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SOAH DOCKET NO. 473-12-7519
PUC DOCKET NO. 40443

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APPLICATION OF SOUTHWESTERN § BEFORE THE STATE OFFICE
ELECTRIC POWER COMPANY FOR §
AUTHORITY TO CHANGE RATES § OF
AND RECONCILE FUEL COSTS § ADMINISTRATIVE HEARINGS

**SOUTHWESTERN ELECTRIC POWER COMPANY'S RESPONSE TO
CITIES SERVED BY SWEPCO'S SEVENTH REQUEST FOR INFORMATION**

OCTOBER 11, 2012

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**SOAH DOCKET NO. 473-12-7519
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| APPLICATION OF SOUTHWESTERN ELECTRIC POWER COMPANY FOR AUTHORITY TO CHANGE RATES AND RECONCILE FUEL COSTS | § § § § | BEFORE THE STATE OFFICE OF ADMINISTRATIVE HEARINGS |
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**SOUTHWESTERN ELECTRIC POWER COMPANY'S RESPONSE TO
CITIES SERVED BY SWEPCO'S SEVENTH REQUEST FOR INFORMATION**

Question No. CJ 7-1:

With respect to Aaron testimony, page 26-27, please provide a step-by-step description of the procedure for reducing jurisdictional demands in order to account for customer supplied generation. Provide all of the calculations in Excel format.

Response No. CJ 7-1:

The reduction to jurisdictional demands in order to account for customer (i.e., SWEPCO wholesale customer) supplied generation is shown in the attached EXCEL file WP/EX JOA-3 (Production Allocation). The procedure as shown on WP/EX JOA-3 is to simply reduce the average of the peak kW demand values for the months June to September by the wholesale customer's supplied resources which are specified in the respective wholesale customer's contract.

The information is provided on CD in Excel format as requested.

Prepared By: John O. Aaron
Sponsored By: John O. Aaron

Title: Mgr Reg Pricing & Analysis
Title: Mgr Reg Pricing & Analysis

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**APPLICATION OF SOUTHWESTERN
ELECTRIC POWER COMPANY FOR
AUTHORITY TO CHANGE RATES AND
RECONCILE FUEL COSTS**

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**BEFORE THE STATE OFFICE
OF
ADMINISTRATIVE HEARINGS**

**SOUTHWESTERN ELECTRIC POWER COMPANY'S RESPONSE TO
CITIES SERVED BY SWEPCO'S SEVENTH REQUEST FOR INFORMATION**

Question No. CJ 7-2:

For each jurisdictional company which was subject to adjustments to reflect the fact that SWEPCO production facilities were not "fully utilized" (Aaron, p. 26, 1. 18-19) to serve wholesale customers, provide; (a) the impact of the customer supplied generation on SWEPCO's dispatch of capacity and energy to that customer; (b) the specific generation units which are displaced by the customer supplied generation; (c) whether the customer supplied generation operates in a baseload or peaking mode; (d) whether the customer supplied generation will reduce the applicable jurisdictional company's use of Turk generated energy; (e) if "no" to 'd,' please explain why not; (f) if "yes", to 'd,' quantify the reduction in Turk energy delivered to the operating company.

Response No. CJ 7-2:

- a) The wholesale customer supplied generation is dispatched by SWEPCO to meet the combined needs of SWEPCO's system including both the retail and wholesale jurisdictions. The net effect of the wholesale customer supplied generation is to lower the capacity and energy requirements supplied from the SWEPCO generation facilities.
- b) No specific generation units were displaced by the wholesale customer supplied generation since the wholesale customer supplied generation is dispatched together with the SWEPCO generation to meet the combined system requirements.
- c) The wholesale customer supplied generation includes peaking, intermediate, and base load resources which are dispatched by SWEPCO at a capacity factor that is similar to the dispatch of the SWEPCO fleet. The individual resources and their mode of dispatch are shown below:

| Customer | MW | Mode |
|-------------------|---------|--------------|
| Minden Hydro | 2.400 | Intermediate |
| NTEC Credit | 398.228 | Various |
| Bentonville Hydro | 18.000 | Intermediate |
| TEXLA Hydro | 0.700 | Intermediate |
| Rayburn Hydro | 1.600 | Intermediate |
| TEXLA EPI | 10.000 | Peaking |
| TEXLA HCPP | 20.000 | Intermediate |
| ETEC HCPP | 20.000 | Intermediate |

- d) No. Please see SWEPCO's response to sub-parts (a) & (b).
- e) Please see SWEPCO's response to sub-parts (a) & (b).

Prepared By: John O. Aaron
Sponsored By: John O. Aaron
Naim Hakimi
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Title: Mgr Reg Pricing & Analysis
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Dir Long Term Markets
Mng Dir Res Plnning &Op Analysis

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**SOUTHWESTERN ELECTRIC POWER COMPANY'S RESPONSE TO
CITIES SERVED BY SWEPCO'S SEVENTH REQUEST FOR INFORMATION**

Question No. CJ 7-3:

With respect to Aaron testimony, page 28, is the transmission associated with SWEPCO's former TNC area included in SPP Zone 1? If not, please specify the applicable RTO zone, and state how it affects transmission allocation.

Response No. CJ 7-3:

Yes.

Prepared By: John O. Aaron
Sponsored By: John O. Aaron

Title: Mgr Reg Pricing & Analysis
Title: Mgr Reg Pricing & Analysis

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| APPLICATION OF SOUTHWESTERN | § | BEFORE THE STATE OFFICE |
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**SOUTHWESTERN ELECTRIC POWER COMPANY'S RESPONSE TO
CITIES SERVED BY SWEPCO'S SEVENTH REQUEST FOR INFORMATION**

Question No. CJ 7-4:

Does SWEPCO pay VEMCO for use of VEMCO's transmission facilities when SWEPCO transmits power from the purchase power agreement it assumed? Please provide details regarding this arrangement, including compensation for use of delivery facilities.

