



SUBJECT: AEP West Operating Companies' and West Transmission Companies' 2019 Formula Rate True Discovery Responses to Joint Interveners Set 1.

Responses are grouped numerically by the date they were submitted to the Joint Interveners.

Because of their voluminous nature, attachments referenced in these responses will be provided based on an emailed request. Requests for attachments deemed confidential will require execution of a non-disclosure agreement prior to being provided.

Requests can be sent to:

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SPP Formula Rate True-up for 2019 - Discovery
FERC Docket No ER18-194, ER18-195 - 2019 True-up
Partial Responses to AECC-GSEC-ETNC
Set 1 of Data Requests

The following responses and related attachments are being provided in this first group:

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**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-1:

In General - Please provide a copy of all responses to the data requests pertaining to the 2019 Annual True-Up revised filings filed June 9, 2020 for OpCos and July 2, 2020 for TransCos by all parties, along with the data requests, if those requests are not circulated to all customers. In addition, please provide this information on a continuing basis. When answers to any data requests in this proceeding include any output from electronic spreadsheet files, please provide the working electronic files (i.e. Excel format) related to those answers.

Response:

The Company will provide the responses to the data requests of other parties, should any be received, at the time those responses are served to the requesting party or parties.

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**Responses to AECC-GSEC-ETNC
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Data Request 1-2:

In General - Please identify by nature and amount any errors that AEP has identified in any of the 2020 Updates. If so, describe the error or correction and its effect on the relevant ATRR. Specify AEP's plans for correcting each such error.

Response:

On July 2, 2020 in Docket ER18-194-000 AEP made a filing in the normal course of business to correct certain formula errors found on WS C-4 in the formula rate for AEP Oklahoma Transmission Company and AEP Southwestern Transmission Company. The cumulative effect of this correction was to reduce the 2019 True-up revenue requirement by approximately \$85,000.

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Data Request 1-9:

In General - Please state whether any allowances for Asset Retirement Obligations (“AROs”) are included in the 2019 ATRRs of any OpCo or TransCo, including any depreciation expense. If so, please identify the relevant entity or entities, the basis for including the ARO(s) in question, the schedules and lines in which the ARO(s) are included, and the ARO amounts included in each.

Response:

There are no AROs included in the 2019 ATRRs.

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Data Request 1-10:

In General - Please identify all plant items recorded in FERC Account Nos. 350-359 and 389-399 retired by the AEP West Companies, by AEP West Company, for the period January 1, 2017, through December 31, 2019, for which the retirement unit had greater than or equal to ten percent (10%) of the assumed useful life of the plant remaining, as calculated on a straight-line depreciation basis, at the time of retirement. For each such retirement unit, please indicate

- (i) the in-service date of the retirement unit,
- (ii) the retirement date of the unit,
- (iii) the gross plant in service amount of the retirement unit,
- (iv) the accumulated depreciation and amortization accrued against the retirement unit at the date of retirement, and
- (v) an explanation as to why the retirement unit was retired with greater than or equal to ten percent of its useful life remaining.

Response:

The Company does not track the depreciation of individual assets and is not required to do so. Therefore, the information requested is unavailable. The Company uses the group plan for calculating depreciation applicable to individual utility accounts prescribed by FERC. Use of the group plan is standard practice within the utility industry and is also in accordance with Generally Accepted Accounting Principles. The group plan of depreciation is particularly applicable to utility property because of the large number of assets that a utility has and the level of accounting detail that would be required if depreciation was kept at an individual asset level. Rather than depreciating each item of property by itself (item depreciation) or depreciating one single group that contains all utility property, a group contains homogenous units of plant which are alike in character, used in the same manner throughout the utility's service territory, and operated under the same general conditions. A depreciation study can be performed on each group to determine the group's depreciable life, retirement patterns, and net salvage characteristics. The depreciation rates that result from each depreciation study are based on an average service life across an asset class or group.

In addition to using the group plan methodology of depreciation, AEP follows FERC Electric Plant Instruction 10.B.2 which states “. . . .If the retirement unit is of a depreciable class, the book cost of the unit retired and credited to electric plant shall be charged to the accumulated provision for depreciation applicable to such property. . .” When an asset is retired from the books, the Company follows the accounting treatment as prescribed by FERC reducing both the asset's original cost and accumulated depreciation accounts by the amount of the asset's original cost resulting in no change in the asset's net book value. Upon retirement, depreciation also stops upon retirement of the asset.

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Set 1 of Data Requests**

Data Request 1-11:

In General - Please provide a list of the pension contributions (by fund and \$ contributed), including the total dollar amount of such contributions, made by each OpCo and TransCo during 2019 and 2020 to-date.

Response:

AEP did not make a pension contribution in 2019. Amounts contributed in 2020 will be reflected in the 2020 Formula rate true-up. The TransCo companies do not have employees so they would not receive a share of the pension contributions.

The contributions are made to the Pension trust at Bank of New York Mellon following the approved investment strategy.

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Data Request 1-12:

In General - State whether AEP incurred or paid any monetary penalties for violations of NERC Reliability Standards during 2019. If so, please respond to the following:

- a. The amount of the penalties;
- b. The FERC accounts where such penalties were recorded;
- c. The nature of the alleged violation that gave rise to the penalty; and
- d. The amount of the penalties included in each OpCo and/or TransCo formula rate updates.

Response:

The Company did not pay any penalties for violations of NERC Reliability Standards in 2019.

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Data Request 1-13:

In General - Please specify the FERC account number(s) in which AEP records payments and expenses resulting from employment practices that were found to be discriminatory by a judicial or administrative decree or that were the result of a compromise settlement or consent decree. For purposes of this request, such payments or expenses encompass amounts paid in compliance with any judgment or decree or in settlement of claims, and shall include the following:

- a. Fines or penalties related to judicial or administrative decree imposed by governmental authorities;
- b. Legal fees reimbursed to the plaintiffs;
- c. In-house and outside legal costs in unsuccessful defense against charges of discriminatory practices;
- d. Damage awards to plaintiffs;
- e. Duplicate labor cost, such as back pay, bonus or other pay awards to plaintiffs where other employees have already been paid by the utility for prior services; and
- f. Cost of reporting, training and recruiting undertaken as a result of a court order, administrative decree or settlement which are in addition to those which otherwise would be incurred to assure continuing equal employment opportunity.

Response:

a. - f. The rate updates in this case do not include any such payments, expenses, penalties, or fines. Payments resulting from employment practices that were found to be discriminatory by a formal civil or administrative filing are to be recorded in Account 426.5, Other Deductions. Fines or penalties are to be recorded in Account 426.3, Penalties.

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Data Request 1-14:

In General - In reference to the Prepaid Pension Benefits included in the 12/31/2019 balance for each of the AEP West OpCos shown on the “WS-D – Working Capital” tab for each company, please provide the following:

- a. Calculations of or the derivation of the Prepaid Pension Benefit.
- b. Identify any employee contributions included in the Prepaid Pension Benefit calculation.
- c. A detailed description of what this amount represents, including the components that are included in each balance and their associated amounts.
- d. State whether each component in (b) above are recorded in trust accounts.
- e. Provide the name(s) of the business or regulatory authority to which these prepayments were made and their associated amounts.

Response:

- a. See the table below.

| | OPENING | EXPENSE | CONTRIBUTION | ENDING |
|--------|------------|-------------|--------------|------------|
| PSO | 86,525,831 | (3,569,013) | 0 | 82,956,818 |
| SWEPCO | 87,514,735 | (6,594,340) | 0 | 80,920,395 |

- b. AEP did not make a pension contribution in 2019.
- c. This amount represents the cumulative balance of company contributions to the AEP Pension plan and actuarially determined pension expense.
- d. The pension assets are held in a trust at Bank of New York Mellon
- e. See the responses for question a. and d. above.

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Data Request 1-20:

In General - In relation to AEP's membership in Grid Assurance, please provide the following:

- a. Verify whether Grid Assurance keeps similar spares to the ones held at AEP West.
- b. Where the expenses related to this membership are recorded by FERC account and the associated amounts.
- c. The number of spares received from the Grid Assurance membership and utilized by OpCo and TransCo during 2019.

Response:

- a. Grid Assurance maintains spares with similar specifications to some of the spares held by the AEP West companies. For example, there are two 450-500 MVA, 345 kV/138 kV spares that are held by Oklahoma Transco. There is also one 350-450 MVA, 345 kV/138 kV spare held by PSO. However, the AEP West companies also hold spares with MVA ratings that are different than those maintained by Grid Assurance. Although Grid Assurance maintains an inventory of spares compatible with a portion of the spares held by the AEP West companies, the Grid Assurance Subscription Agreement is limited to Qualifying Events that include catastrophic events such as a natural disaster or a physical or cyber-attack. The Subscription Agreement does not cover, and should not be considered a substitute for, the need to have spares for planned outages and unplanned equipment issues.
- b. Expenses are recorded in FERC Account 5660011. The costs incurred in 2019 by the AEP West companies was \$915.16.
- c. No spares were received in 2019.

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Data Request 1-21:

In General - In reference to the ROE calculations for each OpCo and TransCo, please state whether a standalone ROE refund calculation for calendar year 2019 was performed. If yes, please provide the standalone calculations.

Response:

A 2019 standalone ROE refund calculation was not performed.

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Data Request 1-22:

In General - In relation to AEP's participation in a securities lending program with BNY Mellon to provide incremental income on idle assets and to provide income to offset custody fees and other administrative expenses, please provide:

- a. A list of OpCos and Transcos participating in this program;
- b. A list by OpCo and Transco of each security participating in the lending program;
- c. The amount and FERC accounts used to record income received from the lending program in 2019;
- d. The amount and FERC accounts used to record labor and other expenses associated with the lending program in 2019; and
- e. The operating agreement with BNY Mellon for the lending program.

Response:

a. - e.

OpCos and Transcos do not directly participate in any securities lending programs.

The American Electric Power System Retirement Plan ("Pension Plan") participates in a securities lending program and holds investment securities within the Pension Plan. OpCos and Transcos have no control or any other rights to the securities or investment decisions of the Pension Plan.

Financial activity related to the Pension Plan's securities lending program is aggregated within Pension Plan accounting entries. While the returns help offset Pension Plan administrative expenses within the Trust, they are de minimis at a Plan level.

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Data Request 1-23:

In General - Please provide a discussion of any amended Federal income tax returns filed during 2019 that impact the income tax positions for any OpCo or Transco. The discussion should identify the specific items of income and deductions changed, the amount by which the items changed, the reason for the income tax amendment, the tax years being amended, and book accounting journal entries reflecting the amendments to the tax return.

Response:

During the third quarter of 2019, AEP and subsidiaries elected to amend the 2014, 2015, 2016 and 2017 federal returns. The Company amended these returns for the following items:

- 2014
 - Repairs 481(a) Increased deduction of \$(9.9)M
 - Umbrella trust income not originally recorded of \$480K
 - Decrease in DPAD \$890K
 - Charitable limitation reduction \$950K
- 2015
 - Increased R&D Credit of \$(719)K
 - Umbrella trust income not originally recorded of \$480K
 - Charitable limitation increase of \$(50)K
 - NOL Carryback from 2017 of \$(332)M
- 2016
 - Increased R&D Credit of \$(1.3)M
 - Umbrella trust income not originally recorded of \$490K
- 2017
 - Hurricane Harvey Casualty loss of \$(206.5)M
 - Mixed Service Cost reduced deduction by \$6M
 - River Ops Capital Loss of \$(4.7)M
 - Umbrella trust income not originally recorded of \$510K

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Data Request 1-24:

In General - To the extent AEPSC's current and/or deferred income taxes are included in billings to the OpCos and Transcos, please explain:

- a. Whether the current and deferred taxes of all items are included in billing. If the not, explain which current and deferred tax items are billed and not billed
- b. The FERC account(s) the OpCos and Transcos record income tax billings.
- c. Whether the billings in 2019 or prior years include adjustments to AEPSC's deferred tax balances associated with the Tax Cuts and Jobs Act of 2017. If so, provide the annual amounts of the adjustments.

Response:

- a. All current and deferred tax expense is included in the billings.
- b. The OpCos and Transcos record income tax billings from AEPSC in FERC account 9230.
- c. Yes, the amortization of excess ADFIT as a result of the TCJA is recorded to the income statement of AEPSC and billed out to affiliate companies. This has resulted in tax benefits being billed to affiliate companies of \$1,442,820 and \$1,043,461 in 2018 and 2019 respectively.

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Data Request 1-25:

QUESTIONS APPLICABLE TO EACH OPCO AND TRANSCO
For each OpCo, reference the worksheet entitled “WS L Other Taxes,” Miscellaneous Taxes section, please provide the description of each miscellaneous tax that these amounts represent.

Response:

- **Federal Excise Taxes:** Tax imposed on purchases of a specific good, such as gasoline. Excise taxes are often included in the price of the product. There are also excise taxes on activities, such as on highway usage by trucks.
- **Local Franchise Tax/Fees:** A tax on the privilege of doing business within an area (e.g., boundaries of a municipality) measured by gross receipts and/or activity (e.g., kWh delivered) within the boundaries.
- **Ohio CAT Commercial Activity Tax:** The commercial activity tax (CAT) is an annual tax imposed on the privilege of doing business in Ohio, measured by gross receipts from business activities in Ohio.
- **Sales and Use Tax:** An excise tax imposed on sale or purchase price of certain goods and services.
- **State Business and Occupation Taxes:** A tax that is imposed on a business for the privilege of doing business in the jurisdiction. The tax is often based upon the gross revenue received by the business from activities conducted in the taxing jurisdiction.
- **State Franchise Taxes:** Tax imposed by state governments on a taxable entity for the privilege of doing business in that state. The tax is based on the apportioned value of capital employed in a taxing jurisdiction.
- **State License/Registration Fee:** A government regulation requiring a license or registration to operate a business within a jurisdiction.
- **State Public Service Commission Fee:** A charge imposed on users of regulated services, which is used to finance operational cost of the regulatory body (e.g., P.U.C.).
- **OK Lsd PP Tax:** Oklahoma leased personal property tax. Property taxes levied on leased personal property in Oklahoma. - This should have been reported in the Property Tax section of the WS.
- **TX Lsd PP Tax:** Texas leased personal property tax. Property taxes levied on leased personal property in Texas. This should have been reported in the Property Tax section of WS L.
- **LA Cntrl and Inspec Fees:** This is the LA commission assessment.

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Data Request 1-28:

QUESTIONS APPLICABLE TO EACH OPCO AND TRANSCO
For each OpCo and each TransCo, please provide a list of all finance leases recorded to FERC Account No. 101.1 and the corresponding FERC Account No. 301-399.1 classification. For each finance lease, please:

- a. Indicate whether each lease listed was a finance lease prior to each OpCo and TransCo's implementation of ASU 2016-02; and
- b. Describe and quantify, by FERC Account Number, any expenses related to each lease are included in each OpCo and TransCo's revenue requirement.

Response:

- a. No finance or operating leases were reclassified as a result of the adoption of ASC842. Refer to file 1-28_Attachment_1_2019_NBV-SPP.
- b. Refer to file 1-28_Attachment_2_2019_Summary_CR_Details.

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**Responses to AECC-GSEC-ETNC
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Data Request 1-32:

QUESTIONS APPLICABLE TO EACH OPCO AND TRANSCO

Please provide the following related to spares with voltages between 34kV and 755 kV:

- a. Amounts spent on spares by FERC account.
- b. Number of spares purchased in 2019.
- c. Number of spares retired and/or scrapped.
- d. Number of spares placed into service in 2019 and the reason they were required. For anything that was replaced, please provide details of the age and condition.
- e. Identify any spares that were transferred between OpCos and TransCos and their associated amounts by FERC account.

Response:

- a. \$17,483,586 in FERC Account 353 and \$7,970,884 in FERC Account 362.
- b. 9.
- c. 0.
- d. 6. These transformers were placed in service to mitigate a failure. The age and condition of the original equipment is not readily available.
- e. No spares were transferred between OpCos and TransCos in 2019.

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**Responses to AECC-GSEC-ETNC
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Data Request 1-33:

QUESTIONS APPLICABLE TO EACH OPCO AND TRANSCO
In relation to fiber buildout for “Smart Grid,” as defined by AEP on its website <https://www.aepsustainability.com/energy/reliability/>, please provide the following:

- a. A detailed tabulation, including associated amounts, by FERC account of where these expenses are recorded.
- b. How are the expenses determined to be distribution or transmission? What methodologies are used? Please provide an electronic copy of the most recent study performed to support the allocation methodology used to determine the allocation of expenses to distribution or transmission.
- c. What amount of bandwidth is being used to transfer data to transmission control centers versus distribution control centers?

Response:

- a. Please see attachment 1-33_Attachment_1_AECC-ETEC-NTEC for fiber optic investments made by AEP's transmission subsidiaries in the SPP region related to Smart Grid fiber optic cable.
- b. & c. The fiber cable is classified as a transmission asset because it is used to control and operate equipment installed on the transmission grid. The assets are split 95/5 Transmission/Distribution based upon current circuit usage as measured on the AEP System fiber support backbone. AEP's transmission and distribution control centers have multiple groups within each facility, making it impossible to distinctly define who is utilizing how much of the aggregated bandwidth at any specific location. AEP uses Quality of Service (QoS) to make sure critical traffic gets first priority. Other facility users' usage will vary depending upon their current requirements and daily usage.

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**Responses to AECC-GSEC-ETNC
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Data Request 1-34:

QUESTIONS APPLICABLE TO EACH OPCO AND TRANSCO

In relation to any costs associated with remediation for any environmental or contamination, please provide a detailed list of expenses by FERC account and the nature of the contamination.

Response:

No significant environmental remediation was conducted in 2019 for transmission assets in either the OpCos or TransCos.

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**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-35:

QUESTIONS APPLICABLE TO EACH OPCO AND TRANSCO

Please provide a detailed breakdown and description of the items by transmission project underlying the amount shown as additions to Transmission Plant in Service in 2019, as reported in the FF1, Page 206, Line 58, Column (c) separately for:

- a. Each OpCo; and
- b. Each TransCo.

Response:

Please see 1-35 Attachment 1.xls for the additions to transmission plant in 2019.

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Data Request 1-36:

QUESTIONS APPLICABLE TO EACH OPCO AND TRANSCO
For the AEP OpCo's only, please provide a detailed breakdown and description of the items underlying the additions to General Plant in 2019, as reported in the FF1, Page 206, Line 99, Column (c).

Response:

Please see 1-36 Attachment 1.xlsx for the detailed additions to General Plant.

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Data Request 1-38:

QUESTIONS APPLICABLE TO EACH OPCO AND TRANSCO

Please identify (by FERC Account and amount) all costs included in Transmission, Intangible or General Plant accounts in the 2019 true-up that, prior to 2019, were not recorded to Transmission, Intangible or General Plant accounts. State the reasons for the change in accounting for such costs.

Response:

There were no transfers to Transmission, Intangible or General Plant accounts in 2019 that were not recorded there prior to 2019.

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Data Request 1-39:

QUESTIONS APPLICABLE TO EACH OPCO AND TRANSCO

For each OpCo and TransCo, reference FF1 page 429, for all Non-power Goods or Services Provided by Affiliate, for each intercompany billing between AEP affiliates and from AEP Service Company (“AEPSC”), please provide the following:

- a. A detailed breakout of costs (Excel format), including associates amounts and the cost center where each cost originated, that were allocated or directly charged to each OpCo and TransCo by FERC Account. For any amounts allocated to an OpCo or TransCo, please provide the detailed AEPSC entries (Excel format) prior to the allocation to each OpCo and TransCo. For example, please include similar columns with the following types of data (FERC Account Num CMD, Account ID, Account Long Descr, Oper Unit ID, Resp Center ID, Resource Type ID, Process ID, Project ID, Product ID, Journal ID, Business Unit, JD Journal Descr, JD Journal Line Descr, JD Operator ID JD, Vendor Name, Voucher ID JD, Accounting Period CMD, Fiscal Year CMD, Amount, Percentage of Amount allocated to each OpCo/TransCo, OpCo/TransCo Amount) for any account included in the formula.
- b. An electronic copy of the manual detailing the methodology used to support intercompany billing in respective of services rendered between AEP affiliates.

Response:

- a. Please see 1-39_Attachment 1_AECC-ETEC-NTEC_AEPSC for detail of AEPSC billings to each OpCo and TransCo for the year 2019. Due to voluminous amount of detail requested, it was not possible to combine all fields requested on one spreadsheet tab, so the attachment is broken up into several tabs to present many of the fields requested.
Please see 1-39_Attachment 2_AECC-ETEC-NTEC_Intercompany for detail of Intercompany billings to each OpCo and Transco for the year 2019. Due to voluminous amount of detail requested, it was not possible to combine all fields requested on one spreadsheet tab, so the attachment is broken up into several tabs to present many of the fields requested.
- b. See 1-39_Attachment_3_ AECC-ETEC-NTEC_Master_Cam_Document-12-31-19.

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Data Request 1-41:

QUESTIONS APPLICABLE TO EACH OPCO AND TRANSCO

In reference to the OpCo's and TransCo's templates, tab "Zonal Rates," Line 12, Rate Year Zonal ATRR (W/Incentives), please update the reference in Excel Cell G34 to include Line 10A.

Response:

Line 10A is an adjustment from the previous true up, consistent with the applicable formula rate protocols. Because the change is not a permanent addition, future formula rate update filings will not necessarily include a line 10A.

Date: 10/21/2020

**SPP Formula Rate True-up for 2019 - Discovery
FERC Docket No ER18-194, ER18-195 - 2019 True-up**

**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-42:

QUESTIONS APPLICABLE TO EACH OPCO AND TRANSCO

In reference to the OpCo's template, tab "Zonal Rates," Line 13, Actual/Projected Rate Year AEP West Zone Average 12-Mo. Peak Demand, MW, the reference in Excel Cell G36 is missing a line number. Please update it to be Line 30.

Response:

The referenced cell and tab can change from year to year. Therefore future formula rate update filings may require different adjustments, and a change to cell G36 is not appropriate.

Date: 10/21/2020

**SPP Formula Rate True-up for 2019 - Discovery
FERC Docket No ER18-194, ER18-195 - 2019 True-up**

**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-43:

QUESTIONS APPLICABLE TO EACH OPCO AND TRANSCO

For each OpCo and TransCo, please provide an explanation of its overhead construction cost allocation methodology and provide the percentage of overhead costs capitalized to total overhead costs for 2017, 2018, and 2019 for transmission projects.

Response:

Please see 1-43 Attachment 1_SEND.xls for the percentage of overheads capitalized during 2017, 2018, 2019.

Construction/retirement overhead charges are booked monthly to construction/retirement overhead work orders. The construction/retirement overhead charges are spread monthly from the construction/retirement overhead work orders to individual construction/retirement work orders in proportion to the current month's direct costs to each individual work order. The monthly allocation from the construction/retirement overhead work orders produce a uniform monthly construction/retirement overhead rate that is applied to all construction/retirement expenditures subject to construction/retirement overheads. The Company's property accounting system accumulates the appropriate construction/retirement overhead costs and performs the above detail allocations each month for transmission BU's.

Date: 10/21/2020

**SPP Formula Rate True-up for 2019 - Discovery
FERC Docket No ER18-194, ER18-195 - 2019 True-up**

**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-45:

QUESTIONS APPLICABLE TO EACH OPCO AND TRANSCO

Please indicate whether any OpCo or Transco has made any investments in electric charging stations. If the answer is yes, please provide the FERC accounts used for investments in, and operation of, electric vehicle charging stations.

