

PUBLIC UTILITY COMMISSION OF TEXAS
AEP TEXAS CENTRAL COMPANY
II-B SUMMARY OF RATE BASE
TEST YEAR ENDING 6/30/2003
DOCKET 28840
ATTACHMENT FOR CITIES QUESTION NO. 17-30

| Line No. | Description | Reference Schedule | 13-MOS TY ENDING AVG. |
|----------|--|--------------------|-----------------------|
| | MET | | |
| 1 | Original Cost of Plant | II-B-1 | 70,117,007 |
| 2 | General Plant | II-B-2 | 5,719,411 |
| 3 | Comm. Equipment | II-B-3 | 1,793,204 |
| 4 | Total Plant | | <u>77,629,622</u> |
| 5 | Minus: Accumulated Depreciation | | (26,207,000) |
| 6 | Net Plant In Service | II-B-5 | <u>51,422,622</u> |
| 8 | <u>Other Rate Base Items:</u> | | |
| 10 | CWIP | II-B-4 | 1,029,904 |
| 11 | Cash Working Capital | II-B-9 | 68,282 |
| 12 | Prepayments-insurance | II-B-10 | 18,545 |
| | Prepayments-taxes | II-B-10 | 373 |
| | Prepayments-rents | II-B-10 | 1,665 |
| | Prepayments-interest or line fees | II-B-10 | 565,638 |
| 13 | Materials & Supplies-Operating supplies | II-B-8 | 0 |
| 14 | Plant Held for Future Use | II-B-6 | (9,279,908) |
| 15 | Accumulated Provisions and ADIT | II-B-7 | (379,525) |
| 16 | Rate Base - Other- Reg Liab -ITC Gross-up | II-B-11 | (958,923) |
| | Rate Base - Other- Reg Liab -Excess ADIT &g.u. | II-B-11 | (3,199) |
| | Rate Base - Other- Reg Liab -Pre 1971 Unam ITC | II-B-11 | 0 |
| 17 | Regulatory Assets - Debt Restructuring Costs | II-B-12 | 770,144 |
| | Regulatory Assets - SFAS 109 Flow Thru-Perm Basis Diff | II-B-12 | 283,745 |
| | Regulatory Assets - SFAS 109 TX Franchise | II-B-12 | 1,690,450 |
| 18 | Customer Deposits | | 0 |
| 19 | Reserve For Insurance | | 0 |
| 20 | Total Rate Base | | <u>45,229,814</u> |

PUBLIC UTILITY COMMISSION OF TEXAS
 AEP TEXAS CENTRAL COMPANY
 II-B SUMMARY OF RATE BASE
 TEST YEAR ENDING 6/30/2003
 DOCKET 28840

ATTACHMENT FOR CITIES QUESTION NO. 17-30

TDCS

| Line No. | Description | Reference Schedule | Jan-02 | Feb-02 | Mar-02 | Apr-02 | May-02 | Jun-02 | Jul-02 |
|----------|--|--------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| 1 | Original Cost of Plant | II-B-1 | 238,460 | 217,059 | 217,012 | 217,012 | 217,012 | 217,012 | 217,012 |
| 2 | General Plant | II-B-2 | 1,722,923 | 1,696,055 | 1,696,532 | 1,696,613 | 1,697,481 | 1,697,481 | 1,697,492 |
| 3 | Comm. Equipment | II-B-3 | 2,146,804 | 2,147,878 | 2,186,930 | 2,189,414 | 2,189,414 | 2,189,414 | 2,189,231 |
| 4 | Total Plant | | 4,108,187 | 4,060,991 | 4,100,475 | 4,103,040 | 4,103,908 | 4,103,908 | 4,103,736 |
| 5 | | | | | | | | | |
| 6 | Minus: Accumulated Depreciation | II-B-5 | (1,430,124) | (1,441,005) | (1,455,755) | (1,469,666) | (1,487,039) | (1,504,416) | (1,521,613) |
| 7 | Net Plant In Service | | 2,678,063 | 2,619,986 | 2,644,719 | 2,633,374 | 2,616,869 | 2,599,491 | 2,582,122 |
| 8 | | | | | | | | | |
| 9 | <u>Other Rate Base Items:</u> | | | | | | | | |
| 10 | CWIP | II-B-4 | | | | | | | |
| 11 | Cash Working Capital | II-B-9 | 811,533 | 811,533 | 811,533 | 811,533 | 811,533 | 811,533 | 811,533 |
| 12 | Prepayments-insurance | II-B-10 | | | | | | | |
| | Prepayments-taxes | II-B-10 | | | | | | | |
| | Prepayments-rents | II-B-10 | | | | | | | |
| | Prepayments-interest or line fees | II-B-10 | | | | | | | |
| 13 | Materials & Supplies-Operating supplies | II-B-8 | | | | | | | |
| 14 | Plant Held for Future Use | II-B-6 | | | | | | | |
| 15 | Accumulated Provisions and ADIT | II-B-7 | 796,906 | 695,796 | 693,169 | 690,963 | 688,739 | 652,739 | 677,510 |
| 16 | Rate Base - Other- Reg Liab -ITC Gross-up | II-B-11 | | | | | | | |
| | Rate Base - Other- Reg Liab -Excess ADIT &g.u. | II-B-11 | | | | | | | |
| | Rate Base - Other- Reg Liab -Pre 1971 Unam ITC | II-B-11 | | | | | | | |
| 17 | Regulatory Assets - Debt Restructuring Costs | II-B-12 | | | | | | | |
| | Regulatory Assets - SFAS 109 Flow Thru-Perm Basis Diff | II-B-12 | | | | | | | |
| | Regulatory Assets - SFAS 109 TX Franchise | II-B-12 | | | | | | | |
| 18 | Customer Deposits | | | | | | | | |
| 19 | Reserve For Insurance | | | | | | | | |
| 20 | Total Rate Base | | 4,286,501 | 4,127,314 | 4,149,421 | 4,135,870 | 4,117,141 | 4,063,763 | 4,071,165 |

PUBLIC UTILITY COMMISSION OF TEXAS
AEP TEXAS CENTRAL COMPANY
II-B SUMMARY OF RATE BASE
TEST YEAR ENDING 6/30/2003
DOCKET 28840

ATTACHMENT FOR CITIES QUESTION NO. 17-30

TDCS

| Line No. | Description | Reference Schedule | Aug-02 | Sep-02 | Oct-02 | Nov-02 | Dec-02 | Jan-03 | Feb-03 |
|----------|--|--------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| 1 | Original Cost of Plant | II-B-1 | 217,012 | 217,012 | 217,012 | 217,012 | 275,895 | 269,880 | 275,702 |
| 2 | General Plant | II-B-2 | 1,697,492 | 1,696,840 | 1,696,840 | 1,696,840 | 1,696,840 | 1,646,198 | 1,762,495 |
| 3 | Comm. Equipment | II-B-3 | 2,189,231 | 2,195,257 | 2,195,287 | 2,195,287 | 2,195,287 | 2,197,507 | 2,197,499 |
| 4 | Total Plant | | 4,103,736 | 4,109,110 | 4,109,140 | 4,109,140 | 4,168,022 | 4,113,585 | 4,235,696 |
| 5 | | | | | | | | | |
| 6 | Minus: Accumulated Depreciation | II-B-5 | (1,538,604) | (1,554,781) | (1,571,404) | (1,588,028) | (1,604,797) | (1,559,062) | (1,575,931) |
| 7 | Net Plant In Service | | 2,565,131 | 2,554,329 | 2,537,736 | 2,521,112 | 2,563,226 | 2,554,523 | 2,659,765 |
| 8 | | | | | | | | | |
| 9 | <u>Other Rate Base Items:</u> | | | | | | | | |
| 10 | CWIP | II-B-4 | | | | | | | |
| 11 | Cash Working Capital | II-B-9 | 811,533 | 811,533 | 811,533 | 811,533 | 811,533 | 811,533 | 811,533 |
| 12 | Prepayments-insurance | II-B-10 | | | | | | | |
| | Prepayments-taxes | II-B-10 | | | | | | | |
| | Prepayments-rents | II-B-10 | | | | | | | |
| | Prepayments-interest or line fees | II-B-10 | | | | | | | |
| 13 | Materials & Supplies-Operating supplies | II-B-8 | | | | | | | |
| 14 | Plant Held for Future Use | II-B-6 | | | | | | | |
| 15 | Accumulated Provisions and ADIT | II-B-7 | 675,167 | 737,427 | 757,980 | 766,271 | 784,894 | 787,121 | 788,705 |
| 16 | Rate Base - Other- Reg Liab -ITC Gross-up | II-B-11 | | | | | | | |
| | Rate Base - Other- Reg Liab -Excess ADIT & u. | II-B-11 | | | | | | | |
| | Rate Base - Other- Reg Liab -Pre 1971 Unam ITC | II-B-11 | | | | | | | |
| 17 | Regulatory Assets - Debt Restructuring Costs | II-B-12 | | | | | | | |
| | Regulatory Assets - SFAS 109 Flow Thru-Perm Basis Diff | II-B-12 | | | | | | | |
| | Regulatory Assets - SFAS 109 TX Franchise | II-B-12 | | | | | | | |
| 18 | Customer Deposits | | | | | | | | |
| 19 | Reserve For Insurance | | | | | | | | |
| 20 | Total Rate Base | | 4,051,831 | 4,103,289 | 4,107,249 | 4,098,915 | 4,159,653 | 4,153,177 | 4,260,003 |

PUBLIC UTILITY COMMISSION OF TEXAS
AEP TEXAS CENTRAL COMPANY
II-B SUMMARY OF RATE BASE
TEST YEAR ENDING 6/30/2003
DOCKET 28840

