



SUBJECT: Docket No. ER18-195
AEP West Operating Companies' and AEP West Transmission Companies'
2019 Formula Rate True-up Discovery Responses to Sets 1 & 2 from GDS for
calendar year 2018

The responses are grouped by set and numerically by the date they were submitted to GDS for 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:

Lila Munsey
American Electric Power Service Corporation
Regulatory Case Manager
lpmunsey@aep.com

**2018 AEP West True-up
FERC Docket No ER18-195**

**Responses to
Set GDS-1 of Data Requests**

Data Request GDS Set 1-1:

GENERAL Please provide a copy of all responses to the data requests pertaining to the 2018 Annual True-Up filings (filed May 28, 2019) for OpCos and 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:

AEP will provide copies of responses to data requests submitted by other parties, if any.

Preparer of Response: Jeffrey S. Dornsife

Preparer of Response: Emily K. Brown

Date: 10/16/2019

**2018 AEP West True-up
FERC Docket No ER18-195**

**Responses to
Set GDS-1 of Data Requests**

Data Request GDS Set 1-3:

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 2018.

Response:

There were no full or partial write-offs that were booked to Transmission O&M or A&G accounts for the OpCo's or the Transco's in 2018.

Preparer of Response: Monica R. Parker

Preparer of Response: Rhoderick C. Griffin

Date: 10/16/2019

**2018 AEP West True-up
FERC Docket No ER18-195**

**Responses to
Set GDS-1 of Data Requests**

Data Request GDS Set 1-5:

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, 2018. If so, please identify the relevant entity or entities, the basis for the goodwill or other intangible value reflected, and the amounts reflected.

Response:

No goodwill or other items with intangible value were included in any of the December 31, 2018 capital structures provided in the OpCo or TransCo formula rates.

Preparer of Response: Monica R. Parker

Preparer of Response: Rhoderick C. Griffin

Date: 10/16/2019

**2018 AEP West True-up
FERC Docket No ER18-195**

**Responses to
Set GDS-1 of Data Requests**

Data Request GDS Set 1-6:

GENERAL Please identify all charitable donation expenditures incurred during 2018 and included in each OpCo and TransCo formula rate update effective July 1, 2019. 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 2018;
- 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 2018 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 2018 that have been included in any of the OpCo and/or TransCo formula rate updates effective July 1, 2019, then please identify the FERC Account(s) where such expenses were booked and their associated amounts.

Response:

Please refer to GDS 1-6 Attachment 1 for the requested information for the Transco's.
Please refer to GDS 1-6 Attachment 2 for the requested OpCo information.

Preparer of Response: Monica R. Parker

Preparer of Response: Rhoderick C. Griffin

Date: 10/16/2019

**2018 AEP West True-up
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**Responses to
Set GDS-1 of Data Requests**

Data Request GDS Set 1-7:

GENERAL Please identify all expenditures for lobbying and other civic, political and related activities incurred during 2018 and included in each OpCo and TransCo formula rate update effective July 1, 2019. 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 2018;
- 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 2018 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 2018 that have been included in any of the OpCo and/or TransCo formula rate updates effective July 1, 2019, then please identify the FERC Account(s) where such expenses were booked and their associated amounts.

Response:

- a. - e. Please refer to GDS 1-7 Attachment 1 for the requested information for the Transco's.
- a. - e. Please refer to GDS 1-7 Attachment 2 for the requested information for the OpCos.

Preparer of Response: Monica R. Parker

Preparer of Response: Rhoderick C. Griffin

Date: 10/16/2019

**2018 AEP West True-up
FERC Docket No ER18-195**

**Responses to
Set GDS-1 of Data Requests**

Data Request GDS Set 1-9:

GENERAL Please state whether any allowances for Asset Retirement Obligations (“AROs”) are included in the 2018 ATRRs of any OpCo or TransCo. 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 not any allowances for Asset Retirement Obligations ("AROs") included in the 2018 ATRR for OpCo or Transco.

Preparer of Response: Jeffrey S. Dornsife

Preparer of Response: Emily K. Brown

Date: 10/16/2019

**2018 AEP West True-up
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**Responses to
Set GDS-1 of Data Requests**

Data Request GDS Set 1-10:

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 2018 and 2019 to-date.

Response:

AEP and its subsidiary companies have not made a pension contribution in 2018 and 2019 to date.

Preparer of Response: Russell G. Doyle

Date: 10/16/2019

**2018 AEP West True-up
FERC Docket No ER18-195**

**Responses to
Set GDS-1 of Data Requests**

Data Request GDS Set 1-13:

GENERAL In reference to the Prepaid Pension Benefits included in the 12/31/2018 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. A detailed description of what this amount represents, including the components that are included in each balance and their associated amounts.
- c. State whether each component in (b) above are recorded in trust accounts.
- d. Provide the name(s) of the business or regulatory authority to which these prepayments were made and their associated amounts.

Response:

The prepaid pension account is the cumulative balance of contributions to the AEP qualified pension plan trust net of pension expense as measured by AEP's actuarial service, Willis Towers Watson. The table below is the summary of the 2018 general ledger activity.

PREPAID PENSION ACCOUNT - 1650010		
	PSO	SWEPCO
OPENING	91,476,551	95,630,493
2018 EXPENSE	(4,950,720)	(8,115,758)
CONTRIBUTION	0	0
CLOSING BALANCE	86,525,831	87,514,735

The pension trust is held in an account at Bank of New York Mellon.

Preparer of Response: Russell G. Doyle

Date: 10/16/2019

**2018 AEP West True-up
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**Responses to
Set GDS-1 of Data Requests**

Data Request GDS Set 1-14:

GENERAL State whether, in the 2017-2018 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 2017-2018 accounting guidelines or procedures for the OpCo's or TransCo's that affected the manner of recordation of costs or revenues.

Preparer of Response: Monica R. Parker

Preparer of Response: Rhoderick C. Griffin

Date: 10/16/2019

**2018 AEP West True-up
FERC Docket No ER18-195**

**Responses to
Set GDS-1 of Data Requests**

Data Request GDS Set 1-15:

GENERAL State whether, in the 2017-2018 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:

There were no changes in 2017-2018 accounting guidelines or procedures for the TransCo's that affected the manner of recordation of costs or revenues.

Preparer of Response: Rhoderick C. Griffin

Date: 10/16/2019

**2018 AEP West True-up
FERC Docket No ER18-195**

**Responses to
Set GDS-1 of Data Requests**

Data Request GDS Set 1-16:

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; and
- c. 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 2019 Updates.

Response:

- a. - b. N/A. The OpCos and TransCos have not been the subject of a FERC or any other regulatory commission audit in over 20 years.
- c. AEP has engaged Price Waterhouse Coopers to audit the consolidated Transco's and Operating Companies 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.

Preparer of Response: Monica R. Parker

Preparer of Response: Rhoderick C. Griffin

Date: 10/16/2019

**2018 AEP West True-up
FERC Docket No ER18-195**

**Responses to
Set GDS-1 of Data Requests**

Data Request GDS Set 1-17:

GENERAL Please provide information identifying, by account, any costs reflected in the 2018 ATRR calculation for any OpCo or TransCo that were incurred, or the basis for which occurred, before January 1, 2018. Explain the reasons for including such prior-period costs in the 2018 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:

There were no prior period adjustments associated with the 2018 ATRR for any OpCo or Transco.

Preparer of Response: Jeffrey S. Dornsife

Preparer of Response: Emily K. Brown

Date: 10/16/2019

**2018 AEP West True-up
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**Responses to
Set GDS-1 of Data Requests**

Data Request GDS Set 1-18:

GENERAL 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. Please refer to GDS 1-18 Attachment 1 for the requested information.

Preparer of Response: Monica R. Parker

Preparer of Response: Rhoderick C. Griffin

Date: 10/16/2019

**2018 AEP West True-up
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**Responses to
Set GDS-1 of Data Requests**

Data Request GDS Set 1-19:

GENERAL Please describe how AEP handles scrap value for any assets retired (i.e., record any revenue to Account 454/456, or include it as an offset in Retirement Work in Process – tied to a specific asset). In addition, please verify whether these revenues are included as a reduction to rates.

Response:

The Company follows FERC Electric Plant Accounting Instruction number 10 "Additions and Retirements of Plant" when accounting for the value that is received for the scrap of its assets (i.e. gross salvage). FERC's instruction requires that gross salvage be credited to accumulated depreciation, or FERC account 108.

Preparer of Response: Kevin L. Amburgey

Preparer of Response: John A. Lowry

Preparer of Response: Laurie M. Spears

Date: 10/16/2019

**2018 AEP West True-up
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**Responses to
Set GDS-1 of Data Requests**

Data Request GDS Set 1-20:

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 2018.

Response:

a. - c. No Grid Assurance expenses were incurred during the period covered by this Annual Update. Consequently, AEP is not providing responses to questions concerning Grid Assurance as they are outside the scope of the Annual Update review.

Preparer of Response: Kevin L. Amburgey

Preparer of Response: John A. Lowry

Preparer of Response: Laurie M. Spears

Date: 10/16/2019

**2018 AEP West True-up
FERC Docket No ER18-195**

**Responses to
Set GDS-1 of Data Requests**

Data Request GDS Set 1-21:

GENERAL In reference to the ROE calculations for each OpCo and TransCo, please state whether a standalone ROE refund calculation for calendar year 2018 was performed. If yes, please provide the standalone calculations.

Response:

There was not a standalone ROE refund calculation performed.

Preparer of Response: Jeffrey S. Dornsife

Preparer of Response: Emily K. Brown

Date: 10/16/2019

**2018 AEP West True-up
FERC Docket No ER18-195**

**Responses to
Set GDS-1 of Data Requests**

Data Request GDS Set 1-22:

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 L.

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.

Preparer of Response: Duane E. Reynolds

Preparer of Response: Daniel E. Ernst

Preparer of Response: Thomas F. Johnson

Date: 10/16/2019

**2018 AEP West True-up
FERC Docket No ER18-195**

**Responses to
Set GDS-1 of Data Requests**

Data Request GDS Set 1-23:

QUESTIONS APPLICABLE TO EACH OPCO AND TRANSCO For each OpCo and each TransCo, reference 2018 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:

Please refer to GDS 1-23 Attachment 1.

Preparer of Response: Monica R. Parker

Preparer of Response: Rhoderick C. Griffin

Date: 10/16/2019

**2018 AEP West True-up
FERC Docket No ER18-195**

**Responses to
Set GDS-1 of Data Requests**

Data Request GDS Set 1-24:

QUESTIONS APPLICABLE TO EACH OPCO AND TRANSCO Please explain how contributions in aid of construction (“CIAC”) amounts received from customers recorded on the books and records of each OpCo and TransCo:

- a. Are the CIAC amounts recorded as a Contra-Asset to off-set the recording of the plant-in-service to which the CIAC pertains? (Provide copies of example manual journal entries to record the CIAC amounts received from customers on each OpCo’s and TransCo’s books and records, including all FERC Accounts that are impacted.)
- b. If no to (a) above, please provide a detailed description of how the CIAC amounts are recorded on the “Plant Ledger” to reflect that the net plant-in-service to be included in rate base does not reflect any CIAC related plant.

Response:

Contributions in Aid of Construction (CIAC) are tracked by work order and recorded as a credit to Account 107, Construction Work in Progress. If at any time during construction the total CIACs received are more than the construction charges for the applicable work orders, the excess is recorded to Account 253, Other Deferred Credits.

- a.) No. A Contra-Asset is not used to record CIAC. Examples of journal entries to record CIAC are as follows:

To record receipt of CIAC
DR Account 1310000 (Cash) \$XXX,XXX
 CR Account 1070001 (CWIP) \$XXX,XXX

To record construction activity associated with CIAC (offset CIAC credit to CWIP)
DR Account 1070001 (CWIP) \$XXX,XXX
 CR Account 1310000 (Cash) \$XXX,XXX

To record excess CIAC from associated construction charges
DR Account 1070001 (CWIP) \$XXX,XXX
 CR Account 2530124 (CIAC Advance) \$XXX,XXX

To reverse excess CIAC from associated construction charges
DR Account 2530124 (CIAC Advance) \$XXX,XXX
 CR Account 1070001 (CWIP) \$XXX,XXX

- b.) Please see the Company’s response to GDS Set 1-24 and GDS Set 1-24(a).

Preparer of Response: Thomas J. Sulhan

Preparer of Response: Jason A. Cash

Date: 10/16/2019

**2018 AEP West True-up
FERC Docket No ER18-195**

**Responses to
Set GDS-1 of Data Requests**

Data Request GDS Set 1-25:

QUESTIONS APPLICABLE TO EACH OPCO AND TRANSCO If the CIAC is recorded in the Plant Ledger as a “Contra-Asset,” does each OpCo and TransCo depreciate/amortize that CIAC over the average remaining life of the CIAC related plant on its books and records? (Provide copies of example journal entries to record the CIAC depreciation/amortization amounts on each OpCo’s and TransCo’s books and records, including all FERC Accounts that are impacted.)

Response:

N/A. Please see the Company’s response to GDS Set 1-24.

Preparer of Response: Thomas J. Sulhan

Preparer of Response: Jason A. Cash

Date: 10/16/2019

**2018 AEP West True-up
FERC Docket No ER18-195**

**Responses to
Set GDS-1 of Data Requests**

Data Request GDS Set 1-26:

QUESTIONS APPLICABLE TO EACH OPCO AND TRANSCO Please state whether any OpCo or TransCo received any revenues from payments made by others for ROW use from or for utility pipelines. If so, provide a detailed breakdown of such payments and reconcile those amounts to 2018 FF1s and to the revenue credits included in the 2018 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.

Preparer of Response: Monica R. Parker

Preparer of Response: Rhoderick C. Griffin

Date: 10/16/2019

**2018 AEP West True-up
FERC Docket No ER18-195**

**Responses to
Set GDS-1 of Data Requests**

Data Request GDS Set 1-27:

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 2018 and the FERC plant account number in which the balances were booked. In addition, if there are any expenses that were incurred during 2018 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 refer to GDS 1-27 Attachment 1 for details of the Land Rights for capitalized land costs for land owned by others. OKT incurred costs totaling \$304,818 for the joint use of land and land rights during 2018 recorded in FERC Account 567 for payments made to PSO.

Preparer of Response: Monica R. Parker

Preparer of Response: Rhoderick C. Griffin

Preparer of Response: Thomas J. Sulhan

Date: 10/16/2019

**2018 AEP West True-up
FERC Docket No ER18-195**

**Responses to
Set GDS-1 of Data Requests**

Data Request GDS Set 1-28:

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 2018.
- c. Number of spares retired and/or scrapped.
- d. Number of spares placed into service in 2018 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. The amount spent on spares was \$1,197,295 in FERC account 353.
- b. Five spares were purchased in 2018.
- c. No spares were retired and/or scrapped.
- d. Three spares were placed into service in 2018. 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 2018.

Preparer of Response: Kevin L. Amburgey

Preparer of Response: John A. Lowry

Preparer of Response: Laurie M. Spears

Date: 10/16/2019

**2018 AEP West True-up
FERC Docket No ER18-195**

**Responses to
Set GDS-1 of Data Requests**

Data Request GDS Set 1-29:

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 refer to GDS 1-29 Attachment 1 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 optic cable to support Transmission is a Transmission asset. At the beginning of the program, a bandwidth study was conducted and the asset was split 95/5 Transmission/Distribution based upon current circuit usage as measured on the AEP System fiber support backbone. This study is done tri-annually. 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.

Preparer of Response: Kevin L. Amburgey

Preparer of Response: John A. Lowry

Preparer of Response: Laurie M. Spears

Date: 10/16/2019

**2018 AEP West True-up
FERC Docket No ER18-195**

**Responses to
Set GDS-1 of Data Requests**

Data Request GDS Set 1-30:

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 2018 for transmission assets in either the OpCos or TransCos.

Preparer of Response: Kevin L. Amburgey

Preparer of Response: John A. Lowry

Preparer of Response: Laurie M. Spears

Date: 10/16/2019

**2018 AEP West True-up
FERC Docket No ER18-195**

**Responses to
Set GDS-1 of Data Requests**

Data Request GDS Set 1-31:

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 2018, as reported in the FF1, Page 206, Line 58, Column (c) separately for:

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

Response:

Please refer to GDS 1-31 Attachment 1.

Preparer of Response: Thomas J. Sulhan

Date: 10/16/2019

**2018 AEP West True-up
FERC Docket No ER18-195**

**Responses to
Set GDS-1 of Data Requests**

Data Request GDS Set 1-32:

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 2018, as reported in the FF1, Page 206, Line 99, Column (c).

Response:

Please refer to GDS 1-32 Attachment 1.

Preparer of Response: Thomas J. Sulhan

Date: 10/16/2019

**2018 AEP West True-up
FERC Docket No ER18-195**

**Responses to
Set GDS-1 of Data Requests**

Data Request GDS Set 1-33:

QUESTIONS APPLICABLE TO EACH OPCO AND TRANSCO Please identify all expenses that were recorded in Transmission O&M or A&G Expense accounts in 2018 that were incurred prior to 2018 and recorded in other O&M expense accounts and state the basis for the change in expense reporting.

Response:

There were no O&M or A&G expenses reported in 2018 that were incurred or reported in other accounts prior to 2018.

Preparer of Response: Monica R. Parker

Preparer of Response: Rhoderick C. Griffin

Date: 10/16/2019

**2018 AEP West True-up
FERC Docket No ER18-195**

**Responses to
Set GDS-1 of Data Requests**

Data Request GDS Set 1-34:

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 2018 true-up that, prior to 2018, were not recorded to Transmission, Intangible or General Plant accounts. State the reasons for the change in accounting for such costs.

Response:

Please refer to GDS 1-34 Attachment 1.

Preparer of Response: Thomas J. Sulhan

Date: 10/16/2019

**2018 AEP West True-up
FERC Docket No ER18-195**

**Responses to
Set GDS-1 of Data Requests**

Data Request GDS Set 1-35:

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 etailed 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, bsiness 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 GDS Set 1-35 Attachment 1 AEPSC for detail of AEPSC billings to each OpCo and TransCo for the year 2018. 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 GDS Set 1-35 Attachment 2 Intercompany for detail of Intercompany billings to each OpCo and Transco for the year 2018. 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 GDS Set 1-35 Attachment 3 Master Cost Allocation Manual (CAM) Document-12-31-18.

Preparer of Response: Brian T. Lysiak

Preparer of Response: Brian J. Frantz

Date: 10/16/2019

**2018 AEP West True-up
FERC Docket No ER18-195**

**Responses to
Set GDS-1 of Data Requests**

Data Request GDS Set 1-36:

QUESTIONS APPLICABLE TO EACH OPCO AND TRANSCO For the OpCos only, in reference to the 2018 FF1 page 323, Line 193, Account 931 – Rents, please provide a detailed tabulation of every entry booked to this account during 2018, including name, description of cost item and amount. In addition, please explain the drivers behind the change from 2017 to 2018.

Response:

Please refer to GDS 1-36 Attachment 1.

Preparer of Response: Monica R. Parker

Preparer of Response: Rhoderick C. Griffin

Date: 10/16/2019

**2018 AEP West True-up
FERC Docket No ER18-195**

**Responses to
Set GDS-1 of Data Requests**

Data Request GDS Set 1-37:

QUESTIONS APPLICABLE TO EACH OPCO AND TRANSCO Please provide copies of the PowerTax Report 257 (in Excel) for each OpCo and TransCo for the following:

- a. The detailed Account Balances for each property related ADIT item in Account 282 as of December 31, 2017 prior to reflecting the implementation of the Tax Cuts and Jobs Act of 2017 (“TCJA”) (reflect 35% federal income tax rate);
- b. The detailed Account Balances for each ADIT item in Account 282 as of December 31, 2017 after reflecting the implementation of the TCJA (reflect 21% federal income tax rate);
- c. The detailed Account Balances for each ADIT item in Account 282 as of December 31, 2018; and
- d. For each ADIT balance provided in subparts a. b. and c. above, indicate whether the ADIT is protected or unprotected, and the basis for such categorization.

Response:

- a. Please refer to GDS 1-37 Attachment 1.
- b. Please refer to GDS 1-37 Attachment 1.
- c. Please refer to GDS 1-37 Attachment 2.
- d. Per IRS regulations, the balance in account 282 associated with the use of accelerated tax depreciation are protected. The other line items in account 282 are unprotected.

