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DOCKET NO. 33309

APPLICATION OF AEP TEXAS § PUBLIC UTILITY COMMISSION
CENTRAL COMPANY FOR §
AUTHORITY TO CHANGE RATES. § OF TEXAS

DOCKET NO. 33310

APPLICATION OF AEP TEXAS NORTH § PUBLIC UTILITY COMMISSION
COMPANY FOR AUTHORITY TO §
CHANGE RATES. § OF TEXAS

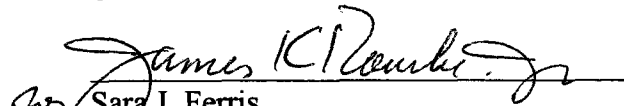
OFFICE OF PUBLIC UTILITY COUNSEL'S
FOURTEENTH REQUEST FOR INFORMATION TO AEP TEXAS
CENTRAL COMPANY AND AEP TEXAS NORTH COMPANY

Pursuant to P.U.C. Procedural Rules 22.141-.145, the Office of Public Utility Counsel ("OPUC") requests that AEP Texas Central Company and AEP Texas North Company provide answers to the following questions under oath. Please answer the questions and sub-questions in the order in which they are listed and in sufficient detail to provide a complete and accurate answer.

Dated: January 31, 2007

Respectfully submitted,

Suzi Ray McClellan
Public Counsel
State Bar No. 16607620


Sara J. Ferris
Assistant Public Counsel
State Bar No. 50511915

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Definitions

As used in this introduction and in these questions,

- (1) "AEP TCC", "TCC", the "Company", and "Applicant" refer to the AEP Texas Central Company and its affiliates;
- (2) "AEP TNC", "TNC", the "Company", and "Applicant" refer to the AEP Texas North Company and its affiliates;
- (3) "Applicants" refer to TCC and TNC as defined above;
- (4) "You", "yours" and "your" refer to TCC and TNC (as defined above), including its directors, officers, employees, consultants, agents, and attorneys.
- (5) "Document" and "documents" mean any written, recorded, filmed, or graphic matter, whether produced, reproduced, or on paper, cards, tapes, film, electronic facsimile, computer storage device or any other media, including, but not limited to, electronic mail (e-mail), memoranda, notes, analyses, minutes, records, photographs, correspondence, telegrams, diaries, bookkeeping entries, financial statements, tax returns, checks, check stubs, reports, studies, charts, graphs, statements, notebooks, handwritten notes, applications, contracts, agreements, books, pamphlets, periodicals, appointment calendars, records and recordings of oral conversations, work papers, observations, commercial practice manuals, reports and summaries of interviews, reports of consultants, appraisals, forecasts, tape recordings, or any form of recording that is capable of being transcribed into written form.

Instructions

In answering these questions, furnish all information that is available to you, including information in the possession of your agents, employees, and representatives, all others from whom you may freely obtain it, and your attorneys and their investigators.

Please answer each question based upon your knowledge, information, or belief, and any answer that is based upon information or belief should state that it is given on that basis.

If you have possession, custody, or control (as defined by Tex. R. Civ. P. 192.7(b)) of the originals of these documents requested, please produce the originals or a complete copy of the

originals and all copies that are different in any way from the original, whether by interlineation, receipt stamp, or notation.

If you do not have possession, custody, or control of the originals of the documents requested, please produce copies of the documents, however made, in your possession, custody, or control. If any document requested is not in your possession or subject to your control, please explain why not, and give the present location and custodian of any copy or summary of the document.

Claim of Privilege

If any document is withheld under any claim of privilege, please furnish a list identifying each document for which a privilege is claimed, together with the following information: date, sender, recipients, recipients of copies, subject matter of the document, and the basis upon which such privilege is claimed.

Questions

The Definitions, Instructions, and Claim of Privilege set out in this Request for Information apply to these questions.

If any question appears confusing, please request clarification from the undersigned counsel.

In providing your responses, please start each response on a separate page and type, at the top of the page, the question that is being answered.

As part of the response to each question, please state, at the bottom of the answer, the name and job position of each person who participated in any way, other than providing clerical assistance, in the preparing of the answer. If the question has sub-parts, please identify the participating person or persons by sub-part. Please also state the name of the witness in this docket who will sponsor the answer to the question and who can vouch for the truth of the answer. If the question has sub-parts, please identify the witness or witnesses by sub-part.

