



Control Number: 51415



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SOAH DOCKET NO. 473-21-0538
PUC DOCKET NO. 51415



APPLICATION OF SOUTHWESTERN § PUBLIC UTILITY COMMISSION
ELECTRIC POWER COMPANY FOR §
AUTHORITY TO CHANGE RATES § OF TEXAS

COMMISSION STAFF'S EIGHTH REQUEST FOR INFORMATION
TO SOUTHWESTERN ELECTRIC POWER COMPANY
QUESTION NOS. STAFF 8-1 THROUGH STAFF 8-17

Pursuant to 16 Texas Administrative Code (TAC) § 22.144 of the Commission's Procedural Rules, the Staff of the Public Utility Commission of Texas (Staff) requests that Southwestern Electric Power Company (SWEPCO) and through its attorneys of record, provide the following information and answer the following question(s) under oath. The question(s) shall be answered in sufficient detail to fully present all of the relevant facts, within the time limit provided by the Presiding Officer or within 20 days, if the Presiding Officer has not provided a time limit. Please copy the question immediately above the answer to each question. These question(s) are continuing in nature, and if there is a relevant change in circumstances, submit an amended answer, under oath, as a supplement to your original answer. State the name of the witness in this cause who will sponsor the answer to the question and can vouch for the truth of the answer.

Provide responses to the Requests for Information by filing with the Commission solely through the Interchange on the Commission's website and provide notice, by email, to all other parties that the pleading or document has been filed with the Commission, unless otherwise ordered by the presiding officer pursuant to the Order Suspending Rules in Docket No. 50664.

Dated: December 22, 2020

Respectfully submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION**

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CERTIFICATE OF SERVICE

I certify that, unless otherwise ordered by the presiding officer, notice of the filing of this document was provided to all parties of record via electronic mail on December 22, 2020, in accordance with the Order Suspending Rules, issued in Project No. 50664.

/s/ Rashmin J. Asher
Rashmin J. Asher

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DEFINITIONS

- 1) "SWEPCO" or "Company: or "you" refers to Southwestern Electric Power Company. and any person acting or purporting to act on their behalf, including without limitation, attorneys, agents, advisors, investigators, representatives, employees or other persons.

- 2) "Document" includes any written, recorded, or graphic matter, however produced or reproduced, including but not limited to correspondence, telegrams, contracts, agreements, notes in any form, memoranda, diaries, voice recording tapes, microfilms, pictures, computer media, work papers, calendars, minutes of meetings or other writings or graphic matter, including copies containing marginal notes or variations of any of the foregoing, now or previously in your possession. In the event any documents requested by this Request for Information have been transferred beyond the Company's control, describe the circumstances under which the document was destroyed or transferred and provide an exact citation to the subject document. In the event that documents containing the exact information do not exist, but documents do exist which contain portions of the required information or which contain substantially similar information, then the definition of "documents" shall include the documents which do exist, and these documents will be provided.

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INSTRUCTIONS

- 1) Pursuant to 16 TAC § 22.144(c)(2), Staff requests that answers to the requests for information be made under oath.
- 2) Please copy the question immediately above the answer to each question. State the name of the witness in this cause who will sponsor the answer to the question and can vouch for the truth of the answer.
- 3) These questions are continuing in nature, and if there is a relevant change in circumstances, submit an amended answer, under oath, as a supplement to your original answer.
- 4) Words used in the plural shall also be taken to mean and include the singular. Words used in the singular shall also be taken to mean and include the plural.
- 5) The present tense shall be construed to include the past tense, and the past tense shall be construed to include the present tense.
- 6) If any document is withheld under any claim of privilege, please furnish a list identifying each document for which a privilege is claimed, together with the following information: date, sender, recipients or copies, subject matter of the document, and the basis upon which such privilege is claimed.
- 7) Pursuant to 16 TAC § 22.144(h)(4), if the response to any request is voluminous, please provide a detailed index of the voluminous material.
- 8) Staff requests that each item of information be made available as it is completed, rather than upon completion of all information requested.

