



Control Number: 33310



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

APPLICATION OF AEP TEXAS CENTRAL COMPANY FOR AUTHORITY TO CHANGE RATES	§ § § § §	BEFORE THE STATE OFFICE OF ADMINISTRATIVE HEARINGS
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**SOAH DOCKET NO. 473-07-0851
DOCKET NO. 33310**

APPLICATION OF AEP TEXAS NORTH COMPANY FOR AUTHORITY TO CHANGE RATES	§ § § § §	BEFORE THE STATE OFFICE OF ADMINISTRATIVE HEARINGS
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**COMMISSION STAFF'S TWENTY-SECOND REQUEST FOR
INFORMATION TO AEP TEXAS CENTRAL AND AEP TEXAS
NORTH COMPANIES
QUESTION NOS. CR22-1 THROUGH CR22-22**

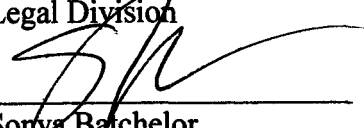
The Commission Staff of the Public Utility Commission of Texas (Staff) requests that AEP Texas Central (TCC) and AEP Texas North (TNC) Companies provide the following information and answer the following question(s) under oath. The question(s) shall be answered in sufficient detail to fully present all of the relevant facts, within the time limit provided by the Presiding Officer or within 20 days, if the Presiding Officer has not provided a time limit. Please copy the question immediately above the answer to each question. These question(s) are continuing in nature, and if there is a relevant change in circumstances, submit an amended answer, under oath, as a supplement to your original answer. State the name of the witness in this cause who will sponsor the answer to the question and can vouch for the truth of the answer.

Provide an original and ten copies of your answers to the questions to the Filing Clerk, Public Utility Commission of Texas, 1701 N. Congress Avenue, P.O. Box 13326, Austin, Texas 78711-3326.

Respectfully Submitted,

Thomas S. Hunter
Division Director
Legal Division

Keith Rogas
Deputy Division Director
Legal Division

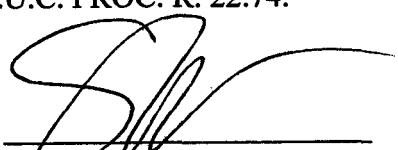


Sonya Batchelor
Attorney-Legal Division
State Bar No. 00797852
(512) 936-7293
(512) 936-7268 (facsimile)
Public Utility Commission of Texas
1701 N. Congress Avenue
P.O. Box 13326
Austin, Texas 78711-3326

**SOAH DOCKET NOS. 473-07-0833 & 473-07-0851
DOCKET NOS. 33309 & 33310**

CERTIFICATE OF SERVICE

I certify that a copy of this document will be served on all parties of record on this
the 20th day of February 2007 in accordance with P.U.C. PROC. R. 22.74.



Sonya Batchelor

**SOAH DOCKET NOS. 473-07-0833 & 473-07-0851
DOCKET NOS. 33309 & 33310**

INSTRUCTIONS

DEFINITION OF THE WORD "DOCUMENT"

"Document" includes any written, recorded or graphic matter, however produced or reproduced, including but not limited to correspondence, telegrams, contracts, agreements, notes in any form, memoranda, diaries, voice recording tapes, microfilms, pictures, computer media, work papers, calendars, minutes of meetings or other writings or graphic matter, including copies containing marginal notes or variations of any of the foregoing, now or previously in your possession.

In the event any documents requested by this Request for Information have been transferred beyond the Company's control, describe the circumstances under which the document was destroyed or transferred and provide an exact citation to the subject document.

~~In the event that documents containing the exact information do not exist, but~~
documents do exist which contain portions of the required information or which contain substantially similar information, then the definition of "documents" shall include the documents which do exist and these documents will be provided.