ATTACHMENT FOR CITIES QUESTION NO. 17-30

TDCS

| Line No. | Description | Reference Schedule |
|----------|-------------|--------------------|
|----------|-------------|--------------------|

| | | 11-B AS FILED | | | | | | | |
|----|--|---------------|-------------|-------------|-------------|-------------|-------------|---------|--|
| | | Mar-03 | Apr-03 | May-03 | Jun-03 | Jul-03 | Aug-03 | | |
| 1 | Original Cost of Plant | 279,150 | 279,150 | 279,150 | 279,139 | 279,150 | 279,150 | 288,464 | |
| 2 | General Plant | 1,779,614 | 1,782,246 | 1,805,438 | 1,777,523 | 1,807,143 | 1,806,354 | | |
| 3 | Comm. Equipment | 2,210,538 | 2,214,829 | 2,214,946 | 2,286,001 | 2,314,253 | 2,315,264 | | |
| 4 | Total Plant | 4,269,302 | 4,276,225 | 4,299,534 | 4,342,663 | 4,400,545 | 4,410,081 | | |
| 5 | | | | | | | | | |
| 6 | Minus: Accumulated Depreciation | (1,593,069) | (1,610,368) | (1,624,708) | (1,628,826) | (1,660,149) | (1,676,357) | | |
| 7 | Net Plant In Service | 2,676,232 | 2,665,857 | 2,674,826 | 2,713,836 | 2,740,397 | 2,733,724 | | |
| 8 | | | | | | | | | |
| 9 | <u>Other Rate Base Items:</u> | | | | | | | | |
| 10 | CWIP | | | | | | | | |
| 11 | Cash Working Capital | 811,533 | 811,533 | 811,533 | 811,533 | 811,533 | 811,533 | 811,533 | |
| 12 | Prepayments-insurance | | | | | | | 0 | |
| | Prepayments-taxes | | | | | | | | |
| | Prepayments-rents | | | | | | | | |
| | Prepayments-interest cr line fees | | | | | | | | |
| 13 | Materials & Supplies-Operating supplies | | | | | | | 0 | |
| 14 | Plant Held for Future Use | | | | | | | 0 | |
| 15 | Accumulated Provisions and ADIT | | | | | | | 0 | |
| 16 | Rate Base - Other- Reg Liab -ITC Gross-up | | | | | | | 0 | |
| | Rate Base - Other- Reg Liab -Excess ADIT &g.u. | | | | | | | 0 | |
| | Rate Base - Other- Reg Liab -Pre 1971 Unam ITC | | | | | | | 0 | |
| 17 | Regulatory Assets - Debt Restructuring Costs | | | | | | | 0 | |
| | Regulatory Assets - SFAS 109 Flow Thru-Perm Basis Diff | | | | | | | 0 | |
| | Regulatory Assets - SFAS 109 TX Franchise | | | | | | | 0 | |
| 18 | Customer Deposits | | | | | | | 0 | |
| 19 | Reserve For Insurance | | | | | | | 0 | |
| 20 | Total Rate Base | 4,279,319 | 4,267,565 | 4,277,962 | 4,292,165 | 4,353,252 | 4,345,770 | | |

PUBLIC UTILITY COMMISSION OF TEXAS
AFP TEXAS CENTRAL COMPANY
II-B SUMMARY OF RATE BASE
TEST YEAR ENDING 6/30/2003
DOCKET 28840

ATTACHMENT FOR CITIES QUESTION NO. 17-30

TDCS

| Line No. | Description | Reference Schedule | Sep-03 | Oct-03 | 13-MOS TY ENDING AVG. |
|----------|--|--------------------|-------------|-------------|-----------------------|
| 1 | Original Cost of Plant | II-B-1 | 288,477 | 314,801 | 249,241 |
| 2 | General Plant | II-B-2 | 1,789,383 | 1,790,752 | 1,725,642 |
| 3 | Comm. Equipment | II-B-3 | 2,321,391 | 2,331,873 | 2,205,409 |
| 4 | Total Plant | | 4,399,251 | 4,437,426 | 4,180,292 |
| 5 | | | | | |
| 6 | Minus: Accumulated Depreciation | II-B-5 | (1,647,328) | (1,634,507) | (1,575,047) |
| 7 | Net Plant In Service | | 2,751,923 | 2,802,919 | 2,605,245 |
| 8 | | | | | |
| 9 | <u>Other Rate Base Items:</u> | | | | |
| 10 | CWIP | II-B-4 | | | |
| 11 | Cash Working Capital | II-B-9 | 811,533 | 811,533 | 811,533 |
| 12 | Prepayments-insurance | II-B-10 | | | 0 |
| | Prepayments-taxes | II-B-10 | | | 0 |
| | Prepayments-rents | II-B-10 | | | 0 |
| | Prepayments-interest or line fees | II-B-10 | | | 0 |
| 13 | Materials & Supplies-Operating supplies | II-B-8 | | | 0 |
| 14 | Plant Held for Future Use | II-B-6 | | | 0 |
| 15 | Accumulated Provisions and ADIT | II-B-7 | 802,558 | 808,547 | 751,380 |
| 16 | Rate Base - Other- Reg Liab -ITC Gross-up | II-B-11 | | | 0 |
| | Rate Base - Other- Reg Liab -Excess ADIT &g.u. | II-B-11 | | | 0 |
| | Rate Base - Other- Reg Liab -Pre 1971 Unam ITC | II-B-11 | | | 0 |
| 17 | Regulatory Assets - Debt Restructuring Costs | II-B-12 | | | 0 |
| | Regulatory Assets - SFAS 109 Flow Thru-Perm Basis Diff | II-B-12 | | | 0 |
| | Regulatory Assets - SFAS 109 TX Franchise | II-B-12 | | | 0 |
| 18 | Customer Deposits | | | | 0 |
| 19 | Reserve For Insurance | | | | 0 |
| 20 | Total Rate Base | | 4,366,014 | 4,422,998 | 4,168,158 |

SOAH DOCKET NO. 473-04-1033
PUC DOCKET NO. 28840

APPLICATION OF AEP TEXAS § BEFORE THE STATE OFFICE
 §
CENTRAL COMPANY FOR § OF
 §
AUTHORITY TO CHANGE RATES § ADMINISTRATIVE HEARINGS

AEP TEXAS CENTRAL COMPANY'S RESPONSE TO
CITIES' SEVENTEENTH REQUEST FOR INFORMATION

Question No. 31:

Referring to the Company's proposed depreciation expense, quantify the difference between using (1) average test year depreciable balances vs. (2) end of test year depreciable balances. Include supporting calculations.

Response No. 31:

The difference in depreciation expense that results from using a 13-months average as opposed to a test year end balance is (\$1,571,072) for T&D. To calculate this difference, the unadjusted T&D plant balance at 6-30-03 was compared to the unadjusted 13-months avg. balance at 6-30-03. Depreciation expense was calculated on the plant account differences and this adjustment was applied to the pro forma depreciation expense as filed. See the attached schedule for the supporting calculations. Note that the calculation includes an average of monthly plant balances that is not reflective of all adjustments that would occur if that month coincided with the end of the test year used in a rate filing.

Prepared By: Gary W. Moore

Title: Senior Accounting
Consultant

Sponsored By: Randall W. Hamlett

Title: Manager, Regulatory
Accounting Services

AEP
RESPONSE TO CITIES 17-31

| | | | (1) | (2) | (1) + (2) (3) | |
|-----|---------------------------|--------------|--------------|-------------|------------------|------------|
| | Plant | | Depr Adj for | Pro Forma | Estimated | |
| | Adj for 13-mos | Proposed | 13-Mos. | Depr. Exp | Pro Forma | |
| | Average | Rates | Average | As Filed | Depr. Exp - | |
| | Balance | | | | 13-Mos. Avg. | |
| 350 | Land In Fee | | | | | |
| | Land Rights | (1,018,028) | 1.370% | (13,947) | 489,412 | 475,465 |
| 352 | Structures | 15 | 1.850% | 0 | 136,917 | 136,918 |
| 353 | Station Equipment | (20,662,463) | 1.620% | (334,732) | 5,127,815 | 4,793,083 |
| 354 | Towers and Fixtures | (4,302) | 2.040% | (88) | 760,619 | 760,531 |
| 355 | Poles and Fixtures | (12,278,668) | 2.740% | (336,435) | 4,547,648 | 4,211,213 |
| 356 | Overhead Conductors | (10,958,338) | 2.210% | (242,179) | 3,838,826 | 3,596,647 |
| 357 | Underground Conductors | 0 | 1.300% | 0 | 7,072 | 7,072 |
| 358 | Underground Conduit | 58 | 2.440% | 1 | 389,399 | 389,400 |
| 359 | Roads and Trails | 0 | 1.630% | 0 | 6,762 | 6,762 |
| | | (44,921,726) | | (927,380) | 15,304,471 | 14,377,091 |
| | T-General | | | | | |
| 389 | Land | | | | | |
| 390 | Structures | (5,164) | 2.250% | (116) | 49,530 | 49,414 |
| 391 | Office Furniture/Equip | 0 | 6.610% | 0 | 139,047 | 139,047 |
| 392 | Transportation Equip | 870,531 | 13.330% | 116,042 | 7,799 | 123,840 |
| 393 | Stores Equip | 0 | 4.600% | 0 | 483 | 483 |
| 394 | Tools | 136,382 | 2.830% | 3,860 | 70,414 | 74,274 |
| 395 | Laboratory Equip | 0 | 3.030% | 0 | 0 | 0 |
| 396 | Power Op.Equip. | 0 | 6.030% | 0 | 0 | 0 |
| 397 | Communications Equip | (481) | 5.000% | (24) | 751,344 | 751,320 |
| 398 | Misc. Equip. | 0 | 4.860% | 0 | 4,528 | 4,528 |
| | | 1,001,268 | | 119,761 | 1,023,144 | 1,142,905 |
| | T&D Reclass adj. | | | 197,403 | | 197,403 |
| | TOTAL TRANSMISSION | (43,920,457) | | (807,619) | 16,525,018 | 15,717,400 |
| | DISTRIBUTION | | | | | |
| | A/C | | | | | |
| 360 | 360 Land in Fee | | | | 0 | 0 |
| | Land Rights | (22,926) | 2.020% | (463) | 14,371 | 13,908 |
| 361 | 361 Structures | (20,548) | 1.910% | (392) | 122,274 | 121,881 |
| 362 | 362 Station Equipment | (14,599,762) | 1.800% | (262,796) | 2,315,880 | 2,053,084 |
| 364 | 364 Poles and Towers | (2,311,952) | 4.190% | (96,871) | 13,863,097 | 13,766,226 |
| 365 | 365 Overhead Conductors | (6,939,041) | 4.340% | (301,154) | 10,239,255 | 9,938,100 |
| 366 | 366 Underground Conduct | (1,334,998) | 2.850% | (38,047) | 453,612 | 415,564 |
| 367 | 367 Underground Conduit | (2,747,934) | 3.420% | (93,979) | 3,902,461 | 3,808,482 |
| 368 | 368 Line Transformers | 150,962 | 3.190% | 4,816 | 8,842,051 | 8,846,867 |
| 369 | 369 Services | (1,172,019) | 4.640% | (54,382) | 3,918,374 | 3,863,992 |
| 370 | 370 Meters | (478,705) | 4.630% | (22,164) | 3,323,049 | 3,300,885 |
| 371 | 371 Customer Installs | 376,181 | 7.560% | 28,439 | 3,953,514 | 3,981,953 |
| 373 | 373 Street Lighting | (112,298) | 4.430% | (4,975) | 1,779,907 | 1,774,932 |
| | | (29,213,040) | | (841,969) | 52,727,845 | 51,885,876 |
| | D-General | | | | | |
| 389 | Land | | | | 0 | 0 |
| 390 | Structures | (3,992,233) | 2.250% | (89,825) | 1,431,371 | 1,341,546 |
| 391 | Office Furniture/Equip | 447,942 | 6.610% | 29,609 | 1,129,723 | 1,159,332 |
| 392 | Transportation Equip | 1,813,700 | 13.330% | 241,766 | (59,408) | 182,359 |
| 393 | Stores Equip | (11,354) | 4.600% | (522) | 46,384 | 45,862 |
| 394 | Tools | (707,235) | 2.830% | (20,015) | 134,635 | 114,620 |
| 395 | Laboratory Equip | 0 | 3.030% | 0 | 1,871 | 1,871 |
| 396 | Power Op.Equip. | (198,662) | 6.030% | (11,979) | 20,755 | 8,776 |
| 397 | Communications Equip | (1,512,215) | 5.000% | (75,611) | 2,144,717 | 2,069,106 |
| 398 | Misc. Equip. | 104,782 | 4.860% | 5,092 | 27,857 | 32,950 |
| | | (4,055,276) | | 78,515 | 4,877,906 | 4,956,421 |
| | T&D Reclass adj. | | | (197,403) | | (197,403) |
| | TOTAL DISTRIBUTION | (33,268,315) | 0 | (763,454) | 57,408,348 | 56,644,894 |
| | Total T&D | (77,188,773) | 0 | (1,571,072) | 73,933,366 | 72,362,294 |