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Staff 8-1 Please refer to the table below. Please confirm that under SWEPCO's proposed revenue distribution, the rate classes listed in the table below have moved away from cost of service since SWEPCO's last base rate case.

	Docket No 40443 ¹			Docket No 46449 ²			Docket No 51415		
	Commission Approved	Commission Target	Difference	Commission Approved	Commission Target	Difference	SWEPCO Proposed	SWEPCO Target	Difference
	Cost of Service	Revenues		Cost of Service	Revenues		Cost of Service	Revenues	
General Service with Demand	\$12,141,280	\$12,629,829	\$488,549	\$17,545,369	\$17,724,245	\$178,876	\$20,885,283	\$22,604,240	\$1,718,957
General Service without Demand	\$5,559,664	\$5,082,650	-\$477,014	\$6,497,116	\$6,317,491	-\$179,625	\$7,916,452	\$7,538,872	-\$377,580
Lighting & Power Secondary	\$92,318,060	\$92,096,782	-\$221,278	\$105,229,827	\$109,618,716	\$4,388,889	\$136,386,746	\$133,028,403	-\$3,358,343
Lighting & Power Primary	\$24,080,853	\$24,044,976	-\$35,877	\$22,289,869	\$21,087,193	-\$1,202,676	\$27,798,948	\$31,685,778	\$3,886,830
Metal Melting-Transmission	\$1,052,389	\$1,137,412	\$85,023	\$708,626	\$1,061,104	\$352,478	\$1,580,393	\$1,993,259	\$412,866
Large Lighting & Power Transmission	\$13,777,412	\$17,311,767	\$3,534,355	\$25,334,937	\$25,193,711	-\$141,226	\$31,535,364	\$29,771,107	-\$1,764,257
Municipal Pumping	\$2,021,263	\$1,803,263	-\$218,000	\$2,510,285	\$2,474,779	-\$35,507	\$2,680,369	\$2,586,729	-\$93,640
Municipal Service	\$891,759	\$1,109,758	\$217,999	\$1,605,802	\$1,715,425	\$109,623	\$1,622,774	\$1,872,771	\$249,997
Municipal Lighting	\$2,158,052	\$2,244,083	\$86,031	\$2,367,532	\$2,344,990	-\$22,542	\$2,664,701	\$2,572,829	-\$91,872
Public Street & Highway Lighting	\$123,035	\$37,005	-\$86,030	\$109,742	\$58,167	-\$51,574	\$98,724	\$34,239	-\$64,485

¹ Application of Southwestern Electric Power Company for Authority to Change Rates, Docket No 40443, Commission Number Run Based on September 12, 2013 Open Meeting Discussion (Sep. 23, 2013)

² Application of Southwestern Electric Power Company for Authority to Change Rates, Docket No 46449, Commission Number Run Based on December 14, 2017 Open Meeting Discussion (Dec. 20, 2017)

Staff 8-2 Please provide a detailed description of SWEPCO's proposed revenue distribution and rate design methodologies in the event the Commission approves a revenue requirement that differs from SWEPCO's proposed revenue requirement. Please describe the methodology that would be used to set rates for each tariff in sufficient detail so as to enable Staff to calculate rates consistent with SWEPCO's proposed revenue distribution and rate design methodologies, starting from a class cost of service model that produces an overall revenue requirement that differs from SWEPCO's proposed revenue requirement.

Staff 8-3 Is SWEPCO's proposed revenue distribution methodology in this proceeding substantially identical to the revenue distribution methodology approved by the Commission in Docket No. 46449? If not, please explain in detail how the proposed revenue distribution methodology in this proceeding differs from the revenue distribution methodology approved by the Commission in Docket No. 46449.