Preparer of Response: Allyson L. Keaton

Preparer of Response: David A. Hodgson

Date: 10/16/2019

**2018 AEP West True-up
FERC Docket No ER18-195**

**Responses to
Set GDS-1 of Data Requests**

Data Request GDS Set 1-38:

QUESTIONS APPLICABLE TO EACH OPCO AND TRANSCO Please provide copies the PowerTax Provision Report (in Excel) for each OpCo and TransCo for the following:

- a. The detailed Account Balances for each non-property related ADIT item in Accounts 190 and 283 as of December 31, 2017 prior to reflecting the implementation of the TCJA (reflect 35% federal income tax rate);
- b. The detailed Account Balances for each non-property related ADIT item in Accounts 190 and 283 as of December 31, 2017 after reflecting the implementation of the TCJA (reflect 21% federal income tax rate);
- c. The detailed Account Balances for each ADIT item in Accounts 190 and 283 as of December 31, 2018; and
- d. For each ADIT balance provided in subparts a. b. and c. above, indicate whether the ADIT is protected or unprotected, and the basis for such categorization.

Response:

- a. - c. Please see the response to GDS 1-37.
- d. All the amounts in accounts 190 and 283 are unprotected.

Preparer of Response: Allyson L. Keaton

Preparer of Response: David A. Hodgson

Date: 10/16/2019

**2018 AEP West True-up
FERC Docket No ER18-195**

**Responses to
Set GDS-1 of Data Requests**

Data Request GDS Set 1-40:

QUESTIONS APPLICABLE TO EACH OPCO AND TRANSCO In regards to AEP's recording of the AFUDC Equity related ADIT and AFUDC Debt related ADIT for each OpCo and TransCo, please provide the following:

- a. Do the OpCo's and TransCo's record the AFUDC Equity and AFUDC Debt related ADITs separately? If the answer is no, please provide a detailed explanation;
- b. Provide the 2017 (post TCJA) and 2018 AFUDC Equity ADIT balances and the FERC Account to which they are recorded; and
- c. Provide the 2017 (post TCJA) and 2018 AFUDC Debt ADIT balances and the FERC Account to which they are recorded.

Response:

- a. Yes
- b. The AFUDC Equity is treated as a flow-through item that is recorded to account 282.3. This ADIT is excluded from the ADIT in this filing.
- c. Please refer to GDS 1-40 Attachment 1 and GDS 1-40 Attachment 2.

Preparer of Response: Allyson L. Keaton

Preparer of Response: David A. Hodgson

Date: 10/16/2019

**2018 AEP West True-up
FERC Docket No ER18-195**

**Responses to
Set GDS-1 of Data Requests**

Data Request GDS Set 1-41:

QUESTIONS APPLICABLE TO EACH OPCO AND TRANSCO To the extent AEP has amortized any of the TCJA 2017 remeasurement balances during the period January 1, 2018 to-date, please provide copies of all supporting documentation, transactions, journal entries, etc. which reflects the amounts amortized, the amortization period utilized, and to which FERC Accounts the amounts were amortized for each OpCo and TransCo.

Response:

Please see the response to GDS 1-39. Also to note, the balances and annual amortization of unprotected ADIT is computed in the formula rate on worksheet C-4 in accordance with the settlement provision that unprotected will amortized over 5 years.

Preparer of Response: Allyson L. Keaton

Preparer of Response: David A. Hodgson

Date: 10/16/2019

**2018 AEP West True-up
FERC Docket No ER18-195**

**Responses to
Set GDS-1 of Data Requests**

Data Request GDS Set 1-43:

PSO In reference to PSO's 2018 FF1, Page 204, Line 4, column (c), Additions for Account (303) Miscellaneous Intangible Plant. Please provide a detailed tabulation and description of the additions totaling \$22,001,918 (in Excel format).

Response:

Please refer to GDS 1-43 Attachment 1.

Preparer of Response: Thomas J. Sulhan

Date: 10/16/2019

**2018 AEP West True-up
FERC Docket No ER18-195**

**Responses to
Set GDS-1 of Data Requests**

Data Request GDS Set 1-44:

PSO In reference to PSO's 2018 FF1, Page 206, Line 58, column (c), Additions for Total Transmission Plant – in the amount of \$40,851,977 (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 and work order (at a level high enough to account for credits and costs).

Response:

Please refer to GDS 1-44 Attachment 1 for Total PSO Transmission Plant Additions and GDS 1-44 Attachment 2 for PSO additions by Project and Work Order.

Preparer of Response: Thomas J. Sulhan

Preparer of Response: Jeffrey S. Dornsife

Preparer of Response: Emily K. Brown

Date: 10/16/2019

**2018 AEP West True-up
FERC Docket No ER18-195**

**Responses to
Set GDS-1 of Data Requests**

Data Request GDS Set 1-45:

PSO In reference to PSO's 2018 FF1, Page 206, Line 94, column (c), Additions for Account (397) Communication Equipment. Please provide a detailed description of the additions totaling \$9,773,124 (in Excel format).

Response:

Please refer to GDS 1-45 Attachment 1.

Preparer of Response: Thomas J. Sulhan

Date: 10/16/2019

**2018 AEP West True-up
FERC Docket No ER18-195**

**Responses to
Set GDS-1 of Data Requests**

Data Request GDS Set 1-46:

PSOIn reference to PSO's 2018 FF1, Page 207, Line 94, column (d), Retirements for Account (397) Communication Equipment. Please provide a detailed description of the retirements totaling \$15,976,731 (in Excel format).

Response:

Please refer to GDS 1-46 Attachment 1.

Preparer of Response: Thomas J. Sulhan

Date: 10/16/2019

**2018 AEP West True-up
FERC Docket No ER18-195**

**Responses to
Set GDS-1 of Data Requests**

Data Request GDS Set 1-47:

PSO In reference to PSO's 2018 FF1, Page 207, Lines 58 and 75, column (f). Please explain the nature of this transfer totaling \$844,584 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:

The amount recorded corresponds to activity associated with transfers to reclassify CIAC to appropriate assets.

Preparer of Response: Thomas J. Sulhan

Date: 10/16/2019

**2018 AEP West True-up
FERC Docket No ER18-195**

**Responses to
Set GDS-1 of Data Requests**

Data Request GDS Set 1-49:

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 \$12,876,499 in 2018 reported in PSO’s 2018 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).

Response:

Please refer to GDS 1-49 Attachment 1 for detail listing in excel format for Account 228.3-Accumulated Provision for Pensions and Benefits.

Preparer of Response: Monica R. Parker

Preparer of Response: Jason M. Yoder

Date: 10/16/2019

**2018 AEP West True-up
FERC Docket No ER18-195**

**Responses to
Set GDS-1 of Data Requests**

Data Request GDS Set 1-50:

PSO Please provide a detailed listing (excel format) of all items booked to Account 232 – Accounts Payable in the amount of \$126,919,924 in 2018 reported in PSO’s 2018 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 which is or could be included in formula rate cost of service, and therefore the information requested in the question has not been prepared.

Preparer of Response: Monica R. Parker

Date: 10/16/2019

**2018 AEP West True-up
FERC Docket No ER18-195**

**Responses to
Set GDS-1 of Data Requests**

Data Request GDS Set 1-51:

PSO Please provide a detailed listing (excel format) of all items booked to Account 242 – Miscellaneous Current and Accrued Liabilities in the amount of \$34,195,608 in 2018 reported in PSO’s 2018 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).

Response:

The account referenced in the question is not an account which is or could be included in formula rate cost of service, and therefore the information requested in the question has not been prepared.

Preparer of Response: Monica R. Parker

Date: 10/16/2019

**2018 AEP West True-up
FERC Docket No ER18-195**

**Responses to
Set GDS-1 of Data Requests**

Data Request GDS Set 1-52:

PSO Please provide a detailed listing (excel format) of all items booked to Account 253 – Other Deferred Credits in the amount of \$8,627,355 in 2018 reported in the 2018 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:

The account referenced in the question is not an account which is or could be included in formula rate cost of service, and therefore the information requested in the question has not been prepared.

Preparer of Response: Monica R. Parker

Date: 10/16/2019

**2018 AEP West True-up
FERC Docket No ER18-195**

**Responses to
Set GDS-1 of Data Requests**

Data Request GDS Set 1-53:

PSO In reference to PSO 2018 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:

This account is all Administrative and General expense, there are no Customer Accounts included.

Preparer of Response: Monica R. Parker

Date: 10/16/2019

**2018 AEP West True-up
FERC Docket No ER18-195**

**Responses to
Set GDS-1 of Data Requests**

Data Request GDS Set 1-54:

PSO In reference to PSO 2018 FF1, page 232, Line 30 – Storm Restoration Expenses that totals \$8,960,411, please provide a detailed breakout of the expenses charged to Accounts 571 and 593.

Response:

Please refer to GDS 1-54 Attachment 1.

Preparer of Response: Monica R. Parker

Date: 10/16/2019

**2018 AEP West True-up
FERC Docket No ER18-195**

**Responses to
Set GDS-1 of Data Requests**

Data Request GDS Set 1-55:

PSO In reference to PSO's 2018 FF1, Page 321, Line 94, (563) Overhead, Lines Expenses, please provide a detailed explanation for the \$250,647 increase in the expense from \$77,177 in 2017 to \$327,824 in 2018.

Response:

Please refer to GDS 1-55 Attachment 1. The change is driven by an increase in Outside Services; specifically transmission line structure adjustments on the Duncan to Cornville line.

Preparer of Response: Monica R. Parker

Date: 10/16/2019

**2018 AEP West True-up
FERC Docket No ER18-195**

**Responses to
Set GDS-1 of Data Requests**

Data Request GDS Set 1-56:

PSO In reference to PSO's 2018 FF1, Page 323, Line 184, (923) Outside Services Employed, please provide the following:

- a. A detailed explanation for the \$2,137,476 increase in the expense from \$3,406,562 in 2017 to \$5,544,038 in 2018; and
- b. A detailed tabulation (Excel format) of all the items and their associated amounts booked to Account 923 during 2018, totaling \$5,544,038.

Response:

- a. The \$2M increase in expense is primarily due to an increase in the Umbrellas Trust.
- b. Please refer to GDS 1-56 Attachment 1.

Preparer of Response: Monica R. Parker

Date: 10/16/2019

**2018 AEP West True-up
FERC Docket No ER18-195**

**Responses to
Set GDS-1 of Data Requests**

Data Request GDS Set 1-57:

PSO In reference to PSO's 2018 FF1, Page 323, Line 186, (925) Injuries and Damages, please provide the following:

- a. A detailed explanation for the (\$282,235) decrease in the expense from \$3,073,638 in 2017 to \$2,791,403 in 2018; and
- b. A detailed listing (Excel format) of all the items booked to Account 925 during 2018, totaling \$2,791,403.

Response:

Please refer to GDS 1-57 Attachment 1.

Preparer of Response: Monica R. Parker

Date: 10/16/2019

**2018 AEP West True-up
FERC Docket No ER18-195**

**Responses to
Set GDS-1 of Data Requests**

Data Request GDS Set 1-59:

PSO In reference to PSO's 2018 FF1, Page 323, Line 196, (935) Maintenance of General Plant, please provide the following:

- a. A detailed explanation for the \$1,009,402 increase in the expense from \$8,633,974 in 2017 to \$9,643,376 in 2018; and
- b. A detailed listing (Excel format) of all the items booked to Account 935 during 2018, totaling \$9,643,376.

Response:

- a. The change is primarily driven by an increase in Material and Supplies of \$884,828.
- b. Please refer to GDS 1-59 Attachment 1.

Preparer of Response: Monica R. Parker

Date: 10/16/2019

**2018 AEP West True-up
FERC Docket No ER18-195**

**Responses to
Set GDS-1 of Data Requests**

Data Request GDS Set 1-60:

PSO In reference to PSO's 2018 FF1, Page 336, Line 10, column (c), General Depreciation Expense for Asset Retirement Costs ("ARC"). Please confirm that the \$20,353 for General Plant ARC depreciation is included in the total amount of \$5,759,560 in column (f) reflected on PSO TCOS, Page 3 of 5, Line 87 and therefore in the calculation of PSO's transmission rate and provide reference to FERC's authorization for the inclusion in transmission rates of the depreciation expense of General Plant ARCs.

Response:

The actual amount listed on PSO TCOS, Page 3 of 5, Line 87 is \$5,739,207. Therefore, the \$20,353 on FERC Form 1, Page 336, Line 10, column (c), was not included in the calculation of PSO's transmission rates.

Preparer of Response: Jeffrey S. Dornsife

Preparer of Response: Emily K. Brown

Date: 10/16/2019

**2018 AEP West True-up
FERC Docket No ER18-195**

**Responses to
Set GDS-1 of Data Requests**

Data Request GDS Set 1-61:

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 \$23,807,303; (ii) Additions; (iii) Retirements and (iv) the ending balance shown on Line 27 - December of Rate Year balance of \$24,184,282.

Response:

Please refer to GDS 1-61 Attachment 1.

Preparer of Response: Thomas J. Sulhan

Preparer of Response: Jeffrey S. Dornsife

Preparer of Response: Emily K. Brown

Preparer of Response: Cassie M. Koehler

Date: 10/16/2019

**2018 AEP West True-up
FERC Docket No ER18-195**

**Responses to
Set GDS-1 of Data Requests**

Data Request GDS Set 1-62:

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 \$48,397,532; 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 \$49,567,327.

Response:

- a. - b. Please refer to GDS 1-62 Attachment 1.

Preparer of Response: Jeffrey S. Dornsife

Preparer of Response: Emily K. Brown

Date: 10/16/2019

**2018 AEP West True-up
FERC Docket No ER18-195**

**Responses to
Set GDS-1 of Data Requests**

Data Request GDS Set 1-63:

PSO In reference to PSO WS C-1 ADIT EOY, Deferred Income Tax Balances – GL A/C 282, Line # 295A, Gain/Loss on ACRS/MACRS Property (Excel row 19). Please provide the following:

- a. A detailed description of the underlying cost that is the basis for the (\$1,011,827) 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 Gain/Loss has been recognized; and
- c. PSO's basis for allocating the Gain/Loss on ACRS/MACRS Property ADIT using the Plant allocator to the transmission formula rates.

Response:

- a. The description of Line # 295A, Gain/Loss on ACRS/MACRS Property is the tax gain or loss on the disposal of the asset due to differences between book and tax depreciation.
- b. The gain/loss referred to in the name of the line item is a tax gain/loss, not a book gain/loss. The underlying activity is related to accumulated depreciation in rate base in the formula rate. When a regulated asset is retired prior to being fully depreciated the entry for book purposes is a debit to 108 accumulated depreciation, not a gain/loss income statement account.
- c. This is a plant related item applicable to all three functions, therefore the plant allocator is the correct allocator.

Preparer of Response: Allyson L. Keaton

Preparer of Response: Jeffrey S. Dornsife

Preparer of Response: Emily K. Brown

Preparer of Response: David A. Hodgson

Date: 10/16/2019

**2018 AEP West True-up
FERC Docket No ER18-195**

**Responses to
Set GDS-1 of Data Requests**

Data Request GDS Set 1-64:

PSO In reference to PSO WS C-1 ADIT EOY, Deferred Income Tax Balances – GL A/C 282, Line # 295C, Gain/Loss-ACRS/MACRS-BK/TX Unit Prop (Excel row 20). Please provide the following:

- a. A detailed description of the underlying cost that is the basis for the \$1,877,226 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 Gain/Loss has been recognized; and
- c. PSO's basis for allocating the Gain/Loss-ACRS/MACRS-BK/TX Unit Prop ADIT using the Plant allocator to the transmission formula rates.

Response:

- a. See GDS 1-63 a.
- b. See GDS 1-63 b.
- c. See GDS 1-63 c.

Preparer of Response: Allyson L. Keaton

Preparer of Response: Jeffrey S. Dornsife

Preparer of Response: Emily K. Brown

Preparer of Response: David A. Hodgson

Date: 10/16/2019

**2018 AEP West True-up
FERC Docket No ER18-195**

**Responses to
Set GDS-1 of Data Requests**

Data Request GDS Set 1-65:

PSO In reference to PSO WS C-1 ADIT EOY, Deferred Income Tax Balances – GL A/C 282, Line # 380J, Int Exp Capitalized for Tax (Excel row 23). Please provide the following:

- a. A detailed description of the underlying cost that is the basis for the \$11,580,562 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 Int Exp Capitalized for Tax has been recognized; and
- c. PSO's basis for allocating the Int Exp Capitalized for Tax ADIT using the Plant allocator to the transmission formula rates.

Response:

- a. The description of Line # 380J, Int Exp Capitalized for Tax is the amount of financing costs, capitalized for tax, during construction as part of the asset's original cost. construction period interest that is capitalized for tax purposes.
- b. The underlying activity is the balance in plant in service in rate base in the formula rate.
- c. This is a plant related item applicable to all three functions, therefore the plant allocator is the correct allocator.

Preparer of Response: Allyson L. Keaton

Preparer of Response: Jeffrey S. Dornsife

Preparer of Response: Emily K. Brown

Preparer of Response: David A. Hodgson

Date: 10/16/2019

**2018 AEP West True-up
FERC Docket No ER18-195**

**Responses to
Set GDS-1 of Data Requests**

Data Request GDS Set 1-66:

PSO In reference to PSO WS C-1 ADIT EOY, Deferred Income Tax Balances – GL A/C 282, Line # 533J, Tx Accel Amort – Capitalized Software (Excel row 29). Please provide the following:

- a. A detailed description of the underlying cost that is the basis for the (\$1,287,973) ADIT balance that is being excluded from the transmission formula rate;
- b. A detailed description of where in the FERC system of accounts this Tx Accel Amort – Capitalized Software has been recorded and expensed; and
- c. PSO's basis for not allocating the Tx Accel Amort – Capitalized Software ADIT using the Plant allocator to the transmission formula rates.

Response:

- a. The description of Line # 533J, Tx Accel Amort., is Oracle Software that is capitalized for book and tax.
- b. The underlying activity is the balance in plant in service in rate base in the formula rate.
- c. This amount should have been included in cost of service. This is a plant related item applicable to all three functions, therefore the plant allocator would be the correct allocator.

Preparer of Response: Allyson L. Keaton

Preparer of Response: Jeffrey S. Dornsife

Preparer of Response: Emily K. Brown

Preparer of Response: David A. Hodgson

Date: 10/16/2019

**2018 AEP West True-up
FERC Docket No ER18-195**

**Responses to
Set GDS-1 of Data Requests**

Data Request GDS Set 1-67:

PSO In reference to PSO WS C-1 ADIT EOY, Row 90 - 906D SFAS 106 PST RETIRE EXP - NON-DEDUCT CONT, please provide the justification for included non-deductible related ADIT in the formula rate template given the Commission opinion in the Trunkline Gas Company, Docket No. RP96-129-000 (Phase II) Opinion No. 441, Opinion and Order on Initial Decision (Issued 11 January 12, 2000) stated in paragraph D. Taxes-Meals and Entertainment Expense, third paragraph:

The ALJ denied this adjustment. He held, following Commission precedent, that if a regulated pipeline were permitted to increase the tax allowance to include the tax on the non-deductible portion of the meals and entertainment costs, ratepayers would be unlawfully forced to subsidize the pipeline and the pipeline would escape the full impact of legislation.

Response:

The Commission opinion in the Trunkline Gas Company has to do with non-deductible portion of the meals and entertainment costs that are a permanent item, and Line # 906D represents post retirement contributions that are a temporary item that are non deductible at this time.

