



Control Number: 51415



Item Number: 138

Addendum StartPage: 0

RECORDED

2021 JAN -5 PM 1:58

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

PUBLIC UTILITY COMMISSION
FILING CLERK

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

**OFFICE OF PUBLIC UTILITY COUNSEL'S
SEVENTH REQUEST FOR INFORMATION TO
SOUTHWESTERN ELECTRIC POWER COMPANY**

Pursuant to 16 Texas Administrative Code (“TAC”) § 22.144, the Office of Public Utility Counsel (“OPUC”) submits this Seventh Request for Information to Southwestern Electric Power Company (“SWEPCO”). OPUC requests that SWEPCO provide answers to the request for information under oath as required by 16 TAC § 22.144(c)(2)(F) within the timeframe specified in the procedural schedule in this proceeding, or within 20 days pursuant to 16 TAC § 22.144(c)(1) if a procedural schedule has not been adopted. OPUC further requests that SWEPCO provide an answer to the questions and sub-questions in the order listed below with sufficient detailed information to provide a complete and accurate answer to each question and sub-question.

Definitions

1. “SWEPCO,” the “Company,” “Applicant,” “You,” and “Your” refer to Southwestern Electric Power Company and its affiliates, subsidiaries, 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” and “documents” include any written, recorded, filmed, or graphic matter, whether produced, reproduced, or on paper, cards, tape, film, electronic facsimile, computer storage device, or any other media, including, but not limited to, electronic mail (e-mail), memoranda, notes, analyses, minutes, records, photographs, correspondence, telegrams, diaries, bookkeeping entries, financial statements, tax returns, checks, check stubs, reports, studies, charts, graphs, statements, notebooks, handwritten notes, applications, contracts, agreements, books, pamphlets, periodicals, appointment calendars, records and recordings of oral conversations, work papers, observations, commercial

practice manuals, reports, summaries of interviews, reports of consultants, appraisals, forecasts, tape recordings, or any form of recording that is capable of being transcribed into written form.

Instructions

1. The Definitions, Instructions, and Claim of Privilege sections set forth in this request for information apply to these questions.
2. In providing an answer to each question, please furnish all of the information that is in your possession, custody, or control, as defined by Texas Rules of Civil Procedure (Tex. R. Civ. Proc.) 192.7(b), including information in the possession, custody, or control of your affiliates, subsidiaries, and any person acting or purporting to act on their behalf, including without limitation, attorneys, agents, advisors, investigators, representatives, employees, or other persons.
3. Please answer each question based upon your knowledge, information, or belief, and state whether each answer is based upon your knowledge, information, or belief.
4. If you have possession, custody, or control, as defined by Tex. R. Civ. Proc. 192.7(b), of an original requested document, please produce the original requested document or a complete copy of the original requested document and all copies that are different in any way from the original requested document, whether by interlineation, receipt stamp, or notation.
5. If you do not have possession, custody, or control of an original requested document, please produce copies of the document, however made, in your possession, custody, or control. If any requested document is not in your possession, custody, or control, please explain why the document is not in your possession, custody, or control and provide the current location and custodian of the requested document or any copy, summary, or other form of the requested document thereof.
6. If there is any confusion about a question, please contact the undersigned counsel for clarification.
7. In providing your response to a question, please start each response on a separate page and type, at the top of the page, the question that is being answered by the response.
8. As part of the response to each question, please state, at the bottom of the answer to the question, the name and job position of each person(s) who participated in any way, other

than by providing clerical assistance, in the preparation of the answer to the question. If the question has sub-parts, please identify each person(s) by name and job position that participated in any way, other than by providing clerical assistance, in the preparation of the answer for each sub-part of the question.