- Staff 8-4** Is SWEPCO’s proposed revenue distribution methodology in this proceeding substantially identical to the revenue distribution methodology proposed by SWEPCO in Docket No. 46449? If not, please explain in detail how the proposed revenue distribution methodology in this proceeding differs from the revenue distribution methodology proposed by SWEPCO in Docket No. 46449.
- Staff 8-5** Is SWEPCO’s proposed revenue distribution methodology in this proceeding substantially identical to the revenue distribution methodology approved by the Commission in Docket No. 40443? If not, please explain in detail how the proposed revenue distribution methodology in this proceeding differs from the revenue distribution methodology approved by the Commission in Docket No. 40443.
- Staff 8-6** Is SWEPCO’s proposed revenue distribution methodology in this proceeding substantially identical to the revenue distribution methodology proposed by SWEPCO in Docket No. 40443? If not, please explain in detail how the proposed revenue distribution methodology in this proceeding differs from the revenue distribution methodology proposed by SWEPCO in Docket No. 40443.
- Staff 8-7** Please provide a complete list of all of the rate classes, as defined in 16 Texas Administrative Code § 25.5(100), SWEPCO is proposing to establish rates for in this proceeding.
- Staff 8-8** Confirm or deny that the term “major rate class” as used in SWEPCO’s application is not identical to the term “rate class”, as defined in 16 Texas Administrative Code § 25.5(100). If the response is anything other than an unqualified “confirm”, please explain fully and identify every specific “major rate class” that is not identical to a “rate class”, as defined in 16 Texas Administrative Code § 25.5(100).
- Staff 8-9** For each rate class, as defined in 16 Texas Administrative Code § 25.5(100), included in Docket Number 40443, please provide the relative rate of return for that rate class at present rates in that docket, at proposed rates in that docket, and at Commission-approved rates in that docket.
- Staff 8-10** For each rate class, as defined in 16 Texas Administrative Code § 25.5(100), included in Docket Number 46449, please provide the relative rate of return for that rate class at present rates in that docket, at proposed rates in that docket, and at Commission-approved rates in that docket.
- Staff 8-11** For each rate class, as defined in 16 Texas Administrative Code § 25.5(100), included in this proceeding, please provide the relative rate of return for that rate class at present rates and at proposed rates.

- Staff 8-12** For each rate class, as defined in 16 Texas Administrative Code § 25.5(100), included in Docket Number 40443, please provide the percentage by which that rate class is above or below cost at present rates in that docket, at proposed rates in that docket, and at Commission-approved rates in that docket.
- Staff 8-13** For each rate class, as defined in 16 Texas Administrative Code § 25.5(100), included in Docket Number 46449, please provide the percentage by which that rate class is above or below cost at present rates in that docket, at proposed rates in that docket, and at Commission-approved rates in that docket.
- Staff 8-14** For each rate class, as defined in 16 Texas Administrative Code § 25.5(100), included in this proceeding, please provide the percentage by which that rate class is above or below cost at present rates and at proposed rates.
- Staff 8-15** Does SWEPCO's proposed gradualism methodology reduce the subsidization among individual rate classes, as defined in 16 Texas Administrative Code § 25.5(100)? Please provide all calculations and explain fully, including a description as to how SWEPCO quantifies the amount of subsidization among individual rate classes, as defined in 16 Texas Administrative Code § 25.5(100).
- Staff 8-16** Please refer to SWEPCO's response to TIEC 1-15 (a). Provide all workpapers supporting all adjustments to the test-year Transmission-Related Other Electric Revenues listed in the filed entitled "SWEPCO Misc Rev TYE Mar 2020." Provide an explanation justifying each adjustment.
- Staff 8-17** Please refer to SWEPCO's response to TIEC 1-15 (b).
- a) Provide all workpapers supporting the derivation of SPP-OATT expenses allocated to SWEPCO for the test year.
 - b) Provide all workpapers supporting all adjustments to the test-year SPP-OATT expenses allocated to SWEPCO listed in Schedule A-2.1. Provide an explanation justifying each adjustment.