Income Taxes	929,026,526	39.10%	363,240,447
8	Operating Income Before Income Taxes	454,763,620	37.59%	170,925,685
9	Income Taxes	65,445,544	37.59%	24,601,826
10	Net Operating Income	\$389,318,076	37.58%	\$146,323,859
11	Rate Base	\$5,389,281,028	37.58%	\$2,025,542,720

Note: Please refer to jurisdictional allocation study

SOUTHWESTERN ELECTRIC POWER COMPANY
Cost of Service Detail by Account
For the Test Year Ended March 31, 2020

	(1)	(2)	(3)	(4)
Line No	Description	Test Year Actual	Company Adjustments to Test Year	Company Request
1	Fuel (Reconcilable & Non-reconcilable) (Note 1)	410,151,647	(393,011,384)	17,140,263
2	Purchased Power (Note 1)	207,609,123	(200,987,454)	6,621,670
3	TY O&M Not Adjusted (Note 1)	22,836,617	-	22,836,617
4	Payroll	74,407,712	2,143,713	76,551,424
5	Affiliate Charges	95,184,384	(7,549,238)	87,635,146
6	Other Operations and Maintenance Expenses			
7	Production Operations (Note 1)	29,813,463	(8,467,728)	21,345,735
8	Production Maintenance (Note 1)	44,141,618	(1,775,893)	42,365,726
9	Other Power Supply Expenses (Note 1)	(1,747,042)	1,480,596	(266,446)
10	Transmission Operations (Note 1)	76,162,251	79,755,061	155,917,312
11	Transmission Maintenance (Note 1)	15,254,091	(122,625)	15,131,466
12	Distribution Operations (Note 1)	15,559,632	690,372	16,250,004
13	Distribution Maintenance (Note 1)	53,939,361	(1,432,515)	52,506,847
14	Customer Accounts (Note 1)	3,356,435	877,279	4,233,714
15	Customer Service and Information (Note 1)	19,249,872	(19,562,543)	(312,671)
16	Sales (Note 1)	117,523	(86)	117,437
17	Administrative and General Operations (Note 1)	5,810,264	1,977,705	7,787,969
18	Administrative and General Maintenance (Note 1)	1,754,697	(103,496)	1,651,201
19	Employee Benefits (Note 1)	13,324,570	2,919,629	16,244,199
20				
21				
22				
23				
24				
25				
26				
27				
28	Factoring Expense	9,711,825	(105,520)	9,606,305
29	Factoring Factor	0 0056779845666		0 0069420241734
30	Uncollectible Expense	-	-	-
31	Uncollectible Factor	0	-	0
32	Depreciation Expense	240,454,282	9,122,473	249,576,755
33	Amortization Expense	17,994,221	7,797,656	25,791,877
34	Decommissioning Expense	-	-	-
35	Ad Valorem Taxes	62,415,506	5,049,000	67,464,506
36	Franchise Tax	4,393,405	(4,393,405)	0
37	Payroll Taxes	7,052,634	45,867	7,098,502
38	Other Non-Revenue Related Taxes (Incl TX Gross Margins Tax	125,709	(124,015)	1,695
39	Texas PUC Assessment	989,177	8,163	997,341
40	TPUC Assessment Effective Rate	0 0017837977190		0 0017837977190
41	Other States' PUC Assessment	1,188,520		1,188,520
42	Other States' PUC Assessment Effective Rate	0 0000000000000		0 0000000000000
43	Texas State Gross Receipts Tax	6,215,215	51,292	6,266,507
44	Texas State Gross Receipts Tax Effective Rate	0 0112079856336		0 0112079856336
45	Texas Local Gross Receipts Tax	9,357,340	(5,303,766)	4,053,574
46	Texas Local Gross Receipts Tax Effective Rate	0 0072143006534		0 0089106704125
47	Other States' Gross Receipts Tax	8,327,072	-	8,327,072
48	Other States' Gross Receipts Tax	-	-	-
49	Interest on Customer Deposits	-	1,438,097	1,438,097
50	Interest Rate on Customer Deposits	0 0000000000000		0 0000000000000
51	Inactive Customer Deposits	-	-	-
52	State Income Tax	-	-	-
53	Federal Income Tax Amount (Note 2)	(7,002,087)	73,905,711	66,903,624
54	Amortization of Excess Deferred Taxes	(23,275,137)	19,555,467	(3,719,670)
55	Amortization of ITC	(1,624,687)	166,607	(1,458,080)
56	Tax Savings	-	-	0
57	FIT Deduction 1 Preferred Dividend Exclusion	0	-	-
58	FIT Deduction 2 Restricted Stock Plan	73,596	-	73,596
59	FIT Deduction 3 Acceleration Book Depletion	12,283,252	4,318,846	16,602,098
60	FIT Deduction 4 Prior Year Tax Return Adjustments	1,138,969	(1,138,969)	0
62	FIT Deduction 5: Disallowed Costs Turk Plant	15,312	(15,312)	0
64	FIT Deduction 7 Misc Tax Adjustment	10,975,887	(10,975,887)	(0)

SOUTHWESTERN ELECTRIC POWER COMPANY
Cost of Service Detail by Account
For the Test Year Ended March 31, 2020

(1)		(2)	(3)	(4)
Line No	Description	Test Year Actual	Company Adjustments to Test Year	Company Request
65	Additional Depreciation	9,588,068	481,477	10,069,545
66	FIT Addition 1. BIP Adjustment	0	-	0
67	FIT Addition 2 Business Meals	542,023	-	542,023
68	FIT Addition 3 Stock Based Comp- Career Shares	1,538,774	-	1,538,774
71	Miscellaneous Tax Adjustments	0	-	-
72	FIT Rate	0 2100000000000		0 2100000000000
73	Weighted Cost of Debt Rate	0.0211413847594		0.0211413847594
74	Weighted Cost of Preferred Rate	0 0000000000000		0 0000000000000
75	Weighted Cost of Equity Rate	0 0510979500000		0 0510979500000
76	Return Amount	263,445,627	125,872,450	389,318,076
77	Rate Moderation			
78	Electric Plant in Service	9,262,354,949	59,960,988	9,322,315,937
79	Accumulated Depreciation	(3,329,123,077)	133,944,841	(3,195,178,236)
80	Construction Work in Progress	226,392,894	(226,392,894)	0
81	CWIP Factor	0.1323598207813		
82	Property Held for Future Use	1,044,101	(823,186)	220,915
83	Nuclear Fuel	0		0
84	Nuclear Fuel Factor	0 0000000000000		0 0000000000000
85	Lead/Lag Working Cash Allowance	(145,220,159)	-	(145,220,159)
86	1/8 Working Cash Allowance	59,859,980	6,345,663	66,205,643
87	1/8 Working Cash Allowance Factor	0.0349969298786	-	0.0478437020500
88	Purchased Power Factor for 1/8 WCA	0.1213779544918	-	0 0047851688545
89	Non-Working Cash Expenses	-	-	-
90	Other Working Capital	-	-	-
91	Material and Supplies	70,436,747	(913,340)	69,523,407
92	Prepayments	17,148,962	83,452,444	100,601,406
93	Fuel Inventory	105,918,091	(19,211,748)	86,706,344
94	Other Rate Base Addition 1 - See WP A-2.4	479,134,333	(138,285,713)	340,848,620
95	Other Rate Base Addition 2	-	-	-
96	Other Rate Base Addition 3	-	-	-
97	Other Rate Base Addition 4	-	-	-
98	Deferred Federal Income Taxes	(857,873,578)	256,213,352	(601,660,226)
99	Pre 1971 Investment Tax Credits	-	-	-
100	Customer Deposits	(65,072,259)	-	(65,072,259)
101	Property Insurance Reserve	-	-	-
102	Injuries and Damages Reserve	-	-	-
103	Other Rate Base Deduction 1 - See WP A-2.4	(81,674,778)	(64,960,236)	(146,635,014)
104	Other Rate Base Deduction 2	-	-	-
105	Other Rate Base Deduction 3	-	-	-
106	Other Rate Base Deduction 4	-	-	-
107	Other Cost Free Capital	-	-	-
108	Base Rate Revenue	1,027,199,826	161,112,854	1,188,312,680
109	Fuel Revenue	558,716,946	(558,716,946)	0
110	Other Revenue	124,518,406	70,959,061	195,477,466
111	Adjusted Test Year Revenue			
112	Texas Revenue Requirements			
113	Other Rate Base Addition 5			
	Total Revenue	1,710,435,177	(326,645,031)	1,383,790,146
	Total System-Wide Non-Fuel Rev Req			1,383,790,146

Note 1 Amounts shown do not reflect payroll and affiliate charges recorded to these accounts as shown on WP/A-2.1

Note 2 Amounts include state income tax balances in Test Year Actual total

SOUTHWESTERN ELECTRIC POWER COMPANY
Detail Trial Balance
For the Test Year Ended March 31, 2020

Line No	(1) FERC Account	(2) FERC Account Description	(3) Account	(4) Account Description	(5) Test Year Ending Balance	(6) Schedule A-2 Reference
1	1010	Plant In Service	1010001	Plant in Service	9,262,029,380 46	Sch A-2 In 73
2			1010006	Dolet Hills FAS 143 ARO Asset	61,976,616 88	Sch A-2 In 89
3			1010008	Cloud Implement - PIS	325,568 49	
4	1010 Total				9,324,331,565 83	
5						
6	1011	Property Under Leases	1011001	Capital Leases	53,016,644 40	Sch A-2 In 89
7			1011006	Prov-Leased Assets	(23,188,269 16)	Sch A-2 In 89
8			1011012	Accrued Capital Leases	229,698 84	Sch A-2 In 89
9			1011031	Operating Lease	52,090,397 30	Sch A-2 In 89
10			1011032	Accrued Operating Leases	506,078 95	Sch A-2 In 89
11			1011034	Operating Leases - Gen & Misc	(0 00)	Sch A-2 In 89
12			1011036	Prov - Operating Lease Assets	(7,877,254 41)	Sch A-2 In 89
13	1011 Total				74,777,295 92	
14						
15	1020	Electric Plant Purchased or Sold	1020002	Plant Purchd or Sold-Transmiss	64,005 00	Sch A-2 In 89
16	1020 Total				64,005 00	
17						
18	1050	Plant Held for Future Use	1050001	Held For Fut Use	1,044,101 05	
19	1050 Total				1,044,101 05	Sch A-2 In 77
20						
21	1060	Completed Const Not Classifd	1060001	Const Not Classifd	319,515,793 84	Sch A-2 In 89
22			1060007	Cloud Implement - CCNC	131,360 55	
23	1060 Total				319,647,154 39	
24						
25	1070	Construction Work In Progress	1070001	CWIP - Project	226,392,893 78	
26	1070 Total				226,392,893 78	Sch A-2 In 75
27						
28	1080	Accum Prov for Deprec of Plant	1080001	A/P for Deprec of Plt	(2,725,023,892 18)	
29			1080005	RWIP - Project Detail	15,311,492 83	
30			1080011	Cost of Removal Reserve	(466,911,900 05)	
31			1080012	Dolet Hills FAS 143 ARO Deprec	(9,922,975 99)	
32			1080013	ARO Removal Accretion	8,405,955 79	
33			1080155	Unrecovered Plant	35,224,554 89	
34			1080160	AR Plt Retire-Unrecover Plant	14,888,617 79	
35			1080161	DH GAAP Depreciation	9,125,930 38	
36	1080 Total				(3,118,902,216 54)	Sch A-2 In 74
37						
38	1110	A/P for Amortization of Plant	1110001	A/P for Amort of Plt	(56,356,972 65)	
39			1110007	Cloud Implement - A/P Amrt Plt	(8,723 23)	
40	1110 Total				(56,365,695 88)	Sch A-2 In 74
41						
42	1140	Plant Acquisition Adjustments	1140001	Plant Acquisition Adj	18,043,976 22	
43	1140 Total				18,043,976 22	Sch A-2 In 89
44						
45	1150	Amrtz of Plant Acquisition Adj	1150001	Amrtz of Plt Acqct Adj	(18,043,976 22)	
46	1150 Total				(18,043,976 22)	Sch A-2 In 74
47						
48	1160	Other Electric Plant Adjustments	1160007	OthElecPltAdjTurkImprmnt-EPIS	(58,411,747 11)	Sch A-2 In 98, TX portion only
49			1160008	TurkAFUDCReverseTXCap-EPIS	(1,313,076 50)	Sch A-2 In 98, TX portion only
50			1160009	AmortTurkImprmnt&AFUDCReversal	7,902,824 69	Sch A-2 In 98, TX portion only
51			1160012	Turk Imprmnt-AuxBoiler	(18,500,000 00)	Sch A-2 In 98, TX portion only
52			1160013	Turk Imprmnt-AuxBoiler Amort	2,609,846 00	Sch A-2 In 98, TX portion only
53			1160016	TX Trans Veg Mgmt Cost Writeoff	(1,965,875 92)	Sch A-2 In 98
54			1160017	TX Distr Veg Mgmt Cost Writeoff	(4,103,577 10)	Sch A-2 In 98
55			1160018	TX Dist Veg Mgt WriteOff Amort	494,290 72	Sch A-2 In 98
56			1160019	TX Tran Veg Mgt WriteOff Amort	110,220 35	Sch A-2 In 98
57			1160020	Trans Costs - SERP	(185,343 06)	Sch A-2 In 98
58			1160021	Distr Costs - SERP	(154,769 25)	Sch A-2 In 98
59			1160022	Gen Costs - SERP	(297,729 38)	Sch A-2 In 98
60			1160023	CWIP FinBased Incen - Trans	(3,261,423 80)	Sch A-2 In 98
61			1160024	CWIP FinBased Incen - Distr	(6,097,632 84)	Sch A-2 In 98
62			1160025	CWIP FinBased Incen - Gen	(3,073,691 29)	Sch A-2 In 98
63			1160026	RWIP FinBased Incen - Trans	(85,384 05)	Sch A-2 In 98
64			1160027	RWIP FinBased Incen - Distr	(289,788 22)	Sch A-2 In 98
65			1160028	RWIP FinBased Incen - Gen	(124,731 17)	Sch A-2 In 98
66	1160 Total				(86,747,587 83)	
67						
68	1210	Nonutility Property	1210001	Nonutility Property - Owned	376,634 76	
69			1210003	Nonutility Property - WIP	2 10	
70	1210 Total				376,636 86	
71						
72	1220	Accum Prov for Depre and Amort - Nonutility F	1220001	Depr&Amrt of Nonutil Prop-Ownd	64 55	
73			1220003	Depr&Amrt of Nonutil Prop-WIP	0 00	
74	1220 Total				64 55	
75						
76	1231	Investment in Assoc Companies	1231003	Capital Contributions to Subs	100,000 00	
77			1231005	Invest in Subs Retained Erngs	1,954,351 13	
78			1231101	Invest Nonconsol Subs-Equity	23,702,927 58	
79			1231102	Equity in Erngs Nonconsol Subs	18,769,409 72	
80	1231 Total				44,526,688 43	
81						