| | (1) | (2) | (2) - (1) |
|----------------------------|----------------------|----------------------|---------------------|
| | Plant Balance | 13-mos Avg. | (3) |
| Transmission | Actual 6-30-2003 | Unadj. Test Year | Difference |
| 350 Land In Fee | 5,089,845 | 5,089,845 | 0 |
| Land Rights | 34,837,192 | 33,819,164 | (1,018,028) |
| 352 Structures | 7,197,907 | 7,197,922 | 15 |
| 353 Station Equipment | 309,232,669 | 288,570,206 | (20,662,463) |
| 354 Towers and Fixtures | 36,330,291 | 36,325,989 | (4,302) |
| 355 Poles and Fixtures | 162,494,167 | 150,215,499 | (12,278,668) |
| 356 Overhead Conductors | 169,631,550 | 158,673,212 | (10,958,338) |
| 357 Underground Conductors | 530,085 | 530,085 | 0 |
| 358 Underground Conduit | 15,550,169 | 15,550,227 | 58 |
| 359 Roads and Trails | 404,248 | 404,248 | 0 |
| | <u>741,298,122</u> | <u>696,376,397</u> | <u>(44,921,725)</u> |
| T-General | | | |
| 389 Land | 0 | | 0 |
| 390 Structures | 2,201,333 | 2,196,168 | (5,164) |
| 391 Office Furniture/Equip | 2,235,397 | 2,235,397 | 0 |
| 392 Transportation Equip | 58,504 | 929,035 | 870,531 |
| 393 Stores Equip | 21,848 | 21,848 | 0 |
| 394 Tools | 2,488,128 | 2,624,511 | 136,382 |
| 395 Laboratory Equip | 0 | 0 | 0 |
| 396 Power Op.Equip. | 0 | 0 | 0 |
| 397 Communications Equip | 15,026,886 | 15,026,405 | (481) |
| 398 Misc. Equip. | 89,885 | 89,885 | 0 |
| | <u>22,121,980</u> | <u>23,123,248</u> | <u>1,001,268</u> |
| Distribution | | | |
| 360 Land in Fee | 2,992,273 | 2,992,273 | 0 |
| Land Rights | 693,801 | 670,875 | (22,926) |
| 361 Structures | 6,243,771 | 6,223,223 | (20,548) |
| 362 Station Equipment | 134,039,586 | 119,439,824 | (14,599,762) |
| 364 Poles and Towers | 322,853,458 | 320,541,505 | (2,311,952) |
| 365 Overhead Conductors | 230,296,653 | 223,357,612 | (6,939,041) |
| 366 Underground Conductors | 15,561,553 | 14,226,555 | (1,334,998) |
| 367 Underground Conduit | 111,368,526 | 108,620,592 | (2,747,934) |
| 368 Line Transformers | 270,257,255 | 270,408,216 | 150,962 |
| 369 Services | 82,368,104 | 81,196,084 | (1,172,019) |
| 370 Meters | 70,003,638 | 69,524,933 | (478,705) |
| 371 Customer Installs | 50,997,383 | 51,373,565 | 376,181 |
| 373 Street Lighting | 39,190,818 | 39,078,520 | (112,298) |
| | <u>1,336,866,818</u> | <u>1,307,653,779</u> | <u>(29,213,040)</u> |
| D-General | | | |
| 389 Land | 6,164,384 | 6,164,747 | 363 |
| 390 Structures | 63,616,509 | 59,624,276 | (3,992,233) |
| 391 Office Furniture/Equip | 17,091,124 | 17,539,066 | 447,942 |
| 392 Transportation Equip | (445,669) | 1,368,031 | 1,813,700 |
| 393 Stores Equip | 1,008,358 | 997,003 | (11,354) |
| 394 Tools | 4,757,412 | 4,050,177 | (707,235) |
| 395 Laboratory Equip | 0 | 0 | 0 |
| 396 Power Op.Equip. | 344,194 | 145,532 | (198,662) |
| 397 Communications Equip | 42,894,337 | 41,382,122 | (1,512,215) |
| 398 Misc. Equip. | 573,193 | 677,975 | 104,782 |
| | <u>136,003,842</u> | <u>131,948,930</u> | <u>(4,054,912)</u> |

SOAH DOCKET NO. 473-04-1033
PUC DOCKET NO. 28840

APPLICATION OF AEP TEXAS §
 § BEFORE THE STATE OFFICE
CENTRAL COMPANY FOR §
 § OF
AUTHORITY TO CHANGE RATES § ADMINISTRATIVE HEARINGS

AEP TEXAS CENTRAL COMPANY'S RESPONSE TO
CITIES' SEVENTEENTH REQUEST FOR INFORMATION

Question No. 32:

Referring to Company's response to Cities 2-7, provide the number of (1) management; (2) non-management; (3) other; and (4) total employees by month for the months January 1999 to date for each affiliated company which provides goods and/or services to AEP/TCC.

Response No. 32:

Please refer to the attached spreadsheet for the number of management/non-management employees for affiliated companies for the months of January 1999 to date.

