



SUBJECT: AEP West Operating Companies' and West Transmission Companies' 2020 Formula Rate True-up (Filed May 26, 2021) Discovery Responses to Joint Interveners First Set.

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
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Regulatory Case Manager
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**Discovery for 2020 ATRR True-up of Transmission Formula Rates in SPP
FERC Docket No ER18-194-000 and ER18-195-000 2020 ATRR**

**Responses to Multiple Intervenors
Set JI Set 1 of Data Requests**

Data Request 1:

GENERAL

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

Response:

The responses to data requests from other parties will be provided to GDS and West customers.

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Data Request 2:

GENERAL

Please identify by nature and amount any errors that AEP has identified in any of the 2021 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:

No revisions to the updates filed in 2021 have been made.

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Data Request 3:

GENERAL

For each OpCo and TransCo, in relation to “Goodwill,” please provide the following:

- a. Indicate whether “Goodwill” is reflected on the books of any of the OpCos or TransCos as of December 31, 2020. If so, please identify the relevant entity or entities, the transaction that generated the goodwill, and the balance sheet accounts used with the associated balance.
- b. Identify any goodwill adjustments or write-offs recorded to income statement accounts during 2020 related to goodwill recorded on the books of any OpCo, Transco, or other affiliate.
- c. 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, 2020. If so, please identify the relevant entity or entities, the basis for the goodwill or other intangible value reflected, and the amounts reflected.

Response:

The Operating Companies and TransCos do not have any "Goodwill" or similar items of intangible value as of December 31, 2020.

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Data Request 4:

GENERAL

Please identify all charitable donation expenditures incurred during 2020 and included in each OpCo and TransCo formula rate update. 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 2020;
- c. Identification of the FERC Account(s) to which AEP recorded the expenditure or donation and identify the associated OpCo or TransCo that recorded the cost;
- d. Identification of all expenditures incurred in 2020 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 2020 that have been included in any of the OpCo and/or TransCo formula rate updates, then please identify the FERC Account(s) where such expenses were booked and their associated amounts.

Response:

Charitable donation expenditures are recorded in FERC Account 426 for both Operating Companies and Transmission Companies. FERC Account 426 is not included in formula rates.

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Data Request 5:

GENERAL

Please identify all expenditures for lobbying and other civic, political and related activities incurred during 2020 and included in each OpCo and TransCo formula rate update. 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 2020;
- 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 2020 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 2020 that have been included in any of the OpCo and/or TransCo formula rate updates, then please identify the FERC Account(s) where such expenses were booked and their associated amounts.

Response:

Expenditures for lobbying and other civic, political and related activities are recorded in FERC Account 426 for both Operating Companies and Transmission Companies. FERC Account 426 is not included in formula rates.

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Data Request 6:

GENERAL

For each OpCo and TransCo, please identify the following related to major destructive events (i.e., storms, fires, etc.) in 2020:

- 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.
- e. Identify any instances where AEP did not seek insurance recovery of costs covered by insurance policies, provide the expense account used to record restoration costs, and the reasoning for not making an insurance claim.

Response:

During 2020, the OpCos and TransCos did not have any major destructive events.

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Data Request 7:

GENERAL

For each OpCo and Transo, please identify any components of Asset Retirement Obligations (ARO) costs included in the transmission formula rate. For purposes of this question, ARO costs include the following components: ARO asset, ARO accumulated depreciation, ARO liability, ARO depreciation and accretion expense, and ARO related deferred income taxes. In response, please provide by entity and by ARO category, the amount of ARO cost included in the 2021 formula rate update.

Response:

There are no AROs included in the 2021 formula rate update.

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Data Request 8:

GENERAL

Please provide a list of the pension contributions (by fund and amount contributed), including the total dollar amount of such contributions, made by each OpCo and TransCo during 2020 and 2021 to-date.

Response:

AEP contributed \$8,921,000 to SWEPCO and did not contribute to PSO in 2020. AEP has not contributed to the pension plan in 2021. The contributions were made to the AEP Pension trust held at Bank of New York Mellon.

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Data Request 9:

GENERAL

State whether AEP incurred or paid any monetary penalties for violations of NERC Reliability Standards during 2020. If so, please respond to the following:

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

Response:

- a. The Company did not pay any penalties for violations of NERC Reliability Standards in 2020.
- b. If a penalty were to be recorded, the Company would record the penalty in FERC Account 426.3, which is not included in the formula.
- c. Not applicable.
- d. See part b.

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Data Request 10:

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, and quantify any such amounts recorded by AEP by FERC Account during 2020. 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:

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

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Data Request 11:

GENERAL

In reference to the Prepaid Pension Benefits (*i.e.* Prepaid Pension Benefits and FAS 158 Qual Contra Asset) included in the December 31, 2020, balance for each of the AEP West OpCos shown on the “WS D – Working Capital” tab for each company, please provide the following:

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

Response:

- a. Please see JI-11 Attachment 1.xlsx for the 2020 Pension activity.
- b. Contributions to the AEP Pension plan are only made by AEP, employees do not make contributions.
- c. This account is the cumulative balance of contributions to the AEP Pension plan, net of actuarially determined costs.
- d. & e. Employer contributions to the AEP Pension are kept in a trust at Bank of New York Mellon. Employees do not make contributions to the AEP Pension plan.

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Data Request 12:

GENERAL

For each OpCo or TransCo, please identify any costs incurred in 2020 paid to an entity retained with a primary or secondary purpose of engaging with elected officials or persuading legislation that is recorded in operating expense accounts. For each cost identified, please provide:

- a. The name of the entity;
- b. A description of the cost sufficient to justify the accounting for the cost; and
- c. The amount incurred in 2020.

Response:

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

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Data Request 13:

GENERAL

For each OpCo and TransCo, please list any rental revenues earned on General Plant.

Response:

The West OpCo's and Transco's ledgers are not kept in a manner that identifies the plant account of an asset that has rental revenue associated with it. Therefore an all inclusive report of revenues earned on General Plant is not available.

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Data Request 14:

GENERAL

For each OpCo and Transco, please provide any accounting error detected after initial closing for the year end or quarterly reporting period during 2020 that were not corrected for FERC Form 1 reporting purposes and impact accounts used in the transmission formula rate. The response to this question should be inclusive of all items, whether considered material or not. In addition, the response should provide a description of the error, the change needed to correct the error, and the amount of the error.

Response:

See file 1-14 Attachment Query.

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Data Request 15:

GENERAL

For each OpCo or TransCo, please identify all electric storage battery projects included in rate base of the transmission formula rate. For each identified electric storage battery project, please provide the functional FERC plant account within the formula rate such amounts are included in and the docket number to any FERC proceeding supporting that the storage project supports a transmission classification.

Response:

There are no projects on any of the companies that meet the criteria defined in the question.

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Data Request 16:

GENERAL

In each OPCo and TransCo template, AEP has reported \$0 for both direct payroll and payroll billed from AEP Service Corp for Regional Market Labor. Please provide the following:

- a. The FERC accounts and associated amounts where the labor associated with regional market activities is recorded on each OpCo and TransCo.
- b. If AEPSC performs regional market activities on behalf of the OpCos and TransCos, please identify the associated labor amounts allocated to each OpCo and TransCo.
- c. For each OpCo and TransCo, identify the FERC accounts where the amounts in subpart b. are recorded.

Response:

In regards to activity in FERC Accounts 575 and 576 (Regional Market Expenses), there were no labor charges recorded in either of those FERC accounts in 2020.

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Data Request 17:

GENERAL

State whether, in the 2019-2020 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:

In 2020, the Company evaluated and implemented operational practices which conform to its capitalization policy which primarily impact the Distribution function. As a result, the Company has made updates to its systems to account for clarifications made to its Accounting Bulletin 6 (Accounting for Relocations and Rearrangements Made in Connection with Construction and Replacement) to distinguish between the relocation/rearrangement of an asset and the re-attachment of existing equipment to an asset as part of a capital job. Although mainly driven by Distribution, the clarifications made could also affect the Transmission function but are not expected to be significant.

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Data Request 18:

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 for each state in which AEP West conducts business;
- c. Internal audit covering items included in the ATRR; and
- d. Any other entity with authority to conduct such audits.

Please provide all correspondence and other documentation related to any such audit commenced but not yet completed, including any audit commenced at any point during the review period applicable to the 2021 Updates.

Response:

The Company has engaged Price Waterhouse Coopers to audit the OpCo and TransCo 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.

- a. The FERC finalized an audit of AEP Service Corporation in 2019. See file 1-18 Attachment 1 for the audit report of AEPSC.
- b. N/A
- c. In 2020 and 2021 there were internal audits covering SPP settlements and accounting processes. These audit reports are confidential and will be made available for inspection under a confidentiality agreement.
- c. REVISED RESPONSE PROVIDED 12-15-2021: Please find attached the Confidential Internal Audit Report on SPP Transmission Settlements and Accounting Review. This document is being provided as 1-18 CONFIDENTIAL ATTACHMENT 2, and is provided subject to the previously executed Non-Disclosure Agreements executed by the employees of the Joint Intervenors and GDS.
- d. Other than the above mentioned audits/reviews, there were no other audits performed by a regulatory agency of the east operating companies in 2020.

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Data Request 19:

GENERAL

Please provide information identifying, by account, any costs reflected in the 2020 ATRR calculation for any OpCo or TransCo that were incurred, or the basis for which occurred, before January 1, 2020. Explain the reasons for including such prior-period costs in the 2020 ATRR calculations. If any such cost items instead were recorded in a deferred asset account (*e.g.*, Account 186) or other FERC account used to reflect costs awaiting future recovery, please provide a table describing each such item and specifying the amount of each such item, the account where the item was recorded, and when recovery of the deferred item will begin.

Response:

Neither the Operating nor Transmission Companies are aware of any material costs incurred before 2020 that were recorded in 2020 business, nor of any deferred costs awaiting future recovery.

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Data Request 20:

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:

Please refer to 1-20 Attachment 1 for detail listing and summary of O&M expense that were allocated from PSO or SWEPCO to OKTCO or SWTCO in 2020 by FERC Account and the Allocation Factor used on the work order to allocate the costs.

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Data Request 21:

GENERAL

For each OpCo and Transco, please provide all journal entries recorded on the books in 2020 related to the amended income tax returns filed in 2019 or other prior years. Specifically, please provide any adjustments to the current or deferred tax accounts of all and identify any other accounts impacted by amended tax returns.

Response:

There were no entries recorded in 2020 regarding any 2019 or prior year amended returns.

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Data Request 22:

GENERAL

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

- a. Whether the current and deferred taxes of all items are included in billing. If not, explain which current and deferred tax items are billed and not billed
- b. The FERC account(s) the OpCos and Transcos record income tax billings.
- c. Whether the billings in 2020 or prior years include adjustments to AEPSC's deferred tax balances associated with the Tax Cuts and Jobs Act of 2017. If so, provide the annual amounts of the adjustments.

Response:

- a. All current and deferred tax expense is included in the billings.
- b. The OpCos and Transcos record income tax billings from AEPSC in FERC account 9230.
- c. Yes, the amortization of excess ADFIT as a result of the TCJA is recorded to the income statement of AEPSC and billed out to affiliate companies. This has resulted in tax benefits being billed to affiliate companies of \$1,091,343 in 2020.

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Data Request 23:

GENERAL

In reference to each of the OpCo's, please verify whether or not Real Estate and Personal Property Taxes continue to be incurred at property locations where generating units or plants were retired during 2018, 2019 or 2020, and if so, will these taxes continue to be incurred at the same level after the retirement?

Response:

- AEP Oklahoma Transmission has no generation assets.
- AEP Southwestern Transmission has no generation assets.
- Public Service of Oklahoma can expect no further property taxes for its share in Oklaunion Power Plant since it was retired and sold in 2020.
- Southwestern Electric Power had no generation retirements 2018-2020.

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Data Request 24:

GENERAL

In reference to AEP's response to the 2020 Annual Update, Preliminary Challenge No. 21, AEP stated that:

Line item 520Y relates to the normalization of protected excess amortization that began 1/1/18 under the ARAM calculation. It created a refund related to retail jurisdictions because this amortization was being recorded on the books but not in normalized rates. However, because this amortization was being passed back concurrently in the formula rates, this timing difference shouldn't be allocated in those rates.

OKTCO: There was no ending balance for this item. The beginning balance was allocated based on transmission plant. Correcting this will create a refund of (\$1,391).

PSO: Because neither the beginning nor ending balances were allocated for PSO, no correction is necessary.

SWEPCO: Both the beginning and ending balances were allocated to transmission based on plant. However, because these formulas reflected the amortization of excess protected ADIT in the revenue requirement, these items should not have been allocated. Correction of this will result in a decrease in revenue requirement of (\$43,030).

However, it appears that SWEPCO has included Line 520Y PROV FOR RATE REFUND-EXCESS PROTECTED based on "PTD" on WS C-1 and WS C-2. In addition, PSO has included this same line item based on "PTD" on WS C-2. Please provide an explanation as to why these amounts were not excluded in accordance with AEP's response to this preliminary challenge last year.

Response:

520Y was allocated in error and should have been excluded.

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Data Request 25:

QUESTIONS APPLICABLE TO EACH OPCO AND TRANSCO

For each OpCo and TransCo, please identify (by FERC Account and amount) all costs included in Intangible Plant accounts in the 2020 true-up that, as of December 31, 2019, were not recorded to Intangible Plant accounts and explain the reasons for the change in accounting for such costs.

Response:

No costs meet the criteria defined in the question.

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Data Request 26:

QUESTIONS APPLICABLE TO EACH OPCO AND TRANSCO

For each OpCo, please identify (by FERC Account and amount) all costs included in General Plant accounts in the 2020 true-up that, as of December 31, 2019, were not recorded to General Plant accounts and explain the reasons for the change in accounting for such costs.

Response:

Please refer to 1-26 Attachment 1_SEND for details of costs in General Plant that as of 12/31/19 were not recorded in General Plant accounts.

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Data Request 27:

QUESTIONS APPLICABLE TO EACH OPCO AND TRANSCO

For each OpCo and TransCo, please state whether any tax credits were purchased to offset income tax liabilities in 2020. If yes, please provide the following:

- a. State whether any prepayments were included in WS-D and the associated amounts.
- b. State the year in which the tax credits were meant to be applied to.
- c. State whether the tax credits were sold. If yes, identify the FERC account(s) and associated amounts where the revenues were recorded.

Response:

- a. There were no tax credits purchased by any of the OpCos or TransCos in 2020.
- b. N/A
- c. PSO sold \$2.5 million of Oklahoma Capital Investment Board Tax Credits in 2020 that were purchased in 2019. Upon the sale, the proceeds reduced a previously established pre-paid tax account 165000210.

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Data Request 28:

QUESTIONS APPLICABLE TO EACH OPCO AND TRANSCO

For each OpCo and TransCo, please (i) thoroughly describe and (ii) provide documentation and calculations supporting the 2020 monthly balances for the following prepayment items:

- a. PRW Without MED-D Benefits;
- b. PRW for Med-D Benefits; and
- c. FAS 158 Contra-PRW Exclude Med-D.