Response:

Public Service Company of Oklahoma and Southwestern Electric Power Company have made investments in electric charging stations. The investment in electric charging stations are recorded to general plant account 39800 - Miscellaneous Equipment and the maintenance of this equipment is recorded to O&M account 935 (Maintenance of general plant).

Date: 10/21/2020

**SPP Formula Rate True-up for 2019 - Discovery
FERC Docket No ER18-194, ER18-195 - 2019 True-up**

**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-48:

QUESTIONS APPLICABLE TO EACH OPCO AND TRANSCO

In reference to SWEPCO's FERC Form 1, SWEPCO states IRS audits of all years through 2015 were completed in 2019 with an amendment to the 2014 and 2015 tax returns by AEP and its subsidiaries. Please provide any adjustments to the current or deferred tax accounts of all OpCos and Transcos in 2019 as a result of the amended tax returns for 2014, 2015, or any other year that occurred in 2019. Please identify any other accounts impacted by amended tax returns during 2019. Please provide a list of all income tax elections made or income tax provisions changed through the amended tax returns.

Response:

See response to Question 1-23.

Date: 10/21/2020

**SPP Formula Rate True-up for 2019 - Discovery
FERC Docket No ER18-194, ER18-195 - 2019 True-up**

**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-52:

QUESTIONS APPLICABLE TO EACH OPCO AND TRANSCO

For PSO and SWEPCo, please identify and describe any software projects capitalized to functional plant accounts.

Response:

The Companies capitalized software costs are included in Account 303, Miscellaneous Intangible Plant. No capitalized software costs are included in other accounts.

Date: 10/21/2020

**SPP Formula Rate True-up for 2019 - Discovery
FERC Docket No ER18-194, ER18-195 - 2019 True-up**

**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-53:

QUESTIONS APPLICABLE TO EACH OPCO AND TRANSCO

For PSO and SWEPCo, please provide a detailed listing and description of all assets included in Account 399, Other Tangible Property.

Response:

Please see 1-53 Attachment 1.xlsx for a detailed listing and description of all assets included in Account 399, Other Tangible Property.

Date: 10/21/2020

**SPP Formula Rate True-up for 2019 - Discovery
FERC Docket No ER18-194, ER18-195 - 2019 True-up**

**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-54:

PSO

In reference to PSO's 2019 FF1, Pages 123.4 and 429, please quantify the revenues and expenses assigned or allocated to PSO and SWEPCo by AEPSC regarding "power, coal, natural gas, interest rate, and ... heating oil, gasoline, and other risk management activities."

Response:

AEPSC acts as agent for PSO and SWEPCO regarding the risk management activities noted in the question, but any revenues and expenses related to these activities would not be billed to PSO and SWEPCO by AEPSC.

Date: 10/21/2020

**SPP Formula Rate True-up for 2019 - Discovery
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**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-55:

PSO

In reference to PSO's 2019 FF1, Page 123.9 states that "[w]hen it becomes probable that an asset in-service or an asset under construction will be abandoned and regulator cost recovery has been disallowed or is not probable, the cost of the asset shall be removed from plant-in-service or CWIP and charged to expense." Please quantify all such expensed costs by FERC Account Number for 2019.

Response:

Public Service Company of Oklahoma did not expense or remove any costs from plant in service or CWIP as a result of an impairment or abandonment.

Date: 10/21/2020

**SPP Formula Rate True-up for 2019 - Discovery
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**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-56:

PSO

In reference to PSO's 2019 FERC Form 1, Page 123.14, Excise Taxes, please provide the FERC accounts used to record excise taxes levied by state or local governments on customers in 2019 and the balance of excise taxes in those accounts reported in the 2019 FERC Form 1.

Response:

The state and local taxes described on Page 123.14 and the balances recorded on the balance sheet at the end of 2019 are as follows:

- State Income Tax Withheld - Account 2410002 - Balance of \$82
- State Sales Tax Collected - Account 2410004 - Balance of \$4,096,973
- Franchise Fee Collected - Account 2410008 - Balance of \$2,175,848

Date: 10/21/2020

**SPP Formula Rate True-up for 2019 - Discovery
FERC Docket No ER18-194, ER18-195 - 2019 True-up**

**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-58:

PSO

In reference to PSO's 2019 FF1, page 123.27, "Joint License Agreement," please identify the FERC Account Numbers to which PSO recorded the revenues (identified as costs by PSO) quantified by PSO.

Response:

PSO's 2019 FF1, page 123.27 does not reference "Joint License Agreement".

Date: 10/21/2020

**SPP Formula Rate True-up for 2019 - Discovery
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**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-59:

PSO

In reference to PSO's 2019 FF1, Page 123.62, please identify and quantify, by FERC Account Number, all costs of customer accounts receivable sold.

Response:

PSO's 2019 FF1, Page 123.62, Securitized Accounts Receivables related costs were recorded in FERC accounts:

4265009-Factored Customer A/R Expense (affiliated)

4265010- Factored Customer A/R- Bad Debt Expense (affiliated)

FERC Account 4265009, carrying costs includes financing interest, days outstanding and agency fee components. In 2019 the costs were \$4.8M.

FERC Account 4265010, Bad Debt expense is a fee based on the collection experience calculation of 12 months rolling average charge-offs as a percentage of receivables purchased. In 2019 the bad debt expense was \$3M.

Date: 10/21/2020

**SPP Formula Rate True-up for 2019 - Discovery
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**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-60:

PSO

In reference to PSO's 2019 FF1, Page 205, Line 4, column (d), Retirements for Account (303) Miscellaneous Intangible Plant. Please provide a detailed tabulation and description of the retirements totaling \$6,023,327 (in Excel format).

Response:

Please reference attachment '1-60 Attachment 1_SEND' for PSO retirements in account 30300

Date: 10/21/2020

**SPP Formula Rate True-up for 2019 - Discovery
FERC Docket No ER18-194, ER18-195 - 2019 True-up**

**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-61:

PSO

In reference to PSO's 2019 FF1, Page 207, Line 50, column (f), Transfers for Account (353) Station Equipment. Please provide a detailed tabulation and description of the transfers totaling \$3,525,778 (in Excel format). In addition, please provide supporting documentation as to which accounts these transfers came from.

Response:

Please reference attachment '1-61 Attachment 1_SEND' for PSO transfer details recorded in account 35300

Date: 10/21/2020

**SPP Formula Rate True-up for 2019 - Discovery
FERC Docket No ER18-194, ER18-195 - 2019 True-up**

**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-62:

PSO

In reference to PSO's 2019 FF1, Page 207, Line 52, column (d), Retirements for Account (355) Poles and Fixtures. Please provide a detailed tabulation and description of the retirements totaling \$9,134,602 (in Excel format).

Response:

Please reference attachment '1-62 Attachment 1_SEND' for details on PSO retirements in account 35500

Date: 10/21/2020

**SPP Formula Rate True-up for 2019 - Discovery
FERC Docket No ER18-194, ER18-195 - 2019 True-up**

**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-63:

PSO

In reference to PSO's 2019 FF1, Page 207, Line 53, column (d), Retirements for Account (356) Overhead Conductors and Devices. Please provide a detailed tabulation and description of the retirements totaling \$1,639,210 (in Excel format).

Response:

Please reference attachment '1-63 Attachment 1_SEND' for PSO retirements in account 35600.

Date: 10/21/2020

**SPP Formula Rate True-up for 2019 - Discovery
FERC Docket No ER18-194, ER18-195 - 2019 True-up**

**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-64:

PSO

In reference to PSO's 2019 FF1, Page 206, Line 58, column (c), Additions for Total Transmission Plant – in the amount of \$65,397,271 (in Excel format). Please provide the following:

- a. A detailed description of the capital additions by FERC Account 350 – 359 (in Excel format). Please identify specifically:
 - i. The Generator Step-up Transformers in FERC Account 353 that are excluded on PSO WS A-1 - Plant, Page 1, "OATT Ancillary Services (GSU)," Column (e), Line 27;
 - ii. The Interconnection Facilities (Order 2003) that are excluded on PSO WS A-1 - Plant, Page 1, "Excluded Plant," Column (f), Line 27;
 - iii. The New Radial Facilities that are excluded on PSO WS A-1 - Plant, Page 1, "Excluded Plant," Column (f), Line 27; and
 - iv. The other Excluded Plant facilities that are excluded on PSO WS A-1 - Plant, Page 1, "Excluded Plant," Column (f), Line 27.
- b. A detailed list of the capital additions by transmission project ID, project description and work order (at a level high enough to account for credits and costs).

Response:

- a.) Please see 1-64 Attachment 1.xls for the additions to FERC accounts 350-359.
 - i. Please see 1-64 Attachment 4.xlsx for the Generator Step-up Transformers in FERC Accounts 352 and 353 which are excluded on PSO WS A-1 - Plant, Page 1, "OATT Ancillary Services (GSU)," Column (e), Line 27.
 - ii. Please see attachment 1-64 Attachment 3 Set 1 for any Interconnection facilities.
 - iii. Please see attachment 1-64 Attachment 3 Set 1 for any new Radials.
 - iv. Please see attachment 1-64 Attachment 3 Set 1 for other excluded plant.
- b.) Please see 1-64 Attachment 2.xls for the capital additions to FERC accounts 350-359 by by transmission project ID, project description and work order.

Date: 10/21/2020

**SPP Formula Rate True-up for 2019 - Discovery
FERC Docket No ER18-194, ER18-195 - 2019 True-up**

**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-65:

PSO

In reference to PSO's 2019 FF1, Page 206, Line 94, column (c), Additions for Account (397) Communication Equipment. Please provide a detailed description of the additions totaling \$10,256,778 (in Excel format).

Response:

Please reference attachment '1-65 Attachment 1_SEND' for PSO additions to 39700.

Date: 10/21/2020

**SPP Formula Rate True-up for 2019 - Discovery
FERC Docket No ER18-194, ER18-195 - 2019 True-up**

**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-66:

PSO

In reference to PSO's 2019 FF1, Page 207, Line 94, column (d), Retirements for Account (397) Communication Equipment. Please provide a detailed description of the retirements totaling \$838,708 (in Excel format).

Response:

Please reference attachment '1-66 Attachment 1_SEND' for PSO retirements in account 39700.

Date: 10/21/2020

**SPP Formula Rate True-up for 2019 - Discovery
FERC Docket No ER18-194, ER18-195 - 2019 True-up**

**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-68:

PSO

In reference to PSO's 2019 FERC Form 1, Page 232, Line 28, please provide:

- a. An explanation of whether PSO collects actual storm damage costs in its wholesale formula rate. If not, provide a description of the mechanics, amounts, and limitation by which PSO collects storm damage through the formula rate.
- b. The FERC order authorizing the deferral and amortization of storm restoration costs.
- c. The amount amortized to Account 571 in 2019.
- d. The treatment of the amortized storm damage costs in the ATRR.

Response:

- a. PSO recovers actual storm damage costs with the exception of transmission related amortizations reported in operations and maintenance expense of regulatory assets allowed per the settlement in docket No. ER18-195-000.
- b. FERC Order No. ER18-195-000 the order may be found at https://elibrary.ferc.gov/eLibrary/filelist?document_id=14781593&optimized=false
- c. \$892,156.56 was amortized in 2019.
- d. The amortized storm damage costs are included in the ATRR calculation.

Date: 10/21/2020

**SPP Formula Rate True-up for 2019 - Discovery
FERC Docket No ER18-194, ER18-195 - 2019 True-up**

**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-76:

PSO

In reference to PSO's 2019 FF1, Page 300, Line 16, Columns (b) and (c), please provide a breakdown to the most granular level available (e.g., by subaccount number) of PSO's FERC Account No. 450, Forfeited Discounts, by function.

Response:

Please see file 1-76_Attachment_1_PSO_Query_Attachment_1-AECC-ETEC-NTEC tab 4500 for details.

Date: 10/21/2020

**SPP Formula Rate True-up for 2019 - Discovery
FERC Docket No ER18-194, ER18-195 - 2019 True-up**

**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-77:

PSO

In reference to PSO's 2019 FF1, Page 300, Line 17, Columns (b) and (c), please provide a breakdown to the most granular level available (e.g., by subaccount number) of PSO's FERC Account No. 451, Miscellaneous Service Revenues, by function.

Response:

Please see file 1-76_Attachment_1_PSO_Query_Attachment_1-AECC-ETEC-NTEC tab 4510 for details.

Date: 10/21/2020

**SPP Formula Rate True-up for 2019 - Discovery
FERC Docket No ER18-194, ER18-195 - 2019 True-up**

**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-78:

PSO

In reference to PSO's 2019 FF1, Page 300, Line 19, Columns (b) and (c), please provide a breakdown to the most granular level available (e.g., by subaccount number) of PSO's FERC Account No. 454, Rent from Electric Property, by function.

Response:

Please see file 1-76_Attachment_1_PSO_Query_Attachment_1-AECC-ETEC-NTEC tab 4540 for details.

Date: 10/21/2020

**SPP Formula Rate True-up for 2019 - Discovery
FERC Docket No ER18-194, ER18-195 - 2019 True-up**

**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-79:

PSO

In reference to PSO's 2019 FF1, Page 300, Line 21, Columns (b) and (c), please provide a breakdown to the most granular level available (e.g., by subaccount number) of PSO's FERC Account No. 456, Other Electric Revenues, by function.

Response:

Please see file 1-76_Attachment_1_PSO_Query_Attachment_1-AECC-ETEC-NTEC tab 4560 for details.

Date: 10/21/2020

**SPP Formula Rate True-up for 2019 - Discovery
FERC Docket No ER18-194, ER18-195 - 2019 True-up**

**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-80:

PSO

In reference to PSO's 2019 FF1, Page 300, Line 22, Columns (b) and (c), please provide a breakdown to the most granular level available (e.g., by subaccount number) of PSO's FERC Account No. 456.1, Revenues from Transmission of Electricity by Others, by function.

Response:

Please see file 1-76_Attachment_1_PSO_Query_Attachment_1-AECC-ETEC-NTEC tab 4561 for details.

Date: 10/21/2020

**SPP Formula Rate True-up for 2019 - Discovery
FERC Docket No ER18-194, ER18-195 - 2019 True-up**

**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-81:

PSO

In reference to PSO's 2019 FF1, Page 321, Line 83, Columns (b) and (c), please provide a breakdown to the most granular level available (e.g., by subaccount number) of PSO's FERC Account No. 560, Operation Supervision and Engineering.

Response:

Please see file 1-76_Attachment_1_PSO_Query_Attachment_1-AECC-ETEC-NTEC tab 5600 for details.

Date: 10/21/2020

**SPP Formula Rate True-up for 2019 - Discovery
FERC Docket No ER18-194, ER18-195 - 2019 True-up**

**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-82:

PSO

In reference to PSO's 2019 FF1, Page 321, Line 93, Columns (b) and (c), please provide a breakdown to the most granular level available (e.g., by subaccount number) of PSO's FERC Account No. 562, Station Expenses.

Response:

Please see file 1-76_Attachment_1_PSO_Query_Attachment_1-AECC-ETEC-NTEC tab 5620 for details.

Date: 10/21/2020

**SPP Formula Rate True-up for 2019 - Discovery
FERC Docket No ER18-194, ER18-195 - 2019 True-up**

**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-83:

PSO

In reference to PSO's 2019 FF1, Page 321, Line 94, Columns (b) and (c), please provide a breakdown to the most granular level available (e.g., by subaccount number) of PSO's FERC Account No. 563, Operation Overhead Lines Expenses.

Response:

Please see file 1-76_Attachment_1_PSO_Query_Attachment_1-AECC-ETEC-NTEC tab 5630 for details.

Date: 10/21/2020

**SPP Formula Rate True-up for 2019 - Discovery
FERC Docket No ER18-194, ER18-195 - 2019 True-up**

**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-84:

PSO

In reference to PSO's 2019 FF1, Page 321, Line 97, Columns (b) and (c), please provide a breakdown to the most granular level available (e.g., by subaccount number) of PSO's FERC Account No. 566, Miscellaneous Transmission Expenses. This level of detail should reflect enough detail to see each journal entry description of every expense included in this account.

Response:

Please see file 1-76_Attachment_1_PSO_Query_Attachment_1-AECC-ETEC-NTEC tab 5660 for details.

Date: 10/21/2020

**SPP Formula Rate True-up for 2019 - Discovery
FERC Docket No ER18-194, ER18-195 - 2019 True-up**

**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-85:

PSO

In reference to PSO's 2019 FF1, Page 321, Line 98, Columns (b) and (c), please provide a breakdown to the most granular level available (e.g., by subaccount number) of PSO's FERC Account No. 567, Rents.

Response:

Please see file 1-76_Attachment_1_PSO_Query_Attachment_1-AECC-ETEC-NTEC tab 5670 for details.

Date: 10/21/2020

**SPP Formula Rate True-up for 2019 - Discovery
FERC Docket No ER18-194, ER18-195 - 2019 True-up**

**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-86:

PSO

In reference to PSO's 2019 FF1, Page 321, Line 104, Columns (b) and (c), please provide a breakdown to the most granular level available (e.g., by subaccount number) of PSO's FERC Account No. 569.2, Maintenance of Computer Software.

Response:

Please see file 1-76_Attachment_1_PSO_Query_Attachment_1-AECC-ETEC-NTEC tab 5692 for details.

Date: 10/21/2020

**SPP Formula Rate True-up for 2019 - Discovery
FERC Docket No ER18-194, ER18-195 - 2019 True-up**

**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-87:

PSO

In reference to PSO's 2019 FF1, Page 321, Line 105, Columns (b) and (c), please provide a breakdown to the most granular level available (e.g., by subaccount number) of PSO's FERC Account No. 569.3, Maintenance of Communication Equipment.

Response:

Please see file 1-76_Attachment_1_PSO_Query_Attachment_1-AECC-ETEC-NTEC tab 5693 for details.

Date: 10/21/2020

**SPP Formula Rate True-up for 2019 - Discovery
FERC Docket No ER18-194, ER18-195 - 2019 True-up**

**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-88:

PSO

In reference to PSO's 2019 FF1, Page 321, Line 107, Columns (b) and (c), please provide a breakdown to the most granular level available (e.g., by subaccount number) of PSO's FERC Account No. 570, Maintenance of Station Equipment.

Response:

Please see file 1-76_Attachment_1_PSO_Query_Attachment_1-AECC-ETEC-NTEC tab 5700 for details.

Date: 10/21/2020

**SPP Formula Rate True-up for 2019 - Discovery
FERC Docket No ER18-194, ER18-195 - 2019 True-up**

**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-89:

PSO

In reference to PSO's 2019 FF1, Page 321, Line 110, (573) Maintenance of Miscellaneous Transmission Plant, please provide a detailed explanation for the \$342,639 increase in the expense from \$364,097 in 2018 to \$706,736 in 2019.

Response:

Please see file 1-76_Attachment_1_PSO_Query_Attachment_1-AECC-ETEC-NTEC tab 5730 for details.

Date: 10/21/2020

**SPP Formula Rate True-up for 2019 - Discovery
FERC Docket No ER18-194, ER18-195 - 2019 True-up**

**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-90:

PSO

In reference to PSO's 2019 FF1, Page 323, Line 181, Columns (b) and (c), please provide a breakdown to the most granular level available (e.g., by subaccount number) of PSO's FERC Account No. 920, Administrative and General Salaries.

Response:

Please see file 1-76_Attachment_1_PSO_Query_Attachment_1-AECC-ETEC-NTEC tab 9200 for details.

Date: 10/21/2020

**SPP Formula Rate True-up for 2019 - Discovery
FERC Docket No ER18-194, ER18-195 - 2019 True-up**

**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-99:

PSO

In reference to PSO TCOS, Line 104, Amortized Investment Tax Credit, please reconcile the amount shown in Excel Cell G173 of (\$2,531,683) with PSO's 2019 FF1, Page 114, Line 19, column (c) which states (\$33,723).

Response:

Line item 19 on Page 114 of PSO's 2019 FF1 shows the net activity of both investment tax credit amortizations and the generation of new investment tax credits. The details of this activity can be seen on FF1 Page 266 in columns (d) and (f) for the generated and amortized respectively. The amount on PSO TCOS, Line 104 only provides the amortization of ITC which ties into the detail on FF1 Page 266.

Date: 10/21/2020

**SPP Formula Rate True-up for 2019 - Discovery
FERC Docket No ER18-194, ER18-195 - 2019 True-up**

**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-100:

PSO

In reference to “OATT Ancillary Services (GSU),” PSO WS A-1 - Plant, Lines 15 and 27, Column (e), please provide a workable Excel file showing (i) a detailed listing of the GSU facilities, including amounts, that comprise, Line 15, December Prior to Rate Year balance of \$24,184,282; (ii) Additions; (iii) Retirements and (iv) the ending balance shown on Line 27 - December of Rate Year balance of \$27,788,672.

Response:

Please reference attachment '1-100 Attachment 1_SEND' for PSO GSU details in accounts 35200 and 35300.

Date: 10/21/2020

**SPP Formula Rate True-up for 2019 - Discovery
FERC Docket No ER18-194, ER18-195 - 2019 True-up**

**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-101:

PSO

In reference to "Excluded Plant," PSO WS A-1 - Plant, Lines 15 and 27, Column (f), please provide the following from Company Records:

- a. A detailed listing of the individual "Excluded Plant" facilities, by facility type, including amounts, that are included in, Line 15, December Prior to Rate Year balance of \$49,567,327; and
- b. A detailed listing of the "Excluded Plant" facilities, by facility type, including amounts, that are included in, Line 27, December of Rate Year balance of \$65,430,433.

Response:

- a. & b. Please see the attached file "1-101 Attachment 1_AECC-ETEC-NTEC" .

Date: 10/21/2020

**SPP Formula Rate True-up for 2019 - Discovery
FERC Docket No ER18-194, ER18-195 - 2019 True-up**

**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-102:

PSO

In reference PSO WS C ADIT & ADITC, Total Included in Rate base, please state whether AEP agrees this reference should state in Excel Cell J12 “(F) + (G) + (H) + (I).”

Response:

Yes, AEP agrees.

Date: 10/21/2020

**SPP Formula Rate True-up for 2019 - Discovery
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**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-103:

PSO

In reference to PSO WS C-1 ADIT EOY, Deferred Income Tax Balances – GL A/C 190, Line # 641I, Advance Rental Inc (Cur Mo) (Excel row 140). Please provide the following:

- a. A detailed description of the underlying cost that is the basis for the \$6,123 ADIT balance that is being allocated to the transmission formula rate using the Plant allocator;
- b. A detailed description of where in the transmission formula rate this Advance Rental Inc has been recognized; and
- c. PSO's basis for allocating the Advance Rental Inc (Cur Mo) ADIT using the Plant allocator to the transmission formula rates.
- d. In the 2018 AEP West True-Up Response to GDS Set 1-80 PSO response stated that this item is all distribution related and should have been excluded on WS C-1. Please explain why this has not occurred.

Response:

- a. The underlying activity for this item is pole attachment revenue.
- b. This item is recognized in the PSO TCOS tab under Deferred Tax Adjustments to Rate Base in Account No. 190.1.
- c. This Schedule M should have been excluded.
- d. This Schedule M was mistakenly allocated to Plant and should have been excluded.