SOUTHWESTERN ELECTRIC POWER COMPANY
Detail Trial Balance
For the Test Year Ended March 31, 2020

Line No	(1) FERC Account	(2) FERC Account Description	(3) Account	(4) Account Description	(5) Test Year Ending Balance	(6) Schedule A-2 Reference
82	1240	Other Investments	1240002	Oth Investments-Nonassociated	878,008 64	
83			1240029	Other Property - CPR	147,460 84	
84	1240 Total				1,025,469 48	
85						
86	1290		1290000	Pension Net Funded Position	0.00	
87			1290001	Non-UMWA PRW Funded Position	38,605,634 34	
88			1290002	SFAS 106 - Non-UMWA PRW	1,920,065 47	
89			1290003	SFAS 87 - Pension	0.00	
90	1290 Total				40,525,699 81	
91						
92	1310	Cash	1310000	Cash	1,430,474 09	
93	1310 Total				1,430,474 09	
94						
95	1340	Other Special Deposits	1340000	Other Special Deposits	89,125 13	
96			1340018	Spec Deposits - Elect Trading	2,724,727 03	Sch A-2 In 89
97			1340043	Spec Deposit BNP Panbas	0.00	
98			1340046	Deposits-O&M Dolet Hills Plant	3,157,593 00	
99			1340048	Spec Deposits-Trading Contra	(632,663.00)	Sch A-2 In 89
100			1340050	Spec Deposit Mizuho Securities	0.00	
101			1340051	Spec Deposit RBC	797,554 97	
102			1340053	Deposits - Flexible Spending	46,385 94	
103	1340 Total				6,182,723 07	
104						
105	1420	Customer Accounts Receivable	1420001	Customer A/R - Electric	86,696,936 02	
106			1420006	A/R-Customer Assistance	200 00	
107			1420014	Customer A/R-System Sales	9,237,473 77	
108			1420022	Cust A/R - Factored	(85,389,044 52)	
109			1420023	Cust A/R-System Sales - MLR	226,577 64	
110			1420044	Customer A/R - Estimated	3,482,613 00	
111			1420055	SPP AR Accrual	0.00	
112			1420058	Cust A/R-Contra-Home Warranty	(16,496 60)	
113			1420059	AR PS Bill-Cust Home Warranty	2,955 36	
114			1420101	Other Accounts Rec - Cust	509,790 85	
115			1420102	AR Peoplesoft Billing - Cust	10,405,976 06	
116	1420 Total				25,156,981 58	
117						
118	1430	Other Accounts Receivable	1430002	Allowances	0.00	
119			1430022	2001 Employee Biweekly Pay Crv	4,592 23	
120			1430080	Jointly Owned Unit O&M Billing	14,117,983 17	
121			1430081	Damage Recovery - Third Party	71,855 00	
122			1430083	Damage Recovery Offset Demand	(68,530 24)	
123			1430101	Other Accounts Rec - Misc	(0.00)	
124			1430102	AR Peoplesoft Billing - Misc	112,626 22	
125	1430 Total				14,238,526 38	
126						
127	1440	A/P for Uncollectible Accts-Cr	1440002	Uncoll Accts-Other Receivables	(306,484 59)	
128	1440 Total				(306,484 59)	
129						
130	1460	Accts Rec from Assoc Cos	1460001	A/R Assoc Co - InterUnit G/L	15,484,904 94	
131			1460004	A/R Assoc Co - CM Bills	56,755 30	
132			1460006	A/R Assoc Co - Intercompany	955,752 77	
133			1460009	A/R Assoc Co - InterUnit A/P	203 69	
134			1460011	A/R Assoc Co - Multi Pmts	5,457,512 23	
135			1460025	Fleet - M4 - A/R	25,593 70	
136	1460 Total				21,980,722 63	
137						
138	1510	Fuel Stock	1510001	Fuel Stock - Coal	51,383,346 66	
139			1510002	Fuel Stock - Oil	3,265,260 95	
140			1510016	Coal Inv on Hand Transp	10,512 71	
141			1510017	Lignite Inv on Hand Inc Transp	47,055,290 25	
142			1510018	Coal Survey Adjustment	(363,259 48)	
143			1510020	Fuel Stock Coal - Intransit	1,360,692 62	
144	1510 Total				102,691,843 70	Sch A-2 In 88
145						
146	1520	Fuel Stock Exp Undistributed	1520000	Fuel Stock Exp Undistributed	3,226,247 78	
147	1520 Total				3,226,247 78	Sch A-2 In 88
148						
149	1540	Materials & Oper Supplies	1540001	M&S - Regular	66,833,145 60	
150			1540003	Material in Transit	56,693.17	
151			1540004	M&S - Exempt Material	500,508 99	
152			1540006	M&S - Lime and Limestone	1,599,930 12	
153			1540012	Materials & Supplies - Urea	(7 28)	
154			1540013	Transportation Inventory	136,094 96	
155			1540025	Matls Supply-Activated Carbon	1,186,531 09	
156			1540028	M&S - Anhydrous Ammonia	40,250 84	
157			1540030	Matls Supply-Calcium Bromide	75,268 79	
158	1540 Total				70,428,416 28	Sch A-2 In 86
159						
160	1581	Allowance Inventory	1581014	CSAPR Seas NOx Comp Inv - Curr	8,330 49	
161	1581 Total				8,330 49	Sch A-2 In 86
162						

SOUTHWESTERN ELECTRIC POWER COMPANY
Detail Trial Balance
For the Test Year Ended March 31, 2020

Line No	(1) FERC Account	(2) FERC Account Description	(3) Account	(4) Account Description	(5) Test Year Ending Balance	(6) Schedule A-2 Reference
163	1650	Prepayments	1650001	Prepaid Insurance	669,473.18	Sch A-2 ln 87
164			1650006	Other Prepayments	7,259,689.07	Sch A-2 ln 87
165			1650009	Prepaid Carry Cost-Factored AR	105,599.13	Sch A-2 ln 87
166			1650010	Prepaid Pension Benefits	78,420,555.13	Sch A-2 ln 87
167			165001120	Prepaid Sales Taxes	802,000.00	Sch A-2 ln 87
168			165001216	Prepaid Use Taxes	0.00	Sch A-2 ln 87
169			165001220	Prepaid Use Taxes	5,241.78	Sch A-2 ln 87
170			165001316	Prepaid Local Franchise Taxes	0.00	Sch A-2 ln 87
171			165001320	Prepaid Local Franchise Taxes	42,690.64	Sch A-2 ln 87
172			1650014	FAS 158 Qual Contra Asset	(78,420,555.13)	Sch A-2 ln 87
173			1650017	Prepayment - Coal	6,668,314.92	Sch A-2 ln 87
174			1650021	Prepaid Insurance - EIS	1,831,163.55	Sch A-2 ln 87
175			1650023	Prepaid Lease	44,831.49	Sch A-2 ln 87
176			1650029	Future Wetlands Credits L-T	300,000.00	Sch A-2 ln 87
177			1650030	Other Prepayments - Long Term	7,972,232.43	
178			1650031	Prepaid OCIP Work Comp	0.00	Sch A-2 ln 87
179			1650033	Prepaid OCIP Work Comp - Aff	0.00	Sch A-2 ln 87
180			1650035	PRW Without MED-D Benefits	41,289,534.81	Sch A-2 ln 87
181			1650037	FAS158 Contra-PRW Exclud Med-D	(41,289,534.81)	Sch A-2 ln 87
182	1650 Total				25,701,236.19	
183						
184	1710	Interest&Dividends Receivable	1710048	Interest Receivable -FIT -LT	0.00	
185			1710348	Interest Receivable -SIT -LT	0.00	
186	1710 Total				0.00	
187						
188	1720	Rents Receivable	1720000	Rents Receivable	462,399.82	
189	1720 Total				462,399.82	
190						
191	1730	Accrued Utility Revenues	1730003	Acrd Utility Rev-West	30,471,304.67	
192	1730 Total				30,471,304.67	
193						
194	1740		1740000	Misc Current & Accrued Assets	(9,143.25)	
195	1740 Total				(9,143.25)	
196						
197	1750	Curr Unreal Gains - NonAffil	1750001	Curr Unreal Gains - NonAffil	2,604,787.05	
198			1750002	Long-Term Unreal Gns - Non Aff	0.00	
199			1750021	S/T Asset MTM Collateral	0.00	
200	1750 Total				2,604,787.05	
201						
202	1810	Unamortized Debt Expense	1810002	Unamort Debt Exp - Inst Pur Cn	(0.49)	
203			1810003	Unamort Debt Exp Notes Payable	31,329.60	
204			1810006	Unamort Debt Exp - Sr Unsec Nt	16,234,463.82	
205			1810102	Unamort Debt Exp-PCB Ins	0.00	
206	1810 Total				16,265,792.92	
207						
208	1823	Other Regulatory Assets	1823000	Other Regulatory Assets	(6.00)	
209			1823010	Energy Efficiency Recovery	669,982.83	
210			1823075	Def Exp Selling Price Variance	5,479,842.03	
211			1823077	Unreal Loss on Fwd Commitments	4,768,148.07	
212			1823099	Asset Retirement Obligations	8,241,788.42	
213			1823108	Reg Asset - Rate Case Expenses	6,122,996.66	
214			1823165	REG ASSET FAS 158 QUAL PLAN	95,490,807.25	
215			1823166	REG ASSET FAS 158 OPEB PLAN	753,431.74	
216			1823167	REG Asset FAS 158 SERP Plan	858,612.50	
217			1823219	Under Recovered EAC - LA	0.00	
218			1823241	Valley District Due Diligence	0.00	
219			1823299	SFAS 106 Medicare Subsidy	2,533,220.89	Sch A-2 ln 89
220			1823301	SFAS 109 Flow Thru Defrd FIT	61,749,179.88	Sch A-2 ln 98
221			1823302	SFAS 109 Flow Thru Defrd SIT	200,725,390.24	Sch A-2 ln 98
222			1823306	Net CCS FEED Study Costs	0.00	
223			1823324	LA 2009 FRP Asset	829,096.23	
224			1823359	SWEPSCO Shippe Road	371,389.52	
225			1823360	2010 Severance Costs	0.00	
226			1823374	Environmental Chemical Cost-AR	3,530,870.19	
227			1823377	NBV - AROs Retired Plants	491,060.55	
228			1823424	LA 2015 FRP Asset-SPP Deferral	2,972,217.71	
229			1823425	LA 2015 FRP Asset - Contra	(162,235.60)	
230			1823428	Welsh 2 TX Portion Undepr Bal	16,454,520.98	
231			1823539	Facilities Maint SWEPSCO LA	1,601,916.51	
232			1823554	WELSH/FLINT CREEK ENVIRONM T	19,857,868.94	
233			1823555	WELSH/FLINTCREEK ENVIR-CONTI	(6,945,720.81)	
234			1823585	Reg Asset-Mattison Res Charge	1,902,675.77	
235			1823586	COVID-19 Deferred Expense-TX	22,509.98	
236			1823587	COVID-19 Deferred Expense	43,501.70	
237			1823588	COVID-19 Defer Expense-Contra	(43,501.70)	
238	1823 Total				428,319,364.48	
239						
240	1830	Prelimin Surv&Investgtn Chrgs	1830000	Prelimin Surv&Investgtn Chrgs	927,297.13	
241	1830 Total				927,297.13	
242						
243	1840	Clearing Accounts	1840033	Alliance Rail Car - OH	132,382.86	

SOUTHWESTERN ELECTRIC POWER COMPANY
Detail Trial Balance
For the Test Year Ended March 31, 2020