Response:

AEP records contributions, expense, subsidies, and costs related to key employees to account 1650035 Prepaid PRW. In the past, the Med-D subsidy activity was recorded in a separate account for tax reasons, but this is no longer applicable so all the activity flows through the same account. AEP reports the PRW obligation through a Regulated Asset with the difference being recorded to 1290xxx accounts for the overfunded portion. See JI-28 Attachment 1.xlsx for account details.

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Data Request 29:

QUESTIONS APPLICABLE TO EACH OPCO AND TRANSCO

For each OpCo and TransCo, please confirm that there are no prepayments associated with HAS seed contributions included in the formula rate template. If there are amounts included, please identify where each prepayment is being included and the associated amounts.

Response:

There are not any HAS seed contributions included in the 2021 formula rate update.

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Data Request 30:

QUESTIONS APPLICABLE TO EACH OPCO AND TRANSCO

For PSO and SWEPCO, Pole Attachment Revenues, please provide the supporting documentation and calculations as to how the transmission portion of pole attachments were derived.

Response:

Please see JI-1-30 Attachment 1. Revenues are classified based on the Property Accounting record of the pole. For poles that are classified as Transmission, rental revenue is categorized to the appropriate GLBU for the T OpCo. Booked revenues are based on amortizations and accruals and may not directly correlate to billings due to the timing of the bills.

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Data Request 31:

QUESTIONS APPLICABLE TO EACH OPCO AND TRANSCO

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

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

Response:

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

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Data Request 32:

QUESTIONS APPLICABLE TO EACH OPCO AND TRANSCO

For each OpCo, please provide a detailed discussion of the accounting for leases included in the 2020 FERC Form 1s. In addition, please discuss any change in accounting policies for leases since 2019 and verify whether any OpCo implements accounting practices to capture the non-principal portion of transmission, distribution, or production related capital lease payments within Account 931 or any other A&G account.

Response:

AEP adopted ASC 842 as of 1/1/2019.

Prior to 2019 all regulated capital lease interest expense was charged to the individual lines of accounting where the expense was incurred. AEP has elected to reclassify regulated capital lease interest expense dollars for all of 2019 from their original charged income statement account to the A&G account.

Date: 11/14/2023

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Data Request 33:

QUESTIONS APPLICABLE TO EACH OPCO AND TRANSCO

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

Response:

JI-1-33 ER18-194-000 and ER18-195-000 - SPP Lessee 1034 - NBV 12-2020 Attachment 1.xlsx contains the NBV listing of all operating leases.

JI-1-33 ER18-194 & ER18-195 - SPP Op Leases-CR 2020 Att 2.xlsx contains the 2020 operating lease expenses.

Date: 11/14/2023

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Data Request 34:

QUESTIONS APPLICABLE TO EACH OPCO AND TRANSCO

For each OpCo and TransCo, please identify any leases that the utility capitalized for book purposes, quantify the amount of the lease capitalized, and explain the basis for the capitalization (see, *e.g.*, PSO Worksheet C-1, Excel row 38).

Response:

Capital leased assets for this selection are all leased under our corporate master lease agreements. The equipment is owned at the end of the lease term with a \$1 buyout. Please see attached file JI-1-34 ER18-194-000 AND ER18-195-000 - SPP NBV Report 12-2020 Attachment 1.xlsx.

Date: 11/14/2023

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Data Request 35:

QUESTIONS APPLICABLE TO EACH OPCO AND TRANSCO

Please state whether any OpCo or TransCo received any revenues from payments made by others for right of way (“ROW”) use from or for utility pipelines. If so, provide a detailed breakdown of such payments and reconcile those amounts to 2020 FERC Forms 1 and to the revenue credits included in the 2020 true-up for each OpCo or TransCo.

Response:

There was one payment made to the Operating Companies for ROW use by utility pipelines. As shown in file JI-1-35 Attachment 1, this payment was for ROW use on transmission property and was included as a revenue credit to the formula rate of the receiving company.

Date: 11/14/2023

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Data Request 36:

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 (*e.g.*, FERC Account 350 - Land and Land Rights) for use of rights-of-way on land owned by others. If yes, please:

- a. Provide the amounts that were booked during 2020 and the FERC plant account number in which the balances were booked; and
- b. For any amounts for land rights that are for land rights on property owned by an affiliate, identify the affiliate and identify the classified FERC Plant Account Number(s) to which the affiliate records the property amounts (to the extent that the affiliate is subject to the Uniform System of Accounts).

Response:

Please see 1-36 Attachment 1 for details of the Land Rights for capitalized land costs for land owned by others.

OKT incurred costs totaling \$369,161 for the joint use of land and land rights during 2020 recorded in FERC account 567 for payments made to PSO.

Date: 11/14/2023

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Data Request 37:

QUESTIONS APPLICABLE TO EACH OPCO AND TRANSCO

Please indicate whether the OpCo or TransCo formula rates include expenses incurred during 2020 related to payments for land rights (*e.g.*, land rent or land lease) made for use of rights-of-way on land owned by others. If yes,

- a. Please quantify the amounts by FERC Account in which such expenses were recorded (*e.g.*, FERC Account 567 - Rents); and
- b. For any payments made to affiliates, identify the affiliate and identify the classified FERC Plant Account Number(s) to which the affiliate records the property amounts (to the extent that the affiliate is subject to the Uniform System of Accounts).

Response:

Please refer to the Company response to JI Set 1-36.

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Data Request 38:

QUESTIONS APPLICABLE TO EACH OPCO AND TRANSCO

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

- a. Amounts expensed or capitalized attributable to spares by FERC account.
- b. Number of spares purchased in 2020.
- c. Number of spares retired and/or scrapped.
- d. Number of spares placed into service in 2020 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. \$6,404,565 in FERC Account 353 and \$11,229,756 in FERC Account 362.
- b. 10.
- c. 10.
- d. 4. 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 2020.

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Data Request 39:

QUESTIONS APPLICABLE TO EACH OPCO AND TRANSCO

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

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

Response:

a. Please see JI-1-039 Attachment 1 for fiber optic investments made by AEP's transmission subsidiaries in the PJM 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 review, or analysis, 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. 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. The review, or analysis, was conducted in the context of forward-looking estimates of future needed infrastructure and associated estimated cost. The Companies further note that the actual incurred costs associated with this program relate to telecommunications networks necessary for the operation and deployment of the applications and technologies that are required between transmission stations and from transmission stations back to company facilities such as service centers, operations centers, and general office buildings. The fiber cable is being classified as a transmission asset because it is used to control and operate equipment installed on the transmission grid. The actual costs reflected in the transmission revenue requirement for the Companies does not include the approximately 5% capital costs associated with distribution functions, and are not based on the estimate calculations provided in JI-1-039 Attachment 1, but rather on actual costs recorded in the Companies' books associated with either distribution or transmission functions, as applicable.

Date: 11/14/2023

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Data Request 40:

QUESTIONS APPLICABLE TO EACH OPCO AND TRANSCO

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

Response:

There were no significant remediation expenses incurred in any of West Operating or Transmission Companies in 2020.

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Data Request 41:

QUESTIONS APPLICABLE TO EACH OPCO AND TRANSCO

Please provide any corporate written documents that describe AEP's strategy with specific respect to maintenance and replacement of transmission assets as these items relate to transmission investment goals.

Response:

The Company's grid needs and priorities inform financial investment targets. The Company's maintenance practices are not set based upon any financial investment goal. Please see JI-1-041 Attachment 1 which discusses the Company's asset replacement practices.

Date: 11/14/2023

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Data Request 42:

QUESTIONS APPLICABLE TO EACH OPCO AND TRANSCO

Please identify all expenses that were recorded in Transmission O&M or A&G Expense accounts in 2020 that were recorded to other functional O&M expense accounts in 2019 and state the basis for the change in expense reporting.

Response:

The Company is not aware of any Transmission O&M or A&G expenses that were incurred in 2020 related to prior periods.

Date: 11/14/2023

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Data Request 43:

QUESTIONS APPLICABLE TO EACH OPCO AND TRANSCO

For each OpCo and TransCo, please identify (by FERC Account and amount) all costs included in Transmission Plant accounts in the 2020 true-up that, as of December 31, 2019, were not recorded to Transmission Plant accounts and explain the reasons for the change in accounting for such costs.

Response:

There are no costs meeting the requirements defined in this question.

Date: 11/14/2023

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Data Request 44:

QUESTIONS APPLICABLE TO EACH OPCO AND TRANSCO

For each OpCo and TransCo, please identify any accounting changes related to ADIT, net operating losses (NOLs), or classification or valuation methodologies. For each accounting change, please provide a detailed discussion of change and the impact to the ADIT accounts and other accounts.

Response:

For all west Operating and Transmission Companies there was an automatic change in accounting method in 2020 related to the software development costs as described in Section 5.01 of Rev. Proc. 2000-50. Please see file 1-44 Attachment 1 for the adjustment. ADIT is decreased by 21% of the change and would also include each Company's state impact. Please note, the change in accounting method is a Federal Income Tax Return method change and not a GAAP accounting method.

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Data Request 45:

QUESTIONS APPLICABLE TO EACH OPCO AND TRANSCO

For each OpCo and TransCo, please provide a detailed description of the accounting policy to recognize NOLs on a stand-alone basis. In addition, please discuss the accounting policy and provide the accounting entries for the allocation of current tax losses of the parent company or another affiliate to the OpCos and TransCos during 2020.

Response:

In determining the income taxes in the separate financial statements of the members of a consolidated tax return group, GAAP allows for different methods of doing so. ASC 740 does not require the use of any particular allocation method. The members of the AEP consolidated federal income tax return have elected to follow a parent company down method for their GAAP books. In the parent company down method, the allocation of taxes is calculated by applying a pro-rata allocation of a member's attribute to that of the return group's attribute. This is what is included in the GAAP financial statements as well as for purposes of FERC financial reporting.

The accounting policy for the allocation of current tax losses of the parent company and other affiliates is directed by the AEP consolidated tax allocation agreement. Each member of the consolidated group is required to make a payment to AEP, Inc. (Parent) equal to its stand-alone tax liability. This is recorded with a credit to cash and a debit to taxes payable (Account 236). If a company generates a taxable loss and that loss can be offset with taxable income within the consolidated return group, the loss company contributes the loss to Parent and receives a distribution from Parent for that amount. This is recorded with a credit to the NOL carryforward (190) and a debit to cash.

While for GAAP and financial reporting purposes it is acceptable under ASC 740 and FERC guidance to report the ADIT related to NOL carryforwards using the parent company down method, for ratemaking purposes the NOL carryforward should be recognized on a stand-alone basis. The Company has identified the need to make a ratemaking adjustment to its GAAP books to appropriately recognize the NOL carryforward on a stand-alone basis. The Company had not yet established the information required to include this data in the instant case (2020 FRP true-up) and therefore the balances reported are reflective of the GAAP balances.

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Data Request 46:

QUESTIONS APPLICABLE TO EACH OPCO AND TRANSCO

Referring to each OpCo and TransCo's 2020 FERC Form. 1, Pages 112-113, lines 38, 40, 41, 42, 47, 48, 56, 59, and 60, columns (c) and (d), and each OpCo and TransCo's Worksheet R – Unfunded Reserves, please:

- a. Provide a disaggregation of the amounts listed broken down by subaccount (or the most similar granular category available) and provide a narrative description of the nature and purpose of each subaccount;
- b. Identify the FERC Account Number(s) to which the utility records offsetting debits for the items identified in subpart (a) above;
- c. Quantify any credits to the expenses in subpart (b) above that the utility offsets with debits to below-the-line accounts and indicate whether the amount written off to the below-the-line account is reasonably representative of PSO's below-the-line write-off for that expense in a given year;
- d. To the extent that any of the below-the-line write-offs identified in subpart (c) above are not reasonably representative of the utility's below-the-line write-off for that expense for a given year, indicate the amount that is reasonably representative of given year's below-the-line write-off and provide supporting documentation or calculations;
- e. To the extent that the utility did not include a subaccount identified in subpart (a) above on Worksheet R – Unfunded Reserves, thoroughly explain why the utility did not include the subaccount; and
- f. For each subaccount identified in subpart (a) above, quantify any related accumulated deferred income taxes ("ADIT"), specify the allocation method that the utility used for those ADIT on Worksheets C-1 and C-2, and explain the utility's basis for the chosen allocation method.

Response:

- a. Please see file JI 46 Attachment 1.
- b. The requested analysis has not been performed.. Please see the FERC USofA instructions for guidance related to the accounts provided in a)
- c. d. See response to subpart b.
- e. For the purpose of preparing AEP's formula rate, the Company is obligated to use the definition of unfunded reserves included in the FERC-approved template. The Commission-approved definition for the AEP West companies and Transcos is in the footnote on the WS-R, which states "The cost of service will make a rate base adjustment to remove unfunded reserves associated with contingent liabilities recorded to Accounts 228.1-228.4 from rate base. Include only contingent liabilities which were expensed through accounts included in formula rate cost of service."

This definition precludes liability balances in any FERC account other than 228.1-228.4 from consideration as unfunded reserves. The definition further limits unfunded reserves to “contingent liabilities” within those 228.1-228.4 accounts. As a result, amounts in accounts 232, 242, and 253 referenced in questions 1-50, 1-51, and 1-52 and the other similar questions for the other companies elsewhere in this GDS second set are not unfunded reserves.

Contingent liabilities are defined by FERC in General Instruction 15 to the Uniform System of Accounts, which states the following:

Contingent Assets and Liabilities (Major Utility).

Contingent assets represent a possible source of value to the utility contingent upon the fulfillment of conditions regarded as uncertain. Contingent liabilities include items which may under certain conditions become obligations of the utility but which are neither direct nor assumed liabilities at the date of the balance sheet. The utility shall be prepared to give a complete statement of significant contingent assets and liabilities (including cumulative dividends on preference stock) in its annual report and at such other times as may be requested by the Commission.

Common accruals recorded as of any balance sheet date for items like accounts payable, salaries and wages, incentive plans, medical benefit plans, and vacation pay do not fall under this definition. They are known liabilities as of the date of the balance sheet. No future conditions need to occur to cause these obligations to become obligations of the utility. The company has a known obligation based on past events, which makes them direct, non-contingent liabilities.

f. Please see file JI 46 Attachment 2.

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Data Request 47:

QUESTIONS APPLICABLE TO EACH OPCO AND TRANSCO

In reference to each of the OpCos, please identify and provide a detailed breakdown of any Real Estate and Personal Property Taxes which are included in the 2020 FERC Form 1, Page 114, Line 14, Column (c) that were incurred and booked for any generating unit (e.g., PSO discussed retiring a generating plant on page 123.26 of its FERC Form 1) that was retired during 2018, 2019 or 2020.

Response:

- AEP Oklahoma Transmission has no generation assets.
- AEP Southwestern Transmission has no generation assets.
- Public Service of Oklahoma paid \$757,584.60 for its 15.62% share in Oklaunion Power Plant in 2020.
- Southwestern Electric Power had no generation retirements 2018-2020.