Date: 10/21/2020

**SPP Formula Rate True-up for 2019 - Discovery
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**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-104:

PSO

In reference to PSO WS C-1 ADIT EOY, Deferred Income Tax Balances – GL A/C 190, Line # 712P, Prof Services Capitalized-Tx (Excel row 145). Please provide the following:

- a. A detailed description of the underlying cost that is the basis for the \$572,916 ADIT balance that is being allocated to the transmission formula rate using the Plant allocator;
- b. A detailed description of the variance from the 2018 amount which was \$1,009;
- c. A detailed description of where in the transmission formula rate this Prof Services Capitalized-Tx has been recognized; and
- d. PSO's basis for allocating the Prof Services Capitalized Tx ADIT using the Plant allocator to the transmission formula rates.

Response:

- a. The description of Line # 712P, Prof Services Capitalized - Tx is professional services that are capitalized for tax.
- b. The 2019 balance should have been \$1,009.
- c. The requested information is not readily available.
- d. This item is applicable to all three functions.

Date: 10/21/2020

**SPP Formula Rate True-up for 2019 - Discovery
FERC Docket No ER18-194, ER18-195 - 2019 True-up**

**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-106:

PSO

In reference to PSO WS C-1 ADIT EOY and PSO WS C-2 ADIT BOY and PSO's 2019 FF1, Pages 230-232 (including subpages), please indicate which ADIT items correspond to which of PSO's regulatory assets identified in its FF1.

Response:

Please refer to 1-106 Attachment 1.

Date: 10/21/2020

**SPP Formula Rate True-up for 2019 - Discovery
FERC Docket No ER18-194, ER18-195 - 2019 True-up**

**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-109:

PSO

In reference to PSO WS C-1 ADIT EOY and PSO WS C-2 ADIT BOY, please explain why the following items appear in only one tab (rather than both):

- a. EOY Excel Row 13 - 230B 481 a BONUS DEPRECIATION;
- b. EOY Excel Row 19 - 280J TAX DEPRECIATION LOOKBACK;
- c. EOY Excel Row 41 - 908A BOOK OPERATING LEASE – LIAB;
- d. EOY Excel Row 42 - 908B BOOK OPERATING LEASE – ASSET;
- e. EOY Excel Row 52 - 282 EXCESS ADJUSTMENT;
- f. EOY Excel Row 79 - 661U REG ASSET-LAWTON SETTLEMENT;
- g. EOY Excel Row 102 - 283 EXCESS ADJUSTMENT; and
- h. BOY Excel Row 48 - TCJA-282.1 TCJA - ACCT 2821001 – MJE;
- i. BOY Excel Row 91 - 674R REG ASSET-UNDER RECOV-EXCESS TAX ETRR.

Response:

- a. A change in accounting method was filed with the IRS regarding bonus depreciation. A new line item was set up to track the 481(a) impact.
- b. A new line item was utilized for accrual purposes to track a late year-end entry related to book/tax differences in depreciation.
- c. New book accounts were created to record the new lease standards required by ASC 842. A new line item was set up to track the book/tax differences associated with those new book accounts.
- d. New book accounts were created to record the new lease standards required by ASC 842. A new line item was set up to track the book/tax differences associated with those new book accounts.
- e. A new line item was utilized to make necessarily adjustment to the ADIT balance for excess deferred taxes.
- f. New regulatory asset account was established during the year.
- g. A new line item was utilized to make necessarily adjustment to the ADIT balance for excess deferred taxes.
- h. A new line item was utilized to make necessarily adjustment to the ADIT balance for excess deferred taxes.
- i. New regulatory asset account was established during the year.

Date: 10/21/2020

**SPP Formula Rate True-up for 2019 - Discovery
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**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-110:

PSO

In reference to PSO WS C-4 Excess FIT, Line 7, Rate Year Beginning Included Balance – 100% Transmission Function net of amortization, please state whether AEP agrees the formula in Excel Cell E22 should reflect subtraction rather than addition as stated in the reference in Excel Column C.

Response:

Yes, AEP agrees.

Date: 10/21/2020

**SPP Formula Rate True-up for 2019 - Discovery
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**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-113:

PSO

In reference to PSO WS D Working Capital, Line 5, Prepaid Taxes, please provide (i) a detailed list of each tax item and associated amount included in the amount of \$1,153,846 and (ii) the rationale underlying AEP's allocation choice for this item which is not explicitly identified in AEP West's settled formula rate template filed with the Commission (see Accession No. 201902085034).

Response:

The detail presented in this worksheet sheet is intended to show the individual accounts making up the total company balance of prepayments at the beginning and ending of the rate year, prior to allocation (or lack thereof) of each amount. The individual accounts presented may change from year to year based on the make of the prepayment total. The amounts presented in the compliance filing represented the balance at that time.

This balance represents the purchase of tax credits from the Oklahoma Capital Investment Board which can be used to offset Oklahoma income tax liabilities. The allocation of this balance based on a plant allocator is that this credit to an Oklahoma income tax liability is spread amongst all functions.

Date: 10/21/2020

**SPP Formula Rate True-up for 2019 - Discovery
FERC Docket No ER18-194, ER18-195 - 2019 True-up**

**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-114:

PSO

In reference to PSO WS D Working Capital, Line 7, Prepaid Employee Benefits, please:

- a. Provide a narrative description of what are “HSA Seed Monies”;
- b. Explain when and how PSO incurs expenses that reduce the prepaid expense balances related to “HSA Seed Monies”; and
- c. Provide complete sample journal entries used by PSO to record increases and decreases to prepaid expenses related to this item.
- d. Confirm whether employees are funding 100% of the HSA.
- e. Confirm that these amounts are not funded through expenses in the transmission formula rate.

Response:

- a. AEP contributes into HSA plan participants each year to be used for qualifying medical expenses by the employee.
- b. The seed contributions are paid from the medical trust account to participants' accounts. The medical trust account is replenished with the annual funding rates per employee set by the company for monthly contributions into the medical trust. These monthly contributions are expensed.
- c. These payments do not impact the prepaid accounts.
- d. AEP makes a seed contribution annually to participating employee accounts.
- e. The HSA employer contributions are included with the funding rates set for the AEP medical trust. These contributions are expensed monthly.

Date: 10/21/2020

**SPP Formula Rate True-up for 2019 - Discovery
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**Responses to AECC-GSEC-ETNC
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Data Request 1-118:

PSO

Please provide the derivation of and any workpapers supporting the transmission-related revenue credits identified on the "PSO WS H Revenue Credits" tab for Accounts 454 and 456, including a listing of each revenue amount and a description of each total company revenue amount (\$) booked in 2019. Also, please explain the derivation of the transmission-related amounts for each account shown on the "PSO WS H Revenue Credits" tab, Column (m).

Response:

Please see the attached file "1-118 Attachment 1 AECC-ETEC-NTEC".

Date: 10/21/2020

**SPP Formula Rate True-up for 2019 - Discovery
FERC Docket No ER18-194, ER18-195 - 2019 True-up**

**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-119:

PSO

In reference to PSO WS J Misc Exp, Account 928, Line 1- 6, please provide PSO's rationale and underlying calculations that determined how a portion of each 2019 expense was determined to be allocated 100% to transmission in Column (e).

Response:

Please see the attachment "1-118 Attachment 1 AECC-ETEC-NTEC" in question 1-118.

Date: 10/21/2020

**SPP Formula Rate True-up for 2019 - Discovery
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**Responses to AECC-GSEC-ETNC
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Data Request 1-120:

PSO

In reference to PSO WS J Misc Exp, Account 928, Lines 1 – 6, please reconcile the amounts shown in column (c) – 2019 Expense to PSO's FERC Form 1, page 350.

Response:

Please see the attached file "1-120 Attachment 1 AECC-ETEC-NTEC". Account 9280005 has to be added to lines 1-6.

Date: 10/21/2020

**SPP Formula Rate True-up for 2019 - Discovery
FERC Docket No ER18-194, ER18-195 - 2019 True-up**

**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-121:

PSO

In reference to PSO WS K State Taxes, please explain why PSO does not have apportionment factors that sum to 100%.

Response:

States have various methods of calculating the apportionment factor used in the calculation of state income taxes. As a result, when adding up the apportionment for a company that operates in multiple states the apportionment factor does not always sum to 100%. As an example, Oklahoma uses a 3-factor formula which uses a double-weighted sales factor along with property and payroll factors while Texas uses only a single sales factor.

Preparer of Response: David A. Hodgson

Preparer of Response: Jessica M. Criss

Date: 10/21/2020

**SPP Formula Rate True-up for 2019 - Discovery
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**Responses to AECC-GSEC-ETNC
Set Set 1 of Data Requests**

Data Request 1-122:

PSO

In reference to PSO WS L Other Taxes, please identify the entity to whom the following tax items are payable:

- a. Ok State Franchise Tax
- b. Ok Lsd PP Tax
- c. TX Lsd PP Tax

Response:

The entities to whom the taxes are payable are as follows:

- a. Oklahoma Tax Commission
- b. Oklahoma and Texas Lsd PP (leased personal property) taxes are paid to local jurisdictions, such as counties or cities. Leased personal property is filed on the annual tax returns in Oklahoma and Texas along with owned personal property.
- c. See response to part "b".

Date: 10/21/2020

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**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-123:

PSO

In reference to PSO WS N Sch 11 TU, Cash Revenue Collections for True-up Year, Net of Schedule 11 Revenue Credits, please provide supporting documentation and calculations for the amount shown in Excel Cell D11.

Response:

Please see the attached file "1-123 Attachment 1 AECC-ETEC-NTEC".

Date: 10/21/2020

**SPP Formula Rate True-up for 2019 - Discovery
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**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-124:

PSO

In reference to PSO WS O Sch 9 NITS TU, Cash Revenue Collections for True-up Year, Net of Schedule 9 Revenue Credits, please provide supporting documentation and calculations for the amount shown in Excel Cell D13.

Response:

Please see attachment "1-124 Attachment 1 AECC-ETEC-NTEC".

Date: 10/21/2020

**SPP Formula Rate True-up for 2019 - Discovery
FERC Docket No ER18-194, ER18-195 - 2019 True-up**

**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-125:

PSO

In reference to PSO WS P Sch 1 NITS TU, Cash Revenue Collections for True-up Year, Net of Schedule 1 Revenue Credits, please provide supporting documentation and calculations for the amount shown in Excel Cell D13.

Response:

Please see the file "1-124 Attachment 1 AECC-EETEC-NTEC" in question 1-124.

Date: 10/21/2020

**SPP Formula Rate True-up for 2019 - Discovery
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**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-126:

OKT

Please provide a detailed listing (excel format) of all items booked to Account 232 – Accounts Payable in the amount of \$43,940,491 in 2019 reported in OKT’s 2019 FF1, Page 112, Line 38, Column (c), including each item’s corresponding function (i.e., Transmission Related, Labor Related, General Plant Related, Common Plant Related, Plant Related or Other).

Response:

The account referenced in the question is not an account included in formula rate cost of service.

Date: 10/21/2020

**SPP Formula Rate True-up for 2019 - Discovery
FERC Docket No ER18-194, ER18-195 - 2019 True-up**

**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-127:

OKT

Please provide a detailed listing (excel format) of all items booked to Account 242 – Miscellaneous Current and Accrued Liabilities in the amount of \$10,836,196 in 2019 reported in OKT’s 2019 FF1, Page 113, Line 48, Column (c), including each item’s corresponding function (i.e., Transmission Related, Labor Related, General Plant Related, Common Plant Related, Plant Related or Other). In addition, please identify the corresponding FERC account(s) where the expense accruals related to these balances are recorded.

Response:

The account referenced in the question is not an account included in formula rate cost of service.

Date: 10/21/2020

**SPP Formula Rate True-up for 2019 - Discovery
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**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-128:

OKT

In reference to OKT's 2019 FF1, Pages 123.4 and 429, please quantify the revenues and expenses assigned or allocated to OKT and SWT by AEPSC regarding "power, coal, natural gas, interest rate, and ... heating oil, gasoline, and other risk management activities."

Response:

There are no references in OKT's 2019 FF1 on pages 123.4 or 429 related to the risk management activities noted.

Date: 10/21/2020

**SPP Formula Rate True-up for 2019 - Discovery
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**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-129:

OKT

In reference to OKT's 2019 FF1, Page 123.9 states that "[w]hen it becomes probable that an asset in-service or an asset under construction will be abandoned and regulator cost recovery has been disallowed or is not probable, the cost of the asset shall be removed from plant-in-service or CWIP and charged to expense." Please quantify all such expensed costs by FERC Account Number for 2019.

Response:

AEP Oklahoma Transmission Company did not expense or remove any costs from plant in service or CWIP as a result of an impairment or abandonment.

Date: 10/21/2020

**SPP Formula Rate True-up for 2019 - Discovery
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**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-131:

OKT

In reference to OKT's 2019 FF1, Page 123.62, please identify and quantify, by FERC Account Number, all costs of customer accounts receivable sold.

Response:

There is no page 123.62 on OKT's 2019 FF1.

Date: 10/21/2020

**SPP Formula Rate True-up for 2019 - Discovery
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**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-132:

OKT

In reference to OKT's 2019 FF1, Page 204, Line 4, column (c), Additions for Account (303) Miscellaneous Intangible Plant. Please provide a detailed description of the additions totaling \$3,854,899 (in Excel format).

Response:

Please reference attachment '1-132 Attachment 1_SEND' for information on the OKTr 303 Additions

Date: 10/21/2020

**SPP Formula Rate True-up for 2019 - Discovery
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**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-133:

OKT

In reference to OKT's 2019 FF1, Page 206, Line 48, column (c), Additions for Account (350) Land and Land Rights. Please provide a detailed description of the additions totaling (\$966,161) (in Excel format).

Response:

Please reference attachment '1-133 Attachment 1_SEND' for details on OKTr 350 Additions.

Date: 10/21/2020

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FERC Docket No ER18-194, ER18-195 - 2019 True-up**

**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-134:

OKT

In reference to OKT's 2019 FF1, Page 206, Line 54, column (c), Additions for Account (357) Underground Conduit. Please provide a detailed description of the additions totaling \$1,855,782 (in Excel format).

Response:

Please reference attachment '1-134 Attachment 1_SEND' for details on OKTr 35700 Additions.

Date: 10/21/2020

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**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-135:

OKT

In reference to OKT's 2019 FF1, Page 269, please (i) thoroughly explain what is the "NERC Penalty Accrual" deferred credit and provide supporting documentation and calculations, and (ii) indicate the contra-account for this item (as would be shown in Column (c) on Page 269 of the FF1).

Response:

The amount on OKT's 2019 FF1, page 269, relates to an accrual for NERC penalties. The contra-account for this item is 4263003. Neither account nor contra account is included in the formula rate calculation.

Date: 10/21/2020

**SPP Formula Rate True-up for 2019 - Discovery
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**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-136:

OKT

In reference to OKT's 2019 FF1, Page 300, Line 19, Columns (b) and (c), please provide a breakdown to the most granular level available (e.g., by subaccount number) of OKT's FERC Account No. 454, Rent from Electric Property, by function.

Response:

Please refer to 1-136 Attachment 1 for breakdown of OKT's FERC Account No. 454, Rent from Electric Property.

Date: 10/21/2020

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**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-138:

OKT

In reference to OKT's 2019 FF1, Page 321, Line 83, Columns (b) and (c), please provide a breakdown to the most granular level available (e.g., by subaccount number) of OKT's FERC Account No. 560, Operation Supervision and Engineering.

Response:

Please refer to 1-138 Attachment 1 for a summary of the 2018 and 2019 charges to Account 560. Please refer to 1-138 Attachment 2 for summary of the AEPSC 2018 and 2019 charges to Account 560 by department and cost type.

Date: 10/21/2020

**SPP Formula Rate True-up for 2019 - Discovery
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**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-139:

OKT

In reference to OKT's 2019 FF1, Page 321, Line 93, Columns (b) and (c), please provide a breakdown to the most granular level available (e.g., by subaccount number) of OKT's FERC Account No. 562, Station Expenses.

Response:

Please refer to 1-139 Attachment 1 for a summary of the 2018 and 2019 charges to Account 562. Please refer to 1-139 Attachment 2 for summary of the AEPSC 2018 and 2019 charges to Account 562 by department and cost type.

Date: 10/21/2020

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**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-140:

OKT

In reference to OKT's 2019 FF1, Page 321, Line 94, Columns (b) and (c), please provide a breakdown to the most granular level available (e.g., by subaccount number) of OKT's FERC Account No. 563, Operation Overhead Lines Expenses.

Response:

Please refer to 1-140 Attachment 1 for a summary of the 2018 and 2019 charges to Account 563. Please refer to 1-140 Attachment 2 for summary of the AEPSC 2018 and 2019 charges to Account 563 by department and cost type.

Date: 10/21/2020

**SPP Formula Rate True-up for 2019 - Discovery
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**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-141:

OKT

In reference to OKT's 2019 FF1, Page 321, Line 97, (566) Miscellaneous Transmission Expenses, please provide the following:

- a. A detailed explanation for the \$456,378 increase in the expense from \$957,092 in 2018 to \$1,413,470 in 2019; and
- b. A detailed listing (Excel format) of all the items booked to Account 566 in 2019, totaling \$1,413,470.

Response:

Please refer to 1-141 Attachment 1 for a summary of the 2018 and 2019 charges to Account 566. Please refer to 1-141 Attachment 2 for summary of the AEPSC 2018 and 2019 charges to Account 566 by department and cost type. The primary drivers of the increase are materials and supplies, labor, fringes, incentives, and outside services.

Date: 10/21/2020

**SPP Formula Rate True-up for 2019 - Discovery
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**Responses to AECC-GSEC-ETNC
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Data Request 1-142:

OKT

In reference to OKT's 2019 FF1, Page 321, Line 98, Columns (b) and (c), please provide a breakdown to the most granular level available (e.g., by subaccount number) of OKT's FERC Account No. 567, Rents.

Response:

Please refer to 1-142 Attachment 1 for a summary of the 2018 and 2019 charges to Account 567. The primary component of the Other Cost Category charges are the charges incurred by OKTCo for the joint license agreement between OKTCo and PSO.

Date: 10/21/2020

**SPP Formula Rate True-up for 2019 - Discovery
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**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-143:

OKT

In reference to OKT's 2019 FF1, Page 321, Line 102, Columns (b) and (c), please provide a breakdown to the most granular level available (e.g., by subaccount number) of OKT's FERC Account No. 569, Maintenance of Structures.

Response:

Please refer to 1-43_Attachment_1.

Date: 10/21/2020

**SPP Formula Rate True-up for 2019 - Discovery
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**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-144:

OKT

In reference to OKT's 2019 FF1, Page 321, Line 104, Columns (b) and (c), please provide a breakdown to the most granular level available (e.g., by subaccount number) of OKT's FERC Account No. 569.2, Maintenance of Computer Software.

Response:

Please refer to 1-144 Attachment 1 for a summary of the 2018 and 2019 charges to Account 569.2. Please refer to 1-144 Attachment 2 for summary of the AEPSC 2018 and 2019 charges to Account 569.2 by department and cost type.

Date: 10/21/2020

**SPP Formula Rate True-up for 2019 - Discovery
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**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-145:

OKT

In reference to OKT's 2019 FF1, Page 321, Line 107, Columns (b) and (c), please provide a breakdown to the most granular level available (e.g., by subaccount number) of OKT's FERC Account No. 570, Maintenance of Station Equipment.

Response:

Please refer to 1-145 Attachment 1 for a summary of the 2018 and 2019 charges to Account 570. Please refer to 1-145 Attachment 2 for summary of the AEPSC 2018 and 2019 charges to Account 570 by department and cost type.

Date: 10/21/2020

**SPP Formula Rate True-up for 2019 - Discovery
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**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-146:

OKT

In reference to OKT's 2019 FF1, Page 323, Line 181, Columns (b) and (c), please provide a breakdown to the most granular level available (e.g., by subaccount number) of OKT's FERC Account No. 920, Administrative and General Salaries.

Response:

Please refer to 1-146 Attachment 1 for a summary of the 2018 and 2019 charges to Account 920. Please refer to 1-146 Attachment 2 for summary of the AEPSC 2018 and 2019 charges to Account 920 by department and cost type.

Date: 10/21/2020

**SPP Formula Rate True-up for 2019 - Discovery
FERC Docket No ER18-194, ER18-195 - 2019 True-up**

**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-147:

OKT

In reference to OKT's 2019 FF1, Page 323, Line 182, Columns (b) and (c), please provide a breakdown to the most granular level available (e.g., by subaccount number) of OKT's FERC Account No. 921, Office Supplies and Expenses.

Response:

Please refer to 1-147 Attachment 1 for a summary of the 2018 and 2019 charges to Account 921. Please refer to 1-147 Attachment 2 for summary of the AEPSC 2018 and 2019 charges to Account 921 by department and cost type.

Date: 10/21/2020

**SPP Formula Rate True-up for 2019 - Discovery
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**Responses to AECC-GSEC-ETNC
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Data Request 1-149:

OKT

In reference to OKT's 2019 FF1, Page 323, Line 185, Columns (b) and (c), please provide a breakdown to the most granular level available (e.g., by subaccount number) of OKT's FERC Account No. 924, Property Insurance.

Response:

Please refer to file 1-149_Attachment_1. Insurance includes coverage for all risks of physical loss or damage to OKTCo property, subject to insurance policy conditions and exclusions. Covered property generally includes substations, facilities and inventories. Excluded property generally includes transmission lines, poles and towers.

Date: 10/21/2020

**SPP Formula Rate True-up for 2019 - Discovery
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**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-155:

OKT

In reference to OKT TCOS, Line 87, General Depreciation and Amortization Expense, please provide a detailed explanation and documentation for the adjustment amount shown in Excel Cell G154 of \$99,034.

Response:

Please refer to attachment '1-155_Attachment 1_SEND' for an explanation of the \$99,034 adjustment amount.

Date: 10/21/2020

**SPP Formula Rate True-up for 2019 - Discovery
FERC Docket No ER18-194, ER18-195 - 2019 True-up**

**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-156:

OKT

In reference to OKT WS A-1 Plant, Column (f) – Excluded Plant, Lines 15 through 27, please:

- a. Describe the nature of the Excluded Plant items listed; and
- b. Provide supporting documentation and calculations for the amounts listed.

Response:

- a. The Excluded Plant in lines 15 to 27 represent Radial Lines and Reimbursables excluded from the calculation of the Transmission Formula Rates.
- b. Please see the attached file "1-156 Attachment 1 AECC-ETEC-NTEC".

Date: 10/21/2020

**SPP Formula Rate True-up for 2019 - Discovery
FERC Docket No ER18-194, ER18-195 - 2019 True-up**

**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-157:

OKT

In reference to OKT WS C ADIT & ADITC, Total Included in Rate base, please state whether AEP agrees the reference in Excel Cell J12 should state “(F) + (G) + (H) + (I).”

Response:

Yes, AEP agrees.

Date: 10/21/2020

**SPP Formula Rate True-up for 2019 - Discovery
FERC Docket No ER18-194, ER18-195 - 2019 True-up**

**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-158:

OKT

In reference to OKT WS C-1 ADIT EOY, Row 14 - GAIN/LOSS ON ACRS/MACRS PROPERTY, please explain the basis for assigning this item to “100% Transmission” instead of to “Exclusions.”

Response:

Since this Schedule M is associated with the tax gain or loss on the retirement of assets, AEP feels it is appropriate to assign this to the Transmission allocation function.

