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Public Utility Commission of Texas

Memorandum

TO: All Parties of Record

FROM: Diane Hopingardner, Staff Number Running Liaison
Rate Regulation Division, Public Utility Commission of Texas

DATE: August 30, 2021

RE: Docket No. 51415 – *Application of Southwestern Electric Power Company
for Authority to Change Rates*

Transmission of Number Running Correspondence

NUMBER RUNNING COMMUNICATIONS

Please find in this filing all of the communications that passed between the number running liaison for Staff of the Public Utility Commission of Texas ("Staff") and the number running liaison for the State Office of Administrative Hearings in the above referenced docket. Please note that the MS Excel files containing the number running schedules from Staff are provided in their native format as part of a separate filing.

Diane Hopingardner

From: Meaghan Bailey <Meaghan.Bailey@soah.texas.gov>
Sent: Wednesday, August 4, 2021 9:10 AM
To: Diane Hopingardner
Subject: Number Running Memo re: SOAH Docket No. 473-21-0538/PUC Docket No. 51415
Attachments: Number Running Memo .pdf

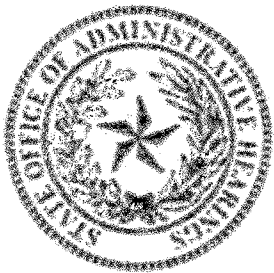
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Ms. Hopingardner,

Please see attached Number Running Memorandum for SOAH Docket No. 473-21-0538/PUC Docket No. 51415. Let me know if you or your staff have any questions.

Please confirm receipt of this email.

Thank you,



Meaghan Bailey

Administrative Law Judge | Mediator

State Office of Administrative Hearings

300 West 15th Street, Suite 504

Austin, Texas 78701

MEMORANDUM

TO: Diane Hopingardner
Public Utility Commission of Texas

FROM: Meaghan Bailey
Administrative Law Judge
State Office of Administrative Hearings

DATE: August 4, 2021

RE: *Application of Southwestern Electric Power Company for Authority to Change Rates*, SOAH Docket No. 473-21-0538, PUC Docket No. 51415

The State Office of Administrative Hearings (SOAH) Administrative Law Judges (ALJs) who presided over this SWEPCO rate case are preparing a Proposal for Decision (PFD) and require the assistance of Public Utility Commission of Texas (PUC or Commission) staff (Staff) in order to “run the numbers.” In accordance with 16 Texas Administrative Code § 22.3(b)(2) and (3) and Commission policy, it is not impermissible *ex parte* communication for Commission employees who have not participated in the hearing to conduct number running for SOAH ALJs, provided memoranda memorializing the procedures are preserved and made available to all parties. I will act as SOAH’s liaison for the number-running process. SOAH will maintain copies of all number-running memoranda generated by the ALJs and Staff, and make all such memoranda available to the parties at the time of issuance of the PFD.

As you know, the information you will be receiving during this process should be treated as work product of the ALJs. This means that you may not disclose the information to any other party to the proceeding, but you may disclose the information to those Staff members who need to know the information in order to supply SOAH with the customary schedules.

We anticipate that we will be exchanging memoranda, many of which may involve questions from the Staff seeking clarification of the ALJs’ decisions on specific issues. To avoid any inadvertent, improper communications, I will screen all memoranda coming from you before delivering them to the ALJs. All communication concerning this number-running process from you and other Staff members to SOAH should be in writing and flow through you or someone designated by you to be the PUC liaison. All memoranda should be addressed to me.

Enclosed with this memorandum is an outline of the major issues in the case with the ALJs’ recommendations.

PUC Docket No. 51415/SOAH 473-21-0538

ALJ Number-Running Summary

Global instructions:

- The ALJs accept SWEPCO's requests, as amended by any SWEPCO errata, and SWEPCO's rebuttal cost of service study [SWEPCO Ex. 54 (Aaron Rebuttal), Exhibit JOA-1R; SWEPCO Ex. 54A (Aaron Rebuttal Workpapers)], except as stated below.
 - Note: Mr. Aaron's Rebuttal Workpapers include a tab labeled "COS Workpapers-Rebuttal" that list the revisions reflected in SWEPCO's Rebuttal Cost of Service, as compared to its as-filed cost of service.
- The ALJs intend that all flow-through impacts of the ALJs' recommendations on other issues be reflected in the PFD schedules. If the ALJs state below a specific number, which should instead reflect such flow-through impacts, please reflect the flow-through impacts.
- Where the ALJs state below a number that is rounded up or down, they intend that the number before rounding be used in preparing the PFD schedules.
- If you have questions or need clarifications or additional information, please let us know. Thank you.
- As an example, please provide number running schedules substantially in the form provided by Staff to SOAH that are included as Appendix A to the PFD issued in *Application of AEP Texas Inc. for Authority to Change Rates*, PUC Docket No. 49494/SOAH Docket No. 473-19-4421 (Nov. 12, 2019). That is, Schedules I-IV, and Schedules B.1-B.5 and C.1.

RATE BASE

- Remove the net book values of the now-retired Knox Lee Units 2, 3, and 4, Lieberman Unit 2, and Lone Star Unit 1 and place them into a regulatory asset, to be amortized over four years. Staff Ex. 3 (Stark Dir.) at 17-20 & Attachment RS-23.
 - Please note also the flow-through adjustments recommended at Staff Ex. 3 (Stark Dir.) at 17-20.
- Eliminate the adjustment that deducts Excess ADFIT from the net book value of the Dolet Hills Power Station. *See* SWEPCO Ex. 6 (Baird Dir.) at 48 & Exh. MAB-2; SWEPCO Ex. 36 (Baird Reb.) & Exh. MAB-2R.
 - Please note that the ALJs propose various adjustments impacting the calculation of Excess ADFIT, discussed below, and separately address the ultimate disposition of the Excess ADFIT.

- Remove from base rates all cost recovery for (1) the Dolet Hills Power Station, (2) the plant's lignite inventories, (3) SWEPCO's investment in the Oxbow mine reserves, and (4) SWEPCO's return on equity and associated income taxes concerning the Dolet Hills Lignite Company (DHLC) (the latter of which is presently included in base rates as a fuel expense, as explained at Staff Ex. 3 (Stark Dir.) at 22 & Attachment RS-28)). Cost recovery for these items will instead be addressed in a Dolet Hills Rate Rider, as follows:
 - For the period between March 18, 2021 (the relate-back date for the rates ultimately approved in this proceeding) through December 31, 2021 (the retirement of the Dolet Hills Power Station), i.e., reflecting the period in which the plant continues to be used and useful in providing service to customers:
 - The remaining net book value of the Dolet Hills Power Station will be depreciated in accord with the asset's previously established useful remaining life through 2046 (thereby rejecting SWEPCO's proposed accelerated treatment described at SWEPCO Ex. 6 (Baird Dir.) at 22-23, 49).
 - SWEPCO will earn a return on the Dolet Hills Power Station, the plant's lignite inventory, and the Oxbow mine reserves.
 - Similarly, SWEPCO will continue to recover the return on equity and associated taxes for DHLC.
 - As addressed in more detail in connection with expense issues for this period through December 31, 2021, SWEPCO will also continue to recover the O&M and tax-related costs associated with the plant's operations.
 - For the period beginning January 1, 2022:
 - The then-remaining net book value of the Dolet Hills Power Station will be placed in a regulatory asset, to be amortized in accord with the plant's remaining useful life through 2046.
 - Similarly, the then-remaining net book value of SWEPCO's investment in the Oxbow mine will be placed in a regulatory asset, to be amortized over the same schedule as with the Dolet Hills Power Station.
 - All other cost recovery relating to the Dolet Hills Power Station, its lignite inventories, the Oxbow mine, or DHLC ends.

The basic goal of the Dolet Hills Rate Recovery Rider is to ensure that the costs appropriately charged to ratepayers for a fully operating power plant do not continue beyond the retirement of the Dolet Hills Power Station, but are thereafter limited solely to recovering the remaining net book value of investment, consistent with the Commission's treatment of the retired Welsh Unit 2 in Docket No. 46449. Although Staff and various other parties advocated these same basic goals and a variety of means intended to achieve them, the ALJs' proposed mechanism of a rate rider is derived from OPUC Ex. 1 (Cannady Dir.) at 11-28, with some modifications:

- To avoid a double-recovery relating to the plant's lignite inventories, and because the ALJs find that the two assets should be considered used and useful in providing the power generated by the Dolet Hills Power Station, the ALJs would place the Oxbow mine investment and DHLC equity and taxes in the same rate rider as the Dolet Hills Power Station and treat them in a parallel fashion through the plant retirement date. *See* SWEPCO Ex. 36 (Baird Reb.) at 21-22.
- Recovery of the remaining book values of the Dolet Hills Power Station and the Oxbow mine investment would be addressed through the Dolet Hills Rate Rider rather than in base rates. For this reason, the rider would continue in effect after December 2021, unlike OPUC's proposal.
- Eliminate the \$455,122,490 pro forma reduction of SWEPCO's ADFIT balance. *See* SWEPCO Ex. 17 (Hodgson Dir.) at 26-27; Staff Ex. 3 (Stark Dir.) at 29-42.
 - Note: The flow-through adjustments to Excess ADFIT are described at Staff Ex. 3 (Stark Dir.) at 44.
- Consistent with the ALJs' recommendation that the Commission deny approval of SWEPCO's proposed self-insurance reserve, remove the requested \$1,689,700 increase in property-insurance expense with which SWEPCO would have funded the reserve. *See* SWEPCO Ex. 6 (Baird Dir.) at 12-13; SWEPCO Ex. 28 (Wilson Dir.) at 4; CARD Ex. 2 (M. Garrett Dir.) at 37-39 & Attachment MG-2.8.

EXCESS ACCUMULATED DEFERRED FEDERAL INCOME TAXES

- As noted above, the Excess-ADFIT impact of the ALJs' recommended removal of SWEPCO's proposed \$455,122,490 ADFIT adjustment is described at Staff Ex. 3 (Stark Dir.) at 44.
- In response to recommendations from Staff, SWEPCO in rebuttal revised its Excess ADFIT calculation to reflect the 35.01% Texas Retail allocation established in Docket No. 46449. *See* SWEPCO Ex. 45 (Hodgson Reb.) at 25-26. Staff does not oppose the use of the 35.01% Texas Retail allocation factor, and the ALJs are recommending that it be adopted.
- Similarly, utilizing a methodology Staff had proposed, SWEPCO also corrected an error found in its sub-ledger detail, where there had been a misclassification between jurisdictions. *See* Tr. at 564-65 (Hodgson Cross) (May 20, 2021); SWEPCO Ex. 17B (Errata to Hodgson Dir.) at 24. The ALJs recommend that these changes be adopted.
- The balance of Excess ADFIT that is refundable to customers (*i.e.*, unprotected Excess ADFIT and accrued protected Excess ADFIT) should be refunded to SWEPCO's customers in the manner proposed by Staff: (1) credit the balance against any amounts owed by customers because of the March 18, 2021 relate-back date in this proceeding; and (2) refund any remaining balance over a six-month period, with carrying charges at the

same weighted average cost of capital that is determined in this proceeding. *See* Staff Ex. 3 (Stark Dir.) at 46-47.

RATE OF RETURN

The ALJs recommend a return on equity of 9.45%, a cost of debt of 4.18%, and a capital structure of 50.63% long-term debt and 49.37% equity. Those recommendations result in an overall recommended rate of return of 6.79%, as shown below.

Component	Cost	Weighting	Weighted Cost
Debt	4.18%	50.63%	2.12%
Equity	9.45%	49.37%	4.67%
Overall			6.79%

O&M EXPENSES

The letter and number after the bullet (e.g. A.3.) refer to the part of the briefing outline filed by SWEPCO on May 24, 2021, and approved by the ALJs in SOAH Order No. 13 on May 27, 2021.

- A.3. Proposed Deferral of SPP Wholesale Transmission Costs. No # change but deny SWEPCO's request. No regulatory asset or liability—no ATC tracker.
- B.1. Dolet Hills. Follow CARD approach but for 9 months. Allow recovery of test year average monthly O&M expense level of \$1.04 million per month for each month in test year until plant retirement at end of December 2021. Test year average monthly O&M expense of \$1.04 million per month. CARD Ex. 3 (Norwood Dir.) at 6. So recovery for 9 months—March 2021 through December 2021. Then no more recovery.
- C.1. Payroll Expenses. Adopt Staff recommendation. Two parts:
 - For direct SWEPCO expenses, Staff requests an adjustment of \$544,331 above SWEPCO's requested adjustment. Staff Ex. 3 (Stark Dir.) at 6-7.
 - For AEPSC payroll allocated to SWEPCO, an adjustment of (\$4,480,512)—the difference between SWEPCO's requested increase and the updated October 2020 payroll amount. Staff Ex. 3 (Stark Dir.) at 8.
- C.1-2. Incentive Compensation (short-term and long-term). Two small adjustments agreed between Staff and SWEPCO.
 - First, SWEPCO found an error in the business unit financial-based goal percentage; a correction results in adjustments of (\$50,709) and (\$6,131) for SWEPCO and AESPC, respectively. Staff Ex. 3 (Stark Direct) at 9.
 - Second, SWEPCO identified an erroneously included \$43,345 of financial based incentive compensation that was capitalized. Staff proposes an adjustment of (\$42,039) to remove these costs net of amortization of \$1,306 from SWEPCO's requested rate base. Staff Ex. 3 (Stark Direct) at 10.

- C.3. Severance Costs. Two changes.
 - For SWEPCO's direct severance costs. This is an ALJ recommendation balancing the parties' contentions and the evidence. This calculation uses OPUC's method for calculating AEPSC's severance costs and the specific information for SWEPCO's direct severance costs. An ALJ-recommended adjustment of (\$504,067). Average three years: 2017 calendar year (0), 2018 calendar year (0), and test year (\$756,100) to get \$252,033. Difference between test year and three year average results in (\$504,067) adjustment.
 - For AEPSC's severance costs charged to SWEPCO, accept OPUC adjustment. OPUC proposed adjustment of a reduction of severance costs incurred by AEPSC and charged to SWEPCO from a requested \$1,460,876 to \$824,300. OPUC Ex. 1 (Cannady Dir.) at 43-44. (\$636,576) adjustment.
- D. Depreciation and Amortization Expense. The ALJs recommend the values proposed in SWEPCO's application except for the following:
 - Account 354 – Transmission Towers and Fixtures: adopt CARD's S1.5-74 curve life combination, which decreases annual depreciation expense by \$130,874. *See* CARD Ex. 1 (D. Garrett Dir.) at Exh. DJG-3 at 3.
 - Account 355 – Transmission Poles and Fixtures: adopt CARD's recommended L1.5-49 curve life combination, which decreases annual depreciation expense by \$1,795,499. *See* CARD Ex. 1 (D. Garrett Dir.) at Exh. DJG-3 at 3.
 - Account 364 – Distribution Poles, Towers and Fixtures: adopt SWEPCO's rebuttal correction to use the S-.5-55 curve life combination, which decreases total company depreciation expense by \$847,189. *See* SWEPCO Ex. 43 (Cash Reb.) at 29.
 - Account 366 – Distribution Underground Conduit: adopt CARD's recommended R4.0-80 curve life combination, which decreases annual depreciation expense by \$148,914. *See* CARD Ex. 1 (D. Garrett Dir.) at Exh. DJG-3 at 4.
 - Amortization – Adopt Staff's adjustment to intangible plant amortization, a reduction of \$1,855,750 from SWEPCO's filed case. *See* Staff Ex. 3 (Stark Dir.) at 16.
- F. Affiliate Expenses. Accept Staff's proposed adjustment. The net adjustment to SWEPCO's revenue requirement resulting from these adjustments is (\$634,043). Staff Ex. 3 (Stark Dir.) at 13-14.
- F. Federal Income Tax Expense. SWEPCO's proposal is approved with adjustments as needed for (1) the proposed return and synchronized interest amounts for invested capital and rate of return and (2) any adjustment for ADFIT.
- H1. Ad valorem taxes. Four parts:
 - Include capital lease balances in calculation of effective ad valorem tax rate. Correcting this error reduces SWEPCO's effective ad valorem tax rate from approximately 1.0026% to .9986%. Staff Ex. 3 (Stark Dir.) at 49.
 - Exclude operating leases from the rate base on which the effective tax rate is applied. Staff Ex. 3 (Stark Dir.) at 52.