Response No. CJ 7-4:

No. There are no arrangements between SWEPCO and VEMCO as the two entities have merged into one. SWEPCO charges the VEMCO customers the same transmission rates embedded in rates that it charges its other customers in Louisiana.

Prepared By: Brandon C. Bradford
Sponsored By: Thomas P. Brice

Title: Regulatory Analyst II
Title: Dir Regulatory Svcs

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| APPLICATION OF SOUTHWESTERN ELECTRIC POWER COMPANY FOR AUTHORITY TO CHANGE RATES AND RECONCILE FUEL COSTS | § § § § § | BEFORE THE STATE OFFICE OF ADMINISTRATIVE HEARINGS |
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**SOUTHWESTERN ELECTRIC POWER COMPANY'S RESPONSE TO
CITIES SERVED BY SWEPCO'S SEVENTH REQUEST FOR INFORMATION**

Question No. CJ 7-5:

Please provide a detailed explanation of the allocation of customer-related costs to street lighting. As part of this answer, provide the source and basis of the numerator and denominator of the street lighting customer allocation factors and the source and justification for any weighting factors.

Response No. CJ 7-5:

Table 1 contains the customer-related accounts and amounts allocated to street lighting (municipal lighting and public highway lighting) in SWEPCO's class cost-of-service study. Table 2 contains the external allocation factors applied to the customer-related accounts allocated to lighting: CUST902 (meter reading), CUST903 (customer counts) and REVSALES (base revenues). CUST902 (meter reading) reflects the time it takes to read each type of customer meter installed. A 1.12 weighting factor for metering used for public lighting reflects a \$0.78 cost per read compared to a \$0.70 cost per read for a residential meter, which serves as the base for the meter reading cost weighting. Please see Attachment 1 (Account 902) for the supporting workpaper. CUST903 (customer counts) reflects the weighted billing time for each customer class. No weighting factor was applied to the customer counts for the street lighting classification. Please also see Attachment 1 (Account 903) for the supporting workpaper. REVSALES (base revenue) reflects the actual test year base revenues by customer class.

| TABLE 1 | | | | |
|-------------------------------|------------|--------------|-----------|---------|
| | | Texas Retail | MUNICIPAL | PUBLIC |
| | | Total | LIGHTING | HIGHWAY |
| CUSTOMER ACCOUNTS EXPENSES | | | | |
| OPERATION | | | | |
| 901-SUPERVISION & ENGR | LAB902_905 | 302,804 | 461 | 78 |
| 902-METER READING | CUST902 | 1,519,083 | - | 222 |
| 903-CUST ACCT & COLL-GENL | CUSER5 | - | - | - |
| CUST ACCT & COLL-BILLING | CUST903 | 6,530,041 | 3,440 | 2,350 |
| FACTORING EXP | REVSALES | 1,869,793 | 15,289 | 231 |
| INTEREST ON CUSTOMER DEPOSITS | CUSTDEPA | 14,993 | 1 | - |
| TOTAL 903 | | 8,414,828 | 18,730 | 2,581 |
| 904-UNCOLLECTABLE | REVSALES | 97,148 | 794 | 12 |
| 905-MISCELLANEOUS | LAB902_903 | 47,577 | 72 | 12 |
| TOT CUSTOMER ACCOUNTS | | 10,381,440 | 20,058 | 2,905 |

| TABLE 2 | | | |
|-------------------------|----------------------------|-----------------------------|----------------------------|
| | Cust902 (Meter Reading) | Cust903 (Customer Count) | Revsales (Base Revenue) |
| Residential | | | |
| Basic RS | 146,265 | 146,265 | 103,494,273 |
| Commercial | | | |
| GS w/Demand | 11,226 | 10,023 | 10,922,451 |
| GS w/o Demand | 12,608 | 11,258 | 4,405,248 |
| Cotton Gin | 8 | 7 | 117,381 |
| Electric Furnace | 1 | 1 | 54,510 |
| GS Pri | 3 | 3 | 256,971 |
| Light & Power Sec | 11,208 | 10,934 | 71,566,222 |
| Light & Power Pri | 848 | 2,942 | 18,637,775 |
| Light & Power Tran | 2 | 2 | 678,134 |
| Industrial | | | |
| LLP Pri | 2 | 1,380 | 4,579,982 |
| LLP Tran | 6 | 4,940 | 15,902,195 |
| Oilfield Pri | 342 | 259 | 923,356 |
| Metal Melting Pri | 3 | 541 | 322,276 |
| Metal Melting Tran | 1 | 540 | 1,077,073 |
| Special Contracts | 1 | 540 | 4,068,260 |
| Municipal | | | |
| Pumping Service | 673 | 601 | 1,644,150 |
| Municipal Service | 1,290 | 1,151 | 1,017,192 |
| Lighting | | | |
| Municipal Lighting | - | 101 | 2,009,233 |
| Public Highway | 27 | 69 | 30,342 |
| Private/Area Lighting | - | - | 3,929,715 |
| Customer Owned Lighting | 168 | 150 | 87,424 |
| Total | 184,682 | 191,706 | 245,724,163 |