Prepared By: Gary W. Moore
Sponsored By: Randall W. Hamlett

Title: Sr. Accounting Consultant
Title: Mgr. Regulatory Accounting
Services

AEP TEXAS CENTRAL COMPANY
 RATE CASE FOR YEAR ENDED 6/30/03
 CITIES' 17, QUESTION 32

| AS OF DATE | SWPCO | | SWEPCO TOTAL | | 01-KGPCo | | 01-KGPCo Total | | 02-APCo | | 02-APCo Total | | 03-KPCo | | 03-KPCo Total | | 04-I&M | |
|------------|-------|--------|--------------|--------|----------|--------|----------------|--------|---------|--------|---------------|--------|---------|--------|---------------|--------|--------|--------|
| | Mgr | NonMgr | Mgr | NonMgr | Mgr | NonMgr | Mgr | NonMgr | Mgr | NonMgr | Mgr | NonMgr | Mgr | NonMgr | Mgr | NonMgr | Mgr | NonMgr |
| 1/1/1999 | 182 | 1276 | 1459 | 63 | 72 | 649 | 2680 | 3329 | 105 | 420 | 525 | 485 | | | | | | |
| 2/1/1999 | 179 | 1276 | 1455 | 9 | 63 | 632 | 2647 | 3279 | 105 | 416 | 521 | 481 | | | | | | |
| 3/1/1999 | 358 | 2558 | 2916 | 9 | 63 | 612 | 2617 | 3229 | 96 | 411 | 507 | 468 | | | | | | |
| 4/1/1999 | 180 | 1290 | 1470 | 9 | 63 | 607 | 2600 | 3207 | 94 | 408 | 502 | 477 | | | | | | |
| 5/1/1999 | 179 | 1287 | 1466 | 9 | 63 | 600 | 2590 | 3190 | 94 | 407 | 501 | 479 | | | | | | |
| 6/1/1999 | 183 | 1288 | 1471 | 9 | 63 | 596 | 2588 | 3184 | 95 | 408 | 503 | 490 | | | | | | |
| 7/1/1999 | 175 | 1208 | 1383 | 9 | 63 | 590 | 2572 | 3162 | 95 | 407 | 502 | 501 | | | | | | |
| 8/1/1999 | 175 | 1213 | 1388 | 9 | 63 | 584 | 2568 | 3152 | 95 | 405 | 500 | 500 | | | | | | |
| 9/1/1999 | 173 | 1207 | 1380 | 7 | 65 | 576 | 2550 | 3126 | 92 | 396 | 488 | 509 | | | | | | |
| 10/1/1999 | 172 | 1202 | 1374 | 7 | 64 | 574 | 2538 | 3112 | 92 | 396 | 488 | 517 | | | | | | |
| 11/1/1999 | 172 | 1201 | 1373 | 7 | 64 | 570 | 2533 | 3103 | 92 | 397 | 489 | 519 | | | | | | |
| 12/1/1999 | 172 | 1200 | 1372 | 7 | 64 | 564 | 2517 | 3081 | 92 | 395 | 487 | 534 | | | | | | |
| 1/1/2000 | 173 | 1202 | 1375 | 7 | 62 | 552 | 2497 | 3049 | 92 | 394 | 486 | 539 | | | | | | |
| 2/1/2000 | 170 | 1200 | 1370 | 7 | 60 | 553 | 2459 | 3012 | 92 | 386 | 478 | 540 | | | | | | |
| 3/1/2000 | 168 | 1200 | 1368 | 7 | 60 | 554 | 2441 | 2995 | 89 | 386 | 475 | 541 | | | | | | |
| 4/1/2000 | 167 | 1203 | 1370 | 7 | 60 | 550 | 2422 | 2972 | 86 | 366 | 472 | 538 | | | | | | |
| 5/1/2000 | 166 | 1205 | 1371 | 7 | 60 | 549 | 2407 | 2956 | 87 | 385 | 472 | 539 | | | | | | |
| 6/1/2000 | 167 | 1212 | 1379 | 7 | 60 | 550 | 2393 | 2943 | 85 | 385 | 470 | 540 | | | | | | |
| 7/1/2000 | 169 | 1205 | 1374 | 7 | 60 | 551 | 2374 | 2925 | 85 | 380 | 465 | 537 | | | | | | |
| 8/1/2000 | 161 | 1200 | 1361 | 6 | 61 | 511 | 2360 | 2891 | 81 | 362 | 463 | 524 | | | | | | |
| 9/1/2000 | 155 | 1181 | 1336 | 6 | 61 | 500 | 2340 | 2840 | 79 | 379 | 458 | 518 | | | | | | |
| 10/1/2000 | 145 | 1165 | 1310 | 6 | 59 | 498 | 2321 | 2819 | 79 | 376 | 455 | 510 | | | | | | |
| 11/1/2000 | 144 | 1161 | 1305 | 6 | 59 | 495 | 2314 | 2809 | 79 | 375 | 454 | 517 | | | | | | |
| 12/1/2000 | 145 | 1148 | 1293 | 7 | 58 | 507 | 2294 | 2801 | 78 | 374 | 452 | 528 | | | | | | |
| 1/1/2001 | 134 | 1115 | 1249 | 7 | 58 | 506 | 2291 | 2797 | 77 | 371 | 448 | 532 | | | | | | |
| 2/1/2001 | 134 | 1115 | 1249 | 7 | 57 | 507 | 2283 | 2790 | 77 | 373 | 450 | 528 | | | | | | |
| 3/1/2001 | 134 | 1105 | 1239 | 7 | 57 | 503 | 2283 | 2786 | 76 | 376 | 452 | 528 | | | | | | |
| 4/1/2001 | 133 | 1103 | 1236 | 7 | 57 | 499 | 2265 | 2784 | 74 | 374 | 448 | 531 | | | | | | |
| 5/1/2001 | 133 | 1109 | 1242 | 7 | 57 | 497 | 2289 | 2786 | 74 | 374 | 448 | 536 | | | | | | |
| 6/1/2001 | 137 | 1103 | 1240 | 7 | 58 | 497 | 2288 | 2785 | 74 | 373 | 447 | 531 | | | | | | |
| 7/1/2001 | 137 | 1109 | 1246 | 7 | 58 | 494 | 2273 | 2767 | 74 | 372 | 446 | 538 | | | | | | |
| 8/1/2001 | 138 | 1115 | 1253 | 7 | 58 | 484 | 2265 | 2749 | 74 | 370 | 444 | 541 | | | | | | |
| 9/1/2001 | 134 | 1115 | 1249 | 7 | 57 | 475 | 2263 | 2738 | 74 | 368 | 442 | 536 | | | | | | |
| 10/1/2001 | 129 | 1107 | 1236 | 6 | 57 | 469 | 2241 | 2710 | 74 | 366 | 440 | 532 | | | | | | |
| 11/1/2001 | 129 | 1106 | 1235 | 7 | 53 | 469 | 2222 | 2691 | 72 | 364 | 436 | 529 | | | | | | |
| 12/1/2001 | 128 | 1103 | 1231 | 7 | 53 | 456 | 2205 | 2661 | 72 | 362 | 434 | 529 | | | | | | |
| 1/1/2002 | 129 | 1100 | 1229 | 8 | 52 | 460 | 2178 | 2628 | 72 | 357 | 429 | 530 | | | | | | |
| 2/1/2002 | 138 | 1085 | 1223 | 8 | 50 | 458 | 2170 | 2628 | 73 | 356 | 429 | 527 | | | | | | |
| 3/1/2002 | 133 | 1089 | 1222 | 8 | 49 | 433 | 2193 | 2626 | 69 | 359 | 428 | 528 | | | | | | |
| 4/1/2002 | 131 | 1079 | 1210 | 8 | 49 | 433 | 2180 | 2613 | 69 | 358 | 427 | 530 | | | | | | |
| 5/1/2002 | 130 | 1077 | 1207 | 8 | 49 | 428 | 2170 | 2598 | 69 | 354 | 423 | 518 | | | | | | |
| 6/1/2002 | 129 | 1077 | 1206 | 8 | 48 | 422 | 2166 | 2588 | 69 | 351 | 420 | 518 | | | | | | |
| 7/1/2002 | 128 | 1073 | 1201 | 8 | 46 | 419 | 2167 | 2586 | 69 | 348 | 417 | 517 | | | | | | |
| 8/1/2002 | 127 | 1076 | 1203 | 8 | 47 | 414 | 2151 | 2565 | 69 | 347 | 416 | 512 | | | | | | |

| AEP TEXAS CENTRAL COMPANY | | RATE CASE FOR YEAR ENDED 6/30/03 | | CITIES' 17. QUESTION 32 | | | | | | | | | | | | | | | |
|---------------------------|---------|----------------------------------|---------------|-------------------------|----------|-----|----------------|-------|---------|--------|---------------|--------|---------|--------|---------------|--------|--------|--------|--|
| AS OF DATE | SWEPSCO | | SWEPSCO Total | | 01-KGPCo | | 01-KGPCo Total | | 02-APCo | | 02-APCo Total | | 03-KPCo | | 03-KPCo Total | | 04-I&M | | |
| | Mgr | NonMgr | TOTAL | Mgr | NonMgr | Mgr | NonMgr | TOTAL | Mgr | NonMgr | Mgr | NonMgr | Mgr | NonMgr | Mgr | NonMgr | Mgr | NonMgr | |
| 9/1/2002 | 129 | 1066 | 1195 | 8 | 49 | 57 | 410 | 2154 | 2564 | 70 | 346 | 416 | 509 | | | | | | |
| 10/1/2002 | 131 | 1063 | 1194 | 8 | 49 | 57 | 408 | 2156 | 2564 | 71 | 350 | 421 | 508 | | | | | | |
| 11/1/2002 | 130 | 1066 | 1196 | 8 | 49 | 57 | 406 | 2151 | 2557 | 70 | 349 | 419 | 507 | | | | | | |
| 12/1/2002 | 130 | 1068 | 1198 | 8 | 49 | 57 | 405 | 2142 | 2547 | 69 | 347 | 416 | 473 | | | | | | |
| 1/1/2003 | 131 | 1064 | 1195 | 9 | 48 | 57 | 401 | 2118 | 2519 | 70 | 341 | 411 | 474 | | | | | | |
| 2/1/2003 | 133 | 1054 | 1187 | 9 | 47 | 56 | 389 | 2058 | 2447 | 69 | 333 | 402 | 463 | | | | | | |
| 3/1/2003 | 132 | 1050 | 1182 | 9 | 47 | 56 | 390 | 2044 | 2434 | 70 | 332 | 402 | 468 | | | | | | |
| 4/1/2003 | 132 | 1062 | 1194 | 9 | 47 | 56 | 391 | 2040 | 2431 | 71 | 331 | 402 | 466 | | | | | | |
| 5/1/2003 | 129 | 1056 | 1185 | 9 | 46 | 55 | 390 | 2038 | 2428 | 71 | 331 | 402 | 464 | | | | | | |
| 6/1/2003 | 127 | 1054 | 1181 | 9 | 46 | 55 | 390 | 2029 | 2419 | 70 | 330 | 400 | 463 | | | | | | |
| 7/1/2003 | 128 | 1057 | 1185 | 9 | 46 | 55 | 390 | 2026 | 2416 | 70 | 330 | 400 | 462 | | | | | | |
| 8/1/2003 | 128 | 1050 | 1178 | 9 | 48 | 57 | 390 | 2019 | 2409 | 70 | 329 | 399 | 461 | | | | | | |
| 9/1/2003 | 129 | 1046 | 1175 | 9 | 48 | 57 | 392 | 2013 | 2405 | 69 | 328 | 397 | 457 | | | | | | |
| 10/1/2003 | 128 | 1044 | 1172 | 9 | 48 | 57 | 392 | 2011 | 2403 | 69 | 328 | 397 | 455 | | | | | | |
| 11/1/2003 | 128 | 1044 | 1172 | 9 | 48 | 57 | 390 | 2013 | 2403 | 69 | 327 | 396 | 456 | | | | | | |
| 12/1/2003 | 128 | 1044 | 1172 | 9 | 48 | 57 | 389 | 2004 | 2393 | 68 | 327 | 395 | 459 | | | | | | |

