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**PUC DOCKET NO. 50805
SOAH DOCKET NO. 473-20-3632**



**APPLICATION OF SOUTHWESTERN
ELECTRIC POWER COMPANY TO
ADJUST ENERGY EFFICIENCY
COST RECOVERY FACTOR AND
RELATED RELIEF**

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**PUBLIC UTILITY COMMISSION
OF TEXAS**

SOUTHWESTERN ELECTRIC POWER COMPANY'S LIST OF ISSUES

TO THE HONORABLE PUBLIC UTILITY COMMISSION OF TEXAS:

NOW COMES Southwestern Electric Power Company (SWEPCO) and files its List of Issues in accordance with the Order of Referral issued on May 12, 2020. In support thereof, SWEPCO shows as follows:

I. List of Issues to be Addressed in this Proceeding

16 Tex. Admin. Code §§ 25.181 and 25.182 (TAC) govern this proceeding and set forth the scope for a proceeding to adjust an energy efficiency cost recovery factor (EECRF) rider. Accordingly, SWEPCO submits the following list of issues to be addressed in this proceeding:

Application

1. Does SWEPCO's EECRF application comply with 16 TAC § 25.182(d), contain the testimony and schedules required by 16 TAC § 25.182(d)(10), and address the factors required by 16 TAC § 25.182(d)(11)?

2021 Program Year

2. What is SWEPCO's growth in demand as defined in 16 TAC § 25.181(c)(25) and (44), calculated at source under 16 TAC § 25.181(e)(3)?
3. What are SWEPCO's appropriate demand-reduction goal and energy-savings goal for program year 2021 consistent with 16 TAC § 25.181(e)?

- A. Has SWEPCO requested a lower demand-reduction goal under 16 TAC § 25.181(e)(2)? If so, has SWEPCO demonstrated that compliance with the goal specified in 16 TAC § 25.181(e)(1) is not reasonably possible and demonstrated that good cause supports the lower demand-reduction goal proposed by the utility?
 - i. Is SWEPCO requesting in this application a performance bonus for a prior program year for which it has been granted a lowered demand-reduction goal?
 - ii. Were the factors that led to the utility being granted a lowered demand goal for the prior program year similar to the factors that the utility is relying upon to demonstrate that good cause supports the lowered demand-reduction goal proposed in this docket? If so, should the Commission consider the utility's prior performance in determining whether to award a lowered demand goal?
 - B. Has SWEPCO received any identification notices under 16 TAC § 25.181(u)? If so, has SWEPCO's demand-reduction goal for program year 2021 been properly adjusted to remove any load that is lost as a result of identification notices submitted to SWEPCO under that rule?
4. Do the total 2021 EECRF costs, excluding evaluation, measurement, and verification costs, and municipal rate-case expenses, and any interest amounts applied to under- or over-recoveries, exceed the EECRF cost caps prescribed in 16 TAC § 25.182(d)(7)? If so, did SWEPCO request an exception to the EECRF cost caps under 16 TAC § 25.181(e)(2)? If so, has SWEPCO demonstrated that compliance with the EECRF cost caps is not reasonably possible and that good cause supports the higher EECRF cost caps?

- A. Is SWEPCO requesting, in this application, a performance bonus for a prior program year for which it has been granted a higher EECRF cost cap?
 - B. If so, were the factors that led to the utility being granted a higher EECRF cost cap for the prior program year similar to the factors that SWEPCO is relying upon to demonstrate that good cause supports a higher EECRF cost cap in this docket? If so, should the Commission consider the utility's prior performance in determining whether to establish a higher EECRF cost cap?
5. What is the appropriate amount of projected energy-efficiency program costs to be recovered through SWEPCO's 2021 EECRF?
- A. Are these costs reasonable estimates of the costs necessary to provide energy-efficiency programs and to meet SWEPCO's goals under 16 TAC § 25.181(e)?
 - B. Is the cost to SWEPCO of the utility's energy-efficiency programs less than or equal to the benefits of the programs under 16 TAC § 25.181(d)?
 - C. Does SWEPCO currently recover any energy-efficiency costs in its base rates? If so, what is the amount of projected program costs in excess of revenues collected through base rates?
 - D. Are the projected costs of administration and costs of research and development in compliance with the administrative spending caps in 16 TAC § 25.181(g)? If not, has SWEPCO requested an exception to those caps under 16 TAC § 25.181(e)(2)? If so, has SWEPCO demonstrated that compliance with the administrative spending cap is not reasonably possible and that good cause supports the higher administrative-spending cap proposed by SWEPCO?