Line No	(1) FERC Account	(2) FERC Account Description	(3) Account	(4) Account Description	(5) Test Year Ending Balance	(6) Schedule A-2 Reference
244	1840	Total			132,382 86	
245						
246	1860	Misc Deferred Debit	1860000	MDD-Internal Billing Only	0 00	
247			1860001	Allowances	2,642 03	
248			1860002	Deferred Expenses	(186,827 77)	
249			186000315	Deferred Property Taxes	0 00	
250			186000320	Deferred Property Taxes	48,892,858 00	
251			1860007	Billings and Deferred Projects	1,058,514 35	
252			1860046	Railroad Cars Subleased	6,747 97	
253			1860077	Agency Fees - Factored A/R	2,424,800 14	
254			186008120	Defd Property Tax - Cap Lease	105,750 00	
255			1860089	Reclamation Advance	8,849,604 80	
256			1860150	Deferred Rate Case Expense	119,032 92	
257			1860153	Unamortized Credit Line Fees	358,845 56	
258			1860156	Sabine Mine Rusk Preparation	12,788,698 85	
259			1860160	Deferred Expenses - Current	1,461,279 34	
260			1860166	Def Lease Assets - Non Taxable	0 00	
261			1860171	Marshall South Mine Prep	0 00	
262	1860	Total			75,881,946 18	
263						
264	1890	Unamrtzd Loss on Recqd Debt	1890001	Loss Recqd Debt - FMB	1,886,164 76	
265			1890002	Loss Rec Debt-Ins Purch Cont	76,653 95	
266			1890004	Loss Rec Debt-Debentures	1,748,105 18	
267			1890006	Loss Rec Debt-Sen Unsec Notes	2,742,204 85	
268	1890	Total			6,453,128 73	
269						
270	1900	Accum Deferred Income Taxes	1900011	ADIT Federal Non-UMWA PRW OCI	2,184 69	
271			1900015	ADIT-Fed-Hdg-CF-Int Rate	851,871 53	
272	1900	Total			854,056 22	Sch A-2 ln 93
273						
274	1901	Accum Deferred Income Taxes	1901001	Accum Deferred FIT - Other	86,735,261 78	
275			1901002	Accum Deferred SIT - Other	48,300,396 68	
276	1901	Total			135,035,658 46	Sch A-2 ln 93
277						
278	1902	Accum Deferred Income Taxes	1902001	Accum Defd FIT - Oth Inc & Ded	1,497,806 24	
279	1902	Total			1,497,806 24	Sch A-2 ln 93
280						
281	1903	Accum Deferred Income Taxes	1903001	Acc Dfd FIT - FAS109 Flow Thru	43,055,863 30	
282	1903	Total			43,055,863 30	Sch A-2 ln 93
283						
284	1904	Accum Deferred Income Taxes	1904001	Accum Dfd FIT - FAS 109 Excess	166,055,022 04	
285	1904	Total			166,055,022 04	Sch A-2 ln 93
286						
287	2010	Common Stock Issued	2010001	Common Stock Issued-Affiliated	(135,659,520 00)	
288	2010	Total			(135,659,520 00)	
289						
290	2100	Gain Rslc/Cancl Req Cap Stock	2100000	Gain Rslc/Cancl Req Cap Stock	(2,106,937 41)	
291	2100	Total			(2,106,937 41)	
292						
293	2110	Miscellaneous Paid-In Capital	2110000	Miscellaneous Paid-In Capital	(674,443,763 79)	
294	2110	Total			(674,443,763 79)	
295						
296	2160	Unappropriatd Retnd Earnings	2160001	Unapprp Retnd Emrgs-Unstrictd	(1,647,738,901 52)	
297	2160	Total			(1,647,738,901 52)	
298						
299	2161	Unappropriatd Retnd Earnings	2161001	Unap Undist Consol Sub Emrg	(11,442,711 26)	
300			2161002	Unap Undist Nonconsol Sub Emrg	(23,008,803 67)	
301	2161	Total			(34,451,514 93)	
302						
303	2190	Accum Other Comprehensive Income	2190007	OCI-Min Pen Liab FAS 158-OPEB	8,218 57	
304			2190015	Accum OCI-Hdg-CF-Int Rate	1,259,816 44	
305	2190	Total			1,268,035 01	
306						
307	2240	Other Long Term Debt	2240002	Installment Purchase Contracts	0 00	
308			2240005	Other Long Term Debt - Other	0 00	
309			2240006	Senior Unsecured Notes	(2,450,000,000 00)	
310			2240505	Oth LTD - Other - Current	(115,000,000 00)	
311			2240506	Senior Unsecured Notes-Current	0 00	
312	2240	Total			(2,565,000,000 00)	
313						
314	2260	Unam Disc LTD - Debit	2260006	Unam Disc LTD-Dr-Sr Unsec Note	4,466,190 91	
315	2260	Total			4,466,190 91	
316						
317	2270	Obligations Under Cap Lease-Noncurr	2270001	Obligatns Undr Cap Lse-Noncurr	(24,830,280 59)	
318			2270003	Accrued Noncur Lease Oblig	(190,169 13)	
319			2270031	Oblig undr Oper Lease-Non Curr	(37,810,564 55)	
320			2270033	Accrued Noncur Oper Lease Oblig	(398,800 47)	
321	2270	Total			(63,229,814 74)	
322						
323	2282	Accum Prov for Injuries and Damages	2282003	Accm Prv I/D - Worker's Com	(181,311 73)	
324	2282	Total			(181,311 73)	

SOUTHWESTERN ELECTRIC POWER COMPANY
Detail Trial Balance
For the Test Year Ended March 31, 2020

(1)	(2)	(3)	(4)	(5)	(6)
Line No	FERC Account	FERC Account Description	Account	Account Description	Test Year Ending Balance Schedule A-2 Reference
325					
326	2283	Accum Prov for Pensions and Benefits	2283000	Accm Prv for Pensions&Benefits	(514,941 86)
327			2283001	Deferred Compensation Plan	(1,695,071 49)
328			2283002	Supplemental Savings Plan	(40,697 73)
329			2283005	SFAS 112 Postemployment Benef	(5,479,188 35)
330			2283006	SFAS 87 - Pensions	(2,499,840 25)
331			2283007	Perf Share Incentive Plan	0 00
332			2283013	Incentive Comp Deferral Plan	(130,126 96)
333			2283015	FAS 158 SERP Payable Long Term	(768,864 50)
334			2283016	FAS 158 Qual Payable Long Term	(14,570,411 87)
335	2283 Total				(25,699,143 01)
336					
337	2290	Acc Prov for Rate Refunds	2290002	Acc Prv Rate Refnds-Nonassoc	(9,134,431 18)
338			2290019	Acc Prov Refund-Excess Protect	(13,171,889 09)
339	2290 Total				(22,306,320 27)
340					
341	2300	Asset Retirement Obligations	2300001	Asset Retirement Obligations	(135,227,686 34)
342			2300002	ARO - Current	(18,627,478 50)
343	2300 Total				(153,855,164 84) Sch A-2 In 74
344					
345	2320	Accounts Payable	2320001	Accounts Payable - Regular	(27,600,121 40)
346			2320002	Unvouchered Invoices	(31,244,072 01)
347			2320003	Retention	(5,549,141 53)
348			2320008	Miscellaneous Liabilities	0 00
349			2320011	Uninvoiced Fuel	(10,603,739 80)
350			2320047	Gas Purchases - Transportation	28 26
351			2320052	Accounts Payable - Purch Power	(6,450,775 17)
352			2320054	Emission Allowance Trading	0 00
353			2320062	Broker Fees Payable	(8,033 86)
354			2320066	A/P - Open Access Trans Exp	(10,726,171 62)
355			2320074	A/P - FTL - SWITCH Rentals	400 00
356			2320075	Unvouch - Dolet Hills - Cleco	(3,864,019 45)
357			2320076	Corporate Credit Card Liab	(393,361 96)
358			2320077	INDUS Unvouchered Liabilities	(4,560,115 60)
359			2320089	Mattison-Centerpoint Payable	0 00
360			2320090	MISO AP Accrual	(88,691 54)
361			2320095	Home Warranty Payables	(3,037 13)
362			2320098	ERCOT RTO A/P Accrual	(62,712 45)
363			2320099	SPP RTO AP Accrual	3,580,195 38
364			2320101	RTO AP Accrual for Cong Deriv	(1,641,810 08)
365			2320096	OCIP Unvouchered liability	0 00
366	2320 Total				(99,215,179 96)
367					
368	2330	Notes Pay to Assoc Co	2330000	Corp Borrow Program (NP-Assoc)	(148,062,330 88)
369	2330 Total				(148,062,330 88)
370					
371	2340	Accounts Pay to Assoc Co	2340001	A/P Assoc Co - InterUnit G/L	(17,856,007 22)
372			2340025	A/P Assoc Co - CM Bills	(8,406 42)
373			2340027	A/P Assoc Co - Intercompany	(345,859 24)
374			2340029	A/P Assoc Co - AEPSC Bills	(13,629,146 33)
375			2340030	A/P Assoc Co - InterUnit A/P	(30,007 59)
376			2340032	A/P Assoc Co - Multi Pmts	(2,868 20)
377			2340033	A/P Assoc Co - Factored A/R	(35,850,947 08)
378			2340035	Fleet - M4 - A/P	(5,782 99)
379			2340041	A/P Assoc Co - Non-InterUnit GL	(15,942,103 87)
380	2340 Total				(83,671,128 94)
381					
382	2350	Customer Deposits	2350001	Customer Deposits-Active	(65,072,259 29) Sch A-2 In 95
383	2350 Total				(65,072,259 29)
384					
385	2360	Taxes Accrued	2360001	Federal Income Tax	4,214,113 48
386			236000211	State Income Taxes	5,972 47
387			236000215	State Income Taxes	12,320 00
388			236000216	State Income Taxes	0 00
389			236000217	State Income Taxes	(1,530,163 84)
390			236000218	State Income Taxes	(567,862 13)
391			236000219	State Income Taxes	(2,163,272 63)
392			236000318	Local Income Tax	37 00
393			236000319	Local Income Tax	902,428 35
394			2360004	FICA	(265,383 47)
395			2360005	Federal Unemployment Tax	(63,973 68)
396			2360006	State Unemployment Tax	(67,159 43)
397			236000716	State Sales and Use Taxes	0 00
398			236000717	State Sales and Use Taxes	375,918 06
399			236000718	State Sales and Use Taxes	459,443 23
400			236000719	State Sales and Use Taxes	(154,629 64)
401			236000720	State Sales and Use Taxes	(1,198,551 73)
402			236000815	Real Personal Property Taxes	0 00
403			236000816	Real Personal Property Taxes	0 00
404			236000819	Real Personal Property Taxes	(15,906,750 00)
405			236000820	Real Personal Property Taxes	(66,360,587 00)

SOUTHWESTERN ELECTRIC POWER COMPANY
Detail Trial Balance
For the Test Year Ended March 31, 2020

Line No	(1) FERC Account	(2) FERC Account Description	(3) Account	(4) Account Description	(5) Test Year Ending Balance	(6) Schedule A-2 Reference
406			236001215	State Franchise Taxes	0 00	
407			236001216	State Franchise Taxes	0 00	
408			236001217	State Franchise Taxes	363,855 99	
409			236001218	State Franchise Taxes	1,176,415 72	
410			236001219	State Franchise Taxes	3,494,440 35	
411			236001220	State Franchise Taxes	(1,280,500 00)	
412			236002015	State Public Service Com Tax	0 00	
413			236002016	State Public Service Com Tax	0 00	
414			236002019	State Public Service Com Tax	(1,192,302 00)	
415			236002020	State Public Service Com Tax	(74,123 13)	
416			236002219	State License Registration Tax	35 00	
417			236002516	Local Franchise Tax	0 00	
418			236003316	Pers Prop Tax-Cap Leases	0 00	
419			236002520	Local Franchise Tax	(3,522,285 91)	
420			236003320	Pers Prop Tax-Cap Leases	(143,000 00)	
421			2360037	FICA - Incentive accrual	(63,359 56)	
422			2360502	State Inc Tax-Short Term FIN48	0 00	
423			2360602	State Inc Tax-Long Term FIN48	0 00	
424			2360702	SEC Accum Defd SIT - FIN 48	0 00	
425			2360801	Federal Income Tax - IRS Audit	0 00	
426			2360901	Accum Defd FIT- IRS Audit	0 00	
427	2360 Total				(83,548,924 50)	
428						
429	2370	Interest Accrued	2370002	Interest Accrued-Inst Pur Con	0 00	
430			2370005	Interest Accrd-Other LT Debt	(66,240 05)	
431			2370006	Interest Accrd-Sen Unsec Notes	(19,428,335 73)	
432			2370007	Interest Accrd-Customer Depsts	(506,965 43)	
433			2370009	Interest Accrued-Other	0 00	
434			2370024	Interest Over Recover - LA	0 00	
435			2370025	Interest Over Recover - AR	0 00	
436			2370448	Acrd Int - SIT Reserve - ST	0 00	
437	2370 Total				(20,001,541 21)	
438						
439	2410	Tax Collections Payable	2410001	Federal Income Tax Withheld	(432 06)	
440			2410002	State Income Tax Withheld	(411,927 03)	
441			2410004	State Sales Tax Collected	(1,661,074 35)	
442			2410008	Franchise Fee Collected	(3,256,907 78)	
443	2410 Total				(5,330,341 22)	
444						
445	2420	Misc Current & Accrued Liab	2420000	Misc Current & Accrued Liab	(18,069 00)	
446			2420002	P/R Ded - Medical Insurance	(454,706 14)	
447			2420003	P/R Ded - Dental Insurance	(45,090 65)	
448			2420013	P/R Ded - LTD Ins Premiums	(6,762 27)	
449			2420020	Vacation Pay - This Year	(10,605,346 15)	
450			2420021	Vacation Pay - Next Year	(2,646,265 04)	
451			2420027	FAS 112 CURRENT LIAB	(2,658,537 65)	
452			2420046	FAS 158 SERP Payable - Current	(89,748 00)	
453			2420051	Non-Productive Payroll	(1,285,268 62)	
454			2420053	Perf Share Incentive Plan	(0 00)	
455			2420059	MINE CLOSING COSTS - FERC	(0 00)	
456			2420071	P/R Ded - Vision Plan	(17,928 17)	
457			2420072	P/R - Payroll Adjustment	(3,688 69)	
458			2420076	P/R Savings Plan - Incentive	(34,907 36)	
459			2420081	Environmntl Remediation Accrua	(1,910 14)	
460			2420083	Active Med and Dental IBNR	(727,823 24)	
461			2420504	Accrued Lease Expense	(205,950 96)	
462			2420511	Control Cash Disburse Account	(1,647,212 89)	
463			2420512	Unclaimed Funds	(86,188 87)	
464			2420514	Revenue Refunds Accrued	(13,413,400 47)	
465			2420519	Provision for Unclaimed Funds	0 00	
466			2420532	Adm Liab-Cur-S/Ins-W/C	(216,488 01)	
467			2420558	Admitted Liab NC-Sell/Ins-W/C	(836,280 36)	
468			242059216	Sales Use Tax - Leased Equip	0 00	
469			242059220	Sales Use Tax - Leased Equip	(6,602 11)	
470			2420618	Accrued Payroll	(3,312,478 27)	
471			2420623	Distr, Cust Ops & Reg Svcs ICP	(421,868 39)	
472			2420624	Corp & Shrd Srv Incentive Plan	(40,885 92)	
473			2420635	Generation Incentive Plan	(331,016 26)	
474			2420643	Accrued Audit Fees	(333,048 26)	
475			2420644	Reclamation Liability - Affil	(84,485,681 00)	
476			2420649	Reclamation Liability - Curr	(2,084 46)	
477			2420660	AEP Transmission ICP	(64,129 66)	
478			2420662	Accrued Railcar Lease Exp - ST	(12,687 29)	
479			2420663	Accrued railcar lease exp - LT	(63,871 02)	
480			2420665	Dollar Energy Assistance Pgm	(2,250 62)	
481			2420700	Quality of Service	(45,000 00)	
482	2420 Total				(124,123,176 15)	
483						
484	2430	Oblig Under Cap Leases - Curr	2430001	Oblig Under Cap Leases - Curr	(5,255,758 35)	
485			2430003	Accrued Cur Lease Oblig	(39,529 71)	
486			2430031	Oblig undr Oper Lease -Current	(6,976,320 23)	