AEP TEXAS CENTRAL COMPANY
 RATE CASE FOR YEAR ENDED 6/30/03
 CITIES' 17, QUESTION 32

| AS OF DATE | 04-I&M TOTAL | | 06-WPCo | | 07-OPCo | | 08-WPCo Total | | 07-OPCo TOTAL | | 10-CSP | | 10-CSP TOTAL | | 61-AEPSC | |
|------------|--------------|------|---------|-----|---------|-----|---------------|------|---------------|------|--------|------|--------------|-----|----------|-----|
| | NonMGr | MGr | NonMGr | MGr | NonMGr | MGr | NonMGr | MGr | NonMGr | MGr | NonMGr | MGr | NonMGr | MGr | NonMGr | MGr |
| 1/1/1999 | 2181 | 2666 | 9 | 71 | 80 | 691 | 2263 | 2954 | 254 | 1115 | 1369 | 962 | 4181 | | | |
| 2/1/1999 | 2179 | 2660 | 9 | 71 | 80 | 679 | 2244 | 2923 | 253 | 1101 | 1354 | 951 | 4208 | | | |
| 3/1/1999 | 2163 | 2631 | 9 | 70 | 79 | 664 | 2206 | 2870 | 244 | 1081 | 1325 | 934 | 4124 | | | |
| 4/1/1999 | 2159 | 2636 | 9 | 70 | 79 | 660 | 2200 | 2860 | 242 | 1087 | 1329 | 935 | 4120 | | | |
| 5/1/1999 | 2162 | 2641 | 9 | 70 | 79 | 656 | 2192 | 2848 | 243 | 1087 | 1330 | 935 | 4104 | | | |
| 6/1/1999 | 2164 | 2654 | 9 | 70 | 79 | 652 | 2184 | 2836 | 237 | 1090 | 1327 | 943 | 4110 | | | |
| 7/1/1999 | 2166 | 2667 | 9 | 70 | 79 | 654 | 2179 | 2833 | 236 | 1088 | 1324 | 942 | 4117 | | | |
| 8/1/1999 | 2133 | 2633 | 9 | 70 | 79 | 649 | 2173 | 2822 | 241 | 1077 | 1318 | 935 | 4111 | | | |
| 9/1/1999 | 2148 | 2657 | 9 | 70 | 79 | 644 | 2168 | 2812 | 240 | 1077 | 1317 | 934 | 4109 | | | |
| 10/1/1999 | 2172 | 2689 | 9 | 69 | 78 | 643 | 2164 | 2807 | 242 | 1065 | 1307 | 931 | 4081 | | | |
| 11/1/1999 | 2184 | 2703 | 9 | 69 | 78 | 634 | 2161 | 2795 | 240 | 1066 | 1306 | 933 | 4054 | | | |
| 12/1/1999 | 2199 | 2733 | 7 | 69 | 76 | 627 | 2160 | 2787 | 241 | 1060 | 1301 | 929 | 4050 | | | |
| 1/1/2000 | 2204 | 2743 | 8 | 66 | 74 | 620 | 2158 | 2778 | 238 | 1057 | 1295 | 927 | 4041 | | | |
| 2/1/2000 | 2197 | 2737 | 8 | 65 | 73 | 619 | 2149 | 2768 | 237 | 1042 | 1279 | 916 | 4014 | | | |
| 3/1/2000 | 2200 | 2741 | 8 | 65 | 73 | 618 | 2119 | 2737 | 237 | 1036 | 1273 | 914 | 3979 | | | |
| 4/1/2000 | 2199 | 2737 | 8 | 65 | 73 | 616 | 2113 | 2729 | 238 | 1032 | 1270 | 915 | 3978 | | | |
| 5/1/2000 | 2208 | 2747 | 8 | 65 | 73 | 608 | 2105 | 2713 | 238 | 1034 | 1272 | 908 | 3968 | | | |
| 6/1/2000 | 2208 | 2748 | 8 | 65 | 73 | 602 | 2092 | 2694 | 234 | 1034 | 1268 | 906 | 3957 | | | |
| 7/1/2000 | 2188 | 2725 | 8 | 65 | 73 | 597 | 2087 | 2684 | 233 | 1036 | 1269 | 931 | 3921 | | | |
| 8/1/2000 | 2192 | 2716 | 7 | 66 | 73 | 577 | 2083 | 2660 | 213 | 1041 | 1254 | 860 | 3968 | | | |
| 9/1/2000 | 2163 | 2681 | 7 | 66 | 73 | 571 | 2064 | 2635 | 206 | 1004 | 1210 | 851 | 3934 | | | |
| 10/1/2000 | 2165 | 2675 | 7 | 67 | 74 | 566 | 2056 | 2622 | 202 | 1006 | 1208 | 861 | 3987 | | | |
| 11/1/2000 | 2160 | 2677 | 7 | 67 | 74 | 564 | 2052 | 2616 | 200 | 1010 | 1210 | 865 | 4082 | | | |
| 12/1/2000 | 2159 | 2687 | 8 | 66 | 74 | 566 | 2047 | 2613 | 207 | 1015 | 1222 | 868 | 4084 | | | |
| 1/1/2001 | 2156 | 2688 | 9 | 66 | 75 | 566 | 2041 | 2607 | 208 | 1014 | 1222 | 1229 | 5664 | | | |
| 2/1/2001 | 2153 | 2681 | 9 | 66 | 75 | 558 | 2036 | 2594 | 207 | 1007 | 1214 | 1222 | 5687 | | | |
| 3/1/2001 | 2141 | 2669 | 9 | 66 | 75 | 561 | 2037 | 2596 | 206 | 1007 | 1213 | 1266 | 5810 | | | |
| 4/1/2001 | 2126 | 2657 | 8 | 66 | 74 | 559 | 2025 | 2584 | 207 | 998 | 1205 | 1296 | 5911 | | | |
| 5/1/2001 | 2121 | 2657 | 8 | 66 | 74 | 556 | 2016 | 2572 | 207 | 1001 | 1208 | 1239 | 6021 | | | |
| 6/1/2001 | 2123 | 2654 | 7 | 66 | 73 | 556 | 2014 | 2570 | 211 | 1003 | 1214 | 1256 | 5976 | | | |
| 7/1/2001 | 2130 | 2668 | 8 | 65 | 73 | 552 | 2008 | 2560 | 212 | 1004 | 1216 | 1261 | 6028 | | | |
| 8/1/2001 | 2127 | 2668 | 8 | 65 | 73 | 448 | 1966 | 2414 | 212 | 1008 | 1220 | 1253 | 6049 | | | |
| 9/1/2001 | 2106 | 2642 | 8 | 65 | 73 | 445 | 1960 | 2405 | 210 | 1011 | 1221 | 1253 | 6016 | | | |
| 10/1/2001 | 2084 | 2616 | 7 | 63 | 70 | 434 | 1945 | 2379 | 204 | 1009 | 1213 | 1258 | 6137 | | | |
| 11/1/2001 | 2055 | 2584 | 6 | 61 | 67 | 426 | 1926 | 2352 | 199 | 1002 | 1201 | 1277 | 6393 | | | |
| 12/1/2001 | 2044 | 2573 | 6 | 61 | 67 | 419 | 1912 | 2331 | 192 | 995 | 1187 | 1278 | 6243 | | | |
| 1/1/2002 | 2040 | 2570 | 5 | 60 | 65 | 407 | 1902 | 2309 | 193 | 990 | 1183 | 1254 | 5999 | | | |
| 2/1/2002 | 2038 | 2565 | 5 | 60 | 65 | 408 | 1896 | 2304 | 192 | 982 | 1174 | 1228 | 6017 | | | |
| 3/1/2002 | 2089 | 2617 | 8 | 56 | 64 | 402 | 1897 | 2299 | 179 | 990 | 1169 | 1324 | 6110 | | | |
| 4/1/2002 | 2054 | 2584 | 8 | 56 | 64 | 398 | 1870 | 2268 | 185 | 988 | 1173 | 1358 | 6262 | | | |
| 5/1/2002 | 2031 | 2549 | 7 | 57 | 64 | 392 | 1864 | 2256 | 186 | 983 | 1169 | 1365 | 6238 | | | |
| 6/1/2002 | 2034 | 2552 | 7 | 58 | 65 | 389 | 1856 | 2245 | 184 | 972 | 1156 | 1350 | 6082 | | | |
| 7/1/2002 | 2033 | 2550 | 7 | 60 | 67 | 382 | 1864 | 2246 | 184 | 979 | 1163 | 1333 | 6097 | | | |
| 8/1/2002 | 2023 | 2535 | 7 | 60 | 67 | 379 | 1871 | 2250 | 181 | 977 | 1158 | 1339 | 6102 | | | |

| AEP TEXAS CENTRAL COMPANY RATE CASE FOR YEAR ENDED 6/30/03 CITIES' 17, QUESTION 32 | | 04-I&M Total | | 06-WPCo | | 06-WPCo Total | | 07-OPCo | | 07-OPCo Total | | 10-CSP | | 10-CSP Total | | 61-AEPSC | |
|--|--------|--------------|-----|---------|-------|---------------|--------|---------|--------|---------------|------|--------|------|--------------|-------|----------|--------|
| AS OF DATE | NonMgr | TOTAL | Mgr | NonMgr | TOTAL | Mgr | NonMgr | Mgr | NonMgr | TOTAL | Mgr | NonMgr | Mgr | NonMgr | TOTAL | Mgr | NonMgr |
| 9/1/2002 | 2009 | 2518 | 7 | 60 | 67 | 380 | 1865 | 2245 | 180 | 972 | 1152 | 1295 | 5837 | 1296 | 5734 | | |
| 10/1/2002 | 2004 | 2512 | 7 | 60 | 67 | 381 | 1864 | 2245 | 182 | 973 | 1155 | 1296 | 5734 | 1297 | 5684 | | |
| 11/1/2002 | 1993 | 2500 | 7 | 60 | 67 | 380 | 1863 | 2243 | 182 | 968 | 1150 | 1297 | 5684 | 1281 | 5570 | | |
| 12/1/2002 | 1924 | 2397 | 7 | 60 | 67 | 374 | 1860 | 2234 | 181 | 961 | 1142 | 1281 | 5570 | 1224 | 5331 | | |
| 1/1/2003 | 1888 | 2362 | 6 | 52 | 58 | 370 | 1856 | 2226 | 179 | 952 | 1131 | 1224 | 5331 | 1214 | 5266 | | |
| 2/1/2003 | 1865 | 2328 | 6 | 52 | 58 | 372 | 1834 | 2206 | 180 | 940 | 1120 | 1214 | 5266 | 1105 | 5274 | | |
| 3/1/2003 | 1863 | 2331 | 6 | 52 | 58 | 371 | 1826 | 2197 | 179 | 926 | 1105 | 1208 | 5274 | 1109 | 5252 | | |
| 4/1/2003 | 1868 | 2334 | 6 | 51 | 57 | 374 | 1827 | 2201 | 176 | 933 | 1109 | 1199 | 5252 | 1185 | 5234 | | |
| 5/1/2003 | 1868 | 2332 | 6 | 50 | 56 | 373 | 1829 | 2202 | 176 | 929 | 1105 | 1185 | 5234 | 1175 | 5165 | | |
| 6/1/2003 | 1863 | 2326 | 6 | 52 | 58 | 373 | 1820 | 2193 | 177 | 923 | 1100 | 1172 | 5141 | 1166 | 5142 | | |
| 7/1/2003 | 1862 | 2324 | 6 | 52 | 58 | 374 | 1822 | 2196 | 177 | 926 | 1103 | 1172 | 5141 | 1170 | 5126 | | |
| 8/1/2003 | 1864 | 2325 | 6 | 52 | 58 | 370 | 1815 | 2185 | 177 | 923 | 1100 | 1166 | 5142 | 1171 | 5115 | | |
| 9/1/2003 | 1857 | 2314 | 6 | 51 | 57 | 375 | 1808 | 2183 | 176 | 921 | 1097 | 1170 | 5126 | 1159 | 5088 | | |
| 10/1/2003 | 1859 | 2314 | 6 | 51 | 57 | 378 | 1795 | 2173 | 175 | 927 | 1102 | 1171 | 5115 | 1092 | 5088 | | |
| 11/1/2003 | 1855 | 2311 | 6 | 51 | 57 | 381 | 1794 | 2175 | 175 | 917 | 1092 | 1159 | 5088 | 1163 | 5071 | | |
| 12/1/2003 | 1854 | 2313 | 6 | 51 | 57 | 377 | 1792 | 2169 | 181 | 914 | 1095 | 1163 | 5071 | | | | |

