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SOAH DOCKET NO. 473-21-0538
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APPLICATION OF SOUTHWESTERN
ELECTRIC POWER COMPANY FOR
AUTHORITY TO CHANGE RATES

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BEFORE THE STATE OFFICE
OF
ADMINISTRATIVE HEARINGS

STATE OFFICE
CLERK

SOUTHWESTERN ELECTRIC POWER COMPANY'S RESPONSE TO COMMISSION
STAFF'S FOURTEENTH REQUEST FOR INFORMATION

MARCH 22, 2021

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**SOUTHWESTERN ELECTRIC POWER COMPANY'S RESPONSE TO COMMISSION
STAFF'S FOURTEENTH REQUEST FOR INFORMATION**

Question No. STAFF 14-1:

Please refer to page 19 of the Direct Testimony of Jennifer L. Jackson.

- a. Provide a detailed explanation of how potential future customer migration was "taken into account" in SWEPCO's proposed rate design for General Service and Lighting and Power Service.
- b. Provide a detailed explanation of all adjustments made to the General Service and Lighting and Power Service billing determinants in order to account for potential future customer migration
- c. Provide all workpapers supporting your responses to "a" and "b" in native excel format with all formulas intact.
- d. Was potential future customer migration "taken into account" in SWEPCO's proposed rate design for any other rate classes other than General Service and Lighting and Power Service?
- e. If the answer to "d" is yes, please list all rate classes other than General Service and Lighting and Power Service where potential future customer migration was "taken into account" in SWEPCO's proposed rate design.
- f. For each class listed in "e", provide a detailed explanation of all adjustments made in order to account for potential future customer migration.
- g. For each class listed in "e", provide a detailed explanation of all adjustments made to billing determinants in order to account for potential future customer migration.
- h. Provide all workpapers supporting your responses to "f" and "g" in native excel format with all formulas intact.

Response No. STAFF 14-1:

- a. SWEPCO is proposing changes to the structure of its General Service (GS) rate schedule. The GS proposal includes splitting the rate schedule into a demand and non-demand option and the removal of the 50 kW capacity size limitation. The removal of the 50 kW limitation may facilitate customer migration from the Lighting and Power (LP) rate schedule to the proposed GS rate schedule and the GS customers have the option of a demand rate or energy only rate based on the proposed pricing. Pricing updates create the potential that customers and billing units will migrate to another rate option. Rate schedule changes are optional and based on each customer's requirements (kW, kWh, and load factor) and economics. Prior to finalizing the proposed pricing, SWEPCO reviewed estimated LP customer and GS customer migration based on load factor, size, and rate impact. The proposed rate design is based on the billing units as shown in the proof of revenue and was calibrated with the customers in each current rate class. SWEPCO can only estimate the possible future migration through bill impact

analysis shown in the electronic version of Schedule Q-8.9 and through company rate impact programs. No customer billing units were migrated from LP to GS based on the proposed pricing. If the proposed revenue requirements and rate structures are changed from the filed rate design, an analysis of bill impact and customer billing unit migration will need to be made. If customers are better off economically on one of the proposed rate structures then class billing units may need to be updated, thereby creating a change in rates and triggering another review of customer migration. This iterative process is part of rate design development.

- b. see (a)
- c. see (a)
- d. No
- e. n/a
- f. n/a
- g. n/a
- h. n/a

Prepared By: Earlyne T. Reynolds

Title: Reg Pricing & Analysis Mgr

Sponsored By: Jennifer L. Jackson

Title: Reg Pricing & Analysis Mgr