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Data Request 48:

QUESTIONS APPLICABLE TO EACH OPCO AND TRANSCO

Per the OpCo's 2020 FERC Form 1, Notes to the Financial Statements, *e.g.*, PSO's FERC Form 1, Page 123.70, states it sells, without recourse, certain of its customer accounts receivable and accrued utility balances to AEP Credit. For each OpCo and Transco, please:

- a. Quantify the specific costs associated with the sales of customer accounts receivable that are reported as Other Deductions by FERC Account charged;
- b. Indicate whether the OpCos and Transcos incurs labor or other costs to administer the sales of accounts receivable on behalf of AEP Credit; and

Response:

- a. See 1-48 Attachment.xlsx
- b. The OpCos do not incur incremental costs associated with factored sales of accounts receivable to AEP Credit

Date: 11/14/2023

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Data Request 49:

QUESTIONS APPLICABLE TO EACH OPCO AND TRANSCO

For each OpCo and TransCo, please quantify the revenues and expenses by FERC account and associated amount that are assigned or allocated to the utility by AEPSC regarding “power, coal, natural gas, interest rate, and ... heating oil, gasoline, and other risk management activities” (see, *e.g.*, PSO’s 2020 FERC Form 1, Pages 123.14 and 429).

Response:

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

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Data Request 50:

QUESTIONS APPLICABLE TO EACH OPCO AND TRANSCO

Please provide a detailed breakdown and description of the items (Excel format) by project underlying the amount shown as additions to Account 303 – Miscellaneous Intangible Plant, as reported on the following OpCos and TransCos FERC Form 1, Page 204, Line 4, Column (c) separately for:

- a. PSO in the amount of \$28,373,985
- b. OKT in the amount of \$3,108,172
- c. SWEPCO in the amount of \$35,814,192

Response:

Please see file 1-50 Attachment 1_SEND.

Date: 11/14/2023

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Data Request 51:

QUESTIONS APPLICABLE TO EACH OPCO AND TRANSCO

Provide the accounting journal entries to record the costs, revenues, and reimbursements to administer sales of accounts receivable on behalf of AEP CreditIn reference to each of the OpCo's 2020 FERC Form 1, Page 205 Line 46, Column (d), please provide a detailed tabulation by retired unit/plant and their associated retirement amounts related to each generation unit/plant.

Response:

See 1-51 Attachment 1_SEND.xls and 1-51 Attachment 2_SEND.xls

Date: 11/14/2023

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Data Request 52:

QUESTIONS APPLICABLE TO EACH OPCO AND TRANSCO

In reference to each of the OpCo's, please provide an explanation and a detailed tabulation of how the accumulated depreciation, as shown in the 2020 FERC Form 1, Page 219, Lines 20-24, Column (b) was adjusted for each generating unit/plant retired during 2020.

Response:

Please refer to 1-52 Attachment 1_SEND for details of 2020 plant/unit retirements for each OpCo. When a generating asset is retired, a credit is recorded to account 1010001 (Plant in Service) and a debit to 1080001 (Accumulated Provision for Depreciation of Plant).

Date: 11/14/2023

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Data Request 53:

QUESTIONS APPLICABLE TO EACH OPCO AND TRANSCO

For each OpCo and TransCo, please provide a detailed discussion of the changes from 2020 beginning balance to end of year balance of net operating loss and tax credit carryforwards reported on the FERC Form 1, Page 234.

Response:

Please see file 1-53 Attachment 1 for the details in the changes to net operating loss (NOL) and tax credit carryforwards reported on the FERC Form 1, page 234. The changes to the state NOL represent the tax value of the utilization or generation of tax losses for a particular state income tax return. The tax credit carryforwards represent the change in the utilization or generation of federal income tax credits.

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Data Request 54:

QUESTIONS APPLICABLE TO EACH OPCO AND TRANSCO

For each OpCo and TransCo listed below, refer to the 2020 FERC Form 1, Page 321, Line 97, Column b, Account 566 - Miscellaneous Transmission Expenses, please provide a detailed tabulation (Excel format) of every entry booked to this account during 2020, including name, description of cost item, detailed journal entry and amount.

- a. PSO in the amount of \$3,507,029
- b. OKT in the amount of \$1,430,736
- c. SWEPCO in the amount of \$4,465,158

Response:

Please See Attachment 1_54_Attachment_1.xlsx

Date: 11/14/2023

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Data Request 55:

QUESTIONS APPLICABLE TO EACH OPCO AND TRANSCO

For each OpCo and TransCo listed below, refer to the 2020 FERC Form 1, Page 323, Line 184, Column b, Account 923 – Outside Services Employed, please provide a detailed tabulation (Excel format) of every entry booked to this account during 2020, including name, description of cost item and amount.

- a. PSO in the amount of \$3,462,285
- b. OKT in the amount of \$1,083,844
- c. SWEPCO in the amount of \$6,489,433

Response:

Please See Attachment 1_55_Attachment_1.xlsx

Date: 11/14/2023

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Data Request 56:

QUESTIONS APPLICABLE TO EACH OPCO AND TRANSCO

For each OpCo and TransCo refer to the 2020 FERC Form 1, page 323, Line 190, Account 929 – (Less) Duplicate Charges – Cr, please provide:

- a. A detailed list of each transaction (all debits and credits) by FERC Account for each OpCo and TransCo where these types of duplicative charge transactions are being recorded in 2020, which utilities normally record in Account 929 as defined as: “This account shall include concurrent credits for charges which may be made to operating expenses or to other accounts for the use of utility service from its own supply. Include, also, offsetting credits for any other charges made to operating expenses for which there is no direct money outlay” in the FERC USoA.
- b. If an OpCo and TransCo has no amounts associated with this line item in 2020, please provide an explanation as to why and where these amounts are recorded.

Response:

There is no activity with this account in 2020 for the OpCos or the TransCos.

Date: 11/14/2023

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Data Request 57:

QUESTIONS APPLICABLE TO EACH OPCO AND TRANSCO

For each OpCo and TransCo, reference 2020 FERC Form 1, 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:

- a. Provide 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;
- b. For any amounts allocated to an OpCo or TransCo, please provide the detailed AEPSC entries (Excel format) prior to the allocation to each OpCo and TransCo (for example, please include similar columns with the following types of data (FERC Account Num CMD, Account ID, Account Long Descr, Oper Unit ID, Resp Center ID, Resource Type ID, Process ID, Project ID, Product ID, Journal ID, Business Unit, JD Journal Descr, JD Journal Line Descr, JD Operator ID JD, Vendor Name, Voucher ID JD, Accounting Period CMD, Fiscal Year CMD, Amount, Percentage of Amount allocated to each OpCo/TransCo, OpCo/TransCo Amount) for any account included in the formula); and
- c. Provide 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 JI-57 Attachment 1 AEPSC for detail of AEPSC billings and JI-57 Attachment 2 Intercompany for detail of Intercompany billings to each OPco and Transco for the year 2020.
- b. Please see the attachments referenced in response to part a. 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.
- c. Please see pdf file JI-57 Attachment 3 Master Cam Document-12-31-20.

Date: 11/14/2023

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**Responses to Multiple Intervenors
Set JI Set 1 of Data Requests**

Data Request 58:

QUESTIONS APPLICABLE TO EACH OPCO AND TRANSCO

For each OpCo and TransCo, please provide an explanation of its overhead construction cost allocation methodology and provide the percentage of overhead costs capitalized to total overhead costs for 2018, 2019, and 2020 for transmission projects.

Response:

Please see 1-58 Attachment 1_SEND.xls for the percentage of overheads capitalized during 2018, 2019, 2020.

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

Date: 11/14/2023

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**Responses to Multiple Intervenors
Set JI Set 1 of Data Requests**

Data Request 59:

QUESTIONS APPLICABLE TO EACH OPCO AND TRANSCO

Please indicate whether any OpCo or Transco has made any investments in electric charging stations. If the answer is yes, please:

- a. Quantify the amount of such investment by classified FERC Plant Account; and
- b. Quantify the operating expenses related to electric charging stations by FERC Account.

Response:

Public Service Company of Oklahoma and Southwestern Electric Power Company have made investments in electric charging stations. The investment in electric charging stations is recorded to general plant account 39800 - Miscellaneous Equipment and the maintenance of this equipment is recorded to accounts 1840029 (Transp - Assigned Vehicles) and 935 (Maintenance of general plant). At 12/31/20, Public Service Company of Oklahoma has spent \$9,566.32 on electric charging stations and Southwestern Electric Power Company has spent \$29,104.57 on electric charging stations. The company does not separately track operating expenses specifically related to electric charging stations.

Date: 11/14/2023

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Data Request 60:

QUESTIONS APPLICABLE TO EACH OPCO AND TRANSCO

In reference to the OpCos and TransCos' 2020 FERC Form 1, e.g., PSO's FERC Form 1, Page 123.24, AEP's subsidiaries implemented a temporary waiver of the Commission's AFUDC rules in response to the COVID-19 pandemic. Specifically, the Commission allowed jurisdictional entities to use a methodology for calculating an AFUDC rate that would use a simple average of historical short-term debt balances for the year ended 2019, while leaving all other aspects of the AFUDC rate formula (including current period short-term debt cost rates) unchanged. (See Edison Elec. Inst., 171 FERC ¶ 61,285 (2020).) Please provide the following with regard to the OpCos and TransCos' implementation of the AFUDC waiver:

- a. For each OpCo and Transco, provide the daily balance of outstanding short-term debt on the books during 2019;
- b. For each OpCo and Transco, identify any source of short-term financing on the books during 2019 and excluded from the 2020 AFUDC rate computation;
- c. For each OpCo and Transco, provide balance of short-term debt used in the 2020 AFUDC rate calculation and describe the method used to compute it; and
- d. For each OpCo and Transco, provide the short-term debt cost rate used in the 2020 AFUDC rate calculation and provide a detailed spreadsheet demonstrating its computation.

Response:

- a. Please refer to JI-60_Attachment_1 for the requested information.
- b. The temporary waiver authorized by FERC in docket number AC20-127 leaves all aspects of the AFUDC rate formula unchanged, except for the short-term debt input to the calculation. Companies electing the temporary waiver may use the simple average of 2019 short-term debt balances as the short-term debt input to the calculation, in lieu of current period average short-term debt balances. Therefore, there are no other calculation changes or exclusions to report.
- c. and d. Please refer to JI-60_Attachment_2 for the requested information. 2019 daily effective borrowed interest rates used in the computation of the monthly average short-term debt cost rate used in 2019 AFUDC rate calculations, and in 2020 AFUDC rate calculations for each Company electing the temporary waiver authorized by FERC in docket number AC20-17, are provided in JI-60_Attachment_1.

Date: 11/14/2023

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**Responses to Multiple Intervenors
Set JI Set 1 of Data Requests**

Data Request 61:

QUESTIONS APPLICABLE TO EACH OPCO AND TRANSCO

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

- a. The calculation and formula supporting the AFUDC rates (debt and equity) applied to construction costs for 2020. Include this information in spreadsheets showing all inputs (common stock, preferred stock, long term debt, short term debt, and average CWIP), and provide supporting documentation and calculations that provide for verification of the equity and debt rates derived. Explain any differences between these rates and the rates reported in the 2020 FERC Form 1; and
- b. Describe the method used to accrue AFUDC and the frequency of compounding.

Response:

Please refer to file 1-061 Attachment 1_xxx for the calculations and support used to determine the company's AFUDC debt and equity rates for the month December 2020. The AFUDC debt and equity rates are calculated monthly for each company and the information is an illustration of those calculations for the month of December 2020. Please refer to the series of files named 1-061 Attachment 2_xxx for an explanation by company of how AFUDC is accrued on a work order. The company utilizes the AFUDC formula as prescribed by FERC for its AFUDC debt and equity rate calculations.

Date: 11/14/2023

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**Responses to Multiple Intervenors
Set JI Set 1 of Data Requests**

Data Request 62:

QUESTIONS APPLICABLE TO EACH OPCO AND TRANSCO

For each OpCo and Transco, please provide a discussion of the accounting used to record net borrowings from the AEP Corporate Borrowing Program during 2019, including the Utility Money Pool and the FERC accounts to record the borrowings. Discuss how the money pool borrowings included or excluded from the 2020 AFUDC rate calculation.

Response:

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

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

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

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

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

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**Responses to Multiple Intervenors
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Data Request 63:

QUESTIONS APPLICABLE TO EACH OPCO AND TRANSCO

Please provide a discussion of any amended Federal income tax returns filed during 2020 that impact the income tax positions for any OpCo or Transco. The discussion should identify the specific items of income and deductions changed, the amount by which the items changed, the reason for the income tax amendment, the tax years being amended, and book accounting journal entries reflecting the amendments to the tax return. In AEP's response, please clarify for any accounting support which entity it relates and identify any FERC accounts effected.

Response:

None of the OpCos or Transcos have filed amended Federal income tax returns during the year 2020.

Date: 11/14/2023

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**Responses to Multiple Intervenors
Set JI Set 1 of Data Requests**

Data Request 64:

QUESTIONS APPLICABLE TO EACH OPCO AND TRANSCO

For each OpCo and Transco, please describe the accounting used to record net borrowings from the AEP Corporate Borrowing Program, including the Utility Money Pool and the FERC accounts to record the borrowings and associated interest expense. Describe how the money pool borrowings and interest costs are factored into the AFUDC rate calculation and/or otherwise included in the formula rate template.

Response:

Please refer to Company response to JI Set 1-62.

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**Responses to Multiple Intervenors
Set JI Set 1 of Data Requests**

Data Request 65:

QUESTIONS APPLICABLE TO EACH OPCO AND TRANSCO

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

Response:

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

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Data Request 66:

QUESTIONS APPLICABLE TO EACH OPCO AND TRANSCO

For each OpCo, please provide a list of all capitalized software projects recorded in FERC Account 303. For each capitalized software project listed, provide:

- a. A description of the capitalized software project.
- b. The 500 and 900 series FERC account(s) used to record operating and maintenance expenses incurred on the software system in 2020.
- c. The primary function(s) served by the software: general and administrative, production, distribution, or transmission.

Response:

- a. Refer to 1-66 Attachment 1_SEND for Public Service Company of Oklahoma and Southwestern Electric Power Company 30300 information as of 12/31/2020.
- b. Software system maintenance is primarily recorded to FERC 9350. However, additional operational and maintenance FERC Accounts such as 5000, 5060, 5120, 5140, 5570, 5600, 5660, 5692, 5800, 5880, and 9230 may also have charges.
- c. Account 303, or Capitalized Software, is typically allocated to each of the AEP legal entity's general ledger Business Units from AEP Service Corporation (AEPSC). Just like other AEPSC costs, the allocation of Capitalized Software is driven by the work order selected to capture the costs at AEPSC. The work order will determine the functional Business Units that incur the costs of this software.

Date: 11/14/2023

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Data Request 67:

QUESTIONS APPLICABLE TO EACH OPCO AND TRANSCO

For each OpCo and TransCo, please clarify whether the utility records depreciation expense billed from affiliates to Account 403 and, if not, identify the FERC account(s) to which the utility records depreciation expense billed from affiliates and provide the utility's basis for doing so.

Response:

The Companies do not record depreciation expense that is billed from its affiliates to account 403 within its respective general ledger.

Depreciation expense billed from an affiliate is recorded as depreciation expense on the billing company's books and is recorded as affiliated rental expense from non-AEPSC affiliates.