Preparer of Response: Allyson L. Keaton

Preparer of Response: Jeffrey S. Dornsife

Preparer of Response: Emily K. Brown

Preparer of Response: David A. Hodgson

Date: 10/16/2019

**2018 AEP West True-up
FERC Docket No ER18-195**

**Responses to
Set GDS-1 of Data Requests**

Data Request GDS Set 1-68:

PSO In reference to PSO WS C-1 ADIT EOY, Deferred Income Tax Balances – GL A/C 282, Line # 960F-, XS EXCESS ADFIT 282 PROTECTED (Excel rows 45 & 46). Please provide the following:

- a. A detailed description of the underlying costs that are the basis for the \$(270,756,646) ADIT balance that is being excluded to the transmission formula rate from WS C-4;
- b. A detailed description of what FERC Account(s) each of the underlying costs for this Excess ADFIT 283 Unprotected in (a) above have been recognized; and c. A detailed description of the underlying costs that are the basis for the \$(62,849,607) ADIT balance that is being directly assigned to the transmission formula rate from WS C-4;
- d. A detailed description of where in the transmission formula rate each of the underlying costs for this Excess ADFIT 283 Protected in (c) above have been recognized; and
- e. PSO's basis for allocating each of the Excess ADFIT 283 Protected ADIT items which comprise to "excluded" or directly to the transmission formula rates.

Response:

- a. The underlying costs for excludable protected ADIT is all related to differences between book basis and tax basis in generation and distribution plant recorded on the generation and distribution functional ledgers due to the use of accelerated depreciation for tax purposes.
- b. The Company believes this item b. was intended to ask about Excess 282 Protected, not Excess 283 Unprotected. The underlying accounts to which this excluded excess ADIT relates are recoded in generating and distribution utility plant accumulated depreciation accounts in 108/111, which have never been included in the formula rate.
- c. The includable protected ADIT is all related to book to tax basis differences in transmission plant in service due to the use of accelerated depreciation for tax purposes.
- d. So the underlying formula accounts these are associated with are transmission accumulated depreciation in 108/111.
- e. The functional ledgers were used as the basis for including or excluding portions of protected and unprotected excess ADIT. The functionalization of deferred tax balances is based on the functionalization of the book balances and accounting functionalization treatment. This functionalization is performed at the time the book entry is recognized and the functional deferred tax balances are tracked in software used by the Tax department.

Preparer of Response: Allyson L. Keaton

Preparer of Response: Jeffrey S. Dornsife

Preparer of Response: Emily K. Brown

Preparer of Response: David A. Hodgson

Date: 10/16/2019

**2018 AEP West True-up
FERC Docket No ER18-195**

**Responses to
Set GDS-1 of Data Requests**

Data Request GDS Set 1-69:

PSO In reference to PSO WS C-1 ADIT EOY, Deferred Income Tax Balances – GL A/C 282, Line # 960F-, XS EXCESS ADFIT 282 UNPROTECTED (Excel rows 47 & 48). Please provide the following:

- a. A detailed description of the underlying costs that are the basis for the \$(48,177,965) ADIT balance that is being excluded to the transmission formula rate from WS C-4;
- b. A detailed description of what FERC Account(s) each of the underlying costs for this Excess ADFIT 283 Unprotected in (a) above have been recognized; and
- c. A detailed description of the underlying costs that are the basis for the \$(14,981,751) ADIT balance that is being directly assigned to the transmission formula rate from WS C-4;
- d. A detailed description of where in the transmission formula rate each of the underlying costs for this Excess ADFIT 283 Unprotected in (c) above have been recognized; and
- e. PSO's basis for allocating each of the Excess ADFIT 283 Unprotected ADIT items which comprise to "excluded" or directly to the transmission formula rates.

Response:

- a. and c. The excluded amount was the generation and distribution functional ledger balance. The included balance was the transmission non-property related book-to-tax differences.
- b. and d. The 282 unprotected line item represents the excess portion of all the line items in account 282, which were not accelerated depreciation-related and thus not considered protected.
- e. See response to GDS #1-68 subpart e.

Preparer of Response: Allyson L. Keaton

Preparer of Response: Jeffrey S. Dornsife

Preparer of Response: Emily K. Brown

Preparer of Response: David A. Hodgson

Date: 10/16/2019

**2018 AEP West True-up
FERC Docket No ER18-195**

**Responses to
Set GDS-1 of Data Requests**

Data Request GDS Set 1-70:

PSO In reference to PSO WS C-1 ADIT EOY, Deferred Income Tax Balances – GL A/C 283, Line # 960F-XS, Excess ADFIT 283 Unprotected (Excel rows 93 & 94). Please provide the following:

- a. A detailed description of the underlying costs that are the basis for the \$6,534,881 ADIT balance that is being directly assigned to the transmission formula rate from WS C-4;
- b. A detailed description of where in the transmission formula rate each of the underlying costs for this Excess ADFIT 283 Unprotected have been recognized; and
- c. PSO's basis for allocating each of the Excess ADFIT 283 Unprotected ADIT items which comprise the total directly to the transmission formula rates.

Response:

- a. The balance in the unprotected ADIT line item was created due to the TCJA taking the 40% excess portion of every line item's pre-TCJA balance in account 190 and 283 and combining them into 283 Unprotected.
- b. The requested information is not readily available. This balance represents 40% of dozens of line items.
- c. The amount associated with the 100% Transmission is the Transmission functional books net of amortization.

Preparer of Response: Allyson L. Keaton

Preparer of Response: Jeffrey S. Dornsife

Preparer of Response: Emily K. Brown

Preparer of Response: David A. Hodgson

Date: 10/16/2019

**2018 AEP West True-up
FERC Docket No ER18-195**

**Responses to
Set GDS-1 of Data Requests**

Data Request GDS Set 1-72:

PSO In reference to PSO WS C-1 ADIT EOY, Deferred Income Tax Balances – GL A/C 190, Line # 602A, Prov Worker's Comp (Excel row 115). Please provide the following:

- a. A detailed description of the underlying cost that is the basis for the \$136,971 ADIT balance that is being allocated to the transmission formula rate using the Labor allocator;
- b. The accrued balance of the underlying Prov Worker's Comp as of 12/31/2018 and the FERC Account to which the accrued balance is recorded;
- c. The accrued balance of the underlying Prov Worker's Comp as of 12/31/2017 and the FERC Account to which the accrued balance is recorded;
- d. The amount of Worker's Comp expense in 2018, including the FERC Account(s) to which the expense was recorded;
- e. PSO's basis for allocating the Worker's Comp ADIT using the Labor allocator to the transmission formula rates;
- f. A detailed explanation for the Prov Worker's Comp ADIT balance of \$136,971 exceeding the total balance of the Accm Prv I/D – Worker's Com 12/31/2018 balance of \$88,313 from Account 228.2 reflected in PSO WS R Unfunded Reserves; and
- g. PSO's basis for not including the 100% of the underlying Accrued Worker's Comp unfunded reserve balance(s) in the calculation of the Unfunded Reserves as an adjustment to rate base.

Response:

- a. The description of Line # 602A, Prov Worker's Comp is the provision of insurance for injured employees that is accrued for book but not deductible for tax until the benefit is paid out.
- b. Prov Worker's Comp accrued balance as of 12/31/2018 is -\$652,238. The accrued balance is recorded to FERC accounts 2282003 - Accum Prov I/D - Workers Comp, 2420532 - Adm Liab - Cur-S/Ins - W/C, and 2420558 - Admitted Liab NC-Self/Ins-WC.
- c. Prov Worker's Comp accrued balance as of 12/31/2017 is -\$963,117. The accrued balance is recorded to FERC accounts 2282003 - Accum Prov I/D - Workers Comp, 2420532 - Adm Liab - Cur-S/Ins - W/C, and 2420558 - Admitted Liab NC-Self/Ins-WC.
- d. The 2018 Worker's Comp expense is \$2,753,170 recorded to the following FERC Accounts: 9250000 - Injuries and Damages, 9250002-Emp Accident Prvntion-Adm Exp, 9250006-Wrks Cmpnstn Pre&Slf Ins Prv, 9250007-Prsnal Injies&Prop Dmage-Pub, 9250010-Frg Ben Loading-Workers Comp.
- e. This balance relates to a payroll-related expense for employees in all three functions, so labor is the most appropriate allocator.
- f. The ADIT balance is 21% of the combined balance of the three accounts listed in item b.
- g. The workers compensation provision recorded in 2282003 is in fact included on WS R as an unfunded reserve. Unfunded reserves as defined on WS R excludes 242 accounts.

Preparer of Response: Allyson L. Keaton

Preparer of Response: Jeffrey S. Dornsife

Preparer of Response: Emily K. Brown

Preparer of Response: David A. Hodgson

Date: 10/16/2019

**2018 AEP West True-up
FERC Docket No ER18-195**

**Responses to
Set GDS-1 of Data Requests**

Data Request GDS Set 1-86:

PSO In reference to PSO WS D Working Capital, PRW Without Med-D Benefits, Pages 1 and 2 of 2, Line 21, please provide the following:

- a. A detailed description of the item PRW Without Med-D Benefits;
- b. Copies of the detailed supporting calculations for the \$19,932,575 balance for PRW Without Med-D Benefits at December 2017;
- c. Copies of the detailed supporting calculations for the \$28,779,008 balance for PRW Without Med-D Benefits at December 2018;
- d. Complete copies of all PSO transactions related to the PRW Without Med-D Benefits reflecting all FERC Accounts (i.e., both balance sheet and expense accounts) to which the net item activity of an increase of \$8,846,433 was recorded during 2018; and
- e. Copies of all detailed supporting documents, third-party guidance and FERC guidance which support the inclusion of the PRW Without Med-D Benefits balance of \$24,355,792 in the Account 165 Prepayments, including whether the balance is a current asset or a deferred debit.

Response:

a. This item represents the cumulative difference between cash contributions into the medical benefits trust and the cash collected from customers in rates for the annual medical benefits expense recorded in account 926, as measured by AEP's actuarial service, Willis Towers Watson. The cumulative total of the contributions has exceeded the expense recovered from customers in rates, resulting in the prepaid balance. Similar to the treatment of the prepaid pension in 1650010, this 1650035 account is used only for tracking the medical balance for ratemaking purposes. It has a contra account in 1650037. The actual balance is recorded elsewhere on the balance sheet under applicable the accounting rules, as discussed in item e. During the preparation of this response the Company discovered that the beginning/ending average balance in the SWEPCO account 1650035 of \$28,501,866 was inadvertently excluded from formula cost of service. It should have been treated the same as the PSO balances, by including the balance in the labor column, with the 1650037 account excluded

b. - c. Please see the table and explanations below for PSO balances..

	2017	2018
OPENING	15,953,749	19,932,575
EXPENSE	4,004,729	6,192,237
MED-D SUBSIDY	(25,904)	(24,563)
REIMBURSEMENT	0	2,678,759
CLOSING	19,932,575	28,779,008

The expense is the re-calculated annually by Willis Towers Watson (WTW) based on updated demographics and actuarial assumptions. The expense balances above and below can be found in the 2018 Actuarial report on page 43 as the Net Periodic Post-retirement Benefit Cost for PSO. The expense also includes claim payments paid by AEP for Key employees, which are factored into the WTW re-measured cost.

The MED-D subsidy is an annual reimbursement for retiree prescription costs paid in a given year.

The Company reimbursed the trust for \$2,678,759 for an amount which was inadvertently withdrawn from the trust during the year. That offsetting withdrawal is included in the expense line item, resulting in no net change in the balance during the year.

AEP has not made a contribution to the retiree medical trust since 2012.

d. The increase was driven by the annual activity related to the post retirement welfare plan as shown in the table above. Please refer to GDS 1-86 Attachment 1 for detail by journal entry with accounts. The 9260043 negative expense represents the earnings on the medical trust which remain in the trust but flow through the formula rate as a credit in account 926, benefitting customers.

e. AEP accounts for other postretirement benefits in accordance with Accounting Standards Codification 715, Compensation – Retirement Benefits, and follows guidance issued by FERC on March 29, 2007 (reference Docket No. AI07-1-000) in response to the Financial Accounting Standards Board’s issuance of Statement of Financial Accounting Standards No. 158, Employer’s Accounting for Defined Benefit Pension and Other Postretirement Plans.

The overfunded status is recognized on the balance sheet in account 129, Special funds. The unrecognized pension cost for unamortized actuarial losses net of gains, prior service costs, or transition obligations that would otherwise have been recorded in accumulated other comprehensive income, is recorded as a regulatory asset (account 182.3). To facilitate tracking of the prepaid benefits for regulatory purposes, AEP records the cumulative cash contributions less cumulative costs in account 1650035. An equal and offsetting amount is recorded in account 1650037 as part of the annual year-end entry to adjust the balance sheet to the funded position.

Justification for inclusion of this balance in rate base is similar to the inclusion of the prepaid pension. Reference FERC Docket ER 08-129-000, page 8, where the FERC addressed the inclusion of prepaid pensions in rate base:

“[P]repaid pensions arise when the income earned on pension funds accumulated in an external trust exceeds the net periodic pension cost, i.e., the current year’s pension income exceeds the current year’s pension expense. By law, a utility cannot withdraw such income, although it is required (under Generally Accepted Accounting Principles) to reflect the income as a reduction to its pension expense.... At the same time, the utility records a corresponding amount of prepaid pensions. If that reduction in pension expense is used in determining a utility’s rates, there will be a corresponding reduction in the amounts collected from ratepayers. . Because a utility cannot withdraw the pension income, it will be out-of-pocket for the amount of pension income that has reduced rates, i.e., it must reduce its pension expense by the amount of income, even though it is not allowed to receive such income from the pension trust. Thus, when a utility’s

rates have been reduced by pension income, but the utility has not received such income from the external trust, it will have to finance such amount, and is entitled to include the pension income in rate base.”

Preparer of Response: Russell G. Doyle

Date: 10/16/2019

**2018 AEP West True-up
FERC Docket No ER18-195**

**Responses to
Set GDS-1 of Data Requests**

Data Request GDS Set 1-87:

PSO In reference to PSO's WS H Rev Credits, Acct No. 4540005, Row 19, Rent from Elect Property – Pole Attach, please state whether any portion of these pole attachment revenues included in "Rent from Elect Property - Pole Attach" are transmission related. If yes, please identify any associated revenues and the justification to not allocating this portion to "Transmission."

Response:

None of the pole attachment revenues included in "Rent from Elect Property - Pole Attach" were Transmission related.

Preparer of Response: Jeffrey S. Dornsife

Preparer of Response: Christopher K. Duffy

Preparer of Response: Emily K. Brown

Date: 10/16/2019

**2018 AEP West True-up
FERC Docket No ER18-195**

**Responses to
Set GDS-1 of Data Requests**

Data Request GDS Set 1-88:

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 2018. Also, please explain the derivation of the transmission-related amounts for each account shown on the “PSO WS H Revenue Credits” tab, Column (k).

Response:

Please refer to GDS 1-88 Attachment 1 for Accounts 454 and 456 details.

Preparer of Response: Shawna G. Jones

Preparer of Response: Jeffrey S. Dornsife

Preparer of Response: Christopher K. Duffy

Preparer of Response: Emily K. Brown

Date: 10/16/2019

**2018 AEP West True-up
FERC Docket No ER18-195**

**Responses to
Set GDS-1 of Data Requests**

Data Request GDS Set 1-89:

PSO In reference to PSO WS J Misc Exp, Line 13 – 930.2 – Misc General Expenses, 100% Transmission in the amount of \$276,017, please provide a detailed tabulation of every entry included in this total. In addition, please indicate where each item is recorded on PSO's 2018 FF1, page 335 – Miscellaneous General Expenses.

Response:

Please refer to GDS 1-89 Attachment 1. These transactions are on PSO's Transmission business units and are recorded on the Associated Business Development Line.

Preparer of Response: Monica R. Parker

Date: 10/16/2019

**2018 AEP West True-up
FERC Docket No ER18-195**

**Responses to
Set GDS-1 of Data Requests**

Data Request GDS Set 1-90:

OKT Please provide a detailed listing (excel format) of all items booked to Account 232 – Accounts Payable in the amount of \$19,594,649 in 2018 reported in OKT’s 2018 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 refer to the response to GDS 1-50.

Preparer of Response: Rhoderick C. Griffin

Date: 10/16/2019

**2018 AEP West True-up
FERC Docket No ER18-195**

**Responses to
Set GDS-1 of Data Requests**

Data Request GDS Set 1-91:

OKT Please provide a detailed listing (excel format) of all items booked to Account 242 – Miscellaneous Current and Accrued Liabilities in the amount of \$175,093 in 2018 reported in OKT’s 2018 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).

Response:

Please refer to the response to GDS 1-50.

Preparer of Response: Rhoderick C. Griffin

Date: 10/16/2019

**2018 AEP West True-up
FERC Docket No ER18-195**

**Responses to
Set GDS-1 of Data Requests**

Data Request GDS Set 1-92:

OKT In reference to OKT's 2018 FF1, Page 204, Line 4, column (c), Additions for Account (303) Miscellaneous Intangible Plant. Please provide a detailed description of the additions totaling \$2,704,424 (in Excel format).

Response:

Please refer to GDS 1-92 Attachment 1.

Preparer of Response: Thomas J. Sulhan

Date: 10/16/2019

**2018 AEP West True-up
FERC Docket No ER18-195**

**Responses to
Set GDS-1 of Data Requests**

Data Request GDS Set 1-93:

OKT In reference to OKT's 2018 FF1, Page 321, Line 97, (566) Miscellaneous Transmission Expenses, and please provide the following:

- a. A detailed listing (Excel format) of all the items booked to Account 566 in 2018, totaling \$957,092; and
- b. A detailed listing (Excel format) of all the items booked to Account 566 in 2017, totaling \$999,884.

Response:

Please refer to GDS 1-93 Attachment 1.

Preparer of Response: Rhoderick C. Griffin

Date: 10/16/2019

**2018 AEP West True-up
FERC Docket No ER18-195**

**Responses to
Set GDS-1 of Data Requests**

Data Request GDS Set 1-94:

OKT In reference to OKT's 2018 FF1, Page 323, Line 184, (923) Outside Services Employed, and please provide the following:

- a. A detailed explanation for the \$623,461 increase in the expense from \$506,317 in 2017 to \$1,129,778 in 2018.
- b. A detailed listing (Excel format) of all the items booked to Account 923 during 2018, totaling \$1,129,778; and
- c. A detailed listing (Excel format) of all the items booked to Account 923 during 2017, totaling \$506,317.

Response:

- a. - The primary driver of the \$623,461 increase for Outside Services Employed from 2017 to 2018 relates to billings from AEPSC and audit fees. The increase in AEPSC billings are related to outside services, umbrella trust billings and taxes.
- b. & c. - Please refer to GDS 1-94 Attachment 1 for the requested information.

Preparer of Response: Rhoderick C. Griffin

Date: 10/16/2019

**2018 AEP West True-up
FERC Docket No ER18-195**

**Responses to
Set GDS-1 of Data Requests**

Data Request GDS Set 1-95:

OKT In reference to OKT's 2018 FF1, Page 335, Line 8 – Corporate Membership Fees, please provide a detailed tabulation of every entry included in the total amount of \$22,192.

Response:

Please refer to GDS 1-95 Attachment 1 for the requested information.

Preparer of Response: Rhoderick C. Griffin

Date: 10/16/2019

**2018 AEP West True-up
FERC Docket No ER18-195**

**Responses to
Set GDS-1 of Data Requests**

Data Request GDS Set 1-96:

OKT In reference to OKT WS C-1 ADIT EOY, Deferred Income Tax Balances – GL A/C 282, Line # 295A, Gain/Loss on ACRS/MACRS Property (Excel row 13). Please provide the following:

- a. A detailed description of the underlying cost that is the basis for the \$54,766 ADIT balance that is being allocated to the transmission formula rate using the 100% Transmission allocator;
- b. A detailed description of where in the transmission formula rate this Gain/Loss has been recognized; and
- c. OKT's basis for allocating the Gain/Loss on ACRS/MACRS Property ADIT using the 100% Transmission allocator to the transmission formula rates.

Response:

- a. See response GDS 1-63.
- b. See response GDS 1-63.
- c. OKT is a transmission only company and this is not payroll related so 100% Transmission is the correct allocator.

Preparer of Response: Rhoderick C. Griffin

Preparer of Response: Allyson L. Keaton

Preparer of Response: Jeffrey S. Dornsife

Preparer of Response: Emily K. Brown

Date: 10/16/2019

**2018 AEP West True-up
FERC Docket No ER18-195**

**Responses to
Set GDS-1 of Data Requests**

Data Request GDS Set 1-97:

OKT In reference to OKT WS C-1 ADIT EOY, Deferred Income Tax Balances – GL A/C 282, Line # 380J, Int Exp Capitalized for Tax (Excel row 15). Please provide the following:

- a. A detailed description of the underlying cost that is the basis for the \$5,293,288 ADIT balance that is being allocated to the transmission formula rate using the 100% Transmission allocator;
- b. A detailed description of where in the transmission formula rate this Int Exp Capitalized for Tax has been recognized; and
- c. OKT's basis for allocating the Int Exp Capitalized for Tax ADIT using the 100% Transmission allocator to the transmission formula rates.