SOUTHWESTERN ELECTRIC POWER COMPANY
Detail Trial Balance
For the Test Year Ended March 31, 2020

Line No	(1) FERC Account	(2) FERC Account Description	(3) Account	(4) Account Description	(5) Test Year Ending Balance	(6) Schedule A-2 Reference
487			2430033	Accrued Current Oper Lease Oblig	(107,278 48)	
488	2430	Total			(12,378,886 77)	
489						
490	2440	Derivatives Instrument Liab	2440001	Curr Unreal Losses - NonAffil	(2,850,433 73)	
491			2440002	LT Unreal Losses - Non Affil	(2,880,691 31)	
492			2440021	S/T Liability MTM Collateral	632,663 00	
493	2440	Total			(5,098,462 04)	
494						
495	2530	Other Deferred Credits	2530000	Other Deferred Credits	(3,543,197 56)	
496			2530022	Customer Advance Receipts	(7,028,142 95)	
497			2530050	Deferred Rev - Pole Attachments	(831,312 51)	Sch A-2 ln 98
498			2530067	IPP - System Upgrade Credits	(7,532,555 56)	Sch A-2 ln 98
499			2530101	MACSS Unidentified EDI Cash	(2,712 64)	
500			2530112	Other Deferred Credits-Curr	(1,109,292 00)	
501			2530120	Environ Remediation LT	(471,910 14)	
502			2530124	Contr In Aid of Constr Advance	(1,587,651 73)	
503			2530181	Oxbow Buy In	(2,515,703 83)	
504			2530185	O/U Accounting of ExpensesT	(137,451 73)	
505			2530190	QUAL OF SVC PENALTIES - LT	(1,072,852 90)	
506	2530	Total			(25,832,783 55)	
507						
508	2540	Other Regulatory Liabilities	2540047	Unreal Gain on Fwd Commitments	0 00	
509			2540052	EXCESS EARNINGS	(2,453,476 00)	Sch A-2 ln 98
510			2540058	Dolet Hills Mining Buy-Out	(272,905 57)	
511			2540090	Over Recovered Fuel Cost - TX	(18,495,495 36)	
512			2540094	Over Recovered Fuel Cost - LA	(7,337,729 28)	
513			2540095	Over Recovered Fuel Cost - AR	(3,827,570 52)	
514			2540118	Energy Efficiency O/U Recovery	(6,678,178 54)	
515			2540137	Over Recovered EAC - LA	(167,336 95)	
516			2540174	JLStall GR Rider Over Recovery	(746,833 27)	
517			2540184	Texas Vegetation Management	(915,993 90)	
518			2540191	LA SQIP Veg Mgmt O/U Recovery	(486,540 75)	
519	2540	Total			(41,382,060 13)	
520						
521	2543	Other Regulatory Liabilities	2543001	SFAS 109 Flow Thru Defd FIT	(659,595 31)	
522	2543	Total			(659,595 31)	Sch A-2 ln 98
523						
524	2544	Other Regulatory Liabilities	2544001	SFAS 109 Exces Deferred FIT	(674,481,349 76)	Sch A-2 ln 98
525			2544009	OCI - Excess DFIT	(9,512 28)	
526	2544	Total			(674,490,862 04)	
527						
528	2550	Accum Def Invest Tax Credit	2550001	Accum Deferred ITC - Federal	(2,859,341 17)	
529	2550	Total			(2,859,341 17)	
530						
531	2570	Unamt Gain on Recacquired Debt	2570001	Unamort Gn Reacq Debt - FMB	484 33	
532	2570	Total			484 33	
533						
534	2811	Acc Def Inc Tax-Accelerated Amort Property	2811001	Acc Dfd FIT - Accel Amort Prop	(69,755,641 66)	
535			2814001	Acc Dfd FIT - FAS 109 Excess	26,928,547 00	Sch A-2 ln 93
536	2811	Total			(42,827,094 66)	
537						
538	2821	Acc Def Inc Tax-Other Property	2821001	Accum Defd FIT - Utility Prop	(1,373,884,553 58)	
539						
540	2821	Total			(1,373,884,553 58)	Sch A-2 ln 93
541						
542	2823	Acc Def Inc Tax-Other Property	2823001	Acc Dfd FIT FAS 109 Flow Thru	(51,847,311 00)	
543	2823	Total			(51,847,311 00)	Sch A-2 ln 93
544						
545	2824	Acc Def Inc Tax-Other Property	2824001	Acc Dfd FIT - SFAS 109 Excess	491,253,587 58	
546	2824	Total			491,253,587 58	Sch A-2 ln 93
547						
548	2830	Accum Def Income Taxes - Other	2830006	ADIT Federal - SFAS 133 Nonaff	0 00	
549			2830015	ADIT-Fed-Hdg-CF-Int Rate	(516,983 62)	
550			2830016	ADIT-Fed-Hdg-CF-For Exchg	0 00	
551	2830	Total			(516,983 62)	
552						
553	2831	Accum Def Income Taxes - Other	2831001	Accum Deferred FIT - Other	(34,052,443 01)	
554			2831002	Accum Deferred SIT - Other	0 00	
555	2831	Total			(34,052,443 01)	Sch A-2 ln 93
556						
557	2832	Accum Def Income Taxes - Other	2832001	Accum Dfd FIT - Oth Inc & Ded	0 00	
558	2832	Total			0 00	
559						
560	2833	Accum Def Income Taxes - Other	2833001	Acc Dfd FIT FAS 109 Flow Thru	(55,896,398 62)	
561			2833002	Acc Dfd SIT FAS 109 Flow Thru	(200,725,390 24)	
562	2833	Total			(256,621,788 86)	Sch A-2 ln 93
563						
564	2834		2834001	Acc Defd FIT - SFAS 109 Excess	(6,148,022 73)	Sch A-2 ln 93
565	2834	Total			(6,148,022 73)	
566						
567	4010	Operation Expense	4010001	Operation Exp - Nonassociated	2,441 63	

SOUTHWESTERN ELECTRIC POWER COMPANY
Detail Trial Balance
For the Test Year Ended March 31, 2020

Line No	(1) FERC Account	(2) FERC Account Description	(3) Account	(4) Account Description	(5) Test Year Ending Balance	(6) Schedule A-2 Reference
568	4010	Total			2,441 63	
569						
570	4030	Depreciation Expense	4030001	Depreciation Exp	236,664,072 26	
571			4030028	Depreciation Expense Deferred	(628,452 45)	
572			4030032	Dep Exp - Arkansas Welsh U2	163,611 00	
573	4030	Total			236,199,230 81	Sch A-2 In 32
574						
575	4031	Depreciation Expense	4031001	Depr - Asset Retirement Oblig	2,039,209 95	
576	4031	Total			2,039,209 95	Sch A-2 In 32
577						
578	4037	Depreciation Expense	4037000	Amort-TX Cap Impairment	(1,462,677 48)	
579			4037001	Amort TX SERP	(15,619 30)	
580			4037002	Amort TX RWIP Cap Incen	(11,156 07)	
581			4037003	Amort TX CWIP Cap Incen	(290,713 27)	
582			4037004	Amort TX Cap Veg Mgmt Costs	(141,761 82)	
583	4037	Total			(1,921,927 94)	Sch A-2 In 32
584						
585	4040	Amortization of Plant	4040001	Amort of Plant	17,413,206 84	
586			4040007	Cloud Implement - Amort Plant	8,723 23	
587	4040	Total			17,421,930 07	Sch A-2 In 33
588						
589	4060	Amort of Pll Acquisition Adj	4060001	Amort of Pll Acq Adj	0 00	
590	4060	Total			0 00	Sch A-2 In 33
591						
592	4073	Regulatory Debits	4073000	Regulatory Debits	345,045 05	
593			4073016	Welsh Unit 2 Reg Asset Amort	507,597 52	
594			4073017	Welsh U2 ARO Reg Asset Amort	8,233 08	
595	4073	Total			860,875 65	Sch A-2 In 33
596						
597	4074	Regulatory Credits	4074000	Regulatory Credits	(288,585 00)	
598	4074	Total			(288,585 00)	Sch A-2 In 33
599						
600	4081	Misc State and Local Taxes	4081002	FICA	10,808,833 72	Sch A-2 In 37
601			4081003	Federal Unemployment Tax	63,144 97	Sch A-2 In 37
602			408100514	Real & Personal Property Taxes	0 00	
603			408100515	Real Personal Property Taxes	0 00	
604			408100516	Real Personal Property Taxes	0 00	
605			408100517	Real Personal Property Taxes	125,516 40	Sch A-2 In 35
606			408100518	Real Personal Property Taxes	(102,504 18)	Sch A-2 In 35
607			408100519	Real Personal Property Taxes	45,977,169 74	Sch A-2 In 35
608			408100520	Real Personal Property Taxes	16,288,380 00	Sch A-2 In 35
609			408100615	State Gross Receipts Tax	0 00	
610			408100616	State Gross Receipts Tax	0 00	
611			408100619	State Gross Receipts Tax	4,847,133 09	Sch A-2 In 43
612			408100620	State Gross Receipts Tax	1,368,090 02	Sch A-2 In 43
613			4081007	State Unemployment Tax	66,276 13	Sch A-2 In 37
614			408100814	State Franchise Taxes	0 00	
615			408100815	State Franchise Taxes	0 00	
616			408100816	State Franchise Taxes	0 00	
617			408100818	State Franchise Taxes	(20,100 00)	Sch A-2 In 36
618			408100819	State Franchise Taxes	3,133,004 90	Sch A-2 In 36
619			408100820	State Franchise Taxes	1,280,500 00	Sch A-2 In 36
620			408101415	Federal Excise Taxes	0 00	
621			408101419	Federal Excise Taxes	1,344 59	Sch A-2 In 38
622			408101713	St Lic/Rgsttrion Tax/Fees	0 00	
623			408101715	St Lic-Rgsttrion Tax-Fees	0 00	
624			408101716	St Lic-Rgsttrion Tax-Fees	0 00	
625			408101718	St Lic-Rgsttrion Tax-Fees	350 00	Sch A-2 In 38
626			408101719	St Lic-Rgsttrion Tax-Fees	180 00	Sch A-2 In 38
627			408101818	St Publ Serv Comm Tax-Fees	448,745 44	Sch A-2 In 38, 41
628			408101814	St Publ Serv Comm Tax-Fees	0 00	
629			408101815	St Publ Serv Comm Tax-Fees	0 00	
630			408101816	St Publ Serv Comm Tax-Fees	0 00	
631			408101819	St Publ Serv Comm Tax-Fees	1,599,952 33	Sch A-2 In 38, 41
632			408101820	St Publ Serv Comm Tax-Fees	129,000 00	Sch A-2 In 38, 41
633			408101913	State Sales and Use Taxes	0 00	
634			408101915	State Sales and Use Taxes	0 00	
635			408101916	State Sales and Use Taxes	41,628 06	Sch A-2 In 38
636			408101919	State Sales and Use Taxes	2,790 31	Sch A-2 In 38
637			408101920	State Sales and Use Taxes	(4,698 67)	Sch A-2 In 38
638			408102216	Municipal License Fees	0 00	
639			408102220	Municipal License Fees	84,115 00	Sch A-2 In 38
640			408102315	Local Privilege-Franchise Tax	0 00	
641			408102316	Local Privilege-Franchise Tax	0 00	
642			408102319	Local Privilege-Franchise Tax	13,777,618 35	Sch A-2 In 45, 47
643			408102320	Local Privilege-Franchise Tax	3,906,786 52	Sch A-2 In 45, 47
644			408102915	Real-Pers Prop Tax-Cap Leases	0 00	
645			408102916	Real-Pers Prop Tax-Cap Leases	0 00	
646			408102917	Real-Pers Prop Tax-Cap Leases	(11,473 67)	Sch A-2 In 35
647			408102919	Real-Pers Prop Tax-Cap Leases	101,167 57	Sch A-2 In 35
648			408102920	Real-Pers Prop Tax-Cap Leases	37,250 00	Sch A-2 In 35

