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APPLICATION OF AEP TEXAS § BEFORE THE STATE OFFICE
NORTH COMPANY TO ADJUST §
ENERGY EFFICIENCY COST § OF
RECOVERY FACTOR AND RELATED §
RELIEF § ADMINISTRATIVE HEARINGS

**STEERING COMMITTEE OF CITIES SERVED BY
AEP TEXAS NORTH COMPANY
FIRST REQUEST FOR INFORMATION TO
AEP TEXAS NORTH COMPANY**

The Steering Committee of Cities Served by AEP Texas North Company ("Cities") files this first information request to AEP Texas North Company ("TNC" or "Company") in the above-styled docket. TNC is hereby requested to furnish one copy of all items of information enumerated on the attached sheets directly to the offices of Lloyd Gosselink Rochelle & Townsend, P.C., 816 Congress Avenue, Suite 1900, Austin, Texas 78701, (512) 322-5800, the undersigned attorney, within twenty (20) calendar days. These requests shall be deemed continuing so as to require further and supplemental responses if TNC receives or generates additional information within the scope of these requests between the time of the original response and the time of the hearing. Also, where data is requested, provide it in hard copy and Excel format with all formulas intact.

DEFINITIONS AND INSTRUCTIONS

A. 'AEP Texas North Company' or 'TNC' refers to its parents, affiliates and subsidiaries, and any person acting or purporting to act on its behalf, including without limitation, attorneys, agents, advisors, investigators, representatives, employees or other persons.

B. The term 'document' shall have the broadest meaning possible under the Texas Rules of Civil Procedure and shall include, but not be limited to, the original (or a copy when the original is not available), each non-identical copy (including those which are non-identical by reason of notations or marking, or by appearing in the files of a separate person), and any books, notebooks, pamphlets, periodicals, letters, reports, memoranda, handwritten notes, notations, messages, telegrams, wires, cables, press or news wire releases, records, studies, analyses,

summaries, magazines, booklets, circulars, catalogs, bulletins, instructions, operating or maintenance manuals, operating or product specifications, fabrication sheets, test data, design specifications, parts lists, calendars, day-timers, notes or records of meetings, notices, purchase orders, bills, ledgers, checks, tabulations, questionnaires, surveys, drawings, sketches, schematics, blueprints, flow sheets, working papers, charts, graphs, indices, tapes, agreements, releases, appraisals, valuations, estimates, opinions, financial statements, accounting records, income statements, photographs, films or videotapes, back-up tapes, minutes, contracts, leases, invoices, records of purchase or sale, correspondence, electronic or other transcription or tapings of or notes pertaining to telephone or personal conversations or conferences, tape recordings, electromagnetic recordings, voice mail message or transcriptions thereof, interoffice communications of all types, e-mail messages, printouts of e-mail messages, instant messages or printouts thereof, microfilms, electronic databases, CDs, DVDs, videotapes or cassettes, films, movies, computer printouts and any and all other written, printed, typed, punched, engraved, taped, filmed, recorded (electronically or otherwise), labeled, or graphic matter, of whatever description, however produced or reproduced (including computer-stored or generated data, together with instructions or programs necessary to search and retrieve such data), and shall include all attachments to (including tangible things) and enclosures with (including tangible things) any requested item, to which they are attached or with which they are enclosed, and each draft thereof. A draft of a non-identical copy is a separate document within the meaning of this term. An electronic copy of a paper documents is a separate document within the meaning of this term.

C. Pursuant to Rule 196.4 of the Texas Rules of Civil Procedure, Cities specifically requests that any electronic or magnetic data (which is included in the definition of 'document') that is responsive to a request herein be produced on CD-Rom in a format that is compatible with Microsoft Office and/or Word Perfect and be produced with your response to these requests. Cities further request that TNC produce electronic copies of all paper documents, including any metadata attached to such documents, and produce all electronic originals or all responsive documents.

D. The terms 'and' and 'or' shall be construed both disjunctively and conjunctively as necessary to make the request inclusive rather than exclusive.

E. 'Each' shall be construed to include the word 'every' and 'every' shall be construed to include the word 'each.'

F. 'Any' shall be construed to include 'all' and 'all' shall be construed to include 'any.'

G. The term 'concerning,' or one of its inflections, includes the following meanings: relating to; referring to; pertaining to; regarding; discussing; mentioning; containing; reflecting; evidencing; describing; showing; identifying; providing; disproving; consisting of; supporting; contradicting; in any way legally, logically or factually connected with the matter to which the term refers; or having a tendency to prove or disprove the matter to which the term refers.

