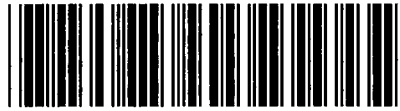




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APPLICATION OF SOUTHWESTERN §
ELECTRIC POWER COMPANY FOR §
AUTHORITY TO CHANGE RATES §
BEFORE THE STATE OFFICE
OF
ADMINISTRATIVE HEARINGS

**SOUTHWESTERN ELECTRIC POWER COMPANY'S RESPONSE TO NUCOR STEEL
LONGVIEW, LLC'S SECOND REQUEST FOR INFORMATION**

FEBRUARY 8, 2021

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**SOUTHWESTERN ELECTRIC POWER COMPANY'S RESPONSE TO NUCOR STEEL
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Question No. Nucor 2-1:

Please provide a schedule similar to Schedule Q-7 that reflects the test year and results of the rate case approved in SWEPCO's previous rate case, Docket No. 46449. Instead of the "proposed" base rate revenues in Column E use the approved base rate revenues.

Response No. Nucor 2-1:

The Company has not done an analysis of Schedule Q-7 test year results compared to the previous rate case, Docket No. 46449.

Prepared By: Earlyne T. Reynolds

Title: Reg Pricing & Analysis Mgr

Sponsored By: Jennifer L. Jackson

Title: Reg Pricing & Analysis Mgr

Sponsored By: John O. Aaron

Title: Dir Reg Pricing & Analysis

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Question No. Nucor 2-2:

For the Large Light & Power-Primary customer class, please separate the data provided on the following schedules into amounts for the two customers: O-1.3, O-1.4, O-1.9, O-1.10, Q-5.1, Q-5.2, Q-7 and Q-8.5. Identify the two customers as Customer A and Customer B.

Response No. Nucor 2-2:

The Company does not have the requested analysis at the customer level for these schedules.

Prepared By: Earlyne T. Reynolds

Title: Reg Pricing & Analysis Mgr

Sponsored By: Jennifer L. Jackson

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Question No. Nucor 2-3:

Please provide an Excel file copy of the class cost of service study in Docket No. 46449 that reflects the Commission's Order on Rehearing.

Response No. Nucor 2-3:

Please see PUCT Commission website for Docket No. 46449 item number 801 for the Commission number running CCOS model.

Prepared By: Earlyne T. Reynolds

Title: Reg Pricing & Analysis Mgr

Sponsored By: Jennifer L. Jackson

Title: Reg Pricing & Analysis Mgr

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Question No. Nucor 2-4:

Please provide an Excel file copy of the class cost of service study in Docket No. 40443 that reflects the Commission's Order on Rehearing.

Response No. Nucor 2-4:

Please see PUCT Commission Interchange Filing for Docket No. 40443 Item #1100 and 1107 for the number running documents performed by Commission Staff. SWEPCO does not have the final version of the number running CCOS performed by Staff.

Prepared By: Earlyne T. Reynolds

Title: Reg Pricing & Analysis Mgr

Sponsored By: John O. Aaron

Title: Dir Reg Pricing & Analysis

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Question No. Nucor 2-5:

Please list and describe the criteria that SWEPCO considers for determining customer classes in the class cost of service study included in the P Schedules. List the criteria in order of importance.

Response No. Nucor 2-5:

The criteria for determining customer classes in the CCOS:

1. Rate Schedule/Tariff
2. Voltage Level
3. Individual unique characteristics to the class

Prepared By: Earlyne T. Reynolds

Title: Reg Pricing & Analysis Mgr

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Question No. Nucor 2-6:

Please list and describe the criteria that SWEPCO considers for determining rate classes or sub-classes within each of SWEPCO's major customer classes. List the criteria in order of importance.

Response No. Nucor 2-6:

The major classes of customers used in the proposed revenue distribution include: Residential, Commercial and Industrial, Municipal, and Lighting. The criteria used to determine the major rate class groupings include the service rate schedule and type of service considering end-use, customer rate migration opportunities between rate schedules, and the results of the proposed CCOS revenue requirement at an equalized return. SWEPCO is proposing to group the Commercial and Industrial customer classes into one large rate class to share the proposed increase among all the customers in the General Service, Lighting and Power, Large Lighting and Power, Metal Melting, Oilfield, and Cotton Gin rate classes and to facilitate sustainable migration among the customer classes within a family of rate options.

Prepared By: Jennifer L. Jackson

Title: Reg Pricing & Analysis Mgr

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Sponsored By: John O. Aaron

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**SOUTHWESTERN ELECTRIC POWER COMPANY'S RESPONSE TO NUCOR STEEL
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Question No. Nucor 2-7:

Please refer to Schedule P-9. Explain why the loss adjustment factors for Primary Substation service are higher than the loss adjustment factors for Transmission 69 kV service, which indicates that Primary Substation service has lower losses than Transmission 69 kV service.

Response No. Nucor 2-7:

The SWEPCO primary losses at peak hour (demand) are a mix of 5.08% fixed losses and 94.92% variable losses. This is the lowest percentage of fixed losses across all voltage categories in SWEPCO. These fixed losses represent losses required to energize various electrical equipment regardless of their loading levels. The major portion of these no-load losses consists of core or magnetizing energy related to installed transformers at substations. Although the overall primary losses at peak hour are larger than 69 kV transmission, the primary **substation** losses are made up of these fixed losses which are very low. Therefore, the primary substation losses end up being lower than 69 kV transmission and thus a lower loss adjustment factor.

Prepared By: Thomas K. Anderson

Title: Engineer

Sponsored By: Chad M. Burnett

Title: Dir Economic Forecasting

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**SOUTHWESTERN ELECTRIC POWER COMPANY'S RESPONSE TO NUCOR STEEL
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Question No. Nucor 2-8:

Please refer to Schedule P-7, pages 14 through 25. The Texas retail customer classes shown on those pages are: residential, commercial, industrial, municipal and lighting. Do these customer class names generally refer to the end use of electricity for the customers in those classes? If not, please explain what those customer class names represent.

Response No. Nucor 2-8:

Yes. These customer classes summarize the individual customer class results.

Prepared By: Earlyne T. Reynolds

Title: Reg Pricing & Analysis Mgr

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Question No. Nucor 2-9:

Please provide a cost-based rate design for each rate class or sub-class shown on SWEPCO’s customer class cost of service provided in the P Schedules.

Response No. Nucor 2-9:

The requested analysis has not been performed by SEWPCO. Please see the Company’s filed Exhibit JLJ-1 (Revenue Distribution) Column “L” for the proposed class cost-of-service study, at an equalized cost-based revenue change for each of the rate classes and sub-classes that can be used in conjunction with Schedule Q-7 to develop additional rate design results.

Prepared By: Jennifer L. Jackson

Title: Reg Pricing & Analysis Mgr

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