9. Please state the name of the witness in this docket who will sponsor the answer to the question and/or sub-part of the question and who will swear to the truthfulness of the answer to the question and/or sub-part of the question.
10. Please provide individual responses to questions as each response becomes available, rather than waiting to provide all of the responses to the questions at the same time.
11. These questions are continuing in nature. If there is a change in circumstances or facts or if you receive or generate additional information that changes your answer to a question between the time of your original response and the time of the hearing, then you should submit, under oath, a supplemental response to your earlier answer to the question.
12. If you consider any question to be unduly burdensome, or if the response would require the production of a voluminous amount of material, please contact the undersigned counsel, as soon as possible, to discuss the situation and try to resolve the issue. Furthermore, if you object to any question on the grounds that the question seeks confidential information, or on any other grounds, please contact the undersigned counsel, as soon as possible, to discuss the situation and try to resolve the issue.
13. If the response to any question is voluminous, please make available all of the voluminous material at a designated location in Austin. Please provide a detailed index for the voluminous material with your response to the question to enable efficient review of the material. The index should include information sufficient to locate each individual document by page, file, and box number, date of each document, title of each document, description of each document if no document title exists, name of the preparer of each document, and length of each document.
14. If the requested information is included in previously furnished exhibits, workpapers, or responses to other discovery inquiries or otherwise, in hard copy or electronic format, please furnish specific references thereto, including Bates Stamp page citations and detailed cross-references to the previously furnished information.

15. If a question requests the production of copyrighted material, you may provide a list of such material, including the title, publisher, author, edition, and page references relied on or otherwise relevant to the question.

Claim of Privilege

If any document is withheld under any claim of privilege, please provide a list that identifies each document for which a privilege is being claimed, including the date, sender, recipient(s) of the privileged document, recipient(s) of copies of the privileged document, subject matter of the privileged document, and the basis upon which a privilege is being claimed by the Company.

SOAH DOCKET NO. 473-21-0538
PUC Docket No. 51415
OPUC's Seventh Request for Information to
Southwestern Electric Power Company

- 7-1. Please refer to WP Schedule A-3.10, sponsored by Mr. Michael Baird. Please provide an explanation as to why the Overhead Loading-Pension is included in the calculation of the total pension pr books expense, excluding the Supplemental Executive Retirement Plan. Please include in your response the reasoning behind SWEPCO's difference in pension expense computation to that proposed by AEP Central Texas in Docket No. 49494, in which the Overhead Loading-Pension was not part of the calculation.
- 7-2. Please refer to SWEPCO's Response to OPUC RFI No. 4-1, sponsored by Mr. Gregory S. Wilson. Please provide the underlying calculation of the ten "Test" results used to compute the average annual storm expense and the amount needed for the storm reserve. Please include in your response any steps used within the simulation results provided, which demonstrate the steps made to develop these test results.
- 7-3. Please refer to SWEPCO's Response to OPUC RFI No. 4-1, sponsored by Mr. Gregory S. Wilson. Please provide the underlying formula used to produce the iteration line-item results reported in column BA in the Simulation Tab.
- 7-4. Please refer to SWEPCO's Response to OPUC RFI No. 4-1, sponsored by Mr. Gregory S. Wilson. Please provide a detailed explanation of the development as well as the actual formula used to compute the input variables shown on the Tab "Input_Varilable."
- 7-5. Please refer to SWEPCO's Response to OPUC RFI No. 4-1, sponsored by Mr. Gregory S. Wilson and Exhibit GSW-3. Please provide an explanation as to why the Monte Carlo simulation includes storm events that are significantly greater than any actual storm reported on Exhibit GSW-3 from 2001 to 2020. Please include in your response the methodology used to estimate these larger catastrophic events.
- 7-6. Please refer to SWEPCO's Response to OPUC RFI No. 4-1, sponsored by Mr. Gregory S. Wilson. Please provide a detailed explanation for using an average storm reserve balance that covers approximately 96% of all trial iterations. Please provide the underlying calculation of the .95999199839968 included in the formula in Excel cell C5011 of the simulation results.
- 7-7. Please refer to SWEPCO's Response to OPUC RFI No. 4-1, sponsored by Mr. Gregory S. Wilson. Please provide a computation using the Monte Carlo simulation that limits the highest catastrophic storm in any given trial to \$6,400,000. Please include in your response, any changes in assumptions that are included with this limitation.
- 7-8. Please refer to SWEPCO's Response to OPUC RFI No. 4-4, sponsored by Mr. Gregory S. Wilson and Exhibit GSW-3. Please admit or deny that the storm loss reported for 2000 is an estimated total expense and not based on the actual loss incurred by SWEPCO for the ice storm only. If deny, please provide an explanation with references to Mr. Wilson's testimony in Docket No. 37364.