SOUTHWESTERN ELECTRIC POWER COMPANY
Detail Trial Balance
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Line No	(1) FERC Account	(2) FERC Account Description	(3) Account	(4) Account Description	(5) Test Year Ending Balance	(6) Schedule A-2 Reference
649			4081033	Fringe Benefit Loading - FICA	(3,837,169 63)	Sch A-2 In 37
650			4081034	Fringe Benefit Loading - FUT	(22,951 84)	Sch A-2 In 37
651			4081035	Fringe Benefit Loading - SUT	(25,499 17)	Sch A-2 In 37
652	4081	Total			100,064,579 98	
653						
654	4082	Misc State and Local Taxes	408200519	Real Personal Property Taxes	10,388 05	
655	4082	Total			10,388 05	
656						
657	4091	Income Tax	4091001	Income Taxes, UOI - Federal	7,868,487 01	
658			409100214	Income Taxes UOI - State	0 00	
659			409100215	Income Taxes UOI - State	0 00	
660			409100216	Income Taxes UOI - State	0 00	
661			409100219	Income Taxes UOI - State	1,541,554 44	
662	4091	Total			9,410,041 45	Sch A-2 In 53
663						
664	4092	Income Tax	4092001	Inc Tax, Oth Inc&Ded-Federal	(2,708,269 01)	
665			409200214	Inc Tax Oth Inc Ded - State	0 00	
666			409200215	Inc Tax Oth Inc Ded - State	0 00	
667			409200219	Inc Tax Oth Inc Ded - State	(135,379 64)	
668	4092	Total			(2,843,648 65)	
669						
670	4101	Provision for Deferred Income Taxes	4101001	Prov Def I/T Util Op Inc-Fed	773,183,334 32	
671			4101002	Prov Def I/T Util Op Inc-State	1,557,264 95	
672	4101	Total			774,740,599 27	Sch A-2 In 53
673						
674	4102	Provision for Deferred Income Taxes	4102001	Prov Def I/T Oth I&D - Federal	1,846,475 08	
675	4102	Total			1,846,475 08	
676						
677	4111	Provision for Deferred Income Taxes - Credit	4111001	Prv Def I/T-Cr Util Op Inc-Fed	(786,689,145 02)	Sch A-2 In 53
678			4111002	Prv Def I/T-Cr Util Op Inc-State	(4,000,829 51)	Sch A-2 In 53
679			4111005	Accretion Expense	3,484,561 29	Sch A-2 In 32
680	4111	Total			(787,205,413 24)	
681						
682	4112	Provision for Deferred Income Taxes - Credit	4112001	Prv Def I/T-Cr Oth I&D-Fed	(3,345,947 45)	
683	4112	Total			(3,345,947 45)	
684						
685	4114	ITC Adjustment	4114001	ITC Adj, Utility Oper - Fed	(1,624,686 83)	
686	4114	Total			(1,624,686 83)	Sch A-2 In 55
687						
688	4117	Losses from Disp, Of Utility Plant	4117000	Loss From Disposition of Plant	653,207 87	Sch A-2 In 32
689	4117	Total			653,207 87	
690						
691						
692	4118	Gains/Losses from Disposition of Allowances	4118002	Comp Allow Gains Title IV SO2	4 37	
693			4118006	CSAPR SO2 Gains	0 00	
694			4118008	Comp Allow Gain CSAPR Seas NOx	0 00	
695	4118	Total			4 37	
696						
697	4119	Gains/Losses from Disposition of Allowances	4119000	Loss Disposition of Allowances	0 00	
698	4119	Total			0 00	
699						
700	4171	Expenses of Nonutility Operations	4171009	Office Supplies & Expense	165 00	
701	4171	Total			165 00	
702						
703	4180	Non-Operating Rental Income	4180001	Non-Operatng Rental Income	(405 61)	
704	4180	Total			(405 61)	
705						
706	4181	Non-Operating Rental Income	4181001	Equity Erngs of Sub-Consolidat	(30,831 31)	
707			4181002	Equity Erngs of Sub-Nonconsol	(3,081,614 86)	
708	4181	Total			(3,112,446 17)	
709						
710	4190	Interest & Dividend Income	4190002	Int & Dividend Inc - Nonassoc	(2,400,234 63)	
711			4190005	Interest Income - Assoc CBP	(70,401 24)	
712	4190	Total			(2,470,635 87)	
713						
714	4191	Interest & Dividend Income	4191000	Allw Oth Fnds Usd Drng Cnstr	(6,423,356 01)	
715	4191	Total			(6,423,356 01)	
716						
717	4210	Other Income Deductions	4210002	Misc Non-Op Inc-NonAsc-Rents	(2,857 57)	
718			4210003	Misc Non-Op Inc-NonAscRoyalty	0 00	
719			4210005	Misc Non-Op Inc-NonAsc-Timber	0 00	
720			4210007	Misc Non-Op Inc - NonAsc - Oth	(591,377 63)	
721			4210009	Misc Non-Op Exp - NonAssoc	1,086 72	
722	4210	Total			(593,148 48)	
723						
724	4211	Other Income Deductions	4211000	Gain on Dspstion of Property	0 00	
725	4211	Total			0 00	
726						
727	4212	Other Income Deductions	4212000	Loss on Disposition of Property	9,072 36	
728	4212	Total			9,072 36	
729						

SOUTHWESTERN ELECTRIC POWER COMPANY
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Line No	(1) FERC Account	(2) FERC Account Description	(3) Account	(4) Account Description	(5) Test Year Ending Balance	(6) Schedule A-2 Reference
730	4261	Other Income Deductions	4261000	Donations	6,503,429 90	
731	4261 Total				6,503,429 90	
732						
733	4263	Other Income Deductions	4263001	Penalties	455,089 24	
734			4263003	Penalties - Quality of Service	824,321 90	
735	4263 Total				1,279,411 14	
736						
737	4264	Other Income Deductions	4264000	Civic & Political Activities	540,301 51	
738			4264001	Non-deduct Lobbying per IRS	377,359 89	
739	4264 Total				917,661 40	
740						
741	4265	Other Income Deductions	4265002	Other Deductions - Nonassoc	6,643,937 32	
742			4265004	Social & Service Club Dues	125,238 40	
743			4265007	Regulatory Expenses	26,360 32	
744			4265009	Factored Cust A/R Exp - Affil	5,089,743 72	Sch A-2 In 28
745			4265010	Fact Cust A/R-Bad Debts-Affil	4,622,080 82	Sch A-2 In 28
746			4265033	Transition Costs	502 60	
747			4265038	Wind Catcher Project Expenses	112,916 58	
748			4265053	Specul, Allow Loss-SO2	236 48	
749			4265058	Cust Savings Plan Project Exp	5,854,131 52	
750	4265 Total				22,475,147 76	
751						
752	4270	Interest on Long -Term Debt	4270002	Int on LTD - Install Pur Contr	0 00	
753			4270005	Int on LTD - Other LTD	3,957,356 03	
754			4270006	Int on LTD - Sen Unsec Notes	100,883,811 84	
755	4270 Total				104,841,167 87	
756						
757	4280	Amrtz Debt Dscnt & Exp	4280002	Amrtz Debt Dscnt&Exp-Instl Pur	0 00	
758			4280006	Amrtz Dscnt&Exp-Sn Unsec Note	2,162,786 05	
759	4280 Total				2,162,786 05	
760						
761	4281	Amrtz Debt Dscnt & Exp	4281001	Amrtz Loss Rquired Debt-FMB	206,501 21	
762			4281002	Amrtz LossRquired Debt-IPC	49,062 72	
763			4281004	Amrtz Loss Rquired Debt-Dbnt	73,971 43	
764	4281 Total				329,535 36	
765						
766	4291	Amrtz Prmium on Debt-Credit	4291001	Amrtz Gain Rqreqd Debt-Cr-FMB	(6,605 56)	
767	4291 Total				(6,605 56)	
768						
769	4300	Int to Associated Companies	4300003	Int to Assoc Co - CBP	1,316,243 11	
770	4300 Total				1,316,243 11	
771						
772	4310	Other Interest Expense	4310001	Other Interest Expense	3,115,592 49	
773			4310002	Interest on Customer Deposits	2,150,588 05	
774			4310007	Lines Of Credit	696,993 43	
775			4310014	OTHER INTEREST - FUEL RECOVER	0 00	
776			4310017	Mine Reclamation Interest	2,465,803 80	
777			4310023	Interest Expense - State Tax	(174,433 80)	
778	4310 Total				8,254,543 97	
779						
780	4320	Allw Brwrd Fnds Used Cnstr-Cr	4320000	Allw Brwrd Fnds Used Cnstr-Cr	(3,975,107 09)	
781	4320 Total				(3,975,107 09)	
782						
783	4370	Div Decl-PS Not Sub to Man Red	4370000	Div Decl-PS Not Sub to Man Red	0 00	
784	4370 Total				0 00	
785						
786	4380	Div Declrd - Common Stk - Asso	4380001	Div Declrd - Common Stk - Asso	37,500,000 00	
787	4380 Total				37,500,000 00	
788						
789	4390		4390000	Adj to Retained Earnings	(1,633,594 10)	
790	4390 Total				(1,633,594 10)	
791						
792	4400	Residential Sales	4400001	Residential Sales-W/Space Htg	(111,631,521 97)	Sch A-2 In 103
793			4400002	Residential Sales-W/O Space Ht	(337,316,644 88)	Sch A-2 In 103
794			4400005	Residential Fuel Rev	(185,484,707 13)	Sch A-2 In 104
795			4400006	Residential O/U Fuel Rev	7,352,852 29	Sch A-2 In 104
796	4400 Total				(627,080,021 69)	
797						
798	4420	Commercial & Industrial Sales	4420001	Commercial Sales	(247,392,444 57)	Sch A-2 In 103
799			4420002	Industrial Sales (Excl Mines)	(185,763,373 92)	Sch A-2 In 103
800			4420006	Sales to Pub Auth - Schools	(6,955,066 27)	Sch A-2 In 103
801			4420007	Sales to Pub Auth - Ex Schools	(58,666,116 76)	Sch A-2 In 103
802			4420013	Commercial Fuel Rev	(171,591,352 91)	Sch A-2 In 104
803			4420014	Commercial O/U Fuel Rev	6,692,275 50	Sch A-2 In 104
804			4420016	Industrial Fuel Rev	(156,680,345 16)	Sch A-2 In 104
805			4420017	Industrial O/U Fuel Rev	8,153,108 64	Sch A-2 In 104
806	4420 Total				(812,203,315 45)	
807						
808	4440	Public Street/Highway Lighting	4440000	Public Street/Highway Lighting	(6,501,338 44)	Sch A-2 In 103
809			4440002	Public St & Hwy Light Fuel Rev	(2,363,160 32)	Sch A-2 In 104
810			4440003	Pb St & Hwy Light O/U Fuel Rev	82,270 01	Sch A-2 In 104

SOUTHWESTERN ELECTRIC POWER COMPANY
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Line No	(1) FERC Account	(2) FERC Account Description	(3) Account	(4) Account Description	(5) Test Year Ending Balance	(6) Schedule A-2 Reference
811	4440	Total			(8,782,228 75)	
812						
813	4470	Sales for Resale	4470001	Sales for Resale - Assoc Cos	17,551 06	Sch A-2 In 105
814			4470002	Sales for Resale - NonAssoc	620,053 73	Sch A-2 In 105
815			4470006	Sales for Resale-Bookout Sales	(1,555,282 03)	Sch A-2 In 105
816			4470010	Sales for Resale-Bookout Purch	1,422,903 44	Sch A-2 In 105
817			4470027	Whsal/Mun/Pb Ath Fuel Rev	(64,877,886 98)	Sch A-2 In 104
818			4470028	Sale/Resale - NA - Fuel Rev	(30,517,196 76)	Sch A-2 In 105
819			4470032	Capacity Revenue - Affiliated	0 00	Sch A-2 In 105
820			4470033	Whsal/Mun/Pub Auth Base Rev	(69,114,855 29)	Sch A-2 In 105
821			4470036	Sales for Resale- Fuel - ERCOT	(766,621 08)	Sch A-2 In 103
822			4470074	Sale for Resale-Aff-Trmf Price	0 00	Sch A-2 In 105
823			4470081	Financial Spark Gas - Realized	0 00	Sch A-2 In 105
824			4470082	Financial Electric Realized	0 00	Sch A-2 In 105
825			4470131	Non-Trading Bookout Purch-OSS	22,177 40	Sch A-2 In 105
826			4470136	SPP Rev Neutrality Ded-Sales	(524,020 58)	Sch A-2 In 105
827			4470150	Transm Rev -Dedic Whsl/Muni	(3,858,463 80)	Sch A-2 In 105
828			4470175	OSS Sharing Reclass - Retail	(9,183,522 27)	Sch A-2 In 105
829			4470176	OSS Sharing Reclass-Reduction	9,183,522 27	Sch A-2 In 105
830			4470219	Merchant Fuel Revenue	(10,270,580 20)	Sch A-2 In 105
831			4470223	Merchant Sales Margin	(2,863,937 13)	Sch A-2 In 105
832			4470320	SPP Net Regulation OSS	(2,031,656 73)	Sch A-2 In 105
833			4470321	SPP Net Spinning Reserve OSS	(4,125,102 67)	Sch A-2 In 105
834			4470324	SPP Net Supp Reserve OSS	(138,209 66)	Sch A-2 In 105
835			4470326	SPP Net Marginal Losses OSS	(1,189,578 01)	Sch A-2 In 105
836			4470328	SPP Net Make Whole Payment OSS	(623,603 12)	Sch A-2 In 105
837			4470332	SPP Congestion Costs OSS	(2,808,674 31)	Sch A-2 In 105
838	4470	Total			(193,182,982 72)	
839						
840	4491	Provision for Rate Refunds	4491002	Prov Rate Refund-Nonaffiliated	24,534,147 56	
841			4491003	Prov Rate Refund - Retail	0 00	
842			4491004	Prov Rate Refund - Affiliated	25,134,067 00	
843			4491019	Prov Rate Refund-Exces Protect	3,035,669 81	
844	4491	Total			52,703,884 37	Sch A-2 In 105
845						
846	4500	Forfeited Discounts	4500000	Forfeited Discounts	(4,580,410 18)	
847	4500	Total			(4,580,410 18)	Sch A-2 In 105
848						
849	4510	Misc Service Revenues	4510001	Misc Service Rev - Nonaffil	(1,797,132 78)	
850	4510	Total			(1,797,132 78)	Sch A-2 In 105
851						
852	4540	Rent From Electric Property	4540001	Rent From Elect Property - Af	(1,470,793 45)	
853			4540002	Rent From Elect Property-NAC	(2,172,205 86)	
854			4540004	Rent From Elect Prop-ABD-Nonaf	(48,328 88)	
855			4540005	Rent from Elec Prop-Pole Atch	(5,908,473 10)	
856	4540	Total			(9,599,801 29)	Sch A-2 In 105
857						
858	4560	Other Electric Revenues	4560010	Oth Elect Rev - Royalties	(946,623 47)	
859			4560012	Oth Elect Rev - Nonaffiliated	(1,622,464 30)	
860			4560013	Oth Elect Rev-Trans-Nonaffil	(855,192 59)	
861			4560015	Other Electric Revenues - ABD	(1,112,333 92)	
862			4560025	Plant Operations O/H Revenues	(2,867,188 87)	
863			4560038	DSM Security Deposit Revenues	0 00	
864			4560041	Miscellaneous Revenue-NonAffil	0 00	
865			4560050	Oth Elec Rev-Coal Trd Rlzd G-L	0 00	
866	4560	Total			(7,403,603 15)	Sch A-2 In 105
867						
868	4561	Revenues from Trans of Elec of Others	4561008	SPP Non-Affil Base Funding Rev	(28,476,752 11)	
869			4561009	SPP Affil Base Funding Cost	16,819,995 13	
870			4561010	SPP Affil Base Funding Rev	(22,976,523 60)	
871			4561011	SPP Pt to Pt Trans Serv Rev	(5,725,200 95)	
872			4561012	SPP Direct Assignment	(1,254,602 73)	
873			4561013	SPP Affiliated NITS Revenue	(82,547,540 13)	
874			4561014	SPP Ancillary Services	(479,222 71)	
875			4561015	SPP Ancillary Schedule 1	(362,832 54)	
876			4561016	SPP Affiliated Trans NITS Cost	61,875,826 82	
877			4561017	Oth Elect Revenues - Ancillary	(840 00)	
878			4561021	SPP NITS	(27,962,011 96)	
879			4561038	SPP Pt to Pt Trans Affil Cost	0 00	
880			4561039	SPP Pt to Pt Trans Affil Rev	0 00	
881			4561040	Affil SPPAncillary Sch 1 Cost	589,378 86	
882			4561041	Affil SPPAncillary Sch 1 Rev	(772,680 40)	
883			4561042	SPP Base Funding - Contra	(982,208 40)	
884			4561062	PROVISION RTO Cost - Affi	1,019,310 00	
885			4561063	PROVISION RTO Rev Affiliated	(1,349,664 00)	
886			4561065	PROVISION RTO Rev - NonAff	(3,630,222 18)	
887			4561073	PROVISION RTO Rev-Affil NoElm	(2,293,574 94)	
888			4561064	PROVISION RTO Rev WhslCus-NAF	0 00	
889	4561	Total			(98,509,365 85)	Sch A-2 In 105
890						
891	5000	Oper Supervision & Engineering	5000000	Oper Supervision & Engineering	21,378,303 83	