Date: 10/21/2020

**SPP Formula Rate True-up for 2019 - Discovery
FERC Docket No ER18-194, ER18-195 - 2019 True-up**

**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-159:

OKT

In reference to OKT WS C-1 ADIT EOY, please provide the rationale underlying AEP's allocation choices for Excel Row 33 - 520A - 520A PROVS POSS REV REFDS-A/L, which does not appear to be explicitly identified in AEP West's settled formula rate template filed with the Commission (see Accession No. 20190208-5029 - Attachment D).

Response:

The rationale for this page in the template was to record all Schedule M ADIT balances making up the total of sub-accounts 190.1, 282.1 and 283.1, which are where deferrals related to utility operations are recorded. By including all Schedule M ADIT items, it ensures transparency by providing detail of the tax deferrals that make up these accounts. Over time the component schedule Ms listed in the workpaper can change. What was filed with the Commission did not show these Schedule Ms listed in the question as they have arose after that filing.

Date: 10/21/2020

**SPP Formula Rate True-up for 2019 - Discovery
FERC Docket No ER18-194, ER18-195 - 2019 True-up**

**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-161:

OKT

In reference to OKT WS C-1 ADIT EOY, OKT WS C-2 ADIT BOY, and OKT's 2019 FF1, Pages 230-232 (including subpages), please indicate which ADIT items correspond to which of OKT's regulatory assets identified in its FF1.

Response:

There are no ADIT items corresponding to FERC Form 1 page 232 lines 3 and 6.

Date: 10/21/2020

**SPP Formula Rate True-up for 2019 - Discovery
FERC Docket No ER18-194, ER18-195 - 2019 True-up**

**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-162:

OKT

In reference to OKT WS C-4 Excess FIT, Lines 7 and 20, please state whether OKT agrees that the formulas in Excel Cells E22, F42, and G42 should reflect subtraction rather than addition as stated in the reference in Excel Column C.

Response:

Yes, AEP agrees. Please note that AEP made a filing on July 2, 2020, in docket ER18-194-000 to correct the impact of these formula errors.

Date: 10/21/2020

**SPP Formula Rate True-up for 2019 - Discovery
FERC Docket No ER18-194, ER18-195 - 2019 True-up**

**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-166:

OKT

In reference to OKT WS N Sch 11 TU, Cash Revenue Collections for True-up Year, Net of Schedule 11 Revenue Credits, please provide supporting documentation and calculations for the amount shown in Excel Cell D11.

Response:

Please see the attached file "1-166 Attachment 1 AECC-ETEC-NTEC".

Date: 10/21/2020

**SPP Formula Rate True-up for 2019 - Discovery
FERC Docket No ER18-194, ER18-195 - 2019 True-up**

**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-167:

OKT

In reference to OKT WS O Sch 9 NITS TU, Cash Revenue Collections for True-up Year, Net of Schedule 9 Revenue Credits, please provide supporting documentation and calculations for the amount shown in Excel Cell D13.

Response:

Please refer to the file "1-124_ Attachment_1_AECC-ETEC-NTEC" in response to question 124.

Date: 10/21/2020

**SPP Formula Rate True-up for 2019 - Discovery
FERC Docket No ER18-194, ER18-195 - 2019 True-up**

**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-168:

OKT

In reference to OKT WS P Sch 1 NITS TU, Cash Revenue Collections for True-up Year, Net of Schedule 1 Revenue Credits, please provide supporting documentation and calculations for the amount shown in Excel Cell D13.

Response:

Please refer to the file "1-124_ Attachment_1_AECC-ETEC-NTEC" in response to question 124.

Date: 10/21/2020

**SPP Formula Rate True-up for 2019 - Discovery
FERC Docket No ER18-194, ER18-195 - 2019 True-up**

**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-175:

SWEPCO

In reference to SWEPCO's 2019 FF1, Pages 123.4 and 429, please quantify the revenues and expenses assigned or allocated to PSO and SWEPCO by AEPSC regarding "power, coal, natural gas, interest rate, and ... heating oil, gasoline, and other risk management activities."

Response:

AEPSC acts as agent for PSO and SWEPCO regarding the risk management activities noted in the question, but any revenues and expenses related to these activities would not be billed to PSO and SWEPCO by AEPSC.

Date: 10/21/2020

**SPP Formula Rate True-up for 2019 - Discovery
FERC Docket No ER18-194, ER18-195 - 2019 True-up**

**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-176:

SWEPCO

In reference to SWEPCO's 2019 FF1, Page 123.9 states that "[w]hen it becomes probable that an asset in-service or an asset under construction will be abandoned and regulator cost recovery has been disallowed or is not probable, the cost of the asset shall be removed from plant-in-service or CWIP and charged to expense." Please quantify all such expensed costs by FERC Account Number for 2019.

Response:

Southwestern Electric Power Company did not expense or remove any costs from plant in service or CWIP as a result of an impairment or abandonment.

Date: 10/21/2020

**SPP Formula Rate True-up for 2019 - Discovery
FERC Docket No ER18-194, ER18-195 - 2019 True-up**

**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-182:

SWEPSCO

In reference to SWEPSCO's 2019 FF1, Page 207, Line 49, column (g), Account (352) Structures and Improvements. The Note on 450.1 states "GSU (Generator Step-up) portion of total transmission accounts 352 & 353 identified by a query of the plant accounting system. GSU's serve as a generation component and are included in rate base for production plant." Please provide a detailed listing of the GSUs included in this account (in Excel format).

Response:

Please reference attachment '1-182 Attachment 1_SEND' for explanation of SWEPSCO GSU activity in account 35200.

Date: 10/21/2020

**SPP Formula Rate True-up for 2019 - Discovery
FERC Docket No ER18-194, ER18-195 - 2019 True-up**

**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-183:

SWEPCO

In reference to SWEPCO's 2019 FF1, Page 206, Line 50, column (c), Additions for Account (353) Station Equipment in the amount of \$57,068,580 (in Excel format). Please provide the following:

- a. A detailed description of the capital additions by FERC Account 350 – 359 (in Excel format). Please identify specifically:
 - i. The Generator Step-up Transformers in FERC Account 353 that are excluded on SWEPCO WS A-1 - Plant, Page 1, "OATT Ancillary Services (GSU)," Column (e), Line 27;
 - ii. The Interconnection Facilities (Order 2003) that are excluded on SWEPCO WS A-1 - Plant, Page 1, "Excluded Plant," Column (f), Line 27;
 - iii. The New Radial Facilities that are excluded on SWEPCO WS A-1 - Plant, Page 1, "Excluded Plant," Column (f), Line 27; and
 - iv. The other Excluded Plant facilities that are excluded on SWEPCO WS A-1 - Plant, Page 1, "Excluded Plant," Column (f), Line 27.
- b. A detailed list of the capital additions by transmission project ID, project description and work order (at a level high enough to account for credits and costs).

Response:

- a.) Please see 1-183 Attachment 1.xls for the additions to FERC accounts 350-359.
 - i. Please see 1-183 Attachment 4.xlsx for the Generator Step-up Transformers in FERC Accounts 352 and 353 which are excluded on SWEPCO WS A-1 - Plant, Page 1, "OATT Ancillary Services (GSU)," Column (e), Line 27; .
 - ii. Please see 1-183 Attachment 3 Set 1 for any Interconnection facilities.
 - iii. Please see 1-183 Attachment 3 Set 1 for new radials.
 - iv. Please see 1-183 Attachment 3 Set 1 for other excluded plant.
- b.) Please see 1-183 Attachment 2.xls for the capital additions to FERC accounts 350-359 by by transmission project ID, project description and work order.

Date: 10/21/2020

**SPP Formula Rate True-up for 2019 - Discovery
FERC Docket No ER18-194, ER18-195 - 2019 True-up**

**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-184:

SWEPCO

In reference to SWEPCO's 2019 FF1, Page 207, Line 50, column (f), Transfers for Account (353) Station Equipment. Please provide a detailed description of the transfers totaling \$11,002,443. In addition, please state which accounts these transfers came from.

Response:

Please reference attached file '1-184 Attachment 1_SEND' for an explanation of the transfer activity.

Date: 10/21/2020

**SPP Formula Rate True-up for 2019 - Discovery
FERC Docket No ER18-194, ER18-195 - 2019 True-up**

**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-187:

SWEPSCO

In reference to SWEPSCO's 2019 FF1, Page 300, Line 16, Columns (b) and (c), please provide a breakdown to the most granular level available (e.g., by subaccount number) of SWEPSCO's FERC Account No. 450, Forfeited Discounts, by function.

Response:

Please see file 1-187_Attachment_1_SWEPSCO_Query_AECC-ETEC-NTEC tab 450 for detail.

Date: 10/21/2020

**SPP Formula Rate True-up for 2019 - Discovery
FERC Docket No ER18-194, ER18-195 - 2019 True-up**

**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-188:

SWEPCO

In reference to SWEPCO's 2019 FF1, Page 300, Line 17, Columns (b) and (c), please provide a breakdown to the most granular level available (e.g., by subaccount number) of SWEPCO's FERC Account No. 451, Miscellaneous Service Revenues, by function.

Response:

Please see file 1-187_Attachment_1_SWEPCO_Query_AECC-ETEC-NTEC tab 4510 for detail.

Date: 10/21/2020

**SPP Formula Rate True-up for 2019 - Discovery
FERC Docket No ER18-194, ER18-195 - 2019 True-up**

**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-189:

SWEPCO

In reference to SWEPCO's 2019 FF1, Page 300, Line 19, Columns (b) and (c), please provide a breakdown to the most granular level available (e.g., by subaccount number) of SWEPCO's FERC Account No. 454, Rent from Electric Property, by function.

Response:

Please see file 1-187_Attachment_1_SWEPCO_Query_AECC-ETEC-NTEC tab 4540 for detail.

Date: 10/21/2020

**SPP Formula Rate True-up for 2019 - Discovery
FERC Docket No ER18-194, ER18-195 - 2019 True-up**

**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-190:

SWEPSCO

In reference to SWEPSCO's 2019 FF1, Page 300, Line 21, Columns (b) and (c), please provide a breakdown to the most granular level available (e.g., by subaccount number) of SWEPSCO's FERC Account No. 456, Other Electric Revenues, by function.

Response:

Please see file 1-187_Attachment_1_SWEPSCO_Query_AECC-ETEC-NTEC tab 4560 for detail.

Date: 10/21/2020

**SPP Formula Rate True-up for 2019 - Discovery
FERC Docket No ER18-194, ER18-195 - 2019 True-up**

**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-191:

SWEPSCO

In reference to SWEPSCO's 2019 FF1, Page 300, Line 22, Columns (b) and (c), please provide a breakdown to the most granular level available (e.g., by subaccount number) of SWEPSCO's FERC Account No. 456.1, Revenues from Transmission of Electricity by Others, by function.

Response:

Please see file 1-187_Attachment_1_SWEPSCO_Query_AECC-ETEC-NTEC tab 4561 for detail.

Date: 10/21/2020

**SPP Formula Rate True-up for 2019 - Discovery
FERC Docket No ER18-194, ER18-195 - 2019 True-up**

**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-192:

SWEPCO

In reference to SWEPCO's 2019 FF1, Page 321, Line 83, Columns (b) and (c), please provide a breakdown to the most granular level available (e.g., by subaccount number) of SWEPCO's FERC Account No. 560, Operation Supervision and Engineering.

Response:

Please see file 1-187_Attachment_1_SWEPCO_Query_AECC-ETEC-NTEC tab 5600 for detail.

Date: 10/21/2020

**SPP Formula Rate True-up for 2019 - Discovery
FERC Docket No ER18-194, ER18-195 - 2019 True-up**

**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-193:

SWEPSCO

In reference to SWEPSCO's 2019 FF1, Page 321, Line 93, Columns (b) and (c), please provide a breakdown to the most granular level available (e.g., by subaccount number) of SWEPSCO's FERC Account No. 562, Station Expenses.

Response:

Please see file 1-187_Attachment_1_SWEPSCO_Query_AECC-ETEC-NTEC tab 5620 for detail.

Date: 10/21/2020

**SPP Formula Rate True-up for 2019 - Discovery
FERC Docket No ER18-194, ER18-195 - 2019 True-up**

**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-194:

SWEPCO

In reference to SWEPCO's 2019 FF1, Page 321, Line 94, Columns (b) and (c), please provide a breakdown to the most granular level available (e.g., by subaccount number) of SWEPCO's FERC Account No. 563, Operation Overhead Lines Expenses.

Response:

Please see file 1-187_Attachment_1_SWEPCO_Query_AECC-ETEC-NTEC tab 5630 for detail.

Date: 10/21/2020

**SPP Formula Rate True-up for 2019 - Discovery
FERC Docket No ER18-194, ER18-195 - 2019 True-up**

**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-195:

SWEPSCO

In reference to SWEPSCO's 2019 FF1, Page 321, Line 97, Columns (b) and (c), please provide a breakdown to the most granular level available (e.g., by subaccount number) of SWEPSCO's FERC Account No. 566, Miscellaneous Transmission Expenses. This level of detail should reflect enough detail to see each journal entry description of every expense included in this account.

Response:

Please see file 1-187_Attachment_1_SWEPSCO_Query_AECC-ETEC-NTEC tab 5660 for detail.

Date: 10/21/2020

**SPP Formula Rate True-up for 2019 - Discovery
FERC Docket No ER18-194, ER18-195 - 2019 True-up**

**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-196:

SWEPCO

In reference to SWEPCO's 2019 FF1, Page 321, Line 104, Columns (b) and (c), please provide a breakdown to the most granular level available (e.g., by subaccount number) of SWEPCO's FERC Account No. 569.2, Maintenance of Computer Software.

Response:

Please see file 1-187_Attachment_1_SWEPCO_Query_AECC-ETEC-NTEC tab 5692 for detail.

Date: 10/21/2020

**SPP Formula Rate True-up for 2019 - Discovery
FERC Docket No ER18-194, ER18-195 - 2019 True-up**

**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-197:

SWEPSCO

In reference to SWEPSCO's 2019 FF1, Page 321, Line 107, Columns (b) and (c), please provide a breakdown to the most granular level available (e.g., by subaccount number) of SWEPSCO's FERC Account No. 570, Maintenance of Station Equipment.

Response:

Please see file 1-187_Attachment_1_SWEPSCO_Query_AECC-ETEC-NTEC tab 5700 for detail.

Date: 10/21/2020

**SPP Formula Rate True-up for 2019 - Discovery
FERC Docket No ER18-194, ER18-195 - 2019 True-up**

**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-198:

SWEPCO

In reference to SWEPCO's 2019 FF1, Page 321, Line 108, Columns (b) and (c), please provide a breakdown to the most granular level available (e.g., by subaccount number) of SWEPCO's FERC Account No. 571, Maintenance of Overhead Lines.

Response:

Please see file 1-187_Attachment_1_SWEPCO_Query_AECC-ETEC-NTEC tab 5710 for detail.

Date: 10/21/2020

**SPP Formula Rate True-up for 2019 - Discovery
FERC Docket No ER18-194, ER18-195 - 2019 True-up**

**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-199:

SWEPCO

In reference to SWEPCO's 2019 FF1, Page 321, Line 110, Columns (b) and (c), please provide a breakdown to the most granular level available (e.g., by subaccount number) of SWEPCO's FERC Account No. 573, Maintenance of Miscellaneous Transmission Plant.

Response:

Please see file 1-187_Attachment_1_SWEPCO_Query_AECC-ETEC-NTEC tab 5730 for detail.

Date: 10/21/2020

**SPP Formula Rate True-up for 2019 - Discovery
FERC Docket No ER18-194, ER18-195 - 2019 True-up**

**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-200:

SWEPCO

In reference to SWEPCO's 2019 FF1, Page 323, Line 181, Columns (b) and (c), please provide a breakdown to the most granular level available (e.g., by subaccount number) of SWEPCO's FERC Account No. 920, Administrative and General Salaries.

Response:

Please see file 1-187_Attachment_1_SWEPCO_Query_AECC-ETEC-NTEC tab 9200 for detail.

Date: 10/21/2020

**SPP Formula Rate True-up for 2019 - Discovery
FERC Docket No ER18-194, ER18-195 - 2019 True-up**

**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-201:

SWEPCO

In reference to SWEPCO's 2019 FF1, Page 323, Line 182, Columns (b) and (c), please provide a breakdown to the most granular level available (e.g., by subaccount number) of SWEPCO's FERC Account No. 921, Office Supplies and Expenses.

Response:

Please see file 1-187_Attachment_1_SWEPCO_Query_AECC-ETEC-NTEC tab 9210 for detail.

Date: 10/21/2020

**SPP Formula Rate True-up for 2019 - Discovery
FERC Docket No ER18-194, ER18-195 - 2019 True-up**

**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-202:

SWEPCO

In reference to SWEPCO's 2019 FF1, Page 323, Line 183, Columns (b) and (c), please provide a breakdown to the most granular level available (e.g., by subaccount number) of SWEPCO's FERC Account No. 922, Administrative Expenses Transferred – Credit.

Response:

Please see file 1-187_Attachment_1_SWEPCO_Query_AECC-ETEC-NTEC tab 9220 for detail.

Date: 10/21/2020

**SPP Formula Rate True-up for 2019 - Discovery
FERC Docket No ER18-194, ER18-195 - 2019 True-up**

**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-203:

SWEPCO

In reference to SWEPCO's 2019 FF1, Page 323, Line 184, (923) Outside Services Employed, please provide the following:

- a. A detailed explanation for the \$2,389,775 decrease in the expense from \$8,770,478 in 2018 to \$6,380,703 in 2019;
- b. A detailed listing (Excel format) of all the items booked to Account 923 during 2019, totaling \$6,380,703.

Response:

Please see file 1-187_Attachment_1_SWEPCO_Query_AECC-ETEC-NTEC tab 9230 for detail.

Date: 10/21/2020

**SPP Formula Rate True-up for 2019 - Discovery
FERC Docket No ER18-194, ER18-195 - 2019 True-up**

**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-204:

SWEPCO

In reference to SWEPCO's 2019 FF1, Page 323, Line 185, Columns (b) and (c), please provide a breakdown to the most granular level available (e.g., by subaccount number) of SWEPCO's FERC Account No. 924, Property Insurance.

Response:

Please see file 1-187_Attachment_1_SWEPCO_Query_AECC-ETEC-NTEC tab 9240 for detail.

Date: 10/21/2020

**SPP Formula Rate True-up for 2019 - Discovery
FERC Docket No ER18-194, ER18-195 - 2019 True-up**

**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-205:

SWEPCO

In reference to SWEPCO's 2019 FF1, Page 323, Line 186, Columns (b) and (c), please provide a breakdown to the most granular level available (e.g., by subaccount number) of SWEPCO's FERC Account No. 925, Injuries and Damages.

Response:

Please see file 1-187_Attachment_1_SWEPCO_Query_AECC-ETEC-NTEC tab 9250 for detail.

Date: 10/21/2020

**SPP Formula Rate True-up for 2019 - Discovery
FERC Docket No ER18-194, ER18-195 - 2019 True-up**

**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-206:

SWEPCO

In reference to SWEPCO's 2019 FF1, Page 323, Line 187, Columns (b) and (c), please provide a breakdown to the most granular level available (e.g., by subaccount number) of SWEPCO's FERC Account No. 926, Employee Pensions and Benefits.

Response:

Please see file 1-187_Attachment_1_SWEPCO_Query_AECC-ETEC-NTEC tab 9260 for detail.

Date: 10/21/2020

**SPP Formula Rate True-up for 2019 - Discovery
FERC Docket No ER18-194, ER18-195 - 2019 True-up**

**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-207:

SWEPCO

In reference to SWEPCO's 2019 FF1, Page 323, Line 196, Columns (b) and (c), please provide a breakdown to the most granular level available (e.g., by subaccount number) of SWEPCO's FERC Account No. 935, Maintenance of General Plant.

Response:

Please see file 1-187_Attachment_1_SWEPCO_Query_AECC-ETEC-NTEC tab 9350 for detail.

Date: 10/21/2020

**SPP Formula Rate True-up for 2019 - Discovery
FERC Docket No ER18-194, ER18-195 - 2019 True-up**

**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-209:

SWEPCO

In reference to “OATT Ancillary Services (GSU),” SWEPCO WS A-1 - Plant, Lines 15 and 27, Column (e), please provide a workable Excel file showing (i) a detailed listing of the GSU facilities, including amounts, that comprise, Line 15, December Prior to Rate Year balance of \$38,470,989; (ii) Additions; (iii) Retirements and (iv) the ending balance shown on Line 27 - December of Rate Year balance of \$49,473,432.

Response:

Please reference attached file '1-209 Attachment 1_SEND' for detailed information.

Date: 10/21/2020

**SPP Formula Rate True-up for 2019 - Discovery
FERC Docket No ER18-194, ER18-195 - 2019 True-up**

**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-210:

SWEPCO

In reference to "Excluded Plant," SWEPCO WS A-1 - Plant, Lines 15 and 27, Column (f), please provide the following from Company Records:

- a. A detailed listing of the individual "Excluded Plant" facilities, by facility type, including amounts, that are included in, Line 15, December Prior to Rate Year balance of \$51,692,079; and
- b. A detailed listing of the "Excluded Plant" facilities, by facility type, including amounts, that are included in, Line 15, December Prior to Rate Year balance of \$54,762,369.

Response:

Please see the attached file "1-210 Attachment 1 AECC-ETEC-NTEC".

Date: 10/21/2020

**SPP Formula Rate True-up for 2019 - Discovery
FERC Docket No ER18-194, ER18-195 - 2019 True-up**

**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-211:

SWEPCO

In reference to SWEPCO WS C ADIT & ADITC, Total Included in Rate base, please state whether SWEPCO agrees that the reference in Excel Cell J12 should state “(F) + (G) + (H) + (I).”

Response:

Yes, AEP agrees.