Response:

- a. See response GDS 1-65.
- b. See response GDS 1-65.
- c. OKT is a transmission only company and this is not payroll related so 100% Transmission is the correct allocator.

Preparer of Response: Rhoderick C. Griffin

Preparer of Response: Allyson L. Keaton

Preparer of Response: Jeffrey S. Dornsife

Preparer of Response: Emily K. Brown

Date: 10/16/2019

**2018 AEP West True-up
FERC Docket No ER18-195**

**Responses to
Set GDS-1 of Data Requests**

Data Request GDS Set 1-98:

OKT In reference to OKT WS C-1 ADIT EOY, Deferred Income Tax Balances – GL A/C 283, Line # 960F-XS, Excess ADFIT 283 Unprotected (Excel row 33). Please provide the following:

- a. A detailed description of the underlying costs that are the basis for the \$4,975,441 ADIT balance that is being directly assigned to the transmission formula rate from WS C-4;
- b. A detailed description of where in the transmission formula rate each of the underlying costs for this Excess ADFIT 283 Unprotected have been recognized; and
- c. OKT's basis for allocating each of the Excess ADFIT 283 Unprotected ADIT items which comprise the total directly to the transmission formula rates.

Response:

- a. The underlying costs in Line # 960F-XS, Excess ADFIT 283 Unprotected are deferred book-to-tax differences that are not property related.
- b. See the response to GDS 1-70.
- c. OKT is a transmission only company and this is not payroll related so 100% Transmission is the correct allocator.

Preparer of Response: Rhoderick C. Griffin

Preparer of Response: Allyson L. Keaton

Preparer of Response: Jeffrey S. Dornsife

Preparer of Response: Emily K. Brown

Date: 10/16/2019

**2018 AEP West True-up
FERC Docket No ER18-195**

**Responses to
Set GDS-1 of Data Requests**

Data Request GDS Set 1-99:

OKT In reference to OKT WS C-1 ADIT EOY, Deferred Income Tax Balances – GL A/C 190, Line # 520A, Provs Poss Rev Refds-A/L (Excel row 45). Please provide the following:

- a. A detailed description of the underlying cost that is the basis for the \$1,313,596 ADIT balance that is being allocated to the transmission formula rate using the 100% Transmission allocator;
- b. A detailed description of where in the transmission formula rate this Provs Poss Rev Refds-A/L has been recognized; and
- c. OKT's basis for allocating the Provs Poss Rev Refds-A/L ADIT using the 100% Transmission allocator to the transmission formula rates.

Response:

- a. See response GDS 1-71
- b. See response GDS 1-71
- c. OKT is a transmission only company and this is not payroll related so 100% Transmission is the correct allocator.

Preparer of Response: Rhoderick C. Griffin

Preparer of Response: Allyson L. Keaton

Preparer of Response: Jeffrey S. Dornsife

Preparer of Response: Emily K. Brown

Date: 10/16/2019

**2018 AEP West True-up
FERC Docket No ER18-195**

**Responses to
Set GDS-1 of Data Requests**

Data Request GDS Set 1-100:

OKT In reference to OKT WS C-1 ADIT EOY, Deferred Income Tax Balances – GL A/C 190, Line # 612Y, Accrd Companywide Incentv Plan (Excel row 48). Please provide the following:

- a. A detailed description of the underlying cost that is the basis for the \$79,415 ADIT balance that is being allocated to the transmission formula rate using the Labor allocator;
- b. The accrued balance of the underlying Accrd Companywide Incentv Plan as of 12/31/2018 and the FERC Account to which the accrued balance is recorded;
- c. The accrued balance of the underlying Accrd Companywide Incentv Plan as of 12/31/2017 and the FERC Account to which the accrued balance is recorded;
- d. The amount of Accrd Companywide Incentv Plan expense in 2018, including the FERC Account(s) to which the expense was recorded;
- e. OKT's basis for allocating the Accrd Companywide Incentv Plan ADIT using the Labor allocator to the transmission formula rates; and
- f. OKT's basis for not including the underlying Accrd Companywide Incentv Plan unfunded reserve balance(s) in the calculation of the Unfunded Reserves as an adjustment to rate base.

Response:

- a. Schedule M line 612Y relates to the book/tax timing difference associated with the accrual and payments for the AEP companywide incentive compensation plan (ICP). The underlying costs associated with the ADIT balance are charges from AEP Service Corporation (AEPSC) for an accrual for this ICP and recorded in account 9230003.
- b. The accrual for the ICP charge from AEPSC was recorded as a debit to account 1070001 in the amount of \$155,926.65 and a credit to accounts 2340001 and 2340029 in the amount of \$534,091.72.
- c. None of the \$79,415 ADIT balance relates to any accrued balances as of 12/31/2017. Please refer to the response to subpart b.
- d. See response GDS 1-100 subpart a.
- e. This balance relates to a payroll-related expense for employees, so labor is the most appropriate allocator.
- f. This balance is an accrual related to historical payroll activity, not a reserve or a contingent liability, and thus is not an unfunded reserve as defined on WS R.

Preparer of Response: Monica R. Parker

Preparer of Response: Rhoderick C. Griffin

Preparer of Response: Allyson L. Keaton

Preparer of Response: Jeffrey S. Dornsife

Preparer of Response: Emily K. Brown

Preparer of Response: David A. Hodgson

Date: 10/16/2019

**2018 AEP West True-up
FERC Docket No ER18-195**

**Responses to
Set GDS-1 of Data Requests**

Data Request GDS Set 1-101:

OKT In reference to OKT WS C-1 ADIT EOY, Deferred Income Tax Balances – GL A/C 190, Line # 911Q-DSIT, DSIT Entry - Normalized (Excel row 50). Please provide the following:

- a. A detailed description of the underlying cost that is the basis for the \$6,057,401 ADIT balance that is being allocated to the transmission formula rate using the 100% Transmission allocator;
- b. A detailed description of where in the transmission formula rate this DSIT Entry - Normalized has been recognized; and
- c. OKT's basis for allocating the DSIT Entry - Normalized ADIT using the 100% Transmission allocator to the transmission formula rates.

Response:

- a. See response GDS 1-84.
- b. See response GDS 1-84.
- c. OKT is a transmission only company and this is not payroll related so 100% Transmission is the correct allocator.

Preparer of Response: Rhoderick C. Griffin

Preparer of Response: Allyson L. Keaton

Preparer of Response: Jeffrey S. Dornsife

Preparer of Response: Emily K. Brown

Date: 10/16/2019

**2018 AEP West True-up
FERC Docket No ER18-195**

**Responses to
Set GDS-1 of Data Requests**

Data Request GDS Set 1-102:

OKT In reference to OKT WS D Working Capital, Prepayments, Line 6 – Prepaid Lease, please provide a detailed description of this lease and state whether it is a capital lease.

Response:

None of this amount relates to a capital lease. The 12-31-18 year-end balances relate to two lay-down yard leases and the Tulsa Office building.

Preparer of Response: Drew M. Dyer

Preparer of Response: Rhoderick C. Griffin

Date: 10/16/2019

**2018 AEP West True-up
FERC Docket No ER18-195**

**Responses to
Set GDS-1 of Data Requests**

Data Request GDS Set 1-103:

OKT In reference to OKT WS J Misc Exp, Account 928, Lines 1 -4, Column (F) – Explanation of Transmission Specific Items is blank, please provide an explanation of each item and provide any associated FERC Docket Nos.

Response:

The costs included in Accounts 9280000, 9280001 and 9280002 relate to OKT's regulatory and legal support and strategy.

The costs included in Account 9280004 relate to OKT's regulatory and legal support and strategy and it's FERC 205 filing (Docket No. ER-194) and FERC 206 challenge (Docket Nos. ER19-1396, EL17-76 and EL18-199).

Preparer of Response: Rhoderick C. Griffin

Preparer of Response: Jeffrey S. Dornsife

Preparer of Response: Emily K. Brown

Date: 10/16/2019

**2018 AEP West True-up
FERC Docket No ER18-195**

**Responses to
Set GDS-1 of Data Requests**

Data Request GDS Set 1-104:

SWEPSCO 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 \$358,347 in 2018 reported in SWEPSCO’s 2018 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).

Response:

Please refer to GDS 1-104 Attachment 1.

Preparer of Response: Monica R. Parker

Date: 10/16/2019

**2018 AEP West True-up
FERC Docket No ER18-195**

**Responses to
Set GDS-1 of Data Requests**

Data Request GDS Set 1-105:

SWEPSCO 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 \$17,129,332 in 2018 reported in SWEPSCO’s 2018 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).

Response:

Please refer to GDS 1-105 Attachment 1.

Preparer of Response: Russell G. Doyle

Date: 10/16/2019

**2018 AEP West True-up
FERC Docket No ER18-195**

**Responses to
Set GDS-1 of Data Requests**

Data Request GDS Set 1-106:

SWEPSCO Please provide a detailed listing (excel format) of all items booked to Account 242 – Miscellaneous Current and Accrued Liabilities in the amount of \$140,014,449 in 2018 reported in SWEPSCO's 2018 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).

Response:

The account referenced in the question is not an account which is or could be included in formula rate cost of service, and therefore the information requested in the question has not been prepared.

Preparer of Response: Monica R. Parker

Date: 10/16/2019

**2018 AEP West True-up
FERC Docket No ER18-195**

**Responses to
Set GDS-1 of Data Requests**

Data Request GDS Set 1-107:

SWEPCO Please provide a detailed listing (excel format) of all items booked to Account 253 – Other Deferred Credits in the amount of \$21,379,644 in 2018 reported in SWEP CO's 2018 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:

The account referenced in the question is not an account which is or could be included in formula rate cost of service, and therefore the information requested in the question has not been prepared.

Preparer of Response: Monica R. Parker

Date: 10/16/2019

**2018 AEP West True-up
FERC Docket No ER18-195**

**Responses to
Set GDS-1 of Data Requests**

Data Request GDS Set 1-108:

SWEPSCO In reference to SWEPSCO's 2018 FF1, Page 204, Line 4, column (c), Additions for Account (303) Miscellaneous Intangible Plant. Please provide a detailed description of the additions totaling \$27,947,635 (in Excel format).

Response:

Please refer to GDS 1-108 Attachment 1.

Preparer of Response: Thomas J. Sulhan

Date: 10/16/2019

**2018 AEP West True-up
FERC Docket No ER18-195**

**Responses to
Set GDS-1 of Data Requests**

Data Request GDS Set 1-109:

SWEPSCO In reference to SWEPSCO's 2018 FF1, Page 206, Line 48, column (c), Additions for Account (350) Land and Land Rights. Please provide a detailed description of the additions totaling \$5,625,495 (in Excel format).

Response:

Please refer to GDS 1-109 Attachment 1.

Preparer of Response: Thomas J. Sulhan

Date: 10/16/2019

**2018 AEP West True-up
FERC Docket No ER18-195**

**Responses to
Set GDS-1 of Data Requests**

Data Request GDS Set 1-110:

SWEPSCO In reference to SWEPSCO's 2018 FF1, Page 206, Line 49, column (c), Additions for Account (352) Structures and Improvements. Please provide a detailed description of the additions totaling \$5,272,460 (in Excel format).

Response:

Please refer to GDS 1-110 Attachment 1.

Preparer of Response: Thomas J. Sulhan

Date: 10/16/2019

**2018 AEP West True-up
FERC Docket No ER18-195**

**Responses to
Set GDS-1 of Data Requests**

Data Request GDS Set 1-111:

SWEPCO In reference to SWEPCO's 2018 FF1, Page 206, 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 see GDS 1-111 Attachment 1.

Preparer of Response: Thomas J. Sulhan

Preparer of Response: Cassie M. Koehler

Date: 10/16/2019

**2018 AEP West True-up
FERC Docket No ER18-195**

**Responses to
Set GDS-1 of Data Requests**

Data Request GDS Set 1-112:

SWEPSCO In reference to SWEPCO's 2018 FF1, Page 206, Line 50, column (c), Additions for Account (353) Station Equipment in the amount of \$40,845,881 (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: v. 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; vi. The Interconnection Facilities (Order 2003) that are excluded on SWEPCO WS A-1 - Plant, Page 1, "Excluded Plant," Column (f), Line 27; vii. The New Radial Facilities that are excluded on SWEPCO WS A-1 - Plant, Page 1, "Excluded Plant," Column (f), Line 27; and viii. 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 and work order (at a level high enough to account for credits and costs).

Response:

- a. & b. Please reference GDS 1-112 Attachment 1 for SWEPCo 353 Additions and GDS 1-112 Attachment 2 for 353 Additions by ProjectID and Work Order.

Preparer of Response: Thomas J. Sulhan

Preparer of Response: Jeffrey S. Dornsife

Preparer of Response: Emily K. Brown

Date: 10/16/2019

**2018 AEP West True-up
FERC Docket No ER18-195**

**Responses to
Set GDS-1 of Data Requests**

Data Request GDS Set 1-113:

SWEPSCO In reference to SWEPSCO's 2018 FF1, Page 206, Line 52, column (c), Additions for Account (355) Poles and Fixtures. Please provide a detailed description of the additions totaling \$96,969,866 (in Excel format).

Response:

Please refer to GDS 1-113 Attachment 1.

Preparer of Response: Thomas J. Sulhan

Date: 10/16/2019

**2018 AEP West True-up
FERC Docket No ER18-195**

**Responses to
Set GDS-1 of Data Requests**

Data Request GDS Set 1-114:

SWEPSCO In reference to SWEPSCO's 2018 FF1, Page 206, Line 53, column (c), Additions for Account (356) Overhead Conductors and Devices. Please provide a detailed description of the additions totaling \$51,250,667 (in Excel format).

Response:

Please refer to GDS 1-114 Attachment 1.

Preparer of Response: Thomas J. Sulhan

Date: 10/16/2019

**2018 AEP West True-up
FERC Docket No ER18-195**

**Responses to
Set GDS-1 of Data Requests**

Data Request GDS Set 1-115:

SWEPCO In reference to SWEPCO's 2018 FF1, Page 206, Line 86, column (c), Additions for Account (389) Land and Land Rights. Please provide a detailed description of the additions totaling \$1,732,103 (in Excel format).

Response:

Please refer to GDS 1-115 Attachment 1.

Preparer of Response: Thomas J. Sulhan

Date: 10/16/2019

**2018 AEP West True-up
FERC Docket No ER18-195**

**Responses to
Set GDS-1 of Data Requests**

Data Request GDS Set 1-116:

SWEPSCO In reference to SWEPSCO's 2018 FF1, Page 206, Line 91, column (c), Additions for Account (394) Tools, Shop and Garage Equipment. Please provide a detailed description of the additions totaling \$1,735,321 (in Excel format).

Response:

Please refer to GDS 1-116 Attachment 1.

Preparer of Response: Thomas J. Sulhan

Date: 10/16/2019

**2018 AEP West True-up
FERC Docket No ER18-195**

**Responses to
Set GDS-1 of Data Requests**

Data Request GDS Set 1-117:

SWEPSCO In reference to SWEPSCO's 2018 FF1, Page 206, Line 94, column (c), Additions for Account (397) Communication Equipment. Please provide a detailed description of the additions totaling \$8,792,847 (in Excel format).

Response:

Please refer to GDS 1-117_1-118 Attachment 1.

Preparer of Response: Thomas J. Sulhan

Date: 10/16/2019

**2018 AEP West True-up
FERC Docket No ER18-195**

**Responses to
Set GDS-1 of Data Requests**

Data Request GDS Set 1-118:

SWEPSCO In reference to SWEPSCO's 2018 FF1, Page 206, Line 94, column (c), Additions for Account (397) Communication Equipment. Please provide a detailed description of the additions totaling \$8,792,847 (in Excel format).

Response:

Please refer to GDS 1-117_1-118 Attachment 1.

Preparer of Response: Thomas J. Sulhan

Date: 10/16/2019

**2018 AEP West True-up
FERC Docket No ER18-195**

**Responses to
Set GDS-1 of Data Requests**

Data Request GDS Set 1-119:

SWEPSCO In reference to SWEPSCO's 2018 FF1, Page 205, Line 4, column (d), Retirements for Account (303) Miscellaneous Intangible Plant. Please provide a detailed description of the retirements totaling \$8,726,757 (in Excel format).

Response:

Please refer to GDS 1-119 Attachment 1.

Preparer of Response: Thomas J. Sulhan

Date: 10/16/2019

**2018 AEP West True-up
FERC Docket No ER18-195**

**Responses to
Set GDS-1 of Data Requests**

Data Request GDS Set 1-120:

SWEPSCO In reference to SWEPSCO's 2018 FF1, Page 207, Line 94, column (d), Retirements for Account (397) Communication Equipment. Please provide a detailed description of the retirements totaling \$3,424,206 (in Excel format).

Response:

Please refer to GDS 1-120 Attachment 1.

Preparer of Response: Thomas J. Sulhan

Date: 10/16/2019

**2018 AEP West True-up
FERC Docket No ER18-195**

**Responses to
Set GDS-1 of Data Requests**

Data Request GDS Set 1-121:

SWEPSCO In reference to PSO 2018 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:

This line item contains only Administrative and General expenses, there are no Customer Accounts included.

Preparer of Response: Monica R. Parker

Preparer of Response: Drew M. Dyer

Date: 10/16/2019

**2018 AEP West True-up
FERC Docket No ER18-195**

**Responses to
Set GDS-1 of Data Requests**

Data Request GDS Set 1-122:

SWEPSCO In reference to SWEPSCO's 2018 FF1, Page 321, Line 83, (560) Operation Supervision and Engineering, and please provide a detailed explanation for the \$2,327,972 increase in the expense from \$7,229,054 in 2017 to \$9,557,026 in 2018.

Response:

For detail listing see GDS 1-122 Attachment 1. The primary change in this line is driven by increased labor related cost.

Preparer of Response: Monica R. Parker

Preparer of Response: Drew M. Dyer

Date: 10/16/2019

**2018 AEP West True-up
FERC Docket No ER18-195**

**Responses to
Set GDS-1 of Data Requests**

Data Request GDS Set 1-123:

SWEPSCO In reference to SWEPSCO's 2018 FF1, Page 321, Line 97, (566) Miscellaneous Transmission Expenses, and please provide the following:

- a. A detailed listing (Excel format) of all the items booked to Account 566 during 2018 totaling \$2,750,754; and
- b. A detailed listing (Excel format) of all the items booked to Account 566 during 2017 totaling \$2,668,395.

Response:

Please refer to GDS 1-123 Attachment 1.

Preparer of Response: Monica R. Parker

Preparer of Response: Drew M. Dyer

Date: 10/16/2019

**2018 AEP West True-up
FERC Docket No ER18-195**

**Responses to
Set GDS-1 of Data Requests**

Data Request GDS Set 1-124:

SWEPSCO In reference to SWEPSCO's 2018 FF1, Page 323, Line 184, (923) Outside Services Employed, and please provide the following:

- a. A detailed explanation for the \$2,816,013 increase in the expense from \$5,954,465 in 2017 to \$8,770,478 in 2018;
- b. A detailed listing (Excel format) of all the items booked to Account 923 during 2018, totaling \$8,770,478; and
- c. A detailed listing (Excel format) of all the items booked to Account 923 during 2017, totaling \$5,954,465.

Response:

- a. - c. Please refer to GDS 1-124 Attachment 1.

Preparer of Response: Monica R. Parker

Preparer of Response: Drew M. Dyer

Date: 10/16/2019

**2018 AEP West True-up
FERC Docket No ER18-195**

**Responses to
Set GDS-1 of Data Requests**

Data Request GDS Set 1-125:

SWEPSCO In reference to SWEPSCO's 2018 FF1, Page 323, Line 185, (924) Property Insurance, and please provide a detailed explanation for the \$1,519,227 increase in the expense from \$1,144,529 in 2017 to \$2,663,756 in 2018.

Response:

The change in SWEPSCO Property Insurance is driven by 2017 insurance proceeds received for damaged property.