SOUTHWESTERN ELECTRIC POWER COMPANY
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Line No	(1) FERC Account	(2) FERC Account Description	(3) Account	(4) Account Description	(5) Test Year Ending Balance	(6) Schedule A-2 Reference
892			5000001	Oper Super & Eng-RATA-Affil	266,933 20	
893	5000	Total			21,645,237 03	Sch A-2 In 4, 5, 7
894						
895	5010	Fuel	5010000	Fuel	6,144,474 70	
896			5010001	Fuel Consumed	164,610,037 24	
897			5010003	Fuel - Procure Unload & Handle	9,637,567 71	
898			5010012	Ash Sales Proceeds	(5,781,132 16)	
899			5010013	Fuel Survey Activity	(3,294,136 32)	
900			5010018	Lignite Consumed	149,051,932 21	
901			5010019	Fuel Oil Consumed	1,585,876 39	
902			5010020	Nat Gas Consumed Steam	24,450,626 95	
903			5010021	Transp Gas Consumed Steam	377,513 36	
904			5010034	Gas Transp Res Fees- Steam	2,995,378 50	
905			5010035	Gas Transp Res Fees - CC	6,247,620 00	
906			5010036	Nat Gas Consumed CC	43,357,060 73	
907			5010037	Transportation Gas CC	248,273 58	
908	5010	Total			399,631,092 89	Sch A-2 In 1, 4, 5
909						
910	5020	Steam Expenses	5020000	Steam Expenses	11,526,977 49	
911			5020001	Lime Expense	1,555,627 59	
912			5020002	Urea Expense	13,969 87	
913			5020004	Limestone Expense	1,662,022 86	
914			5020005	Polymer expense	2,578 11	
915			5020006	Consumable Expense-Deferred	(502,558 11)	
916			5020007	Lime Hydrate Expense	152,324 64	
917			5020008	Activated Carbon	3,060,921 29	
918			5020013	Anhydrous Ammonia Expense	797,967 46	
919			5020014	Calcium Bromide Expense	121,723 90	
920			5020016	Dole Hills Misc Reagents	13,057 89	
921			5020025	Steam Exp Environmental	188,023 21	
922			5020034	Emulsified Sulphur Expense	99,681 48	
923			5020035	Dibasic Acid (DBA) Expense	220,180 64	
924			5020036	Arkansas Environm Amortzd Exp	185,824 74	
925	5020	Total			19,098,323 05	Sch A-2 In 4, 5, 7
926						
927	5050	Electric Expenses	5050000	Electric Expenses	10,576,275 12	
928	5050	Total			10,576,275 12	Sch A-2 In 4, 5, 7
929						
930	5060	Misc Steam Power Expenses	5060000	Misc Steam Power Expenses	16,480,377 02	
931			5060011	BSRR O/U Recovery-Oper Costs	50 80	
932	5060	Total			16,480,427 82	Sch A-2 In 4, 5, 7
933						
934	5070	Rents	5070006	Rents - Associated	3,339 44	
935	5070	Total			3,339 44	Sch A-2 In 3, 5
936						
937	5080	Operation Supplies and Expenses	5080017	IPP Oper - Training/Travel	0 00	
938	5080	Total			0 00	
939						
940	5090	Allowance Consumption SO2	5090008	Deferred Enviro Emission Costs	293,869 11	
941			5090012	CSAPR AN NOx Cons Exp	0 00	
942			5090013	CSAPR Seasonal NOx Cons Exp	39,992 76	
943	5090	Total			333,861 87	Sch A-2 In 7
944						
945	5100	Maint Supv & Engineering	5100000	Maint Supv & Engineering	5,221,988 14	
946	5100	Total			5,221,988 14	Sch A-2 In 4, 5, 8
947						
948	5110	Maintenance of Structures	5110000	Maintenance of Structures	5,930,495 88	
949			5110001	Dresden Maint of Structures	0 00	
950	5110	Total			5,930,495 88	Sch A-2 In 4, 5, 8
951						
952	5120	Maintenance of Boiler Plant	5120000	Maintenance of Boiler Plant	36,897,470 75	
953			5120001	Dresden Main of Boiler plant	18.33	
954			5120025	Maint of Blr Plt Environmental	1,939 80	
955	5120	Total			36,899,426 88	Sch A-2 In 4, 5, 8
956						
957	5130	Maintenance of Electric Plant	5130000	Maintenance of Electric Plant	8,232,372 74	
958	5130	Total			8,232,372 74	Sch A-2 In 4, 5, 8
959						
960	5140	Maintenance of Misc Steam Plt	5140000	Maintenance of Misc Steam Plt	7,151,128 19	
961	5140	Total			7,151,128 19	Sch A-2 In 4, 5, 8
962						
963	5170	Oper Supervision & Engineering	5170000	Oper Supervision & Engineering	0 00	
964	5170	Total			0 00	
965						
966	5460	Oper Supervision & Engineering	5460000	Oper Supervision & Engineering	4,833.14	
967	5460	Total			4,833 14	Sch A-2 In 5, 7
968						
969	5470	Fuel	5470001	Fuel - Gas Turbine	4,549,505 21	
970			5470003	Gas Transp Res Fees - CT	5,764,500 00	
971			5470005	Gas Transp Fees - CT	206,431 48	
972	5470	Total			10,520,436 69	Sch A-2, In 1, 5

SOUTHWESTERN ELECTRIC POWER COMPANY
Detail Trial Balance
For the Test Year Ended March 31, 2020

Line No	(1) FERC Account	(2) FERC Account Description	(3) Account	(4) Account Description	(5) Test Year Ending Balance	(6) Schedule A-2 Reference
973						
974	5480	Generation Expenses	5480000	Generation Expenses	257,827 43	
975	5480 Total				257,827 43	Sch A-2 In 4, 5, 8
976						
977	5490	Misc Other Pwr Generation Exp	5490000	Misc Other Pwr Generation Exp	6,031 16	
978	5490 Total				6,031 16	Sch A-2 In 3, 5
979						
980	5510	Maint Supv & Engineering	5510000	Maint Supv & Engineering	(34 50)	
981	5510 Total				(34 50)	Sch A-2 In 5
982						
983	5520	Maintenance of Structures	5520001	Maint of Struct - Gas Turbine	960 74	
984	5520 Total				960 74	Sch A-2 In 4, 5, 8
985						
986	5530	Maintenance of Generating Plt	5530001	Maint of Gen Plant - Gas Turb	827,969 99	
987	5530 Total				827,969 99	Sch A-2 In 4, 5, 8
988						
989	5540	Maint of Misc Oth Pwr Gneratn	5540001	Maint of Oth Pwr Gen Plt-GT	81,758 69	
990	5540 Total				81,758 69	Sch A-2 In 3
991						
992	5550	Purchased Power	5550001	Purch Pwr-NonTrading-Nonassoc	115,508,866 48	
993			5550003	Purchased Power - Cogeneration	143,687 97	
994			5550023	Purch Power Capacity - NA	4,197,634 73	
995			5550024	Purchase Power ERCOT	4,314 52	
996			5550026	Purchase Power - Fuel - ERCOT	613,010 32	
997			5550032	Gas-Conversion-Mone Plant	(3 33)	
998			5550047	Purchase Power Wind Energy	67,106,304 26	
999			5550054	Purch Power ERCOT-Non-ded	571 60	
1000			5550066	SPP Rev Neutrality Ded-Purch	7,116,120 44	
1001			5550128	SPP Net Purch that serve OSS	17,653,999 38	
1002			5550130	SPP Net Marginal Losses LSE	5,517,666 76	
1003			5550131	SPP Congestion Costs LSE	15,112,746 46	
1004			5550133	SPP TCR's & ARR's LSE	(25,156,893 79)	
1005			5550136	SPP MakeWholePymt Charge Gross	4,344,467 11	
1006			5550138	SPP MakeWholePymt Credit (Net)	(8,747,116 37)	
1007			5550320	SPP Net Regulation LSE	2,555,259 09	
1008			5550321	SPP Net Spinning Reserve LSE	913,915 19	
1009			5550324	SPP Net Supp Reserve LSE	677,195 12	
1010			5550325	SPP Contingency Costs LSE	49,373 86	
1011	5550 Total				207,609,119 80	Sch A-2, In 2
1012						
1013	5560	Sys Control & Load Dispatching	5560000	Sys Control & Load Dispatching	1,494,471 89	
1014	5560 Total				1,494,471 89	Sch A-2 In 3, 5
1015						
1016	5570	Other Expenses	5570000	Other Expenses	3,303,305 93	
1017			5570004	Deferred Fuel	(1,485,797 84)	
1018			5570024	MATL-REPAIR PARTS	5,201 05	
1019	5570 Total				1,822,709 14	Sch A-2 In 5, 9
1020						
1021	5600	Oper Supervision & Engineering	5600000	Oper Supervision & Engineering	10,546,442 66	
1022	5600 Total				10,546,442 66	Sch A-2 In 4, 5, 10
1023						
1024	5611	Load Dispatch-Reliability	5611000	Load Dispatch - Reliability	0 00	
1025	5611 Total				0.00	
1026						
1027	5612	Load Dispatch-Mntr&Op TransSys	5612000	Load Dispatch-Mntr&Op TransSys	1,073,773 80	
1028	5612 Total				1,073,773 80	Sch A-2 In 4, 5, 10
1029						
1030	5613	Load Dispatch-Trans Srvc&Sched	5613000	Load Dispatch-Trans Srvc&Sched	417 41	
1031	5613 Total				417 41	Sch A-2 In 3, 5
1032						
1033	5614	Sched, Sys Control & Dispatch	5614002	SPP Admin-SSC&DS	11,575,557 88	
1034			5614005	ERCOT Admin-SSC&DS	1,480 34	
1035			5614006	SPP Transmission Charges	(31,889 77)	
1036			5614007	RTO Admin Default LSE	0 00	
1037	5614 Total				11,545,148 45	Sch A-2 In 3
1038						
1039	5615	Reliability,Plng&Stds Develop	5615000	Reliability,Plng&Stds Develop	251,830 67	
1040	5615 Total				251,830 67	Sch A-2 In 3, 5
1041						
1042	5618	Reliability,Plng&Stds Develop Services	5618002	SPP Admin-RP&SDS	914,530 46	
1043					914,530 46	Sch A-2 In 3
1044						
1045	5620	Station Expenses	5620001	Station Expenses - Nonassoc	1,235,007 24	
1046	5620 Total				1,235,007 24	Sch A-2 In 4, 5, 10
1047						
1048	5630	Overhead Line Expenses	5630000	Overhead Line Expenses	430,198 64	
1049	5630 Total				430,198 64	Sch A-2 In 4, 5, 10
1050						
1051	5640	Underground Line Expenses	5640000	Underground Line Expenses	1,573 09	
1052	5640 Total				1,573 09	Sch A-2 In 3, 5
1053						

SOUTHWESTERN ELECTRIC POWER COMPANY
Detail Trial Balance
For the Test Year Ended March 31, 2020

