



Control Number: 31056



Item Number: 323

Addendum StartPage: 0

SOAH DOCKET NO. 473-05-7455
PUC DOCKET NO. 31056

APPLICATION OF AEP TEXAS CENTRAL COMPANY AND CPL RETAIL ENERGY, LP
TO DETERMINE TRUE-UP BALANCES PURSUANT TO PURA §39.262 AND
PETITION TO DETERMINE AMOUNT OF EXCESS MITIGATION CREDITS
TO BE REFUNDED AND RECOVERED

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

SUPPLEMENTAL RESPONSE
AUGUST 4, 2005

TABLE OF CONTENTS

<u>SECTION</u>	<u>FILE NAME</u>	<u>PAGE</u>
Supplemental Response No. 19	6cit19supp.doc	2
Attachment to Supplemental Response No. 19	No Electronic File	3

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PUC DOCKET NO. 31056

**APPLICATION OF AEP TEXAS
CENTRAL COMPANY AND CPL
RETAIL ENERGY, LP TO DETERMINE
TRUE-UP BALANCES PURSUANT TO
§39.262**

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**PUBLIC UTILITY COMMISSION

OF

TEXAS**

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

**SUPPLEMENTAL RESPONSE
AUGUST 4, 2005**

Question No. 6-SN-19:

Reference Exhibit RWH-11, please provide the actual calculation of net economic benefits for Oklahoma for each month as information becomes available. Please update this response as new information becomes available.

Supplemental Response No. 6-SN-19:

This supplemental response is an update to the original response. Please see the attachment which provides the calculation for the month of June 2005.

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

Title: Dir. Regulatory Accounting Support
Title: Dir. Regulatory Accounting Support

**OKLAUNION NET ECONOMIC BENEFIT CALCULATION
FOR JUNE 2005**

INCOME (EXPENSE)

REVENUE (Plan MWH X Quoted Forward Price)	\$	1,385,818.80
FUEL		(540,878.35)
O & M		(210,313.52)
TOTAL REVENUE AND OPERATING EXPENSES	\$	634,626.93
INCOME TAX	\$	(205,251.64)
CARRYING COST		(329,233.56)
CAPITAL EXPENDITURES		-
NET ECONOMIC BENEFIT	\$	100,141.73
REVENUE REQUIREMENT		
NET ECONOMIC BENEFIT	\$	100,141.73
TAX GROSS UP		61,195.03
REVENUE REQUIREMENT	\$	161,336.76

INCOME TAX		
TOTAL REVENUE AND OPERATING EXPENSES	\$	634,626.93
TAX DEPRECIATION		(6,544.00)
IMPUTED INTEREST EXPENSE (\$21,722,674 X 4.87% (LTD))		(86,950.21)
TAXABLE INCOME	\$	541,132.72
COMPOSITE TAX RATE (FIT/FRANCHISE)		37.93%
INCOME TAX	\$	(205,251.64)

CARRYING CHARGES		
CASH NOT RECEIVED FROM SALE	\$	42,750,000.00
OVERALL RATE OF RETURN (WEIGHTED COST OF CAPITAL 9.37%)		9.37%
CARRYING CHARGES	1 YEAR	\$ (4,005,675.00)
CARRYING CHARGES	30 DAYS	\$ (329,233.56)

CAPITAL EXPENDITURES		
CAPITAL EXPENDITURES	\$	-

TAX GROSS UP		
NET ECONOMIC BENEFIT	\$	100,141.73
TAX GROSS UP (1 / (1 - .38) - 1)		0.61
	\$	61,195.03