Prepared By: Earlyne T. Reynolds
Sponsored By: John O. Aaron

Title: Regulatory Consultant
Title: Mgr Reg Pricing & Analysis

Southwestern Electric Power Company
Meter Reading Expense - Account 902
For Test Year Ending December 31, 2011

| Texas | Rate | Voltage | Year-end Number of Customers | Cost per Read | Meter Read Weight | Weighted Customers |
|---|-------------------------|---------|------------------------------------|---------------|----------------------|-----------------------|
| Residential - Controlled Service to WH | 11 Sec. | | 0 | \$ 0.70 | 1.00 | 0 |
| Residential Service w/Space Heating and Water Heating | 12 Sec. | | 165 | \$ 0.70 | 1.00 | 165 |
| Residential | 15, 62 Sec. | | 127,635 | \$ 0.70 | 1.00 | 127,635 |
| Residential Service w/Space Heating | 16 Sec. | | 77 | \$ 0.70 | 1.00 | 77 |
| Residential - U/G Service | 19 Sec. | | 18,388 | \$ 0.70 | 1.00 | 18,388 |
| Residential - Multiple Dwelling - U/G Service | 37 Sec. | | 0 | | | 0 |
| Residential - Multiple Dwelling | 38 Sec. | | 0 | | | 0 |
| Total Residential | | | 146,265 | | | 146,266 |
| GS - Churches, Schools, Ath Fields w/Demand Mtr w/C-1Rider | 206 Sec. | 0 | \$ 0.78 | 1.12 | 0 | |
| GS - Churches, Schools, Ath Fields w/out Demand Mtr w/C-1 Rider | 208 Sec. | 0 | \$ 0.78 | 1.12 | 0 | |
| GS - w/Demand Mtr w/C1 Rider | 211 Sec. | 0 | \$ 0.78 | 1.12 | 0 | |
| GS - w/out Demand Mtr w/C-1 Rider | 219 Sec. | 0 | \$ 0.78 | 1.12 | 0 | |
| Lighting & Power W/ C-1 Rider | 241 Sec. | 0 | \$ 0.78 | 1.12 | 0 | |
| Lighting & Power W/ C-1 Rider | 247 Pri. | 0 | \$ 0.78 | 1.12 | 0 | |
| Municipal Service W/ C-1 Rider | 545 Sec. | 0 | \$ 0.78 | 1.12 | 0 | |
| Total C-1 | | 0 | | | 0 | |
| Master Metered Apts - Lighting & Power | 60 Sec. | 12 | \$ 0.78 | 1.12 | 13 | |
| Master Metered Apts - Lighting & Power W/C-2 | 63 Sec. | 7 | \$ 0.78 | 1.12 | 8 | |
| Master Metered Apts - Lighting & Power | 66 Pri. | 2 | \$ 0.78 | 1.12 | 2 | |
| GS - W/ C2 | 200 Sec. | 400 | \$ 0.78 | 1.12 | 448 | |
| Commercial Service | 201 Sec. | 0 | \$ 0.78 | 1.12 | 53 | |
| Customer Supplied Lighting Service | 203 Sec. | 47 | \$ 0.78 | 1.12 | 53 | |
| Recreational Lighting | 204 Sec. | 78 | \$ 0.78 | 1.12 | 87 | |
| GS - Churches, Schools, Ath Fields w/Demand Mtr | 205 Sec. | 771 | \$ 0.78 | 1.12 | 864 | |
| GS - Churches, Schools, Ath Fields w/C-2Rider | 207 Sec. | 161 | \$ 0.78 | 1.12 | 180 | |
| GS - Churches, Schools, Ath Fields w/out Demand Mtr | 208 Sec. | 954 | \$ 0.78 | 1.12 | 1,068 | |
| GS - w/Demand Mtr | 210 Sec. | 7,250 | \$ 0.78 | 1.12 | 8,120 | |
| GS - w/C-2 Rider | 212 Sec. | 800 | \$ 0.78 | 1.12 | 896 | |
| General Service Secondary | 215 Sec. | 638 | \$ 0.78 | 1.12 | 715 | |
| GS - w/out Demand Mtr | 218 Sec. | 10,304 | \$ 0.78 | 1.12 | 11,540 | |
| General Service Heating Secondary | 224 Sec. | 3 | \$ 0.78 | 1.12 | 3 | |
| General Service Primary Sub | 235 Pri Sub | 1 | \$ 0.78 | 1.12 | 1 | |
| General Service Primary | 238 Pri | 2 | \$ 0.78 | 1.12 | 2 | |
| Lighting & Power Service | 240 Sec. | 7,771 | \$ 0.78 | 1.12 | 8,704 | |
| Lighting & Power W/ C-2 Rider | 243 Sec. | 2,217 | \$ 0.78 | 1.12 | 2,483 | |
| Lighting & Power | 246, 276 Pri. | 738 | \$ 0.78 | 1.12 | 827 | |
| Lighting & Power W/ C-2 Rider | 249 Pri. | 14 | \$ 0.78 | 1.12 | 16 | |
| Lighting & Power Primary Sub | 251 Pri Sub | 2 | \$ 0.78 | 1.12 | 2 | |
| Lighting & Power 69KV | 252 69-T | 1 | \$ 0.78 | 1.12 | 1 | |
| Cotton Gin Service | 253 Sec. | 7 | \$ 0.78 | 1.12 | 8 | |
| Commercial Service Heating | 260 Sec. | 0 | \$ 0.78 | 1.12 | 0 | |
| Large Power Service Pri Sub | 257 Pri-Sub | 0 | \$ 0.78 | 1.12 | 0 | |
| Lighting & Power 138KV | 254 138-T | 1 | \$ 0.78 | 1.12 | 1 | |
| GS - Net Meter | 270 Sec. | 0 | \$ 0.78 | 1.12 | 0 | |
| Lighting & Power - Substation | 277 Pri-Sub | 1 | \$ 0.78 | 1.12 | 1 | |
| Total Commercial/Small Industrial | | 32,182 | | | 36,043 | |
| Metal Melting - 69 KV | 321 69-T | 1 | \$ 0.92 | 1.32 | 1 | |
| Metal Melting - Distribution | 325 Pri. | 2 | \$ 0.92 | 1.32 | 3 | |
| Electric Furnace Service | 312 Sec. | 1 | \$ 0.92 | 1.32 | 1 | |
| Special Contracts | 328 138-T | 1 | \$ 0.92 | 1.32 | 1 | |
| Oil Field Industrial Power | 329 Pri. | 259 | \$ 0.92 | 1.32 | 342 | |
| Large Light & Power - 69KV | 342 69-T | 1 | \$ 0.92 | 1.32 | 1 | |
| Large Light & Power - 138KV | 344 138-T | 4 | \$ 0.92 | 1.32 | 5 | |
| Large Light & Power | 346 Pri. | 1 | \$ 0.92 | 1.32 | 1 | |
| Large Light & Power - Substation | 351 Pri. - S | 1 | \$ 0.92 | 1.32 | 1 | |
| Total Industrial** | | 271 | | | 356 | |
| Municipal Pumping Service | 540, 541, 543, 550 Sec. | 601 | \$ 0.78 | 1.12 | 673 | |
| Municipal Service | 544 Sec. | 1,146 | \$ 0.78 | 1.12 | 1,284 | |
| Municipal Service W/ C-2 Rider | 548 Sec. | 5 | \$ 0.78 | 1.12 | 6 | |
| Total Municipal | | 1,752 | | | 1,963 | |
| Private, Outdoor, & Area Lighting | 90-143 Sec. | | | | | |
| Street Lighting Service | 521 Sec. | | | | | |
| Highway Safety Lighting Service | 532 Sec. | 25 | \$ 0.78 | 1.12 | 28 | |
| Municipal Street & Parkway Lighting | 528, 529, 535, 538 Sec. | | | | | |
| Public Street and Highway Lights | 534, 539, 739 Sec. | 24 | \$ 0.78 | 1.12 | 27 | |
| Total Lighting* | | 24 | | | 55 | |
| Total Firm Retail | | 180,494 | | | 184,682 | |
| As Available | 240 Sec. | 0 | | | | |
| Interruptible Power | 320 138-T | 3 | \$ 0.92 | 1.32 | 4 | |
| Interruptible Power | 324 Sec. | 0 | \$ 0.92 | 1.32 | 0 | |
| As Available | 246, 276 Pri. | 0 | | | | |
| Interruptible Power | 323 Pri. | 0 | | | | |
| Curtailable | 328 138-T | 0 | | | | |
| Off-Peak | 328 138-T | 0 | | | | |
| Emergency | 328 138-T | 0 | | | | |
| Turbine - Overhaul | 328 138-T | 0 | | | | |
| As Available | 344 138-T | 0 | | | | |
| Total Non-Firm | | 3 | | | 4 | |
| Total Texas Retail | | 180,497 | | | 184,686 | |
| 12.5 KV (NT) | | 10 | \$ 0.92 | 1.32 | 13 | |
| 69 KV (NT) | | 19 | \$ 0.92 | 1.32 | 25 | |
| 138 KV (NT) | | 24 | \$ 0.92 | 1.32 | 32 | |
| 69 KV (ET) | | 1 | \$ 0.92 | 1.32 | 1 | |
| 138 KV (ET) | | 4 | \$ 0.92 | 1.32 | 5 | |
| 69 KV (TX) | | 1 | \$ 0.92 | 1.32 | 1 | |
| 138 KV (TX) | | 3 | \$ 0.92 | 1.32 | 4 | |
| 346 KV (TX EDC) | | 1 | \$ 0.92 | 1.32 | 1 | |
| 12.5 KV (RA) | | 1 | \$ 0.92 | 1.32 | 1 | |
| 138 KV (RA) | | 3 | \$ 0.92 | 1.32 | 4 | |
| Texas Wholesale/Firm Transmission** | | 67 | | | 87 | |
| Total Texas | | 180,564 | | | 184,773 | |
| *Meter count for Lighting | | | | | | |
| **Remotely-read cost not included in 902, MV90 cost included in 902 | | | | | | |
| Total SWEPCO | | 520,507 | | | 530,069 | |
| Prepared by: John Hackerott Shawna Jones Ron Colwell | | | | | | |