Date: 10/21/2020

**SPP Formula Rate True-up for 2019 - Discovery
FERC Docket No ER18-194, ER18-195 - 2019 True-up**

**Responses to AECC-GSEC-ETNC
Set Set 1 of Data Requests**

Data Request 1-213:

SWEPCO

In reference to SWEPCO WS C-1 ADIT EOY, please provide the rationale underlying AEP's allocation choices for the following ADIT items, none of which appear to be explicitly identified in AEP West's settled formula rate template filed with the Commission (see Accession No. 201902085034 – Settlement B):

- a. Excel Row 13 - 230B 481 a BONUS DEPRECIATION;
- b. Excel Row 49 - 960F-XS EXCESS ADFIT 282 PROTECTED-AR;
- c. Excel Row 50 - 960F-XS EXCESS ADFIT 282 PROTECTED-FERC;
- d. Excel Row 51 - 960F-XS EXCESS ADFIT 282 PROTECTED-LA;
- e. Excel Row 52 - 960F-XS EXCESS ADFIT 282 PROTECTED-TX;
- f. Excel Row 54 - 960F-XS EXCESS ADFIT 282 UNPROTECTED-AR;
- g. Excel Row 55 - 960F-XS EXCESS ADFIT 282 UNPROTECTED-FERC;
- h. Excel Row 56 - 960F-XS EXCESS ADFIT 282 UNPROTECTED-LA;
- i. Excel Row 57 - 960F-XS EXCESS ADFIT 282 UNPROTECTED-TX;
- j. Excel Row 59 - 282 EXCESS ADJUSTMENT;
- k. Excel Row 66 - 014C-DSIT NOL-STATE C/F-DEF STATE TAX ASSET-L/T-AR;
- l. Excel Row 67 - 014C-DSIT NOL-STATE C/F-DEF STATE TAX ASSET-L/T-LA;
- m. Excel Row 68 - 014C-DSIT NOL-STATE C/F-DEF STATE TAX ASSET-L/T-NE;
- n. Excel Row 69 - 014C-DSIT NOL-STATE C/F-DEF STATE TAX ASSET-L/T-OK;
- o. Excel Row 82 - 660L REG ASSET-DEFERRED LITIGATION COSTS;
- p. Excel Row 86 - 661U REG ASSET-LAWTON SETTLEMENT;
- q. Excel Row 94 - 669J REG ASSET-ENERGY EFFICIENCY RECOVERY;
- r. Excel Row101 - 673U REG ASSET-LA 2015 FRP-SPP DEFERRAL;
- s. Excel Row102 - 673V REG ASSET-LA 2015 FRP-UNREC EQUITY;
- t. Excel Row103 - 673Z REG ASSET-WELSH 2 TX-UNDEPR BAL;
- u. Excel Row104 - 674R REG ASSET-UNDER RECOV-EXCESS TAX ETRR;
- v. Excel Row118 - 960F-XS EXCESS ADFIT 283 - UNPROTECTED-AR;
- w. Excel Row119 - 960F-XS EXCESS ADFIT 283 - UNPROTECTED-FERC;
- x. Excel Row120 - 960F-XS EXCESS ADFIT 283 - UNPROTECTED-LA;
- y. Excel Row121 - 960F-XS EXCESS ADFIT 283 - UNPROTECTED-TX;
- z. Excel Row122 - 283 EXCESS ADJUSTMENT;
- aa. Excel Row 138 - 520A PROVS POSS REV REFDS-A/L
- bb. Excel Row 140 - 520Y PROV FOR RATE REFUND-EXCESS PROTECTED; and
- cc. Excel Row 149 - 605P STOCK BASED COMP-CAREER SHARES.

Response:

a. through cc.

The rationale for this page in the template was to record all Schedule M ADIT balances making up the total of sub-accounts 190.1, 282.1 and 283.1, which are where deferrals related to utility operations are recorded. By including all Schedule M ADIT items, it ensures transparency by providing detail of the tax deferrals that make up these accounts. Over time the component schedule Ms listed in the workpaper can change. What was filed with the Commission didn't show these Schedule Ms listed in the question as they have arose since that filing.

Date: 10/21/2020

**SPP Formula Rate True-up for 2019 - Discovery
FERC Docket No ER18-194, ER18-195 - 2019 True-up**

**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-216:

SWEPSCO

In reference to SWEPSCO WS C-4 Excess FIT, Line 3, Annual Transmission Function Amortization, please explain why the values in Excel Cells F17 and G17 are inputs rather than formulas as stated in the reference in Excel Column C.

Response:

Cells F17 and G17 should be formulas. The amounts shown, while hard-coded, are correct. In future updates those cells will be presented as formulas.

Date: 10/21/2020

**SPP Formula Rate True-up for 2019 - Discovery
FERC Docket No ER18-194, ER18-195 - 2019 True-up**

**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-217:

SWEPSCO

In reference to SWEPSCO WS C-4 Excess FIT, Line 7, Rate Year Beginning Included Balance – 100% Transmission Function net of amortization, please state whether SWEPSCO agrees that Excel Cell E22 should reflect subtraction rather than addition as stated in the reference in Excel Column C.

Response:

Yes, AEP agrees.

Date: 10/21/2020

**SPP Formula Rate True-up for 2019 - Discovery
FERC Docket No ER18-194, ER18-195 - 2019 True-up**

**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-218:

SWEPCO

In reference to SWEPCO WS D Working Capital, please provide the rationale underlying AEP's allocation choices for each prepayment item, none of which appear to be explicitly identified in AEP West's settled formula rate template filed with the Commission (see Accession No. 201902085034).

Response:

The detail presented in this worksheet is intended to show the individual accounts making up the total company balance of prepayments at the beginning and ending of the test period, prior to allocation (or lack thereof) of each amount. Therefore it is reasonable to expect that the individual accounts presented hereon could change from year to year based on the makeup of the accounts in the prepayment total. The amounts presented in the compliance filing represented the balance at that time.

Date: 10/21/2020

**SPP Formula Rate True-up for 2019 - Discovery
FERC Docket No ER18-194, ER18-195 - 2019 True-up**

**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-222:

SWEPCO

In reference to SWEPCO WS H Rev Credits, Acct No. 451, Line 2 - Misc. Service Revenues, please provide the following:

- a. A detailed description of what each component represents that totals this line item.
- b. The justification as to why each is Non-Transmission related.
- c. A detailed tabulation of the items that total this amount of \$1,954,195.

Response:

- a. Please see the attached file "1-222 Attachment 1 AECC-ETEC-NTEC Account 451".
- b. The Misc. Revenue was all Distribution related so there was none allocated to Transmission.
- c. Please see the attached file "1-222 Attachment 2 AECC-ETEC-NTEC".

Date: 10/21/2020

**SPP Formula Rate True-up for 2019 - Discovery
FERC Docket No ER18-194, ER18-195 - 2019 True-up**

**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-223:

SWEPCO

Please provide the derivation of and any workpapers supporting the transmission-related revenue credits identified on the “SWEPCO WS H Revenue Credits” tab for Account 454 and 456, including a listing of each revenue amount and a description of each total company revenue amount (\$) booked in 2019. Also, please explain the derivation of the transmission-related amounts for each account shown on the “SWEPCO WS H Revenue Credits” tab, Column (m).

Response:

Please refer to the file attached in Question 1-222.

Date: 10/21/2020

**SPP Formula Rate True-up for 2019 - Discovery
FERC Docket No ER18-194, ER18-195 - 2019 True-up**

**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-225:

SWEPCO

In reference to SWEPCO WS J Misc Exp, Account 928, Lines 1 – 9, please reconcile the amounts shown in column (c) – 2019 Expense to SWEPCO's FERC Form 1, page 350.

Response:

Please refer to the attached file "1-225 Attachment 1_AECC-ETEC-NTEC".

Date: 10/21/2020

**SPP Formula Rate True-up for 2019 - Discovery
FERC Docket No ER18-194, ER18-195 - 2019 True-up**

**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-227:

SWEPCO

In reference to SWEPCO WS K State Taxes, please explain why SWEPCO does not have apportionment factors that sum to 100%.

Response:

Please see response to Question 1-121.

Date: 10/21/2020

**SPP Formula Rate True-up for 2019 - Discovery
FERC Docket No ER18-194, ER18-195 - 2019 True-up**

**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-230:

SWT

In reference to SWT's 2019 FF1, Pages 123.4 and 429, please quantify the revenues and expenses assigned or allocated to OKT and SWT by AEPSC regarding "power, coal, natural gas, interest rate, and ... heating oil, gasoline, and other risk management activities."

Response:

There are no references in SWT's 2019 FF1 on pages 123.4 or 429 related to the risk management activities noted.

Date: 10/21/2020

**SPP Formula Rate True-up for 2019 - Discovery
FERC Docket No ER18-194, ER18-195 - 2019 True-up**

**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-233:

SWT

In reference to SWT WS C ADIT & ADITC, Total Included in Rate base, please state whether SWT agrees the reference in Excel Cell J12 should state “(F) + (G) + (H) + (I).”

Response:

Yes, AEP agrees.

Date: 10/21/2020

**SPP Formula Rate True-up for 2019 - Discovery
FERC Docket No ER18-194, ER18-195 - 2019 True-up**

**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-234:

SWT

In reference to SWT WS C-2 ADIT BOY, Excel Row 18, Total Electric Account 282.1 subtotal, please state whether SWT agrees the formulas in Excel Cells H18 and K18 should include Excel Row 10.

Response:

Yes, AEP agrees.

Date: 10/21/2020

**SPP Formula Rate True-up for 2019 - Discovery
FERC Docket No ER18-194, ER18-195 - 2019 True-up**

**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-235:

SWT

In reference to SWT WS C-4 Excess FIT, Line 7, Rate Year Beginning Included Balance – 100% Transmission Function net of amortization, please whether SWT agrees the formula in Excel Cell E22 should reflect subtraction rather than addition as stated in the reference in Excel Column C.

Response:

Yes, AEP agrees.

Date: 10/21/2020

SPP Formula Rate True-up for 2019 - Discovery
FERC Docket No ER18-194, ER18-195 - 2019 True-up
Partial Responses to AECC-GSEC-ETNC
Set 1 of Data Requests – Responses Provided 11/3/2020

The following responses and related attachments are being provided:

| | | |
|------|-------|-------|
| 1-04 | 1-69 | 1-160 |
| 1-05 | 1-70 | 1-163 |
| 1-06 | 1-71 | 1-164 |
| 1-07 | 1-72 | 1-165 |
| 1-08 | 1-73 | 1-169 |
| 1-15 | 1-75 | 1-170 |
| 1-16 | 1-91 | 1-171 |
| 1-17 | 1-92 | 1-172 |
| 1-18 | 1-93 | 1-173 |
| 1-19 | 1-94 | 1-174 |
| 1-26 | 1-95 | 1-177 |
| 1-27 | 1-96 | 1-178 |
| 1-29 | 1-97 | 1-179 |
| 1-30 | 1-105 | 1-180 |
| 1-31 | 1-107 | 1-181 |
| 1-37 | 1-112 | 1-185 |
| 1-40 | 1-115 | 1-212 |
| 1-44 | 1-116 | 1-215 |
| 1-46 | 1-130 | 1-219 |
| 1-47 | 1-137 | 1-224 |
| 1-49 | 1-148 | 1-226 |
| 1-50 | 1-150 | 1-228 |
| 1-51 | 1-151 | 1-229 |
| 1-57 | 1-153 | 1-231 |
| 1-67 | 1-154 | 1-232 |

**SPP Formula Rate True-up for 2019 - Discovery
FERC Docket No ER18-194, ER18-195 - 2019 True-up**

**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-4:

In General - For each OpCo and TransCo, please provide the amounts associated with safety-related and educational advertisements, FERC Assessment Fees and Annual charges, state retail rate proceedings and other similar charges by FERC Account(s).

Response:

Please refer to 1-4 Attachment 1 for requested information for each Transco, and 1-4 Attachment 2 for each Opco.

Date: 11/3/2020

**SPP Formula Rate True-up for 2019 - Discovery
FERC Docket No ER18-194, ER18-195 - 2019 True-up**

**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-5:

In General - Please indicate whether any "Goodwill" or similar item of intangible value is reflected in any of the OpCo or TransCo capital structures as of December 31, 2019. If so, please identify the relevant entity or entities, the basis for the goodwill or other intangible value reflected, and the amounts reflected.

Response:

The operating companies and TransCos do not have any "Goodwill" or similar items of intangible value as of December 31, 2019.

Date: 11/3/2020

**SPP Formula Rate True-up for 2019 - Discovery
FERC Docket No ER18-194, ER18-195 - 2019 True-up**

**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-6:

In General - Please identify all charitable donation expenditures incurred during 2019 and included in each OpCo and TransCo formula rate update effective July 1, 2020. This identification should include, but not be limited to:

- a. Identification of the organization for which the expenditure or donation was made;
- b. Identification of each amount during 2019;
- c. Identification of the FERC Account where the expenditure or donation was recorded and identify the associated OpCo or TransCo that recorded the cost;
- d. Identification of all expenditures incurred in 2019 that would not have been incurred but for the charitable expenditure or donation, including the details on these expenditures requested in items a. through c. above; and
- e. If there were no charitable donation expenditures incurred during 2019 that have been included in any of the OpCo and/or TransCo formula rate updates effective July 1, 2020, then please identify the FERC Account(s) where such expenses were booked and their associated amounts.

Response:

Expenses for charitable contributions are recorded in 4261000 for both Operating and Transmission Companies. FERC account 426 is not included in the formula rate.

Date: 11/3/2020

**SPP Formula Rate True-up for 2019 - Discovery
FERC Docket No ER18-194, ER18-195 - 2019 True-up**

**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-7:

In General - Please identify all expenditures for lobbying and other civic, political and related activities incurred during 2019 and included in each OpCo and TransCo formula rate update effective July 1, 2020. This identification should include, but not be limited to:

- a. Identification of the organization for which the expenditure was made;
- b. Identification of each amount during 2019;
- c. Identification of the FERC Account where the donation was recorded and identify the associated OpCo or TransCo that recorded the cost;
- d. Identification of all related expenditures incurred in 2019 that would not have been incurred but for the expenditure for civic, political and lobbying activities, including the details on these expenditures requested in items a. through c. above; and
- e. If there were no lobbying and other civic, political and related activities expenditures incurred during 2019 that have been included in any of the OpCo and/or TransCo formula rate updates effective July 1, 2020, then please identify the FERC Account(s) where such expenses were booked and their associated amounts.

Response:

Lobbying expenses are recorded in 426.4 accounts for both Operating and Transmission Companies. These accounts are not recoverable in the formula rate.

Date: 11/3/2020

**SPP Formula Rate True-up for 2019 - Discovery
FERC Docket No ER18-194, ER18-195 - 2019 True-up**

**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-8:

In General - For each OpCo and TransCo, please identify the following related to major destructive events (i.e., storms, fires, etc.) in 2019:

- a. The FERC Account(s) and corresponding amounts that were recorded related to restoration costs incurred for repair work.
- b. Any pending insurance claims and the amounts associated with anticipated reimbursements from these claims.

Response:

During 2019, the OpCos and TransCos did not have any major destructive events.

- a) There were no charges related to restoration cost.
- b) There were no insurance claims, pending or settled.

Date: 11/3/2020

**SPP Formula Rate True-up for 2019 - Discovery
FERC Docket No ER18-194, ER18-195 - 2019 True-up**

**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-15:

In General - State whether, in the 2018-2019 timeframe, AEP implemented any changes in its accounting guidelines or procedures for any OpCo or TransCo that affected the manner in which costs or revenues reflected in that OpCo's or TransCo's ATRR calculations are recorded. If so, describe each such change, specify the reason for the change, and quantify the impact of the change on the relevant ATRR.

Response:

There were no changes in 2018 or 2019 to accounting guidelines or procedures for the Operating or Transmission companies.

Date: 11/3/2020

**SPP Formula Rate True-up for 2019 - Discovery
FERC Docket No ER18-194, ER18-195 - 2019 True-up**

**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-16:

In General - State whether, in the 2018-2019 timeframe, AEP implemented any changes in its accounting guidelines or procedures for any TransCo that affected the manner in which costs or revenues reflected in that TransCo's ATRR calculations are recorded. If so, describe each such change, specify the reason for the change, and quantify the impact of the change on the relevant ATRR.

Response:

Please see the Company's response to data request 1 -15.

Date: 11/3/2020

**SPP Formula Rate True-up for 2019 - Discovery
FERC Docket No ER18-194, ER18-195 - 2019 True-up**

**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-17:

In General - Please provide a copy of the most recently completed audit of each OpCo and TransCo conducted by or on behalf of:

- a. FERC;
- b. Any state regulatory commission;
- c. Internal audit covering items included in the ATRR; and
- d. Any other entity with authority to conduct such audits.

Please provide all correspondence and other documentation related to any such audit commenced but not yet completed, including any audit commenced at any point during the review period applicable to the 2020 Updates.

Response:

- a. FERC has not conducted any audits on the TransCos or each of the OpCos. FERC did conduct an audit of AEPSC. Please refer to 1-17 Attachment 1 for copy of that audit report.
- b. Neither the Opcos nor the Transcos have had any transmission related audits conducted during 2019.
- c. In 2019 there was an internal audit covering AEPSC. These audit reports are confidential and will be made available for inspection under a confidentiality agreement.
- d. AEP has engaged Price Waterhouse Coopers, LLC to audit the consolidated OPCo's and Transco's GAAP financial statements for inclusion in AEP's SEC Form 10-K and the FERC financial statements for inclusion in the FERC Form 1. These opinions can be found in the financial statements and regulatory reports posted on AEP.com.

Date: 11/3/2020

**SPP Formula Rate True-up for 2019 - Discovery
FERC Docket No ER18-194, ER18-195 - 2019 True-up**

**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-18:

In General - Please provide information identifying, by account, any costs reflected in the 2019 ATRR calculation for any OpCo or TransCo that were incurred, or the basis for which occurred, before January 1, 2019. Explain the reasons for including such prior-period costs in the 2019 ATRR calculations. If any such cost items instead were recorded in a deferred asset account (e.g., Account 186) or other FERC account used to reflect costs awaiting future recovery, please provide a table describing each such item and specifying the amount of each such item, the account where the item was recorded, and when recovery of the deferred item will begin.

Response:

Neither the Operating nor Transmission Companies are aware of any material costs incurred before 2019 that were recorded in 2019 business, nor of any deferred costs awaiting future recovery.

Date: 11/3/2020

**SPP Formula Rate True-up for 2019 - Discovery
FERC Docket No ER18-194, ER18-195 - 2019 True-up**

**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-19:

In General - 1-19. Please verify whether any Operations and Maintenance (“O&M”) expenses were transferred or allocated from an OpCo to a TransCo. If yes, please provide the following:

- a. A detailed list of the expenses that were transferred and their associated amounts transferred to a TransCo by FERC account; and
- b. A description of the allocation methodology used to transfer the expenses from the OpCo to the TransCo.

Response:

The companies do not transfer costs amongst affiliates; however, AEP affiliates provide service to other AEP affiliates as a normal course of business. AEP uses a work order system to ensure that services provided by one business unit that benefit other business units are properly billed to the entities benefitting from that service. AEPSC is the primary service provider to the TransCo’s. However, since the TransCo’s do not have employees, they also rely on other AEP affiliates or third party vendors to provide necessary services. All services provided to affiliates are billed at cost. Labor charges billed between AEP affiliates represent the fully-loaded cost of labor, inclusive of benefits and administrative costs. See attachment 1-19.

Date: 11/3/2020

**SPP Formula Rate True-up for 2019 - Discovery
FERC Docket No ER18-194, ER18-195 - 2019 True-up**

**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-26:

QUESTIONS APPLICABLE TO EACH OPCO AND TRANSCO

For each OpCo and each TransCo, reference 2019 FF1, Account 182.3 – Other Regulatory Assets, pages 232 through 232.2 (as applicable) Column (d), Written off During Quarter/Year Account Charged. In respect of each instance where Column (d) states “Various” please provide a detailed tabulation by FERC account, including associated subaccounts if applicable (i.e. FERC Accounts 408.1, 561.1, 930.1 etc.), and their associated amounts that were charged.

Response:

For the OPCo's, there are no instances on page 232 where column (d) used "Various".
For the Transco's, there are no instances on page 232 where column (d) used "Various".

Date: 11/3/2020

**SPP Formula Rate True-up for 2019 - Discovery
FERC Docket No ER18-194, ER18-195 - 2019 True-up**

**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-27:

QUESTIONS APPLICABLE TO EACH OPCO AND TRANSCO

Please provide a copy, for each OpCo and TransCo, of a complete chart of accounts, i.e., a listing of each account and subaccount number and corresponding account title effective as of the date of its instant annual update. For each account and subaccount number, please:

- a. Provide a brief text description of the types of costs or revenues to be recorded in the account or subaccount number (to the extent readily available);
- b. Indicate the FERC Account Number to which accounts and subaccounts used for non-USoA purposes map (e.g., general ledger account numbers); and
- c. Identify any material changes to the chart of accounts effective as of the date of each OpCo or TransCo's instant annual update and each respective prior annual update.

Response:

Please see 1-27_Attachment_1 for listing of chart of active accounts used by the OpCo's and TransCo's. The listing shows brief description of account and FERC account. There have not been any material changes to the chart of accounts.

Date: 11/3/2020

**SPP Formula Rate True-up for 2019 - Discovery
FERC Docket No ER18-194, ER18-195 - 2019 True-up**

**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-29:

QUESTIONS APPLICABLE TO EACH OPCO AND TRANSCO

For each OpCo and each TransCo, please provide a list of all operating leases. In addition, please describe and quantify by FERC Account Number any expenses related to each lease included in each OpCo and TransCo's revenue requirement.

Response:

Operating Lease List - reference file: 1-29_Attachment_1_ 2019 Summary CR DETAILS

a. 1-29_Attachment_1_ 2019 Summary CR DETAILS

b. i. Refer to file: 1-9_Attachment_2_COMBINED_AEP_Lease_Forecast_Balance_Sheet_JEs_-_FINAL-SPP

ii.-iv. The OpCo and TransCo FERC Form 1's reflect the new "lease" assets on page 200, liabilities on page 112, and balance sheet on page 110.

c. The OpCo and TransCo do not include these new "lease" assets in the transmission rate base calculations.

d. Refer to file: 1-29_Attachment_1_ 2019 Summary CR DETAILS

Date: 11/3/2020

**SPP Formula Rate True-up for 2019 - Discovery
FERC Docket No ER18-194, ER18-195 - 2019 True-up**

**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-30:

QUESTIONS APPLICABLE TO EACH OPCO AND TRANSCO

Please state whether any OpCo or TransCo received any revenues from payments made by others for right of way (“ROW”) use from or for utility pipelines. If so, provide a detailed breakdown of such payments and reconcile those amounts to 2019 FF1s and to the revenue credits included in the 2019 true-up for each OpCo or TransCo.

Response:

No OpCos or TransCos received revenues from payments made by others for ROW use from or for utility pipelines.

Date: 11/3/2020

**SPP Formula Rate True-up for 2019 - Discovery
FERC Docket No ER18-194, ER18-195 - 2019 True-up**

**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-31:

QUESTIONS APPLICABLE TO EACH OPCO AND TRANSCO

Please indicate whether the OpCo or TransCo formula rates include any costs in AEP's transmission plant accounts (i.e., FERC Account 350 - Land and Land Rights) for use of rights-of-way on land owned by others. If yes, please provide the amounts that were booked during 2019 and the FERC plant account number in which the balances were booked. In addition, if there are any expenses that were incurred during 2019 related to the payments (i.e., land rent or land lease) made for use of rights-of-way on land owned by others, please provide the amounts and identify the FERC accounts in which such expenses were recorded (i.e., FERC Account 567 - Rents).

Response:

Please see 1-31 Attachment 1 for details of the Land Rights for capitalized land costs for land owned by others.

OKT incurred costs totaling \$256,974 for the joint use of land and land rights during 2019 recorded in FERC account 567 for payments made to PSO.

Date: 11/3/2020

**SPP Formula Rate True-up for 2019 - Discovery
FERC Docket No ER18-194, ER18-195 - 2019 True-up**

**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-37:

QUESTIONS APPLICABLE TO EACH OPCO AND TRANSCO

Please identify all expenses that were recorded in Transmission O&M or A&G Expense accounts in 2019 that were incurred prior to 2019 and recorded in other O&M expense accounts and state the basis for the change in expense reporting.

Response:

We are not aware of any Transmission O&M or A&G expenses that were incurred in 2019 related to prior periods.

Date: 11/3/2020

**SPP Formula Rate True-up for 2019 - Discovery
FERC Docket No ER18-194, ER18-195 - 2019 True-up**

**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-40:

QUESTIONS APPLICABLE TO EACH OPCO AND TRANSCO
For each OpCo and each TransCo, in reference to the 2019 FF1 page 323, Line 193, Account 931 – Rents, please provide a detailed tabulation of every entry booked to this account during 2019, including name, description of cost item and amount. In addition, please explain the drivers behind the change from 2018 to 2019.