- i. Is SWEPCO requesting in this application a performance bonus for a prior program year for which it has been granted a higher administrative-spending cap?
 - ii. If so, were the factors that led to SWEPCO being granted a higher administrative-spending cap for the prior program year similar to the factors that SWEPCO is relying on to demonstrate good cause supports the higher administrative-spending cap proposed in this docket? If so, should the Commission consider the utility's prior performance in determining whether to award a higher administrative-spending cap?
- E. Does SWEPCO include in its energy-efficiency plan a targeted low-income energy-efficiency program? If so, does SWEPCO's targeted low-income energy-efficiency plan utilize the cost-effectiveness methodology proved in 16 TAC § 25.181(p)(2)?
- 6. What are the evaluation, measurement, and verification costs assigned to SWEPCO, and have any of these costs already been recovered in a prior EECRF proceeding?

Reconciliation of 2019 Program Year

- 7. Were the costs recovered by SWEPCO through its EECRF for program year 2019 in compliance with PURA § 39.905 and 16 TAC §§ 25.181 and 25.182 and were the costs reasonable and necessary to reduce demand growth or energy consumption?
 - A. Were the actual costs of administration and costs of research and development for program year 2019 in compliance with the administrative-spending caps in 16 TAC § 25.181(g) or higher spending caps otherwise established by the Commission? If the higher spending caps were otherwise established by the Commission, in which docket were they established?

- B. Did any costs for program year 2019 result from payments to an affiliate? If so, do those costs meet the requirements for affiliate expenses in PURA § 36.058?
 - C. What are the reasonable and necessary utility rate-case expenses for SWEPCO's immediately previous EECRF proceeding?
 - D. What are the reasonable and necessary municipality rate-case expenses for SWEPCO's immediately previous EECRF proceeding?
8. For each EECRF rate class, what is the appropriate amount, if any, of under- or over-recovered EECRF costs, including interest applied on any such over- or under-recovery, consistent with 16 TAC § 25.182 for program year 2019?
- A. Did SWEPCO recover any of its energy-efficiency costs through base rates for program year 2019? If so, what is the actual amount of energy-efficiency revenues collected through base rates consistent with 16 TAC § 25.182(d)(2)?
 - B. What was the actual revenue collected through SWEPCO's EECRF for program year 2019?
 - C. What were the actual costs of SWEPCO's energy-efficiency programs for program year 2019 that comply with 16 TAC § 25.182(d)(12)?

Performance Bonus

9. What were SWEPCO's demand- and energy-reduction goals for program year 2019? If the Commission granted an exception for a lower demand-reduction goal, in what docket was the lower goal established?
10. What is the appropriate energy-efficiency performance bonus, if any, calculated under 16 TAC § 25.182(e) for program year 2019?

- A. Did SWEPCO exceed its demand- and energy-reduction goals for program year 2019? If so, by what amounts?
- B. What are the net benefits of SWEPCO's energy-efficiency program for program year 2019?
- C. Did SWEPCO exceed the EECRF cost caps in 16 TAC § 25.182(d)(7)?
- D. If a performance bonus is requested for program year 2019, then, for purposes of calculating the net benefits, do the program costs deducted from the total avoided cost include the previous performance bonus?
- E. Did the Commission establish a lower demand-reduction goal, higher administrative spending cap, or higher EECRF cost cap for SWEPCO for program year 2019?
 - i. For program year 2019, what factors did SWEPCO rely upon to demonstrate that compliance with its demand-reduction goal, the administrative-spending cap, or EECRF cost cap was not reasonably possible?
 - ii. Has SWEPCO established the actual occurrence of the factors it relied upon to demonstrate that compliance with the demand-reduction goal, administrative-spending cap, or EECRF cost cap was not reasonably possible?
 - iii. What other considerations, if any, should the Commission weigh in determining whether to reduce SWEPCO's performance bonus?
 - iv. Should the Commission deny the entire amount of the requested performance bonus? If not, what amount of SWEPCO's requested