Preparer of Response: Monica R. Parker

Preparer of Response: Drew M. Dyer

Date: 10/16/2019

**2018 AEP West True-up
FERC Docket No ER18-195**

**Responses to
Set GDS-1 of Data Requests**

Data Request GDS Set 1-126:

SWEPSCO In reference to SWEPSCO's 2018 FF1, Page 323, Line 186, (925) Injuries and Damages, and please provide a detailed explanation for the \$1,038,631 increase in the expense from \$4,352,353 in 2017 to \$5,390,984 in 2018.

Response:

The change in SWEPSCO Injuries and Damages account is driven by a 2018 Worker's Compensation claim.

Preparer of Response: Monica R. Parker

Preparer of Response: Drew M. Dyer

Date: 10/16/2019

**2018 AEP West True-up
FERC Docket No ER18-195**

**Responses to
Set GDS-1 of Data Requests**

Data Request GDS Set 1-127:

SWEPSCO In reference to SWEPSCO's 2018 FF1, Page 323, Line 187, (926) Employee Pensions and Benefits, and please provide a detailed explanation for the (\$4,131,789) decrease in the expense from \$14,899,931 in 2017 to \$10,768,142 in 2018.

Response:

The primary drivers in the decrease from 2017 to 2018 is a change in medical plan coverage for retirees to Medicare Advantage and favorable asset performance in the medical trust.

Preparer of Response: Russell G. Doyle

Date: 10/16/2019

**2018 AEP West True-up
FERC Docket No ER18-195**

**Responses to
Set GDS-1 of Data Requests**

Data Request GDS Set 1-128:

SWEPSCO In reference to SWEPO's 2018 FF1, Page 336, Line 10, column (c), General Depreciation Expense for Asset Retirement Costs. Please confirm that the \$55,173 is included in the calculation of SWEPCO's transmission rate on the tab "SWEPCO TCOS," Line 87 – General Depreciation and Amortization Expense and provide reference to FERC's authorization for the inclusion in transmission rates of depreciation of Asset Retirement Costs (ARC).

Response:

The General Depreciation Expense for Asset Retirement Costs of \$55,173 in SWEPCO's 2018 FF1, Page 336, Line 10, column (c) is not included in the calculation of the transmission rates. The amount on SWEPCO's TCOS, Line 87 is \$6,568,892 which ties to SWEPCO's 2018 FF, Page 336, Line 10, column (b).

Preparer of Response: Jeffrey S. Dornsife

Preparer of Response: Emily K. Brown

Date: 10/16/2019

**2018 AEP West True-up
FERC Docket No ER18-195**

**Responses to
Set GDS-1 of Data Requests**

Data Request GDS Set 1-129:

SWEPSCO In reference to “Wages & Salary Allocator (W/S),” SWEPSCO TCOS, Lines 124 - 128, please provide the supporting documentation of the Payroll Billed from the AEPSC and indicate whether any of these amounts were allocated and recorded in SWEPSCO’s FERC Account(s).

Response:

Please refer to GDS 1-129 Attachment 1. The AEPSC payroll amounts were not included in SWEPSCO's Labor FERC accounts.

Preparer of Response: Jeffrey S. Dornsife

Preparer of Response: Emily K. Brown

Date: 10/16/2019

**2018 AEP West True-up
FERC Docket No ER18-195**

**Responses to
Set GDS-1 of Data Requests**

Data Request GDS Set 1-130:

SWEPSCO In reference to “OATT Ancillary Services (GSU),” SWEPSCO 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 \$37,950,730; (ii) Additions; (iii) Retirements and (iv) the ending balance shown on Line 27 - December of Rate Year balance of \$38,470,989.

Response:

Please refer to GDS 1-130 Attachment 1.

Preparer of Response: Thomas J. Sulhan

Preparer of Response: Jeffrey S. Dornsife

Preparer of Response: Emily K. Brown

Preparer of Response: Cassie M. Koehler

Date: 10/16/2019

**2018 AEP West True-up
FERC Docket No ER18-195**

**Responses to
Set GDS-1 of Data Requests**

Data Request GDS Set 1-131:

SWEPSCO In reference to “Excluded Plant,” SWEPSCO 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 \$50,554,980; 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 \$51,692,079.

Response:

- a. - b. Please refer to GDS 1-131 Attachment 1.

Preparer of Response: Jeffrey S. Dornsife

Preparer of Response: Christopher K. Duffy

Preparer of Response: Emily K. Brown

Date: 10/16/2019

**2018 AEP West True-up
FERC Docket No ER18-195**

**Responses to
Set GDS-1 of Data Requests**

Data Request GDS Set 1-132:

SWEPSCO In reference to SWEPSCO WS C-1 ADIT EOY, Deferred Income Tax Balances – GL A/C 282, Line # 380J, Int Exp Capitalized for Tax (Excel row 24). Please provide the following:

- a. A detailed description of the underlying cost that is the basis for the \$76,682,546 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 Int Exp Capitalized for Tax has been recognized; and
- c. SWEPSCO's basis for allocating the Int Exp Capitalized for Tax ADIT using the Plant allocator to the transmission formula rates.

Response:

- a. See response GDS 1-65.
- b. See response GDS 1-65.
- c. See response GDS 1-65.

Preparer of Response: Allyson L. Keaton

Preparer of Response: Jeffrey S. Dornsife

Preparer of Response: David A. Hodgson

Date: 10/16/2019

**2018 AEP West True-up
FERC Docket No ER18-195**

**Responses to
Set GDS-1 of Data Requests**

Data Request GDS Set 1-133:

SWEPSCO In reference to SWEPSCO WS C-1 ADIT EOY, Deferred Income Tax Balances – GL A/C 282, Line # 960F-, XS EXCESS ADFIT 282 PROTECTED (Excel rows 45 through 49). Please provide the following:

- a. A detailed description of the underlying costs that are the basis for the \$(390,144,030) ADIT balance that is being excluded to the transmission formula rate from WS C-4;
- b. A detailed description of what FERC Account(s) each of the underlying costs for this Excess ADFIT 283 Unprotected in (a) above have been recognized; and
- c. A detailed description of the underlying costs that are the basis for the \$(90,530,656) ADIT balance that is being directly assigned to the transmission formula rate from WS C-4;
- d. A detailed description of where in the transmission formula rate each of the underlying costs for this Excess ADFIT 283 Protected in (c) above have been recognized; and
- e. SWEPSCO's basis for allocating each of the Excess ADFIT 283 Protected ADIT items which comprise to "excluded" or directly to the transmission formula rates.

Response:

- a. See response GDS 1-68 a.
- b. See response GDS 1-68 b.
- c. See response GDS 1-68 c.
- d. See response GDS 1-68 d.
- e. See response GDS 1-68 e.

Preparer of Response: Allyson L. Keaton

Preparer of Response: Jeffrey S. Dornsife

Preparer of Response: David A. Hodgson

Date: 10/16/2019

**2018 AEP West True-up
FERC Docket No ER18-195**

**Responses to
Set GDS-1 of Data Requests**

Data Request GDS Set 1-134:

SWEPSCO In reference to SWEPSCO WS C-1 ADIT EOY, Deferred Income Tax Balances – GL A/C 282, Line # 960F-, XS EXCESS ADFIT 282 UNPROTECTED (Excel rows 51 through 54). Please provide the following:

- a. A detailed description of the underlying costs that are the basis for the \$(43,206,085) ADIT balance that is being excluded to the transmission formula rate from WS C-4;
- b. A detailed description of what FERC Account(s) each of the underlying costs for this Excess ADFIT 283 Unprotected in (a) above have been recognized; and
- c. A detailed description of the underlying costs that are the basis for the \$(9,543,222) ADIT balance that is being directly assigned to the transmission formula rate from WS C-4;
- d. A detailed description of where in the transmission formula rate each of the underlying costs for this Excess ADFIT 283 Unprotected in (c) above have been recognized; and
- e. SWEPSCO's basis for allocating each of the Excess ADFIT 283 Unprotected ADIT items which comprise to "excluded" or directly to the transmission formula rates.

Response:

- a. See response GDS 1-69 a.
- b. See response GDS 1-69 b.
- c. See response GDS 1-69 c.
- d. See response GDS 1-69 d.
- e. See response GDS 1-69 e.

Preparer of Response: Allyson L. Keaton

Preparer of Response: Jeffrey S. Dornsife

Preparer of Response: David A. Hodgson

Date: 10/16/2019

**2018 AEP West True-up
FERC Docket No ER18-195**

**Responses to
Set GDS-1 of Data Requests**

Data Request GDS Set 1-137:

SWEPSCO In reference to SWEPSCO WS C-1 ADIT EOY, Row 106 - 906D SFAS 106 PST RETIRE EXP - NON-DEDUCT CONT, please provide the justification for included non-deductible related ADIT in the formula rate template given the Commission opinion in the Trunkline Gas Company, Docket No. RP96-129-000 (Phase II) Opinion No. 441, Opinion and Order on Initial Decision (Issued 11 January 12, 2000) stated in paragraph D. Taxes-Meals and Entertainment Expense, third paragraph:

The ALJ denied this adjustment. He held, following Commission precedent, that if a regulated pipeline were permitted to increase the tax allowance to include the tax on the non-deductible portion of the meals and entertainment costs, ratepayers would be unlawfully forced to subsidize the pipeline and the pipeline would escape the full impact of legislation.

Response:

The Commission opinion in the Trunkline Gas Company has to do with non-deductible portion of the meals and entertainment costs, and Line # 906D represents post retirement expenses.

Preparer of Response: Allyson L. Keaton

Preparer of Response: Jeffrey S. Dornsife

Preparer of Response: David A. Hodgson

Preparer of Response: Joel J. Multer

Date: 10/16/2019

**2018 AEP West True-up
FERC Docket No ER18-195**

**Responses to
Set GDS-1 of Data Requests**

Data Request GDS Set 1-138:

SWEPSCO In reference to SWEPSCO WS C-1 ADIT EOY, Deferred Income Tax Balances – GL A/C 283, Line # 960F-XS, Excess ADFIT 283 Unprotected (Excel rows 115). Please provide the following:

- a. A detailed description of the underlying costs that are the basis for the \$298,927 ADIT balance that is being directly assigned to the transmission formula rate from WS C-4;
- b. A detailed description of where in the transmission formula rate each of the underlying costs for this Excess ADFIT 283 Unprotected have been recognized; and
- c. SWEPSCO's basis for allocating each of the Excess ADFIT 283 Unprotected ADIT items which comprise the total directly to the transmission formula rates.

Response:

- a. See response GDS 1-70 a.
- b. See response GDS 1-70 b.
- c. See response GDS 1-70 c.

Preparer of Response: Allyson L. Keaton

Preparer of Response: Jeffrey S. Dornsife

Preparer of Response: David A. Hodgson

Date: 10/16/2019

**2018 AEP West True-up
FERC Docket No ER18-195**

**Responses to
Set GDS-1 of Data Requests**

Data Request GDS Set 1-139:

SWEPSCO In reference to SWEPSCO WS C-1 ADIT EOY, Deferred Income Tax Balances – GL A/C 190, Line # 520A, Provs Poss Rev Refds-A/L (Excel row 135). Please provide the following:

- a. A detailed description of the underlying cost that is the basis for the \$3,924,933 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 Provs Poss Rev Refds-A/L has been recognized; and
- c. SWEPSCO's basis for allocating the Provs Poss Rev Refds-A/L ADIT using the Plant allocator to the transmission formula rates.

Response:

- a. See response GDS 1-71 a.
- b. See response GDS 1-71 b.
- c. See response GDS 1-71 c.

Preparer of Response: Allyson L. Keaton

Preparer of Response: Jeffrey S. Dornsife

Preparer of Response: David A. Hodgson

Date: 10/16/2019

**2018 AEP West True-up
FERC Docket No ER18-195**

**Responses to
Set GDS-1 of Data Requests**

Data Request GDS Set 1-141:

SWEPSCO In reference to SWEPSCO WS C-1 ADIT EOY, Deferred Income Tax Balances – GL A/C 190, Line # 605E, Supplemental Executive Retirement Plan (Excel row 140). Please provide the following:

- a. A detailed description of the underlying cost that is the basis for the \$103,273 ADIT balance that is being allocated to the transmission formula rate using the Labor allocator;
- b. The accrued balance of the underlying Supplemental Executive Retirement Plan as of 12/31/2018 and the FERC Account to which the accrued balance is recorded;
- c. The accrued balance of the underlying Supplemental Executive Retirement Plan as of 12/31/2017 and the FERC Account to which the accrued balance is recorded;
- d. The amount of Supplemental Executive Retirement Plan expense in 2018, including the FERC Account(s) to which the expense was recorded;
- e. SWEPSCO's basis for allocating the Supplemental Executive Retirement Plan ADIT using the Labor allocator to the transmission formula rates; and
- f. SWEPSCO's basis for not including the underlying Accrued Supplemental Executive Retirement Plan unfunded reserve balance(s) in the calculation of the Unfunded Reserves as an adjustment to rate base.

Response:

- a. See response GDS 1-73 a.
- b. The accrued balance of FERC Account 2283000 is -\$491,776 for 12/31/2018.
- c. The accrued balance of FERC Account 2283000 is -\$1,070,041 for 12/31/2017.
- d. Please refer to GDS 1-141 Attachment 1
- e. This balance relates to a payroll-related expense for employees in all three functions, so labor is the most appropriate allocator.
- f. See the response to GDS 1-73.

Preparer of Response: Brian T. Lysiak

Preparer of Response: Allyson L. Keaton

Preparer of Response: Jeffrey S. Dornsife

Date: 10/16/2019

**2018 AEP West True-up
FERC Docket No ER18-195**

**Responses to
Set GDS-1 of Data Requests**

Data Request GDS Set 1-142:

SWEPSCO In reference to SWEPSCO WS C-1 ADIT EOY, Deferred Income Tax Balances – GL A/C 190, Line # 605I, Accrd Bk Sup. Savings Plan Exp (Excel row 142). Please provide the following:

- a. A detailed description of the underlying cost that is the basis for the \$220,348 ADIT balance that is being allocated to the transmission formula rate using the Labor allocator;
- b. The accrued balance of the underlying Accrd Bk Sup. Savings Plan Exp as of 12/31/2018 and the FERC Account to which the accrued balance is recorded;
- c. The accrued balance of the underlying Accrd Bk Sup. Savings Plan Exp as of 12/31/2017 and the FERC Account to which the accrued balance is recorded;
- d. The amount of Bk Sup. Savings Plan expense in 2018, including the FERC Account(s) to which the expense was recorded;
- e. SWEPSCO's basis for allocating the Accrd Bk Sup. Savings Plan Exp ADIT using the Labor allocator to the transmission formula rates; and
- f. SWEPSCO's basis for not including the underlying Accrued Bk Sup. Savings Plan Exp unfunded reserve balance(s) in the calculation of the Unfunded Reserves as an adjustment to rate base.

Response:

- a. See response GDS 1-74
- b. The accrued balance of FERC Account 2283002 is -\$1,049,277 for 12/31/2018.
- c. The accrued balance of FERC Account 2283002 is -\$1,158,619 for 12/31/2017.
- d. The SWEPSCO Supplemental Savings Plan expense for 2018 \$19,583 and was recorded to FERC Account 9260027.
- e. This balance relates to a payroll-related expense for employees in all three functions, so labor is the most appropriate allocator.
- f. See the response to GDS 1-74.

Preparer of Response: Brian T. Lysiak

Preparer of Response: Allyson L. Keaton

Preparer of Response: Jeffrey S. Dornsife

Date: 10/16/2019

**2018 AEP West True-up
FERC Docket No ER18-195**

**Responses to
Set GDS-1 of Data Requests**

Data Request GDS Set 1-152:

SWEPSCO In reference to SWEPSCO's WS D Working Capital, Acct No. 1650017, Line 15 - Prepayment – Coal, please provide an explanation as to why Prepayment – Coal is included in transmission rates.

Response:

The amount associated with Prepayment - Coal should have been removed from WS D in the Plant Related column.

Preparer of Response: Jeffrey S. Dornsife

Preparer of Response: Emily K. Brown

Date: 10/16/2019

**2018 AEP West True-up
FERC Docket No ER18-195**

**Responses to
Set GDS-1 of Data Requests**

Data Request GDS Set 1-153:

SWEPCO In reference to SWEPCO's 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 \$617,218 and (ii) Labor Related that totals \$711,768.

Response:

Please refer to GDS 1-153 Attachment 1.

Preparer of Response: Monica R. Parker

Preparer of Response: Drew M. Dyer

Date: 10/16/2019

**2018 AEP West True-up
FERC Docket No ER18-195**

**Responses to
Set GDS-1 of Data Requests**

Data Request GDS Set 1-154:

SWEPSCO In reference to SWEPSCO's WS D Working Capital, Acct No. 1650021, Line 16 - Prepaid Insurance – EIS, please provide a detailed listing of the items included in (i) Plant Related that totals \$469,658 and (ii) Labor Related that totals \$755,946.

Response:

Please refer to GDS 1-154 Attachment 1.

Preparer of Response: Monica R. Parker

Preparer of Response: Drew M. Dyer

Date: 10/16/2019

**2018 AEP West True-up
FERC Docket No ER18-195**

**Responses to
Set GDS-1 of Data Requests**

Data Request GDS Set 1-155:

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 \$2,270,148.

Response:

- a. Account 451 contains a record of miscellaneous service revenues; including charges for broken meter seals, meter seal replacements, returned check charges, energy diversion charges, reconnect charges, service connection charges, and disconnect trip charges.
- b. This account is used to record revenue for distribution customer services.
- c. Miscellaneous Service Revenue - \$2,567,469 and Temporary Facilities reversal (\$297,321)

Preparer of Response: Monica R. Parker

Preparer of Response: Drew M. Dyer

Preparer of Response: Jeffrey S. Dornsife

Date: 10/16/2019

**2018 AEP West True-up
FERC Docket No ER18-195**

**Responses to
Set GDS-1 of Data Requests**

Data Request GDS Set 1-156:

SWEPSCO Please provide the derivation of and any workpapers supporting the transmission-related revenue credits identified on the “SWEPSCO 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 2018. Also, please explain the derivation of the transmission-related amounts for each account shown on the “SWEPSCO WS H Revenue Credits” tab, Column (k).

Response:

Please refer to GDS 1-156 Attachment 1 for Accounts 454 and 456 details.

Preparer of Response: Shawna G. Jones

Preparer of Response: Jeffrey S. Dornsife

Preparer of Response: Emily K. Brown

Date: 10/16/2019

**2018 AEP West True-up
FERC Docket No ER18-195**

**Responses to
Set GDS-1 of Data Requests**

Data Request GDS Set 1-157:

SWEPSCO In reference to SWEPSCO WS H Rev Credits, Acct No. 4540005, Row 19, Rent from Elect Property – Pole Attach, please state whether any portion of these pole attachment revenues included in “Rent from Elect Property - Pole Attach” are transmission related. If yes, please identify any associated revenues and the justification to not allocating this portion to “Transmission.”

Response:

There were no Transmission-related pole attachment revenues in "Rent from Elect Property - Pole Attach".

Preparer of Response: Jeffrey S. Dornsife

Preparer of Response: Christopher K. Duffy

Preparer of Response: Emily K. Brown

Date: 10/16/2019

**2018 AEP West True-up
FERC Docket No ER18-195**

**Responses to
Set GDS-1 of Data Requests**

Data Request GDS Set 1-158:

SWEPSCO In reference to SWEPSCO WS J Misc Exp, Line 13 – 930.2 – Misc General Expenses, 100% Transmission in the amount of \$103,713, please provide a detailed tabulation of every entry included in this total. In addition, please indicate where each item is recorded on SWEPSCO's 2018 FF1, page 335 – Miscellaneous General Expenses.

Response:

Please refer to GDS 1-158 Attachment 1. These transactions are on SWEPSCO's Transmission business units and are recorded in the Associated Business Development Line.

Preparer of Response: Monica R. Parker

Preparer of Response: Drew M. Dyer

Date: 10/16/2019

**2018 AEP West True-up
FERC Docket No ER18-195**

**Responses to
Set GDS-1 of Data Requests**

Data Request GDS Set 1-159:

SWT Please provide a detailed listing (excel format) of all items booked to Account 232 – Accounts Payable in the amount of \$100 in 2018 reported in SWT’s 2018 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 refer to the response to GDS 1-50.