Response:

Please see 1-40 Attachment 1 for the requested FERC 931 Rents details for OPCOs and TRANSCOs. Prior to a presentation change requested by PWC (external auditors), all regulated capital lease interest expense was charged to the individual lines of accounting where the lease expense costs were charged for that specific asset. The change was implemented in December 2019, and capital lease interest expense dollars for all of 2019 were reclassified from their original charged income statement account(s) to the 9310005. This was not done retroactive for 2018, and is a main driver for year-over-year variance in the FERC 931 account.

For OKTCo, the 9310001 subaccount increase is due to new lease added in 2019 for Smith Storage Yard and a change in levelized expense related to Philcade Tower due to ASC 842 conversion.

Date: 11/3/2020

**SPP Formula Rate True-up for 2019 - Discovery
FERC Docket No ER18-194, ER18-195 - 2019 True-up**

**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-44:

QUESTIONS APPLICABLE TO EACH OPCO AND TRANSCO

For each OpCo and TransCo, please identify all credit facilities outstanding during 2019. For each credit facility, provide the amount of upfront and commitment fees recorded to expense in 2019 and the offsetting FERC account(s) charged, and identify any portion of the credit facility required to comply with provisions of specific a debt agreement. Also, explain the treatment of the fees in the determination of cost of debt for computing the AFUDC rate.

Response:

Please see JI Set 1-44 Attachment 1 for the requested information. The Companies do not have any debt covenants that require the maintenance of separate lines of credit. See the Companies' response to question 1-47 for how the account these amounts are charged to are used in the calculation of AFUDC.

Date: 11/3/2020

**SPP Formula Rate True-up for 2019 - Discovery
FERC Docket No ER18-194, ER18-195 - 2019 True-up**

**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-47:

QUESTIONS APPLICABLE TO EACH OPCO AND TRANSCO

For each OpCo and Transco, please provide the following related to AFUDC:

- a. The calculation and formula supporting the AFUDC rates (debt and equity) applied to construction costs for 2019. Include this information in spreadsheets showing all inputs (common stock, preferred stock, long term debt, short term debt, and average CWIP), and provide supporting documentation and calculations that provide for verification of the equity and debt rates derived. Explain any differences between these rates and the rates reported in the 2019 FERC Form No. 1;
- b. Describe the method used to accrue AFUDC and the frequency of compounding. Illustrate this method using the largest work order (by dollar) for 2019; and
- c. Explain the components of the construction base and the types of costs included and/or excluded. Provide a schedule of costs included and excluded by type and dollar amount for the work order illustration in b above.

Response:

Please refer to 1-47 - Attachment 1_SEND.pdf for the calculations and support used to determine the company's AFUDC debt and equity rates for the month December 2019. The AFUDC debt and equity rates are calculated monthly for each company and the information is an illustration of those calculations for the month of December 2019. Please refer to the series of attachments named '1-47_Attachment_2 - xxx - SEND' for an explanation by company of how AFUDC is accrued on a work order, a sample calculation of AFUDC accruals on a work order for each company, a listing of charge types eligible for inclusion in all AFUDC accruals, and a listing of charges by charge type for the sample work order. The company utilizes the AFUDC formula as prescribed by FERC for its AFUDC debt and equity rate calculations.

Date: 11/3/2020

**SPP Formula Rate True-up for 2019 - Discovery
FERC Docket No ER18-194, ER18-195 - 2019 True-up**

**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-49:

QUESTIONS APPLICABLE TO EACH OPCO AND TRANSCO
For each OpCo and Transco, please provide a discussion of the accounting used to record net borrowings from the AEP Corporate Borrowing Program, including the Utility Money Pool and the FERC accounts to record the borrowings and associated interest expense. Discuss how the money pool borrowings and interest costs are factored into the AFUDC rate calculation.

Response:

The AEP Corporate Borrowing Program (CBP) (also known as money-pool) is the centralized funding mechanism AEP uses to meet the short-term cash requirements of AEP and its Subsidiaries. Each day the cash needs of AEP and its subsidiaries are summed up and cash is borrowed and or invested on their behalf through the CBP.

The various subsidiaries can be either a borrower or a lender.

A borrower is when cash needs of the OpCo exceed available cash; this is recorded in FERC Account 233, with interest expense recorded in FERC account 430.

A lender is when cash needs are less than the cash available; this position is recorded in FERC Account 145, with interest income recorded in FERC account 419.1.

One of the elements of the AFUDC calculation is Average Short-term debt and Short-term debt interest rate. AEP uses the Corporate Borrowing Plan as its Short-term debt component.

Date: 11/3/2020

**SPP Formula Rate True-up for 2019 - Discovery
FERC Docket No ER18-194, ER18-195 - 2019 True-up**

**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-50:

QUESTIONS APPLICABLE TO EACH OPCO AND TRANSCO

For each OpCo and Transco, please identify any subsidiary company accounted for under the consolidated method of accounting in the FERC Form 1.

Response:

Neither the Operating or Transmission Companies have any subsidiaries that are accounted for under the consolidated method.

Date: 11/3/2020

**SPP Formula Rate True-up for 2019 - Discovery
FERC Docket No ER18-194, ER18-195 - 2019 True-up**

**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-51:

QUESTIONS APPLICABLE TO EACH OPCO AND TRANSCO

In reference to SWEPCo 2019 FERC Form 1, Page 123.72, Transmission Coordination Agreement (TCA) note, please provide:

- a. The detailed journal entries to record expenses and revenues associated with the TCA in 2019 for PSO and SWEPCo, with a supporting explanation of each entry.
- b. Identify and explain the nature of any costs associated with the TCA that are billed directly to PSO or SWEPCo from AEPSC, AEPTCo, or other affiliates through intercompany billings.
- c. To the extent PSO and SWEPCo provide transmission services under the TCA explain how the companies account for the internal labor and other costs of providing the transmission services, accounts for revenues received from SPP, and how these costs and revenues are factored into the ATRR.

Response:

- a. See attachment - GDS_1-51 Attachment 1
- b. There are no costs associated with the TCA that are billed directly to PSO or SWEPCo from AEPSC. The TCA defines how SPP revenues and expenses are allocated among the companies.
- c. PSO and SWEPCo do not provide transmission service under the TCA.

Date: 11/3/2020

**SPP Formula Rate True-up for 2019 - Discovery
FERC Docket No ER18-194, ER18-195 - 2019 True-up**

**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-57:

PSO

In reference to PSO's 2019 FF1, Page 123.20, please:

- a. Quantify by FERC Account Number amounts recorded by PSO to recognize allowances for credit losses; and
- b. Quantify by FERC Account Number the amounts recorded by PSO in contra accounts to offset the recognition of allowances for expected credit losses.

Response:

PSO's 2019 FF1, Page 123.20 is the disclosure of new accounting pronouncement; ASU 2016-13, related to current expected credit loss standard (CECL). AEP includes all Financial Accounting Standards Board's standard-setting review processes. Upon issuance of final pronouncements, management reviews the new accounting literature to determine its relevance, if any, to PSO's business. The CECL accounting guidance was implemented effective January 1, 2020; therefore, no entries were recorded for PSO in 2019.

Date: 11/3/2020

**SPP Formula Rate True-up for 2019 - Discovery
FERC Docket No ER18-194, ER18-195 - 2019 True-up**

**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-67:

PSO

In reference to PSO's 2019 FF1, Page 207, Lines 58 and 75, column (f). Please explain the nature of this transfer totaling \$3,524,107 between distribution and transmission accounts and provide a schedule of assets transferred along with the balance of accumulated depreciation and ADIT transferred or reclassified from distribution to transmission, by asset.

Response:

Please refer to the series of attachments identified as '1-67 PSO xxx Transfers_SEND' for information on the transfer and accumulated depreciation activity in the distribution and transmission utility accounts. The 'xxx' in the filename represents the FERC utility account associated with each set of transfers.

The ADIT on these assets is not data that is readily available. ADIT is not tracked on individual assets but rather on entire asset classes.

Date: 11/3/2020

**SPP Formula Rate True-up for 2019 - Discovery
FERC Docket No ER18-194, ER18-195 - 2019 True-up**

**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-69:

PSO

Please provide a detailed listing (excel format) of all items booked to Account 228.2 – Accumulated Provision for Injuries and Damages in the amount of \$162,155 in 2019 reported in PSO's 2019 FF1, Page 112, Line 28, Column (c), including each item's corresponding function (i.e., Transmission Related, Labor Related, General Plant Related, Common Plant Related, Plant Related or Other). In addition, please identify the corresponding FERC account(s) where the expense accruals related to these balances are recorded.

Response:

Please see file 1-69 Attachment 1 for the requested information. Note that while the data in this response is provided showing the functional amounts for the Distribution, Generation and Transmission business units that comprise PSO, the Company's books and records are not kept by the functional classifications requested in this question.

Date: 11/3/2020

**SPP Formula Rate True-up for 2019 - Discovery
FERC Docket No ER18-194, ER18-195 - 2019 True-up**

**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-70:

PSO

Please provide a detailed listing (excel format) of all items booked to Account 228.3 – Accumulated Provision for Pensions and Benefits in the amount of \$4,444,517 in 2019 reported in PSO's 2019 FF1, Page 112, Line 29, Column (c), including each item's corresponding function (i.e., Transmission Related, Labor Related, General Plant Related, Common Plant Related, Plant Related or Other). To the extent that any amounts are included in a trust or restricted account, provide the frequency (e.g. quarterly, yearly etc.) or dates in which AEP deposits into those accounts. In addition, please identify the corresponding FERC account(s) where the expense accruals related to these balances are recorded.

Response:

Please see 1-70 Attachment 1 for the requested balance sheet information. Because of the potential volume of information and effort involved in developing the offsetting O&M detail the Company will provide this for a sample of these accruals as selected by the customers. Note that while the data in this response is provided showing the functional amounts for the Distribution, Generation and Transmission business units that comprise PSO, the Company's books and records are not kept by the functional classifications requested in this question.

Date: 11/3/2020

**SPP Formula Rate True-up for 2019 - Discovery
FERC Docket No ER18-194, ER18-195 - 2019 True-up**

**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-71:

PSO

Please provide a detailed listing (excel format) of all items booked to Account 232 – Accounts Payable in the amount of \$134,258,833 in 2019 reported in PSO’s 2019 FF1, Page 112, Line 38, Column (c), including each item’s corresponding function (i.e., Transmission Related, Labor Related, General Plant Related, Common Plant Related, Plant Related or Other).

Response:

Please see 1-71 Attachment 1 for the requested balance sheet information. Because of the potential volume of information and effort involved in developing the offsetting O&M detail the Company will provide this for a sample of these accruals as selected by the customers. Note that while the data in this response is provided showing the functional amounts for the Distribution, Generation and Transmission business units that comprise PSO, the Company's books and records are not kept by the functional classifications requested in this question.

Date: 11/3/2020

**SPP Formula Rate True-up for 2019 - Discovery
FERC Docket No ER18-194, ER18-195 - 2019 True-up**

**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-72:

PSO

Please provide a detailed listing (excel format) of all items booked to Account 242 – Miscellaneous Current and Accrued Liabilities in the amount of \$46,599,202 in 2019 reported in PSO's 2019 FF1, Page 113, Line 48, Column (c), including each item's corresponding function (i.e., Transmission Related, Labor Related, General Plant Related, Common Plant Related, Plant Related or Other). In addition, please identify the corresponding FERC account(s) where the expense accruals related to these balances are recorded.

Response:

Please see 1-72 Attachment 1 for the requested balance sheet information. Because of the potential volume of information and effort involved in developing the offsetting O&M detail the Company will provide this for a sample of these accruals as selected by the customers. Note that while the data in this response is provided showing the functional amounts for the Distribution, Generation and Transmission business units that comprise PSO, the Company's books and records are not kept by the functional classifications requested in this question.

Date: 11/3/2020

**SPP Formula Rate True-up for 2019 - Discovery
FERC Docket No ER18-194, ER18-195 - 2019 True-up**

**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-73:

PSO

Please provide a detailed listing (excel format) of all items booked to Account 253 – Other Deferred Credits in the amount of \$9,447,104 in 2019 reported in the 2019 FF1, Page 113, Line 59, Column (c), including each item’s corresponding function (i.e., Transmission Related, Labor Related, General Plant Related, Common Plant Related, Plant Related or Other).

Response:

Please see 1-73 Attachment 1 for the requested balance sheet information. Because of the potential volume of information and effort involved in developing the offsetting O&M detail the Company will provide this for a sample of these accruals as selected by the customers. Note that while the data in this response is provided showing the functional amounts for the Distribution, Generation and Transmission business units that comprise PSO, the Company's books and records are not kept by the functional classifications requested in this question.

Date: 11/3/2020

**SPP Formula Rate True-up for 2019 - Discovery
FERC Docket No ER18-194, ER18-195 - 2019 True-up**

**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-75:

PSO

In reference to PSO's 2019 FF1, Page 269, please thoroughly explain what are the following deferred credits and provide supporting documentation and calculations:

- a. Line 1 - Pole Attachments; and
- b. Line 22 - Deferred Revenue – Oil and Gas Lease Bonus Payment.

Response:

The items below are contractually established payments. For reasons of business confidentiality the Company will not provide copies of the contracts, but will make them available for review at Company facilities during normal business hours.

- a. Line1- Pole Attachments are legal contractual agreements primarily with cable and phone providers who "hang their wire" on AEPs distribution poles. These agreements are billed annual (recorded in FERC account 253) and the revenue is recognized on a monthly basis (to account 454) for a 12 month period. Note, pole attachments are primarily recorded on distribution assets.
- b. Line 22 - Deferred Revenue-Oil and Gas Lease Bonus Payment is the monthly recognition of a 3-year contractual agreement. The payment was Deferred in 2017 in FERC Account 253 with monthly revenue recognized in FERC account 456- misc revenue.

Date: 11/3/2020

**SPP Formula Rate True-up for 2019 - Discovery
FERC Docket No ER18-194, ER18-195 - 2019 True-up**

**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-91:

PSO

In reference to PSO's 2019 FF1, Page 323, Line 182, Columns (b) and (c), please provide a breakdown to the most granular level available (e.g., by subaccount number) of PSO's FERC Account No. 921, Office Supplies and Expenses.

Response:

Please see file 1-76_Attachment_1_PSO_Query_Attachment_1-AECC-ETEC-NTEC tab 9210 for details.

Date: 11/3/2020

**SPP Formula Rate True-up for 2019 - Discovery
FERC Docket No ER18-194, ER18-195 - 2019 True-up**

**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-92:

PSO

In reference to PSO's 2019 FF1, Page 323, Line 183, Columns (b) and (c), please provide a breakdown to the most granular level available (e.g., by subaccount number) of PSO's FERC Account No. 922, Administrative Expenses Transferred – Credit.

Response:

Please see file 1-76_Attachment_1_PSO_Query_Attachment_1-AECC-ETEC-NTEC tab 9220 for details.

Date: 11/3/2020

**SPP Formula Rate True-up for 2019 - Discovery
FERC Docket No ER18-194, ER18-195 - 2019 True-up**

**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-93:

PSO

In reference to PSO's 2019 FF1, Page 323, Line 184, (923) Outside Services Employed, please provide the following:

- a. A detailed explanation for the \$3,264,031 decrease in the expense from \$5,544,038 in 2018 to \$2,280,007 in 2019; and
- b. A detailed tabulation (Excel format) of all the items and their associated amounts booked to Account 923 during 2019, totaling \$2,280,007.

Response:

- b. Please see file 1-76_Attachment_1_PSO_Query_Attachment_1-AECC-ETEC-NTEC tab 9230 for details.

Date: 11/3/2020

**SPP Formula Rate True-up for 2019 - Discovery
FERC Docket No ER18-194, ER18-195 - 2019 True-up**

**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-94:

PSO

In reference to PSO's 2019 FF1, Page 323, Line 185, Columns (b) and (c), please provide a breakdown to the most granular level available (e.g., by subaccount number) of PSO's FERC Account No. 924, Property Insurance.

Response:

Please see file 1-76_Attachment_1_PSO_Query_Attachment_1-AECC-ETEC-NTEC tab 9240 for details.

Date: 11/3/2020

**SPP Formula Rate True-up for 2019 - Discovery
FERC Docket No ER18-194, ER18-195 - 2019 True-up**

**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-95:

PSO

In reference to PSO's 2019 FF1, Page 323, Line 186, Columns (b) and (c), please provide a breakdown to the most granular level available (e.g., by subaccount number) of PSO's FERC Account No. 925, Injuries and Damages.

Response:

Please see file 1-76_Attachment_1_PSO_Query_Attachment_1-AECC-ETEC-NTEC tab 9250 for details.

Date: 11/3/2020

**SPP Formula Rate True-up for 2019 - Discovery
FERC Docket No ER18-194, ER18-195 - 2019 True-up**

**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-96:

PSO

In reference to PSO's 2019 FF1, Page 323, Line 187, Columns (b) and (c), please provide a breakdown to the most granular level available (e.g., by subaccount number) of PSO's FERC Account No. 926, Employee Pensions and Benefits.

Response:

Please see file 1-76_Attachment_1_PSO_Query_Attachment_1-AECC-ETEC-NTEC tab 9260 for details.

Date: 11/3/2020

**SPP Formula Rate True-up for 2019 - Discovery
FERC Docket No ER18-194, ER18-195 - 2019 True-up**

**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-97:

PSO

In reference to PSO's 2019 FF1, Page 323, Line 196, Columns (b) and (c), please provide a breakdown to the most granular level available (e.g., by subaccount number) of PSO's FERC Account No. 935, Maintenance of General Plant.

Response:

Please see file 1-76_Attachment_1_PSO_Query_Attachment_1-AECC-ETEC-NTEC tab 9350 for details.

Date: 11/3/2020

**SPP Formula Rate True-up for 2019 - Discovery
FERC Docket No ER18-194, ER18-195 - 2019 True-up**

**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-105:

PSO

In reference to PSO WS C-1 ADIT EOY, please provide the rationale underlying AEP's allocation choices for the following ADIT items, none of which appear to be explicitly identified in AEP West's settled formula rate template filed with the Commission (see Accession No. 201902085034 – Attachment B):

- a. Excel Row 13 - 230B 481 a BONUS DEPRECIATION;
- b. Excel Row 19 - 280J TAX DEPRECIATION LOOKBACK;
- c. Excel Row 30 - 533J TX ACCEL AMORT - CAPITALIZED SOFTWARE;
- d. Excel Row 41 - 908A BOOK OPERATING LEASE – LIAB;
- e. Excel Row 42 - 908B BOOK OPERATING LEASE – ASSET. In addition, please state whether the “asset” balance was netted against the balance in item (d.) above.
- f. Excel Row 49 - 960F-XS EXCESS ADFIT 282 PROTECTED-OK;
- g. Excel Row 51 - 960F-XS EXCESS ADFIT 282 UNPROTECTED-OK;
- h. Excel Row 52 - 282 EXCESS ADJUSTMENT;
- i. Excel Row 79 - 661U REG ASSET-LAWTON SETTLEMENT;
- j. Excel Row 88 - 673S REG ASSET-INDEPENDENT EVALUATOR DEFRL;
- k. Excel Row 89 - 673X REG ASSET-WIND CATCHER COST RECOV;
- l. Excel Row 90 - 674E REG ASSET-NE U4 UNDEPRECIATED BALANCE;
- m. Excel Row 99 - 960F-XS EXCESS ADFIT 283 UNPROTECTED-OK;
- n. Excel Row 102 - 283 EXCESS ADJUSTMENT;

Response:

a. through n. The rationale for this page in the template was to record all Schedule M ADIT balances making up the total of sub-accounts 190.1, 282.1 and 283.1, which are where deferrals related to utility operations are recorded. By including all Schedule M ADIT items, it ensures transparency by providing detail of the tax deferrals that make up these accounts. Over time the component schedule Ms listed in the workpaper can change. What was filed with the Commission did not show these Schedule Ms listed in the question as they have arose since that filing.

e. This balance was not netted again the balance in item (d). It is separately listed, but misidentified in the worksheet as Line # 906P - ACCRD BOOK ARO EXPENSE - SFAS 143.

Date: 11/3/2020

**SPP Formula Rate True-up for 2019 - Discovery
FERC Docket No ER18-194, ER18-195 - 2019 True-up**

**Responses to AECC-GSEC-ETNC
Set Set 1 of Data Requests**

Data Request 1-107:

PSO

In reference to PSO WS C-1 ADIT EOY, Excel Row 98 - 960F-XS EXCESS ADFIT 283 – UNPROTECTED, please provide the following: a. A detailed explanation why the total balance amount is \$0. b. The excluded amounts of \$6,495,142 are a positive amount in Account 283. c. The transmission amounts of \$4,495,142 are a positive amount in Account 283. d. Supporting documentation including workpapers and detailed calculations that support the amounts in (b) and (c) above.

Response:

a. The ADIT balance for this schedule M is listed under 960F-XS EXCESS ADFIT 283 UNPROTECTED-OK.

b. In the Companies application filed in Dockets ER20-2574-000 and ER20-2577-000 to address FERC Order 864, it was explained at the time of remeasurement of ADIT balances to reflect the new corporate tax rate of 21%, the excess ADIT amounts associated with ADIT account 190.1 were reclassified to and netted against the excess ADIT balances in account 283.1. This debit as of December 31, 2019 is the total balance of unamortized ADIT in 283.1 for generation and distribution, and remaining unamortized balance for transmission, as delineated by WS C-4.

c. The unamortized transmission functional amount presented in the question is actually, \$4,901,161, and represents the transmission book amount of unamortized excess ADIT in account 283.1. The determination of this amount is based on WS C-4, which was approved in a settlement filed in Dockets ER18-194 and ER18-195 (and to which ETEC and NTEC were signatories and AECC was unopposed). WS C-4 was adopted in the formula to ensure that amounts identified as transmission functional excess ADIT were amortized over a period of five years starting in January 2018. The for \$4.9 million represents the calculated remainder of excess (initial excess at 1/1/2018 less the cumulative amortization for two years, per the WS).

d. All amounts to determine the balances at issue in this question are found in WS C-4.

Date: 11/3/2020

**SPP Formula Rate True-up for 2019 - Discovery
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**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-112:

PSO

In reference to PSO WS D Working Capital, for the following prepayment items, please (i) indicate whether PSO is obligated to prepay the items (e.g., by contract or law); (ii) quantify any savings to PSO as a consequence of prepaying the expense (e.g., early payment discounts); and (iii) identify the FERC Account Numbers to which PSO records the expenses associated with the prepaid expense items.