Rather than waiting to provide all of the responses at the same time, please provide individual responses as each becomes available.

These questions are continuing in nature. If there is a change in circumstances or facts or if you receive or generate additional information that supplements or changes your answer between the time of your original response and the time of the hearings, then you should submit, under oath, a supplemental response to your earlier answer.

If you consider any question to be unduly burdensome, or if the response would require the production of a voluminous amount of material, please call the undersigned counsel as soon as possible in order to discuss the situation and to try to resolve the problem. Likewise, if you object to any of the questions on the grounds that the question seeks confidential information, or on any other grounds, please call the undersigned counsel as soon as possible.

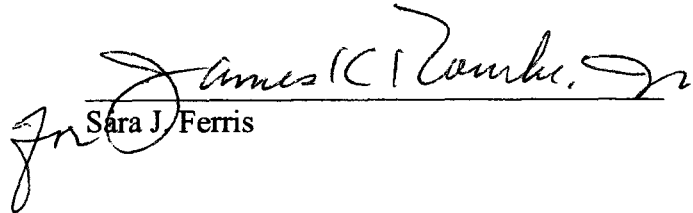
If the response to any question is voluminous, please provide separately an index to the materials contained in the response.

If the information requested is included in previously furnished exhibits, workpapers, responses to other discovery inquiries or otherwise, in hard copy or electronic format, please furnish specific references thereto, including Bates Stamp page citations and detailed cross-references.

To the extent that a question asks for the production of copyrighted material, it is sufficient to provide a listing of such material, indicating the title, publisher, author, edition, and page references relied on or otherwise relevant to the question.

CERTIFICATE OF SERVICE
DOCKET NO. 33309 & DOCKET NO. 33310

I certify that today, January 31, 2007, I served a true copy of the Office of Public Utility Counsel's Fourteenth Request for Information AEP Texas Central Company and AEP Texas North Company on all parties of record via United States First-Class Mail, hand-delivery, e-mail or facsimile.


for Sara J Ferris

OPUC's Fourteenth Request For Information To TCC and TNC
PUC Docket Nos. 33309 & 33310

The following questions are directed to Sam Hadaway.

- 14-1 Please provide a copy of the Mergent Bond Record pages that support the bond rates shown in Table 1.
- 14-2 Please provide a complete copy of the Standard & Poor's Sept. 21, 2006 *Trends & Projections*.
- 14-3 Please provide a complete copy of Investment Commentary, Cohen and Steers, March 31, 2006.
- 14-4 Please provide a complete copy of Standard & Poor's *Industry Surveys, Electric Utilities*, August 10, 2006.
- 14-5
 - a.) Please provide a complete copy of the September 2006 Regulatory Focus publication, as well as the Mergent Bond Record Pages that were used to calculate the average utility debt cost shown on page 34 of your testimony.
 - b.) Provide all calculations used for deriving the average utility debt cost.
- 14-6 Please provide a complete copy of the Chan, Karceski & Lafonishok article cited on p. 37 of your testimony.
- 14-7 Please provide a complete copy of the Brigham, Gapenski & Ehrhardt article cited on p. 36 of your testimony.
- 14-8
 - a.) Have you reviewed average utility earnings and dividend growth rates for the past 10, 20, 30, 40, 50, or 58 years?
 - b.) If so, please explain your understanding of the relationship between past utility dividend growth and GDP growth and the relationship between past utility earnings growth and GDP growth.
- 14-9 Have you reviewed any GDP growth projections from forecasting firms or other sources for the next 3-5 years? If so, please provide these projections.
- 14-10 Please provide all data used, as well as all sources relied on, for the LDC authorized ROE's for 1980-2006.
- 14-11
 - a.) Provide all tables and calculations from the Ibbotson Associates Yearbook that support the 6.1% mean risk premium cited on p. 41 of your testimony.
 - b.) Provide the same information for the 4.1% geometric mean risk premium cited on p. 41 of your testimony.
- 14-12 Please provide a complete copy of the H&M study cited on p. 41 of your testimony.