| AEP TEXAS CENTRAL COMPANY RATE CASE FOR YEAR ENDED 6/30/03 CITIES' 17, QUESTION 32 | | 61-AEPSC Total | | 61-CSS | | 61-CSS Total | | CPL | | PSO | | WTU | | Grand Total | |
|--|-------|----------------|--------|--------|-----|--------------|-------|-----|--------|------|--------|------|--------|-------------|-------------|
| AS OF DATE | TOTAL | Mgr | NonMgr | TOTAL | Mgr | NonMgr | TOTAL | Mgr | NonMgr | Mgr | NonMgr | Mgr | NonMgr | WTU Total | Grand Total |
| 1/1/1999 | 5143 | 301 | 1263 | 1564 | 337 | 1213 | 1550 | 203 | 1022 | 1225 | 169 | 742 | 911 | 22847 | |
| 2/1/1999 | 5159 | 300 | 1278 | 1578 | 337 | 1211 | 1548 | 201 | 1034 | 1235 | 169 | 741 | 910 | 22774 | |
| 3/1/1999 | 5058 | 602 | 2550 | 3152 | 672 | 2426 | 3098 | 398 | 2054 | 2452 | 340 | 1478 | 1818 | 29207 | |
| 4/1/1999 | 5055 | 302 | 1283 | 1585 | 337 | 1209 | 1546 | 199 | 1019 | 1218 | 171 | 738 | 909 | 22468 | |
| 5/1/1999 | 5039 | 308 | 1288 | 1596 | 337 | 1210 | 1547 | 198 | 1015 | 1213 | 169 | 738 | 907 | 22429 | |
| 6/1/1999 | 5053 | 313 | 1295 | 1608 | 339 | 1216 | 1555 | 198 | 1037 | 1235 | 169 | 748 | 917 | 22494 | |
| 7/1/1999 | 5059 | 324 | 1478 | 1802 | 339 | 1222 | 1561 | 192 | 942 | 1134 | 168 | 749 | 917 | 22495 | |
| 8/1/1999 | 5046 | 323 | 1482 | 1785 | 338 | 1223 | 1561 | 194 | 940 | 1134 | 168 | 750 | 918 | 22408 | |
| 9/1/1999 | 5043 | 323 | 1478 | 1799 | 337 | 1219 | 1556 | 194 | 939 | 1133 | 167 | 739 | 906 | 22368 | |
| 10/1/1999 | 5012 | 321 | 1474 | 1795 | 336 | 1213 | 1549 | 193 | 938 | 1131 | 167 | 734 | 901 | 22314 | |
| 11/1/1999 | 4987 | 316 | 1467 | 1783 | 339 | 1215 | 1554 | 194 | 931 | 1125 | 166 | 736 | 902 | 22269 | |
| 12/1/1999 | 4979 | 320 | 1464 | 1784 | 340 | 1212 | 1552 | 192 | 933 | 1125 | 166 | 742 | 908 | 22256 | |
| 1/1/2000 | 4968 | 323 | 1468 | 1791 | 341 | 1215 | 1556 | 193 | 932 | 1125 | 171 | 736 | 907 | 22216 | |
| 2/1/2000 | 4930 | 319 | 1463 | 1782 | 338 | 1216 | 1554 | 191 | 936 | 1127 | 172 | 738 | 910 | 22087 | |
| 3/1/2000 | 4893 | 320 | 1474 | 1794 | 338 | 1214 | 1552 | 193 | 937 | 1130 | 171 | 739 | 910 | 22008 | |
| 4/1/2000 | 4893 | 320 | 1457 | 1777 | 340 | 1213 | 1553 | 192 | 945 | 1137 | 169 | 740 | 909 | 21959 | |
| 5/1/2000 | 4876 | 317 | 1429 | 1746 | 342 | 1221 | 1563 | 192 | 943 | 1135 | 171 | 733 | 904 | 21895 | |
| 6/1/2000 | 4863 | 316 | 1420 | 1736 | 342 | 1221 | 1563 | 190 | 946 | 1136 | 170 | 732 | 902 | 21842 | |
| 7/1/2000 | 4852 | 297 | 1389 | 1686 | 351 | 1206 | 1557 | 186 | 945 | 1131 | 164 | 732 | 896 | 21704 | |
| 8/1/2000 | 4828 | 255 | 1375 | 1630 | 342 | 1200 | 1542 | 179 | 932 | 1111 | 158 | 727 | 885 | 21481 | |
| 9/1/2000 | 4785 | 249 | 1315 | 1564 | 341 | 1186 | 1527 | 172 | 917 | 1089 | 151 | 695 | 846 | 21111 | |
| 10/1/2000 | 4848 | 282 | 1311 | 1593 | 320 | 1169 | 1489 | 162 | 897 | 1059 | 139 | 607 | 746 | 20963 | |
| 11/1/2000 | 4947 | 285 | 1316 | 1601 | 317 | 1174 | 1491 | 160 | 897 | 1057 | 140 | 604 | 744 | 21050 | |
| 12/1/2000 | 4952 | 288 | 1381 | 1669 | 321 | 1156 | 1477 | 160 | 881 | 1041 | 139 | 593 | 732 | 21078 | |
| 1/1/2001 | 6893 | | | | 312 | 1084 | 1396 | 163 | 867 | 1030 | 135 | 574 | 709 | 21179 | |
| 2/1/2001 | 6909 | | | | 309 | 1083 | 1392 | 161 | 863 | 1024 | 135 | 577 | 712 | 21154 | |
| 3/1/2001 | 7076 | | | | 309 | 1089 | 1398 | 162 | 855 | 1017 | 135 | 575 | 710 | 21297 | |
| 4/1/2001 | 7207 | | | | 312 | 1084 | 1396 | 164 | 857 | 1021 | 137 | 575 | 712 | 21388 | |
| 5/1/2001 | 7260 | | | | 309 | 1086 | 1395 | 164 | 853 | 1017 | 138 | 569 | 707 | 21430 | |
| 6/1/2001 | 7232 | | | | 310 | 1092 | 1402 | 162 | 854 | 1016 | 136 | 579 | 715 | 21413 | |
| 7/1/2001 | 7289 | | | | 311 | 1098 | 1409 | 161 | 864 | 1025 | 135 | 580 | 715 | 21479 | |
| 8/1/2001 | 7302 | | | | 310 | 1102 | 1412 | 162 | 864 | 1026 | 135 | 576 | 711 | 21337 | |
| 9/1/2001 | 7269 | | | | 308 | 1087 | 1395 | 163 | 858 | 1021 | 135 | 568 | 703 | 21222 | |
| 10/1/2001 | 7395 | | | | 305 | 1084 | 1389 | 160 | 849 | 1009 | 134 | 564 | 698 | 21218 | |
| 11/1/2001 | 7670 | | | | 304 | 1081 | 1385 | 163 | 843 | 1006 | 133 | 562 | 695 | 21382 | |
| 12/1/2001 | 7521 | | | | 304 | 1075 | 1379 | 164 | 837 | 1001 | 132 | 564 | 696 | 21141 | |
| 1/1/2002 | 7253 | | | | 300 | 1068 | 1368 | 164 | 833 | 997 | 132 | 564 | 696 | 20797 | |
| 2/1/2002 | 7245 | | | | 299 | 1075 | 1374 | 160 | 834 | 994 | 131 | 566 | 697 | 20756 | |
| 3/1/2002 | 7434 | | | | 217 | 1157 | 1374 | 122 | 874 | 996 | 131 | 557 | 688 | 20974 | |
| 4/1/2002 | 7620 | | | | 214 | 1144 | 1358 | 124 | 868 | 992 | 128 | 548 | 676 | 21042 | |
| 5/1/2002 | 7603 | | | | 213 | 1143 | 1356 | 124 | 863 | 987 | 125 | 547 | 672 | 20841 | |
| 6/1/2002 | 7432 | | | | 213 | 1147 | 1360 | 125 | 864 | 989 | 125 | 548 | 673 | 20742 | |
| 7/1/2002 | 7430 | | | | 212 | 1156 | 1368 | 107 | 879 | 986 | 123 | 547 | 670 | 20738 | |
| 8/1/2002 | 7441 | | | | 211 | 1159 | 1370 | 107 | 884 | 991 | 123 | 545 | 668 | 20719 | |

| AEP TEXAS CENTRAL COMPANY RATE CASE FOR YEAR ENDED 6/30/03 CITIES' 17, QUESTION 32 | | | | | | | | | | | | | | | | | | | |
|--|----------------|--------|--------|--------|--------------|--------|-----|--------|-----------|--------|-----|--------|-----------|--------|-----|--------|-----------|--------|-------------|
| AS OF DATE | 61-AEPSC Total | | 61-CSS | | 61-CSS Total | | CPL | | CPL Total | | PSO | | PSO Total | | WTU | | WTU Total | | Grand Total |
| | Mgr | NonMgr | Mgr | NonMgr | Mgr | NonMgr | Mgr | NonMgr | Mgr | NonMgr | Mgr | NonMgr | Mgr | NonMgr | Mgr | NonMgr | Mgr | NonMgr | |
| 9/1/2002 | 7132 | | | | | | 165 | 1192 | 1357 | 106 | 890 | 996 | 95 | 565 | 660 | | | | 20359 |
| 10/1/2002 | 7030 | | | | | | 161 | 1196 | 1357 | 105 | 892 | 997 | 95 | 565 | 660 | | | | 20259 |
| 11/1/2002 | 6981 | | | | | | 160 | 1190 | 1350 | 105 | 895 | 1000 | 93 | 560 | 653 | | | | 20173 |
| 12/1/2002 | 6851 | | | | | | 160 | 1186 | 1346 | 105 | 891 | 996 | 93 | 556 | 649 | | | | 19900 |
| 1/1/2003 | 6555 | | | | | | 136 | 1106 | 1242 | 105 | 888 | 993 | 78 | 515 | 593 | | | | 19342 |
| 2/1/2003 | 6480 | | | | | | 131 | 1092 | 1223 | 106 | 879 | 985 | 78 | 512 | 590 | | | | 19082 |
| 3/1/2003 | 6482 | | | | | | 131 | 1087 | 1218 | 105 | 873 | 978 | 80 | 505 | 585 | | | | 19028 |
| 4/1/2003 | 6461 | | | | | | 128 | 1086 | 1214 | 106 | 869 | 975 | 79 | 504 | 583 | | | | 19017 |
| 5/1/2003 | 6419 | | | | | | 126 | 1082 | 1208 | 106 | 870 | 976 | 79 | 501 | 580 | | | | 18948 |
| 6/1/2003 | 6340 | | | | | | 128 | 1081 | 1209 | 106 | 873 | 979 | 79 | 501 | 580 | | | | 18840 |
| 7/1/2003 | 6313 | | | | | | 130 | 1085 | 1215 | 105 | 866 | 971 | 79 | 501 | 580 | | | | 18816 |
| 8/1/2003 | 6308 | | | | | | 140 | 1073 | 1213 | 106 | 864 | 970 | 78 | 500 | 578 | | | | 18780 |
| 9/1/2003 | 6296 | | | | | | 139 | 1071 | 1210 | 119 | 945 | 1064 | 65 | 418 | 483 | | | | 18738 |
| 10/1/2003 | 6286 | | | | | | 138 | 1069 | 1207 | 119 | 944 | 1063 | 65 | 417 | 482 | | | | 18713 |
| 11/1/2003 | 6227 | | | | | | 138 | 1062 | 1200 | 121 | 940 | 1061 | 65 | 416 | 481 | | | | 18632 |
| 12/1/2003 | 6234 | | | | | | 136 | 1061 | 1197 | 120 | 940 | 1060 | 65 | 416 | 481 | | | | 18623 |