performance bonus should be approved? In answering this issue, what are the parties' proposed methodologies for Commission approval of a portion of the bonus, and are the calculations and the data upon which any proposed methodologies are based included in the evidentiary record?

EECRF Rate Classes

11. What are the appropriate EECRF rate classes for SWEPCO's 2021 EECRFs?
 - A. What retail rate classes were approved in SWEPCO's most recent base-rate proceeding, excluding non-eligible customers, and therefore under 16 TAC § 25.182(c)(2) should be used to calculate the utility's 2021 EECRF?
 - B. Has SWEPCO proposed an EECRF for each eligible rate class?
 - C. Has SWEPCO requested a good-cause exception under 16 TAC § 25.182(d)(2) to combine two or more rate classes? If so, for each rate class that is proposed to be combined, does it have fewer than 20 customers, is it similar to the other rate classes, and does it receive services under the same energy-efficiency programs as the other rate classes? Has SWEPCO demonstrated that good cause supports the proposed combining of rate classes?

EECRF Rate Design

12. What is the total cost that should be recovered through SWEPCO's 2021 EECRFs under 16 TAC § 25.182(d)(1)?
13. What are the 2021 EECRFs for each rate class calculated under 16 TAC § 25.182(d)(2)?
 - A. Are the costs assigned or allocated to rate classes reasonable and consistent with 16 TAC §§ 25.181 and 25.182?

- i. Are SWEPCO's program costs directly assigned to each EECRF rate class that receives services under the programs to the maximum extent possible in accordance with 16 TAC § 25.182(d)(2)?
 - ii. Is any bonus allocated consistent with 16 TAC § 25.182(e)(6)?
 - iii. Are administrative costs, including rate-case expenses and research and development costs, allocated in accordance with 16 TAC § 25.181(g)?
 - iv. If applicable, how are the evaluation, measurement, and verification costs assigned to the rate classes, and is the assignment compliant with PURA § 39.905 and 16 TAC § 25.181(o)(10)?
 - v. Are any under- or over-recovered EECRF costs allocated to the rate classes in accordance with 16 TAC § 25.182(d)(2).
- B. Does SWEPCO propose an EECRF for any commercial rate classes as a demand charge? If so, for each such rate class, do the base rates for that class contain demand charges? For each such rate class, should the EECRF for that rate class be an energy charge or a demand charge?
- C. What is the appropriate estimate of billing determinants for the 2021 program year?
- D. What are the appropriate calculated or estimated system losses and line losses for each eligible retail rate class?
- i. Were these line losses used in calculating the 2021 EECRF charges?
 - ii. Are the calculated or estimated line losses in evidence in this docket?
14. Do the incentive payments for each customer class in program year 2019 comply with 16 TAC § 25.181(f)?

Tariff

15. What tariff schedule should be adopted for SWEPCO in compliance with 16 TAC §§ 25.181 and 25.182?

II. Issues not to be Addressed

Given the scope of this proceeding as established in 16 TAC § 25.182(d)(12), this proceeding should not address any issues that go beyond the set of issues set forth above.

III. Conclusion

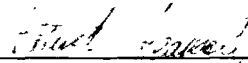
WHEREFORE, PREMISES CONSIDERED, SWEPCO requests the Commission adopt a Preliminary Order consistent with the list of issues set forth above.

Dated: May 19, 2020

RESPECTFULLY SUBMITTED,

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**ATTORNEYS FOR SOUTHWESTERN
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CERTIFICATE OF SERVICE

A true and correct copy of the foregoing document was served on all parties of record in
this proceeding by electronic mail on the 19th day of May 2020.


Patrick Pearsall