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SOAH DOCKET NO. 473-07-0833
DOCKET NO. 33309

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

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**COMMISSION STAFF'S ERRATA NO. 1 TO THE TESTIMONY OF
RICHARD LAIN**


COMES NOW the Staff of the Public Utility Commission of Texas (Staff), representing the public interest and files this errata to the direct testimony of Richard Lain, file March 23, 2007. Attachment 1 illustrates said changes.

<u>Reference</u>	<u>Correction</u>
1. Bates Stamp 000017 Page 18, Line 23	INSERT: my use of INSERT: representative of investor DELETE: influenced by analysts'
2. Bates Stamp 000018 Page 19, Line 1	INSERT: investor DELETE: analysts'

Respectfully Submitted,

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SOAH DOCKET NO. 473-07-0833
PUC DOCKET NO. 33309

CERTIFICATE OF SERVICE

I certify that a copy of this document will be served on all parties of record on this
the 2nd day of April 2007 in accordance with P.U.C. Procedural Rule 22.74.



Attorney

Q. Why did you not use another risk premium approach?

A. I chose not to use another risk-premium approach in addition to the CAPM approach because my use of the CAPM is more representative of investor expectations than are the other approaches of which I am aware. I believe an approach that incorporates investor expectations is essential to estimating the cost of equity for a T&D company.

Deleted: influenced by analysts'

Deleted: analysts'

Attachment 1

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Staff's Errata No. 1 - Rich Lain