Preparer of Response: Rhoderick C. Griffin

Date: 10/16/2019

**2018 AEP West True-up
FERC Docket No ER18-195**

**Responses to
Set GDS-1 of Data Requests**

Data Request GDS Set 1-160:

SWT Please provide a detailed listing (excel format) of all items booked to Account 242 – Miscellaneous Current and Accrued Liabilities in the amount of \$1,530 in 2018 reported in SWT’s 2018 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).

Response:

Please refer to the response to GDS 1-50.

Preparer of Response: Rhoderick C. Griffin

Date: 10/16/2019

**2018 AEP West True-up
FERC Docket No ER18-195**

**Responses to
Set GDS-1 of Data Requests**

Data Request GDS Set 1-161:

SWT In reference to SWT's 2018 FF1, Page 321, Line 97, (566) Miscellaneous Transmission Expenses, and please provide a detailed listing (Excel format) of all the items booked to Account 566 in 2017, totaling \$6,185.

Response:

Please refer to GDS 1-161 Attachment 1.

Preparer of Response: Rhoderick C. Griffin

Date: 10/16/2019

**2018 AEP West True-up
FERC Docket No ER18-195**

**Responses to
Set GDS-1 of Data Requests**

Data Request GDS Set 1-2:

GENERAL Please identify by nature and amount any errors that AEP has identified in any of the 2019 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:

During the review, AEP has identified errors as noted in responses to Questions #80, #86, #145, #148 and #152. Correction of the identified errors would result in an understatement of SWEPCO's Revenue Requirement of approximately \$330,000 and an overstatement of PSO's Revenue Requirement of approximately \$4,000. AEP will make any correction consistent with Section 6 of its protocols.

Preparer of Response: Jeffrey S. Dornsife

Preparer of Response: Emily K. Brown

Date: 10/21/2019

**2018 AEP West True-up
FERC Docket No ER18-195**

**Responses to
Set GDS-1 of Data Requests**

Data Request GDS Set 1-4:

GENERAL For each OpCo, 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 GDS 1-4 Attachment 1 for the requested detail for PSO and SWEPCO.

Preparer of Response: Monica R. Parker

Date: 10/21/2019

**2018 AEP West True-up
FERC Docket No ER18-195**

**Responses to
Set GDS-1 of Data Requests**

Data Request GDS Set 1-8:

GENERAL Please identify the following related to major destructive events (i.e., storms, fires, etc.) in 2018:

- 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.
- c. The FERC Account(s) where the reimbursements in (b) above will be recorded.
- d. Verify whether OpCo and TransCo self-insures for property insurance by setting aside reserves. If so, please identify what FERC Account these reserves are held.

Response:

- a. - c. The OpCos and TransCos had no major destructive events.
- d. The OpCos and TransCos self-insure and there are no reserves set aside.

Preparer of Response: Monica R. Parker

Preparer of Response: Russell G. Doyle

Date: 10/21/2019

**2018 AEP West True-up
FERC Docket No ER18-195**

**Responses to
Set GDS-1 of Data Requests**

Data Request GDS Set 1-11:

GENERAL State whether AEP incurred or paid any monetary penalties for violations of NERC Reliability Standards during 2018. 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.

In responding to this request, please use the same response format as AEP used in answering the data requests concerning the updates posted in May 2018.

Response:

- a. The amount of penalties paid in 2018 was \$25,000.
- b. One payment of \$25,000 was recorded to FERC account 4263003.
- c. Station equipment missed an internal routine maintenance testing requirement.
- d. None of the penalties are included in the OpCo or TransCo rate updates.

Preparer of Response: Kevin L. Amburgey

Preparer of Response: John A. Lowry

Preparer of Response: Laurie M. Spears

Date: 10/21/2019

**2018 AEP West True-up
FERC Docket No ER18-195**

**Responses to
Set GDS-1 of Data Requests**

Data Request GDS Set 1-12:

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.

Preparer of Response: Craig M. Adelman

Preparer of Response: Brian T. Lysiak

Preparer of Response: David A. Laing

Date: 10/21/2019

**2018 AEP West True-up
FERC Docket No ER18-195**

**Responses to
Set GDS-1 of Data Requests**

Data Request GDS Set 1-39:

QUESTIONS APPLICABLE TO EACH OPCO AND TRANSCO In regards to AEP's remeasurement of the income tax reserve for each OpCo and TransCo due to the TCJA, please provide the following:

- a. Copies of all the journal entry transactions, and the detailed supporting documentation and calculations for each journal entry transaction including the detailed breakdown by category Protected Property ADIT, Unprotected Property ADIT, Protected Non-Property ADIT (if any) and Unprotected Non-Property ADIT, related to the recording of the TCJA remeasurement in 2017; and
- b. Copies of all the journal entry transactions, and the detailed supporting documentation and calculations for each journal entry transaction, related to the recording of the 2018 amortizations separately for Protected Property ADIT, Unprotected Property ADIT Protected Non-Property ADIT (if any) and Unprotected Non-Property ADIT.

Response:

a. - b. GDS 1-39 Attachment 1 includes the journal entries for the TCJA remeasurement in 2017 and GDS 1-39 Attachment 2 includes the journal entries related to the recording of the 2018 amortizations. Please note, the journal entries for 2018 include reclasses and adjustments as well as the remeasurement and amortization amounts. GDS 1-39 Attachment 3 is documentation for the 2017 remeasurement and the 2018 amortization for each OpCo's protected ADIT. GDS 1-39 Attachment 4 is documentation for the 2017 remeasurement and the 2018 amortization for each Transco's Protected ADIT.

The amortization period of unprotected excess ADIT per the applicable settlement agreements for both the operating companies and Transco is 5 years, as provided on WS C-4. For SWEPCO, the amortization recorded on the books was effective with the Louisiana order and PSO did not amortize unprotected until 2019. Therefore, the amortization journal entries would not tie out to the amortization calculated in the formula rate on WS C-4. For Transcos, amortization of unprotected ADIT for the 2018 year was not recorded on the books until 2019. The annual amortization and balances of unprotected excess ADIT for formula ratemaking purposes will not tie out to the books for any of the four companies due to this ratemaking adjustment during the 5 year amortization period from 2018 to 2022. Worksheet C-4 will be used to compute the amortization and balances for ratemaking purposes during the 5 year amortization period. As a result, journal entries pertaining to unprotected excess amortization have not been provided.

Segregation of the excess ADFIT balances between protected and unprotected is determined by

the Company's software related to depreciable property using the Average Rate Assumption Methodology ("ARAM"); once the software has determined the appropriate level of excess protected ADFIT based upon depreciable property, the remaining excess ADFIT is unprotected.

Preparer of Response: Allyson L. Keaton

Preparer of Response: David A. Hodgson

Date: 10/21/2019

**2018 AEP West True-up
FERC Docket No ER18-195**

**Responses to
Set GDS-1 of Data Requests**

Data Request GDS Set 1-42:

QUESTIONS APPLICABLE TO EACH OPCO AND TRANSCO In reference to the OpCo's template, tab "Load WS," please provide the following:

- a. Explain the procedure used to identify, and correct or resettle load data errors from prior years or months;
- b. Explain any errors or corrections of errors in settled loads that are reflected in the data; and
- c. In November 2018, the system demand decreased by (10.12%) relative to October 2018. However, Line 9 - ETEC demand increased by 33.68% and Line 2 - PSO demand decreased by (23.62%) in November 2018 relative to October 2018. Explain whether these apparent anomalies were the result of a data errors or the correction of a data error.

Response:

- a. Loads are reviewed according to the following Sarbanes-Oxley ("SOX") process:
 - o On a monthly basis, the Quality Control and Audit Compliance ("QCAC") group performs a detailed load analysis to ensure the completeness and accuracy of Load Accounting System of Record ("LASOR") meter data.
 - o If an error is identified within the allowed correction window, the correction is made. If an error is discovered outside the correction window, the issue is brought up during a monthly stakeholder meeting where a decision on how to proceed is made.
- b. No known errors are reflected in the data. Note that an updated spreadsheet containing the OG&E LINN load was created due to that load getting registered in the SPP market in 2019.
- c. No known errors are contained in the spreadsheet tab. These loads are monthly hourly peaks and can vary from month to month. The OpCos and TransCos re-evaluated the data and were able to confirm that the data is correct and the differences are due to weather, specifically shifting from warmer months to colder months.

Preparer of Response: Jeffrey S. Dornsife

Preparer of Response: Christopher M. Werner

Preparer of Response: Emily K. Brown

Date: 10/21/2019

**2018 AEP West True-up
FERC Docket No ER18-195**

**Responses to
Set GDS-1 of Data Requests**

Data Request GDS Set 1-48:

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 \$88,313 in 2018 reported in PSO's 2018 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).

Response:

Please refer to GDS 1-48 Attachment 1 for the excel file listing detail for PSO's Account 228.2 - Accumulated Provision for Injuries and Damages.

Preparer of Response: Monica R. Parker

Preparer of Response: Jason M. Yoder

Date: 10/21/2019

**2018 AEP West True-up
FERC Docket No ER18-195**

**Responses to
Set GDS-1 of Data Requests**

Data Request GDS Set 1-58:

PSO In reference to PSO's 2018 FF1, Page 323, Line 187, (926) Employee Pensions and Benefits, please provide the following:

- a. A detailed explanation for the (\$4,878,874) decrease in the expense from \$9,423,939 in 2017 to \$4,545,065 in 2018; and
- b. A detailed listing (Excel format) of all the items booked to Account 926 during 2018, totaling \$4,545,065.

Response:

The primary drivers in the decrease from 2017 to 2018 is a change in medical plan coverage for retirees to Medicare Advantage and favorable asset performance in the medical trust. Please refer to GDS 1-58 Attachment 1 for journal detail.

Preparer of Response: Russell G. Doyle

Date: 10/21/2019

**2018 AEP West True-up
FERC Docket No ER18-195**

**Responses to
Set GDS-1 of Data Requests**

Data Request GDS Set 1-68:

PSO In reference to PSO WS C-1 ADIT EOY, Deferred Income Tax Balances – GL A/C 282, Line # 960F-, XS EXCESS ADFIT 282 PROTECTED (Excel rows 45 & 46). Please provide the following:

- a. A detailed description of the underlying costs that are the basis for the \$(270,756,646) ADIT balance that is being excluded to the transmission formula rate from WS C-4;
- b. A detailed description of what FERC Account(s) each of the underlying costs for this Excess ADFIT 283 Unprotected in (a) above have been recognized; and c. A detailed description of the underlying costs that are the basis for the \$(62,849,607) ADIT balance that is being directly assigned to the transmission formula rate from WS C-4;
- d. A detailed description of where in the transmission formula rate each of the underlying costs for this Excess ADFIT 283 Protected in (c) above have been recognized; and
- e. PSO's basis for allocating each of the Excess ADFIT 283 Protected ADIT items which comprise to "excluded" or directly to the transmission formula rates.

Response:

- a. The underlying costs for excludable protected ADIT is all related to differences between book basis and tax basis in generation and distribution plant recorded on the generation and distribution functional ledgers due to the use of accelerated depreciation for tax purposes.
- b. The Companies construe this question to refer to Excess 282 Protected, and not to Excess 283 Unprotected. The underlying accounts to which this excluded excess ADIT relates are recoded in generating and distribution utility plant accumulated depreciation accounts in 108/111, which have never been included in the formula rate.
- c. The includable protected ADIT is all related to book to tax basis differences in transmission plant in service due to the use of accelerated depreciation for tax purposes.
- d. So the underlying formula accounts these are associated with are transmission accumulated depreciation in 108/111.
- e. The functional ledgers were used as the basis for including or excluding portions of protected and unprotected excess ADIT. The functionalization of deferred tax balances is based on the functionalization of the book balances and accounting functionalization treatment. This functionalization is performed at the time the book entry is recognized and the functional deferred tax balances are tracked in software used by the Tax department.

Supplemental Response:

Please refer to GDS 1-68 Attachment 1.

Preparer of Response: Allyson L. Keaton

Preparer of Response: Jeffrey S. Dornsife

Preparer of Response: Emily K. Brown

Preparer of Response: David A. Hodgson

Date: 10/21/2019

**2018 AEP West True-up
FERC Docket No ER18-195**

**Responses to
Set GDS-1 of Data Requests**

Data Request GDS Set 1-71:

PSO In reference to PSO WS C-1 ADIT EOY, Deferred Income Tax Balances – GL A/C 190, Line # 520A, Provs Poss Rev Refds-A/L (Excel row 111). Please provide the following:

- a. A detailed description of the underlying cost that is the basis for the \$1,702,155 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 Provs Poss Rev Refds-A/L has been recognized; and
- c. PSO's basis for allocating the Provs Poss Rev Refds-A/L ADIT using the Plant allocator to the transmission formula rates.

Response:

- a. The Line # 520A, Provs Poss Rev Refds-A/L (Provisions for Possible Revenue Refunds) represents the timing differences related to provisions for revenue overcollections which are not deductible for tax at the time the book provision is recorded.
- b. The underlying impact of this flows through the formula rates when revenue over collections are returned to customers as prescribed in the formula rate.
- c. This is applicable to all three functions.

Preparer of Response: Allyson L. Keaton

Preparer of Response: Jeffrey S. Dornsife

Preparer of Response: Emily K. Brown

Preparer of Response: David A. Hodgson

Date: 10/21/2019

**2018 AEP West True-up
FERC Docket No ER18-195**

**Responses to
Set GDS-1 of Data Requests**

Data Request GDS Set 1-73:

PSO In reference to PSO WS C-1 ADIT EOY, Deferred Income Tax Balances – GL A/C 190, Line # 605E, Supplemental Executive Retirement Plan (Excel row 116). Please provide the following:

- a. A detailed description of the underlying cost that is the basis for the \$334,686 ADIT balance that is being allocated to the transmission formula rate using the Labor allocator;
- b. The accrued balance of the underlying Supplemental Executive Retirement Plan as of 12/31/2018 and the FERC Account to which the accrued balance is recorded;
- c. The accrued balance of the underlying Supplemental Executive Retirement Plan as of 12/31/2017 and the FERC Account to which the accrued balance is recorded;
- d. The amount of Supplemental Executive Retirement Plan expense in 2018, including the FERC Account(s) to which the expense was recorded;
- e. PSO's basis for allocating the Supplemental Executive Retirement Plan ADIT using the Labor allocator to the transmission formula rates; and
- f. PSO's basis for not including the underlying Accrued Supplemental Executive Retirement Plan unfunded reserve balance(s) in the calculation of the Unfunded Reserves as an adjustment to rate base.

Response:

- a. The description of Line # 605E, Supplemental Executive Retirement Plan is executive retirement benefit that for books is accrued but not deductible for tax until the benefit is paid out.
- b. The accrued balance of FERC Account 2283000 is -\$1,593,743 for 12/31/2018.
- c. The accrued balance of FERC Account 2283000 is -\$1,512,203 for 12/31/2017.
- d. The amount of Supplemental Executive Retirement Plan expense in 2018, included in FERC Account 9260037 \$52,331 and 9260042 \$151,343.
- e. This balance relates to a payroll-related expense for employees in all three functions, so labor is the most appropriate allocator.
- f. This liability is an accrual related to historical payroll activity, not a reserve or a contingent liability, and thus is not an unfunded reserve as defined on WS R.

Preparer of Response: Monica R. Parker

Preparer of Response: Allyson L. Keaton

Preparer of Response: Jeffrey S. Dornsife

Preparer of Response: Emily K. Brown

Preparer of Response: David A. Hodgson

Date:

10/21/2019

**2018 AEP West True-up
FERC Docket No ER18-195**

**Responses to
Set GDS-1 of Data Requests**

Data Request GDS Set 1-74:

PSO In reference to PSO WS C-1 ADIT EOY, Deferred Income Tax Balances – GL A/C 190, Line # 605I, Accrd Bk Sup. Savings Plan Exp (Excel row 118). Please provide the following:

- a. A detailed description of the underlying cost that is the basis for the \$121,083 ADIT balance that is being allocated to the transmission formula rate using the Labor allocator;
- b. The accrued balance of the underlying Accrd Bk Sup. Savings Plan Exp as of 12/31/2018 and the FERC Account to which the accrued balance is recorded;
- c. The accrued balance of the underlying Accrd Bk Sup. Savings Plan Exp as of 12/31/2017 and the FERC Account to which the accrued balance is recorded;
- d. The amount of Bk Sup. Savings Plan expense in 2018, including the FERC Account(s) to which the expense was recorded;
- e. PSO's basis for allocating the Accrd Bk Sup. Savings Plan Exp ADIT using the Labor allocator to the transmission formula rates; and f. PSO's basis for not including the underlying Accrued Bk Sup. Savings Plan Exp unfunded reserve balance(s) in the calculation of the Unfunded Reserves as an adjustment to rate base.

Response:

- a. The description of Line # 605I, Accrd Bk Supplemental Savings Plan Exp. is a savings plan that for books is accrued but not deductible for tax until the benefit is paid out.
- b. The accrued balance of FERC Account 2283002 is -\$576,584 for 12/31/2018.
- c. The accrued balance of FERC Account 2283002 is -\$1,600,473 for 12/31/2017.
- d. The PSO Supplemental Savings Plan expense for 2018 was a \$13,210 and was recorded to FERC Account 9260027.
- e. This balance relates to a payroll-related expense for employees in all three functions, so labor is the most appropriate allocator.
- f. This liability is an accrual related to historical payroll activity, not a reserve or a contingent liability, and thus is not an unfunded reserve as defined on WS R.

Preparer of Response: Brian T. Lysiak

Preparer of Response: Allyson L. Keaton

Preparer of Response: Jeffrey S. Dornsife

Preparer of Response: Emily K. Brown

Preparer of Response: David A. Hodgson

Date: 10/21/2019

**2018 AEP West True-up
FERC Docket No ER18-195**

**Responses to
Set GDS-1 of Data Requests**

Data Request GDS Set 1-75:

PSO In reference to PSO WS C-1 ADIT EOY, Deferred Income Tax Balances – GL A/C 190, Line # 6050, Accrued PSI Plan Exp (Excel row 120). Please provide the following:

- a. A detailed description of the underlying cost that is the basis for the \$160,844 ADIT balance that is being allocated to the transmission formula rate using the Labor allocator;
- b. The accrued balance of the underlying Accrued PSI Plan Exp as of 12/31/2018 and the FERC Account to which the accrued balance is recorded;
- c. The accrued balance of the underlying Accrued PSI Plan Exp as of 12/31/2017 and the FERC Account to which the accrued balance is recorded;
- d. The amount of PSI Plan expense in 2018, including the FERC Account(s) to which the expense was recorded;
- e. PSO's basis for allocating the Accrued PSI Plan Exp ADIT using the Labor allocator to the transmission formula rates; and
- f. PSO's basis for not including the underlying Accrued PSI Plan Exp unfunded reserve balance(s) in the calculation of the Unfunded Reserves as an adjustment to rate base.

Response:

- a. The description of Line # 6050, Accrd PSI Plan Exp. is a health insurance plan that for books is accrued but not deductible for tax until the benefit is paid out.
- b. The accrued balances of FERC Accounts 2283007 and 2420053 is -\$789,626 for 12/31/2018.
- c. The accrued balances of FERC Accounts 2283007 and 2420053 is -\$2,086,323 for 12/31/2017.
- d. PSO's PSI 2018 expense for the PSI Plan was \$486,098. See GDS 1-75 Attachment 1 for the FERC Account(s) PSO's PSI Plan expenses were recorded to.
- e. This balance relates to a payroll-related expense for employees in all three functions, so labor is the most appropriate allocator.
- f. This liability is an accrual related to historical payroll activity, not a reserve or a contingent liability, and thus is not an unfunded reserve as defined on WS R.

