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

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PUBLIC UTILITY COUNSEL
FILING OFFICE

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

**OFFICE OF PUBLIC UTILITY COUNSEL'S
THIRD 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 Third 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.

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- 3-1. Please refer to the Direct Testimony of Mr. Drew Seidel, page 19. Please provide the current vegetation management cycle for all SWEPCO distribution circuits expressed in years. Please provide the average vegetation management costs expended each year in the current cycle. Please provide this same information for the Texas jurisdiction.
- 3-2. Please refer to the Direct Testimony of Mr. Drew Seidel, page 12. Please confirm or deny that the Company has adjusted its test year forced outage expense to consider any improvements that would result from the proposed increase in its vegetation management spending program. If deny, please provide an explanation as to why not. If confirm, please provide the reference in the Application where these anticipated cost savings are included as they relate to the Texas jurisdiction.
- 3-3. Please refer to the Direct Testimony of Mr. Drew Seidel, page 23. Please confirm or deny that any of the increase in the distribution operations and maintenance (“O&M”) costs shown in Figure 7 are related to storm costs that exceeded \$500,000 for any individual event. If confirm, please provide the amount of the adjusted test year distribution O&M costs that relate to storm costs greater than \$500,000.
- 3-4. Please refer to the Direct Testimony of Mr. Drew Seidel, page 18. Please confirm or deny that the requested \$14.57 million in vegetation management for the Texas jurisdiction will be spent on third-party contracts for tree-trimming. If confirm, please provide the amount of the \$14.57 million that is proposed for outside contract expense and the amount that will be contract administrative overhead performed by company employees. If deny, please provide the amount that is planned to be performed by SWEPCO or other AEP employees and the amount that will be conducted pursuant to outside third-party contracts.
- 3-5. Please refer to the Direct Testimony of Mr. Dan Boezio, page 16. Please provide a schedule that details the total capital rebuilds and upgrades to SWEPCO’s Texas jurisdictional transmission system for each of the calendar years 2016, 2017, 2018, 2019 and the test year. Please provide a description of the major rebuilds and upgrades as well as the capitalized costs. Please also include in your response the percentage of the current transmission system that has been rebuilt or upgraded since the last base rate proceeding in terms of miles of transmission plant.
- 3-6. Please refer to the Direct Testimony of Mr. Dan Boezio, page 17. Please provide a copy of the five-year vegetation management agreement with outside vendors and contractors as referenced in Mr. Boezio’s testimony.
- 3-7. Please refer to the Direct Testimony of Mr. David A. Hodgson, pages 24-25. Please confirm or deny that SWEPCO or SWEPCO’s parent company requested a private letter

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ruling from the Internal Revenue Service concerning the proposed treatment of the Excess Deferred Federal Income Tax ("EDFIT") associated with the Net Operating Loss. If confirm, please provide a copy of the request and any response received from the IRS. If deny, please provide an example of any other jurisdiction where this approach has been used and adopted by the regulating entity.

- 3-8.** Please refer to Schedule G-7.9, sponsored by Mr. David A. Hodgson. Please provide the underlying source document and computation of the test year amortization for the protected EDFIT of \$8,383,702.
- 3-9.** Please refer to the Direct Testimony of Mr. Michael Baird, Exhibit MAB-4. Please provide the native format for this exhibit and all documentation that supports the information included therein. Please include in your response the amount of protected EDFIT and the amount of unprotected EDFIT that have been used to compute the total company offset to Dolet Hills net book value of \$82,311,412 and the Texas jurisdiction offset to Dolet Hills net book value of \$30,408,645.
- 3-10.** Please refer to the Direct Testimony of Mr. David A. Hodgson, page 24. Please provide the remaining proposed adjusted balance of the protected EDFIT and the proposed adjusted balance of the unprotected EDFIT that will not have been refunded to ratepayers under the Company's proposal to use a portion of the excess deferred income tax liability to offset the net book value of Dolet Hills.
- 3-11.** Please refer to the Direct Testimony of Mr. David A. Hodgson, page 24. Please show the computation of how the total amounts of protected EDFIT and unprotected EDFIT, as of January 1, 2018, have been grossed up for the tax effect for purposes of refunding the grossed-up amounts to ratepayers.
- 3-12.** Please refer to Schedule G-7.6, sponsored by Mr. David A. Hodgson, Income Tax. Please provide all numerical components of the \$19,555,467 adjustment to the test year amortization of the EDFIT. Please separate each component of the \$19,555,467 adjustment as being related to the unprotected EDFIT or protected EDFIT.

Dated: November 12, 2020

Respectfully submitted,

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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 12th day of November 2020, by facsimile, electronic mail, and/or Third class, U.S. Mail.



Zachary Stephenson