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AEP TEXAS CENTRAL COMPANY'S RESPONSE TO
CITIES' SEVENTEENTH REQUEST FOR INFORMATION

Question No. 35:

Provide the number of (1) management; and (2) non-management employees used in each of the Company's labor cost adjustments.

Response No. 35:

For AEP-TCC there were 71 management and 916 non-management employees used in the labor adjustment. For AEPSC, there were 1,194 management and 5,185 non-management employees used in the labor adjustment.

Prepared By: Gary W. Moore
Sponsored By: Randall W. Hamlett

Title: Sr. Accounting Consultant
Title: Mgr. Regulatory Accounting
Services

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AEP TEXAS CENTRAL COMPANY'S RESPONSE TO
CITIES' SEVENTEENTH REQUEST FOR INFORMATION

Question No. 36:

Referring to Company response to Cities 2-11, does each REP provide its own billing and collection services for end-use customers? If no, explain.

Response No. 36:

It is each REP's responsibility to determine how they provide billing and collection services. TCC does not have this information.

Prepared By: Jeffrey L. Laine
Sponsored By: Charles D. Via

Title: Dir. Customer Choice Ops.
Title: Mrg. Processes & Policies

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AEP TEXAS CENTRAL COMPANY'S RESPONSE TO
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Question No. 37:

Provide a description of all metering-related services provided to REP's by AEP/TCC. Identify and describe each rate charged for these services.

Response No. 37:

AEP/TCC does not provide specific metering-related services to REP's. The metering-related services are related to providing billing to the REP's. See the Response to Cities 2nd RFI Question Nos. 11 & 12. AEP/TCC does not provide a separate rate for T&D metering-related services to REPs. Any costs related to providing T&D service are included in the approved distribution charges to the REP.

Prepared By: Don Moncrief

Title: Director, Regulatory Pricing
& Analysis

Sponsored By: Don Moncrief

Title: Director, Regulatory Pricing
& Analysis

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AEP TEXAS CENTRAL COMPANY'S RESPONSE TO
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Question No. 38:

Provide a description of all T&D customer service-related services provided to REP's by AEP/TCC. Identify and describe each rate charged for these services.

Response No. 38:

See the Response to Cities 2nd RFI Question Nos.11 & 12. AEP/TCC does not provide a separate rate for T&D customer service-related services to REPs. Any costs related to providing T&D service are included in the approved distribution charges to the REP.

Prepared By: Don Moncrief

Title: Director, Regulatory Pricing
& Analysis

Sponsored By: Don Moncrief

Title: Director, Regulatory Pricing
& Analysis

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AEP TEXAS CENTRAL COMPANY'S RESPONSE TO
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Question No. 39:

Referring to Company response to Cities 2-14, provide copies of the final bids received on or about December 5, 2003 and compute the expected gains on each generation-related asset assuming the highest bid is accepted. Include supporting calculations.

Response No. 39:

The Company has filed an objection to this question.

Prepared By: David G. Carpenter
Sponsored By: David G. Carpenter

Title: Director Regulatory Services
Title: Director Regulatory Services

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AEP TEXAS CENTRAL COMPANY'S RESPONSE TO
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Question No. 40:

Referring to Company response to Cities 2-16, provide the (1) merger savings; and (2) rate reductions for the period July 2003 to 2005.

Response No. 40:

Please see the attached. The period July 2003 to 2005 would correspond to years 4, 5 and 6 in the attachment.

Prepared By: Lauri S. White
Sponsored By: David G. Carpenter

Title: Regulatory Specialist
Title: Director, Texas Regulatory
Services

TCC MERGER SAVINGS RATE REDUCTIONS

| Year | Tx Retail Gross Merger Savings | Total Cost to Achieve | Net Merger Savings | Net Merger Savings | | Supplemental | | Merger Savings Rate Reductions |
|------|-----------------------------------|--------------------------|-----------------------|-------------------------|-------------------------|-------------------------|-------------------------|-----------------------------------|
| | | | | Rate Reduction Rider | Rate Reduction Rider | Rate Reduction Rider | Rate Reduction Rider | |
| 1 | 12,158 | 6,176 | 5,982 | 3,663 | 15,337 | 4,807 | 23,807 | |
| 2 | 18,829 | 6,176 | 12,653 | 6,999 | 12,001 | 4,807 | 23,807 | |
| 3 | 22,514 | 6,176 | 16,338 | 8,841 | 10,159 | 4,807 | 23,807 | |
| 4 | 25,256 | 6,176 | 19,080 | 10,212 | 8,788 | 4,807 | 23,807 | |
| 5 | 27,193 | 6,176 | 21,017 | 11,180 | | 4,807 | 15,987 | |
| 6 | 28,485 | 6,176 | 22,309 | 11,827 | | 4,807 | 16,634 | |
| | 134,435 | 37,056 | 97,379 | 52,722 | 46,285 | 28,842 | 127,849 | |

(000s)

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**AEP TEXAS CENTRAL COMPANY'S RESPONSE TO
CITIES' SEVENTEENTH REQUEST FOR INFORMATION**

Question No. 41:

Referring to Company response to Cities 1-1, explain what caused the \$51.6 million increase in O&M expenses excluding pensions and DSM. Include a comparison by FERC account.

Response No. 41:

As stated in TCC's response to Cities' Second Request for Information, Question No. 19, it is not possible to compare the "forecasted" costs associated with Docket No. 22352 to test year costs because the "forecasted" amounts were part of a settlement. More precisely, Docket No. 22352 was settled on the basis of all parties agreeing to an overall revenue requirement for TCC of \$411 million. As part of the settlement agreement, the parties developed a rate base and revenue requirement by function in order that TCC's transmission cost of service could be calculated. However, the settlement agreement specifically foreclosed the possibility that the individual components of the cost of service would have any meaning standing alone.

Specifically, the settlement agreement stated of the \$411 million revenue requirement:

Article II

Revenue Requirements

The following revenue requirements (net of revenue credits) for each of the EDCs are reasonable and should be adopted by the Commission:

| | <u>ERCOT</u> <u>Transmission</u> (000) | <u>Texas Retail</u> <u>Distribution</u> (000) | <u>Total</u> (000) |
|-------------|--|---|-----------------------|
| CPL-EDC | \$103,022 | \$307,978 | \$411,000 |
| WTU-EDC | \$33,770 | \$104,230 | \$138,000 |
| SWEPSCO-EDC | N/A | \$94,000 | \$94,000 |

With the exception of certain transmission investments addressed in Article IX below, the above revenue requirement levels are not based on the adoption

or rejection of any specific cost or revenue item or adjustment proposed by any Signatory. Rather, the Signatories agree that the revenue requirements are just and reasonable and are consistent with Section 36.051 of PURA only as total amounts and only when considered in context with all other issues resolved in this Agreement. A summary of each EDC's rate base and cost of service is included on Exhibit A to this Agreement.

The settlement agreement further stated in Article XXI, A and B:

Implementation of the Agreement

A. This Agreement is binding on each Signatory only for the purpose of settling the issues herein and for no other purpose. The Signatories acknowledge and agree that a Signatory's support of the matters contained in this Agreement may differ from its position or testimony in other dockets and cases not referenced in this Agreement. To the extent that there is a difference, a Signatory does not waive its position in such other dockets. Because this is a settlement agreement, a Signatory is under no obligation to take the same position as set out in this Agreement in other dockets not referenced in this Agreement whether those dockets present the same or a different set of circumstances. The Signatories reserve their rights in these dockets to litigate all issues in these dockets against parties who do not sign this Agreement.

B. This Agreement represents a compromise, settlement and accommodation among the Signatories, and all Signatories agree that the terms and conditions herein are interdependent and no Signatory shall be bound by any portion of this Agreement outside the context of the Agreement as a whole.

Thus, the O&M plus A&G expense level of \$121.4 million in the Docket No. 22352 settlement agreement has no meaning in any proceeding other than Docket No. 22352, and in that case it had no meaning when considered outside the context of an agreement that TCC's revenue requirement was \$411 million.

Since the parties agreed only to an ultimate revenue requirement, there was no agreement as to the reasonableness of or the components of the individual O&M amount of \$121.4 million and, therefore, it is not possible to explain why test year actual expenses are higher than that number. In evaluating TCC's test year O&M costs, it is clear that the O&M amount in the Docket No. 22352 settlement agreement was unrealistically low.

TCC cannot perform a comparison by FERC account as requested, since the O&M amount in the settlement agreement was not broken down into FERC accounts.

Prepared By: David G. Carpenter

Title: Director, Texas Regulatory Services

Sponsored By: David G. Carpenter

Title: Director, Texas Regulatory Services

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AEP TEXAS CENTRAL COMPANY'S RESPONSE TO
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Question No. 42:

Referring to Company response to Cities 2-19 Supplemental, explain why unadjusted O&M plus A&G increased \$46.878 million or 39%. Include a comparison by FERC account.