Preparer of Response: Brian T. Lysiak

Preparer of Response: Allyson L. Keaton

Preparer of Response: Jeffrey S. Dornsife

Preparer of Response: Emily K. Brown

Preparer of Response: David A. Hodgson

Date: 10/21/2019

**2018 AEP West True-up
FERC Docket No ER18-195**

**Responses to
Set GDS-1 of Data Requests**

Data Request GDS Set 1-76:

PSO In reference to PSO WS C-1 ADIT EOY, Deferred Income Tax Balances – GL A/C 190, Line # 613E, Accrued Book Vacation Pay (Excel row 124). Please provide the following:

- a. A detailed description of the underlying cost that is the basis for the \$2,330,258 ADIT balance that is being allocated to the transmission formula rate using the Labor allocator;
- b. The accrued balance of the underlying Accrued Book Vacation Pay as of 12/31/2018 and the FERC Account to which the accrued balance is recorded;
- c. The accrued balance of the underlying Accrued Book Vacation Pay as of 12/31/2017 and the FERC Account to which the accrued balance is recorded;
- d. The amount of Vacation Pay expense in 2018, including the FERC Account(s) to which the expense was recorded;
- e. PSO's basis for allocating the Accrued Book Vacation Pay ADIT using the Labor allocator to the transmission formula rates; and
- f. PSO's basis for not including the underlying Accrued Book Vacation Pay unfunded reserve balance(s) in the calculation of the Unfunded Reserves as an adjustment to rate base.

Response:

- a. The description of Line # 613E, Accrued Book Vacation Pay is an employee benefit that for books is accrued but not deductible for tax until the benefit is paid out.
- b. The accrued balance of FERC Account 2420021 is -\$9,277,678 for 12/31/2018.
- c. The accrued balance of FERC Account 2420021 is -\$9,423,338 for 12/31/2017.
- d. PSO's Vacation Pay expense in 2018 was \$4,581,150. See GDS 1-76 Attachment 1 for the FERC Account(s) PSO's Vacation Pay 2018 expenses were recorded to. For part (d), these expense amounts represent the "as booked" to PSO and would not account for any amounts PSO billed to other AEP affiliates and/or third parties for jointly owned assets.
- e. This balance relates to a payroll-related expense for employees in all three functions, so labor is the most appropriate allocator.
- f. This liability is an accrual related to historical payroll activity, not a reserve or a contingent liability, and thus is not an unfunded reserve as defined on WS R.

Preparer of Response: Brian T. Lysiak

Preparer of Response: Allyson L. Keaton

Preparer of Response: Jeffrey S. Dornsife

Preparer of Response: Emily K. Brown

Preparer of Response: David A. Hodgson

Date:

10/21/2019

**2018 AEP West True-up
FERC Docket No ER18-195**

**Responses to
Set GDS-1 of Data Requests**

Data Request GDS Set 1-77:

PSO In reference to PSO WS C-1 ADIT EOY, Deferred Income Tax Balances – GL A/C 190, Line # 613K, (ICVP) – Incentive Comp Deferral Plan (Excel row 125). Please provide the following:

- a. A detailed description of the underlying cost that is the basis for the \$1,593,604 ADIT balance that is being allocated to the transmission formula rate using the Labor allocator;
- b. The accrued balance of the underlying Incentive Comp Deferral Plan as of 12/31/2018 and the FERC Account to which the accrued balance is recorded;
- c. The accrued balance of the underlying Incentive Comp Deferral Plan as of 12/31/2017 and the FERC Account to which the accrued balance is recorded;
- d. The amount of Incentive Comp Deferral Plan expense in 2018, including the FERC Account(s) to which the expense was recorded;
- e. PSO's basis for allocating the Incentive Comp Deferral Plan ADIT using the Labor allocator to the transmission formula rates; and
- f. PSO's basis for not including the underlying Incentive Comp Deferral Plan unfunded reserve balance(s) in the calculation of the Unfunded Reserves as an adjustment to rate base.

Response:

- a. The description of Line # 613E, Incentive Comp Deferral Plan is deferred for book but not for tax.
- b. The accrued balance of FERC Account 2283013 is -\$660,860 for 12/31/2018.
- c. The accrued balance of FERC Account 2283013 is -\$2,337,872 for 12/31/2017.
- d. The PSO Incentive Comp Deferral Plan expense for 2018 was \$74,539 and was recorded to FERC Account 9260036.
- e. This balance relates to a payroll-related expense for employees in all three functions, so labor is the most appropriate allocator.
- f. This liability is an accrual related to historical payroll activity, not a reserve or a contingent liability, and thus is not an unfunded reserve as defined on WS R.

Preparer of Response: Brian T. Lysiak

Preparer of Response: Allyson L. Keaton

Preparer of Response: Jeffrey S. Dornsife

Preparer of Response: Emily K. Brown

Preparer of Response: David A. Hodgson

Date: 10/21/2019

**2018 AEP West True-up
FERC Docket No ER18-195**

**Responses to
Set GDS-1 of Data Requests**

Data Request GDS Set 1-78:

PSO In reference to PSO WS C-1 ADIT EOY, Deferred Income Tax Balances – GL A/C 190, Line # 613Y, Accrued Bk Severance Benefits (Excel row 126). Please provide the following:

- a. A detailed description of the underlying cost that is the basis for the \$136,811 ADIT balance that is being allocated to the transmission formula rate using the Labor allocator;
- b. The accrued balance of the underlying Accrued Bk Severance Benefits as of 12/31/2018 and the FERC Account to which the accrued balance is recorded;
- c. The accrued balance of the underlying Accrued Bk Severance Benefits as of 12/31/2017 and the FERC Account to which the accrued balance is recorded;
- d. The amount of Bk Severance Benefits expense in 2018, including the FERC Account(s) to which the expense was recorded;
- e. PSO's basis for allocating the Bk Severance Benefits ADIT using the Labor allocator to the transmission formula rates; and
- f. PSO's basis for not including the underlying Accrued Bk Severance Benefits unfunded reserve balance(s) in the calculation of the Unfunded Reserves as an adjustment to rate base.

Response:

- a. The description of Line # 613Y, Accrued Bk Severance Benefits is employee benefits that is accrued for book but not deductible for tax until it is paid.
- b. The accrued balance of FERC Account 2360038 is -\$268,165 for 12/31/2018.
- c. The accrued balance of FERC Account 2360038 is \$0 for 12/31/2017.
- d. The PSO FICA Expense related to Severance for 2018 was \$41,887 and was recorded to FERC Account 4081002.
- e. This balance relates to a payroll-related expense for employees in all three functions, so labor is the most appropriate allocator.
- f. This liability is an accrual related to historical payroll activity, not a reserve or a contingent liability, and thus is not an unfunded reserve as defined on WS R.

Preparer of Response: Brian T. Lysiak

Preparer of Response: Allyson L. Keaton

Preparer of Response: Jeffrey S. Dornsife

Preparer of Response: Emily K. Brown

Preparer of Response: David A. Hodgson

Date: 10/21/2019

**2018 AEP West True-up
FERC Docket No ER18-195**

**Responses to
Set GDS-1 of Data Requests**

Data Request GDS Set 1-79:

PSO In reference to PSO WS C-1 ADIT EOY, Row 131 - 6150 BK DFL RAIL TRANS REV/EXP, please provide a detailed description of what this line represents and identify what FERC Account(s) the underlying expenses associated with this ADIT item are recorded.

Response:

The description of Line # 6150, Book Deferral Rail Transmission Revenue/Expense is not included in Formula Rates.

Preparer of Response: Monica R. Parker

Preparer of Response: Allyson L. Keaton

Preparer of Response: Jeffrey S. Dornsife

Preparer of Response: Emily K. Brown

Preparer of Response: David A. Hodgson

Date: 10/21/2019

**2018 AEP West True-up
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**Responses to
Set GDS-1 of Data Requests**

Data Request GDS Set 1-80:

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 133). Please provide the following:

- a. A detailed description of the underlying cost that is the basis for the \$186,960 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.

Response:

- a. The description of Line #641I, Advance Rental Inc is deferred rental income for T.V Pole attachments.
- b. The underlying activity for this item is pole attachment revenue.
- c. This item is all distribution related and should have been excluded on WS C-1.

Preparer of Response: Allyson L. Keaton

Preparer of Response: Jeffrey S. Dornsife

Preparer of Response: Emily K. Brown

Preparer of Response: David A. Hodgson

Date: 10/21/2019

**2018 AEP West True-up
FERC Docket No ER18-195**

**Responses to
Set GDS-1 of Data Requests**

Data Request GDS Set 1-81:

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 138). Please provide the following:

- a. A detailed description of the underlying cost that is the basis for the \$1,009 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 Prof Services Capitalized-Tx has been recognized; and
- c. 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 requested information is not readily available.
- c. This item is applicable to all three functions.

Preparer of Response: Allyson L. Keaton

Preparer of Response: Jeffrey S. Dornsife

Preparer of Response: Emily K. Brown

Preparer of Response: David A. Hodgson

Date: 10/21/2019

**2018 AEP West True-up
FERC Docket No ER18-195**

**Responses to
Set GDS-1 of Data Requests**

Data Request GDS Set 1-82:

PSO In reference to PSO WS C-1 ADIT EOY, Deferred Income Tax Balances – GL A/C 190, Line # 906K, Accrd SFAS 112 Pst Employ Ben (Excel row 140). Please provide the following:

- a. A detailed description of the underlying cost that is the basis for the \$672,069 ADIT balance that is being allocated to the transmission formula rate using the Labor allocator;
- b. The accrued balance of the underlying Accrd SFAS 112 Pst Employ Ben as of 12/31/2018 and the FERC Account to which the accrued balance is recorded;
- c. The accrued balance of the underlying Accrd SFAS 112 Pst Employ Ben as of 12/31/2017 and the FERC Account to which the accrued balance is recorded;
- d. The amount of SFAS 112 Pst Employ Ben expense in 2018, including the FERC Account(s) to which the expense was recorded;
- e. PSO's basis for allocating the SFAS 112 Pst Employ Ben ADIT using the Labor allocator to the transmission formula rates; and
- f. PSO's basis for not including the underlying Accrd SFAS 112 Pst Employ Ben unfunded reserve balance(s) in the calculation of the Unfunded Reserves as an adjustment to rate base.

Response:

- a. The description of Line # 906K, Accrd SFAS 112 Pst Employ Ben is an employee benefits that is accrued for book but not deductible for tax until it is paid.
- b. The accrued balance of FERC Accounts 2283005 & 2420027 is -\$3,156,141 for 12/31/2018.
- c. The accrued balance of FERC Accounts 2283005 & 2420027 is -\$4,019,748 for 12/31/2017.
- d. The amount of SFAS 112 Post Employment Benefits expensed in 2018 to Account 9260040 was (\$863,607).
- e. This balance relates to a payroll-related expense for employees in all three functions, so labor is the most appropriate allocator.
- f. This liability is an accrual related to historical payroll activity, not a reserve or a contingent liability, and thus is not an unfunded reserve as defined on WS R.

Preparer of Response: Brian T. Lysiak

Preparer of Response: Allyson L. Keaton

Preparer of Response: Jeffrey S. Dornsife

Preparer of Response: Emily K. Brown

Preparer of Response: David A. Hodgson

Date: 10/21/2019

**2018 AEP West True-up
FERC Docket No ER18-195**

**Responses to
Set GDS-1 of Data Requests**

Data Request GDS Set 1-83:

PSO In reference to PSO WS C-1 ADIT EOY, Deferred Income Tax Balances – GL A/C 190, Line # 911F, FIN 48 DSIT (Excel row 142). Please provide the following:

- a. A detailed description of the underlying cost that is the basis for the \$162,824 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 FIN 48 DSIT has been recognized; and
- c. PSO's basis for allocating the FIN 48 DSIT ADIT using the Plant allocator to the transmission formula rates.

Response:

- a. The description of Line # 911F, FIN 48 DSIT, is an accounting entry related to deferred state income tax provisions.
- b. The term FIN 48 DSIT is the name of the book/tax difference in the tax accounting system. The state income tax expense to which this relates is part of income tax expense in the formula rate.
- c. State income taxes apply to all three functions and are not payroll related and thus the plant allocator is the proper allocator.

Preparer of Response: Allyson L. Keaton

Preparer of Response: Jeffrey S. Dornsife

Preparer of Response: Emily K. Brown

Date: 10/21/2019

**2018 AEP West True-up
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**Responses to
Set GDS-1 of Data Requests**

Data Request GDS Set 1-84:

PSO In reference to PSO WS C-1 ADIT EOY, Deferred Income Tax Balances – GL A/C 190, Line # 911Q-DSIT, DSIT Entry - Normalized (Excel row 143). Please provide the following:

- a. A detailed description of the underlying cost that is the basis for the \$36,003,054 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 DSIT Entry - Normalized has been recognized; and
- c. PSO's basis for allocating the DSIT Entry - Normalized ADIT using the Plant allocator to the transmission formula rates.

Response:

- a. The description of Line # 911Q-DSIT is state deferreds on income taxes.
- b. The state income tax expense to which this relates is part of income tax expense in the formula rate.
- c. State income taxes apply to all three functions and are not payroll related and thus the plant allocator is the proper allocator.

Preparer of Response: Allyson L. Keaton

Preparer of Response: Jeffrey S. Dornsife

Preparer of Response: Emily K. Brown

Date: 10/21/2019

**2018 AEP West True-up
FERC Docket No ER18-195**

**Responses to
Set GDS-1 of Data Requests**

Data Request GDS Set 1-85:

PSO In reference to PSO WS C-1 ADIT EOY, Deferred Income Tax Balances – GL A/C 190, Line # 940X, IRS Capitalization Adjustment (Excel row 148). Please provide the following:

- a. A detailed description of the underlying cost that is the basis for the \$288,501 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 IRS Capitalization Adjustment has been recognized; and
- c. PSO's basis for allocating the IRS Capitalization Adjustment for Tax ADIT using the Plant allocator to the transmission formula rates.

Response:

- a. The description of Line # 940X, IRS Capitalized Adjustment is IRS adjustments that are capitalized for tax.
- b. The state income tax expense to which this relates is part of income tax expense in the formula rate.
- c. State income taxes apply to all three functions and are not payroll related and thus the plant allocator is the proper allocator.

Preparer of Response: Allyson L. Keaton

Preparer of Response: Jeffrey S. Dornsife

Preparer of Response: Emily K. Brown

Date: 10/21/2019

**2018 AEP West True-up
FERC Docket No ER18-195**

**Responses to
Set GDS-1 of Data Requests**

Data Request GDS Set 1-98:

OKT In reference to OKT WS C-1 ADIT EOY, Deferred Income Tax Balances – GL A/C 283, Line # 960F-XS, Excess ADFIT 283 Unprotected (Excel row 33). Please provide the following:

- a. A detailed description of the underlying costs that are the basis for the \$4,975,441 ADIT balance that is being directly assigned to the transmission formula rate from WS C-4;
- b. A detailed description of where in the transmission formula rate each of the underlying costs for this Excess ADFIT 283 Unprotected have been recognized; and
- c. OKT's basis for allocating each of the Excess ADFIT 283 Unprotected ADIT items which comprise the total directly to the transmission formula rates.

Response:

- a. The underlying costs in Line # 960F-XS, Excess ADFIT 283 Unprotected are deferred book-to-tax differences that are not property related.
- b. See the response to GDS 1-70.
- c. OKT is a transmission only company and this is not payroll related so 100% Transmission is the correct allocator.

Supplemental Response:

Please refer to GDS 1-98 Attachment 1.

Preparer of Response: Rhoderick C. Griffin

Preparer of Response: Allyson L. Keaton

Preparer of Response: Jeffrey S. Dornsife

Preparer of Response: Emily K. Brown

Date: 10/21/2019

**2018 AEP West True-up
FERC Docket No ER18-195**

**Responses to
Set GDS-1 of Data Requests**

Data Request GDS Set 1-133:

SWEPSCO In reference to SWEPSCO WS C-1 ADIT EOY, Deferred Income Tax Balances – GL A/C 282, Line # 960F-, XS EXCESS ADFIT 282 PROTECTED (Excel rows 45 through 49). Please provide the following:

- a. A detailed description of the underlying costs that are the basis for the \$(390,144,030) ADIT balance that is being excluded to the transmission formula rate from WS C-4;
- b. A detailed description of what FERC Account(s) each of the underlying costs for this Excess ADFIT 283 Unprotected in (a) above have been recognized; and
- c. A detailed description of the underlying costs that are the basis for the \$(90,530,656) ADIT balance that is being directly assigned to the transmission formula rate from WS C-4;
- d. A detailed description of where in the transmission formula rate each of the underlying costs for this Excess ADFIT 283 Protected in (c) above have been recognized; and
- e. SWEPSCO's basis for allocating each of the Excess ADFIT 283 Protected ADIT items which comprise to "excluded" or directly to the transmission formula rates.

Response:

- a. See response to GDS 1-68 a.
- b. See response to GDS 1-68 b.
- c. See response to GDS 1-68 c.
- d. See response to GDS 1-68 d.
- e. See response to GDS 1-68 e.

Supplemental Response:

Please refer to GDS 1-133 Attachment 1.

Preparer of Response: Allyson L. Keaton

Preparer of Response: Jeffrey S. Dornsife

Preparer of Response: David A. Hodgson

Date: 10/21/2019

**2018 AEP West True-up
FERC Docket No ER18-195**

**Responses to
Set GDS-1 of Data Requests**

Data Request GDS Set 1-135:

SWEPSCO In reference to SWEPSCO WS C-1 ADIT EOY, Deferred Income Tax Balances – GL A/C 283, Line # 630M, RATE CASE DEFD CHGS (Excel row 74), please state what rate case this line item represents and identify what FERC Account(s) the underlying expenses related to this item have been recorded.

Response:

Line # 630M, Rate Case Defd Chgs represents the following rate cases for year end 2018: 40443 SWEPSCO Base Case, SWEPSCO 2016 Rate Case, 47141 SWEPSCO Base Case, and Arkansas SWEPSCO Base Case. The underlying expense related to this item is FERC Account 928.

Preparer of Response: Monica R. Parker

Preparer of Response: Allyson L. Keaton

Preparer of Response: Jeffrey S. Dornsife

Preparer of Response: David A. Hodgson

Date: 10/21/2019

**2018 AEP West True-up
FERC Docket No ER18-195**

**Responses to
Set GDS-1 of Data Requests**

Data Request GDS Set 1-136:

SWEPSCO In reference to SWEPSCO WS C-1 ADIT EOY, Deferred Income Tax Balances – GL A/C 283, Line # 661T, REG ASSET-SFAS 158 - OPEB (Excel row 82), please identify what FERC Account(s) the underlying expenses related to this item have been recorded.

Response:

For Line # 661T, REG ASSET-SFAS 158 -OPEB, there is not an associated income statement account that drives this line item. The offsetting items are balance sheet items that are excluded from the formula rate.

Preparer of Response: Russell G. Doyle

Preparer of Response: Allyson L. Keaton

Preparer of Response: Jeffrey S. Dornsife

Preparer of Response: David A. Hodgson

Date: 10/21/2019

**2018 AEP West True-up
FERC Docket No ER18-195**

**Responses to
Set GDS-1 of Data Requests**

Data Request GDS Set 1-140:

SWEPSCO In reference to SWEPSCO WS C-1 ADIT EOY, Deferred Income Tax Balances – GL A/C 190, Line # 602A, Prov Worker’s Comp (Excel row 139). Please provide the following:

- a. A detailed description of the underlying cost that is the basis for the \$308,381 ADIT balance that is being allocated to the transmission formula rate using the Labor allocator;
- b. The accrued balance of the underlying Prov Worker’s Comp as of 12/31/2018 and the FERC Account to which the accrued balance is recorded;
- c. The accrued balance of the underlying Prov Worker’s Comp as of 12/31/2017 and the FERC Account to which the accrued balance is recorded;
- d. The amount of Worker’s Comp expense in 2018, including the FERC Account(s) to which the expense was recorded;
- e. SWEPSCO’s basis for allocating the Worker’s Comp ADIT using the Labor allocator to the transmission formula rates;
- f. A detailed explanation for the Prov Worker’s Comp ADIT balance of \$136,971 exceeding the total balance of the Accm Prv I/D – Worker’s Com 12/31/2018 balance of \$88,313 from Account 228.2 reflected in PSO WS R Unfunded Reserves; and
- g. SWEPSCO’s basis for not including the 100% of the underlying Accrued Worker’s Comp unfunded reserve balance(s) in the calculation of the Unfunded Reserves as an adjustment to rate base.