Southwestern Electric Power Company
Calculation of Customer Accounting and Collecting Weights - Account 903
For Test Year Ending December 31, 2011

| Texas | Rate | Voltage | Year-end Number of Customers | System Bill Customers | Manual Bill Customers | Manual Bill Time In Minutes | Manual Bill Weighted Customers | Adjusted Customers | |
|---|-------------------------|-------------|------------------------------------|--------------------------|--------------------------|--------------------------------|-----------------------------------|-----------------------|----------------------------------|
| Residential - Controlled Service to WH | | 11 Sec. | 0 | - | - | - | - | - | |
| Residential Service w/Space Heating and Water Heating | 15, 62 | 12 Sec. | 165 | 165 | - | - | - | 165 | Residential |
| Residential | | Sec. | 127,635 | 127,635 | - | - | - | 127,635 | 12/15/19/196 Basic RS 146,255 |
| Residential - U/G Service | | 16 Sec. | 77 | 77 | - | - | - | 77 | |
| Residential - Multiple Dwelling - U/G Service | | 19 Sec. | 18,388 | 18,388 | - | - | - | 18,388 | Commercial |
| Residential - Multiple Dwelling | | 37 Sec. | 0 | - | - | - | - | 0 | 200/205/207/ GS w/Oman 10,023 |
| Total Residential | | 38 Sec. | 0 | - | - | - | - | 0 | 206/216 GS w/Oman 11,258 |
| | | | 146,265 | 146,265 | - | - | - | 146,265 | 253 Cotton Gin 7 |
| GS - Churches, Schools, Ath Fields w/Demand Mtr w/C-1 Rider | | 206 Sec. | 0 | - | - | - | - | 0 | 312 Electric Furn 1 |
| GS - Churches, Schools, Ath Fields w/out Demand Mtr w/C-1 Rider | | 209 Sec. | 0 | - | - | - | - | 0 | 235/238 GS Pri 3 |
| GS - w/Demand Mtr w/C1 Rider | | 211 Sec. | 0 | - | - | - | - | 0 | 69/52/40/24 Light & Power 10,934 |
| GS - w/out Demand Mtr w/C-1 Rider | | 219 Sec. | 0 | - | - | - | - | 0 | 69/246/276/2 Light & Power 2,942 |
| Lighting & Power W/ C-1 Rider | | 241 Sec. | 0 | - | - | - | - | 0 | 251/254 Light & Power 2 |
| Lighting & Power W/ C-1 Rider | | 247 Ptl | 0 | - | - | - | - | 0 | Industrial |
| Municipal Service W/ C-1 Rider | | 645 Sec. | 0 | - | - | - | - | 0 | 346/351 LLP Pri 1,380 |
| Total C-1 | | | 0 | 0 | - | - | - | 0 | 342/344 LLP Tran 4,940 |
| | | | | | | | | | 329 Offield Pri 259 |
| Master Metered Apts - Lighting & Power | | 60 Sec. | 12 | 12 | - | - | - | 12 | 325 Metal Melting 541 |
| Master Metered Apts - Lighting & Power W/C-2 | | 63 Sec. | 7 | 7 | - | - | - | 7 | 321 Metal Melting 540 |
| Master Metered Apts - Lighting & Power | | 66 Ptl | 2 | 2 | - | - | - | 2 | 328 Special Contr 540 |
| GS - W/ C2 | | 200 Sec. | 400 | 400 | - | - | - | 400 | Municipal |
| Commercial Service | | 201 Sec. | 0 | - | - | - | - | 0 | 540/550/541/2 Pumping Sen 601 |
| Customer Supplied Lighting Service | | 203 Sec. | 47 | 47 | - | - | - | 47 | 544/548 Municipal Ser 1,151 |
| Recreational Lighting | | 204 Sec. | 78 | 78 | - | - | - | 78 | Lighting |
| GS - Churches, Schools, Ath Fields w/Demand Mtr | | 205 Sec. | 771 | 771 | - | - | - | 771 | 521/525/298 Municipal Lgt 101 |
| GS - Churches, Schools, Ath Fields w/C-2 Rider | | 207 Sec. | 161 | 161 | - | - | - | 161 | 534/535/239 Public Highw 88 |
| GS - Churches, Schools, Ath Fields w/out Demand Mtr | | 208 Sec. | 954 | 954 | - | - | - | 954 | 90-143 Private/Area L 0 |
| GS - w/Demand Mtr | | 210 Sec. | 7,250 | 7,250 | - | - | - | 7,250 | 532/203/204 Customer Ov 150 |
| GS - w/C-2 Rider | | 212 Sec. | 800 | 800 | - | - | - | 800 | Total 191,706 |
| General Service Secondary | | 215 Sec. | 638 | 638 | - | - | - | 638 | |
| GS - w/out Demand Mtr | | 218 Sec. | 10,304 | 10,304 | - | - | - | 10,304 | Excludes lighting and non-firm |
| General Service Heating Secondary | | 224 Sec. | 3 | 3 | - | - | - | 3 | |
| General Service Primary Sub | | 235 Ptl Sub | 1 | 1 | - | - | - | 1 | |
| General Service Primary | | 238 Ptl | 2 | 2 | - | - | - | 2 | |
| Lighting & Power Service | | 240 Sec. | 7,771 | 7,768 | 3 | 10.3 | 929.9 | 8,696 | |