- The Dolet Hills generation plants and retired gas fired generating units should remain in the ad valorem tax calculation. SWEPCO's proposal.
- Use a .961262% effective ad valorem tax rate. Staff Ex. 12 at Staff 17-13; Staff Initial Brief at 66.
- H2. Payroll Taxes. Accept Staff position. Make Staff's adjustment for (1) payroll tax expense (SWEPCO payroll + AEPSC payroll) and (2) executive compensation. Associated adjustment to payroll tax expense of (\$258,162). Staff Ex. 3 (Stark Dir.) at 53, Attachment RS-57.
- H3. Gross Margin Tax. Adjust as needed to account for adjustments to revenue requirement.

RETAIL BTMG

- Adjust SWEPCO's *jurisdictional* allocation of transmission costs to remove Eastman Chemical Co.'s load served by its retail behind-the-meter generation (BTMG). This change should reduce the Texas load by 146 MW. TIEC Ex. 1 (Pollock Dir.) at 13; *see also* Tr. at 1200-04 (Aaron cross) (discussing difference between TIEC Ex. 73 (SPP-RTO coincident demands by jurisdiction) and SWEPCO Ex. 31 (Aaron Dir.) at Exh. JOA-3). The change should result in a reduction of \$5,687,068 allocated to Texas. *See* TIEC Ex. 73 (SWEPCO Response to TIEC 11-1), Attachment 1 at 1.
- Adjust SWEPCO's *class* allocation of transmission costs to remove Eastman Chemical Co.'s load served by its retail BTMG. This change should reduce LLP-T load by 149 MW. *See* TIEC Reply Brief at 42 n.247. It appears this change can be accomplished by replacing the "A&E/4CP trans" allocator for transmission costs (which includes Eastman's BTMG load) with the "A&E/4CP" allocator for production costs (which does not include Eastman's BTMG load). *See* SWEPCO Ex. 31 (Aaron Dir.) at 18:9-12; SWEPCO Ex. 54A (Aaron Reb. Workpapers) at "JOA WP – SWEPCO TX COS_Class TY 3_2020 Rebuttal.xlsx," Tab TX CLASS, Rows 15 & 17.

BILLING DETERMINANTS

- With one exception stated in the next bullet, use SWEPCO's proposed billing determinants as described in the direct testimony of Company witnesses Aaron, Burnet, and Coffey, and further detailed in Schedules O-1.1, -1.2, 1.3, -1.4, and -1.7 *See* SWEPCO Initial Brief at 108-11; SWEPCO Ex. 31 (Aaron Dir.) at 20-23; SWEPCO Ex. 30 (Burnet Dir.) at 10-11, and SWEPCO Ex. 29, (Coffey Dir.) at 2. The ALJs are not accepting the East Texas Salt Water Disposal Company's proposal to adjust SWEPCO's billing determinants to account for the effects of COVID-19.
- Reject SWEPCO's proposal to adjust the billing determinants for the General Service (GS) rate schedule to account for future migration to that schedule from the Lighting and Power (LP) rate class. Staff Ex. 4 (Narvaez Dir.) at 28. **Note** that this is actually a Rate Design issue and will be handled in the Rate Design section of the PFD, but it was partially

presented as a Billing Determinants issue. There may be some confusion with this issue in connection with migrating between rate classes in general and migrating from LP to GS specifically. In the Revenue Distribution/Rate Design section of the PFD, the ALJs will agree with Staff and recommend against SWEPCO's proposal to remove the 50 kW maximum demand that currently applies to the GS rate schedule. *See* Staff Ex. 4 (Narvaez Dir.) at 26-29. The ALJs' position on "migration" applies only to this LP-to-GS issue, and not to general migration among rate schedules between rate cases if, for example, a customer's load increases or decreases such that the customer would qualify for service under a different rate schedule.

FUNCTIONALIZATION/COST ALLOCATION

- Accept the methodology and calculations used in SWEPCO's jurisdictional and class cost of service studies, as revised by SWEPCO's rebuttal cost of service studies. *See* SWEPCO Reply Brief at 103-04; SWEPCO Ex. 54 (Aaron Reb.) at 5-7, and SWEPCO Ex. 54A (Aaron Rebuttal Workpapers). The inputs to these studies, however, should be revised to reflect the ALJs recommendations outlined in this memorandum, including adjustments to invested capital, rate of return, and expenses. For example, the cost of service studies should be adjusted to remove the allocation of Eastman Chemical's purported load that resulted in a \$5.7 million allocation to the Texas retail jurisdiction.

REVENUE DISTRIBUTION/RATE DESIGN

- Accept TIEC's recommendation that there should be no increase in the Reactive Demand charge. TIEC Ex. 1 (Pollock Dir.) at 49.
- Accept SWEPCO's proposed revenue distribution and rate moderation/gradualism methodology as revised in its Rebuttal cost of service studies. *See* SWEPCO Ex. 55 (Jackson Reb.) at 7-8, Exh. JIJ-1R. This includes SWEPCO's proposal, in its rebuttal case, to apply an approximate 43% cap to any rate increase, and in particular three individual rate classes that were significantly below unity: the Cotton Gin, Oilfield Secondary, and Public Street and Highway Lighting rate classes. *See* Transcript at 1247-48. The ALJs note that Exh. JIJ-1R indicates that the increase for those three classes would be 35.42%, 42.93%, and 32.39%, respectively.
- Reject SWEPCO's proposal to remove the 50 kW maximum demand that currently applies to the GS rate schedule. *See* Staff Ex. 4 (Narvaez Dir.) at 26-29. (*See also* discussion above in the context of Billing Determinants.)
- In accordance with Walmart's recommendation, reject SWEPCO's rate design change with regard to the LP Secondary that shifts cost from the demand to the energy charge. *See* Walmart Ex. 1 (Perry Dir.) at 23-24.

RIDERS

As riders, the following items, if adopted, would be collecting charges from customers outside of base rates.

- Accept SWEPCO's proposed Rate Case Surcharge (RCS) Rider. SWEPCO Ex. 5 (Ferry-Nelson Dir.) at 26. The amounts to be collected through the RCS Rider are those specified in the table to Staff witness Stark's Final Supplemental Direct Testimony filed on July 20, 2021 at page 8 of 8, *except* that the line designated as "[Docket] 47141" should be increased from \$0 to \$2500. *See* CARD Reply Brief at 46-47. Thus, the total authorized rate case expenses to be recovered through the RCS rider are: $\$3,697,521 + 2,500 = \$3,700,027$.
- Accept SWEPCO's proposed Residential Service Plug-in Electric Vehicle Rider. *See* SWEPCO Ex. 3 (Smoak Dir.) at 8-9; SWEPCO Ex. 32 (Jackson Dir.) at 27-28.
- Accept TIEC's proposal that an energy allocator, rather than demand allocator, should be used to allocate costs to the Renewable Energy Credit Rider. *See* TIEC Initial Brief at 83, refuting SWEPCO Ex. 55 (Jackson Reb.), Exh. JLJ-2R
- Reject SWEPCO's proposed Synchronized Self-Generation Load (SSGL) rider/rate. This is related to the BTMG issues discussed above. Because the ALJs recommend the allocation of Eastman's load served by its retail BTMG should not be allocated to the Texas jurisdiction, there should not be a rate/rider that recovers the costs of that allocation from Texas retail customers.

BASELINES

- Accept SWEPCO's proposed baselines for the TCRF, DCRF, and GCRR based on the class cost of service derived from the ALJs' adjustments to SWEPCO's as-filed/rebuttal costs of service studies as specified in this memorandum.

RATE CASE EXPENSES

- *See* bullet above in the Riders section regarding accepting the RCS Rider. The ALJs note, however, that SWEPCO witness Aaron's Rebuttal workpapers, specifically the tab labeled "COS Changes-Rebuttal," line 18, indicate a revision from SWEPCO's as-filed cost of service to its rebuttal cost of service regarding rate case expenses. The ALJs assume that revision is dealing with rate case expenses in one or more dockets that were booked to FERC Account 928 during the test year. That is appropriate from a regulatory accounting standpoint. However, because the ALJs are recommending recovery of rate case expenses through a rider outside of base rates, the final cost of service in this case *to determine base rates* should not include rate case expenses.

OTHER ISSUES

- SWEPCO addresses a number of "Other Issues" at the end of its Initial Brief. SWEPCO Initial Brief at 140-44. All of these issues, as the ALJs understand them, either are not contested and/or do not affect the revenue requirement to be set in this case. Because the revenue-related issues that are not contested were presented in SWEPCO's direct case, the ALJs assume that any cost of service effects to these non-contested issues are flowed

through SWEPCO's rebuttal testimony and its proposed rebuttal cost of service studies and do not require any additional adjustments from the ALJs.¹ As examples, referring to page 122-24 of SWEPCO's Reply Brief:

- Regarding Interest on Customer Deposits, SWEPCO states that it does not contest Staff's adjustment to update the customer deposit interest amount to incorporate the Commission approved 2021 interest rate. *Citing* SWEPCO Ex. 36 (Baird Reb.) at 37.
- Regarding the Supplemental Employee Retirement Plan, SWEPCO notes that Staff witness Stark raised concerns with how SERP was removed from SWEPCO's requested cost of service, but that SWEPCO does not contest Ms. Stark's recommended additional adjustment for SERP expenses. *Citing* SWEPCO Ex. 36 (Baird Reb.) at 35.
- Regarding Executive Perquisites, SWEPCO states that given the Commission's decisions in Docket Nos. 40443 and 46449, it does not contest Staff's recommended adjustment for executive perquisites. *Citing* SWEPCO Ex. 36 (Baird Reb.) at 36.

¹ SWEPCO witness Aaron, who sponsors the rebuttal cost of service studies, states that the changes sponsored by SWEPCO witness Baird are included in the rebuttal cost of service study. SWEPCO Ex. 54 (Aaron Reb.) at 7.

Diane Hopingardner

From: Meaghan Bailey <Meaghan.Bailey@soah.texas.gov>
Sent: Monday, August 9, 2021 11:36 AM
To: Diane Hopingardner
Subject: SOAH liaison communication re: SOAH Docket No. 473-21-0538/PUC Docket No. 51415

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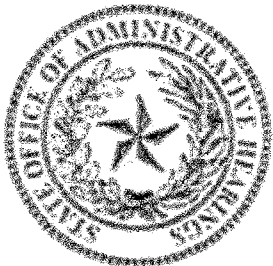
Ms. Hopingardner,

Please find below a question from the presiding Administrative Law Judges for SWEPCO's SOAH Docket No. 473-21-0583/PUC Docket No. 51415:

Will the number running schedules Staff returns to us show the net percentage increase from present revenues that will apply to the following three rate classes: Cotton Gin class, Oilfield Secondary class, and Public Street and Highway Lighting class? I suspect the summary schedules will not be that granular, but the reason we ask is the relative rate of return for these classes are still way below 1.0 in SWEPCO's rebuttal CCOSS, so gradualism is being applied to these three to avoid rate shock. See SWEPCO Ex. 55 (Jackson Rebuttal), Exh. JLJ-1R. Can we say in the Proposal for Decision (PFD) that their increases, through the PFD recommendations, do not exceed 37% net percent change from their present rates?

Please let me know if you have any follow-up questions.

Thank you,



Meaghan Bailey
Administrative Law Judge | Mediator
State Office of Administrative Hearings
300 West 15th Street, Suite 504
Austin, Texas 78701

Diane Hopingardner

From: Diane Hopingardner
Sent: Monday, August 9, 2021 12:03 PM
To: Meaghan Bailey
Subject: RE: SOAH liaison communication re: SOAH Docket No. 473-21-0538/PUC Docket No. 51415

Below is the response from Staff:

Yes the schedules will show the net percentage increase from present revenues for each class.

Thank you,



Diane Hopingardner

Regulatory Accountant

Public Utility Commission of Texas

W: (512)936-7233 | diane.hopingardner@puc.texas.gov

From: Meaghan Bailey <Meaghan.Bailey@soah.texas.gov>
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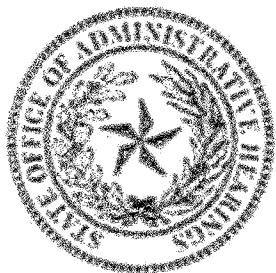
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From: Diane Hopingardner
Sent: Tuesday, August 10, 2021 5:18 PM
To: Meaghan Bailey
Subject: SOAH liaison communication re: SOAH Docket No. 473-21-0538/PUC Docket No. 51415
Attachments: 51415 Memo to D Hopingardner re PFD number running.doc; 51415 PFD CCROSS and Revenue Distribution Memo.docx; 51415 PFD Schedule B.pdf; 51415 PFD Schedule B.xlsx; 51415 PFD Schedule C.pdf; 51415 PFD Schedule C.xlsx; 51415 SWEPCO PFD revenue requirement.pdf; 51415 SWEPCO PFD revenue requirement.xlsx

PUC Staff completed the number running based on the instructions in the ALJs' number-running memo. Attached to this e-mail are schedules and explanations of assumptions used in the number running. The schedules are in native and PDF format.

Staff is still working on the rate design schedule and will provide that shortly.

Please let me know if you have any questions regarding the above.

Thank you,
Diane



Diane Hopingardner

Regulatory Accountant

Public Utility Commission of Texas

W: (512)936-7233 | diane.hopingardner@puc.texas.gov

Public Utility Commission of Texas

Memorandum

TO: Diane Hopingardner, Rate Regulation Division

FROM: Ruth Stark, Rate Regulation Division

DATE: August 10, 2021

SUBJECT: SOAH Docket No. 473-21-0538, PUC Docket No. 51415,
*Application of Southwestern Electric Power Company for
Authority to Change Rates*

Attached to this memo please find PFD “Attachment A,” Number Running Schedules I through VI, which are the accounting schedules that present the total company revenue requirement. These schedules were prepared consistent with the number-running instructions provided by SOAH. To the extent that adjustments prosoed by the ALJs were included in the rebuttal cost of service study presented by SWEPCO witness Aaron, they are not also reflected in the column labeled “PFD Adj to Company Request” in the attached schedules.