Response:

- a. See response to GDS 1-72
- b. The accrued balance of FERC Accounts 2282003, 2420532, and 2420558 is -\$1,468,478 for 12/31/2018.
- c. The accrued balance of FERC Accounts 2282003, 2420532, and 2420558 is -\$469,099 for 12/31/2017.
- d. The expense related to workers compensation is recorded in account 9250006 was \$1,314,220.
- e. This balance relates to a payroll-related expense for employees in all three functions, so labor is the most appropriate allocator.
- f. Amounts in the question are the PSO question 1-72 amounts, not the SWEPSCO amounts. The difference for SWEPSCO is similar to the response 1-72 f.
- g. The workers compensation provision recorded in 2282003 is in fact included on WS R as an unfunded reserve. Unfunded reserves as defined on WS R excludes 242 accounts.

Preparer of Response: Monica R. Parker

Preparer of Response: Allyson L. Keaton

Preparer of Response: Jeffrey S. Dornsife

Preparer of Response: David A. Hodgson

Date: 10/21/2019

**2018 AEP West True-up
FERC Docket No ER18-195**

**Responses to
Set GDS-1 of Data Requests**

Data Request GDS Set 1-143:

SWEPSCO In reference to SWEPSCO WS C-1 ADIT EOY, Deferred Income Tax Balances – GL A/C 190, Line # 6050, Accrued PSI Plan Exp (Excel row 145). Please provide the following:

- a. A detailed description of the underlying cost that is the basis for the \$351,230 ADIT balance that is being allocated to the transmission formula rate using the Labor allocator;
- b. The accrued balance of the underlying Accrued PSI Plan Exp as of 12/31/2018 and the FERC Account to which the accrued balance is recorded;
- c. The accrued balance of the underlying Accrued PSI Plan Exp as of 12/31/2017 and the FERC Account to which the accrued balance is recorded;
- d. The amount of PSI Plan expense in 2018, including the FERC Account(s) to which the expense was recorded;
- e. SWEPSCO's basis for allocating the Accrued PSI Plan Exp ADIT using the Labor allocator to the transmission formula rates; and
- f. SWEPSCO's basis for not including the underlying Accrued PSI Plan Exp unfunded reserve balance(s) in the calculation of the Unfunded Reserves as an adjustment to rate base.

Response:

- a. See the response to GDS 1-75 subpart a.
- b. The accrued balance of FERC Accounts 2283007 and 2420053 is -\$1,724,272 for 12/31/2018.
- c. The accrued balance of FERC Accounts 2283007 and 2420053 is -\$3,384,613 for 12/31/2017.
- d. SWEPSCO's PSI 2018 expense for the PSI Plan was \$622,724. Please refer to GDS 1-143 Attachment 1 for the FERC Account(s) to which SWEPSCO's PSI Plan expenses were recorded.
- e. This balance relates to a payroll-related expense for employees in all three functions, so labor is the most appropriate allocator.
- f. See the response to GDS 1-75.

Preparer of Response: Monica R. Parker

Preparer of Response: Brian T. Lysiak

Preparer of Response: Allyson L. Keaton

Preparer of Response: Jeffrey S. Dornsife

Preparer of Response: David A. Hodgson

Date: 10/21/2019

**2018 AEP West True-up
FERC Docket No ER18-195**

**Responses to
Set GDS-1 of Data Requests**

Data Request GDS Set 1-144:

SWEPSCO In reference to SWEPSCO WS C-1 ADIT EOY, Deferred Income Tax Balances – GL A/C 190, Line # 612Y, ACCRD COMPANYWIDE INCENTV PLAN (Excel row 152). Please provide the following:

- a. A detailed description of the underlying cost that is the basis for the \$3,563,460 ADIT balance that is being allocated to the transmission formula rate using the Labor allocator;
- b. The accrued balance of the underlying ACCRD COMPANYWIDE INCENTV PLAN as of 12/31/2018 and the FERC Account to which the accrued balance is recorded;
- c. The accrued balance of the underlying ACCRD COMPANYWIDE INCENTV PLAN as of 12/31/2017 and the FERC Account to which the accrued balance is recorded;
- d. The amount of ACCRD COMPANYWIDE INCENTV PLAN expense in 2018, including the FERC Account(s) to which the expense was recorded;
- e. SWEPSCO's basis for allocating the ACCRD COMPANYWIDE INCENTV PLAN ADIT using the Labor allocator to the transmission formula rates; and
- f. SWEPSCO's basis for not including the underlying ACCRD COMPANYWIDE INCENTV PLAN unfunded reserve balance(s) in the calculation of the Unfunded Reserves as an adjustment to rate base.

Response:

- a. The description of Line # 612Y is an employee performance plan that is not deductible for tax until the benefit is paid.
- b. The accrued balance of FERC Accounts 2420076, 2420623, 2420624, 2420635, and 2420660 is -\$16,117,024 for 12/31/2018.
- c. The accrued balance of FERC Accounts 2420076, 2420623, 2420624, 2420635, and 2420660 is -\$8,960,631 for 12/31/2017.
- d. SWEPSCO's Company wide Incentive Plan (Annual Plan) 2018 expense was \$9,958,321. Please refer to GDS 1-144 Attachment 1 for the FERC Account(s) to which SWEPSCO's Company wide Incentive Plan (Annual Plan) 2018 expenses were recorded.
- e. This balance relates to a payroll-related expense for employees in all three functions, so labor is the most appropriate allocator.
- f. See the response to GDS 1-100.

Preparer of Response: Monica R. Parker

Preparer of Response: Brian T. Lysiak

Preparer of Response: Allyson L. Keaton

Preparer of Response: Jeffrey S. Dornsife

Preparer of Response: David A. Hodgson

Date: 10/21/2019

**2018 AEP West True-up
FERC Docket No ER18-195**

**Responses to
Set GDS-1 of Data Requests**

Data Request GDS Set 1-145:

SWEPSCO In reference to SWEPSCO WS C-1 ADIT EOY, Deferred Income Tax Balances – GL A/C 190, Line # 613C, ACCRD ENVIRONMENTAL LIAB-CURRENT (Excel row 153), please identify what FERC Account(s) the underlying expenses related to this item have been recorded.

Response:

SWEPSCO records the expense related to the Accrued Environmental Liability in account 5880000-Miscellaneous Distribution Expense.

Preparer of Response: Monica R. Parker

Preparer of Response: Allyson L. Keaton

Preparer of Response: Jeffrey S. Dornsife

Preparer of Response: David A. Hodgson

Date: 10/21/2019

**2018 AEP West True-up
FERC Docket No ER18-195**

**Responses to
Set GDS-1 of Data Requests**

Data Request GDS Set 1-146:

SWEPSCO In reference to SWEPSCO WS C-1 ADIT EOY, Deferred Income Tax Balances – GL A/C 190, Line # 613E, Accrued Book Vacation Pay (Excel row 154). Please provide the following:

- a. A detailed description of the underlying cost that is the basis for the \$2,201,134 ADIT balance that is being allocated to the transmission formula rate using the Labor allocator;
- b. The accrued balance of the underlying Accrued Book Vacation Pay as of 12/31/2018 and the FERC Account to which the accrued balance is recorded;
- c. The accrued balance of the underlying Accrued Book Vacation Pay as of 12/31/2017 and the FERC Account to which the accrued balance is recorded;
- d. The amount of Vacation Pay expense in 2018, including the FERC Account(s) to which the expense was recorded;
- e. SWEPSCO's basis for allocating the Accrued Book Vacation Pay ADIT using the Labor allocator to the transmission formula rates; and
- f. SWEPSCO's basis for not including the underlying Accrued Book Vacation Pay unfunded reserve balance(s) in the calculation of the Unfunded Reserves as an adjustment to rate base.

Response:

- a. See the response to GDS 1-76 subpart a.
- b. The accrued balance of FERC Account 2420021 is -\$12,023,054 for 12/31/2018.
- c. The accrued balance of FERC Accounts 2420021 is -\$12,207,438 for 12/31/2017.
- d. SWEPSCO's Vacation Pay expense in 2018 was \$6,428,309. Please refer to GDS 1-146 Attachment 1 for the FERC Account(s) to which SWEPSCO's 2018 Vacation Pay expenses were recorded.
- e. This balance relates to a payroll-related expense for employees in all three functions, so labor is the most appropriate allocator.
- f. See the response to GDS 1-76.

Preparer of Response: Monica R. Parker

Preparer of Response: Shannon D. Liggett

Preparer of Response: Christine M. Jacko

Preparer of Response: Brian T. Lysiak

Preparer of Response: Allyson L. Keaton

Preparer of Response: Jeffrey S. Dornsife

Preparer of Response: David A. Hodgson

Date: 10/21/2019

**2018 AEP West True-up
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**Responses to
Set GDS-1 of Data Requests**

Data Request GDS Set 1-147:

SWEPSCO In reference to SWEPSCO WS C-1 ADIT EOY, Deferred Income Tax Balances – GL A/C 190, Line # 613K, (ICDP) – Incentive Comp Deferral Plan (Excel row 156). Please provide the following:

- a. A detailed description of the underlying cost that is the basis for the \$24,514 ADIT balance that is being allocated to the transmission formula rate using the Labor allocator;
- b. The accrued balance of the underlying Incentive Comp Deferral Plan as of 12/31/2018 and the FERC Account to which the accrued balance is recorded;
- c. The accrued balance of the underlying Incentive Comp Deferral Plan as of 12/31/2017 and the FERC Account to which the accrued balance is recorded;
- d. The amount of Incentive Comp Deferral Plan expense in 2018, including the FERC Account(s) to which the expense was recorded;
- e. SWEPSCO's basis for allocating the Incentive Comp Deferral Plan ADIT using the Labor allocator to the transmission formula rates; and
- f. SWEPSCO's basis for not including the underlying Incentive Comp Deferral Plan unfunded reserve balance(s) in the calculation of the Unfunded Reserves as an adjustment to rate base.

Response:

- a. See the response to GDS 1-77 subpart a.
- b. The accrued balance of FERC Account 2283013 is -\$125,829 for 12/31/2018.
- c. The accrued balance of FERC Account 2283013 is -\$102,943 for 12/31/2017.
- d. The SWEPSCO Incentive Comp Deferral Plan expense for 2018 was a credit of (\$5,771) and was recorded to FERC Account 9260036.
- e. This balance relates to a payroll-related expense for employees in all three functions, so labor is the most appropriate allocator.
- f. See the response to GDS 1-77.

Preparer of Response: Monica R. Parker

Preparer of Response: Brian T. Lysiak

Preparer of Response: Allyson L. Keaton

Preparer of Response: Jeffrey S. Dornsife

Preparer of Response: David A. Hodgson

Date: 10/21/2019

**2018 AEP West True-up
FERC Docket No ER18-195**

**Responses to
Set GDS-1 of Data Requests**

Data Request GDS Set 1-148:

SWEPSCO In reference to SWEPSCO WS C-1 ADIT EOY, Deferred Income Tax Balances – GL A/C 190, Line # 641I, Advance Rental Inc (Cur Mo) (Excel row 133). Please provide the following:

- a. A detailed description of the underlying cost that is the basis for the \$232,748 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. SWEPSCO's basis for allocating the Advance Rental Inc (Cur Mo) ADIT using the Plant allocator to the transmission formula rates.

Response:

- a. See the response to GDS 1-80 a.
- b. See the response to GDS 1-80 b.
- c. See the response to GDS 1-80 c.

Preparer of Response: Allyson L. Keaton

Preparer of Response: Jeffrey S. Dornsife

Preparer of Response: David A. Hodgson

Date: 10/21/2019

**2018 AEP West True-up
FERC Docket No ER18-195**

**Responses to
Set GDS-1 of Data Requests**

Data Request GDS Set 1-149:

SWEPSCO In reference to SWEPSCO WS C-1 ADIT EOY, Deferred Income Tax Balances – GL A/C 190, Line # 940X, IRS Capitalization Adjustment (Excel row 198). Please provide the following:

- a. A detailed description of the underlying cost that is the basis for the \$363,635 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 IRS Capitalization Adjustment has been recognized; and
- c. SWEPSCO's basis for allocating the IRS Capitalization Adjustment for Tax ADIT using the Plant allocator to the transmission formula rates.

Response:

- a. See the response to GDS 1-85 a.
- b. See the response to GDS 1-85 b.
- c. See the response to GDS 1-85 c.

Preparer of Response: Allyson L. Keaton

Preparer of Response: Jeffrey S. Dornsife

Preparer of Response: David A. Hodgson

Date: 10/21/2019

**2018 AEP West True-up
FERC Docket No ER18-195**

**Responses to
Set GDS-1 of Data Requests**

Data Request GDS Set 1-150:

SWEPSCO In reference to SWEPSCO WS C-1 ADIT EOY, Deferred Income Tax Balances – GL A/C 282, Row 50 and 51, please provide an explanation and reconciliation as to why the components that total this account on Row 50 equal \$(1,356,817,389) compared to the FERC Form 1 amounts shown on Row 51 of \$(1,366,840,207).

Response:

The beginning year ADIT balances from the FERC Form 1 did not reflect the excess ADIT created by the Tax Cuts and Jobs Act (TCJA) because journal entries to reflect protected and unprotected ADIT were recorded through-out 2018 and in January 2019. Further, the settlement in Docket Nos. ER18-194 and ER18-195 called for an amortization of the transmission-functional unprotected ADIT over 5 years, while SWEPSCO's other jurisdictions determined different periods for amortizations.

To account for these differences between book values and ratemaking, Worksheet C-4 was used to determine beginning balances excess ADIT based upon AEP's final determination of the unprotected/protected split of the Excess as follows:

- The beginning transmission-functional balances of the Excess ADIT on Line 1 of WS C-4 represents the final balances of Excess ADIT as determined by the final TCJA entries in January 2019.
- The 2018 annual amortization for unprotected excess is equal to one fifth of the total unprotected beginning balance and the 2018 annual protected excess is the per books amortization.
- The 2018 ending transmission-functional balances are calculated by subtracting one year's amortization of from the beginning balances.
- All other Excess ADIT are considered excludable as they are not included in the transmission-functional balances.

Preparer of Response: Jeffrey S. Dornsife

Date: 10/21/2019

**2018 AEP West True-up
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**Responses to
Set GDS-1 of Data Requests**

Data Request GDS Set 1-151:

SWEPSCO In reference to SWEPSCO WS C-1 ADIT EOY, Deferred Income Tax Balances – GL A/C 283, Row 108 and 109, please provide an explanation and reconciliation as to why the components that total this account on Row 108 equal \$(57,746,372) compared to the FERC Form 1 amounts shown on Row 109 of \$(72,816,095).

Response:

Please see the response to GDS 1-150.

Preparer of Response: Allyson L. Keaton

Preparer of Response: Jeffrey S. Dornsife

Preparer of Response: David A. Hodgson

Date: 10/21/2019

**2018 AEP West True-up
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**Responses to
Set GDS-1 of Data Requests**

Data Request GDS Set 1-162:

SWT In reference to SWT WS C-1 ADIT EOY, Deferred Income Tax Balances – GL A/C 282, Line # 960F-, XS EXCESS ADFIT 282 UNPROTECTED (Excel row 14). Please provide the following:

- a. A detailed description of the underlying costs that are the basis for the \$(417) ADIT balance that is being excluded to the transmission formula rate from WS C-4;
- b. A detailed description of what FERC Account(s) each of the underlying costs for this Excess ADFIT 282 Unprotected in (a) above have been recognized; and
- c. A detailed description of the underlying costs that are the basis for the \$250 ADIT balance that is being directly assigned to the transmission formula rate from WS C-4;
- d. A detailed description of where in the transmission formula rate each of the underlying costs for this Excess ADFIT 282 Unprotected in (c) above have been recognized; and
- e. SWT's basis for allocating each of the Excess ADFIT 282 Unprotected ADIT items which comprise to "excluded" or directly to the transmission formula rates.

Response:

- a. - b. See the response to GDS 1-69.
- c. Please refer to GDS 1-164 Attachment 1.
- d. - e. See the response to GDS 1-69.

Preparer of Response: Allyson L. Keaton

Preparer of Response: Jeffrey S. Dornsife

Preparer of Response: Emily K. Brown

Preparer of Response: David A. Hodgson

Date: 10/21/2019

**2018 AEP West True-up
FERC Docket No ER18-195**

**Responses to
Set GDS-1 of Data Requests**

Data Request GDS Set 1-163:

SWT In reference to SWT WS C-1 ADIT EOY, Deferred Income Tax Balances – GL A/C 283, Line # 911Q-DSIT, DSIT Entry - Normalized (Excel row 24). Please provide the following:

- a. A detailed description of the underlying cost that is the basis for the \$7,354 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 DSIT Entry - Normalized has been recognized; and
- c. SWT's basis for allocating the DSIT Entry - Normalized ADIT using the 100% Transmission allocator.

Response:

- a. See response to GDS 1-101 subpart a.
- b. See response to GDS 1-101 subpart b.
- c. See response to GDS 1-101 subpart c.

Preparer of Response: Allyson L. Keaton

Preparer of Response: Jeffrey S. Dornsife

Preparer of Response: Emily K. Brown

Preparer of Response: David A. Hodgson

Date: 10/21/2019

**2018 AEP West True-up
FERC Docket No ER18-195**

**Responses to
Set GDS-1 of Data Requests**

Data Request GDS Set 1-164:

SWTIn reference to PSO WS C-1 ADIT EOY, Deferred Income Tax Balances – GL A/C 283, Line # 960F-XS, Excess ADFIT 282 Unprotected (Excel row 26). Please provide the following:

- a. Verify that this line item represents ADFIT 283 and not 282 as described in the title.
- b. A detailed description of the underlying costs that are the basis for the \$7,198 ADIT balance that is being directly assigned to the transmission formula rate from WS C-4;
- c. A detailed description of where in the transmission formula rate each of the underlying costs for this Excess ADFIT 283 Unprotected have been recognized; and
- d. SWT's basis for allocating each of the Excess ADFIT 283 Unprotected ADIT items which comprise the total directly to the transmission formula rates.

Response:

- a. GL A/C 283, Line 960F-XS represents ADFIT 283.
- b. See GDS 1-164 Attachment 1.
- c. The requested information is not readily available.
- d. SWT is a transmission only company and this is not payroll related so 100% Transmission is the correct allocator.

Preparer of Response: Allyson L. Keaton

Preparer of Response: Jeffrey S. Dornsife

Preparer of Response: Emily K. Brown

Preparer of Response: David A. Hodgson

Date: 10/21/2019

**2018 AEP West True-up
FERC Docket No ER18-195**

**Responses to
Set GDS-1 of Data Requests**

Data Request GDS Set 1-165:

SWT In reference to SWT WS C-1 ADIT EOY, Deferred Income Tax Balances – GL A/C 190, Line # 612Y, Accrd Companywide Incentv Plan (Excel row 33). Please provide the following:

- a. A detailed description of the underlying cost that is the basis for the \$403 ADIT balance that is being allocated to the transmission formula rate using the Labor allocator;
- b. The accrued balance of the underlying Accrd Companywide Incentv Plan as of 12/31/2018 and the FERC Account to which the accrued balance is recorded;
- c. The accrued balance of the underlying Accrd Companywide Incentv Plan as of 12/31/2017 and the FERC Account to which the accrued balance is recorded;
- d. The amount of Accrd Companywide Incentv Plan expense in 2018, including the FERC Account(s) to which the expense was recorded;
- e. SWT's basis for allocating the Accrd Companywide Incentv Plan ADIT using the Labor allocator to the transmission formula rates; and
- f. SWT's basis for not including the underlying Accrd Companywide Incentv Plan unfunded reserve balance(s) in the calculation of the Unfunded Reserves as an adjustment to rate base.

Response:

- a. See the response to GDS 1-100 subpart a.
- b. See the response to GDS 1-100 subpart b.
- c. See the response to GDS 1-100 subpart c.
- d. See the response to GDS 1-100 subpart d.
- e. This balance relates to a payroll-related expense for employees in all three functions, so labor is the most appropriate allocator.
- f. This balance is an accrual related to historical payroll activity, not a reserve or a contingent liability, and thus is not an unfunded reserve as defined on WS R.

Preparer of Response: Allyson L. Keaton

Preparer of Response: Jeffrey S. Dornsife

Preparer of Response: Emily K. Brown

Preparer of Response: David A. Hodgson

Date: 10/21/2019