Response No. 42:

Please see the Company's response to Cities' 17th Request for Information, Question No. 41.

| | |
|----------------------------------|--|
| Prepared By: Randall W. Hamlett | Title: Manager, Regulatory Accounting Services |
| David G. Carpenter | Title: Director, Texas Regulatory Services |
| Sponsored By: Randall W. Hamlett | Title: Manager, Regulatory Accounting Services |
| David G. Carpenter | Title: Director, Texas Regulatory Services |

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Question No. 43:

Referring to Company response to Cities 2-19 Supplemental, explain why pro forma O&M plus A&G increased \$55.139 million or 45%. Include a comparison by FERC account.

Response No. 43:

Please see the Company's response to Cities' 17th Request for Information, Question No. 41.

| | | | |
|---------------|--------------------|--------|---|
| Prepared By: | Randall W. Hamlett | Title: | Manager, Regulatory Accounting Services |
| | David G. Carpenter | Title: | Director, Texas Regulatory Services |
| Sponsored By: | Randall W. Hamlett | Title: | Manager, Regulatory Accounting Services |
| | David G. Carpenter | Title: | Director, Texas Regulatory Services |

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Question No. 44:

Referring to Company response to Cities 2-19 Supplemental, provide a breakdown of unadjusted O&M plus A&G for forecasted 2002 and YE 6/03 by FERC account and by labor and non-labor costs.

Response No. 44:

A comparison by FERC account and/or by labor and non-labor costs cannot be provided. The settlement approved by the Commission in Docket No. 22352 as the basis for TCC's current T&D rates cannot be broken down by FERC account or labor/non labor information. Please see also the response to Cities' 17th Request for Information, Question No. 41.

Prepared By: Randall W. Hamlett

Title: Manager, Regulatory
 Accounting Services

Sponsored By: Randall W. Hamlett

Title: Manager, Regulatory
 Accounting Services

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AEP TEXAS CENTRAL COMPANY'S RESPONSE TO
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Question No. 45:

Referring to Company response to Cities 2-19 Supplemental, provide a breakdown of pro forma O&M plus A&G for forecasted 2002 and YE 6/03 by FERC account and by labor and non-labor costs.

Response No. 45:

Please see the response to Cities' 17th Request for Information, Question No.44.

Prepared By: Randall W. Hamlett

Title: Manager, Regulatory
Accounting Services

Sponsored By: Randall W. Hamlett

Title: Manager, Regulatory
Accounting Services

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AEP TEXAS CENTRAL COMPANY'S RESPONSE TO
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Question No. 46:

Provide a reconciliation of (1) the amounts shown in Company response to Cities 2-19 Supplemental; and (2) the amounts shown in Company Schedule I-A-1.

Response No. 46:

Please see the attached reconciliation.

Prepared By: Susan C. Franke

Title: Senior Accounting
Consultant

Sponsored By: Randall W. Hamlett

Title: Manager, Regulatory
Accounting Services

AEP Texas Central Company
Cities 17th, Question #46

| | Cities 2nd-19 | Schedule 1-A-1 | Difference |
|-------------------------------|---------------|----------------|------------|
| Proforma Test Year | | | |
| O&M plus A&G | 176,517,984 | | |
| TCOS | 75,663,655 | | |
| Demand Side Management | 8,034,779 | | |
| Total O&M plus A&G | 260,216,418 | 260,216,378 | 40 |
| Depreciation and Amortization | 73,922,824 | 73,922,932 | (108) |
| Taxes Other Than FIT | 64,458,519 | 64,458,522 | (3) |
| FIT | 35,920,851 | 35,920,851 | (0) |
| Settlement | - | - | - |
| Nuclear Decommissioning | 8,156,968 | 8,156,968 | - |
| Rate Base | 1,343,448,989 | | |
| | 0.08562 | | |
| Return | 115,023,416 | 115,023,416 | (0) |
| Revenue Credits | (37,781,025) | (37,781,025) | (0) |
| Revenues | 453,441,939 | | |
| Revenue Deficiency | 66,476,031 | | |

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AEP TEXAS CENTRAL COMPANY'S RESPONSE TO
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Question No. 47:

Referring to Company response to Cities 2-19 Supplemental, explain the rate base differences. Include a comparison by each rate base component.

Response No. 47:

A comparison by rate base component cannot be provided. The settlement approved by the Commission in Docket No. 22352 as the basis for TCC's current T&D rates, cannot be broken down by rate base component. Please see the response to Cities' 17th Request for Information, Question No.41.

Prepared By: Randall W. Hamlett

Title: Manager, Regulatory
Accounting Services

Sponsored By: Randall W. Hamlett

Title: Manager, Regulatory
Accounting Services

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AEP TEXAS CENTRAL COMPANY'S RESPONSE TO
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Question No. 48:

Referring to Company response to Cities 2-19 Supplemental, explain the differences in the revenue credits.

Response No. 48:

See the response to Cities' 17th Request for Information, Question No.41 for explanation regarding the impracticality of comparing the results of the UCOS case to the test year costs. In general, the increases in revenue credits in the test year are attributable to several factors: 1) revenue sources not included in the UCOS projections (e.g., LCRA payments); 2) a somewhat greater level of activity in the 2003 test year that was forecasted in the UCOS proceedings for miscellaneous services; 3) increased rents from building, office rental and pole attachment; 4) and greater than projected revenue from other electric revenue.

Prepared By: Judie L. Hackerott
Sponsored By: Don Moncrief

Title: Regulatory Consultant I
Title: Director, Regulatory Pricing
& Analysis

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AEP TEXAS CENTRAL COMPANY'S RESPONSE TO
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Question No. 49:

Referring to Company response to Cities 2-19 Supplemental, explain the differences in DSM costs. Include a comparison of DSM costs by project or category.

Response No. 49:

The increase in DSM costs is the product of several factors. For the rates established in Docket No. 22352, the applicable DSM goal was 5%. By contrast, the DSM goal applicable to the current rate proceedings is 10%. In addition, TCC has experienced increased demand since rates were established in Docket No. 22352, which also increased the end result kw demand reduction and kwh energy savings required to achieve the higher goal.

TCC's primary proposal for recovery of DSM costs under the rates set in this docket consists of a "cost recovery factor" discussed in pages 34-37 of Mr. Berny's testimony. The June 30, 2003 proforma DSM costs listed in the supplemental response to Cities' 2-19 relate to TCC's alternative recommendations that it be allowed to recover in its cost of service the average of its energy efficiency expenditures in the calendar years 2003, 2004 and 2005. The components of these expenditures are discussed in pages 37-39 of Mr. Berny's testimony and in Exhibits BGB-4 and BGB-5 attached to Mr. Berny's testimony and are further detailed in tables V1.1 through V1.4 of TCC's April 1, 2003 energy efficiency plan filed in P.U.C. Project No. 27541.

Prepared By: David G. Carpenter
 Randall W. Hamlett

Title: Director Regulatory Services
 Mgr. Regulatory Accounting
 Services

Sponsored By: Gary W. Moore

Title: Sr. Accounting Consultant

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AEP TEXAS CENTRAL COMPANY'S RESPONSE TO
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Question No. 50:

Referring to Company response to Cities 2-19 Supplemental, explain the "TCOS" differences.

Response No. 50:

TCOS is a function of the Company's load and the rates charged by the various transmission entities in ERCOT (i.e. load times rates equal TCOS expense). As one would expect, the Company's actual load is different from that forecasted in 2002. In addition transmission rates have changed since the UCOS case was settled in Docket No. 22352.

Prepared By: Randall W. Hamlett

Title: Manager, Regulatory
Accounting Services

Sponsored By: Randall W. Hamlett

Title: Manager, Regulatory
Accounting Services

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**STATEMENT UNDER SECTION 4 OF PROTECTIVE ORDER DESIGNATING
CONFIDENTIAL AND HIGHLY SENSITIVE PROTECTED MATERIALS**

Certain materials provided in AEP Texas Central Company's ("TCC") response to **Cities' Seventeenth Request for Information, Question Nos. 12 and 13**, are highly sensitive protected materials and exempt from public disclosure pursuant to Sections 552.101, 552.104, and 552.110(b) of the Public Information Act ("Act").¹ Under the Act, information considered to be confidential by law, either constitutional, statutory, or by judicial decision, is excepted from public disclosure.² Commercial or financial information is confidential and excepted from disclosure if its release would give an advantage to a competitor or bidder or cause substantial competitive harm to the person from whom the information was obtained.³

Cities has requested detailed information regarding the compensation and incentives paid to the top ten executives of American Electric Power Company, Inc. ("AEP") and AEP/TCC for the year ended June 20, 2003. The requested information for AEP and AEP/TCC's top five executives is publicly available information, and TCC is therefore supplying it in response to these requests without any confidential or highly sensitive designation. However, the rest of the responsive information concerning the remaining five top executives for each company is highly sensitive protected information that AEP and AEP/TCC keep confidential and do not disclose to the public.

The requested non-public information concerning the compensation paid and incentives given to AEP's and AEP/TCC's other five top executives is commercially sensitive business and financial information, the public disclosure of which could cause AEP and AEP/TCC substantial competitive injury. Among other things, this sensitive internal information concerning executive pay and incentives could be used by competitors to devise compensation schemes and

¹ TEX. GOV'T CODE ANN., Chapter 552 (West Supp. 2004).

² *Id.* § 552.101.

³ *Id.* §§ 552.104(a) and 552.110(b).

employment offers designed to lure top executives away from AEP and AEP/TCC and thereby gain a competitive advantage. In addition, keeping this highly sensitive executive compensation information confidential is necessary to facilitate effective management of employee compensation. This information is of such a highly sensitive nature that making copies of such materials or providing access to such materials to employees of a reviewing party, except as set forth in the Protective Order (Order No. 2), would expose AEP and AEP/TCC to unreasonable risk of harm. For these reasons, this information is confidential by law, exempt from public disclosure, and should be designated Highly Sensitive Protected Material, consistent with the terms of the Protective Order. Counsel for TCC has reviewed the information sufficiently to state in good faith that the information is exempt from disclosure under the Public Information Act and merits the protected materials and highly sensitive designation.

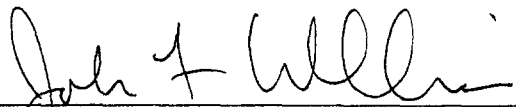
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CERTIFICATE OF SERVICE

I certify by my signature below that a true and correct copy of the foregoing has been forwarded to all counsel of record by hand delivery or first class mail on this 5th day of January, 2004


John F. Williams