| Lighting & Power W/ C-2 Rider | | 243 Sec. | 2,217 | 2,217 | - | - | - | 2,217 | |
| Lighting & Power | 246, 276 Ptl | 249 Ptl | 738 | 734 | 4 | 13.8 | 1,649.9 | 2,384 | |
| Lighting & Power W/ C-2 Rider | | 251 Ptl Sub | 14 | 14 | - | - | - | 14 | |
| Lighting & Power Primary Sub | | 252 89-T | 2 | 2 | - | - | - | 2 | |
| Lighting & Power 69KV | | 253 Sec. | 7 | 7 | - | - | - | 7 | |
| Cotton Gin Service | | 260 Sec. | 0 | - | - | - | - | 0 | |
| Commercial Service Heating | | 257 Ptl-Sub | 0 | - | - | - | - | 0 | |
| Large Power Service Ptl Sub | | 254 138-T | 1 | 1 | - | - | - | 1 | |
| Lighting & Power 138KV | | 270 Sec. | 0 | - | - | - | - | 0 | |
| GS - Net Meter | | 277 Ptl-Sub | 1 | - | 1 | 18.00 | 540.0 | 540 | |
| Lighting & Power - Substation | | | | | | | | | |
| Total Commercial/Small Industrial | | | 32,182 | 32,174 | 8 | | 3,120 | 35,294 | |
| Metal Melting - 69 KV | | 321 69-T | 1 | - | 1 | 18.0 | 540.0 | 540 | |
| Metal Melting - Distribution | | 325 Ptl | 2 | 1 | 1 | 18.0 | 540.0 | 541 | |
| Electric Furnace Service | | 312 Sec | 1 | 1 | - | - | - | 1 | |
| Special Contracts | | 328 138-T | 1 | - | 1 | 18.0 | 540.0 | 540 | |
| Oil Field Industrial Power | | 329 Ptl | 259 | 259 | - | - | - | 259 | |
| Large Light & Power - 69KV | | 342 89-T | 1 | - | 1 | 18.0 | 540.0 | 540 | |
| Large Light & Power - 138KV | | 344 138-T | 4 | - | 4 | 36.7 | 4,399.7 | 4,400 | |
| Large Light & Power | | 346 Ptl | 1 | 1 | - | - | - | 1 | |
| Large Light & Power - Substation | | 361 Ptl - S | 1 | (1) | 2 | 23.0 | 1,379.9 | 1,379 | |
| Total Industrial | | | 271 | 261 | 10 | | 7,939 | 8,209 | |
| Municipal Pumping Service | 540, 541, 543, 550 Sec. | | 601 | 601 | - | - | - | 601 | |
| Municipal Service | 644 Sec. | | 1,146 | 1,146 | - | - | - | 1,146 | |
| Municipal Service W/ C-2 Rider | 645 Sec. | | 5 | 5 | - | - | - | 5 | |
| Total Municipal | | | 1,752 | 1,752 | - | - | 0 | 1,752 | |
| Private, Outdoor, & Area Lighting | 90-143 Sec. | | 0 | - | - | - | - | 0 | |
| Street Lighting Service | 821 Sec. | | 15 | 15 | - | - | - | 15 | |
| Highway Safety Lighting Service | 532 Sec. | | 25 | 25 | - | - | - | 25 | |
| Municipal Street & Parkway Lighting | 528, 529, 535, 536 Sec. | | 86 | 86 | - | - | - | 86 | |
| Public Street and Highway Lights | 534, 539, 739 Sec. | | 69 | 69 | - | - | - | 69 | |
| Total Lighting | | | 195 | 195 | - | - | - | 195 | |
| Total Firm Retail | | | 180,665 | 180,647 | 18 | | 11,059 | 191,706 | |
| As Available | 240 Sec. | | 0 | - | - | - | - | 0 | |
| Interruptible Power | 320 138-T | | 3 | 3 | - | - | - | 3 | |
| Interruptible Power | 324 Sec. | | 0 | - | - | - | - | 0 | |
| As Available | 246, 276 Ptl | | 0 | - | - | - | - | 0 | |
| Interruptible Power | 323 Ptl | | 0 | - | - | - | - | 0 | |
| Curtable | 326 138-T | | 0 | - | - | - | - | 0 | |
| OR-Peak | 328 138-T | | 0 | - | - | - | - | 0 | |
| Emergency | 328 138-T | | 0 | - | - | - | - | 0 | |
| Turbine - Overhaul | 328 138-T | | 0 | - | - | - | - | 0 | |
| As Available | 344 138-T | | 0 | - | - | - | - | 0 | |
| Total Non-Firm | | | 3 | 3 | - | - | 0 | 3 | |
| Total Texas Retail | | | 180,668 | 180,650 | 18 | | 11,059 | 191,708 | 34.9% |
| 12.5 KV (NT) | | | 10 | - | 10 | 0.7 | 206.5 | 207 | |
| 69 KV (NT) | | | 19 | - | 19 | 0.7 | 392.4 | 392 | |
| 138 KV (NT) | | | 24 | - | 24 | 0.7 | 495.7 | 496 | |
| 69 KV (ET) | | | 1 | - | 1 | 5.4 | 162.0 | 162 | |
| 138 KV (ET) | | | 4 | - | 4 | 5.4 | 648.0 | 648 | |
| 69 KV (TX) | | | 1 | - | 1 | 7.3 | 217.5 | 217 | |
| 138 KV (TX) | | | 3 | - | 3 | 7.3 | 652.5 | 652 | |
| 345 KV (TX EDC) | | | 1 | - | 1 | 11.0 | 330.0 | 330 | |
| 12.5 KV (RA) | | | 1 | - | 1 | 5.3 | 157.5 | 157 | |
| 138 KV (RA) | | | 3 | - | 3 | 5.3 | 472.5 | 472 | |
| Texas Wholesale/Firm Transmission | | | 67 | 0 | 67 | | 3,734 | 3,734 | 1.5% |
| Total Texas | | | 180,735 | 180,650 | 85 | | 14,794 | 195,444 | |
| Total SWEPCO | | | 521,910 | 520,894 | 116 | | 18,109 | 548,946 | 100.0% |