SOAH DOCKET NO. 473-21-0538
PUC DOCKET NO. 51415
COMPANY NAME Southwestern Electric Power Company
TEST YEAR END 31-Mar-20

PFD Schedule I
Total Company Revenue Requirement
Page 1 of 1

	Company Test Year Total	Company Adjustments To Test Year	REBUTTAL Co Requested Test Year Total Electric	PFD Adj To Company Request	PFD Adjusted Total Electric
	(a)	(b)	(c) = (a) + (b)	(d)	(e) = (c) + (d)
REVENUE REQUIREMENT					
Operations & Maintenance	1,096,640,498	(545,239,261)	551,401,239	(23,625,522)	527,775,717
Loss on Disposition of Utility Property	653,208	(490,000)	163,208	0	163,208
Accretion Expense	3,484,561	0	3,484,561	0	3,484,561
Amortization Expense	17,994,221	5,940,656	23,934,877	3,310,118	27,244,995
Depreciation Expense	236,316,513	1,872,435	238,188,948	(6,258,253)	231,930,695
Taxes Other Than Income Taxes	100,527,332	(566,762)	99,960,570	(6,106,245)	93,854,325
Federal Income Taxes	7,262,011	65,052,207	65,052,207	(18,584,325)	46,467,882
Return on Invested Capital	263,445,627	123,780,532	387,226,159	(58,606,702)	328,619,457
Other State Income Taxes	(1,364,764)	1,364,764	0		
TOTAL	1,724,959,207	(348,285,429)	1,369,411,769	(109,870,929)	1,259,540,840

SOAH DOCKET NO. 473-21-0538
PUC DOCKET NO. 51415
COMPANY NAME Southwestern Electric Power Company
TEST YEAR END 31-Mar-20

PFD Schedule II
O&M Expense
Page 1 of 2

OPERATIONS AND MAINTENANCE EXPENSE		Company Test Year Total (a)	Company Adjustments To Test Year (b)	REBUTTAL Co Requested Test Year Total Electric (c)	PFD Adj To Company Request (d)	PFD Adjusted Total Electric (e) = (c) + (d)
		Acct. No				
Operations & Maintenance:						
Prod. Operation and Supr	500	21,645,237	(1,299,105)	20,346,132	(2,711,267)	17,634,865
Fuel-Reconcilable	501	399,631,093	(382,531,543)	17,099,550	(49,336)	17,050,214
Fuel-Non Reconcilable	501	0	0	0	(3,266,584)	(3,266,584)
Steam Expenses	502	19,098,323	(8,212,796)	10,885,527	(1,319,045)	9,566,482
Electric Expenses	505	10,576,275	(532,822)	10,043,453	(431,460)	9,611,993
Misc Steam Power Expenses	506	16,480,428	2,024,792	18,505,220	(3,831,596)	14,673,624
Rents	507	3,339	0	3,339	(634)	2,705
Allowance Expense	509	333,862	(41,727)	292,135	0	292,135
Maintenance Supv and Eng	510	5,221,988	(367,421)	4,854,567	(391,247)	4,463,320
Maintenance of structures	511	5,930,496	(99,368)	5,831,128	(235,335)	5,595,793
Maintenance of boiler plant	512	36,899,429	(769,067)	36,130,362	(3,976,004)	32,154,358
Maintenance of electric plant	513	8,232,373	(192,019)	8,040,354	(184,768)	7,855,586
Maintenance of misc steam plant	514	7,151,128	(164,156)	6,986,972	(1,095,596)	5,891,376
Operation supervision and engineering	517	0	0	0	(456)	(456)
Maintenance Supv and Eng	541	0	0	0	(355)	(355)
Operation Supv and Eng	546	4,833	(8,710)	(3,877)	(368)	(4,245)
Operation Fuel	547	10,520,437	(10,520,437)	0	(64)	(64)
Operation Generation Exp	548	257,827	(11,366)	246,461	1,512	247,973
Misc. Other Power Gen Exp	549	6,031	0	6,031	(3)	6,028
Operation Rents	550	0	0	0	0	0
Maintenance Supv and Eng	551	(35)	0	(33)	1	(32)
Maintenance of structures	552	961	60	1,021	7	1,028
Maintenance of generating and ele	553	827,970	(17,633)	810,337	1,500	811,837
Maint of Misc Other power gen plant	554	81,759	0	81,759	0	81,759
Purchased Power	555	207,609,120	(200,987,454)	6,621,666	0	6,621,666
System Control & Load Dispatch	556	1,494,472	(103,460)	1,391,012	(99,295)	1,291,717
System Control & Dispatch Other	557	1,822,709	1,255,487	3,078,196	(194,920)	2,883,276
Transmission Ops Supr & Engr	560	10,546,443	(565,371)	9,981,072	(527,202)	9,453,870
Transmission Load Dispatching -reliability	5611	0	0	0	0	0
Monitor and operate transmission-sys	5612	1,073,774	(43,835)	1,029,939	(66,502)	963,437
Trans service and scheduling	5613	417	0	417	0	417
Schedule system controland disatch ser	5614	11,545,148	0	11,545,148	0	11,545,148
Reliability planning and standards deve	5615	251,831	(9,586)	242,245	(15,744)	226,501
Reliability planning and standards deve s	5618	914,530	0	914,530	0	914,530
Transmission Station Equipment	562	1,235,007	(22,879)	1,212,128	1,318	1,213,446
Trans OH Line Expense	563	430,199	(2,044)	428,155	(1,111)	427,044
Underground Line Expenses	564	1,573	19	1,592	0	1,592
Transmission of Electricity by Others	565	73,241,705	79,285,200	152,526,905	0	152,526,905
Misc. Transmission Expenses	566	2,924,908	452,807	3,377,715	(92,286)	3,285,429
Rents	567	25,508	(1)	25,507	(9)	25,498
SPP Admin - MAM&SC	5757	2,366,891	0	2,366,891	0	2,366,891
Maint. Supv. And Eng.	568	15,702	(864)	14,838	(617)	14,221
Maint. of Structures	569	36,341	(195)	36,146	32	36,178
Maint. of computer hardware	5691	9,937	(312)	9,625	(621)	9,004
Maint. of computer software	5692	642,128	(5,624)	636,504	(9,777)	626,727
Maint. of computer equip	5693	56,944	0	56,944	0	56,944
Transmission Maint Station Equip	570	2,651,013	(78,372)	2,572,641	(6,307)	2,566,334
Transmission Maint OH Line Exp	571	14,533,315	(27,704)	14,505,611	1,206	14,506,817
Maint. of Underground Lines	572	11,239	111	11,350	0	11,350
Maint. of Misc. Transmission	573	85,869	(4,658)	81,211	(82)	81,129
Distribution Ops Supr & Engr	580	2,632,859	(167,391)	2,465,468	(154,371)	2,311,097
Distribution Load Dispatching	581	62,791	(1,291)	61,500	0	61,500
Distribution Station Expenses	582	749,112	(21,825)	727,287	(2,564)	724,723
Distribution OH Line Expenses	583	1,752,384	(223,813)	1,528,571	(10,170)	1,518,401
Underground Line Expenses	584	1,383,497	(46,597)	1,336,900	3,632	1,340,532
Street Lighting & Signal Sys	585	162,030	(3,872)	158,158	189	158,347
Meter Expenses	586	3,819,316	(302,033)	3,517,283	6,241	3,523,524
Customer Installations	587	410,742	(20,716)	390,026	1,916	391,942
Miscellaneous Distribution Exp	588	20,017,606	2,087,692	22,105,298	(4,186)	22,101,112
Rents	589	889,843	0	889,843	0	889,843
Distribution Maint Supr & Engr	590	166,883	(13,911)	152,972	337	153,309
Maint. of Structures	591	39,491	(209)	39,282	51	39,333
Distribution Maint Station Equip	592	2,040,674	(46,290)	1,994,384	(908)	1,993,476
Distribution Maint OH lines	593	57,550,019	(1,092,825)	56,457,194	38,430	56,495,624
Underground Line Expenses	594	660,415	(15,706)	644,709	1,351	646,060
Dist Maint Line Trnf, Regulators	595	140,636	(8,001)	132,635	533	133,168
MaintStreet Light & Signal Sys	596	303,595	(18,992)	284,603	978	285,581
Maintenance of Meters	597	442,928	(28,138)	414,790	2,491	417,281
Maint of Misc Distr Plant	598	371,393	(15,560)	355,833	1,488	357,321
Supervision - Customer Accts	901	781,491	(60,532)	720,959	(1,997)	718,962
Meter Reading Exp	902	2,614,840	(145,207)	2,469,633	3,185	2,472,818
Customer Records & Collection	903	17,797,556	(75,924)	17,721,632	(595,255)	17,126,377
Customer Deposit Interest	903.2	0	0	0	0	0
Uncollectible Accounts	904	724,395	0	724,395	0	724,395
Miscellaneous	905	101,498	(323)	101,175	(1,972)	99,203
Factoring Expense	426.5	9,711,825	(1,296,219)	8,415,606	0	8,415,606
Factoring Expense on Revenue Deficiency			1,117,582	1,117,582	(567,072)	550,510
Factoring Rate on Revenue Deficiency				0.0048258000000		0.0051612600000
Customer Service and Information	906	0	0	0	0	0
Supervision	907	7,429,119	(6,739,057)	690,062	(1,311)	688,751
Customer Assistance	908	15,029,496	(12,749,804)	2,279,692	8,601	2,288,293
Information & Instr Advertising	909	0	0	0	0	0
Misc. Cust. Service and Information	910	27,409	(1,365)	26,044	(965)	25,079
Sales Supervision	911	2,198	0	2,198	0	2,198
Demonstrating & Selling Exp	912	265,976	(6,786)	259,190	(200)	258,990
Advertising Expense	913	0	0	0	0	0
Misc. Sales Expense	916	0	0	0	0	0
Sales Expense	917	0	0	0	0	0
TOTAL Operations & Maintenance		1,024,512,494	(543,499,166)	481,013,330	(19,774,563)	461,238,767

SOAH DOCKET NO. 473-21-0538
PUC DOCKET NO. 51415
COMPANY NAME Southwestern Electric Power Company
TEST YEAR END 31-Mar-20

PFD Schedule II
O&M Expense
Page 2 of 2

OPERATIONS AND MAINTENANCE EXPENSE		Company Test Year Total (a)	Company Adjustments To Test Year (b)	REBUTTAL Co Requested Test Year Total Electric (c)	PFD Adj To Company Request (d)	PFD Adjusted Total Electric (e) = (c) + (d)
	Acct. No					
Administrative & General: (WP/A)						
Admin & General Salaries	920	32,325,718	(4,055,803)	28,269,915	(1,457,325)	26,812,590
Office Supplies & Exp	921	2,947,644	(1,212,661)	1,734,983	(54)	1,734,929
Admin Expenses Transferred	922	(4,430,969)	(59,256)	(4,490,225)	(15,049)	(4,505,274)
Outside Services	923	9,712,500	7,253	9,719,753	(70)	9,719,683
Property Insurance	924	2,428,223	1,689,700	4,117,923	(2,132,274)	1,985,649
Injuries & Damages	925	3,657,677	(29,527)	3,628,150	493	3,628,643
Employee Pensions & Benefits	926	13,373,091	2,799,757	16,172,848	(1,638)	16,171,210
Regulatory Commission Exp	928	2,624,761	(2,540,746)	84,015	(231,756)	(147,741)
Duplicate Charges	929	0	0	0	0	0
General Advertising Exp	9301	318,019	(1,129)	316,890	(24)	316,866
Miscellaneous	9302	1,724,290	1,732,377	3,456,667	(12,049)	3,444,618
Rents	931	1,008,537	(585)	1,007,952	0	1,007,952
Maint. Of General Plant	935	6,436,014	(69,422)	6,366,592	(1,213)	6,365,379
TOTAL Administrative & General		72,125,505	(1,740,042)	70,385,463	(3,850,959)	66,534,504
TOTAL O & M EXPENSE		1,096,637,999	(545,239,208)	551,398,793	(23,625,522)	527,773,271
	8140	53	-53	0		0
Gains/Losses Disposition Allowances	4118, 4119	4	0	4		4
Operations Expense - Non associated	4010	2442	0	2,442		2442
TOTAL		1,096,640,498	(545,239,261)	551,401,239		527,775,717

SOAH DOCKET N 473-21-0538
PUC DOCKET NO 51415
COMPANY NAME Southwestern Electric Power Company
TEST YEAR END 31-Mar-20

PFD Schedule III
Invested Capital
Page 1 of 1

		Company Test Year Total	Company Adjustments To Test Year	REBUTTAL Co Requested Test Year Total Electric	PFD Adj To Company Request	PFD Adjusted Total Electric
		(a)	(b)	(c)	(d)	(e) = (c) + (d)
INVESTED CAPITAL						
	Acct. No					
Plant in Service	101	9,262,354,949	59,960,988	9,322,315,937	(339,874,755)	8,982,441,182
Accumulated Depreciation	108	(3,329,123,077)	104,944,688	(3,224,178,389)	316,560,953	(2,907,617,436)
Net Plant In Service		5,933,231,872	164,905,676	6,098,137,548	(23,313,802)	6,074,823,746
Construction Work in Progress	107	226,392,894	(226,392,894)	0	0	0
Plant Held for Future Use	105	1,044,101	(823,186)	220,915	0	220,915
Dolet Hills Mine FAS 143 ARO Asset	101.6	61,976,617	(61,976,617)	0	0	0
Capitalized leases	1011	105,842,819	(105,842,819)	0	0	0
Accumulated Provision - Leased Assets		(31,065,524)	31,065,524	0		
Completed Construction Not Classified	106	319,647,154	0	319,647,154	0	319,647,154
Plant Acquisition	114	18,043,976	(18,043,976)	0	0	0
Accumulated Provision - Plant Acquisition		(18,043,976)	18,043,976	0	0	0
Other Electric Plant Adjustments	116				0	0
Turk Impairments		(51,821,999)		(51,821,999)		(51,821,999)
Tx Trans Veg Mgmt Cost Writeoff		(1,471,585)		(1,471,585)		(1,471,585)
Tx Dist Veg Mgmt Cost Writeoff		(3,993,357)		(3,993,357)		(3,993,357)
SERP		(637,842)		(637,842)		(637,842)
CWIP Fin Based Incentive		(12,432,748)	42,000	(12,390,748)	(84,000)	(12,474,748)
RWIP Fin Based Incentive		(499,903)		(499,903)		(499,903)
Working Cash Allowance		(145,220,159)	0	(145,220,159)	3,058,346	(142,161,813)
Materials and Supplies	154	70,436,747	(913,340)	69,523,407	0	69,523,407
Fuel Inventories	151/152	105,918,091	(19,211,748)	86,706,343	(28,528,383)	58,177,960
Prepayments	165	17,148,962	83,452,444	100,601,406	0	100,601,406
SFAS #109 Regulatory Assets & Liabilities	1823/254	(412,675,887)	35,506,181	(377,169,706)	0	(377,169,706)
Accumulated DFIT - Reg Assets and Liabilities		412,675,897	(35,506,191)	377,169,706	0	377,169,706
Accumulated Deferred Federal Income Taxes		(1,270,549,476)	291,719,543	(978,829,933)	(455,122,490)	(1,433,952,423)
Rate Base - Other		0	0	0		0
IPP Credit	2530067	(7,532,556)	0	(7,532,556)	0	(7,532,556)
Trading Deposits	1340018/134C	2,092,064	0	2,092,064	0	2,092,064
Excess Earnings Deferral	2540052	(2,453,476)	0	(2,453,476)	0	(2,453,476)
T.V. Pole Attachments	2530050	(831,313)	0	(831,313)	0	(831,313)
Sabine Mine Reclamation	2420059	0	(64,960,236)	(64,960,236)	0	(64,960,236)
Investment in Oxbow		0	16,576,181	16,576,181	(16,576,181)	0
Electric Plant Purchased or Sold		64,005	(64,005)	0		
SFAS #106 Medicare Subsidy		2,533,221	0	2,533,221		2,533,221
Customer Deposits		(65,072,259)	0	(65,072,259)	0	(65,072,259)
TOTAL INVESTED CAPITAL (RATE BASE)		5,252,746,360	107,576,513	5,360,322,873	(520,566,510)	4,839,756,363
RATE OF RETURN		5.02%		7.22%		6.79%
RETURN ON INVESTED CAPITAL		263,445,627	123,780,532	387,226,159	(58,606,702)	328,619,457

