

NOTICE OF APPLICATION OF SOUTHWESTERN ELECTRIC POWER COMPANY FOR AUTHORITY TO RECONCILE FUEL COSTS

Southwestern Electric Power Company (SWEPCO) applied to the Public Utility Commission of Texas (Commission) on June 30, 2026, for authority to reconcile its eligible fuel expenses and revenues for the period of January 1, 2024, through December 31, 2025 (Reconciliation Period). SWEPCO's request, if granted, will affect all SWEPCO Texas retail customers who pay fixed fuel factors. The request has no effect on SWEPCO's non-fuel base rates.

During the Reconciliation Period, SWEPCO incurred a total of \$397,331,767 in eligible fuel, fuel-related expenses, and purchased-power costs to generate and purchase electric energy for its Texas retail customers, as well as expenses associated with environmental consumables and emission allowance costs incurred by SWEPCO and allocated to its Texas retail customers. As of the end of the Reconciliation Period, SWEPCO calculated that it had over-recovered its Texas retail fuel, fuel related expenses, and purchased-power costs by \$45,293,744, excluding interest. However, subsequent to the close of the Reconciliation Period, as approved by the Commission in Docket No. 59179, SWEPCO implemented a net interim fuel refund of the over-recovered balance as of October 31, 2025, in the amount of \$42,027,369, plus cumulative interest in the amount of \$436,693 through January 31, 2026, during February through April 2026.

SWEPCO also requests a prudence finding for certain fuel-related contracts and arrangements entered into or modified during the Reconciliation Period. Finally, SWEPCO requests recovery of its reasonable rate-case expenses associated with this fuel reconciliation proceeding and a prior fuel refund proceeding, including those expenses paid to reimburse municipalities for their participation.

Persons with questions, or who want more information on SWEPCO's application, may contact SWEPCO at 428 Travis Street, Shreveport, Louisiana 71101, or call toll-free at (888) 216-3523 during normal business hours. A complete copy of this application and related filings are available for inspection at the address listed above or at the following website:

<https://www.swepco.com/company/about/rates/tx>.

The Commission has assigned Docket No. 59827 to this proceeding. Persons who wish to intervene in or wish to express their comments concerning SWEPCO's application should notify the Commission as soon as possible, as an intervention deadline will be imposed. A request to intervene or for further information should refer to Docket No. 59827 and should be mailed to the Public Utility Commission of Texas, P.O. Box 13326, Austin, Texas 78711-3326. Further information may also be obtained by calling the Commission at (512) 936-7120, or toll free at 1-888-782-8477. Hearing- and speech-impaired individuals with text telephones (TTY) may contact the Commission at (512) 936-7136 or use Relay Texas (toll free) at 1-800-735-2989. Unless otherwise ordered by the presiding officer, motions to intervene will be due 45 days from the date SWEPCO filed its application with the Commission.



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