Prepared by: John Hackerott
Shawna Jones
Regina Watson

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**SOUTHWESTERN ELECTRIC POWER COMPANY'S RESPONSE TO
CITIES SERVED BY SWEPCO'S SEVENTH REQUEST FOR INFORMATION**

Question No. CJ 7-6:

Please provide the 4CP demand and Average Demand for Municipal Water Pumping for each of the previous five years.

Response No. CJ 7-6:

Please see the attachment for the SWEPCO Texas Municipal Water Pumping 4 CPs and annual average demand for the previous five years.

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Sponsored By: John O. Aaron

Title: Mgr Reg Pricing & Analysis
Title: Mgr Reg Pricing & Analysis

SWEPCO Municipal Water Pumping
Cities 7-6

| Municipal Pumping 4 CPs | | | | At Meter | At Meter | At Meter | Avg Annual |
|-------------------------|-------|-----------|------|----------|----------|------------------|------------|
| Year | Month | Date | Time | Class KW | 4 CP KW | Class Annual KWH | Demand |
| 2007 | 6 | 6/19/2007 | 17 | 7173 | | | |
| 2007 | 7 | 7/11/2007 | 17 | 7590 | | | |
| 2007 | 8 | 8/14/2007 | 16 | 6985 | | | |
| 2007 | 9 | 9/6/2007 | 17 | 5248 | 6749 | 56,846,633 | 6489 |
| 2008 | 6 | 6/4/2008 | 17 | 7397 | | | |
| 2008 | 7 | 7/29/2008 | 17 | 7849 | | | |
| 2008 | 8 | 8/4/2008 | 17 | 7925 | | | |
| 2008 | 9 | 9/11/2008 | 17 | 5468 | 7160 | 60,545,672 | 6912 |
| 2009 | 6 | 6/24/2009 | 17 | 8638 | | | |
| 2009 | 7 | 7/13/2009 | 17 | 10368 | | | |
| 2009 | 8 | 8/4/2009 | 17 | 5991 | | | |
| 2009 | 9 | 9/8/2009 | 16 | 8896 | 8473 | 59,255,954 | 6764 |
| 2010 | 6 | 6/22/2010 | 17 | 8473 | | | |
| 2010 | 7 | 7/15/2010 | 17 | 9040 | | | |
| 2010 | 8 | 8/11/2010 | 16 | 9481 | | | |
| 2010 | 9 | 9/17/2010 | 16 | 8750 | 8936 | 64,276,930 | 7338 |
| 2011 | 6 | 6/20/2011 | 17 | 9623 | | | |
| 2011 | 7 | 7/12/2011 | 17 | 7651 | | | |
| 2011 | 8 | 8/3/2011 | 17 | 8344 | | | |
| 2011 | 9 | 9/1/2011 | 17 | 8256 | 8469 | 66,040,796 | 7539 |