		Company Test Year Total (a)	Company Adjustments To Test Year (b)	REBUTTAL Co Requested Test Year Total Electric (c)	PFD Adj To Company Request (d)	PFD Adjusted Total Electric (e) = (c) + (d)
Acct. No						
AMORTIZATION EXPENSE						
Amortization Exp	404	17,421,930	3,435,169	20,857,099	0	20,857,099
Amort of Elec Plt Aqui	406	0	0	0	0	0
Amort Exp (Reg Debit)	4073	860,876	2,288,902	3,149,778	3,310,118	6,459,896
Amort Exp (Reg Credit)	4074	(288,585)	216,585	(72,000)	0	(72,000)
Total Amortization		17,994,221	5,940,656	23,934,877	3,310,118	27,244,995
ACRETION EXPENSE						
Accretion Expense	4111	3,484,561	0	3,484,561	0	3,484,561
DEPRECIATION EXPENSE						
Production	4030.1	118,198,563	1,104,459	119,303,022	(3,335,777)	115,967,245
Transmission	4030.2	49,421,354	(1,487,507)	47,933,847	(1,926,373)	46,007,474
Distribution	4030.3	61,585,051	2,596,244	64,181,295	(996,103)	63,185,192
General	4030.4	7,111,545	(340,761)	6,770,784	0	6,770,784
Total Depreciation Expense		236,316,513	1,872,435	238,188,948	(6,258,253)	231,930,695
TOTAL DEPRECIATION, ACCRETION & AMT EXP		257,795,295	7,813,091	265,608,386	(2,948,135)	262,660,251
Loss on Disposition Util Prop	411	653,208	(490,000)	163,208		163,208
TOTAL		\$ 258,448,503	\$ 7,323,091	\$ 265,771,594	\$ (2,948,135)	\$ 262,823,459

SOAH DOCKET NO.473-21-0538
PUC DOCKET NO. 51415
COMPANY NAME Southwestern Electric Power Company
TEST YEAR END 31-Mar-20

PFD Schedule V
Taxes Other Than FIT
Page 1 of 1

			REBUTTAL		
			Co Requested	PFD Adj	PFD
			Test Year	To Company	Adjusted
			Total Electric	Request	Total Electric
			(a)	(d)	(e) = (c) + (d)
TAXES OTHER THAN FIT					
Non Revenue Related					
Ad Valorem Taxes-Texas			19,752,787	1,626,874	21,379,661
Ad Valorem Taxes-Other States			42,662,719	3,422,126	46,084,845
Total Property			62,415,506	5,049,000	67,464,506
				(3,255,645)	(3,255,645)
					64,208,861
Payroll Taxes					
FICA			6,971,664	45,867	7,017,531
FUTA			40,193	0	40,193
SUTA			40,777	0	40,777
Total Payroll			7,052,634	45,867	7,098,501
				(258,162)	(258,162)
					6,840,339
Franchise Taxes					
Texas			0	0	0
Other States			4,393,405	(4,393,405)	0
Total Franchise			4,393,405	0	0
				0	0
Other Sales and Use Tax					
Other			39,720	(39,720)	0
Total Other			85,990	(84,295)	1,695
			125,710	(124,015)	1,695
TOTAL NON REVENUE RELATED TAXES			73,987,255	577,447	74,564,702
				(3,513,807)	(3,513,807)
					71,050,895
Revenue Related					
State Gross Receipts - Texas			6,215,215	2,454,209	8,669,424
State Gross Receipts - Other			8	0	8
Local Gross Receipts - Texas			9,357,340	(3,757,069)	5,600,271
Local Gross Receipts - Other			8,327,064	0	8,327,064
PUC Assessment - Texas			989,177	390,598	1,379,775
PUC Assessment - Other			1,188,520	0	1,188,520
State Gross Margins - Texas			462,753	(231,947)	230,806
				(372,377)	(372,377)
					(141,571)
TOTAL REVENUE RELATED TAXES			26,540,077	(1,144,209)	25,395,868
				(2,592,438)	(2,592,438)
					22,803,430
TOTAL TAXES OTHER THAN INCOME TAXES					
			100,527,332	(566,762)	99,960,570
				(6,106,245)	(6,106,245)
					93,854,325

SOAH DOCKET NO. 473-21-0538
PUC DOCKET NO. 51415
COMPANY NAME Southwestern Electric Power Company
TEST YEAR END 31-Mar-20

PFD Schedule VI
Federal Income Taxes
Page 1 of 1

FEDERAL INCOME TAXES - METHOD 1

	REBUTTAL Co Requested Test Year Total Electric	PFD Adj To Company Request	PFD Adjusted Total Electric
	(a)	(b)	(c) = (a) + (b)
Return	387,226,159	(58,606,702)	328,619,457
Less:			
Snynchronized Interest	113,324,648	(10,903,917)	102,420,731
DITC Amortization	1,458,080	0	1,458,080
Amortization of Protected Excess DFIT	3,719,670	4,664,032	8,383,702
Preferred Dividend Exclusion	0	0	0
Medicare Subsidy	0	0	0
AFUDC	0	0	0
Restricted Stock Plan - Tax Deduction	73,596	0	73,596
Prior Year T/R Adjustment	0	0	0
Accelerated Book Depletion	16,602,098	0	16,602,098
Parent Company Tax Loss Saving	0	0	0
TOTAL	135,178,092	(6,239,885)	128,938,207
Plus:			
AFUDC		0	0
Business Meals not Deductible	542,023	0	542,023
Additional Depreciation	10,069,545	0	10,069,545
Stock based Compensation	1,538,774	0	1,538,774
AFUDC-BIP Amortization	0	0	0
FAS 106 (Medicare Reimbursement)		0	0
Business Meals Not Deductible			0
TOTAL	12,150,342	0	12,150,342
TAXABLE COMPONENT OF RETURN	264,198,409	(52,366,816)	211,831,592
TAX FACTOR (1/1-.21)(.21)	26.582278%	26.582278%	26.582278%
TOTAL FIT BEFORE ADJUSTMENTS	70,229,957	(13,920,293)	56,309,664
Adjustments:			
Amortization of DITC	(1,458,080)	0	(1,458,080)
Amortization of Excess DFIT	(3,719,670)	(4,664,032)	(8,383,702)
	0	0	0
Prior Year T/R Adjustment	0	0	0
		0	0
TOTAL	(5,177,750)	(4,664,032)	(9,841,782)
		0	
TOTAL FEDERAL INCOME TAXES	65,052,207	(18,584,325)	46,467,882

Public Utility Commission of Texas

Memorandum

To: Diane Hopingardner, Number Running Liaison

From: Adrian Narvaez, Rate Regulation

Subject: Docket No. 51415, *Application of Southwestern Electric Power Company for Authority to Change Rates*

PFD Number Run Class Cost of Service Study and Revenue Distribution Schedule

Date: August 10, 2021

Please find attached to this memo the Class Cost of Service Summary Schedule (Schedule B) and the Revenue Distribution Summary Schedule (Schedule C) consistent with the number-running instructions.

The PFD Class Cost of Service Study and Revenue Distribution was determined consistent with the following treatments:

- Consistent with number-running instructions, the PFD Class Cost of Service Study is based on SWEPCO's Rebuttal Class Cost of Service Study revised consistent with the ALJ's recommendations listed below.
- Consistent with number-running instructions, Eastman Chemical's load was removed from the jurisdictional allocation of transmission costs.
- Consistent with number-running instructions, Eastman Chemical's load was removed from the class allocation of transmission costs.
- The PFD results in a SWEPCO Texas Jurisdictional Revenue Requirement of \$402,643,175. This represents a \$48,886,363 reduction to SWEPCO's Requested Texas Jurisdictional Revenue Requirement of \$451,529,538; corresponding to a \$41,347,404 increase to SWEPCO's present revenues net of TCRF and DECRF revenues of \$361,295,874.

- Consistent with number-running instructions, the PFD Revenue Distribution is based on SWEPCO's rebuttal revenue distribution methodology. This includes an approximate 43% cap to any gross base rate increase.

DESCRIPTION	TOTAL COMPANY			TEXAS RETAIL		
	TOTAL COMPANY REQUESTED AMOUNT	PFD ADJUSTMENT	PFD ADJUSTED TOTAL COMPANY	COMPANY REQUESTED TEXAS RETAIL	PFD ADJUSTMENT TO TEXAS RETAIL	PFD ADJUSTED TEXAS RETAIL
SUMMARY - EQUALIZED RETURN						
RATE BASE	5,360,322,879	(520,566,509)	4,839,756,370	2,025,542,720	(238,979,972)	1,786,562,748
RETURN	387,226,159	(58,606,701)	328,619,458	146,323,859	(25,016,248)	121,307,611
RATE OF RETURN ON RATE BASE	7.22%	-0.43%	6.79%	7.22%		6.79%
PRESENT O&M EXP	550,283,659	(23,625,522)	526,658,137	215,193,067	(14,433,904)	200,759,163
INCR IN 903-CUST ACCT & COLL FACTC	1,117,582		1,117,582	548,442	(26,200)	522,242
TOT OPERATION & MAINT EXP	551,401,241	(23,625,522)	527,775,719	215,741,509	(14,460,104)	201,281,405
DEPRECIATION & AMORTIZATION EXP	265,771,594	(2,948,135)	262,823,459	105,928,834	(3,999,442)	101,929,392
SO2 ALLOWANCE	4	0	4	1	0	1
NON-REVENUE TAXES OTHER THAN INC	74,564,702	(3,513,807)	71,050,895	28,266,008	(1,680,382)	26,585,626
REVENUE RELATED TAXES ARK	0	0	0	0	0	0
REVENUE RELATED TAXES LA	9,515,593	0	9,515,593	0	0	0
REVENUE RELATED TAXES TX	10,821,602	(2,592,438)	8,229,164	10,821,602	(935,821)	9,885,781
TOTAL TAXES OTHER THAN INCOME	94,901,897	(6,106,245)	88,795,652	39,087,610	(2,616,203)	36,471,407
REV RELATED TAX ON REVENUE DEFICIENCY	5,058,674		5,058,674	2,482,493	(118,595)	2,363,898
FED INCOME TAX LIABILITY	65,052,207	(18,584,325)	46,467,882	24,601,826	(7,502,124)	17,099,702
TOTAL OPERATING EXPENSES	982,185,617	(51,264,227)	930,921,390	387,842,273	(28,696,469)	359,145,805
COST OF SERVICE	1,369,411,776	(109,870,929)	1,259,540,848	534,166,132	(53,712,717)	480,453,415
TOTAL PROPOSED CEEIDITS	(195,477,466)	0	(195,477,466)	(82,636,594)	4,826,353	(77,810,240)
BASE REVENUE REQUIREMENT	1,173,934,310	(109,870,929)	1,064,063,381	451,529,538	(48,886,363)	402,643,175

PUBLIC UTILITY COMMISSION OF TEXAS
SOUTHWESTERN ELECTRIC POWER COMPANY
PUC DOCKET NO. 51415
PFD CLASS-FUNCTIONAL SUMMARY
FOR TEST YEAR JUNE 30, 2020

Schedule B
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	Generation Energy	Total Capacity				Total Capacity	Distribution Customer	Total Rate Base Revenue Requirement
		Generation Demand	Transmission Demand	Distribution Primary	Distribution Secondary			
1 Basic Residential	10,430,079	73,170,363	34,220,198	22,903,082	18,528,481	148,822,124	13,166,421	172,418,624
2								
3 General Service with Demand	1,018,314	7,812,815	3,644,839	3,046,980	2,466,402	16,971,037	1,492,041	19,481,392
4 General Service without Demand	322,184	2,511,009	1,172,995	1,201,655	974,293	5,859,952	1,123,696	7,305,832
5								
6 Cotton Gin	23,978	66,716	31,788	193,256	157,295	449,056	2,074	475,107
7								
8 Lighting and Power-Secondary	10,268,402	54,254,095	25,425,582	17,730,844	14,344,762	111,755,284	2,656,917	124,680,603
9 Lighting and Power-Primary	2,995,901	11,031,478	5,176,150	3,953,772	433,126	20,594,525	380,793	23,971,220
10								
11 Large Lighting and Power-Primary	734,000	3,315,901	1,550,824	244,304	133,551	5,244,581	217,532	6,196,112
12 Large Lighting and Power-Transmission	3,394,016	11,263,027	5,403,989	1,924	1,526	16,670,465	310,437	20,374,918
13								
14 Oilfield Primary	1,660,069	5,259,127	2,470,116	2,289,579	217,297	10,236,119	351,585	12,247,773
15 Oilfield Secondary	85,085	434,857	204,328	145,899	116,319	901,402	3,502	989,989
16								
17 Metal Melting-Primary	172,980	537,910	250,419	527,623	51,025	1,366,977	86,404	1,626,361
18 Metal Melting-Transmission	238,287	735,426	342,783	9,626	6,363	1,094,198	47,505	1,379,990
19 Metal Melting-Secondary	9,231	30,676	14,120	69,194	56,269	170,259	5,707	185,197
20								
21 Municipal Pumping	277,854	860,492	404,293	438,718	355,114	2,058,617	75,002	2,411,473
22 Municipal Service	129,406	529,183	246,432	222,058	178,929	1,176,601	170,688	1,476,695
23								
24 Municipal Lighting	130,007	391,774	178,231	337,876	273,149	1,181,030	1,136,591	2,447,628
25 Public Street and Highway	4,859	15,636	7,262	13,500	10,979	47,377	38,016	90,252
26								
27 Private, Outdoor, Area	237,573	734,190	334,465	637,573	515,915	2,222,144	2,055,495	4,515,211
28 Customer-Owned Lighting	32,476	97,873	44,872	91,950	74,565	309,261	27,165	368,902
29								
35 Total	32,164,699	173,052,547	81,123,687	54,059,414	38,895,359	347,131,007	23,347,572	402,643,278

**PUBLIC UTILITY COMMISSION OF TEXAS
SOUTHWESTERN ELECTRIC POWER COMPANY
PUC DOCKET NO. 51415
PFD CLASS MODEL SUMMARY
FOR TEST YEAR JUNE 30, 2020**