Line No	(1) FERC Account	(2) FERC Account Description	(3) Account	(4) Account Description	(5) Test Year Ending Balance	(6) Schedule A-2 Reference
1054	5650	Trmsmission of Elect by Others	5650001	Transmsn Elec by Others-Assoc	44,208 48	
1055			5650002	Transmsn Elec by Others-NAC	6,057,792 00	
1056			5650009	SPP Affiliated Transmission Ex	12,986,283 00	
1057			5650013	SPP Affil Base Funding Exp	7,218,315 55	
1058			5650014	SPP Non-Affil Base Funding Exp	46,575,396 06	
1059			5650020	PROVISION RTO Affil Expense	(4,066,840 63)	
1060			5650022	SPP NITS Expense - Nonaffil	2,139,485 91	
1061			5650046	SPP Transmission Expense	(20,143 98)	
1062			5650048	Affil SPPAncillary Sch 1 Exp	199,999 71	
1063			5650052	SPP Transmission - Contra	2,107,208 40	
1064	5650 Total				73,241,704 50	Sch A-2, ln 10
1065						
1066	5660	Misc Transmission Expenses	5660000	Misc Transmission Expenses	2,921,363 07	
1067			5660004	SPP FERC Assessment Fees	0 00	
1068			5660011	Misc Transm Exp - Affiliate	3,544 85	
1069	5660 Total				2,924,907 92	Sch A-2 ln 4, 5, 10
1070						
1071	5670	Rents	5670001	Rents - Nonassociated	25,508 46	
1072	5670 Total				25,508 46	Sch A-2, ln 3, 5
1073						
1074	5680	Maint Supv & Engineering	5680000	Maint Supv & Engineering	15,701 82	
1075	5680 Total				15,701 82	Sch A-2 ln 4, 5, 11
1076						
1077	5690	Maintenance of Structures	5690000	Maintenance of Structures	36,340 67	
1078	5690 Total				36,340 67	Sch A-2 ln 4, 5, 11
1079						
1080	5691	Maint of Computer Hardware	5691000	Maint of Computer Hardware	9,937 22	
1081	5691 Total				9,937 22	Sch A-2 ln 5
1082						
1083	5692	Maint of Computer Software	5692000	Maint of Computer Software	642,127 58	
1084	5692 Total				642,127 58	Sch A-2 ln 3, 5
1085						
1086	5693	Maint of Communication Equip	5693000	Maint of Communication Equip	56,944 31	
1087	5693 Total				56,944 31	Sch A-2 ln 3, 5
1088						
1089	5700	Maint of Station Equipment	5700000	Maint of Station Equipment	2,651,012 68	
1090	5700 Total				2,651,012 68	Sch A-2 ln 4, 5, 11
1091						
1092	5710	Maintenance of Overhead Lines	5710000	Maintenance of Overhead Lines	14,533,315 04	
1093	5710 Total				14,533,315 04	Sch A-2 ln 4, 5, 11
1094						
1095	5720	Maintenance of Underground Lines	5720000	Maint of Underground Lines	11,239 14	
1096	5720 Total				11,239 14	Sch A-2 ln 3, 5
1097						
1098	5730	Maintenance of Miscellaneous Transmission F	5730000	Maint of Misc Trmsmission Pit	85,868 65	
1099	5730 Total				85,868 65	Sch A-2 ln 3, 5
1100						
1101	5757	Market Facil, Monitoring & Compl	5757002	SPP Admin-MAM&SC	2,366,890 74	
1102	5757 Total				2,366,890 74	Sch A-2, ln 3
1103						
1104	5800	Oper Supervision & Engineering	5800000	Oper Supervision & Engineering	2,632,858 74	
1105	5800 Total				2,632,858 74	Sch A-2 ln 4, 5, 12
1106						
1107	5810	Load Dispatching	5810000	Load Dispatching	62,781 39	
1108	5810 Total				62,781 39	Sch A-2 ln 5, 12
1109						
1110	5820	Station Expenses	5820000	Station Expenses	749,111 83	
1111	5820 Total				749,111 83	Sch A-2 ln 4, 5, 12
1112						
1113	5830	Overhead Line Expenses	5830000	Overhead Line Expenses	1,752,384 05	
1114	5830 Total				1,752,384 05	Sch A-2 ln 4, 5, 12
1115						
1116	5840	Underground Line Expenses	5840000	Underground Line Expenses	1,383,496 94	
1117	5840 Total				1,383,496 94	Sch A-2 ln 4, 5, 12
1118						
1119	5850	Street Lighting & Signal Sys E	5850000	Street Lighting & Signal Sys E	162,030 20	
1120	5850 Total				162,030 20	Sch A-2 ln 4, 12
1121						
1122	5860	Meter Expenses	5860000	Meter Expenses	3,819,315 90	
1123	5860 Total				3,819,315 90	Sch A-2 ln 4, 5, 12
1124						
1125	5870	Customer Installations Exp	5870000	Customer Installations Exp	410,741 85	
1126	5870 Total				410,741 85	Sch A-2 ln 4, 5, 12
1127						
1128	5880	Miscellaneous Distribution Exp	5880000	Miscellaneous Distribution Exp	20,017,606 33	
1129	5880 Total				20,017,606 33	Sch A-2 ln 4, 5, 12
1130						
1131	5890	Rents	5890001	Rents - Nonassociated	863,192 81	
1132			5890002	Rents - Associated	26,650 19	
1133	5890 Total				889,843 00	Sch A-2, ln 3, 5
1134						

SOUTHWESTERN ELECTRIC POWER COMPANY
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Line No	(1) FERC Account	(2) FERC Account Description	(3) Account	(4) Account Description	(5) Test Year Ending Balance	(6) Schedule A-2 Reference
1135	5900	Maint Supv & Engineering	5900000	Maint Supv & Engineering	166,883 08	
1136	5900 Total				166,883 08	Sch A-2 In 4, 5, 13
1137						
1138	5910	Maintenance of Structures	5910000	Maintenance of Structures	39,491 11	
1139	5910 Total				39,491 11	Sch A-2 In 4, 5, 13
1140						
1141	5920	Maint of Station Equipment	5920000	Maint of Station Equipment	2,040,674 45	
1142	5920 Total				2,040,674 45	Sch A-2 In 4, 5, 13
1143						
1144	5930	Maintenance of Overhead Lines	5930000	Maintenance of Overhead Lines	57,550,018 97	
1145	5930 Total				57,550,018 97	Sch A-2 In 4, 5, 13
1146						
1147	5940	Maint of Underground Lines	5940000	Maint of Underground Lines	660,415 10	
1148	5940 Total				660,415 10	Sch A-2 In 4, 5, 13
1149						
1150	5950	Maint of Lne Trmf,Rglators&Dvi	5950000	Maint of Lne Trmf,Rglators&Dvi	140,635 88	
1151	5950 Total				140,635 88	Sch A-2 In 4, 5, 13
1152						
1153	5960	Maint of Strt Lghtng & Sgnal S	5960000	Maint of Strt Lghtng & Sgnal S	303,595 21	
1154	5960 Total				303,595 21	Sch A-2 In 4, 5, 13
1155						
1156	5970	Maintenance of Meters	5970000	Maintenance of Meters	442,928 42	
1157	5970 Total				442,928 42	Sch A-2 In 4, 5, 13
1158						
1159	5980	Maint of Misc Distribution Plt	5980000	Maint of Misc Distribution Plt	371,392 87	
1160	5980 Total				371,392 87	Sch A-2 In 4, 5, 13
1161						
1162	8140	Underground Storage Expenses	8140000	Underground Storage Expenses	52 73	
1163	8140 Total				52 73	Sch A-2 In 8
1164						
1165	9010	Supervision - Customer Accts	9010000	Supervision - Customer Accts	781,491 40	
1166	9010 Total				781,491 40	Sch A-2 In 4, 5, 14
1167						
1168	9020	Meter Reading Expenses	9020000	Meter Reading Expenses	427,540 21	
1169			9020001	Customer Card Reading	0 00	
1170			9020002	Meter Reading - Regular	2,063,086 77	
1171			9020003	Meter Reading - Large Power	117,537 73	
1172			9020004	Read-In & Read-Out Meters	6,675 30	
1173	9020 Total				2,614,840 02	Sch A-2 In 4, 5, 14
1174						
1175	9030	Cust Records & Collection Exp	9030000	Cust Records & Collection Exp	2,232,611 63	
1176			9030001	Customer Orders & Inquiries	9,976,899 21	
1177			9030002	Manual Billing	54,009 42	
1178			9030003	Postage - Customer Bills	1,458,665 85	
1179			9030004	Cashiering	93,751 92	
1180			9030005	Collection Agents Fees & Exp	205,117 06	
1181			9030006	Credit & Oth Collection Activi	2,251,124 67	
1182			9030007	Collectors	1,111,109 78	
1183			9030009	Data Processing	414,266 79	
1184	9030 Total				17,797,556 34	Sch A-2 In 4, 5, 14
1185						
1186	9040	Uncollectible Accounts	9040007	Uncoll Accts - Misc Receivable	724,395 04	
1187	9040 Total				724,395 04	Sch A-2, In 3
1188						
1189	9050	Misc Customer Accounts Exp	9050000	Misc Customer Accounts Exp	101,498 10	
1190	9050 Total				101,498 10	Sch A-2 In 3, 5
1191						
1192	9070	Supervision - Customer Service	9070000	Supervision - Customer Service	800,402 40	
1193			9070001	Supervision - DSM	6,184,355 55	
1194			9070014	DSM Costs Deferred - TEXAS	444,360 57	
1195	9070 Total				7,429,118 52	Sch A-2 In 4, 5, 15
1196						
1197	9080	Customer Assistance Expenses	9080000	Customer Assistance Expenses	2,105,810 41	
1198			9080004	Cust Assistnce Exp - DSM - Ind	13 71	
1199			9080009	Cust Assistance Expense - DSM	9,576,849 07	
1200			9080014	DSM Costs Deferred	3,346,822 32	
1201	9080 Total				15,029,495 51	Sch A-2 In 4, 5, 15
1202						
1203	9090	Information & Instruct Advrts	9090000	Information & Instruct Advrts	0 00	
1204	9090 Total				0 00	
1205						
1206	9100	Misc Cust Svc & Informational Expense	9100000	Misc Cust Svc&informational Ex	25,496 20	
1207			9100001	Misc Cust Svc & Info Exp - RCS	1,912 40	
1208	9100 Total				27,408 60	Sch A-2 In 5
1209						
1210	9110	Supervision	9110001	Supervision - Residential	2,160 15	
1211			9110002	Supervision - Comm & Ind	38 29	
1212	9110 Total				2,198 44	Sch A-2 In 5
1213						
1214	9120	Demonstrating and Selling Expenses	9120000	Demonstrating & Selling Exp	265,760 78	
1215			9120001	Demo & Selling Exp - Res	125 87	

SOUTHWESTERN ELECTRIC POWER COMPANY
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Line No	(1) FERC Account	(2) FERC Account Description	(3) Account	(4) Account Description	(5) Test Year Ending Balance	(6) Schedule A-2 Reference
1216			9120003	Demo & Selling Exp - Area Dev	89 15	
1217	9120	Total			265,975 80	Sch A-2 In 5, 16
1218						
1219	9200	Administrative & Gen Salaries	9200000	Administrative & Gen Salaries	32,325,718 28	
1220	9200	Total			32,325,718 28	Sch A-2 In 4, 5, 17
1221						
1222	9210	Office Supplies and Expenses	9210001	Off Supl & Exp - Nonassociated	2,793,676 09	
1223			9210002	Off Supl & Exp - Associated	137,158 15	
1224			9210003	Office Supplies & Exp - Trnsf	2,363 66	
1225			9210004	Office Utilities	350 65	
1226			9210005	Cellular Phones and Pagers	128 02	
1227			9210006	O&M Reconciliation	(0 01)	
1228			9210021	EMP TRAVEL - Airfare	3,632 29	
1229			9210022	MEALS & ENT-100 Pct DEDUCTIBLE	1,850 22	
1230			9210023	EMP TRAVEL-MILEAGE	255 77	
1231			9210024	EMP TRAVEL-PARKING	302 23	
1232			9210025	MEALS & ENT-50 Pct DEDUCTIBLE	331 60	
1233			9210026	EMP TRAVEL-CAR RENTAL	450 49	
1234			9210027	EMP TRAVEL-TAXI AND SHUTTLE	66 45	
1235			9210028	EMP TRAVEL-HOTEL & LODGING	3,675 93	
1236			9210030	EMP TRAVEL-OTHER	609 63	
1237			9210031	SAFETY EQUIPMENT AND SUPPLIE	242 60	
1238			9210032	FUEL	16 26	
1239			9210033	FOOD SERVICE-CATERING	226 53	
1240			9210034	In-House Training & Seminars	1,132 59	
1241			9210035	RECRUITING AND SCREENING	13 45	
1242			9210036	SAFETY TRAINING	1,070 77	
1243			9210040	DUES-BUSINESS/PROFESSIONAL	90 72	
1244	9210	Total			2,947,644 09	Sch A-2 In 5, 17
1245						
1246	9220	Administrative Exp Trnsf - Cr	9220000	Administrative Exp Trnsf - Cr	(2,350,385 09)	
1247			9220001	Admin Exp Trnsf to Cnstrction	(2,055,846 00)	
1248			9220004	Admin Exp Trnsf to ABD	(24,737 66)	
1249	9220	Total			(4,430,968 75)	Sch A-2 In 4, 5, 17
1250						
1251	9230	Outside Services Employed	9230001	Outside Svcs Empl - Nonassoc	9,236,676 93	
1252			9230003	AEPSC Billed to Client Co	462,246 17	
1253			9230024	SRV-MAIL/MESSENGER-POSTAGE	5 21	
1254			9230025	SRV-CONSULTING	13,484 80	
1255			9230034	SRV-SOFTWARE LICENSING	67 51	
1256			9230035	Development Project Expense	19 11	
1257	9230	Total			9,712,499 73	Sch A-2 In 3, 5
1258						
1259	9240	Property Insurance	9240000	Property Insurance	2,428,223 48	
1260	9240	Total			2,428,223 48	Sch A-2 In 5, 17
1261						
1262	9250	Injures and Damages	9250000	Injuries and Damages	3,271,618 91	
1263			9250001	Safety Dinners and Awards	602 67	
1264			9250002	Emp Accident Prvntion-Adm Exp	382,061 34	
1265			9250004	Injuries to Employees	0 00	
1266			9250006	Wrkrs Cmpnstn Pre&Slf Ins Prv	420,000 29	
1267			9250007	Prsnal Injnes&Prop Dmge-Pub	(40,650 76)	
1268			9250010	Frg Ben Loading - Workers Comp	(375,955 02)	
1269	9250	Total			3,657,677 43	Sch A-2 In 4, 5, 17
1270						
1271	9260	Employee Pensions & Benefits	9260000	Employee Pensions & Benefits	(1,352,469 33)	
1272			9260001	Edit & Print Empl Pub-Salaries	21,205 66	
1273			9260002	Pension & Group Ins Admin	60,739 06	
1274			9260003	Pension Plan	8,879,378 47	
1275			9260004	Group Life Insurance Premiums	602,755 61	
1276			9260005	Group Medical Ins Premiums	17,588,052 95	
1277			9260006	Physical Examinations	410 00	
1278			9260007	Group L-T Disability Ins Prem	813,927 84	
1279			9260009	Group Dental Insurance Prem	663,696 27	
1280			9260010	Training Administration Exp	10,263 79	
1281			9260012	Employee Activities	63,971 59	
1282			9260014	Educational Assistance Pmts	114,969 59	
1283			9260021	Postretirement Benefits - OPEB	779,388 53	
1284			9260027	Savings Plan Contributions	6,272,732 48	
1285			9260036	Deferred Compensation	(6,493 74)	
1286			9260037	Supplemental Pension	7,966 47	
1287			9260040	SFAS 112 Postemployment Benef	2,466,637 00	
1288			9260042	SERP Pension - Non-Service	85,215 47	
1289			9260043	OPEB - Non-Service	(7,135,165 75)	
1290			9260050	Frg Ben Loading - Pension	(3,031,459 92)	
1291			9260051	Frg Ben Loading - Grp Ins	(6,406,907 41)	
1292			9260052	Frg Ben Loading - Savings	(2,138,390 71)	
1293			9260053	Frg Ben Loading - OPEB	(511,859 18)	
1294			9260055	IntercoFringeOffset- Don't Use	(3,445,020 09)	
1295			9260057	Postret Ben Medicare Subsidy	0 00	
1296			9260058	Frg Ben Loading - Accrual	(129,980 41)	