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**SOUTHWESTERN ELECTRIC POWER COMPANY'S RESPONSE TO
CITIES SERVED BY SWEPCO'S SEVENTH REQUEST FOR INFORMATION**

Question No. CJ 7-7:

Table 3 of Jackson's testimony shows that the Company's recommendation moves municipal street lighting from 0.38 RROR to 1.09. Why is municipal street lighting moved to above cost of service? Given the magnitude of the street lighting base revenue increase required to achieve unity cost of service, why is it reasonable to exceed that percentage increase in order to meet an above cost of service target?

Response No. CJ 7-7:

As detailed in the proposed revenue distribution, EXHIBIT JLJ-1, in order to mitigate the large increases and large impacts to certain classes, classes with similarly-situated customers were combined into a major rate class and the combined change in class revenue requirement at an equalized rate of return was applied to the individual classes. The Municipal Street Lighting (MSL) class was combined with the Public Street & Highway Lighting class and assigned a proposed revenue increase based on the combination of the two classes and not the individual class's equalized increase. The equalized base rate increase for the individual MSL class is 41.18% while the combined major class target increase is 47.50% based on the inclusion of the Public Street & Highway Lighting class. The target increase for the MSL class results in a proposed relative rate of return of 1.09 while the combined class recovers the total equalized revenue requirement for both classes. The MSL and Public Street & Highway Lighting classes are combined based on the settlement revenue distribution from Docket No. 37364.

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**SOUTHWESTERN ELECTRIC POWER COMPANY'S RESPONSE TO
CITIES SERVED BY SWEPCO'S SEVENTH REQUEST FOR INFORMATION**

Question No. CJ 7-8:

Please provide details of the cost components of the residential customer charge which justify the Company's proposed rate level.

Response No. CJ 7-8:

The cost components of the residential customer charge are included in the distribution customer function section of the filed cost-of-service study, Schedule P-5, starting at page 94. The cost components include the following FERC accounts:

Customer accounts expenses including:

- 901 Supervision,
- 902 Meter Reading Expense,
- 903 Customer Records and Collection Expense,
- 904 Uncollectible Accounts,
- 905 Miscellaneous Customer Accounts,
- 907 Supervision,
- 908 Customer Assistance Expense, and
- 909/910 Informational & Instructional Expense.

Operation and maintenance expense accounts including:

- 580 Operation Supervision & Engineering,
- 581 Load Dispatch,
- 586 Meter Expenses,
- 588 Miscellaneous Distribution Expense,
- 589 Rents,
- 590 Maintenance Supervision & Engineering,
- 593 Maintenance for Overhead Lines,
- and 597 Maintenance of Meters.

Administrative and general expense accounts including:

- 920 Administrative & General,
- 921 Office Supplies & Expenses,

922 Administrative Expenses Transferred-Credit,
923 Outside Services Employed,
924 Property Insurance,
925 Injuries & Damage,
926 Employee Pensions & Benefits,
928 Regulatory Commission Expenses, and
935 Maintenance of General Plant.

Plant accounts including: list 369 Services, and list 370 Meters.

The unit cost section of the filed class cost-of-service study, Schedule P-6 page 2 of 12, shows the distribution customer cost component on a per customer basis. At an equalized return, the customer cost component for the residential class is shown to be a per customer charge of over \$13.00. SWEPCO did not propose to increase the customer charge to the equalized level but instead adjusted each component of the residential rate structure (customer charge and energy charge) based on the target percent change as shown on the proposed revenue distribution. The rate structure components were adjusted by the same percentage in order to alleviate wide variations in customer impact based on individual customer usage patterns. The residential customer charge is proposed to be \$9.10, below the equalized customer charge level.

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**SOUTHWESTERN ELECTRIC POWER COMPANY'S RESPONSE TO
CITIES SERVED BY SWEPCO'S SEVENTH REQUEST FOR INFORMATION**

Question No. CJ 7-9:

Please provide a detailed explanation for the manner in which "net billable kWh supply" is calculated for the distributed renewable generation tariff

Response No. CJ 7-9:

Under the Metering and Billing for Distributed Renewable Generation tariff, SWEPCO will provide metering to register inflow and outflow of energy. If the kWh of electricity supplied by SWEPCO to the customer exceeds the kWh of electricity generated by the customer's renewable generation, the customer will be billed for the "net billable kWh" supplied by SWEPCO based on the metered inflow and outflow of energy. The "net billable kWh" are those kWh that exceed the outflow of energy produced by the customer's distributed renewable generation. For example, a customer generated 800 kWh as measured by the outflow register and the inflow register measured 1,000 kWh supplied by SWEPCO. The "net billable kWh" would equal 200.