Affiliate Transactions

- CR22-1 (TCC) Please refer to the Company's response to Cities15-12, and explain why it was necessary to use 12 months incentive in column (A). Why didn't the Company use 6 months (for the months in test year) and divide by 2 (to reduce 200% to 100%)?
- CR22-2 (TCC TNC) Please refer to CR-1 above and provide the amounts in column (A) for the 6 months July-Dec 2005. Please provide the same information for TNC.
- CR22-3 (TCC) Please refer to the Company's response to Cities15-12 and explain, for FERC accounts 5600 and 5610 (and for others), why the test year book expense is greater than the expense for 2005 (col F > col A).
- CR22-4 (TCC) Please refer to Exhibit SSB-8, and provide a detailed discussion of the use and non-use of benefiting locations 1056, 1060, and 1062. Please compare and contrast.
- CR22-5 (TCC) Please refer to Exhibit SSB-8. Please discuss the use of non-use of benefiting locations 1443 and 1465. Please provide test year charges, with descriptions, to these locations by service by benefiting location.
- CR22-6 (TCC) Please refer to Exhibit SSB-9 and for each allocation factor, provide the benefiting locations used.
- CR22-7 (TCC TNC) Please refer to Exhibit SSB-9 and to Exhibit SSB-15, Allocation Factor 39. Please provide the amounts charged to each of the other companies billed for (a) Accounting and Regulatory Services and (b) Environmental and Safety Services, by company. If TCC's or TNC's portion of the total billed using Allocation Factor 39 is greater than the total billed/number of companies, please support that the assignments to TCC and to TNC is reasonable.
- CR22-8 (TCC TNC) Please support, by class of service, that the transfer of employees from AEPSC to operating companies, reduces the requested revenue requirement for TCC and for TNC. If the effect on the revenue requirement is not a net reduction, please support that the net effect is reasonable.
- CR22-9 (TCC TNC) Please provide the amount included in TCC's and in TNC's request related to the cost incurred to transfer of employees from AEPSC to operating companies by type.

- CR22-10 (TCC) Did TCC reduce CWIP (and other assets, if applicable) for the ratable amount of the affiliate transaction disallowance per the Docket 28840 stipulation? Why or why not?
- CR22-11 (TCC) If the response to CR-10 is yes, please provide the journal entries made. If response is no, please explain the effect on this case if a disallowance had been booked.
- CR22-12 (TCC TNC) Please provide the cost of each benchmarking study provided in the current application, by witness, by study. Please also show how the cost was allocated using allocation factor numbers and benefiting locations.
- CR22-13 (TCC TNC) For each service where outsourcing has been considered at any time since 2003, by witness please (a) discuss the outsourcing alternative; (b) explain the decision to outsource or to not outsource; and (c) support that the decision is reasonable.
- CR22-14 (TCC TNC) Please provide all outsourcing studies completed since 2003 that are not part of the application. Please provide by witness, by class of service.
- CR22-15 (TCC TNC) For each class of service, by category, please list all revisions made since 2003 to allocation factors or benefiting locations and the reason for each.
- CR22-16 (TCC) Please refer to Exhibit SSB-16 and discuss how the ratio 2.37% is used in the filing. Please also explain why the ratio has not been adjusted for the adjustment to Internal Support calculated on Exhibit SSB-4, page 53 of 53.
- CR22-17 (TCC) Please provide the total amount of incentive compensation included in TCC's requested cost of service by FERC account separated between the amount based upon operational performance measures and the amount based upon financial measures. Provide support of RFP references to underlying information, calculations, assumptions, etc.
- CR22-18 (TCC TNC) Please quantify the amount of all entertainment-type expenses (including, but not limited to sporting events, golf, tennis, skiing, social events, etc., as well as the hotel, travel, and meal expenses associated with such outings) billed by AEPSC and included in TCC's requested cost of service by FERC account. Please include same information for TNC.
- CR22-19 (TCC TNC) Please quantify the amount of all luxury or premium items (including, but not limited to limousine service, spa services, Starbucks,

etc.) billed by AEPSC and included in TCC's requested cost of service by FERC account. Please include same information for TNC.

CR22-20 (TCC TNC) Please quantify all meal expenses that exceed \$25 per person (prior to the application of any allocation factor) billed by AEPSC and included in TCC's requested cost of service by FERC account. Please include same information for TNC.

CR22-21 (TCC TNC) Please quantify the total payroll taxes, if any, associated with the test year incentive compensation pay, and calculate a payroll tax factor.

CR22-22 (TCC TNC) Please support that the amount billed by AEPSC for Customer Service is not for services that are provided by REPs.