SOUTHWESTERN ELECTRIC POWER COMPANY
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Line No	(1) FERC Account	(2) FERC Account Description	(3) Account	(4) Account Description	(5) Test Year Ending Balance	(6) Schedule A-2 Reference
1297			9260060	Amort-Post Retirement Benefit	533,310 00	
1298			9260062	Pension Plan - Non-Service	(1,433,783 25)	
1299	9260	Total			13,373,090 99	Sch A-2 ln 5, 19
1300						
1301	9280	Regulatory Commission Exp	9280000	Regulatory Commission Exp	12,252 67	
1302			9280001	Regulatory Commission Exp-Adm	46,248 60	
1303			9280002	Regulatory Commission Exp-Case	2,497,183 70	
1304			9280003	Rate Case Amort	39,028 74	
1305			9280005	Reg Com Exp-FERC Trans Cases	30,047 58	
1306	9280	Total			2,624,761 29	Sch A-2 ln 4, 5, 17
1307						
1308	9301	General Advertising Expenses	9301000	General Advertising Expenses	164,228 90	
1309			9301001	Newspaper Advertising Space	25,275 40	
1310			9301002	Radio Station Advertising Time	17,484 36	
1311			9301003	TV Station Advertising Time	3,150 00	
1312			9301010	Publicity	1,409 13	
1313			9301012	Public Opinion Surveys	34,011 77	
1314			9301014	Video Communications	66 34	
1315			9301015	Other Corporate Comm Exp	72,393 40	
1316	9301	Total			318,019 30	Sch A-2 ln 5, 17
1317						
1318	9302	General Advertising Expenses	9302000	Misc General Expenses	1,012,354 25	
1319			9302003	Corporate & Fiscal Expenses	75,112 41	
1320			9302004	Research, Develop&Demonstr Exp	505 39	
1321			9302006	Assoc Bus Dev - Materials Sold	35,385 82	
1322			9302007	Assoc Business Development Exp	600,931 94	
1323			9302458	AEPS Non Affiliated expenses	0 00	
1324	9302	Total			1,724,289 81	Sch A-2 ln 4, 5, 17
1325						
1326	9310	Rents	9310000	Rents	0 00	
1327			9310001	Rents - Real Property	203,087 00	
1328			9310002	Rents - Personal Property	316,426 82	
1329			9310005	Int on Regulated Fin Leases	489,022 87	
1330	9310	Total			1,008,536 69	Sch A-2, ln 3, 5
1331						
1332	9350	Maintenance of General Plant	9350000	Maintenance of General Plant	19,141 55	
1333			9350001	Maint of Structures - Owned	1,286,885 99	
1334			9350002	Maint of Structures - Leased	7,415 38	
1335			9350012	Maint of Data Equipment	37,106 00	
1336			9350013	Maint of Cmmncaton Eq-Unall	2,814,823 81	
1337			9350015	Maint of Office Furniture & Eq	2,264,239 98	
1338			9350016	Maintenance of Video Equipment	40 32	
1339			9350017	Maint of Misc General Property	7 77	
1340			9350019	Maint of Gen Plant-SCADA Equ	2,710 09	
1341			9350024	Maint of DA-AMI Comm Equip	3,643 20	
1342	9350	Total			6,436,014 08	Sch A-2 ln 4, 5, 18
					(145,982,724 62)	

SOUTHWESTERN ELECTRIC POWER COMPANY
Unadjusted Operation and Maintenance Expense
For the Test Year Ended March 31, 2020

Line No	(1) Description	(2) FERC Acct No	(3) Amount (1)
1	<u>POWER PRODUCTION EXPENSES</u>		
2	<u>Steam Power Generation</u>		
3	Rents	507	(0)
4	<u>Other Power Generation</u>		
5	Misc other power generation expenses	549	(140)
6	Maint of Misc other power gen plant	554	81,759
7	System control and load dispatching	556	(11,692)
8	Total Production Expense - Other		69,927
9	Total Power Production Expense		69,927
10	<u>TRANSMISSION EXPENSES</u>		
11	Load dispatch - trans service and scheduling	561 3	6,549
12	Scheduling, system control and dispatch services	561 4	11,545,148
13	Reliability planning and standards development	561 5	(26)
14	Reliability planning and standards devel services	561 8	914,530
15	Underground line expenses	564	(42,616)
16	Rents	567	25,376
17	SPP Admin-MAM&SC	5757	2,366,891
18	Maintenance of computer software	569 2	361,128
19	Maintenance of computer equipment	569 3	56,882
20	Maintenance of Underground Lines	572	11,359
21	Maintenance of Miscellaneous Transmission Plant	573	73,004
22	Total Transmission Expenses		15,318,225
23	<u>DISTRIBUTION EXPENSES</u>		
24	Rents	589	862,797
25	<u>CUSTOMER SVC AND INFO EXPENSES</u>		
26	Uncollectible accounts	904	724,395
27	Miscellaneous customer accounts exp	905	72,320
28			796,715
29	<u>ADMIN AND GENERAL EXPENSES</u>		
30	Outside services employed	923	4,863,340
31	Property Insurance	924	0
32	Rents	931	925,614
33	Total Administrative and General Expense		5,788,954
34	Total Unadjusted O & M Expenses		22,836,617

(1) Amounts shown do not reflect payroll and affiliate charges recorded to these accounts as shown on WP/A-2 1

SOUTHWESTERN ELECTRIC POWER COMPANY
Rate Base and Return - Total Company
For the Test Year Ended March 31, 2020

Line No	(1)	(2) Schedule Reference	(3) Per Books Total Company *	(4) Adjustments		(5) Total Requested
				Proforma Adjustment	Post Test Year Adjustment	
1	Original cost of plant in service	C-1	9,262,354,949	59,960,988		9,322,315,937
2	Accum provision for depreciation	D-1	(3,329,123,077)	133,944,841		(3,195,178,236)
3	Net Electric plant in service		5,933,231,872	193,905,829	0	6,127,137,701
4	Electric plant held for future use	C-1	1,044,101	(823,186)		220,915
5	Dolet Hills Mine FAS 143 ARO Asset	C-1	61,976,617	(61,976,617)		0
6	Electric Plant Purchased or Sold	C-1	64,005	(64,005)		0
7	Leases	B-1	105,842,819	(105,842,819)		0
8	Accumulated Provision - Leased Assets	B-1	(31,065,524)	31,065,524		0
9	Completed construction not classified	C-1	319,647,154	0		319,647,154
10	Construction work in progress	C-1	226,392,894	(226,392,894)		0
11	Plant Acquisition	C-1	18,043,976	(18,043,976)		0
12	Accumulated Provision - Plant Acquisition	D-1	(18,043,976)	18,043,976		0
13	Other Electric Plant Adjustments					
14	Turk Impairments	B-1	(51,821,999)	0		(51,821,999)
15	TX Trans Veg Mgmt Cost Wrtieoff	B-1	(1,471,585)	0		(1,471,585)
16	TX Dist Veg Mgmt Cost Wrtieoff	B-1	(3,993,357)	0		(3,993,357)
17	SERP	B-1	(637,842)	0		(637,842)
18	CWIP FinBased Incen	B-1	(12,432,748)	0		(12,432,748)
19	RWIP FinBased Incen	B-1	(499,903)	0		(499,903)

SOUTHWESTERN ELECTRIC POWER COMPANY
Rate Base and Return - Total Company
For the Test Year Ended March 31, 2020

Line No	(1)	(2) Schedule Reference	(3) Per Books Total Company *	(4) Adjustments		(5) Total Requested
				Proforma Adjustment	Post Test Year Adjustment	
20	Working capital					
21	Materials and supplies	E-1	70,436,747	(913,340)		69,523,407
22	Fuel inventories	E-1	105,918,091	(19,211,748)		86,706,344
23	Prepayments	E-1	17,148,962	83,452,444		100,601,406
24	Working cash allowance	E-4	(145,220,159)	0		(145,220,159)
25	Customer deposits	E-6	(65,072,259)	0		(65,072,259)
26	Deferred investment credits (pre-1971)	G-7.4	0	0		0
27	Accumulated deferred taxes on income	G-7.4	(1,270,549,476)	291,719,543		(978,829,932)
28	Accum DIT - Reg assets & liabilities	G-7.4	412,675,897	(35,506,191)		377,169,706
29	SFAS #109 Regulatory Assets & Liabilities	A-4	(412,675,887)	35,506,181		(377,169,706)
30	SFAS #106 Medicare Subsidy	A-4	2,533,221	0		2,533,221
31	Other Rate Base Adjustments					
32	IPP Credit	A-4, In 498	(7,532,556)	0		(7,532,556)
33	Trading Deposits	A-4, In 96,99	2,092,064	0		2,092,064
34	Excess Earnings deferral	A-4, In 509	(2,453,476)	0		(2,453,476)
35	Advances for Construction	A-4, In 502	0	0		0
36	Investment in Oxbow	A-4, In 79	0	16,576,181		16,576,181
37	T V Pole Attachments	A-4, In 497	(831,313)	0		(831,313)
38	Sabine Mine Reclamation	A-4, In 455	(0)	(64,960,236)		(64,960,236)
39	Total original cost rate base		5,252,746,362	136,534,666	0	5,389,281,028
40	Weighted average cost of capital	K-1				7.22%
41	Total return					389,318,076

* Amounts for "Per Books Total Company" are the same as amounts
for "Per Books Total Electric"

SOUTHWESTERN ELECTRIC POWER COMPANY
Rate Base and Return - Texas Retail
For the Test Year Ended March 31, 2020

Line No	(1) Description	(2) Schedule Reference	(3) Per Books Total Company *	(4) Adjustments	(5) Requested Total Company	(6) Adjustments (A)	(7) Requested Texas Retail
1	Original cost of plant in service	C-1	\$ 9,262,354,949	59,960,988	\$ 9,322,315,937	\$ (5,788,735,558)	\$3,533,580,379
2	Less Accum provision for depreciation	D-1	(3,329,123,077)	133,944,841	(3,195,178,236)	1,989,393,012	(1,205,785,224)
3	Net Electric plant in service		\$ 5,933,231,872	\$ 193,905,829	\$ 6,127,137,701	\$ (3,799,342,546)	\$ 2,327,795,155
4	Electric plant held for future use	C-1	1,044,101	(823,186)	220,915	0	220,915
5	Dolet Hills Mine FAS 143 ARO Asset	C-1	61,976,617	(61,976,617)	0	0	0
6	Electric Plant Purchased or Sold	C-1	64,005	(64,005)	0	0	0
7	Leases	C-1	105,842,819	(105,842,819)	0	0	0
8	Accumulated Provision - Leased Assets	D-1	(31,065,524)	31,065,524	0	0	0
9	Completed construction not classified	C-1	319,647,154	0	319,647,154	(189,810,684)	\$129,836,470
10	Construction work in progress	C-1	226,392,894	(226,392,894)	0	0	0
11	Plant Acquisition	C-1	18,043,976	(18,043,976)	0	0	0
12	Accumulated Provision - Plant Acquisition	D-1	(18,043,976)	18,043,976	0	0	0
13	Other Electric Plant Adjustments						
14	Turk Impairments	B-1	(51,821,999)	0	(51,821,999)	0	(51,821,999)
15	TX Trans Veg Mgmt Cost Wrtieoff	B-1	(1,471,585)	0	(1,471,585)	0	(1,471,585)
16	TX Dist Veg Mgmt Cost Wrtieoff	B-1	(3,993,357)	0	(3,993,357)	0	(3,993,357)
17	SERP	B-1	(637,842)	0	(637,842)	(0)	(637,842)
18	CWIP FinBased Incen	B-1	(12,432,748)	0	(12,432,748)	(0)	(12,432,748)
19	RWIP FinBased Incen	B-1	(499,903)	0	(499,903)	0	(499,903)

SOUTHWESTERN ELECTRIC POWER COMPANY
Rate Base and Return - Texas Retail
For the Test Year Ended March 31, 2020

(1)	(2)	(3)	(4)	(5)	(6)	(7)
Line No	Description	Schedule Reference	Per Books Total Company *	Adjustments	Requested Total Company	Requested Texas Retail
20	Working capital					
21	Materials and supplies	E-1	70,436,747	(913,340)	69,523,407	25,827,992
22	Fuel inventories	E-1	105,918,091	(19,211,748)	86,706,344	32,048,295
23	Prepayments	E-1	17,148,962	83,452,444	100,601,406	36,990,597
24	Working cash allowance	E-4	(145,220,159)	0	(145,220,159)	(54,580,497)
25	Customer deposits	E-6	(65,072,259)	0	(65,072,259)	(14,926,505)
26	Deferred investment credits (pre-1971)	G-7.4	0	0	0	0
27	Accumulated deferred taxes on income	G-7.4	(1,270,549,476)	291,719,543	(978,829,932)	(371,341,206)
28	Accum DFIT - Reg assets & liabilities	G-7.4	412,675,897	(35,506,191)	377,169,706	139,277,839
29	SFAS #109 Regulatory Assets & Liabilities	A-4	(412,675,887)	35,506,181	(377,169,706)	(139,277,839)
30	SFAS #106 Medicare Subsidy	A-4	2,533,221	0	2,533,221	939,474
31	Other Rate Base Adjustments					
32	IPP Credit	A-4, In 498	(7,532,556)	0	(7,532,556)	(3,295,863)
33	Trading Deposits	A-4, In 96,99	2,092,064	0	2,092,064	772,562
34	Excess Earnings deferral	A-4, In 509	(2,453,476)	0	(2,453,476)	(2,453,476)
35	Advances for Construction		0	0	0	0
36	Investment in Oxbow	A-4, In 79	0	16,576,181	16,576,181	6,126,868
37	T V Pole Attachments	A-4, In 497	(831,313)	0	(831,313)	(292,913)
38	Sabine mine reclamation	A-4, In 455	(0)	(64,960,236)	(64,960,236)	(17,267,715)
39	Total original cost rate base		<u>\$ 5,252,746,362</u>	<u>\$ 136,534,666</u>	<u>\$ 5,389,281,028</u>	<u>\$ (3,363,738,308)</u>
40	Weighted average cost of capital	K-1			<u>7.22%</u>	<u>7.22%</u>
41	Total return				<u>\$ 389,318,076</u>	<u>\$ 146,323,859</u>

* Amounts for "Per Books Total Company" are the same as amounts for "Per Books Total Electric".

(A) Adjustments reflect difference between Requested Total Company amounts and Texas jurisdictional amounts.