Please refer to JI Set 1-67 Attachment 1 for FERC accounts where AEPSC depreciation expense is billed to each OpCo and TransCo.

Date: 11/14/2023

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Data Request 68:

QUESTIONS APPLICABLE TO EACH OPCO AND TRANSCO

For each OpCo and TransCo, please:

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

Response:

ASU 2016-13, related to current expected credit loss standard (CECL) accounting guidance was implemented effective January 1, 2020.

Please see file 1-68 Attachment for adoption entries.

Date: 11/14/2023

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Data Request 69:

QUESTIONS APPLICABLE TO EACH OPCO AND TRANSCO

For each OpCo and TransCo, please provide the FERC account(s) used to record excise taxes levied by state or local governments on customers in 2020 and the balance of excise taxes in those accounts reported in the 2020 FERC Form 1 when the OpCo or TransCo is acting as agent for the state or local government.

Response:

Typically, the FERC form 1 pages do not report collect/remit taxes; however, there are a couple of exceptions with the Prepaid Sales Tax Account (1650011xx) for PSO and SWEPCO, and the local franchise account (2360025xx) **only** for PSO.

The Prepaid Sales Tax Account 1650011xx, is only used to make prepayments to the state or localities when required. When the tax return is filed, we credit the 1650011xx to clear the prepayment and debit the 2410004 State Sales Tax Collected for the payment.

The local franchise account 2360025xx for PSO is specifically used to account for money collected from customers in relation to Economic Development Fees (EDF) for a particular city. Only about a dozen cities in Oklahoma currently have an EDF.

Amounts as reported on FERC Form 1 in relation to collect/remit taxes:

- AEP Oklahoma Transmission Company, Inc
 - None
- AEP Southwestern Transmission Company, Inc
 - None
- Public Service Company of Oklahoma
 - Account 2360025xx – \$40,511.88
 - Account 1650011xx - \$2,080,830.94
- Southwestern Electric Power Company
 - Account 1650011xx - \$809,000.00

Date: 11/14/2023

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**Responses to Multiple Intervenors
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Data Request 70:

QUESTIONS APPLICABLE TO EACH OPCO AND TRANSCO

For each OpCo and TransCo, please quantify the amount of cancelled plant project costs written off from FERC Account 107 – Construction Work in Progress during 2020 to operating expenses included in the formula rate template and, to the extent applicable, provide the FERC Docket Number(s) that explicitly authorize the utility to do so.

Response:

See file Set 1-70 Attachment 1 for the requested information. The AEP West Companies do not believe that these accounting charges that arose in the normal course of business require approval by FERC.

Date: 11/14/2023

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**Responses to Multiple Intervenors
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Data Request 71:

QUESTIONS APPLICABLE TO EACH OPCO AND TRANSCO

For each OpCo and TransCo, please quantify the amount of cancelled project costs written off from FERC Account 183 – Preliminary Surveys and Investigations during 2020 to operating expenses included in the formula rate template and thoroughly describe the nature of the project, the reason(s) the utility originally considered the project, and the reason(s) the utility ultimately declined to pursue the project.

Response:

Regarding account 183, the Company generally does not use this account for Operating Company transmission business units or Transmission Companies. The activity that is recorded in this account for Transmission is not related to Preliminary Survey and Investigation Activity. The balances shown in account 183 are associated with generation, and activity in the transmission BU's is minimal and cleared out in most months. See JI-1-071 Attachment 1 for the functional ledger balances of these accounts, which demonstrate the balances and activity associated with Generation Projects. This attachment also shows a summary of the balances for the AEP West Transmission Companies; for these Companies the balances are minimal as well. The source of most Transmission activity in these accounts is the AEP Service Corporation billing process that clears charges to the Operating and Transmission Companies. These amounts, which are immaterial, are a function of this process and do not represent actual PS&I charges incurred on behalf of these business units; to remove them from this account they are expensed each month to account 566000 or 1861060 for the East Operating Companies, and 9230003 for the East Transmission Companies.

Date: 11/14/2023

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Data Request 72:

QUESTIONS APPLICABLE TO EACH OPCO AND TRANSCO

For each TransCo and OpCo, please provide the detailed PowerTax reports (e.g. detailed 257 report) and Provision reports (Excel format) that support the inputs in WS C-1 and C-2 and WS C-4 Excess FIT for normal ADIT and excess/deficient ADIT.

Response:

Please see file 1-72 Attachment 1 for Provision reports to support balances in WS C-1, WS C-2 and WS C-4. The data within PowerTax is not configured such that Report 257 provides information to directly support OpCos and Transcos Excess amounts.

Date: 11/14/2023

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**Responses to Multiple Intervenors
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Data Request 73:

QUESTIONS APPLICABLE TO EACH OPCO AND TRANSCO

For each OpCo and TransCo, please:

- a. Provide the derivation of and any workpapers supporting the transmission-related revenue credits identified on WS H Revenue Credits for all accounts (*i.e.* 450, 451, 454, 456 and 456.1), including a listing of each revenue (to the most granular level available (e.g., by subaccount number)) amount and a description of each total company revenue amount recorded in 2020; and
- b. Explain for each line item the basis for AEP's determination that the revenues were or were not transmission related.

Response:

- a. Please see attachments 1-73 for each OpCo and TransCo.
- b. The attachments for the OpCos show balances by business unit and the TransCos are all transmission related.

Date: 11/14/2023

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**Responses to Multiple Intervenors
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Data Request 74:

QUESTIONS APPLICABLE TO EACH OPCO AND TRANSCO

For each OpCo and TransCo, please provide supporting documentation and calculations for the amount shown on WS N Sch 11 TU, Cash Revenue Collections for True-up Year, Net of Schedule 11 Revenue Credits.

Response:

Please see the attached 1-74 files for the documentation shown on WS N.

Date: 11/14/2023

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Data Request 75:

QUESTIONS APPLICABLE TO EACH OPCO AND TRANSCO

For each OpCo and TransCo, please provide supporting documentation and calculations for the amount shown on WS O Sch 9 NITS TU, Cash Revenue Collections for True-up Year, Net of Schedule 9 Revenue Credits.

Response:

Please see the attached 1-75 file for the documentation shown on WS O.

Date: 11/14/2023

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Data Request 76:

QUESTIONS APPLICABLE TO EACH OPCO AND TRANSCO

For each OpCo and TransCo, please provide supporting documentation and calculations for the amount shown on WS P Sch 1 NITS TU, Cash Revenue Collections for True-up Year, Net of Schedule 1 Revenue Credits.

Response:

Please see the attached 1-76 file for the documentation shown on WS P.

Date: 11/14/2023

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Data Request 77:

QUESTIONS APPLICABLE TO EACH OPCO AND TRANSCO

For each of the OpCos and TransCos, in relation to the separate WS F & G files provided for each, please provide the source data being inputted for the true-ups, specifically the file name, date of the file and the data ranges within each that was used. For example, for PSO's "PSO.WS.F.BPU.ATRR.Projected" tab, Excel Cells R104 through R134.

Response:

Please see the attached 1-77 file for the file names, dates and data used in the True Up. The "WS F BPU ATRR Projected" section is not used as this is associated with the Projections.

Date: 11/14/2023

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Set JI Set 1 of Data Requests**

Data Request 78:

QUESTIONS APPLICABLE TO EACH OPCO AND TRANSCO

For each of the OpCos and TransCos, in relation to the separate WS F & G files provided for each, please provide the source data for Schedule 11. For example for PSO's "PSO.Sch.11.Rates," Columns I and J, provide where the data in these columns came from, specifically the file name, date of the file and the data ranges within each that was used.

Response:

Please see the 1-78 attachments to see support for Column I & J. The F & G files will show the calculation for column I and the Column J file will show where that data was pulled.

Date: 11/14/2023

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Data Request 79:

QUESTIONS APPLICABLE TO EACH OPCO AND TRANSCO

In reference to PSO's separate WS F & G file, tab P.001, Excel Row 27 – 2019, please provide the data source for each of the “P” tabs in this file for this year as it appears that this row was changed from last year's amount. To the extent that any other OpCo or TransCos have different amounts from the prior year, please provide supporting documentation and an explanation for the difference.

Response:

The data source for each P tab is included in question 1-77. The companies have not performed an analysis of the differences in investments from 2019 to 2020.

Date: 11/14/2023

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Data Request 80:

PSO

In reference to PSO's FERC Form 1, 109.2, it states "PSO acquired a certain number of transmission facilities (Radial Facilities) from AEP Oklahoma Transmission Company for approximately \$48.1 million. On October 22, 2020 in Docket No. EC20-91-000, FERC authorized the proposed transaction and on December 15, 2020, the sale between PSO and AEP Oklahoma Transmission Company was consummated. The final accounting entries to clear account 102 will be submitted to FERC within 6 months of the sale being consummated." Page 123.25 further states "In August 2020, AEPSC filed a request with FERC, on behalf of PSO and OKTCo, to transfer OKTCo's interests in its radial assets to PSO. OKTCo had previously constructed radial assets in the PSO service territory and after the radial assets were placed into service, management determined the radial assets were not eligible to be included as part of OKTCo's SPP OATT formula rates. In October 2020, FERC approved the request and in December 2020, OKTCo completed the transfer of its interest in the radial assets to PSO, through Parent, at net book value. At the transfer date, the net book value of the radial assets were \$60 million, before associated tax liabilities. PSO will seek recovery of the radial assets in its next base rate case, which must be filed by October 2021. If PSO does not receive approval to recover the radial assets, it could reduce future net income and cash flows and impact financial condition." Please provide the following:

- a. The full accounting journal entries to record the sale and purchases of the aforementioned radial facilities on each of PSO's and OKT's books, including all accounting entries for associated amounts of deferred income taxes for 2019 and 2020.
- b. State whether the radial facilities have been removed from PSO's formula rate template. If yes, please identify the associated amounts and where in the template they were removed

Response:

- a. On May 27, 2021, AEP requested approval from the Federal Energy Regulatory Commission (FERC) in Docket No. AC21-130-000 to record the final accounting entries to clear Account 102, Electric Plant Purchased or Sold, relating to the transfer of certain jurisdictional radial transmission facilities from Oklahoma Transmission Company, Inc. to Public Service Company of Oklahoma. See 1-80 Attachment 1 for the May 27, 2021 Proposed Accounting Entries, which the FERC approved on July 1, 2021.
- b. Once the accounting entries were made these assets would not be included in the plant accounts for PSO, and would be excluded from formula. The exclusion would impact accounts 101 and 108.

Date: 11/14/2023

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**Responses to Multiple Intervenors
Set JI Set 1 of Data Requests**

Data Request 81:

PSO

In reference to PSO's 2020 FERC Form 1, Page 123.10 states that "[w]hen it becomes probable that an asset in-service or an asset under construction will be abandoned and regulator cost recovery has been disallowed or is not probable, the cost of the asset shall be removed from plant-in-service or CWIP and charged to expense." Please quantify all such amounts expensed by FERC Account for 2020.

Response:

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

Date: 11/14/2023

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**Responses to Multiple Intervenors
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Data Request 82:

PSO

In reference to PSO's 2020 FERC Form 1, Page 123.72, "Joint License Agreement," please:

- a. Provide the joint license agreement revenues recorded by PSO in 2020 quantified by FERC Account; and
- b. Provide the joint license agreement costs billed to PSO in 2020 quantified by FERC Account.

Response:

Please see attachment 1-82_Attachment_1.xlsx

Date: 11/14/2023

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**Responses to Multiple Intervenors
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Data Request 83:

PSO

In reference to PSO's FERC Form 1, Page 123.32, PSO states that "In October 2020, AEP Texas, PSO and a nonaffiliated joint-owner executed an Environmental Liability and Property Transfer and Asset Purchase Agreement with a nonaffiliated third-party related to the Oklaunion Power Station site. The purchaser took ownership of the assets and assumed responsibility for environmental liabilities, including ash pond closure, asbestos abatement and decommissioning and demolition of the Oklaunion Power Station site. The sale had an immaterial impact on the financial statements in the fourth quarter of 2020." Please provide the following:

- a. To the extent the liability was accrued to an A&G expense account, please identify the FERC account and associated amount.
- b. If yes to subpart a., please explain how PSO accounted for the sale return amounts and identify the FERC account(s) such returns were included.
- c. Explain any impacts this sale had on ADIT, including identifying any specific line items and associated amounts in PSO's formula rate template.

Response:

- a. N/A - A&G expenses not impacted.
- b. N/A
- C. N/A

Date: 11/14/2023

**Discovery for 2020 ATRR True-up of Transmission Formula Rates in SPP
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**Responses to Multiple Intervenors
Set JI Set 1 of Data Requests**

Data Request 84:

PSO

In reference to PSO's FERC Form 1, Page 123.72, it states, "Cook Coal Terminal performs railcar maintenance services at cost for PSO. AEGCo billed PSO \$678 thousand and \$753 thousand for the years ended December 31, 2020 and 2019, respectively, for railcar maintenance services. PSO recorded the cost of the railcar maintenance services in Fuel Stock on the balance sheets." Please provide (i) the FERC accounts and associated amounts where any expenses associated with the railcar maintenance services are recorded and (ii) identify the FERC accounts and associated amounts where any of the assets associated with these operations are recorded on PSO's books.

Response:

Account 151 as coal is consumed it goes to account 501. Assets related to Cook Coal Terminal are not recorded on PSO's books.

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Data Request 85:

PSO

In reference to PSO's FERC Form 1, Page 123.72, it states, "APCo operates a facility which repairs and rebuilds specialized components for the generation plants across the AEP System. PSO recorded billings from APCo of \$1 million as capital or maintenance expenses, depending on the nature of the services received, for each of the years ended December 31, 2020 and 2019. These billings are recoverable from customers." Please provide (i) the FERC accounts and associated amounts where any expenses associated with the generation repairs facility services are recorded and (ii) identify the FERC accounts and associated amounts where any of the assets associated with these operations are recorded on PSO's books.

Response:

Please see file 1-85_Attachment_1 for 2020 data and file 1-85_Attachment_2 for 2019 data.

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Data Request 86:

PSO

In reference to PSO's FERC Form 1, Page 123.73, it states, "PSO had affiliated sales and purchases of electric property amounting to \$100 thousand or more, sales and purchases of meters and transformers, and sales and purchases of transmission property. There were no gains or losses recorded on the transactions." PSO APCo had sales of \$1.1 million and \$0.8 million in 2020 and 2019, respectively. PSO had purchases of \$0.4 million and \$0.5 million in 2020 and 2019, respectively. Please provide the following:

- a. Identify each affiliate sale and purchase separately for 2019 and 2020.
- b. The full accounting journal entries to record the sale and purchases of the aforementioned propert(ies) identified in subpart a. above on each of the affiliates' and PSO's books, including all accounting entries for associated amounts of deferred income taxes for 2019 and 2020.