- a. Line 5 - 1650002 - Prepaid Taxes
- b. Line 7 - 1650005 - Prepaid Employee Benefits
- c. Line 10 - 1650010 - Prepaid Pension Benefits
- d. Line 11 - 165001118/19 - Prepaid Sales Taxes

Response:

a. Prepaid Taxes: This balance represents the purchase of tax credits from the Oklahoma Capital Investment Board which can be used to offset Oklahoma income tax liabilities. PSO was contractually obligated to purchase these credits from the OCIB. For every dollar that PSO spends for the purchase of these credits it receives a dollar of tax credits. There is no expense directly associated with the prepayment as it is treated as a payment of tax. The accrual for Oklahoma current income tax expense is recorded to FERC account 409.

b. Prepaid Employee benefits: This balance represents an accrual made in January and reversed in February for the HSA and Savings Plan for the annual contribution, See attachment 1-112(b)_account 1650001-Prepaid Employee Benefits.

c. Prepaid Pension Benefits: This account represents the cumulative balance of cash contributions to the AEP Pension plan net of actuarially determined expense. AEP is required by ERISA to make minimum contributions annually. These contributions are used to pay current benefits and earn a return towards paying future benefits, which reduces current expense to company and future required contributions. A well funded plan will also have lower annual premium payment to the Pension Benefit Guarantee Corporation.

d. Prepaid Sales Taxes

- (i) Obligated by statute
- (ii) No savings, it is a requirement by statute.
- (iii) Texas & Arkansas Sales Tax recorded to account 2410.004 - collect and remit tax. Only the prepayment is reported on the FERC pages

Date: 11/3/2020

**SPP Formula Rate True-up for 2019 - Discovery
FERC Docket No ER18-194, ER18-195 - 2019 True-up**

**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-115:

PSO

In reference to PSO WS D Working Capital, Line 10, Prepaid Pension Benefits, please explain the basis of the “prefunded pension expense” and provide supporting documentation and calculations.

Response:

The pension expense is calculated by Willis Towers Watson actuarial services based on standard actuarial assumptions such as discount rate, asset experience, lump sum conversion rate, and other factors.

Please see file 1-115_Attachment_1 for the actuarial schedule provided by Willis Towers Watson for 2019.

Date: 11/3/2020

**SPP Formula Rate True-up for 2019 - Discovery
FERC Docket No ER18-194, ER18-195 - 2019 True-up**

**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-116:

PSO

In reference to PSO WS D Working Capital, Line 11, Prepaid Sales Taxes, please explain for what items PSO prepays sales taxes.

Response:

PSO collects Oklahoma sales taxes on taxable electric sales. PSO is required to make a prepayment of the taxes billed to customer. PSO must make an electronic estimated payment of tax liability for the 1st through the 15th of the month. Payment is due by the 20th of the current month. The estimated payment can be determined by one of two methods: 90% of the actual tax liability for the first two weeks of the month; or 50% of the tax collected for the same time period for the previous year. A credit for the prepayment will be taken on the tax return when filed the following month.

Date: 11/3/2020

**SPP Formula Rate True-up for 2019 - Discovery
FERC Docket No ER18-194, ER18-195 - 2019 True-up**

**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-130:

OKT

In reference to OKT's 2019 FF1, Page 123.21, please:

- a. Quantify by FERC Account Number amounts recorded by OKT to recognize allowances for credit losses; and
- b. Quantify by FERC Account Number the amounts recorded by OKT in contra accounts to offset the recognition of allowances for expected credit losses.

Response:

OKT 2019 FF1, Page 123.20 is the disclosure of new accounting pronouncement; ASU 2016-13, related to current expected credit loss standard (CECL). AEP includes all Financial Accounting Standards Board's standard-setting review processes. Upon issuance of final pronouncements, management reviews the new accounting literature to determine its relevance, if any, to OKT's business. The CECL accounting guidance was implemented effective January 1, 2020; therefore, no entries were recorded for OKT in 2019.

Date: 11/3/2020

**SPP Formula Rate True-up for 2019 - Discovery
FERC Docket No ER18-194, ER18-195 - 2019 True-up**

**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-137:

OKT

In reference to OKT's 2019 FF1, Page 300, Line 22, Columns (b) and (c), please provide a breakdown to the most granular level available (e.g., by subaccount number) of OKT's FERC Account No. 456.1, Revenues from Transmission of Electricity by Others, by function.

Response:

Please refer to 1-137 Attachment 1 for a summary of the 2018 and 2019 charges to Account 456.1

Date: 11/3/2020

**SPP Formula Rate True-up for 2019 - Discovery
FERC Docket No ER18-194, ER18-195 - 2019 True-up**

**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-148:

OKT

In reference to OKT's 2019 FF1, Page 323, Line 184, (923) Outside Services Employed, please provide the following:

- a. A detailed explanation for the \$895,472 decrease in the expense from \$1,129,778 in 2018 to \$234,306 in 2019.
- b. A detailed listing (Excel format) of all the items booked to Account 923 during 2019, totaling \$234,306.

Response:

Please refer to 1-148 Attachment 1 for a summary of the 2018 and 2019 charges to Account 923. Please refer to 1-148 Attachment 2 for summary of the AEPSC 2018 and 2019 charges to Account 923 by department and cost type. The main driver for the decrease is due to reduced charges from AEPSC. The decrease in charges from AEPSC is primarily related to the AEPSC Umbrella Trust, AEPSC taxes, and incentives.

Date: 11/3/2020

**SPP Formula Rate True-up for 2019 - Discovery
FERC Docket No ER18-194, ER18-195 - 2019 True-up**

**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-150:

OKT

In reference to OKT's 2019 FF1, Page 323, Line 186, Columns (b) and (c), please provide a breakdown to the most granular level available (e.g., by subaccount number) of OKT's FERC Account No. 925, Injuries and Damages.

Response:

See J1-150 Attachment 1

Date: 11/3/2020

**SPP Formula Rate True-up for 2019 - Discovery
FERC Docket No ER18-194, ER18-195 - 2019 True-up**

**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-151:

OKT

In reference to OKT's 2019 FF1, Page 323, Line 196, Columns (b) and (c), please provide a breakdown to the most granular level available (e.g., by subaccount number) of OKT's FERC Account No. 935, Maintenance of General Plant.

Response:

Please refer to 1-151 Attachment 1 for a summary of the 2018 and 2019 charges to Account 935. Please refer to 1-151 Attachment 2 for summary of the AEPSC 2018 and 2019 charges to Account 935 by department and cost type.

Date: 11/3/2020

**SPP Formula Rate True-up for 2019 - Discovery
FERC Docket No ER18-194, ER18-195 - 2019 True-up**

**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-153:

OKT

In reference to OKT's 2019 FF1, Page 335, Line 6 – Corporate Membership Fees, please provide a detailed tabulation of every entry included in the total amount of \$38,696.

Response:

Please refer to 1-153 Attachment 1 for detail of general ledger journal entries included in the total amount of \$38,696.

Date: 11/3/2020

**SPP Formula Rate True-up for 2019 - Discovery
FERC Docket No ER18-194, ER18-195 - 2019 True-up**

**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-154:

OKT

In reference to OKT's 2019 FF1, Page 335, Line 9 – Miscellaneous, please provide a detailed tabulation of every entry included in the total amount of \$14,920.

Response:

Please see file 1-154_Attachment_1.

Date: 11/3/2020

**SPP Formula Rate True-up for 2019 - Discovery
FERC Docket No ER18-194, ER18-195 - 2019 True-up**

**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-160:

OKT

In reference to OKT WS C-1 ADIT EOY and OKT WS C-2 ADIT BOY, please provide meaningful text descriptions that explain (i) what the underlying revenue or expense item is, (ii) the difference in treatments for book and tax purposes that produce the deferred income tax assets or liabilities, and (iii) the FERC Account Numbers to which the underlying revenue or expense items are recorded for the following items:

- a. EOY Excel Row 14 - GAIN/LOSS ON ACRS/MACRS PROPERTY;
- b. EOY Excel Row 21 - CAPITALIZED SOFTWARE COST-BOOK;
- c. EOY Excel Row 47 - 520A PROVS POSS REV REFDS-A/L;

Response:

- a. EOY Excel Row 14 - GAIN/LOSS ON ACRS/MACRS PROPERTY

- (i) There is no underlying revenue or expense item as the underlying activity is in FERC Account 101.

- (ii) For tax purposes a gain or loss is recognized upon the retirement of an asset whereas this is not the case for book accounting

- (iii) There is no underlying revenue or expense item as the underlying activity is in FERC Account 101.

- b. EOY Excel Row 21 - CAPITALIZED SOFTWARE COST-BOOK

- (i) There is no underlying revenue or expense item as the underlying activity is in FERC Account 101.

- (ii) Certain software that is capitalized and amortized for book purposes is immediately deductible for tax purposes

- (iii) There is no underlying revenue or expense item as the underlying activity is in FERC Account 101.

- c. EOY Excel Row 47 - 520A PROVS POSS REV REFDS-A/L

- (i) Please see response in part ii for explanation of underlying revenue or expense.

- (ii) For tax purposes a deduction is not allowed until such time that refunds are provided to customers

- (iii) FERC Account Numbers 426.3, 430, 431, 449, and 456.1

Date: 11/3/2020

**SPP Formula Rate True-up for 2019 - Discovery
FERC Docket No ER18-194, ER18-195 - 2019 True-up**

**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-163:

OKT

In reference to OKT WS D Working Capital, for the following prepayment items, please (i) indicate whether OKT is obligated to prepay the items (e.g., by contract or law); (ii) quantify any savings to OKT as a consequence of prepaying the expense (e.g., early payment discounts); and (iii) identify the FERC Account Numbers to which OKT records the expenses associated with the prepaid expense items.

- a. Line 4 – 1650001 Prepaid Insurance
- b. Line 5 – 1650021 Prepaid Insurance – EIS

Response:

- i. OKT pays for these items when the premium is due.
- ii. OKT doesn't receive any discounts for prepaying the insurance premiums.
- iii. OKT records the expenses associated with the prepaid expense items in both 1650001 and 1650021 to FERC Accounts 924 and 925.

Date: 11/3/2020

**SPP Formula Rate True-up for 2019 - Discovery
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**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-164:

OKT

In reference to OKT WS D Working Capital, Line 4 – 1650001 – Prepaid Insurance, please provide the following:

- a. A detailed explanation as to why there are no labor related insurance prepayments.
- b. A detailed tabulation of each type of insurance and associated amount included in the plant related amount of \$42,098.
- c. State whether OKT includes Company Owned Life Insurance (“COLI”) in any amounts in (a) or (b) above. If not, please indicate the FERC account and associated amount where OKT has recorded COLI.

Response:

- a. OKT has no employees, all of its labor costs are billed to it by AEPSC.
- b. Please refer to 1-164 Attachment 1 for detail of each type of insurance and associated amount included in plant related amount of \$42,098.
- c. There are no COLI amounts included in (a) or (b) above. The AEPSC Umbrella Trust holds life insurance policies, which have cash surrender values that fluctuate from month to month. Any changes in the cash surrender value are billed out to the AEP affiliates through the AEPSC bill. In calendar year 2019, OKT was billed \$(446,507) in credits to FERC Account 923 related to the change in cash surrender value of these life insurance policies.

Date: 11/3/2020

**SPP Formula Rate True-up for 2019 - Discovery
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**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-165:

OKT

In reference to OKT WS D Working Capital, Line 5, Prepaid Insurance – EIS, please:

- a. Explain what is “Prepaid Insurance – EIS”;
- b. Explain the risks against which “Prepaid Insurance – EIS” is intended to insure; and
- c. Explain the delineation between the plant-related and labor-related amounts and provide supporting calculations.

Response:

- A. Prepaid Insurance - EIS. The EIS (Energy Insurance Service) is a program designed to meet the insurance needs of AEP and their subsidiaries.
- B. The risk being insured are: Property Loss, Cyber Attacks, and other losses related to AEP.
- C. The amount listed would be related to plant as OKTCo. doesn't have any employees.

Date: 11/3/2020

**SPP Formula Rate True-up for 2019 - Discovery
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**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-169:

SWEPSCO

In reference to SWEPSCO's 2019 FF1, Page 112, Line 27, Columns (c) and (b), please:

a. Provide a breakdown to the most granular level available (e.g., by subaccount number) by function of SWEPSCO's FERC Account No. 228.1, Accumulated Provision for Property Insurance; and

b. For each item identified in (a), provide the dollar amount of annual expense authorized for SWEPSCO to be collected in its rate levels by an appropriate regulatory authority or authorities and the docket number(s) explicitly authorizing such collection.

Response:

SWEPSCO's 2019 FF1, Page 112, Line 27 is zero.

Date: 11/3/2020

**SPP Formula Rate True-up for 2019 - Discovery
FERC Docket No ER18-194, ER18-195 - 2019 True-up**

**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-170:

SWEPCO

Please provide a detailed listing (excel format) of all items booked to Account 228.2 – Accumulated Provision for Injuries and Damages in the amount of \$218,696 in 2019 reported in SWEPCO’s 2019 FF1, Page 112, Line 28, Column (c), including each item’s corresponding function (i.e., Transmission Related, Labor Related, General Plant Related, Common Plant Related, Plant Related or Other). In addition, please identify the corresponding FERC account(s) where the expense accruals related to these balances are recorded.

Response:

See the following table for the requested information.

| | |
|-------------|--------|
| OPCO | SWEPCO |
| FISCAL_YEAR | 2019 |
| FERC | 2282 |

| | D | G | T | Grand Total | Offset Account |
|---------|--------------|-------------|-------------|--------------|----------------|
| 2282003 | (182,712.79) | (18,435.93) | (17,547.47) | (218,696.18) | 9250006 |

Note that while the data in this response is provided showing the functional amounts for the Distribution, Generation and Transmission business units that comprise SWEPCO, the Company's books and records are not kept by the functional classifications requested in this question.

Date: 11/3/2020

**SPP Formula Rate True-up for 2019 - Discovery
FERC Docket No ER18-194, ER18-195 - 2019 True-up**

**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-171:

SWEPCO

Please provide a detailed listing (excel format) of all items booked to Account 228.3 – Accumulated Provision for Pensions and Benefits in the amount of \$23,297,003 in 2019 reported in SWEPCO’s 2019 FF1, Page 112, Line 29, Column (c), including each item’s corresponding function (i.e., Transmission Related, Labor Related, General Plant Related, Common Plant Related, Plant Related or Other). To the extent that any amounts are included in a trust or restricted account, provide the frequency (e.g. quarterly, yearly etc.) or dates in which AEP deposits into those accounts. In addition, please identify the corresponding FERC account(s) where the expense accruals related to these balances are recorded.

Response:

Please see 1-171_Attachment_1.xlsx for a summary and supporting detail behind the activity recorded in account 228.3 for SWEPCO for 2019. Because of the potential volume of information and effort involved in developing the offsetting O&M detail the Company will provide this for a sample of these accruals as selected by the customers.

Note that while the data in this response is provided showing the functional amounts for the Distribution, Generation and Transmission business units that comprise SWEPCO, the Company's books and records are not kept by the functional classifications requested in this question.

Date: 11/3/2020

**SPP Formula Rate True-up for 2019 - Discovery
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**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-172:

SWEPCO

In reference to SWEPCO's 2019 FF1, Page 112, Line 30, Columns (b) and (c), please:

a. Provide a breakdown to the most granular level available (e.g., by subaccount number) by function of SWEPCO's FERC Account No. 228.4, Accumulated Miscellaneous Operating Provisions; and

b. For each item identified in (a), provide the dollar amount of annual expense authorized for SWEPCO to be collected in its rate levels by an appropriate regulatory authority or authorities and the docket number(s) explicitly authorizing such collection.

Response:

SWEPCO's 2019 FF1, Page 112, Line 30 is zero.

Date: 11/3/2020

**SPP Formula Rate True-up for 2019 - Discovery
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**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-173:

SWEPSCO

Please provide a detailed listing (excel format) of all items booked to Account 242 – Miscellaneous Current and Accrued Liabilities in the amount of \$151,252,899 in 2019 reported in SWEPSCO’s 2019 FF1, Page 113, Line 48, Column (c), including each item’s corresponding function (i.e., Transmission Related, Labor Related, General Plant Related, Common Plant Related, Plant Related or Other). In addition, please identify the corresponding FERC account(s) where the expense accruals related to these balances are recorded.

Response:

See the requested information below. Because of the potential volume of information and effort involved in developing the offsetting O&M and A&G detail the Company will provide this based on a sample of accruals as selected by the customers. Note that while the information in this response is provided showing the functional amounts for the Distribution, Generation and Transmission business units that comprise SWEPSCO, the companies books and record are not kept by the functional classifications requested in this question.

| | |
|-------------|---------|
| OPCO | SWEPSCO |
| FISCAL_YEAR | 2019 |
| FERC | 2420 |

| Function | Amount |
|-------------------|------------------|
| Beginning Balance | (142,851,263.07) |
| Outside Services | 367,000.00 |
| Revenue | 10,492,145.51 |
| Other | (19,260,780.73) |
| Grand Total | (151,252,898.29) |

Date: 11/3/2020

**SPP Formula Rate True-up for 2019 - Discovery
FERC Docket No ER18-194, ER18-195 - 2019 True-up**

**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-174:

SWEPCO

Please provide a detailed listing (excel format) of all items booked to Account 253 – Other Deferred Credits in the amount of \$23,595,031 in 2019 reported in SWEPCO’s 2019 FF1, Page 113, Line 59, Column (c), including each item’s corresponding function (i.e., Transmission Related, Labor Related, General Plant Related, Common Plant Related, Plant Related or Other). In addition, please identify the corresponding FERC account(s) where the expense accruals related to these balances are recorded.

Response:

Please see 1-174 Attachment 1 Acct 253 Detail.

Date: 11/3/2020

**SPP Formula Rate True-up for 2019 - Discovery
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**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-177:

SWEPCO

Referring to SWEPCO's 2019 FERC Form No. 1, page 123.9, please:

- a. Quantify, by FERC Account Number, any direct or indirect costs incurred by SWEPCO for, because of, or on behalf of SWEPCO's subsidiary companies;
- b. Quantify, by FERC Account Number, any revenues and expenses allocated to SWEPCO by affiliates that SWEPCO reallocates to SWEPCO's subsidiaries; and
- c. Quantify, by FERC Account Number, any revenues received by SWEPCO from SWEPCO's subsidiaries.

Response:

FF1 page 123.9 "Investment in Subsidiary Companies SWEPCo has two wholly-owned subsidiaries, DHLIC, which is engaged in lignite-mining operations and Southwest Arkansas Utilities Corporation, which is engaged in right of way acquisition. Investment in the net assets of DHLIC is carried at cost plus equity in its undistributed earnings since acquisition. Investment in the net assets of Southwest Arkansas Utilities Corporation is carried at cost."

Dolet Hills Lignite Company equity investment at 12/31/2019 was \$22M, earnings for the subsidiary are recorded monthly to account 123.1- Investment in Subsidiary Companies (see FF1 page 224-225)

- a. Dolet Hills Lignite Company is a nonconsolidated subsidiary entity, they do not have any direct or indirect cost incurred by SWEPCO.
- b. Dolet Hills Lignite Company does not have any revenues or expenses allocated to SWEPCO.
- c. Dolet Hills Lignite Company does not have any revenues received by SWEPCO from SWEPCO's subsidiaries.

Southwestern Arkansas Utilities Corp. is carried at cost \$10,000 in account 123.1 (see FF1 page 224-225)

- a. Southwestern Arkansas Utilities Corp does not have any direct or indirect cost incurred by SWEPCO.
- b. Southwestern Arkansas Utilities Corp does not have any revenues or expenses allocated to SWEPCO .
- c. Southwestern Arkansas Utilities Corp does not have any revenues received by SWEPCO from SWEPCO's subsidiaries.

Date: 11/3/2020

**SPP Formula Rate True-up for 2019 - Discovery
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**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-178:

SWEPCO

In reference to SWEPCO's 2019 FF1, Page 123.21, please:

- a. Quantify by FERC Account Number amounts recorded by SWEPCO to recognize allowances for credit losses; and
- b. Quantify by FERC Account Number the amounts recorded by SWEPCO in contra accounts to offset the recognition of allowances for expected credit losses.

Response:

SWEPCO's 2019 FF1, Page 123.21 is the disclosure of new accounting pronouncement; ASU 2016-13, related to current expected credit loss standard (CECL). AEP includes all Financial Accounting Standards Board's standard-setting review processes. Upon issuance of final pronouncements, management reviews the new accounting literature to determine its relevance, if any, to SWEPCO's business. The CECL accounting guidance was implemented effective January 1, 2020; therefore, no entries were recorded for SWEPCO in 2019.

Date: 11/3/2020

**SPP Formula Rate True-up for 2019 - Discovery
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**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-179:

SWEPCO

In reference to SWEPCO's 2019 FF1, Page 123.33, please quantify gross plant in service cost of transmission assets that are not considered "excluded property" for insurance purposes.

Response:

As noted in the referenced footnote, substations are "generally" considered "covered property," and transmission towers wires and poles are not. The requested amounts can be approximated based on those plant accounts in the FERC Form 1. However the company does not maintain its records in such a way as to enable the development of a quantifiable response to this question.

Date: 11/3/2020

**SPP Formula Rate True-up for 2019 - Discovery
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**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-180:

SWEPCO

In reference to SWEPCO's 2019 FF1, Page 123.70, please identify and quantify, by FERC Account Number, all costs of customer accounts receivable sold.

Response:

Per SWEPCO's FERC Form 1, page 123.70 the cost related to customer accounts receivable sold are:

- Account 4265009 – Factored Customer A/R Exp – Affiliated (Carrying Cost) 2019-\$5.6M 2018-\$5.4M
- Account 4265010 - Factored Customer A/R – Bad Debt –Affiliated 2019-\$4.6M 2018-\$3.5M

Please see the attached file, 1-180 attachment_SWEPCO_Factoring-2018-19, for the 2018 and 2019 detail cost.

Date: 11/3/2020

**SPP Formula Rate True-up for 2019 - Discovery
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**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-181:

SWEPCO

In reference to SWEPCO's 2019 FF1, Page 123.75, please quantify, by FERC Account Number, SWEPCO's proportionate share of the operating costs associated with the facilities identified on this page.

Response:

Information on the operating costs of the listed plants is provided on page 402 of the FERC Form 1.

Date: 11/3/2020

**SPP Formula Rate True-up for 2019 - Discovery
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**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-185:

SWEPCO

In reference to SWEPCO's 2019 FF1, page 227, Note 450.1 to Line 11 – Assigned to – Other states “Assigned to - Other: Includes Customer Accounts and Administrative and General Expenses (applies to both beginning and ending balances).” Please provide a detailed description of “Customer Accounts” and the associated amounts included in the beginning and ending balances.

Response:

Please see 1-185 Attachment 1 for the requested information.

Date: 11/3/2020

**SPP Formula Rate True-up for 2019 - Discovery
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**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-212:

SWEPCO

In reference to SWEPCO WS C-1 ADIT EOY, Excel Row 117 - 960F-XS EXCESS ADFIT 283 – UNPROTECTED, please provide the following:

- a. An explanation as to why the total balance is \$0.
- b. An explanation as to why the “Exclusions” column amount of \$9,885,588 is positive.
- c. An explanation as to why the “Transmission” column amount of \$224,195 is positive.
- d. Supporting documentation for the derivation of the amounts in items (b) and (c) above.

Response:

- a. The amounts shown in Excel row 117 are in fact the allocations of the sum of the balances shown in Excel rows 118 through 121.
- b. In the Companies application filed in Dockets ER20-2574-000 and ER20-2577-000 to address FERC Order 864, it was explained at the time of the re-measurement of ADIT balances to reflect the new corporate tax rate of 21%, that the excess ADIT amounts associated with ADIT account 190.1 were reclassified to and netted against the excess ADIT balances in account 283.1. This debit as of December 31, 2019 is the total balance of unamortized ADIT in 283.1 for generation and distribution, and remaining unamortized balance for transmission, as delineated by WS C-4.
- c. The unamortized transmission functional amount presented in the question represents the transmission book amount of unamortized excess ADIT in account 283.1. The determination of this amount is based on WS C-4, which was approved in a settlement filed in Dockets ER18-194 and ER18-195 (and to which ETEC and NTEC were signatories and AECC was unopposed). WS C-4 was adopted in the formula to ensure that amounts identified as transmission functional excess ADIT were amortized over a period of five years starting in January 2018. The 224K represents the calculated remainder of excess (initial excess at 1/1/2018 less the cumulative amortization for two years, per the WS).
- d. All amounts to determine the balances at issue in this question are found in WS C-4.