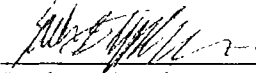
SOAH DOCKET NO. 473-21-0538
PUC Docket No. 51415
OPUC's Seventh Request for Information to
Southwestern Electric Power Company

- 7-9. Please refer to the Direct Testimony of Mr. Gregory S. Wilson, page 4. Please admit or deny that Mr. Wilson's analysis of self-insurance using a storm-related reserve included the option of requesting a financing order for securitization of plant restoration. If deny, please provide an explanation. If admit, please provide the effect on Mr. Wilson's proposed storm-related reserve balance of considering a securitization option for storm restoration.
- 7-10. Please refer to the Direct Testimony of Mr. Gregory S. Wilson, Exhibit GSW-3. Please admit or deny that the actual storm losses greater than \$500,000 exclude the recovery of storm losses for Hurricane Ike and Hurricane Gustav. If deny, please provide an explanation as to why these storm costs would be included in Mr. Wilson's analysis, when such costs were already recovered pursuant to the Order in Docket No. 37364.
- 7-11. Please refer to the Direct Testimony of Mr. Gregory S. Wilson, Exhibit GSW-3. Please provide the actual total storm expense for each of the years included on this exhibit.
- 7-12. Please refer to the Direct Testimony of Mr. Scott Mertz, page 20. Please provide the calculation for determining SWEPCO's total company Off System Sales ("OSS") margins and resulting amount allocated to the Texas jurisdiction. Please define the allocation factor used to allocate OSS margins to the Texas jurisdiction.
- 7-13. Please refer to the Direct Testimony of Mr. Scott Mertz, page 20:
- a. Please provide the rationale for the allocation of OSS of "90% to customers, with the Company retaining 10%."
 - b. Please provide a detailed explanation of the rationale for the Company's 10% retention.
 - c. Please provide the impact of the proposed Dolet Hills retirement on the five-year projection of the Company's OSS and resulting margins.
- 7-14. Please refer to the Direct Testimony of Mr. Scott Mertz, page 20. Please describe how projected OSS and resulting margins have been included in the calculation of the requested increase in the Texas retail revenue requirement of \$90,199,736. Please show how the OSS margins benefits the revenue requirement by rate class, including the allocation factors used for each rate class.

Dated: January 5, 2021

Respectfully submitted,

Lori Cobos
Chief Executive & Public Counsel
State Bar No. 24042276

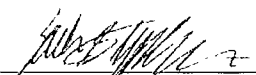


Zachary Stephenson
Assistant Public Counsel
State Bar No. 24073402
Tucker Furlow
Senior Assistant Public Counsel
State Bar No. 24060897
Chris Ekoh
Senior Managing Public Counsel
State Bar No. 06507015
1701 N. Congress Avenue, Suite 9-180
P.O. Box 12397
Austin, Texas 78711-2397
512-936-7500 (Telephone)
512-936-7525 (Facsimile)
zachary.stephenson@opuc.texas.gov
tucker.furlow@opuc.texas.gov
chris.ekoh@opuc.texas.gov
opuc_eservice@opuc.texas.gov (Service)

ATTORNEYS FOR THE
OFFICE OF PUBLIC UTILITY COUNSEL

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing document was served on all parties of record in this proceeding on this 5th day of January 2021 by facsimile, electronic mail, and/or First class, U.S. Mail.



Zachary Stephenson