Response:

Please see Attachment 1-86_Attachment_2.xlsx

Date: 11/14/2023

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Data Request 87:

PSO

In reference to PSO's 2020 FERC Form 1, Page 206, Column c., please provide (i) the nature of the 2020 Additions and (ii) a detailed listing (Excel format), including detailed journal entry descriptions, of the 2020 Additions for each of the following accounts:

- a. Line 48, Account 350 – Land and Land Rights in the amount of \$5,071,503
- b. Line 49, Account 352 – Structures and Improvements in the amount of \$4,373,503.
- c. Line 50, Account 353 – Station Equipment in the amount of \$30,470,781.
- d. Line 52, Account 355 – Poles and Fixtures in the amount of \$67,902,059.
- e. Line 53 Account 356 – Overhead Conductors and Devices in the amount of \$22,255,189.
- f. Line 87, Account 390 – Structures and Improvements in the amount of \$4,858,610.
- g. Line 94, Account 397 – Communication Equipment in the amount of \$23,448,162
- h. Line 95, Account 398 – Miscellaneous Equipment in the amount of \$1,568,517.

Response:

Please refer to attached file 1-87 Attachment 1_SEND for detail supporting the additions. Detailed journal entry descriptions making up the plant in service additions by utility account are unavailable in the Powerplan application.

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Data Request 88:

PSO

In reference to PSO's 2020 FERC Form 1 Page 207, Line 97, Column d, Account 399 – Other Tangible Property, please describe the assets subject to the 2020 Retirements in the amount of \$529,811 and explain whether the retirements were by sale or abandonment in place? Please provide a detailed listing of the 2020 Retirements for this account and provide the full accounting journal entry associated with these retirements, including the impacts to ADIT accounts.

Response:

Please refer to file 1-88 Attachment 1_SEND for details regarding the 399 retirements. The retirements were associated with the sale of the Alliance Railcar Facility. The retirements were recorded as a credit to account 1010001 (Plant in Service) and debit to account 1080001 (Accumulated Provision for Depreciation of Plant). The company's fixed asset system does not track ADIT at the individual asset level.

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Data Request 89:

PSO

The amount of each amortization included in the ATRR. In reference to PSO's 2020 FERC Form 1, Page 227, Note on Page 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:

See 1-89 Attachment.xlsx

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Data Request 90:

PSO

In reference to PSO's 2020 FERC Form 1, Page 232, Line 26 – Deferred Major/Minor Storm Restoration, please clarify whether PSO includes amortizations of these regulatory assets in its wholesale formula rate and, if so, please provide:

- a. The FERC order authorizing the recovery of the regulatory assets; and
- b. The amounts recorded to Account 571 and 593.
- c. The amounts included in the 2020 ATRR.

Response:

- a. PSO recovers actual storm damage costs with the exception of transmission related amortizations reported in operations and maintenance expense of regulatory assets allowed per the settlement in docket No. ER18-195-000.
- b. See file 1-90 Attachment.
- c. \$892,156.56 was amortized in 2020.

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Data Request 91:

PSO

In reference to PSO's 2020 FERC Form 1, Page 321, Line 108, Column b, Account 571 - Maintenance of Overhead Lines in the amount of \$6,614,020, please provide a detailed tabulation (Excel format) of every entry booked to this account during 2020, including name, description of cost item, detailed journal entry and amount.

Response:

Please See Attachment 1_91_Attachment_1.xlsx

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**Responses to Multiple Intervenors
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Data Request 92:

PSO

In reference to PSO's FERC Form 1, Pages 426.2, 426.4 and 426.7, please provide (i) a detailed explanation, including a description of the asset(s), as to why the following assets are designated as Transmission given the voltage levels (shown below as Primary to Secondary Voltage) appear to be distribution and (ii) state where the assets are recorded by FERC account and associated amount:

- a. Page 426.2 – Line 28 - COPAN SOUTH - OK - 69.00 - 13.20
- b. Page 426.4 – Line 2 - FREDERICK JUNCTION - OK T - 69.00 - 13.20
- c. Page 426.4 – Line 22 HOBART CITY – OK - 69.00 - 34.50 - 14.40
- d. Page 426.4 – Line 23 HOBART CITY - OK - 13.80
- e. Page 426.4 – Line 24 HOBART CITY - OK - 69.00 - 13.80
- f. Page 426.7 – Line 22 - RED OAK (PO) - OK T 69.00 13.09 – In addition, please state whether this asset is related to the Red Oak Pump- OK on Lines 23 and 24 of Page 426.7.
- g. Page 426.7 – Line 28 WALTERS JUNCTION - OK T - 69.00 - 36.20

Response:

PSO functionalizes assets according to their use, and not their voltage level. See file JI-1-92 Attachment 1 for the requested accounting information. The assets in the list recorded to transmission utility accounts are used for transmission purposes. Assets shown as recorded in Distribution plant accounts serve distribution purposes and are not included in the formula rate base.

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Data Request 93:

PSO

In reference to PSO's FERC Form 1, Page 429, please provide the following:

- a. Line 7 - Central Machine Shop – The amounts recorded in Account 920 per the Note on Page 450.1 and describe what types of costs these represent.
- b. Line 6 – Building and Property Leases provided by OKT – A detailed breakout of the amounts included in Accounts 567 and 589 that total \$2,335,143.
- c. Line 16 – Customer Support – A detailed breakout of the amounts included in Accounts 920 and 923 that total \$1,152,005.
- d. Line 18 – Environmental Services – A detailed breakout of the amounts included in Accounts 920 and 923 that total \$414,452.
- e. 429.1 - Regulatory Services AEPSC – A detailed breakout, including detailed journal entries, of the amounts included in Accounts 920 and 923 that total \$995,774.

Response:

- a. Please see Attachment 1-93_Attachment_1.xlsx
- b. Please see Attachment 1-93_Attachment_2.xlsx
- c. Please see Attachment 1-93_Attachment_3.xlsx
- d. Please see Attachment 1-93_Attachment_4.xlsx
- e. Please see Attachment 1-93_Attachment_5.xlsx

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Set JI Set 1 of Data Requests**

Data Request 94:

PSO

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

Response:

Refer to file 1-94 Attachment 1_SEND for details on 2020 GSU activity for Public Service Company of Oklahoma.

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Data Request 95:

PSO

In reference to “PSO WS A-1 – Plant” tab, Lines 15 and 27, Column (f) “Excluded Plant,” please provide a workable Excel file showing a detailed listing of the excluded facilities, including amounts, that comprise (i) Line 15, December Prior to Rate Year balance; (ii) Additions; (iii) Retirements; (iv) transfers; and (v) the ending balance shown on Line 27 - December of Rate Year.

Response:

- i. & v. Please see attachment 1-95 PSO Excluded Plant 1.
- ii., iii. & iv. Please see attachment 1-95 PSO Excluded Plant 2.

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Data Request 96:

PSO

Please identify all PSO unfunded or partially funded reserves (i.e., reserves accrued through expenses included in the formula but for which no escrow or restricted fund has been established, which are typically included in FERC Accounts 228.1, 228.2, 228.3, 228.4, 232, 242 and 253). This response should identify which amounts are associated with the following ADIT items included on WS B-2 Actual Statement AG. In addition, please provide (i) the FERC Account number where each such reserve has been recorded, (ii) the FERC Account number to which the reserve accrual(s) is (are) booked, and (iii) the balances as of December 31, 2019, and December 31, 2020.

- a. 630R ACCRD ENERGY CONSERV EXPEND
- b. 605B ACCRUED BK PENSION EXPENSE
- c. 605C ACCRUED BK PENSION COSTS - SFAS 158
- d. 601E INSURANCE PREMIUMS ACCRUED;
- e. 602A PROV WORKER'S COMP;
- f. 605E SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN;
- g. 605I ACCRD BK SUP. SAVINGS PLAN EXP;
- h. 605O ACCRUED PSI PLAN EXP;
- i. 612Y ACCRD COMPANYWIDE INCENTV PLAN;
- j. 613E ACCRUED BOOK VACATION PAY;
- k. 613K (ICDP)-INCENTIVE COMP DEFERRAL PLAN;
- l. 613Y ACCRUED BK SEVERANCE BENEFITS;
- m. 906A ACCRD SFAS 106 PST RETIRE EXP
- n. 906F ACCRD OPEB COSTS - SFAS 158;
- o. 906K ACCRD SFAS 112 PST EMPLOY BEN;
- p. 980A RESTRICTED STOCK PLAN; and
- q. 980J PSI - STOCK BASED COMP.

Response:

Please see file JI 96 Attachment 1.

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**Responses to Multiple Intervenors
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Data Request 97:

PSO

In reference to PSO WS C-1 ADIT EOY, Excel Row 94 - 960F-XS EXCESS ADFIT 283 – UNPROTECTED, please provide the following:

- a. A detailed explanation why the total balance is positive.
- b. The excluded amounts of \$7,908,270 are a positive amount in Account 283.
- c. The transmission amounts of \$3,267,441 are a positive amount in Account 283.
- d. Supporting documentation including workpapers and detailed calculations that support the amounts in (b) and (c) above.

Response:

- a. The balance in Excess ADFIT 283 - Unprotected is positive because when the accounts were remeasured on 12-31-2017, the balance in account 190 was greater than the balance in account 283. The unprotected excess in accounts 190 and 283 were netted in account 283.
- b. The excluded amount is the difference between what is on the total company ledger and the Transmission function amount on WS C-4. Please see file 1-97 Attachment 1 for support for Total PSO Excess ADFIT 283.
- c. For support, see WS C-4 for the transmission calculation.
- d. For support see 1-97, subparts b. & c.

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**Responses to Multiple Intervenors
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Data Request 98:

PSO

In reference to PSO WS C-1 ADIT EOY and PSO WS C-2 ADIT BOY, please provide (i) a detailed description of each item, (ii) the FERC account where the underlying revenue or expense that gave rise to this ADIT item is recorded, (iii) the difference in treatments for book and tax purposes that produce the deferred income tax assets or liabilities, , and (iv) the rationale for the allocation methodology chosen for the item:

- a. TCJA 282 EXCESS ADJUSTMENT; - In addition, please provide an explanation as to why this amount is positive in Account 282.
- b. 533I INDIAN RESERVATION SECTION 481a ADJUSTMENT;
- c. 638A BOOK > TAX BASIS - EMA-A/C 283;
- d. 661R REG ASSET-SFAS 158 – PENSIONS;
- e. 661S REG ASSET-SFAS 158 – SERP;
- f. 661T REG ASSET-SFAS 158 – OPEB;
- g. 664E REG ASSET-NON-AMI METERS;
- h. 664F REG ASSET-NON-AMI METERS – AMORT;
- i. 673S REG ASSET-INDEPENDENT EVALUATOR DEFRL;
- j. 674R REG ASSET-UNDER RECOV-EXCESS TAX ETRR;
- k. 906D SFAS 106 PST RETIRE EXP - NON-DEDUCT CONT (in addition, please provide the justification for including non-deductible related ADIT in the formula rate template);
- l. 906Z SFAS 106 - MEDICARE SUBSIDY - (PPACA)-REG ASSET; In addition, please state whether this is related to the regulatory asset SFAS 106 Medicare Subsidy on Line 5a of the “WS S Reg Assets” tab.
- m. 960X STATE NOL CURRENT BENEFIT;
- n. 283 EXCESS ADJUSTMENT;
- o. 520A PROVS POSS REV REFDS-A/L;
- p. 520Y PROV FOR RATE REFUND-EXCESS PROTECTED;
- q. 601E INSURANCE PREMIUMS ACCRUED;
- r. 602A PROV WORKER'S COMP;
- s. 605E SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN;
- t. 605I ACCRD BK SUP. SAVINGS PLAN EXP;
- u. 605O ACCRUED PSI PLAN EXP;
- v. 612Y ACCRD COMPANYWIDE INCENTV PLAN;
- w. 613E ACCRUED BOOK VACATION PAY;
- x. 613K (ICDP)-INCENTIVE COMP DEFERRAL PLAN;
- y. 613Y ACCRUED BK SEVERANCE BENEFITS;
- z. 630F DEFD BK CONTRACT REVENUE;
- aa. 712P PROF SERVICES CAPITALIZED-TX

- bb. 906F ACCRD OPEB COSTS - SFAS 158;
- cc. 906K ACCRD SFAS 112 PST EMPLOY BEN;
- dd. 911Q-DSIT DSIT ENTRY – NORMALIZED;
- ee. 940X IRS CAPITALIZATION ADJUSTMENT;
- ff. 980A RESTRICTED STOCK PLAN; and
- gg. 980J PSI - STOCK BASED COMP.

Response:

Please see file 1-98 Attachment 1.

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Data Request 99:

PSO

In reference to entitled tab “PSO WS C-2 ADIT BOY,” please provide an explanation and supporting documentation for the change in allocation of the following line items:

- a. Excel Row 114 – Account 1901001 - 520A PROVS POSS REV REFDS-A/L, from PTD Plant to a split between PTD Plant and Exclusions; and
- b. Excel Row 115 – Account 1901001 - 520Y PROV FOR RATE REFUND-EXCESS PROTECTED, from Exclusions to PTD Plant.

Response:

- a. Regarding the ADIT item 520A related to refunds, as described in previous responses refunds are a return of previously billed amounts. Because the formula relies on projections and related true-ups the Company believes that it is appropriate to allocate related ADIT balances in rate base until the refund is recognized for tax purposes. In future updates, the Company will separately report this ADIT item in the ADIT WSs to exclude their allocation to rate base.
- b. Line item 520Y should have been excluded from the formula rate calculation.

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Data Request 100:

PSO

In reference to PSO WS D Working Capital, Line 4 – 1650001 – Prepaid Insurance, please provide the following:

- a. A detailed tabulation of each type of insurance and associated amount included in the plant related column in the total amount of \$692,136.
- b. A detailed tabulation of each type of insurance and associated amount included in the labor related column in the total amount of \$168,946
- c. State whether PSO includes Company Owned Life Insurance (“COLI”) in any amounts in (a) or (b) above. If not, please indicate the FERC account and associated amount where PSO has recorded COLI.

Response:

- a. and b. In reference to PSO WS-D Line 4 for Prepaid Insurance account 1650001, please see the attached file 1-100 WS D - PSO 2020 for the detail tabulation. The Plant and Labor amount are reported in columns I & J of the attachment.
- c. PSO does not include COLI in the amounts in subparts a or b above.

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Data Request 101:

PSO

In reference to PSO WS D Working Capital, Line 15 – 1650021 – Prepaid Insurance – EIS, please:

- a. Explain what is “Prepaid Insurance – EIS;”
- b. Explain the risks against which “Prepaid Insurance – EIS” is intended to insure; and
- c. Explain the delineation between the plant-related and labor-related amounts and provide supporting calculations. To the extent that multiple insurance items are included, please provide a breakout separately.

Response:

- a. The EIS (Energy Insurance Service) is a program designed to meet the insurance needs of AEP and their subsidiaries.
- b. The risk being insured are: Property Loss, Cyber Attacks, and other losses related to AEP.
- c. Please see the attachment in question 1-100.

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Data Request 102:

PSO

In reference to PSO WS D Working Capital, Line 22 – 1650035 – PRW Without MED-D Benefits, please describe the nature and purpose of the prepayment and provide supporting documentation and calculations.

Response:

This account represents the cumulative balance of cash contributions to the AEP medical plan net of actuarially determined expense. These contributions are used to pay current benefits and earn a return towards paying future benefits, which reduces current expense to company and future contributions.