Date: 11/3/2020

**SPP Formula Rate True-up for 2019 - Discovery
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**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-215:

SWEPCO

In reference to SWEPCO WS C-1 ADIT EOY, SWEPCO WS C-2 ADIT BOY, and SWEPCO's 2019 FF1, Pages 230-232 (including subpages), please indicate which ADIT items correspond to which of SWEPCO's regulatory assets identified in its FF1.

Response:

Please refer to 1-215 Attachment 1.

Date: 11/3/2020

**SPP Formula Rate True-up for 2019 - Discovery
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**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-219:

SWEPCO

In reference to SWEPCO WS D Working Capital, for the following prepayment items, please (i) indicate whether SWEPCO is obligated to prepay the items (e.g., by contract or law); (ii) quantify any savings to SWEPCO as a consequence of prepaying the expense (e.g., early payment discounts); and (iii) identify the FERC Account Numbers to which SWEPCO records the expenses associated with the prepaid expense items.

- a. Line 5 – 1650002 Prepaid Taxes
- b. Line 7 – 1650005 Prepaid Employee Benefits
- c. Line 10 – 1650010 Prepaid Pension Benefits
- d. Line 11 – 165001118/19 Prepaid Sales Taxes
- e. Line 25 – 1650035 PRW Without MED-D Benefits

Response:

- a. Prepaid Taxes
 - (i) Obligated by statute
 - (ii) No savings, it is a requirement by statute.
 - (iii) Quarterly Texas Gross Receipts Tax recorded to account 481.006
- b. See attachment 1-2219(b)_Prepaid Employee Benefits, these prepaid expenditures are for funding the HSA and Savings Plans
- c. This account represents the cumulative balance of cash contributions to the AEP Pension plan net of actuarially determined expense. AEP is required by ERISA to make minimum contributions annually. These contributions are used to pay current benefits and earn a return towards paying future benefits, which reduces current expense to Company and future required contributions. A well funded plan will also have lower annual premium payment to the Pension Benefit Guarantee Corporation.
- d. Prepaid Sales Taxes
 - (i) Obligated by statute
 - (ii) No savings, it is a requirement by statute.
 - (iii) Texas & Arkansas Sales Tax recorded to account 2410.004 - collect and remit tax. Only the prepayment is reported on the FERC pages
- e. This account represents the cumulative balance of cash contributions to the AEP medical plan net of actuarially determined expense. These contributions are used to pay current benefits and earn a return towards paying future benefits, which reduces current expense to company and future contributions.

Date: 11/3/2020

**SPP Formula Rate True-up for 2019 - Discovery
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**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-224:

SWEPCO

In reference to SWEPCO WS J Misc Exp, Account 928, Lines 1- 9, please provide SWEPCO's rationale and underlying calculations that determined how a portion of each 2019 expense was determined to be allocated 100% to transmission in Column (e).

Response:

Allocation reflects transactions that were specifically recorded on the Transmission Business Unit.

Date: 11/3/2020

**SPP Formula Rate True-up for 2019 - Discovery
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**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-226:

SWEPCO

In reference to SWEPCO WS J Misc Exp, Account 928, Line 6 - 2019 Ark Base Case, please provide the justification for allocating \$575,888 from what appears to be an Arkansas distribution rate case to 100% transmission specific. In addition, please provide a detailed description of this item and any associated FERC or state docket nos.

Response:

Allocation is based on the Business Unit to which those transactions were booked. These charges specifically relate to Arkansas PSC Docket No. 19-008-U.

Date: 11/3/2020

**SPP Formula Rate True-up for 2019 - Discovery
FERC Docket No ER18-194, ER18-195 - 2019 True-up**

**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-228:

SWEPSCO

In reference to SWEPSCO WS L Other Taxes, please identify the entity to whom the following tax items are payable:

- a. Line 34 – LA State Franchise
- b. Line 35 – DE State Franchise
- c. Line 36 – AR State Franchise
- d. Line 37 – Ok State Franchise Tax
- e. Line 38 – Ok State License
- f. Line 39 – AR State License
- g. Line 40 – NE State License
- h. Line 41 – DE State License
- i. Line 52 – TX PUC - In addition, please provide the justification for recording PUC fees as a tax rather than Account 928.
- j. Line 53 – LA Insp & Cntrl Fees - In addition, please provide a detailed explanation of this item and why SWEPSCO is considering this a tax rather than a “fee” as described.
- k. Line 54 – LA State Licence Registration - In addition, please provide a detailed explanation of this item.
- l. Line 55 – LA PUC - In addition, please provide the justification for recording PUC fees as a tax rather than Account 928.
- m. Line 56 – AR PUC - In addition, please provide the justification for recording PUC fees as a tax rather than Account 928.

Response:

- a. Louisiana Department of Revenue
- b. Delaware Secretary of State
- c. Secretary of State of Arkansas
- d. Oklahoma Tax Commission
- e. Oklahoma Tax Commission
- f. Secretary of State of Arkansas
- g. Nebraska Secretary of State
- h. Delaware Secretary of State
- i. Texas Comptroller of Public Accounts. After analyzing several utilities' FERC Forms for treatment of these types of charges, there wasn't any consistency being applied across the industry. Some utilities charged to FERC Account 408 and some charged to FERC Account 928. Therefore, SWEPSCO decided to charge this activity to FERC Account 408.
- j. Louisiana Department of Revenue. This is an excise tax related to inspection and supervision. The invoice from the Louisiana Department of Revenue for this expense refers to the charge as a tax.

k. SWEPCO pays occupational license fees directly to each municipality (currently 31 distinct municipalities-see 1-228_Attachment_1-SWEPCO Occupational Licenses.pdf). Occupational licenses are essentially taxes on the gross receipts of various classes of businesses and professions. SWEPCO reports and pays these occupational license fees to those municipalities in which we operate and which have enacted an occupational license requirement.

l. Not applicable, no amount recorded. Please see response to i above.

m. Arkansas Public Service Commission. Please see response to i above.

Date: 11/3/2020

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**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-229:

SWT

Please provide a detailed listing (excel format) of all items booked to Account 242 – Miscellaneous Current and Accrued Liabilities in the amount of \$5,149 in 2019 reported in SWT’s 2019 FF1, Page 113, Line 48, Column (c), including each item’s corresponding function (i.e., Transmission Related, Labor Related, General Plant Related, Common Plant Related, Plant Related or Other). In addition, please identify the corresponding FERC account(s) where the expense accruals related to these balances are recorded.

Response:

Account 242 balance in 2019 is comprised of \$15 of Revenue Refunds Accrued and \$5,134 of Accrued audit fees. The FERC account with the underlying charges are 431, 449.1, and 923.

Date: 11/3/2020

**SPP Formula Rate True-up for 2019 - Discovery
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**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-231:

SWT

In reference to SWT's 2019 FF1, Page 123.20, please:

- a. Quantify by FERC Account Number amounts recorded by SWT to recognize allowances for credit losses; and
- b. Quantify by FERC Account Number the amounts recorded by SWT in contra accounts to offset the recognition of allowances for expected credit losses.

Response:

SWT's 2019 FF1, Page 123.20, does not contain a footnote related to the recognition of allowances for credit losses.

Date: 11/3/2020

**SPP Formula Rate True-up for 2019 - Discovery
FERC Docket No ER18-194, ER18-195 - 2019 True-up**

**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-232:

SWT

In reference to SWT's 2019 FF1, Page 123.70, please identify and quantify, by FERC Account Number, all costs of customer accounts receivable sold.

Response:

The FF1, page 123.70, does not address customer accounts receivable sold, further SWT does not have customer accounts receivable.

Date: 11/3/2020

**SPP Formula Rate True-up for 2019 - Discovery
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**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-46:

QUESTIONS APPLICABLE TO EACH OPCO AND TRANSCO

Per the OpCo's 2019 FERC Form 1, Notes to the Financial Statements, e.g., SWEPCo's FERC Form 1, Page 123.70, states it sells, without recourse, certain of its customer accounts receivable and accrued utility balances to AEP Credit. For each OpCo and Transco, please identify the specific costs associated with the sales of customer accounts receivable that are reported as Other Deductions and the FERC Account charged. Also, indicate whether the OpCos and Transcos incurs labor or other costs to administer the sales of accounts receivable on behalf of AEP Credit. Please provide the accounting journal entries to record the costs, revenues, and reimbursements to administer sales of accounts receivable on behalf of AEP Credit.

Response:

Per the Form 1, Notes to Financial Statements, the OpCos, specifically Public Service Company of Oklahoma (PSO) and Southwestern Electric Power Company (SWEPCo) sell customer accounts receivable and accrued utility revenue without recourse to AEP Credit. AEP Credit is an affiliated nonregulated company.

The Transcos do not sell customer receivables to AEP Credit.

The expenses related to AEP Credit factoring for the operating company receivables are reported in Other Deductions, specifically:

- Account 4265009 – Factored Customer A/R Exp – Affiliated (Carrying Cost)
- Account 4265010 - Factored Customer A/R – Bad Debt –Affiliated

In 2019, PSO recorded \$4.8M in account 4265009 and \$ 3M in account 4265010; SWEPCO recorded \$5.6M in account 4265009 and \$4.6M in account 4265010. See 1-46 Attachment _AEP Credit EXPENSE

For each of the specific fees/cost associated with the sales of customer accounts receivable please see 1-46 Attachment _AEP Credit EXPENSE and Attachment_AEP Credit. These calculations are performed in a specific database used only for AEP Credit, the staff overseeing these transactions are all AEPSC employees, the labor is charged through to AEP Credit as finance and accounting employees. The operating companies do not incur labor or other costs to administer the sales of accounts receivable on behalf of AEP Credit.

Date: 11/17/2020

SPP Formula Rate True-up for 2019 - Discovery
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Partial Responses to AECC-GSEC-ETNC
Set 1 of Data Requests – Final Group of Responses Provided 11/18/2020

The following responses and related attachments are being provided:

- 1-03
- 1-74
- 1-98
- 1-108
- 1-111
- 1-117
- 1-152
- 1-186
- 1-208
- 1-214
- 1-220
- 1-221

**SPP Formula Rate True-up for 2019 - Discovery
FERC Docket No ER18-194, ER18-195 - 2019 True-up**

**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-3:

In General - Please identify and quantify any full or partial write-offs (e.g., abandoned CWIP) that were booked to the transmission O&M accounts or A&G accounts for each of the OpCos and TransCos during 2019.

Response:

The companies do not keep track of this information in their accounting system. However, if the costs of a project were incurred to Account 183 or Account 107 and later expensed because a project was cancelled or did not move forward, the costs incurred to that point would have been recorded to the appropriate functional expense account.

Date: 11/18/2020

**SPP Formula Rate True-up for 2019 - Discovery
FERC Docket No ER18-194, ER18-195 - 2019 True-up**

**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-74:

PSO

In reference to PSO's 2019 FF1, page 227, Note 450.1 to Line 11 – Assigned to – Other states “Assigned to - Other: Includes Customer Accounts and Administrative and General Expenses (applies to both beginning and ending balances).” Please provide a detailed description of “Customer Accounts” and the associated amounts included in the beginning and ending balances.

Response:

Please see attachment "1-74 Attachment_FERC_pg 227_PSO" specifically the Summary tab for the detail description and INDUS Summary for the balances and calculation related to "Customer Accounts" and the associated amounts.

Date: 11/18/2020

**SPP Formula Rate True-up for 2019 - Discovery
FERC Docket No ER18-194, ER18-195 - 2019 True-up**

**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-98:

PSO

In reference to affiliated transactions reported on PSO's 2019 FF1 on Page 429 and supporting pages, please quantify of each type of listed affiliate transaction by FERC Account Number, broken down to the most granular level possible (e.g., by subaccount).

Response:

Please refer to Company response to 1-39 for requested information.

Date: 11/18/2020

**SPP Formula Rate True-up for 2019 - Discovery
FERC Docket No ER18-194, ER18-195 - 2019 True-up**

**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-108:

PSO

In reference to PSO WS C-1 ADIT EOY and PSO WS C-2 ADIT BOY, please provide meaningful text descriptions that explain (i) what the underlying revenue or expense item is, (ii) the difference in treatments for book and tax purposes that produce the deferred income tax assets or liabilities, and (iii) the FERC Account Numbers to which the underlying revenue or expense items are recorded for the following items:

- a. EOY Excel Row 19 - 280J TAX DEPRECIATION LOOKBACK;
- b. EOY Excel Row 41 - 908A BOOK OPERATING LEASE – LIAB;
- c. EOY Excel Row 52 - 282 EXCESS ADJUSTMENT;
- d. EOY Excel Row 63 - 533I INDIAN RESERVATION SECTION 481a ADJUSTMENT;
- e. EOY Excel Row 72 - 638A BOOK > TAX BASIS - EMA-A/C 283;
- f. EOY Excel Row 76 - 661R REG ASSET-SFAS 158 – PENSIONS;
- g. EOY Excel Row 77 - 661S REG ASSET-SFAS 158 – SERP;
- h. EOY Excel Row 78 - 661T REG ASSET-SFAS 158 – OPEB;
- i. EOY Excel Row 79 - 661U REG ASSET-LAWTON SETTLEMENT;
- j. EOY Excel Row 86 - 673H REG ASSET-NE3/COMANCHE ENVIRON DEF;
- k. EOY Excel Row 87 - 673I REG ASSET-NE3/COMANCHE ENVIRON-CONTRA;
- l. EOY Excel Row 88 - 673S REG ASSET-INDEPENDENT EVALUATOR DEFRL;
- m. EOY Excel Row 90 - 674E REG ASSET-NE U4 UNDEPRECIATED BALANCE;
- n. EOY Excel Row 95 - 906D SFAS 106 PST RETIRE EXP - NON-DEDUCT CONT; In addition, please provide the justification for included non-deductible related ADIT in the formula rate template.
- o. EOY Excel Row 100 - 960X STATE NOL CURRENT BENEFIT;
- p. EOY Excel Row 102 - 283 EXCESS ADJUSTMENT;
- q. BOY Excel Row 48 - TCJA-282.1 TCJA - ACCT 2821001 – MJE; and
- r. BOY Excel Row 91 - 674R REG ASSET-UNDER RECOV-EXCESS TAX ETRR.

Response:

Please See Attachment 1-108 for the answers to the above questions. In response to part n. of this data request the ADIT balances associated with SFAS 106 are treated in comprehensive manner in the formula that reflects both assets and liabilities that arise due to the differences between the way these retirement benefits are recorded for book vs. tax purposes. This treatment ensures the revenue requirement reflects the cost of return on that net balance.

Date: 11/18/2020

**SPP Formula Rate True-up for 2019 - Discovery
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**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-111:

PSO

In reference to PSO WS D Working Capital, Line 4 – 1650001 – Prepaid Insurance, please provide the following:

- a. A detailed tabulation of each type of insurance and associated amount included in the plant related amount of \$385,420.
- b. A detailed tabulation of each type of insurance and associated amount included in the plant related amount of \$404,083.
- c. State whether PSO includes Company Owned Life Insurance (“COLI”) in any amounts in (a) or (b) above. If not, please indicate the FERC account and associated amount where PSO has recorded COLI.

Response:

- a & b) In reference to PSO WS-D Line 4 for Prepaid Insurance account 1650001, please see the attached file "1-111 (a&b) Account 1650001-Prepaid Insurance" for the detail tabulation. The Plant and Labor amount are reported in columns S & T of the attachment.
- c) PSO does not include COLI in the amounts in a or b.

Date: 11/18/2020

**SPP Formula Rate True-up for 2019 - Discovery
FERC Docket No ER18-194, ER18-195 - 2019 True-up**

**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-117:

PSO

In reference to PSO WS D Working Capital, Line 15, Prepaid Insurance – EIS, please:

- a. Explain what is “Prepaid Insurance – EIS;”
- b. Explain the risks against which “Prepaid Insurance – EIS” is intended to insure; and
- c. Explain the delineation between the plant-related and labor-related amounts and provide supporting calculations.

Response:

A. Prepaid Insurance - EIS. The EIS (Energy Insurance Service) is a program designed to meet the insurance needs of AEP and their subsidiaries.

B. The risk being insured are: Property Loss, Cyber Attacks, and other losses related to AEP.

C. Please see "Attachment 1-117-Prepaid Insurance-EIS" specifically Column S for Plant and Column T for Labor related amounts.

Date: 11/18/2020

**SPP Formula Rate True-up for 2019 - Discovery
FERC Docket No ER18-194, ER18-195 - 2019 True-up**

**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-152:

OKT

In reference to affiliated transactions reported on OKT's 2019 FF1, Page 429 and supporting pages, please quantify of each type of listed affiliate transaction by FERC Account Number, broken down to the most granular level possible (e.g., by subaccount).

Response:

Please refer to Company response to 1-39 for requested information.

Date: 11/18/2020

**SPP Formula Rate True-up for 2019 - Discovery
FERC Docket No ER18-194, ER18-195 - 2019 True-up**

**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-186:

SWEPCO

In reference to SWEPCO's 2019 FF1, Page 269, please thoroughly explain what are the following deferred credits and provide supporting documentation and calculations:

- a. Pole Attachments; and
- b. Oxbow Buy-In Liability

Response:

Please see SWEPCO Attachment 1-AECC-ETEC-NTEC question 186

- a. Pole Attachments are legal contractual agreements primarily with cable and phone providers who "hang their wire" on AEPs distribution poles. These agreements are billed annual (recorded in FERC account 253) and the revenue is recognized on a monthly basis (to account 454) for a 12 month period.
- b. Oxbow Buy-In Liability is a contractual agreement primarily with joint owners to buy into existing mineral rights. The original buy-in amount was recorded in the deferral FERC account 253 and the revenue is recognized monthly in FERC account 456, this transaction is directly assigned to generation.

Date: 11/18/2020

**SPP Formula Rate True-up for 2019 - Discovery
FERC Docket No ER18-194, ER18-195 - 2019 True-up**

**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-208:

SWEPCO

In reference to SWEPCO's 2019 FF1, Page 429 and supporting pages, please quantify of each type of listed affiliate transaction by FERC Account Number, broken down to the most granular level possible (e.g., by subaccount).

Response:

Please refer to Company response to 1-39 for requested information.

Date: 11/18/2020

**SPP Formula Rate True-up for 2019 - Discovery
FERC Docket No ER18-194, ER18-195 - 2019 True-up**

**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-214:

SWEPSCO

In reference to SWEPSCO WS C-1 ADIT EOY and SWEPSCO WS C-2 ADIT BOY, please provide meaningful text descriptions that explain (i) what the underlying revenue or expense item is, (ii) the difference in treatments for book and tax purposes that produce the deferred income tax assets or liabilities, and (iii) the FERC Account Numbers to which the underlying revenue or expense items are recorded for the following items:

- a. EOY Excel Row 40 - 711O BOOK LEASES CAPITALIZED FOR TAX;
- b. EOY Excel Row 83 - 661R REG ASSET-SFAS 158 – PENSIONS;
- c. EOY Excel Row 84 - 661S REG ASSET-SFAS 158 – SERP;
- d. EOY Excel Row 85 - 661T REG ASSET-SFAS 158 – OPEB;
- e. EOY Excel Row 110 - 906D SFAS 106 PST RETIRE EXP - NON-DEDUCT CONT; In addition, please provide the justification for included non-deductible related ADIT in the formula rate template.
- f. EOY Excel Row 111 - 906K ACCRD SFAS 112 PST EMPLOY BEN;
- g. EOY Excel Row 122 - 283 EXCESS ADJUSTMENT;
- h. EOY Excel Row 138 - 520A PROVS POSS REV REFDS-A/L;
- i. EOY Excel Row 140 - 520Y PROV FOR RATE REFUND-EXCESS PROTECTED;
- j. EOY Excel Row 142 - 602A PROV WORKER'S COMP;
- k. EOY Excel Row 143 - 605E SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN;
- l. EOY Excel Row 144 - 605F ACCRD SUP EXEC RETIR PLAN COSTS-SFAS 158;
- m. EOY Excel Row 145 - 605I ACCRD BK SUP. SAVINGS PLAN EXP;
- n. EOY Excel Row 146 - 605J EMPLOYER SAVINGS PLAN MATCH;
- o. EOY Excel Row 147 - 605K ACCRUED BK BENEFIT COSTS;
- p. EOY Excel Row 149 - 605P STOCK BASED COMP-CAREER SHARES;
- q. EOY Excel Row 154 - 611G DEFCD COMPENSATION-BOOK EXPENSE;
- r. EOY Excel Row 155 - 612Y ACCRD COMPANYWIDE INCENTV PLAN;
- s. EOY Excel Row 156 - 613C ACCRD ENVIRONMENTAL LIAB-CURRENT;
- t. EOY Excel Row 157 - 613E ACCRUED BOOK VACATION PAY;
- u. EOY Excel Row 159 - 613K (ICDP)-INCENTIVE COMP DEFERRAL PLAN;
- v. EOY Excel Row 166 - 615E ACCRUED STATE INCOME TAX EXP;
- w. EOY Excel Row 169 641I ADVANCE RENTAL INC (CUR MO);
- x. EOY Excel Row 197 911S ACCRUED SALES & USE TAX RESERVE; and
- y. EOY Excel Row 198 - 911S ACCRUED SALES & USE TAX RESERVE – MJE.

Response:

See Attachment 1-214 (SWEPSCO) for answers to the questions above. In response to part e. of this data request the ADIT balances associated with SFAS 106 are treated in comprehensive manner in the formula that reflects both assets and liabilities that arise due to the differences

between the way these retirement benefits are recorded for book vs. tax purposes. This treatment ensures the revenue requirement reflects the cost of return on that net balance.

Date: 11/18/2020

**SPP Formula Rate True-up for 2019 - Discovery
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**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-220:

SWEPSCO

In reference to SWEPSCO WS D Working Capital, Acct No. 1650001, Line 4- Prepaid Insurance, please provide a detailed listing of the items included in (i) Plant Related that totals \$431,056 and (ii) Labor Related that totals \$707,139. State whether SWEPSCO includes Company Owned Life Insurance ("COLI") in any amounts in (i) or (ii). If not, please indicate the FERC account and associated amount where SWEPSCO has recorded COLI.

Response:

See attachment 1-220 1650001-Prepaid Insurance, for the detail listing of prepaid insurance and the Plant \$707,139 (column S) and Labor \$431,056 (column T) related calculation. SWEPSCO does not have Company Owned Life Insurance ("COLI") with in these amounts.

Date: 11/18/2020

**SPP Formula Rate True-up for 2019 - Discovery
FERC Docket No ER18-194, ER18-195 - 2019 True-up**

**Responses to AECC-GSEC-ETNC
Set 1 of Data Requests**

Data Request 1-221:

SWEPCO

In reference to SWEPCO WS D Working Capital, Acct No. 1650021, Line 17 - Prepaid Insurance – EIS, please provide a detailed listing of the items included in (i) Plant Related that totals \$616,291 and (ii) Labor Related that totals \$1,222,772.

Response:

See Attachment 1-221 for detail, specifically (i) columns S for Plant and (ii) Column T for Labor.

Date: 11/18/2020