**Schedule B
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DESCRIPTION	RESIDENTIAL BASIC	RESIDENTIAL DG	GS W/ DEMAND	GS WO/ DEMAND	COTTON GIN	GS DG	LIGHT & POWER SEC	LIGHT & POWER PRI	LIGHT & POWER DG	LLP PRI
SUMMARY - EQUALIZED RETURN										
RATE BASE	761,788,151	605,497	86,016,949	31,250,884	1,934,195	50,400	558,732,246	105,446,858	704,730	28,092,780
RETURN	51,725,415	41,113	5,840,551	2,121,935	131,332	3,422	37,937,920	7,159,842	47,851	1,907,500
RATE OF RETURN ON RATE BASE	6.79%	6.79%	6.79%	6.79%	6.79%	6.79%	6.79%	6.79%	6.79%	6.79%
PRESENT O&M EXP	85,733,514	69,338	9,622,527	3,720,438	203,037	5,458	60,804,955	12,384,861	170,899	3,177,117
INCR IN 903-CUST ACCT & COLL FACTC	217,946	88	20,769	12,165	1,436	13	183,554	12,280	805	7,374
TOT OPERATION & MAINT EXP	85,951,460	69,426	9,643,297	3,732,603	204,473	5,472	60,988,509	12,397,142	171,704	3,184,491
DEPRECIATION & AMORTIZATION EXP	43,618,367	36,563	4,947,105	1,803,624	118,284	2,997	31,694,871	6,003,504	39,302	1,538,383
SO2 ALLOWANCE	1	0	0	0	0	0	0	0	0	0
NON-REVENUE TAXES OTHER THAN INC	11,415,708	9,239	1,300,959	479,384	29,559	765	8,255,095	1,546,269	11,904	408,611
REVENUE RELATED TAXES ARK	0	0	0	0	0	0	0	0	0	0
REVENUE RELATED TAXES LA	0	0	0	0	0	0	0	0	0	0
REVENUE RELATED TAXES TX	4,129,943	3,010	470,080	146,868	5,905	399	3,493,852	689,394	4,614	270,009
TOTAL TAXES OTHER THAN INCOME	15,545,651	12,248	1,771,039	626,253	35,463	1,164	11,748,947	2,235,663	16,518	678,620
REV RELATED TAX ON REVENUE DEFICIENCY	986,520	398	94,011	55,064	6,501	59	830,845	55,587	3,646	33,377
FED INCOME TAX LIABILITY	7,458,685	5,850	851,988	312,542	18,902	498	5,336,705	953,740	6,942	258,236
TOTAL OPERATING EXPENSES	153,560,684	124,485	17,307,439	6,530,085	383,624	10,190	110,599,878	21,645,635	238,112	5,693,106
COST OF SERVICE	205,286,099	165,598	23,147,990	8,652,020	514,955	13,612	148,537,798	28,805,477	285,963	7,600,606
TOTAL PROPOSED CREDITS	(33,013,458)	(19,616)	(3,678,284)	(1,346,188)	(39,848)	(1,927)	(24,120,664)	(4,834,257)	(22,494)	(1,404,493)
BASE REVENUE REQUIREMENT	172,272,641	145,983	19,469,706	7,305,832	475,107	11,685	124,417,134	23,971,220	263,469	6,196,112

PUBLIC UTILITY COMMISSION OF TEXAS
SOUTHWESTERN ELECTRIC POWER COMPANY
PUC DOCKET NO. 51415
PFD CLASS MODEL SUMMARY
FOR TEST YEAR JUNE 30, 2020

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LLP TRAN	OILFIELD PRI	METAL MELTING PRI	METAL MELTING TRANS	METAL MELTING SEC	OILFIELD SEC	PUMPING SERVICE	MUNICIPAL SERVICE	MUNICIPAL LIGHTING	PUBLIC HIGHWAY	PRIVATE AREA LIGHTING	CUST-OWNED LIGHTING	TOTAL
93,058,024	53,016,721	6,467,541	5,902,818	735,800	4,561,234	10,310,226	6,271,826	10,778,186	392,491	18,950,263	1,494,930	1,786,562,748
6,318,640	3,599,835	439,146	400,801	49,961	309,708	700,064	425,857	731,839	26,650	1,286,723	101,506	121,307,611
6.79%	6.79%	6.79%	6.79%	6.79%	6.79%	6.79%	6.79%	6.79%	6.79%	6.79%	6.79%	6.79%
11,378,422	6,474,063	815,817	745,991	81,324	493,053	1,195,292	745,067	907,436	35,619	1,819,455	175,478	200,759,163
40,150	12,957	1,875	44	282	2,575	1,778	(263)	1,923	351	3,613	543	522,260
11,418,572	6,487,021	817,692	746,035	81,606	495,628	1,197,070	744,804	909,359	35,971	1,823,068	176,022	201,281,423
5,154,647	3,007,261	377,988	328,323	45,931	254,608	601,634	368,021	674,108	23,373	1,201,754	88,744	101,929,392
0	0	0	0	0	0	0	0	0	0	0	0	1
1,342,528	787,288	97,053	85,539	11,517	66,781	153,247	94,413	165,013	6,014	296,089	22,651	26,585,626
0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0	0
19,148	197,437	66,314	75,628	4,221	2,584	59,928	49,162	73,877	1,512	111,698	10,199	9,885,781
1,361,676	984,725	163,366	161,167	15,738	69,365	213,176	143,575	238,889	7,526	407,787	32,851	36,471,407
181,735	58,651	8,489	198	1,277	11,657	8,050	(1,192)	8,704	1,590	16,355	2,460	2,363,982
796,535	468,832	59,225	50,027	7,179	42,859	93,918	59,629	108,856	3,926	190,550	14,078	17,099,702
18,913,165	11,006,489	1,426,760	1,285,749	151,731	874,118	2,113,848	1,314,837	1,939,917	72,387	3,639,515	314,154	359,145,907
25,231,805	14,606,325	1,865,906	1,686,550	201,692	1,183,825	2,813,912	1,740,694	2,671,756	99,037	4,926,237	415,660	480,453,518
(4,856,887)	(2,358,552)	(239,545)	(306,561)	(16,495)	(193,837)	(402,439)	(264,000)	(224,128)	(8,785)	(411,026)	(46,758)	(77,810,240)
20,374,918	12,247,773	1,626,361	1,379,990	185,197	989,989	2,411,473	1,476,695	2,447,628	90,252	4,515,211	368,902	402,643,278

DESCRIPTION	TCRF BASELINE	RESIDENTIAL BASIC	RESIDENTIAL DG	GS W/ DEMAND	GS WO/ DEMAND	COTTON GIN	GS DG	LIGHT & POWER SEC	LIGHT & POWER PRI	LIGHT & POWER DG	LLP PRI
TIC	487,591,029	205,962,749	111,753	21,938,119	7,060,969	128,601	11,163	152,470,678	31,266,158	130,684	9,268,154
ROR	6.79%	6.79%	6.79%	6.79%	6.79%	6.79%	6.79%	6.79%	6.79%	6.79%	6.79%
RTIC	33,107,431	13,984,871	7,588	1,489,598	479,440	8,732	758	10,352,759	2,122,972	8,873	629,308
TDEPR	18,861,569	7,967,293	4,323	848,636	273,141	4,975	432	5,898,050	1,209,474	5,055	358,522
TFIT	5,130,407	2,166,109	1,175	231,085	74,378	871	118	1,606,050	329,340	1,376	97,626
TOT	6,095,885	2,574,917	1,397	274,281	88,280	1,590	140	1,906,260	390,904	1,634	115,875
TCRED	(70,834,945)	(29,929,943)	(16,240)	(3,183,747)	(1,024,716)	(26,750)	(1,620)	(22,127,153)	(4,537,470)	(18,965)	(1,345,031)
revreqt	(7,660,103)	(3,236,753)	(1,756)	(344,388)	(110,843)	(2,520)	(175)	(2,393,504)	(490,822)	(2,052)	(145,493)
ATC	67,409,237	28,474,256	15,450	3,032,935	976,176	17,779	1,543	21,079,001	4,322,532	18,067	1,281,318
ALLOC		100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
ClassALLOC		42.24%	0.02%	4.50%	1.45%	0.03%	0.00%	31.27%	6.41%	0.03%	1.90%
RR	59,749,134	25,237,502	13,694	2,688,547	865,333	15,259	1,368	18,685,498	3,831,710	16,015	1,135,825
BD		2,163,595,580	2,013,476	205,483,534	66,333,658	5,234,123	114,497	6,522,773	1,370,803	8,452	358,160
BD BASIS		kWh	kWh	kWh	kWh	kWh	kWh	kW	kW	kW	kW

**PUBLIC UTILITY COMMISSION OF TEXAS
SOUTHWESTERN ELECTRIC POWER COMPANY
PUC DOCKET NO. 51415
PFD TCRF BASELINES
FOR TEST YEAR JUNE 30, 2020**

**Schedule B
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LLP TRAN	OILFIELD PRI	METAL MELTING PRI	METAL MELTING TRANS	METAL MELTING SEC	OILFIELD SEC	PUMPING SERVICE	MUNICIPAL SERVICE	MUNICIPAL LIGHTING	PUBLIC HIGHWAY	PRIVATE AREA LIGHTING	CUST-OWNED LIGHTING	TOTAL
32,360,709	14,983,459	1,467,947	2,041,182	80,097	1,044,089	2,438,406	1,486,875	1,056,355	20,673	1,991,867	270,340	487,591,029
6.79%	6.79%	6.79%	6.79%	6.79%	6.79%	6.79%	6.79%	6.79%	6.79%	6.79%	6.79%	6.79%
2,197,292	1,017,377	99,674	138,596	5,439	70,894	165,568	100,959	71,726	1,404	135,248	18,356	33,107,431
1,251,815	579,608	56,785	78,959	3,098	40,389	94,325	57,517	40,863	800	77,052	10,458	18,861,569
340,857	157,828	15,462	21,500	844	9,062	25,869	15,774	11,208	84	20,950	2,843	5,130,407
404,589	187,330	18,353	25,520	1,001	12,983	30,493	18,594	13,210	254	24,902	3,380	6,095,885
(4,696,315)	(2,174,459)	(213,034)	(296,225)	(11,624)	(178,056)	(351,732)	(214,477)	(152,375)	(6,273)	(289,453)	(39,285)	(70,834,945)
(508,017)	(235,213)	(23,045)	(32,043)	(1,258)	(18,397)	(38,088)	(23,225)	(16,499)	(463)	(31,301)	(4,248)	(7,660,103)
4,473,853	2,071,456	202,943	282,193	11,073	144,345	337,109	205,560	146,041	2,858	275,375	37,374	67,409,237
100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
6.64%	3.07%	0.30%	0.42%	0.02%	0.21%	0.50%	0.31%	0.22%	0.00%	0.41%	0.06%	100%
3,965,836	1,836,244	179,899	250,149	9,816	125,948	299,021	182,335	129,541	2,395	244,073	33,126	59,749,134
1,433,918	765,088	194,231	220,660	24,392	40,837	60,026,735	26,943,781	26,004,489	1,070,584	49,398,122	6,704,408	
kW	kW	kW	kW	kW	kW	kWh	kWh	kWh	kWh	kWh	kWh	

PUBLIC UTILITY COMMISSION OF TEXAS
SOUTHWESTERN ELECTRIC POWER COMPANY
PUC DOCKET NO. 51415
PFD DCRF BASELINES
FOR TEST YEAR JUNE 30, 2020

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DESCRIPTION	DCRF BASELINE	RESIDENTIAL BASIC	RESIDENTIAL DG	GS W/ DEMAND	GS WO/ DEMAND	COTTON GIN	GS DG	LIGHT & POWER SEC	LIGHT & POWER PRI	LIGHT & POWER DG	LLP PRI
DIC _{RC}	411,184,963	185,511,173	288,996	24,256,526	11,132,747	1,547,765	19,802	129,122,916	16,476,754	274,234	1,613,289
ROR _{AT}	6.79%	6.79%	6.79%	6.79%	6.79%	6.79%	6.79%	6.79%	6.79%	6.79%	6.79%
DEPR _{RC}	24,342,308	10,964,970	17,117	1,436,387	658,121	58,388	1,175	7,664,097	983,494	16,118	95,408
FIT _{RC}	4,207,614	1,898,758	2,966	248,200	113,827	11,328	204	1,326,484	169,317	2,747	16,374
OT _{RC}	5,442,530	2,458,138	3,832	321,841	147,691	13,000	263	1,715,051	218,808	3,617	21,355
ALLOC _{CLASS}		45.13%	0.07%	5.90%	2.71%	0.34%	0.00%	31.44%	4.01%	0.07%	0.39%
DISTREV _{RC}	61,911,911	27,918,075	43,538	3,653,446	1,675,552	187,809	2,986	19,473,078	2,490,390	41,102	242,680
BD _{RC-CLASS}		2,163,595,580	2,013,476	205,483,534	66,333,658	5,234,123	114,497	6,522,773	1,370,803	8,452	358,160
BD _{RC-CLASS} BASIS		kWh	kWh	kWh	kWh	kWh	kWh	kW	kW	kW	kW

PUBLIC UTILITY COMMISSION OF TEXAS
SOUTHWESTERN ELECTRIC POWER COMPANY
PUC DOCKET NO. 51415
PFD DCRF BASELINES
FOR TEST YEAR JUNE 30, 2020

Schedule B
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LLP TRAN	OILFIELD PRI	METAL MELTING PRI	METAL MELTING TRANS	METAL MELTING SEC	OILFIELD SEC	PUMPING SERVICE	MUNICIPAL SERVICE	MUNICIPAL LIGHTING	PUBLIC HIGHWAY	PRIVATE AREA LIGHTING	CUST-OWNED LIGHTING	TOTAL
91,751	9,887,949	2,207,512	15,772	512,979	1,142,741	3,324,019	1,991,028	7,760,859	313,483	12,982,668	709,999	411,184,963
6.79%	6.79%	6.79%	6.79%	6.79%	6.79%	6.79%	6.79%	6.79%	6.79%	6.79%	6.79%	6.79%
4,991	589,309	131,735	872	30,466	55,093	198,891	118,657	466,740	7,637	800,572	42,069	24,342,308
739	101,321	22,661	133	5,275	10,110	34,377	20,512	80,336	1,589	133,070	7,287	4,207,614
1,146	131,209	29,306	199	6,815	12,296	44,525	26,645	103,959	1,688	171,732	9,414	5,442,530
0.02%	2.41%	0.54%	0.00%	0.12%	0.27%	0.81%	0.49%	1.89%	0.07%	3.15%	0.17%	100.00%
13,106	1,493,230	333,592	2,276	77,387	155,091	503,494	301,004	1,177,997	32,200	1,986,897	106,980	61,911,911
1,433,918	765,088	194,231	220,660	24,392	40,837	60,026,735	26,943,781	26,004,489	1,070,584	49,398,122	6,704,408	
kW	kW	kW	kW	kW	kW	kWh	kWh	kWh	kWh	kWh	kWh	

PUBLIC UTILITY COMMISSION OF TEXAS
SOUTHWESTERN ELECTRIC POWER COMPANY
PUC DOCKET NO. 51415
PFD REVENUE DISTRIBUTION
FOR TEST YEAR JUNE 30, 2020