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Data Request 103:

PSO

In reference to PSO WS J Misc Exp, for each of the following items, please provide the following: (i) a detailed description of this item, (ii) explain what the portions included under the transmission column represent and (iii) supporting documentation for the amounts in the transmission column.

- a. Line 1 – 9280000 - Regulatory Commission Expense – OCC Annual fees - \$230
- b. Line 2 – 9280001 - Reg Commission Expense Admin - \$192 – In addition, provide an explanation as to what the note “Reg/Leg Act-West Oper Co.’s” means.
- c. Line 5 – 9280002 - Reg Commission Exp - Misc Filings - \$463 - In addition, provide an explanation as to what the note “Reg/Leg Act-Oklahoma” means.
- d. Line 6 – 9280002 - Reg Commission Exp - Misc Filings - \$11,835 – In addition, PSO describes this item as “Federal and/or State Regulatory and Legislative Activities for All Operating Companies including but not limited to policy development, regulatory case management and other regulatory and legislative support.” Please clarify whether these expenses represent expenses to appear before FERC. If yes, please identify the FERC Docket Nos. If not, please clarify what activities these represent and identify the commission associated with any cases.
- e. (missing Line No.) 9280005 - Reg Commission Exp - Trans Cases - \$27,151 – In addition please (i) explain why \$(414) is being applied to 100% non-transmission thereby increasing the transmission amount and (ii) explain what the costs referred to in the note that states “to accumulate AEPSC costs to align all work associated with managing the protocols and formula rates of the west operating companies and west transmission companies” represents.

Response:

Please see Attachment 1-103_Attachment_1.xlsx

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Data Request 104:

PSO

In reference to PSO WS J Misc Exp, Line 1 (repeated twice) – Reg Commission Expense Admin - FERC Assessment Fees, please provide an explanation as to why 100% of this line item is not associated with transmission.

Response:

The (\$4) of the (\$25) Reg Commission Expense Admin - FERC Assessment Fees was allocable to Transmission only.

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Data Request 105:

PSO

In reference to entitled tab “PSO WS J Misc Exp,” please provide a detailed tabulation of every item included in this amount, including detailed journal entries and associated amount for the following new line items:

- a. Line 17 – Account 9302006 - Assoc Bus Development - Materials Sold-Trans, in the amount of \$3,738; and
- b. Line 19 – Account 9302007 - Assoc Business Development Exp – Transmission, in the amount of \$5,239,789.

Response:

Please see Attachment 1-105_Attachment_1.xlsx

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Data Request 106:

PSO

In reference to entitled tab “PSO Sch 11 Rates”, Excel Cells J59 and J60, please explain the reasoning for the removal of the calculations in these cells and replacing them with hardcoded inputs.

Response:

In the past, we didn't have the granularity in the data to directly assign the collected revenue. Please see question 1-74 for the file associated with cells O42 and O43 showing the collected amounts.

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Data Request 107:

OKT

In reference to OKT's FERC Form 1, Page 109.1, it states, "The notification the transfer of transmission facilities (Radial Facilities) by AEP Oklahoma Transmission Company, Inc. to Public Service Company of Oklahoma was submitted to FERC on December 18, 2020. The Commission authorized the transaction in Docket No. EC20-91-000. The journal entries for this transaction will be submitted to the Commission in 2021." Please provide:

Response:

Language in question 1-107 appears to be missing. It is unclear what the Company is being asked to provide.

On May 27, 2021, AEP requested approval from the Federal Energy Regulatory Commission (FERC) in Docket No. AC21-130-000 to record the final accounting entries to clear Account 102, Electric Plant Purchased or Sold, relating to the transfer of certain jurisdictional radial transmission facilities from Oklahoma Transmission Company, Inc. to Public Service Company of Oklahoma. See 1-80 Attachment 1 for the May 27, 2021 Proposed Accounting Entries, which the FERC approved on July 1, 2021.

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Data Request 108:

OKT

In reference to OKT's FERC Form 1, Page 123.29, it states, "OKTCo purchased \$662 thousand and \$325 thousand of transmission property from PSO during the years ended December 31, 2020 and 2019, respectively. There were no gains or losses recorded on these transactions." Please provide the full accounting journal entries to record the transfer of the abovementioned transmission asset(s), to the extent multiple assets were transferred provide the entries for each transaction, on OKT and PSO's books, including all accounting entries for associated amounts of deferred income taxes for 2019 and 2020.

Response:

Please see file 1-108 Attachment_SEND. The Company's fixed asset system does not keep track of the deferred taxes at the individual asset level.

Date: 11/14/2023

**Discovery for 2020 ATRR True-up of Transmission Formula Rates in SPP
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**Responses to Multiple Intervenors
Set JI Set 1 of Data Requests**

Data Request 109:

OKT

In reference to OKT's 2020 FERC Form 1, Page 206, please provide (i) the nature of the 2020 Additions and (ii) a detailed listing (Excel format), including detailed journal entry descriptions, of the 2020 Additions for each of the following accounts:

- a. Line 48, Column c, Account 350 – Land and Land Rights in the amount of \$(4,711,981). In addition, please provide a detailed explanation as to why these additions are negative.
- b. Line 49, Column c, Account 352 – Structures and Improvements in the amount of \$6,410,804.
- c. Line 50, Column c, Account 353 – Station Equipment in the amount of \$42,200,612.
- d. Line 52, Column c, Account 355 – Poles and Fixtures in the amount of \$44,733,666.
- e. Line 53, Column c, Account 356 – Overhead Conductors and Devices in the amount of \$38,455,065.

Response:

Please refer to attached file 1-109 Attachment 1_SEND for detail supporting the additions. Detailed journal entry descriptions making up the plant in service additions by utility account are unavailable in the Powerplan application. The 350 negative additions are primarily the result of activity associated with the radial line transfer approved in FERC Docket No. EC20-91-000.

Date: 11/14/2023

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**Responses to Multiple Intervenors
Set JI Set 1 of Data Requests**

Data Request 110:

OKT

In reference to OKT's 2020 FERC Form 1, page 207, Line 86, Column f, Account 389 – Land and Land Rights in the amount of \$1,406,521 please provide the following:

- a. A description of the nature of the 2020 Transfers.
- b. A detailed listing (Excel format), including detailed journal entry descriptions, of the 2020 Transfers for this account.
- c. Identify the FERC Account(s) and associated amounts where these amounts were transferred from.

Response:

Please refer to attached file JI-110 Attachment 1_SEND for detail supporting the transfer.

Date: 11/14/2023

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**Responses to Multiple Intervenors
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Data Request 111:

OKT

In reference to OKT's 2020 FERC Form 1, Page 335, please (i) provide a detailed tabulation, including detailed journal entry, of every item included in each total and the associated amount and (ii) thoroughly describe the nature and purpose of the following cost items:

- a. Line 6 – Corporate Memberships in the amount of \$39,892; and
- b. Line 9 – Miscellaneous in the amount of \$17,996.

Response:

The amount of Corporate Memberships in the FERC Form 1 on page 335 had \$53 incorrectly classified as Miscellaneous instead of Corporate Memberships. The correct amount should have been \$39,945 for Corporate Memberships and \$17,943 for Miscellaneous. Please refer to 1-111 Attachment 1 for requested information for each of these amounts.

Date: 11/14/2023

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**Responses to Multiple Intervenors
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Data Request 112:

OKT

In reference to OKT's FERC Form 1, Page 422.1, please provide a detailed description and state whether these are interconnections with generators. If yes, please state whether these are removed from the formula rate template. If not, provide an explanation as to why not.

- a. Line 1 TL81684 Northeastern Generator NO 1 138.00 138.00 1 0.05 1
- b. Line 2 TL81685 Northeastern Generator NO 2 138.00 138.00 1 0.11 1
- c. Line 3 TL81686 Northeastern Generator NO 3 AND NO 4 138.00 138.00 1 0.37
1
- d. Line 4 TL81687 Northeastern Generator Xfmrs 138.00 138.00 1 0.08

Response:

The referenced line segment descriptions for subparts a-d are provided in file JI-1-112 Attachment 1. These were not removed from the formula.

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**Responses to Multiple Intervenors
Set JI Set 1 of Data Requests**

Data Request 113:

OKT

In reference to OKT WS C-1 ADIT EOY – Line 36 – 2831001 - 960F-XS EXCESS ADFIT 283 UNPROTECTED in the amount of \$3,358,093 and OKT WS C-2 ADIT BOY – 2831001 -960F-XS EXCESS ADFIT 283 UNPROTECTED in the amount of \$4,601,953, please provide an explanation as to why these amounts were not entered as negatives and provide any support for AEP's position that this should be entered as a positive.

Response:

Account 231001-960F-XS Excess ADFIT 283 Unprotected does have a positive balance. The positive balance comes from the remeasurement of 12-31-2017 when account 190 was greater than account 283. Both accounts were netted in account 283. Please see file 1-113 Attachment 1 for a provision report supporting the positive amounts in 960F-XS Excess ADFIT 283 Unprotected.

Date: 11/14/2023

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**Responses to Multiple Intervenors
Set JI Set 1 of Data Requests**

Data Request 114:

OKT

In reference to OKT WS C-1 ADIT EOY and OKT WS C-2 ADIT BOY, please provide (i) a detailed description of each item, (ii) the FERC account where the underlying revenue or expense that gave rise to this ADIT item is recorded, (iii) the difference in treatments for book and tax purposes that produce the deferred income tax assets or liabilities, , and (iv) the rationale for the allocation methodology chosen for the item:

- a. 230X R & D DEDUCTION - SEC 174;
- b. 712K CAPITALIZED SOFTWARE COST-BOOK;
- c. 908B BOOK OPERATING LEASE – ASSET; In addition, please provide (i) a description of the operating lease asset (i.e. whether it's an OKT-owned lease or a lease OKT pays to a third-party) and (ii) the FERC account used to record this deferred tax item and discuss its treatment in the formula rate.
- d. 014C-OK NOL-STATE C/F-DEF TAX ASSET-L/T – OK;
- e. 520A PROVS POSS REV REFDS-A/L;
- f. 612Y ACCRD COMPANYWIDE INCENTV PLAN;
- g. DSIT ENTRY – NORMALIZED.; and
- h. BOOK OPERATING LEASE – LIAB; In addition, please provide (i) a description of the operating lease liability (i.e. whether it's an OKT-owned lease or a lease OKT pays to a third-party) and (ii) the FERC account used to record this deferred tax item and discuss its treatment in the formula rate.

Response:

- a. (i) and (iii) Tax is allowed a deduction for research and development costs. (ii) Tax Only. (iv) This balance isn't allocable to transmission operating, so excluded is the most appropriate allocator.
- b. (i) Software costs are deducted for tax when incurred and capitalized and then amortized for books. (ii) Tax only. (iii) Please see 114 b. part (i). (iv) This balance is allocable to a payroll-related expense for employees, so labor is the most appropriate allocator.
- c. (i) and (iii) To record the new lease standards required by ASC 842. The leases are for lay down yards and all agreements are between the land owner and AEP OK Transco directly. (ii) The underlying FERC account for this ADIT is 931. (iv) This balance is not allocable to transmission operations, so excluded is the most appropriate allocator.
- d. (i) This is the federal deferred tax balance associated with the state net operating loss carryforward for Oklahoma. (ii) and (iii) Tax only. (iv) The company believes that these should have been included but consistent with past practices they were excluded in the most recent true up.
- e. (i) Provision for refunds is not deductible for tax purposes until the refund is actually made to the customers. (ii) The underlying account is 449. (iii) Please see 1-114 e. part (i). (iv) Because

refunds reflect a passback of previously recognized revenues related to the provision of electric service, the use of the PTD Plant allocator is appropriate because it represents the functional relationship of the assets used to provide those refunded revenues.

f. (i) Book accrual for incentive plan expenses are not deductible for tax unless economic performance rules for payment (2 1/2 months in the following tax year) are satisfied. (ii) The underlying account is 926. (iii) Please see 1-114 f. part (i). (iv) This balance is allocable to a payroll-related expense for employees, so labor is the most appropriate allocator.

g. (i) Federal deferred tax balance associated with the normalized State. (ii) and (iii) Tax only. (iv) This balance is allocable to transmission operations, so transmission is the most appropriate allocator.

h. (i) and (iii) To record the new lease standards required by ASC 842. The leases are for lay down yards and all agreements are between the land owner and AEP OK Transco directly. (ii) The underlying FERC account for this ADIT is 931. (iv) This balance is not allocable to transmission operations, so excluded is the most appropriate allocator.

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Data Request 115:

OKT

In reference to entitled tab “OKT WS C-2 ADIT BOY”, please provide a detailed tabulation of every item included in the “Exclusions” column for the following line items:

- a. Excel Row 24 – Account 2821001 - 960F-XS EXCESS ADFIT 282 PROTECTED - \$(451,247); and
- b. Excel Row 25 – Account 2821001 - 960F-XS EXCESS ADFIT 282 UNPROTECTED - \$(422,974).

Response:

a. & b. Please see the file 1-115 OKTCO Attachment 1.

The Excel Row J24 amount should have been \$(171,531) and the Excel Row J25 should have been \$(5). Additionally, Excel Row J35 should have been \$870,372. With these revisions, the Revenue Requirement would have increased by \$26,598.

Date: 11/14/2023

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**Responses to Multiple Intervenors
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Data Request 116:

OKT

In reference to OKT WS C-4 Excess FIT, Line 1 - Balance per Books- Transmission Function only (190 enter positive, 282/283 enter negative), Column (E) – Account 2831001, please provide an explanation as to why this amount was not entered as a negative per the note and provide any support for AEP's position that this should be entered as a positive.

Response:

In the Companies application filed in Dockets ER20-2574-000 and ER20-2577-000 to address FERC Order 864, it was explained at the time of remeasurement of ADIT balances to reflect the new corporate tax rate of 21%, the excess ADIT amounts associated with ADIT account 190.1 were reclassified to and netted against the excess ADIT balances in account 283.1. This debit as of December 31, 2020 is the total balance of unamortized ADIT in 283.1 for generation and distribution, and remaining unamortized balance for transmission, as delineated by WS C-4.

Date: 11/14/2023

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**Responses to Multiple Intervenors
Set JI Set 1 of Data Requests**

Data Request 117:

OKT

In reference to OKT WS D Working Capital, Line 4 – 1650001 – Prepaid Insurance, please provide the following:

- a. A detailed tabulation of each type of insurance and associated amount included in the plant related column.
- b. State whether OKT includes Company Owned Life Insurance (“COLI”) in any amounts in (a) above. If not, please indicate the FERC account and associated amount where OKT has recorded COLI.

Response:

- a. Please refer to 1-117 Attachment 1 for detail of each type of insurance and associated amount included in plant related amount of \$79,211.
- b. There are no COLI amounts included in (a) above. The AEPSC Umbrella Trust holds life insurance policies, which have cash surrender values that fluctuate from month to month. Any changes in the cash surrender value are billed out to the AEP affiliates through the AEPSC bill. In calendar year 2020, OKT was billed \$(363,128) in credits to FERC Account 923 related to the change in cash surrender value of these life insurance policies.