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**SOUTHWESTERN ELECTRIC POWER COMPANY'S RESPONSE TO
CITIES SERVED BY SWEPCO'S SEVENTH REQUEST FOR INFORMATION**

Question No. CJ 7-10:

(a) Does the minimum bill provision of the GS and LP rate function as a demand ratchet? Please explain why or why not. (b) Has SWEPCO considered implementing relief for small commercial or low factor customers from the ratchet-like feature of the minimum bill? Why or why not?

Response No. CJ 7-10:

a) No, the minimum bill provision functions as a minimum bill. The minimum bill provision exists to recover some of the fixed costs of providing service based on the customer's load requirements. While the minimum bill does not cover the full cost of providing service, it does send a price signal to the customers that SWEPCO has assets in place to provide sufficient system capacity to meet customer demand. The minimum bill calculation is compared with the total charges (customer, demand, and energy) for the month and a minimum bill adjustment is made if the customer, demand, and energy charges are less than the calculated minimum bill.

A demand ratchet is generally used to determine demand charges that ensure that the customer pays an appropriate amount for facilities that are needed to serve an individual customer's load and is billed without comparison to the total charges calculated based on monthly usage.

b) The question assumes that the minimum bill is ratchet-like. The response to part (a) highlights the difference between the minimum bill provision and a demand ratchet. While both types of billing features serve to appropriately recover fixed costs that serve a customer's load requirements, they are different in their application.

SWEPCO has options for small commercial and low load factor customers. The proposed GS rate includes a feature that exempts small commercial customers that require less than 10 kW from the demand charge. Rider C-2 For Seasonal Electric Space Heating and the Off-Peak Rider to the Lighting and Power schedule are rider options available to customers that affect billing demand.

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**SOAH DOCKET NO. 473-12-7519
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**SOUTHWESTERN ELECTRIC POWER COMPANY'S RESPONSE TO
CITIES SERVED BY SWEPCO'S SEVENTH REQUEST FOR INFORMATION**

Question No. CJ 7-11:

Does SWEPCO treat the Economic Development rate as a retail discounted rate pursuant to PURA? If not, please explain why not. Are any allocable costs of EDR customers recovered from other customer classes?

Response No. CJ 7-11: _

SWEPCO has not made that determination at this time. SWEPCO does not have any customers taking service under the current or proposed Economic Development rider (EDR) so there are no allocable costs of EDR being recovered from other rate classes. Finding of Fact No. 30 of the final order in Docket No. 12213 stated that proper regulatory treatment of the EDR and its revenues and costs may be addressed in any future ratemaking case for SWEPCO that may arise while the EDR is still in effect or which uses a test year that reflects sales under the EDR on a prospective basis.

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**SOAH DOCKET NO. 473-12-7519
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**SOUTHWESTERN ELECTRIC POWER COMPANY'S RESPONSE TO
CITIES SERVED BY SWEPCO'S SEVENTH REQUEST FOR INFORMATION**

Question No. CJ 7-12:

Provide all cost justification for the Economic Development rate.

Response No. CJ 7-12:

SWEPCO's Experimental Economic Development (EDR) Rider was first approved in Docket No. 12213, *Petition of Southwestern Electric Power Company For Authority To Implement Experimental Economic Development Rider*. SWEPCO has not updated the original cost justification for the Experimental EDR rider in the current docket. In this filing, SWEPCO has requested to tighten the billing credit factor parameters originally approved in Docket No. 12213. The billing credit factor continues to apply only to the demand charges and the full energy and fuel charges must still be paid by any future EDR customer. The goal of the Experimental EDR Rider continues to be to stimulate economic activity and job creation.

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**SOUTHWESTERN ELECTRIC POWER COMPANY'S RESPONSE TO
CITIES SERVED BY SWEPCO'S SEVENTH REQUEST FOR INFORMATION**

Question No. CJ 7-13:

Does SWEPCO consider the interruptible rate to be a retail discounted rate? Why or why not.

Response No. CJ 7-13:

No, SWEPCO does not consider the interruptible rate to be a retail discounted rate. Customers taking service under the interruptible rate are receiving a lower level of service (because they are subject to interruption) and are paying for it appropriately.

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**SOAH DOCKET NO. 473-12-7519
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**SOUTHWESTERN ELECTRIC POWER COMPANY'S RESPONSE TO
CITIES SERVED BY SWEPCO'S SEVENTH REQUEST FOR INFORMATION**

Question No. CJ 7-14:

For each interruptible rate schedule, provide the actual base revenue recovery compared to the base revenue recovery which would be receivable if the customers took service under the standard firm service rate otherwise applicable to them.

Response No. CJ 7-14:

Demand and energy usage under the interruptible rate schedule does not indicate with certainty how each customer would respond under the standard rate schedules. That being said, SWEPCO has provided a non-fuel revenue comparison for each interruptible customer based on the demand and energy consumption under the interruptible rate schedule for the test year as requested.

| | IPS | Standard Base | Excess Over IPS |
|------------|-----------|------------------|--------------------|
| Customer 1 | \$334,924 | \$487,129 | \$152,205 |
| Customer 2 | \$495,441 | \$684,995 | \$189,555 |
| Customer 3 | \$901,868 | \$1,131,526 | \$229,657 |

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**SOAH DOCKET NO. 473-12-7519
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**SOUTHWESTERN ELECTRIC POWER COMPANY'S RESPONSE TO
CITIES SERVED BY SWEPCO'S SEVENTH REQUEST FOR INFORMATION**

Question No. CJ 7-15:

Has SWEPCO prepared any avoided cost analyses to justify the interruptible rate schedules? If yes, provide such studies.

Response No. CJ 7-15:

While SWEPCO did not prepare a specific avoided cost analyses to justify the interruptible rate schedules, SWEPCO files avoided cost information annually pursuant to PUC Subst. R. 25.242(e). This information was reviewed during the preparation of the rate case filing. SWEPCO's latest avoided cost filing was made February 14, 2012 and can be found in Project No. 18692.

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