Schedule C

Page 1 of 1

Class	Present Base Revenue	Present Base + TCRF + DCRF Revenue	Cost-Based Electric Revenue	PFD Cost Based Gross Bill Change	Cost- Based % Change	PFD Target Gross Bill Change	PFD Target Gross % Change	PFD Target Net Bill Change	PFD Target Net % Change	PFD Revenue Requirements
Residential	147,077,995	153,227,969	172,418,624	25,340,629	17.23%	25,340,629	17.23%	19,190,655	12.52%	172,418,624
General Service w/ Demand	16,998,369	17,638,468	19,481,392	2,483,022	14.61%	2,508,967	14.76%	1,868,869	10.60%	19,507,337
General Service w/o Demand	5,669,225	5,875,817	7,305,832	1,636,607	28.87%	1,646,337	29.04%	1,439,745	24.50%	7,315,562
Lighting & Power Sec	100,037,248	104,243,548	124,680,603	24,643,355	24.63%	24,809,402	24.80%	20,603,103	19.76%	124,846,650
Lighting & Power Pri	23,827,679	24,896,460	23,971,220	143,541	0.60%	175,465	0.74%	(893,316)	-3.59%	24,003,144
Cotton Gin	231,688	249,858	475,107	243,419	105.06%	100,228	43.26%	82,058	32.84%	331,916
Large Lighting & Power Pri	5,298,104	5,538,446	6,196,112	898,008	16.95%	906,260	17.11%	665,918	12.02%	6,204,364
Large Lighting & Power Tran	22,387,847	23,470,723	20,374,918	(2,012,929)	-8.99%	(1,985,795)	-8.87%	(3,068,670)	-13.07%	20,402,053
Metal Melting-Sec	143,749	151,026	185,197	41,448	28.83%	41,695	29.01%	34,418	22.79%	185,444
Metal Melting-Pri	1,402,858	1,496,310	1,626,361	223,503	15.93%	225,669	16.09%	132,217	8.84%	1,628,527
Metal Melting-Tran	1,498,929	1,672,408	1,379,990	(118,939)	-7.93%	(117,102)	-7.81%	(290,581)	-17.37%	1,381,827
Oilfield Pri	10,636,387	11,134,950	12,247,773	1,611,386	15.15%	1,627,698	15.30%	1,129,134	10.14%	12,264,084
Oilfield Sec	588,848	591,392	989,989	401,140	68.12%	254,736	43.26%	252,193	42.64%	843,584
Total Commercial & Industrial	188,720,933	196,959,406	218,914,493	30,193,561	16.00%	30,193,561	16.00%	21,955,087	11.15%	218,914,493
Municipal Pumping	2,279,333	2,390,468	2,411,473	132,140	5.80%	150,041	6.58%	38,905	1.63%	2,429,373
Municipal Service	1,650,219	1,701,604	1,476,695	(173,524)	-10.52%	(162,563)	-9.85%	(213,948)	-12.57%	1,487,656
Municipal Lighting	2,267,085	2,351,444	2,447,628	180,543	7.96%	198,712	8.77%	114,353	4.86%	2,465,797
Public Street & Hwy Lighting	30,170	33,447	90,252	60,082	199.14%	13,051	43.26%	9,775	29.22%	43,221
Total Muni & Muni Lighting	6,226,806	6,476,962	6,426,047	199,241	3.20%	199,241	3.20%	(250,156)	-3.86%	6,226,806
Private, Outdoor, Area Lighting	4,150,616	4,307,444	4,515,211	364,595	8.78%	364,595	8.78%	207,767	4.82%	4,515,211
Customer-Owned Lighting	293,022	324,093	368,902	75,880	25.90%	75,880	25.90%	44,809	13.83%	368,902
Total Lighting	4,443,639	4,631,537	4,884,113	440,474	9.91%	440,474	9.91%	252,576	5.45%	4,884,113
Total Firm Retail	346,469,372	361,295,874	402,643,278	56,173,905	16.21%	56,173,905	16.21%	41,347,404	11.44%	402,643,278

Diane Hopingardner

From: Diane Hopingardner
Sent: Thursday, August 12, 2021 12:17 PM
To: Meaghan Bailey
Subject: SOAH liaison communication re: SOAH Docket No. 473-21-0538/PUC Docket No. 51415
Attachments: 51415 PFD Schedule D.pdf; 51415 PFD Schedule D.xlsx; 51415 PFD Rate Design Memo.docx

Good afternoon Ms. Bailey,

Please find attached additional responses from Staff:

Staff comments: "I noticed that SWEPCO used a different present revenue value for the Cotton Gin class in their rebuttal case. This results in a revenue distribution and rate design for the classes within the Commercial and Industrial rate group that is different from the revenue distribution and rate design values that would come out if the original present revenue amount was used."

Please let me know if you have any questions regarding the above.

Thank you,
Diane



Diane Hopingardner

Regulatory Accountant

Public Utility Commission of Texas

W: (512)936-7233 | diane.hopingardner@puc.texas.gov

Public Utility Commission of Texas

Memorandum

To: Diane Hopingardner, Number Running Liaison

From: Adrian Narvaez, Rate Regulation

Subject: Docket No. 51415, *Application of Southwestern Electric Power Company for Authority to Change Rates*
PFD Number Run Rate Design Schedule

Date: August 12, 2021

Please find attached to this memo the Rate Design Schedule (Schedule D) consistent with the number-running instructions.

The PFD Class Cost of Service Study and Revenue Distribution was determined consistent with the following treatments:

- Consistent with number-running instructions, the Reactive Demand Charge did not change.
- Consistent with number-running instructions, SWEPCO's adjustment to the General Service Billing Determinants to account for future migration to that schedule from the Lighting and Power rate class was removed. Rates were based on test year billing determinants.
- Consistent with number-running instructions, SWEPCO's proposed rate design for the LP Secondary class was changed consistent with the recommendation of Lisa V. Perry.
- Consistent with number-running instructions, SWEPCO's proposed Rate Case Surcharge Rider was calculated to collect \$3,700,027 in rate case expenses.
- Consistent with number-running instructions, an energy allocator was used to allocate amounts to the Renewable Energy Credit Rider.
- Consistent with number-running instructions, SWEPCO's proposed Synchronized Self-Generation Load rate was removed.

RATE SHEET	RATE CLASS	TYPE OF RATE	Current Rates	SWEPSCO Proposed Rates	Staff Proposed Rates	
IV-1	Residential	Customer Charge	\$ 8.00	\$ 10.00	\$ 9.44	per customer
		Net Metering Admin Fee	\$ 8.00	\$ 10.00	\$ 9.44	per customer
		kWh Charge (on peak)	\$ 0.072266	\$ 0.092448	\$ 0.084717	per kWh
		Block 1 kWh Charge	\$ 0.053589	\$ 0.068555	\$ 0.062835	per kWh
		Block 2 kWh Charge	\$ 0.043789	\$ 0.056855	\$ 0.051354	per kWh
IV-2	General Service W/D	Customer Charges	\$ 11.59	\$ 15.00	\$ 13.30	per customer
		Net Metering Admin Fee	\$ 8.00	\$ 10.00	\$ 9.44	
		Block 2 kW Charge	\$ 4.87	\$ 2.95	\$ 5.59	per kW
		kWh Charge	\$ 0.061302	\$ 0.075419	\$ 0.070526	per kWh
IV-2	General Service Wo/D	Customer Charges	\$ 11.59	\$ 15.00	\$ 13.30	per customer
		kWh Charge	\$ 0.061302	\$ 0.089950	\$ 0.082768	per kWh
IV-3	Lighting & Power Secondary	Block 2 kW Charge	\$ 9.38	\$ 12.48	\$ 9.23	per kW
		kWh Charge	\$ 0.016155	\$ 0.022038	\$ 0.015610	per kWh
	Lighting & Power Primary	Block 2 kW Charge	\$ 9.16	\$ 12.18	\$ 9.23	per kW
		kWh Charge	\$ 0.014904	\$ 0.020470	\$ 0.015610	per kWh
IV-4	Large Lighting & Power Primary	Block 2 kW Charge	\$ 10.02	\$ 13.32	\$ 11.73	per kW
		kWh Charge	\$ 0.010382	\$ 0.013816	\$ 0.012166	per kWh
IV-4	Large Lighting & Power Transmission	Block 2 kW Charge	\$ 6.87	\$ 7.93	\$ 6.26	per kW
		kWh Charge	\$ 0.010382	\$ 0.012212	\$ 0.010075	per kWh
Various		kVAR charge	\$ 0.51	\$ 0.66	\$ 0.51	per kVAR
		Additional Transformer Cap	\$ 1.60	\$ 2.08	\$ 1.86	per kVAR
IV-6	Metal Melting-Secondary	Block 2 kW Charge	\$ 4.63	\$ 6.16	\$ 5.27	per kW
		kWh Charge	\$ 0.015014	\$ 0.019925	\$ 0.020074	per kWh
	Metal Melting-Primary	Block 2 kW Charge	\$ 4.54	\$ 6.04	\$ 5.33	per kW
		kWh Charge	\$ 0.014613	\$ 0.019422	\$ 0.015868	per kWh
IV-7	Metal Melting-69kV	Block 2 kW Charge	\$ 3.42	\$ 4.55	\$ 3.15	per kVA
		kWh Charge	\$ 0.010211	\$ 0.013569	\$ 0.009425	per kWh
IV-8	Off Peak Rider	Customer Charge	\$ 81.14	\$ 107.90	\$ 94.12	per customer
IV-13	Oilfield Service	Primary kW Charge	\$ 7.93	\$ 10.55	\$ 9.14	per kW
		Primary kWh Charge	\$ 0.01155	\$ 0.015507	\$ 0.013236	per kWh
		Secondary kW Charge	\$ 8.29	\$ 11.02	\$ 11.88	per kW
		Secondary kWh Charge	\$ 0.01209	\$ 0.016109	\$ 0.017226	per kWh
IV-14	Cotton Gin Service	Customer Charge	\$ 29.21	\$ 38.84	\$ 41.85	per customer
		Per kWh (May-Oct)	\$ 0.097105	\$ 0.129129	\$ 0.139113	per kWh
		Per kWh (Nov - Apr)	\$ 0.050171	\$ 0.066717	\$ 0.061343	per kWh
IV-19	Municipal Pumping	kWh Charge	\$ 0.036899	\$ 0.041875	\$ 0.039328	per kWh
IV-20	Municipal Service	kWh Charge	\$ 0.058369	\$ 0.066241	\$ 0.052619	per kWh
IV-21/22	Recreational Lighting and Customer-Supplied Lighting	Customer Charge	\$ 7.35	\$ 10.01	\$ 9.25	per customer
		kWh Charge	\$ 0.040229	\$ 0.055472	\$ 0.050752	per kWh

PUBLIC UTILITY COMMISSION OF TEXAS
SOUTHWESTERN ELECTRIC POWER COMPANY
PUC DOCKET NO. 51415
PFD RATES SUMMARY
FOR TEST YEAR JUNE 30, 2020

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IV-23	MUNICIPAL STREET LIGHTING					
IV-24	<u>Rate Code 521</u>					
IV-25	175W Mercury Vapor	Wood/Overhead	\$ 8.71	\$ 6.84	\$ 9.00	per fixture
IV-31	400W Mercury Vapor	Wood/Overhead	\$ 14.82	\$ 11.63	\$ 15.32	
	400W Mercury Vapor	Non-Wood/Overhead	\$ 16.44	\$ 12.91	\$ 16.99	
	400W Mercury Vapor	Base-Mounted/Overhead	\$ 18.24	\$ 14.32	\$ 18.85	
	400W Mercury Vapor	Base-Mounted/Underground	\$ 20.44	\$ 16.05	\$ 21.13	
	70W High Pressure Sodium	Wood/Overhead	\$ 10.51	\$ 8.25	\$ 10.86	
	70W High Pressure Sodium	Non-Wood/Overhead	\$ 12.13	\$ 9.52	\$ 12.54	
	70W High Pressure Sodium	Base-Mounted/Overhead	\$ 13.92	\$ 10.93	\$ 14.39	
	70W High Pressure Sodium	Non-Wood/Underground	\$ 14.34	\$ 11.26	\$ 14.82	
	70W High Pressure Sodium	Base-Mounted/Underground	\$ 16.12	\$ 12.65	\$ 16.66	
	150W High Pressure Sodium	Wood/Overhead	\$ 19.21	\$ 15.08	\$ 19.85	
	150W High Pressure Sodium	Non-Wood/Overhead	\$ 20.84	\$ 16.36	\$ 21.54	
	150W High Pressure Sodium	Base-Mounted/Overhead	\$ 22.65	\$ 17.78	\$ 23.41	
	150W High Pressure Sodium	Non-Wood/Underground	\$ 23.05	\$ 18.09	\$ 23.82	
	150W High Pressure Sodium	Base-Mounted/Underground	\$ 24.84	\$ 19.50	\$ 25.67	
	250W High Pressure Sodium	Wood/Overhead	\$ 22.31	\$ 17.51	\$ 23.06	
	250W High Pressure Sodium	Non-Wood/Overhead	\$ 23.94	\$ 18.79	\$ 24.74	
	250W High Pressure Sodium	Base-Mounted/Overhead	\$ 25.72	\$ 20.19	\$ 26.58	
	250W High Pressure Sodium	Non-Wood/Underground	\$ 26.14	\$ 20.52	\$ 27.02	
	250W High Pressure Sodium	Base-Mounted/Underground	\$ 27.93	\$ 21.93	\$ 28.87	
	300W High Pressure Sodium	Wood/Overhead	\$ 32.58	\$ 25.58	\$ 33.67	
	300W High Pressure Sodium	Non-Wood/Overhead	\$ 34.21	\$ 26.85	\$ 35.36	
	300W High Pressure Sodium	Base-Mounted/Overhead	\$ 36.00	\$ 28.26	\$ 37.21	
	300W High Pressure Sodium	Non-Wood/Underground	\$ 36.41	\$ 28.58	\$ 37.63	
	300W High Pressure Sodium	Base-Mounted/Underground	\$ 38.20	\$ 29.99	\$ 39.48	
	500W High Pressure Sodium	Wood/Overhead	\$ 36.65	\$ 28.77	\$ 37.88	
	500W High Pressure Sodium	Non-Wood/Overhead	\$ 38.28	\$ 30.05	\$ 39.56	
	500W High Pressure Sodium	Base-Mounted/Overhead	\$ 40.07	\$ 31.45	\$ 41.41	
	500W High Pressure Sodium	Non-Wood/Underground	\$ 40.48	\$ 31.78	\$ 41.84	
	500W High Pressure Sodium	Base-Mounted/Underground	\$ 42.26	\$ 33.17	\$ 43.68	
	35W Low Pressure Sodium	Wood/Overhead	\$ 10.67	\$ 8.38	\$ 11.03	
	55W Low Pressure Sodium	Wood/Overhead	\$ 10.67	\$ 8.38	\$ 11.03	
	55W Low Pressure Sodium	Non-Wood/Overhead	\$ 12.29	\$ 9.65	\$ 12.70	
	55W Low Pressure Sodium	Base-Mounted/Overhead	\$ 14.09	\$ 11.06	\$ 14.56	
	90W Low Pressure Sodium	Wood/Overhead	\$ 20.36	\$ 15.98	\$ 21.04	
	90W Low Pressure Sodium	Non-Wood/Overhead	\$ 21.99	\$ 17.26	\$ 22.73	
	90W Low Pressure Sodium	Base-Mounted/Overhead	\$ 23.79	\$ 18.68	\$ 24.59	
	90W Low Pressure Sodium	Non-Wood/Underground	\$ 24.19	\$ 18.99	\$ 25.00	
	90W Low Pressure Sodium	Base-Mounted/Underground	\$ 25.99	\$ 20.40	\$ 26.86	
	180W Low Pressure Sodium	Wood/Overhead	\$ 34.61	\$ 27.17	\$ 35.77	
	180W Low Pressure Sodium	Non-Wood/Overhead	\$ 36.24	\$ 28.45	\$ 37.46	
	180W Low Pressure Sodium	Base-Mounted/Overhead	\$ 38.04	\$ 29.86	\$ 39.32	
	180W Low Pressure Sodium	Non-Wood/Underground	\$ 38.44	\$ 30.18	\$ 39.73	
	180W Low Pressure Sodium	Base-Mounted/Underground	\$ 40.24	\$ 31.59	\$ 41.59	
	<u>Rate Code 529-(CLOSED)</u>					
	75W Mercury Vapor		\$ 4.18	\$ 5.27	\$ 4.32	per fixture
	100W Mercury Vapor		\$ 4.61	\$ 5.81	\$ 4.76	
	400W Mercury Vapor		\$ 9.39	\$ 11.83	\$ 9.71	
	<u>Rate Code 528 (OPEN)</u>					
	100W Mercury Vapor		\$ 2.01	\$ 2.53	\$ 2.08	per fixture
	175W Mercury Vapor		\$ 2.75	\$ 3.46	\$ 2.84	
	250W Mercury Vapor		\$ 3.80	\$ 4.79	\$ 3.93	
	150W Mercury Vapor		\$ 5.60	\$ 7.06	\$ 5.79	
	400W Metal Halide		\$ 4.96	\$ 6.25	\$ 5.13	
	400W Metal Halide		\$ 6.45	\$ 8.13	\$ 6.67	
	1000W Metal Halide		\$ 15.00	\$ 18.90	\$ 15.50	
	70W High Pressure Sodium		\$ 2.11	\$ 2.66	\$ 2.18	
	100W High Pressure Sodium		\$ 2.75	\$ 3.46	\$ 2.84	
	150W High Pressure Sodium		\$ 3.07	\$ 3.87	\$ 3.17	
	250W High Pressure Sodium		\$ 4.54	\$ 5.72	\$ 4.69	
	400W High Pressure Sodium		\$ 6.45	\$ 8.13	\$ 6.67	
	1000W High Pressure Sodium		\$ 14.90	\$ 18.77	\$ 15.40	