Date: 11/14/2023

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**Responses to Multiple Intervenors
Set JI Set 1 of Data Requests**

Data Request 118:

OKT

In reference to OKT WS D Working Capital, Line 5 – 1650021 Prepaid Insurance – EIS,
please provide the following:

- a. A detailed tabulation of each type of insurance and associated amount included in the plant related column.
- b. State whether OKT includes Company Owned Life Insurance (“COLI”) in any amounts in (a) above. If not, please indicate the FERC account and associated amount where OKT has recorded COLI.

Response:

- a. See 1-118 Attachment 1 for requested information.
- b. There are no COLI amounts included in (a) above. The AEPSC Umbrella Trust holds life insurance policies, which have cash surrender values that fluctuate from month to month. Any changes in the cash surrender value are billed out to the AEP affiliates through the AEPSC bill. In calendar year 2020, OKT was billed \$(363,128) in credits to FERC Account 923 related to the change in cash surrender value of these life insurance policies.

Date: 11/14/2023

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**Responses to Multiple Intervenors
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Data Request 119:

OKT

In reference to entitled tab “OKT WS J Misc Exp”, Line 23, Account 9302000 - Misc General Expense, please provide a detailed tabulation, including detailed journal entries, of the amounts included in the 100% Transmission Specific column.

Response:

Please refer to 1-119 Attachment 1 for requested information for the journal entries. Please also refer to page 335 of the OKTCo FERC Form 1 which has broken out the amount in that account and refer to Company response at JI Set 1-111, which has additional support for the Corporate Memberships and Miscellaneous amounts noted on page 335.

Date: 11/14/2023

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**Responses to Multiple Intervenors
Set JI Set 1 of Data Requests**

Data Request 120:

SWEPCO

In reference to SWEPCo's 2020 FERC Form 1, Page 123.72, Transmission Coordination Agreement (TCA) note, please provide:

- a. The detailed journal entries to record expenses and revenues associated with the TCA in 2020 for PSO and SWEPCo, with a supporting explanation of each entry.
- b. Identify and explain the nature of any costs associated with the TCA that are billed directly to PSO or SWEPCO from AEPSC, AEPTCo, or other affiliates through intercompany billings.
- c. To the extent PSO and SWEPCo provide transmission services under the TCA explain how the companies account for the internal labor and other costs of providing the transmission services, accounts for revenues received from SPP, and how these costs and revenues are factored into the ATRR.

Response:

- a. Please see JI 1-120 Attachment 1 for requested information.
- b. There are no costs associated with the TCA that are billed directly to PSO or SWEPCO from AEPSC. The TCA defines how SPP revenues and expenses are allocated among the companies.
- c. PSO and SWEPCO do not provide transmission service under the TCA.

Date: 11/14/2023

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**Responses to Multiple Intervenors
Set JI Set 1 of Data Requests**

Data Request 121:

SWEPCO

In reference to SWEPCO's 2020 FERC Form 1, Page 206, please provide (i) the nature of the 2020 Additions and (ii) a detailed listing (Excel format), including detailed journal entry descriptions, of the 2020 Additions for each of the following accounts:

- a. Line 49, Column c, Account 352 – Structures and Improvements in the amount of \$4,516,757.
- b. Line 50, Column c, Account 353 – Station Equipment in the amount of \$30,488,330.
- c. Line 52, Column c, Account 355 – Poles and Fixtures in the amount of \$71,987,054.
- d. Line 53, Column c, Account 356 – Overhead Conductors and Devices in the amount of \$23,881,446.
- e. Line 94, Column c, Account 397 – Communication Equipment in the amount of \$11,541,536.

Response:

Please refer to file 1-121 Attachment 1_SEND for detail supporting the additions. Detailed journal entry descriptions making up the plant in service additions by utility account are unavailable in the Powerplan application.

Date: 11/14/2023

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Data Request 122:

SWEPCO

In reference to SWEPCO's 2020 FERC Form 1 Page 207, Line 97, Column d, Account 399 – Other Tangible Property, please describe the assets subject to the 2020 Retirements in the amount of \$9,418,706 and explain whether the retirements were by sale or abandonment in place? Please provide a detailed listing of the 2020 Retirements for this account and provide the full accounting journal entry associated with these retirements, including the impacts to ADIT accounts.

Response:

Please refer to file 1-122 Attachment 1_SEND for details regarding the 399 retirements. The retirements were associated with the sale of the Alliance Railcar Facility. The retirements were recorded as a credit to account 1010001 (Plant in Service) and debit to account 1080001 (Accumulated Provision for Depreciation of Plant). The company's fixed asset system does not keep track of the ADIT at the individual asset level.

Date: 11/14/2023

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Data Request 123:

SWEPCO

In reference to SWEPCO's 2020 FERC Form 1, Page 323, Line 187, Column b, Account 926 - Employee Pensions and Benefits please provide a detailed tabulation (Excel format) of every entry booked to this account during 2020, including name, description of cost item and amount. In addition, please explain and provide supporting documentation for the drivers underlying the increase in Account 926 - Administrative and General Salaries from \$9,809,640 to \$13,012,885 as shown in SWEPCO's 2020 FERC Form 1, Page 323, Line 187, Columns (c) and (b), respectively.

Response:

Please see Attachment 1-123_Attachment_1.xlsx

Date: 11/14/2023

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Data Request 124:

SWEPCO

In reference to SWEPCO's 2020 FERC Form 1, Page 323, Line 181, Column b, Account 920 - Administrative and General Salaries, please provide a detailed tabulation (Excel format) of every entry booked to this account during 2020, including name, description of cost item and amount. In addition, please explain and provide supporting documentation for the drivers underlying the increase in Account 920 - Administrative and General Salaries from \$31,629,550 to \$35,172,841 as shown in SWEPCO's 2020 FERC Form 1, Page 323, Line 181, Columns (c) and (b), respectively.

Response:

Please see attachment 1-124_Attachment_1.xlsx

Date: 11/14/2023

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Data Request 125:

SWEPCO

In reference to SWEPCO's 2020 FERC Form 1, 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:

See 1-125 Attachment.xlsx

Date: 11/14/2023

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Data Request 126:

SWEPCO

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

Response:

Refer to file 1-126 Attachment 1_SEND for details regarding Southwestern Electric Power Company's 2020 GSU activity.

Date: 11/14/2023

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Set JI Set 1 of Data Requests**

Data Request 127:

SWEPCO

In reference to “SWEPCO WS A-1 – Plant” tab, Lines 15 and 27, Column (f) “Excluded Plant,” please provide a workable Excel file showing a detailed listing of the excluded facilities, including amounts, that comprise (i) Line 15, December Prior to Rate Year balance; (ii) Additions; (iii) Retirements; (iv) transfers; and (v) the ending balance shown on Line 27 - December of Rate Year.

Response:

- i. & v. Please see attachment 1-127 SWEPCO Excluded Plant 1.
- ii., iii. & iv. Please see attachment 1-127 SWEPCO Excluded Plant 2.

Date: 11/14/2023

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Data Request 128:

SWEPCO

Please identify all SWEPCO unfunded or partially funded reserves (i.e., reserves accrued through expenses included in the formula but for which no escrow or restricted fund has been established, which are typically included in FERC Accounts 228.1, 228.2, 228.3, 228.4, 232, 242 and 253). This response should identify which amounts are associated with the following ADIT items included on WS B-2 Actual Statement AG. In addition, please provide (i) the FERC Account number where each such reserve has been recorded, (ii) the FERC Account number to which the reserve accrual(s) is (are) booked, and (iii) the balances as of December 31, 2019, and December 31, 2020.

- a. 605C ACCRUED BK PENSION COSTS - SFAS 158;
- b. 906K ACCRD SFAS 112 PST EMPLOY BEN;
- c. 602A PROV WORKER'S COMP;
- d. 605E SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN;
- e. 605F ACCRD SUP EXEC RETIR PLAN COSTS-SFAS 158;
- f. 605I ACCRD BK SUP. SAVINGS PLAN EXP;
- g. 605K ACCRUED BK BENEFIT COSTS;
- h. 605O ACCRUED PSI PLAN EXP;
- i. 611G DEFD COMPENSATION-BOOK EXPENSE;
- j. 612Y ACCRD COMPANYWIDE INCENTV PLAN;
- k. 613C ACCRD ENVIRONMENTAL LIAB-CURRENT;
- l. 613E ACCRUED BOOK VACATION PAY;
- m. 613F ACCRD ENVIRONMENTAL LIAB-LONG TERM;
- n. 613K (ICDP)-INCENTIVE COMP DEFERRAL PLAN;
- o. 613U BK ACCRL- COOK CT RENT HOLIDAY;
- p. 615E ACCRUED STATE INCOME TAX EXP;
- q. 613Y ACCRUED BK SEVERANCE BENEFITS;
- r. 631S FICA - NON-CUURENT;

Response:

Please see response to question 96.

Date: 11/14/2023

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Set JI Set 1 of Data Requests**

Data Request 129:

SWEPCO

In reference to SWEPCO WS C-1 ADIT EOY, 960F-XS EXCESS ADFIT 283 – UNPROTECTED, please provide the following:

- a. An explanation as to why the “Exclusions” column amount of \$11,381,904 is positive.
- b. An explanation as to why the “Transmission” column amount of \$149,464 is positive.
- c. Supporting documentation for the derivation of the amounts in items (b) and (c) above.

Response:

- a. The excluded amount is the difference between what is on the total company ledger and the Transmission function amount on WS C-4.
- b. The balance in Excess ADFIT 283 - Unprotected is positive because when the accounts were remeasured on 12-31-2017, the balance in account 190 was greater than the balance in account 283. The unprotected excess in accounts 190 and 283 were netted in account 283.
- c. For support, please see WS C-4 for the transmission calculation and file 1-129 Attachment 1 for Total SWEPCo Excess ADFIT 283.

Date: 11/14/2023

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**Responses to Multiple Intervenors
Set JI Set 1 of Data Requests**

Data Request 130:

SWEPCO

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

- a. 295D TAX LOSS ON PLANT RETIREMENTS;
- b. 711O BOOK LEASES CAPITALIZED FOR TAX;
- c. 910J INTEREST EXPENSE - COAL CARS;
- d. 014C-DSIT NOL-STATE C/F-DEF STATE TAX ASSET-L/T-AR;
- e. 014C-DSIT NOL-STATE C/F-DEF STATE TAX ASSET-L/T-LA;
- f. 014C-DSIT NOL-STATE C/F-DEF STATE TAX ASSET-L/T-NE;
- g. 014C-DSIT NOL-STATE C/F-DEF STATE TAX ASSET-L/T-OK;
- h. 014C-DSIT NOL-STATE C/F-VALUATION ALLOWANCE;
- i. 605C ACCRUED BK PENSION COSTS - SFAS 158;
- j. 630T TRANSACTION COSTS;
- k. 661R REG ASSET-SFAS 158 – PENSIONS;
- l. 661S REG ASSET-SFAS 158 – SERP;
- m. 661T REG ASSET-SFAS 158 – OPEB;
- n. 906D SFAS 106 PST RETIRE EXP - NON-DEDUCT CONT (in addition, please provide the justification for included non-deductible related ADIT in the formula rate template);
- o. 906K ACCRD SFAS 112 PST EMPLOY BEN;
- p. 283 EXCESS ADJUSTMENT;
- q. 520A PROVS POSS REV REFDS-A/L;
- r. 520Y PROV FOR RATE REFUND-EXCESS PROTECTED;
- s. 605F ACCRD SUP EXEC RETIR PLAN COSTS-SFAS 158;
- t. 605I ACCRD BK SUP. SAVINGS PLAN EXP;
- u. 605K ACCRUED BK BENEFIT COSTS;
- v. 605O ACCRUED PSI PLAN EXP;
- w. 605P STOCK BASED COMP-CAREER SHARES;
- x. 613C ACCRD ENVIRONMENTAL LIAB-CURRENT;
- y. 613F ACCRD ENVIRONMENTAL LIAB-LONG TERM;
- z. 613U BK ACCRL- COOK CT RENT HOLIDAY;
- aa. 615E ACCRUED STATE INCOME TAX EXP;
- bb. 632G TX DFL JT POLE ATT CSTS;
- cc. 702A GOODWILL PER TAX;

- dd. 906F ACCRD OPEB COSTS - SFAS 158;
- ee. 940X IRS CAPITALIZATION ADJUSTMENT;
- ff. 980A RESTRICTED STOCK PLAN; and
- gg. 980J PSI - STOCK BASED COMP.

Response:

Please see file 1-130 Attachment 1.

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Data Request 131:

SWEPCO

In reference to entitled tab “SWEPCO WS C-2 ADIT BOY”, please provide an explanation and supporting documentation for the change in allocation of the following line items:

- a. Excel Row 204 – Account 1901001 - 980A RESTRICTED STOCK PLAN, from Exclusions to PTD Plant; and
- b. Excel Row 205 – Account 1901001 - 980J PSI - STOCK BASED COMP, from Exclusions to PTD Plant.

Response:

a. & b. The company believes it should be allocable on labor because we incur the underlying expense that gives rise to this ADIT item.

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Data Request 132:

SWEPCO

In reference to SWEPCO WS D Working Capital, Acct No. 1650001, Line 4- Prepaid Insurance, please provide the following:

- a. A detailed tabulation of each type of insurance and associated amount of \$983,842 included in the plant related column.
- b. A detailed tabulation of each type of insurance and associated amount of \$263,620 included in the labor related column.
- c. Provide an explanation as to why it appears the overall balance has not changed year over year, but the allocations have more heavily shifted towards plant from labor.
- d. State whether SWEPCO includes Company Owned Life Insurance (“COLI”) in any amounts in (a) or (b) above. If not, please indicate the FERC account and associated amount where SWEPCO has recorded COLI.

Response:

- a. & b. Please see attachment 1-132 WS D - SWEPCO 2020.
- c. The allocation method was updated in 2020 resulting in the shift between plant and labor.
- d. COLI is not included in the above amounts.

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Data Request 133:

SWEPCO

In reference to SWEPCO WS D Working Capital, Acct No. 1650001, Line 5 – Prepaid Taxes in the amount of \$477,290 allocated to plant, please provide the following:

- a. A detailed breakout of each prepaid tax and associated amount.
- b. The third-party each prepaid tax is being remitted to.
- c. The time period the tax is being paid for.
- d. The FERC expense account that this prepayment is ultimately recorded.

Response:

- a. The amounts booked to Account 1650002 for SWEPCO relate to the Texas Miscellaneous Gross Receipts Tax. This is imposed on a utility company in Texas doing business in an incorporated city or town having a population of more than 1,000 according to the last federal census. The tax rates are tiered by population. The basis for calculating the tax is sales of electricity within incorporated cities or towns having a population of more than 1,000.
- b. and c. This tax payment is made to the Texas Comptroller of Public Accounts in advance of the business operations for the quarter based on business done during the preceding quarter.
- d. The payment amount is booked to the 1650002 account and then amortized each month of the quarter to account 4081006.