	<u>Rate Code 538 (CLOSED)</u>				
	6,000L Incandescent	\$ 8.71	\$ 10.97	\$ 9.00	per fixture
	16000L Mercury Vapor Wood	\$ 9.05	\$ 11.40	\$ 9.35	
	<u>Rate Code 535 (OPEN)</u>				
	100W Mercury Vapor	\$ 2.53	\$ 3.19	\$ 2.61	
	175W Mercury Vapor	\$ 3.49	\$ 4.40	\$ 3.61	
	250W Mercury Vapor	\$ 4.80	\$ 6.05	\$ 4.96	
	400W Mercury Vapor	\$ 7.06	\$ 8.89	\$ 7.30	
	1000W Mercury Vapor	\$ 15.83	\$ 19.94	\$ 16.36	
	150W Metal Halide	\$ 6.26	\$ 7.89	\$ 6.47	
	400W Metal Halide	\$ 8.14	\$ 10.26	\$ 8.41	
	1000W Metal Halide	\$ 18.92	\$ 23.84	\$ 19.55	
	70W High Pressure Sodium	\$ 2.66	\$ 3.35	\$ 2.75	
	100W High Pressure Sodium	\$ 3.48	\$ 4.38	\$ 3.60	
	150W High Pressure Sodium	\$ 3.87	\$ 4.88	\$ 4.00	
	250W High Pressure Sodium	\$ 5.73	\$ 7.22	\$ 5.92	
	400W High Pressure Sodium	\$ 8.14	\$ 10.26	\$ 8.41	
	1000W High Pressure Sodium	\$ 18.75	\$ 23.62	\$ 19.38	
IV-26	PUBLIC STREET & HIGHWAY LIGHTING				
IV-27	<u>Rate Codes 534,539,739 (OPEN)</u>				
	100W Mercury Vapor	\$ 1.38	\$ 1.57	\$ 2.15	per fixture
	175W Mercury Vapor	\$ 2.12	\$ 2.41	\$ 3.30	
	250W Mercury Vapor	\$ 3.20	\$ 3.63	\$ 4.98	
	400W Mercury Vapor	\$ 5.01	\$ 5.69	\$ 7.79	
	1000W Mercury Vapor	\$ 11.73	\$ 13.31	\$ 18.25	
	400W Metal Halide	\$ 5.00	\$ 5.67	\$ 7.78	per fixture
	1000W Metal Halide	\$ 12.01	\$ 13.63	\$ 18.68	
	70W High Pressure Sodium	\$ 1.08	\$ 1.23	\$ 1.68	
	100W High Pressure Sodium	\$ 1.60	\$ 1.82	\$ 2.49	
	150W High Pressure Sodium	\$ 1.92	\$ 2.18	\$ 2.99	
	250W High Pressure Sodium	\$ 3.41	\$ 3.87	\$ 5.30	
	400W High Pressure Sodium	\$ 5.34	\$ 6.06	\$ 8.31	
	1000W High Pressure Sodium	\$ 12.46	\$ 14.14	\$ 19.38	
IV-28	PRIVATE, OUTDOOR & AREA LIGHTING				
IV-29	Private 2500L Incandescent	\$ 4.54	\$ 6.15	\$ 5.27	per fixture
IV-30	Private 7700 Mercury Vapor	\$ 6.05	\$ 8.19	\$ 7.02	
IV-32	Private 7700 w/Pole Mercury Vapor	\$ 6.05	\$ 8.19	\$ 7.02	
IV-33	Area 100W Mercury Vapor	\$ 5.42	\$ 7.34	\$ 6.30	per fixture
	Area 175W Mercury Vapor	\$ 6.05	\$ 8.19	\$ 7.03	
	Area 250W Mercury Vapor	\$ 6.84	\$ 9.26	\$ 7.95	
	Area 400W Mercury Vapor	\$ 8.17	\$ 11.06	\$ 9.50	
	Area 1000W Mercury Vapor	\$ 13.43	\$ 18.18	\$ 15.60	
	Area 400W Metal Halide	\$ 4.79	\$ 6.48	\$ 5.57	
	Area 1000W Metal Halide	\$ 11.14	\$ 15.08	\$ 12.94	
	Area 100W High Pressure Sodium	\$ 2.05	\$ 2.78	\$ 2.38	
	Area 250W High Pressure Sodium	\$ 3.38	\$ 4.58	\$ 3.93	
	Area 400W High Pressure Sodium	\$ 4.79	\$ 6.48	\$ 5.56	
	Area 1000W High Pressure Sodium	\$ 11.07	\$ 14.99	\$ 12.85	
	Outdoor 175W Mercury Vapor	\$ 8.14	\$ 11.02	\$ 9.46	per fixture
	Outdoor 400W Mercury Vapor	\$ 11.37	\$ 15.39	\$ 13.20	
	Outdoor 70W High Pressure Sodium	\$ 8.60	\$ 11.64	\$ 9.99	
	Outdoor 150W High Pressure Sodium	\$ 12.00	\$ 16.24	\$ 13.93	
	Floodlighting 250W Metal Halide	\$ 9.26	\$ 12.53	\$ 10.75	per fixture
	Floodlighting 400W Metal Halide	\$ 10.53	\$ 14.25	\$ 12.23	
	Floodlighting 1000W Metal Halide	\$ 18.97	\$ 25.68	\$ 22.03	
	Floodlighting 150W High Pressure Sodium	\$7.98	\$10.80	\$ 9.27	
	Floodlighting 250W High Pressure Sodium	\$9.16	\$12.40	\$ 10.64	
	Floodlighting 400W High Pressure Sodium	\$10.37	\$14.04	\$ 12.04	
	Floodlighting 1000W High Pressure Sodium	\$18.82	\$25.48	\$ 21.85	

**PUBLIC UTILITY COMMISSION OF TEXAS
SOUTHWESTERN ELECTRIC POWER COMPANY
PUC DOCKET NO. 51415
PFD RATE CASE EXPENSES
FOR TEST YEAR JUNE 30, 2020**

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RESIDENTIAL	\$	0.000244	\$/kWh
TOTAL COMMERCIAL & SMALL INDUSTRIAL C	\$	0.000174	\$/kWh
TOTAL MUNICIPAL CLASS	\$	0.000117	\$/kWh
TOTAL LIGHTING CLASS	\$	0.000249	\$/kWh
TOTAL INDUSTRIAL CLASS		0.306%	% of Base Revenues

PUBLIC UTILITY COMMISSION OF TEXAS
SOUTHWESTERN ELECTRIC POWER COMPANY
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PFD RATE CASE EXPENSES
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Docket No. 51415 REC Costs \$ 1,281,301
TX Retail Allocation (ENERGY) 36.96%
TX Retail Allocated REC Costs \$ 473,593

	Class ENERGY	REC Costs in Base Rates	kWh at Meter	REC Opt Out Credit/kWh
Residential	31.72%	\$ 150,230.47		
Commercial	45.13%	\$ 213,749.07	3,105,486,129	\$ 0.000069
Industrial	20.65%	\$ 97,810.06	1,481,924,742	\$ 0.000066
Municipal	1.67%	\$ 7,911.46		
Lighting	0.82%	\$ 3,891.89		

Diane Hopingardner

From: Diane Hopingardner
Sent: Monday, August 30, 2021 9:55 AM
To: Meaghan Bailey
Subject: SOAH Docket No. 473-21-0538/PUC Docket No. 51415
Attachments: 51415 CCOSS PFD.xlsx; 51415 PFD Rate Design Model.xlsx; 51415 PFD Schedule D Revised.pdf; 51415 PFD Schedule D Revised.xlsx

Good morning Ms. Bailey,

In attempt to fully respond to SWEPCO's request for number running memoranda and workpapers, Staff reviewed all communications and discovered one e-mail communication that was inadvertently not forwarded to SOAH.

Below are the comments from Staff:

"A couple of corrections were made pages 3 and 4 of Schedule D. On page 3, Staff corrected the rate case expense rates for the Municipal and Lighting Classes. On page, 4 Staff corrected the heading."

The revised schedules are attached. Please let me know if you have any questions.

Thank you,
Diane



Diane Hopingardner

Regulatory Accountant

Public Utility Commission of Texas

W: (512)936-7233 | diane.hopingardner@puc.texas.gov

Diane Hopingardner

From: Diane Hopingardner
Sent: Monday, August 30, 2021 1:57 PM
To: Meaghan Bailey
Subject: RE: SOAH Docket No. 473-21-0538/PUC Docket No. 51415

Ms. Bailey,

The Schedule D attached to the filed Proposal for Decision is an incorrect version. I sent the correct version of Schedule D attached to my e-mail communication this morning.

Please let me know if you need anything else.

Thank you,
Diane

From: Meaghan Bailey <Meaghan.Bailey@soah.texas.gov>
Sent: Monday, August 30, 2021 1:35 PM
To: Diane Hopingardner <Diane.Hopingardner@puc.texas.gov>
Subject: RE: SOAH Docket No. 473-21-0538/PUC Docket No. 51415

WARNING: EXTERNAL SENDER. Always be cautious when clicking links or opening attachments. NEVER provide your user ID or password.

Ms. Hopingardner,

For clarification and confirmation, is the Schedule D that is attached to the Proposal for Decision Staff's updated version or is it an incorrect version?

Thank you,
Meaghan

From: Diane Hopingardner [<mailto:Diane.Hopingardner@puc.texas.gov>]
Sent: Monday, August 30, 2021 9:55 AM
To: Meaghan Bailey <Meaghan.Bailey@soah.texas.gov>
Subject: SOAH Docket No. 473-21-0538/PUC Docket No. 51415

Good morning Ms. Bailey,

In attempt to fully respond to SWEPCO's request for number running memoranda and workpapers, Staff reviewed all communications and discovered one e-mail communication that was inadvertently not forwarded to SOAH.

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"A couple of corrections were made pages 3 and 4 of Schedule D. On page 3, Staff corrected the rate case expense rates for the Municipal and Lighting Classes. On page, 4 Staff corrected the heading."

The revised schedules are attached. Please let me know if you have any questions.

Thank you,
Diane



Diane Hopingardner

Regulatory Accountant

Public Utility Commission of Texas

W: (512)936-7233 | diane.hopingardner@puc.texas.gov

RATE SHEET	RATE CLASS	TYPE OF RATE	Current Rates	SWEPSCO Proposed Rates	Staff Proposed Rates	
IV-1	Residential	Customer Charge	\$ 8.00	\$ 10.00	\$ 9.44	per customer
		Net Metering Admin Fee	\$ 8.00	\$ 10.00	\$ 9.44	per customer
		kWh Charge (on peak)	\$ 0.072266	\$ 0.092448	\$ 0.084717	per kWh
		Block 1 kWh Charge	\$ 0.053589	\$ 0.068555	\$ 0.062835	per kWh
		Block 2 kWh Charge	\$ 0.043789	\$ 0.056855	\$ 0.051354	per kWh
IV-2	General Service W/D	Customer Charges	\$ 11.59	\$ 15.00	\$ 13.30	per customer
		Net Metering Admin Fee	\$ 8.00	\$ 10.00	\$ 9.44	
		Block 2 kW Charge	\$ 4.87	\$ 2.95	\$ 5.59	per kW
		kWh Charge	\$ 0.061302	\$ 0.075419	\$ 0.070526	per kWh
IV-2	General Service Wo/D	Customer Charges	\$ 11.59	\$ 15.00	\$ 13.30	per customer
		kWh Charge	\$ 0.061302	\$ 0.089950	\$ 0.082768	per kWh
IV-3	Lighting & Power Secondary	Block 2 kW Charge	\$ 9.38	\$ 12.48	\$ 9.23	per kW
		kWh Charge	\$ 0.016155	\$ 0.022038	\$ 0.015610	per kWh
	Lighting & Power Primary	Block 2 kW Charge	\$ 9.16	\$ 12.18	\$ 9.23	per kW
		kWh Charge	\$ 0.014904	\$ 0.020470	\$ 0.015610	per kWh
IV-4	Large Lighting & Power Primary	Block 2 kW Charge	\$ 10.02	\$ 13.32	\$ 11.73	per kW
		kWh Charge	\$ 0.010382	\$ 0.013816	\$ 0.012166	per kWh
IV-4	Large Lighting & Power Transmission	Block 2 kW Charge	\$ 6.87	\$ 7.93	\$ 6.26	per kW
		kWh Charge	\$ 0.010382	\$ 0.012212	\$ 0.010075	per kWh
Various		kVAR charge	\$ 0.51	\$ 0.66	\$ 0.51	per kVAR
		Additional Transformer Cap	\$ 1.60	\$ 2.08	\$ 1.86	per kVAR
IV-6	Metal Melting-Secondary	Block 2 kW Charge	\$ 4.63	\$ 6.16	\$ 5.27	per kW
		kWh Charge	\$ 0.015014	\$ 0.019925	\$ 0.020074	per kWh
	Metal Melting-Primary	Block 2 kW Charge	\$ 4.54	\$ 6.04	\$ 5.33	per kW
		kWh Charge	\$ 0.014613	\$ 0.019422	\$ 0.015868	per kWh
IV-7	Metal Melting-69kV	Block 2 kW Charge	\$ 3.42	\$ 4.55	\$ 3.15	per kVA
		kWh Charge	\$ 0.010211	\$ 0.013569	\$ 0.009425	per kWh
IV-8	Off Peak Rider	Customer Charge	\$ 81.14	\$ 107.90	\$ 94.12	per customer
IV-13	Oilfield Service	Primary kW Charge	\$ 7.93	\$ 10.55	\$ 9.14	per kW
		Primary kWh Charge	\$ 0.01155	\$ 0.015507	\$ 0.013236	per kWh
		Secondary kW Charge	\$ 8.29	\$ 11.02	\$ 11.88	per kW
		Secondary kWh Charge	\$ 0.01209	\$ 0.016109	\$ 0.017226	per kWh
IV-14	Cotton Gin Service	Customer Charge	\$ 29.21	\$ 38.84	\$ 41.85	per customer
		Per kWh (May-Oct)	\$ 0.097105	\$ 0.129129	\$ 0.139113	per kWh
		Per kWh (Nov - Apr)	\$ 0.050171	\$ 0.066717	\$ 0.061343	per kWh
IV-19	Municipal Pumping	kWh Charge	\$ 0.036899	\$ 0.041875	\$ 0.039328	per kWh
IV-20	Municipal Service	kWh Charge	\$ 0.058369	\$ 0.066241	\$ 0.052619	per kWh
IV-21/22	Recreational Lighting and Customer-Supplied Lighting	Customer Charge	\$ 7.35	\$ 10.01	\$ 9.25	per customer
		kWh Charge	\$ 0.040229	\$ 0.055472	\$ 0.050752	per kWh

PUBLIC UTILITY COMMISSION OF TEXAS
SOUTHWESTERN ELECTRIC POWER COMPANY
PUC DOCKET NO. 51415
PFD RATES SUMMARY
FOR TEST YEAR JUNE 30, 2020

Schedule D
Page 2 of 5

IV-23	MUNICIPAL STREET LIGHTING					
IV-24	<u>Rate Code 521</u>					
IV-25	175W Mercury Vapor	Wood/Overhead	\$ 8.71	\$ 6.84	\$ 9.00	per fixture
IV-31	400W Mercury Vapor	Wood/Overhead	\$ 14.82	\$ 11.63	\$ 15.32	
	400W Mercury Vapor	Non-Wood/Overhead	\$ 16.44	\$ 12.91	\$ 16.99	
	400W Mercury Vapor	Base-Mounted/Overhead	\$ 18.24	\$ 14.32	\$ 18.85	
	400W Mercury Vapor	Base-Mounted/Underground	\$ 20.44	\$ 16.05	\$ 21.13	
	70W High Pressure Sodium	Wood/Overhead	\$ 10.51	\$ 8.25	\$ 10.86	
	70W High Pressure Sodium	Non-Wood/Overhead	\$ 12.13	\$ 9.52	\$ 12.54	
	70W High Pressure Sodium	Base-Mounted/Overhead	\$ 13.92	\$ 10.93	\$ 14.39	
	70W High Pressure Sodium	Non-Wood/Underground	\$ 14.34	\$ 11.26	\$ 14.82	
	70W High Pressure Sodium	Base-Mounted/Underground	\$ 16.12	\$ 12.65	\$ 16.66	
	150W High Pressure Sodium	Wood/Overhead	\$ 19.21	\$ 15.08	\$ 19.85	
	150W High Pressure Sodium	Non-Wood/Overhead	\$ 20.84	\$ 16.36	\$ 21.54	
	150W High Pressure Sodium	Base-Mounted/Overhead	\$ 22.65	\$ 17.78	\$ 23.41	
	150W High Pressure Sodium	Non-Wood/Underground	\$ 23.05	\$ 18.09	\$ 23.82	
	150W High Pressure Sodium	Base-Mounted/Underground	\$ 24.84	\$ 19.50	\$ 25.67	
	250W High Pressure Sodium	Wood/Overhead	\$ 22.31	\$ 17.51	\$ 23.06	
	250W High Pressure Sodium	Non-Wood/Overhead	\$ 23.94	\$ 18.79	\$ 24.74	
	250W High Pressure Sodium	Base-Mounted/Overhead	\$ 25.72	\$ 20.19	\$ 26.58	
	250W High Pressure Sodium	Non-Wood/Underground	\$ 26.14	\$ 20.52	\$ 27.02	
	250W High Pressure Sodium	Base-Mounted/Underground	\$ 27.93	\$ 21.93	\$ 28.87	
	300W High Pressure Sodium	Wood/Overhead	\$ 32.58	\$ 25.58	\$ 33.67	
	300W High Pressure Sodium	Non-Wood/Overhead	\$ 34.21	\$ 26.85	\$ 35.36	
	300W High Pressure Sodium	Base-Mounted/Overhead	\$ 36.00	\$ 28.26	\$ 37.21	
	300W High Pressure Sodium	Non-Wood/Underground	\$ 36.41	\$ 28.58	\$ 37.63	
	300W High Pressure Sodium	Base-Mounted/Underground	\$ 38.20	\$ 29.99	\$ 39.48	
	500W High Pressure Sodium	Wood/Overhead	\$ 36.65	\$ 28.77	\$ 37.88	
	500W High Pressure Sodium	Non-Wood/Overhead	\$ 38.28	\$ 30.05	\$ 39.56	
	500W High Pressure Sodium	Base-Mounted/Overhead	\$ 40.07	\$ 31.45	\$ 41.41	
	500W High Pressure Sodium	Non-Wood/Underground	\$ 40.48	\$ 31.78	\$ 41.84	
	500W High Pressure Sodium	Base-Mounted/Underground	\$ 42.26	\$ 33.17	\$ 43.68	
	35W Low Pressure Sodium	Wood/Overhead	\$ 10.67	\$ 8.38	\$ 11.03	
	55W Low Pressure Sodium	Wood/Overhead	\$ 10.67	\$ 8.38	\$ 11.03	
	55W Low Pressure Sodium	Non-Wood/Overhead	\$ 12.29	\$ 9.65	\$ 12.70	
	55W Low Pressure Sodium	Base-Mounted/Overhead	\$ 14.09	\$ 11.06	\$ 14.56	
	90W Low Pressure Sodium	Wood/Overhead	\$ 20.36	\$ 15.98	\$ 21.04	
	90W Low Pressure Sodium	Non-Wood/Overhead	\$ 21.99	\$ 17.26	\$ 22.73	
	90W Low Pressure Sodium	Base-Mounted/Overhead	\$ 23.79	\$ 18.68	\$ 24.59	
	90W Low Pressure Sodium	Non-Wood/Underground	\$ 24.19	\$ 18.99	\$ 25.00	
	90W Low Pressure Sodium	Base-Mounted/Underground	\$ 25.99	\$ 20.40	\$ 26.86	
	180W Low Pressure Sodium	Wood/Overhead	\$ 34.61	\$ 27.17	\$ 35.77	
	180W Low Pressure Sodium	Non-Wood/Overhead	\$ 36.24	\$ 28.45	\$ 37.46	
	180W Low Pressure Sodium	Base-Mounted/Overhead	\$ 38.04	\$ 29.86	\$ 39.32	
	180W Low Pressure Sodium	Non-Wood/Underground	\$ 38.44	\$ 30.18	\$ 39.73	
	180W Low Pressure Sodium	Base-Mounted/Underground	\$ 40.24	\$ 31.59	\$ 41.59	
	<u>Rate Code 529-(CLOSED)</u>					
	75W Mercury Vapor		\$ 4.18	\$ 5.27	\$ 4.32	per fixture
	100W Mercury Vapor		\$ 4.61	\$ 5.81	\$ 4.76	
	400W Mercury Vapor		\$ 9.39	\$ 11.83	\$ 9.71	
	<u>Rate Code 528 (OPEN)</u>					
	100W Mercury Vapor		\$ 2.01	\$ 2.53	\$ 2.08	per fixture
	175W Mercury Vapor		\$ 2.75	\$ 3.46	\$ 2.84	
	250W Mercury Vapor		\$ 3.80	\$ 4.79	\$ 3.93	
	150W Mercury Vapor		\$ 5.60	\$ 7.06	\$ 5.79	
	400W Metal Halide		\$ 4.96	\$ 6.25	\$ 5.13	
	400W Metal Halide		\$ 6.45	\$ 8.13	\$ 6.67	
	1000W Metal Halide		\$ 15.00	\$ 18.90	\$ 15.50	
	70W High Pressure Sodium		\$ 2.11	\$ 2.66	\$ 2.18	
	100W High Pressure Sodium		\$ 2.75	\$ 3.46	\$ 2.84	
	150W High Pressure Sodium		\$ 3.07	\$ 3.87	\$ 3.17	
	250W High Pressure Sodium		\$ 4.54	\$ 5.72	\$ 4.69	
	400W High Pressure Sodium		\$ 6.45	\$ 8.13	\$ 6.67	
	1000W High Pressure Sodium		\$ 14.90	\$ 18.77	\$ 15.40	

	<u>Rate Code 538 (CLOSED)</u>				
	6,000L Incandescent	\$ 8.71	\$ 10.97	\$ 9.00	per fixture
	16000L Mercury Vapor Wood	\$ 9.05	\$ 11.40	\$ 9.35	
	<u>Rate Code 535 (OPEN)</u>				
	100W Mercury Vapor	\$ 2.53	\$ 3.19	\$ 2.61	
	175W Mercury Vapor	\$ 3.49	\$ 4.40	\$ 3.61	
	250W Mercury Vapor	\$ 4.80	\$ 6.05	\$ 4.96	
	400W Mercury Vapor	\$ 7.06	\$ 8.89	\$ 7.30	
	1000W Mercury Vapor	\$ 15.83	\$ 19.94	\$ 16.36	
	150W Metal Halide	\$ 6.26	\$ 7.89	\$ 6.47	
	400W Metal Halide	\$ 8.14	\$ 10.26	\$ 8.41	
	1000W Metal Halide	\$ 18.92	\$ 23.84	\$ 19.55	
	70W High Pressure Sodium	\$ 2.66	\$ 3.35	\$ 2.75	
	100W High Pressure Sodium	\$ 3.48	\$ 4.38	\$ 3.60	
	150W High Pressure Sodium	\$ 3.87	\$ 4.88	\$ 4.00	
	250W High Pressure Sodium	\$ 5.73	\$ 7.22	\$ 5.92	
	400W High Pressure Sodium	\$ 8.14	\$ 10.26	\$ 8.41	
	1000W High Pressure Sodium	\$ 18.75	\$ 23.62	\$ 19.38	
IV-26	PUBLIC STREET & HIGHWAY LIGHTING				
IV-27	<u>Rate Codes 534,539,739 (OPEN)</u>				
	100W Mercury Vapor	\$ 1.38	\$ 1.57	\$ 2.15	per fixture
	175W Mercury Vapor	\$ 2.12	\$ 2.41	\$ 3.30	
	250W Mercury Vapor	\$ 3.20	\$ 3.63	\$ 4.98	
	400W Mercury Vapor	\$ 5.01	\$ 5.69	\$ 7.79	
	1000W Mercury Vapor	\$ 11.73	\$ 13.31	\$ 18.25	
	400W Metal Halide	\$ 5.00	\$ 5.67	\$ 7.78	per fixture
	1000W Metal Halide	\$ 12.01	\$ 13.63	\$ 18.68	
	70W High Pressure Sodium	\$ 1.08	\$ 1.23	\$ 1.68	
	100W High Pressure Sodium	\$ 1.60	\$ 1.82	\$ 2.49	
	150W High Pressure Sodium	\$ 1.92	\$ 2.18	\$ 2.99	
	250W High Pressure Sodium	\$ 3.41	\$ 3.87	\$ 5.30	
	400W High Pressure Sodium	\$ 5.34	\$ 6.06	\$ 8.31	
	1000W High Pressure Sodium	\$ 12.46	\$ 14.14	\$ 19.38	
IV-28	PRIVATE, OUTDOOR & AREA LIGHTING				
IV-29	Private 2500L Incandescent	\$ 4.54	\$ 6.15	\$ 5.27	per fixture
IV-30	Private 7700 Mercury Vapor	\$ 6.05	\$ 8.19	\$ 7.02	
IV-32	Private 7700 w/Pole Mercury Vapor	\$ 6.05	\$ 8.19	\$ 7.02	
IV-33	Area 100W Mercury Vapor	\$ 5.42	\$ 7.34	\$ 6.30	per fixture
	Area 175W Mercury Vapor	\$ 6.05	\$ 8.19	\$ 7.03	
	Area 250W Mercury Vapor	\$ 6.84	\$ 9.26	\$ 7.95	
	Area 400W Mercury Vapor	\$ 8.17	\$ 11.06	\$ 9.50	
	Area 1000W Mercury Vapor	\$ 13.43	\$ 18.18	\$ 15.60	
	Area 400W Metal Halide	\$ 4.79	\$ 6.48	\$ 5.57	
	Area 1000W Metal Halide	\$ 11.14	\$ 15.08	\$ 12.94	
	Area 100W High Pressure Sodium	\$ 2.05	\$ 2.78	\$ 2.38	
	Area 250W High Pressure Sodium	\$ 3.38	\$ 4.58	\$ 3.93	
	Area 400W High Pressure Sodium	\$ 4.79	\$ 6.48	\$ 5.56	
	Area 1000W High Pressure Sodium	\$ 11.07	\$ 14.99	\$ 12.85	
	Outdoor 175W Mercury Vapor	\$ 8.14	\$ 11.02	\$ 9.46	per fixture
	Outdoor 400W Mercury Vapor	\$ 11.37	\$ 15.39	\$ 13.20	
	Outdoor 70W High Pressure Sodium	\$ 8.60	\$ 11.64	\$ 9.99	
	Outdoor 150W High Pressure Sodium	\$ 12.00	\$ 16.24	\$ 13.93	
	Floodlighting 250W Metal Halide	\$ 9.26	\$ 12.53	\$ 10.75	per fixture
	Floodlighting 400W Metal Halide	\$ 10.53	\$ 14.25	\$ 12.23	
	Floodlighting 1000W Metal Halide	\$ 18.97	\$ 25.68	\$ 22.03	
	Floodlighting 150W High Pressure Sodium	\$7.98	\$10.80	\$ 9.27	
	Floodlighting 250W High Pressure Sodium	\$9.16	\$12.40	\$ 10.64	
	Floodlighting 400W High Pressure Sodium	\$10.37	\$14.04	\$ 12.04	
	Floodlighting 1000W High Pressure Sodium	\$18.82	\$25.48	\$ 21.85	

**PUBLIC UTILITY COMMISSION OF TEXAS
SOUTHWESTERN ELECTRIC POWER COMPANY
PUC DOCKET NO. 51415
PFD RATE CASE EXPENSES
FOR TEST YEAR JUNE 30, 2020**

Schedule D
Page 4 of 5

RESIDENTIAL	\$	0.000244	\$/kWh
TOTAL COMMERCIAL & SMALL INDUSTRIAL C	\$	0.000174	\$/kWh
TOTAL MUNICIPAL CLASS	\$	0.000173	\$/kWh
TOTAL LIGHTING CLASS	\$	0.000267	\$/kWh
TOTAL INDUSTRIAL CLASS		0.306%	% of Base Revenues

PUBLIC UTILITY COMMISSION OF TEXAS
SOUTHWESTERN ELECTRIC POWER COMPANY
PUC DOCKET NO. 51415
PFD REC OPT OUT CREDIT
FOR TEST YEAR JUNE 30, 2020

Schedule D
Page 5 of 5

Docket No. 51415 REC Costs \$ 1,281,301
TX Retail Allocation (ENERGY) 36.96%
TX Retail Allocated REC Costs \$ 473,593

	Class ENERGY	REC Costs in Base Rates	kWh at Meter	REC Opt Out Credit/kWh
Residential	31.72%	\$ 150,230.47		
Commercial	45.13%	\$ 213,749.07	3,105,486,129	\$ 0.000069
Industrial	20.65%	\$ 97,810.06	1,481,924,742	\$ 0.000066
Municipal	1.67%	\$ 7,911.46		
Lighting	0.82%	\$ 3,891.89		