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Data Request 134:

SWEPCO

In reference to SWEPCO WS D Working Capital, Acct No. 1650001, Line 4- Prepaid Insurance, please provide the following:

- a. A detailed tabulation of each type of insurance and associated amount of \$1,217,019 included in the plant related column.
- b. A detailed tabulation of each type of insurance and associated amount of \$567,589 included in the labor related column.
- c. It appears that in the explanation these amounts include EIS Boiler Inspection fees, please provide an explanation as to why this portion was not included in the "Excludable balance" column.

Response:

- a. & b. Please see the attachment for question 1-132.
- c. The amounts do not include EIS Boiler Inspection fees; that description is not applicable. The explanation will be updated annually going forward.

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Data Request 135:

SWEPCO

In reference to SWEPCO's WS J Misc Exp, for each of the following items, please provide the following: (i) a detailed description of this item, (ii) explain what the portions included under the transmission column represent and (iii) supporting documentation for the amounts in the transmission column.

- a. Line 5 – 9280002 - Reg Commission Exp - Misc Filings - \$62,893
- b. Line 7 – 9280002 - Reg Commission Exp - Misc Filings - \$10,388 – In addition, SWEPCO describes this item as “SWEPCO Trans TCRF Filing - Rate Case Support” Please clarify whether these expenses represent expenses to appear before FERC. If yes, please identify the FERC Docket Nos. If not, please clarify what activities these represent and identify the commission associated with any cases.
- c. Line 9 - 9280005 - Reg Commission Exp - Trans Cases - \$27,151 – In addition please (i) explain why \$(414) is being applied to 100% non-transmission thereby increasing the transmission amount and (ii) explain what the costs referred to in the note that states “to accumulate AEPSC costs to align all work associated with managing the protocols and formula rates of the west operating companies and west transmission companies” represents.

Response:

a & b please see attachment 1-135_Attachment_1.xlsx

c- this relates to PSO not SWEPCO and is provided in response to question 1-103.

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Data Request 136:

SWEPCO

In reference to SWEPCO's WS J Misc Exp, Line 22 – 9302007 Assoc Business Development Exp - Transmission \$ 711,800, please provide a detailed tabulation of every item included in this amount, including detailed journal entries and associated amount.

Response:

Please see attachment 1-136_Attachment_1.xlsx

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Data Request 137:

SWEPCO

In reference to entitled tab “SWEPCO WS J Misc Exp”, please provide supporting documentation for the following new line items:

- a. Line 20 - Assoc Bus Development - Materials Sold-Trans, in the amount of \$12,000; and
- b. Line 22 - Assoc Business Development Exp – Transmission, in the amount of \$711,800.

Response:

- a. Please see file 1-137_Attachment_1.
- b. Please see file 1-136_Attachment_1 in response to question 1-136.

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Data Request 138:

SWEPCO

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

- a. Line 52 – TX PUC - \$1,011,296 (In addition, please provide the justification for recording PUC fees as a tax rather than Account 928 per the definition of in the USoA);
- b. Line 53 – LA Insp & Cntrl Fees - \$496,325 (In addition, please provide a detailed explanation of this item and why SWEPCO is considering this a tax rather than a “fee” as described);
- c. Line 54 – LA State License Registration - \$84,115 (In addition, please provide a detailed explanation of this item. To the extent that this item relates to taxes on the gross receipts of businesses and professions, please provide the justification for including this tax given that gross receipts taxes are excluded from the formula rate template on Line 2 of this workpaper.);
- d. Line 56 – AR PUC - \$481,388 (In addition, please provide the justification for recording PUC fees as a tax rather than Account 928 per the definition of in the USoA).

Response:

- a. The Payee is the State Comptroller of Public Accounts, Austin TX. AEP’s West OPCo’s and TransCo’s, as well as other regulated utilities, have historically recorded commission fees in account 408.1 and believe it is appropriate to do so. This position was not flagged during recent audits performed by FERC staff on the books of the Companies' affiliates. It has also not been raised as an issue by either the Companies' internal or external auditors. Therefore, the Company does not plan to change the accounting for these charges.
- b. The Payee is Louisiana Department of Revenue. The costs are recorded to Account 408 because they are assessed based on Gross Revenues.
- c. The Payees are listed in file JI-1-138 Attachment 1 2020 Occupation License Renewal. The occupational license tax in Louisiana is an annual license fee imposed by a locality on companies that conduct business within the localities corporate limits and assessed on gross receipts within the corporate limits of a locality. SWEPCO must pay this tax to operate within the state, therefore it is appropriate to allocate a portion of this tax to the transmission function.
- D. The Payee is the Arkansas Public Service Commission. AEP’s West OPCo’s and TransCo’s, as well as other regulated utilities, have historically recorded commission fees in account 408.1 and believe it is appropriate to do so. This position was not flagged during recent audits performed by FERC staff on the books of the Ohio Power Company and American Electric Power Service Corporation. It has also not been raised as an issue by either the Companies' internal or external auditors. Therefore, the Company does not plan to change the accounting for these charges.

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Data Request 139:

SWT

In reference to SWEPCO's 2020 FERC Form 1, Page 123.9, SWEPCo states it "has two wholly-owned subsidiaries, DHLC, which is engaged in lignite-mining operations and Southwest Arkansas Utilities Corporation, which is engaged in right of way acquisition. Investment in the net assets of DHLC is carried at cost plus equity in its undistributed earnings since acquisition. Investment in the net assets of Southwest Arkansas Utilities Corporation is carried at cost." Please provide the following:

- a. Confirm whether SWEPCO records its investment in DHLC and Southwest Arkansas Utilities Corporation in Account 123.1. If another account is used for either of the investments, please provide the account(s) and a justification.
- b. Quantify, by FERC Account, any direct or indirect costs incurred by SWEPCO for, because of, or on behalf of SWEPCO's subsidiary companies;
- c. Quantify, by FERC Account, any revenues and expenses allocated to SWEPCO by affiliates that SWEPCO reallocates to SWEPCO's subsidiaries; and
- d. Quantify, by FERC Account, any revenues received by SWEPCO from SWEPCO's subsidiaries.

Response:

- a. Confirmed
- b. N/A – no activity
- c. N/A – no activity
- d. See 1-139 Attachment.xlsx

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Data Request 140:

SWT

In reference to SWEPCO's 2020 FERC Form 1, Page 123.79, SWEPCO states, "Cook Coal Terminal also performs railcar maintenance services at cost for SWEPCo. AEGCo billed SWEPCo \$3 million and \$4 million for the years ended December 31, 2020 and 2019, respectively, for railcar maintenance services. SWEPCo recorded the cost of the railcar maintenance services in Fuel Stock on the balance sheets." Please provide (i) the FERC accounts and associated amounts where any expenses associated with the railcar maintenance services are recorded and (ii) identify the FERC accounts and associated amounts where any of the assets associated with these operations are recorded on SWEPCO's books.

Response:

Please see file 1-140_Attachment_1.

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Data Request 141:

SWT

In reference to SWEPCO's 2020 FERC Form 1, Page 123.79, SWEPCO states, "Central Machine Shop - APCo operates a facility which repairs and rebuilds specialized components for the generation plants across the AEP System. SWEPCo recorded billings from APCo of \$1 million and \$1 million as capital or maintenance expenses depending on the nature of the services received for the years ended December 31, 2020 and 2019, respectively." These billings are recoverable from customers. Please provide the following:

- a. State whether this Central Machine Shop only supports AEP affiliates.
- b. If no to subpart a. above, please explain confirm that no expenses associated with other parties other than SWEPCO are included in these billings from APCo.
- c. Identify all the costs associated with the Central Machine Shop that are deferred. For example, the depreciation expense, direct labor, and labor overheads etc.
- d. For any OpCos that receive a bill for the Central Machine Shop, please identify the FERC account(s) where such expenses are recorded on their books.

Response:

- a. Central Machine Shop supports both AEP affiliates and non-AEP companies.
- b. SWEPCO is only billed for Central Machine Shop expenses associated with repairs to SWEPCO property.
- c. Please see JI-141Attachment 1 for a summary by cost type for 2020 Central Machine Shop costs that are deferred.
- d. Please see JI-141Attachment 2 for a summary by FERC account and OpCo for 2020 Central Machine Shop costs.

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Data Request 142:

SWEPCO

In reference to SWEPCO's 2020 FERC Form 1, Page 123.80 – SWEPCo states it “had affiliated sales and purchases of electric property amounting to \$100 thousand or more, sales and purchases of meters and transformers, and sales and purchases of transmission property. There were no gains or losses recorded on the transactions.” SWEPCO had sales of \$0.8 million and \$0.2 million in 2020 and 2019, respectively. SWEPCO had purchases of \$2.8 million and \$0.7 million in 2020 and 2019, respectively. Please provide the following:

- a. Identify each affiliate sale and purchase separately for 2019 and 2020.
- b. The full accounting journal entries to record the sale and purchases of the aforementioned propert(ies) identified in subpart a. above on each of the affiliate's and SWEPCO's books, including all accounting entries for associated amounts of deferred income taxes for 2019 and 2020.

Response:

Please see Attachment 1-142_Attachment_2.xlsx

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Data Request 143:

SWT

In reference to SWEPCo's FERC Form 1, Page 232.1, Line 32 - Deferred Storm Expense please provide the following:

- a. A detailed breakout of the amounts amortized by FERC accounts "560/566/570/571/580/583/588/592/593/908/930/931/935" as referenced in the note on Page 450.1.
- b. The FERC docket where SWEPCo received authorization from FERC to recover this regulatory asset.

Response:

SWEPCO removes deferrals and amortizations.

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Data Request 144:

SWT

In reference to SWEPCo's FERC Form 1, Page 232.1 – Line 38 – COVID-19 deferred expense, please provide the following:

- a. A detailed breakout of the amounts amortized by FERC accounts "512/513/514/553/588/593/920/921/923/930/935" as referenced in the note on Page 450.1.
- b. The FERC docket where SWEPCo received authorization from FERC to recover this regulatory asset.

Response:

SWEPCO removes deferrals and amortizations.

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Data Request 145:

SWT

In reference to SWT's FERC Form 1, Page 276, please provide the following:

- a. State whether the amounts on this page represent a credit balance.
- b. Explain why this page does not appear to be showing debits similar to the OpCos.
- c. Support for the amounts on this page.

Response:

- a. The amounts represent a debit balance on SWT's FERC Form 1, Page 276. Positive amounts on FERC Form 1, Page 276 represent credits and negative amounts represent debits.
- b. Please see response to 1-148 b.
- c. Please see file 1-145 Attachment 1 for provision report support the debit balance.

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Data Request 146:

SWT

In reference to SWEPCo's FERC Form 1, Pages 426.3 and 426.5, please provide (i) a detailed explanation, including a description of the asset(s), as to why the following assets are designated as Transmission given the voltage levels (shown below as Primary to Secondary Voltage) appear to be distribution and (ii) state where the assets are recorded by FERC account and associated amount:

- a. Page 426.3 Line 35 - HUNTINGTON – AR – 69kV – 34.50kV
- b. Page 426.3 Line 36 - HUNTINGTON – AR – 69kV – 13.09 kV
- c. Page 426.5 1 LONE STAR (SEP) - TX - 69.00kV - 13.09kV

Response:

SWEPCO functionalizes assets according to their use, and not their voltage level. See file JI 1-146 Attachment 1 for the requested accounting information. The assets in the list recorded to transmission utility accounts are used for transmission purposes. Assets shown as recorded in Distribution plant accounts serve distribution purposes and are not included in the formula rate base.

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Data Request 147:

SWT

In reference to SWT's WS C-1 ADIT EOY, Line 26 - 960F-XS EXCESS ADFIT 282 UNPROTECTED, please provide:

- a. A detailed explanation why is the transmission amount of \$3,599 is positive.
- b. A detailed explanation as to why \$(9,611) is being excluded.

Response:

- a. The balance in Excess ADFIT 283 - Unprotected is positive because when the accounts were remeasured on 12-31-2017, the balance in account 190 was greater than the balance in account 283. The unprotected excess in accounts 190 and 283 were netted in account 283.
- b. The excluded amount is the difference between what is on the total company ledger and the Transmission function amount on WS C-4.

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Data Request 148:

SWT

In reference to SWT WS C-1 ADIT EOY, Line 28 - DSIT ENTRY – NORMALIZED, please provide:

- a. A detailed explanation of what this ADIT item represents.
- b. An explanation as to why the transmission amount of \$17,587 is positive.

Response:

- a. Deferred state income taxes that are normalized for tax purposes.
- b. SW Transco has had cumulative addbacks instead of deducts.

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Data Request 149:

SWT

In reference to SWT's WS C-1 ADIT EOY, Excel Row 31 - (absolute value Total Company Amount Ties to FF1 p.277(k) -- Acct 283 Electric), the absolute value does not tie to the FERC Form 1. It would appear that the signs in this section were inputted incorrectly. Please confirm and provide an explanation as to why this doesn't tie to the FERC Form 1.

Response:

The information was input correctly. Accounts 283 are reported with their natural sign (credit) as a positive number. So for most companies, because 283 are credit balances, they show up as a positive number on the FF1. At SWTCO, the balance of 2831001 is a debit of \$11,575. So on line 9 of the FF1, it shows as (11,575).

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Data Request 150:

SWT

In reference to SWT's WS C-2 ADIT BOY, Excel Row 20 – (absolute value Total Company Amount Ties to FF1 p.275(k) – Acct 282 Electric) and Row 32 – (absolute value Total Company Amount Ties to FF1 p.277(k) – Acct 283 Electric), the absolute values do not tie to the FERC Form 1. It would appear that the signs in both of these sections were inputted incorrectly. Please confirm and provide an explanation as to why these do not tie to the FERC Form 1.

Response:

The information was input correctly. Accounts 282 and 283 are reported with their natural sign (credit) as a positive number. So for most companies, because 282 and 283 are credit balances, they show up as a positive number on the FF1. At SWTCo, the balance of 2821001 is a debit of \$169. So on line 5 of the FF1, it shows as (169). At SWTCo, the balance of 2831001 is a debit of \$26,292. So on line 9 of the FF1, it shows as (26,292).

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Data Request 151:

SWT

In reference to SWT WS C-4 Excess FIT, Line 1 - Balance per Books- Transmission Function only (190 enter positive, 282/283 enter negative), please provide an explanation as to why these amounts are being entered as positives for Account 282 and 283 contrary to the note. To the extent that AEP believes these amounts should be entered as positives, please provide a detailed explanation and supporting documentation.

Response:

In the Companies application filed in Dockets ER20-2574-000 and ER20-2577-000 to address FERC Order 864, it was explained at the time of remeasurement of ADIT balances to reflect the new corporate tax rate of 21%, the excess ADIT amounts associated with ADIT account 190.1 were reclassified to and netted against the excess ADIT balances in account 283.1. This debit as of December 31, 2020 is the total balance of unamortized ADIT in 283.1 for generation and distribution, and remaining unamortized balance for transmission, as delineated by WS C-4.

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Data Request 152:

SWT

In reference to entitled tab “SWT WS J Misc Exp”, Line 23, Account 9302000 - Misc General Expense, please provide a detailed tabulation, including detailed journal entries, of the amounts included in the 100% Transmission Specific column.

Response:

Please refer to 1-152 Attachment 1 for detailed general ledger activity. Please note that \$6,000 of this amount represents the SPP Annual Assessment fees.

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