H. The term 'including,' or one of its inflections, means and refers to 'including but not limited to.'

I. Words used in the plural shall also be taken to mean and include the singular. Words used in the singular shall also be taken to mean and include the plural.

J. The present tense shall be construed to include the past tense, and the past tense shall be construed to include the present tense.

K. 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 or copies, subject matter of the document, and the basis upon which such privilege is claimed.

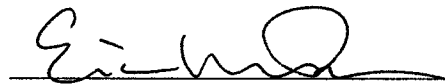
L. Pursuant to P.U.C. Proc. R. 22.144(h)(4), if the response to any request is voluminous, please provide a detailed index of the voluminous material.

M. 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.

Respectfully submitted,

**LLOYD GOSSELINK ROCHELLE
& TOWNSEND, P.C.**

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ATTORNEYS FOR THE STEERING
COMMITTEE OF CITIES SERVED BY AEP
TEXAS NORTH COMPANY

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing document was transmitted by e-mail, fax, hand-delivery and/or regular, first class mail on this 11th day of May, 2012 to the parties of record.


EILEEN McPHEE

- CJ 1-1 Please provide the reasons and basis for projecting that the EECRF 2013 kWh billing units will be less than the actual kWh billing units in 2011, as shown on Schedule L.
- CJ 1-2 For each previous EECRF implemented by the Company, provide a comparison of the projected billing units used to develop the EECRF and the actual billing units for the annual projection period. Provide this data in electronic excel form.
- CJ 1-3 Provide the underlying documentation for the 2013 kWh projection, including high and low sensitivity projections.
- CJ 1-4 Provide the Docket No. 33310 kWh billing units for each EECRF customer class.
- CJ 1-5 Are any allocated administrative & general costs or allocated general plant costs included in EECRF program costs and/or administration costs? If yes, for both 2011 actual cost and 2013 projected cost, provide the amounts, the basis for allocation, and FERC account number.
- CJ 1-6 Are any contributions and donations to professional, civic, or industry groups included in EECRF costs? If yes, provide the detail of such costs for both 2011 incurred cost and 2013 projected cost.
- CJ 1-7 Are any advertising costs included in EECRF incurred or projected costs? If yes, provide the amounts and a description of the advertisements, with proofs as applicable.
- CJ 1-8 Are any out-of-state travel, lodging, meals, or conference costs included in 2011 EECRF expense? If yes, provide details of the amounts.
- CJ 1-9 Does 2011 administration or research and development ("R&D") cost, include salaries and other compensation for any employees who work on activities other than energy efficiency? If yes, describe how the employees' time is divided between energy efficiency and other activities, and quantify the breakdown of these employees' time and compensation between energy efficiency and other activities.
- CJ 1-10 Provide a breakdown of 2011 administration and R&D costs expended on outside consulting services, showing the consultant(s), the cost, and descriptions of the work performed, including the nature of the project.

- CJ 1-11 (a) Provide the source of the evaluation, measurement and verification ("EM&V") statewide budgeted amount for 2013. If vendors provided the source, specify the name(s) of the vendors, the individuals who provided the estimate, and any conditions or limitations provided on the use of the estimate. (b) Provide all supporting documentation for arriving at the EM&V requested amount, including correspondence and email, and written estimates provided by vendors. (c) Will the actual EM&V contract be procured through a request for proposal (RFP)? (d) Unless the answer to 'c' is "no," is the RFP's qualifications, work program, and duties of the vendor known at this time? If so, provide those RFP provisions. (e) Does the Company anticipate that EM&V expense will be incurred each year in the future, or intermittently in the future? If the costs are expected to be incurred annually, what is the expected cost for years after 2013? If the costs are expected to be incurred on a periodic basis, what is the next year that such costs would be incurred subsequent to 2013? (f) If vendors were the source of the estimates for EM&V cost, did any of the vendors provide any binding commitment regarding the contract costs that they would require to perform EM&V? (g) Provide supporting documentation for the answers to 'c' through 'f.'
- CJ 1-12 (a) For each previous EECRF implemented by the Company prior to 2011, provide the amount of over- and under-recovery by customer class and the over- or under-recovery on a total net basis. (b) For each over-recovery in 'a,' what amount of the over-recovery was due to under-subscription of an energy efficiency program?
- CJ 1-13 If any of the tables in the Company's 2012 Energy Efficiency Plan and Report are available in electronic spreadsheet form, please provide the spreadsheet data.
- CJ 1-14 With respect to the R&D costs: (a) please provide an explanation of how each program is directly authorized by P.U.C. SUBST. R. 25.181; (b) please explain the decision making process that the Company uses to select R&D projects, including any weightings or scoring factors used to select the project; (c) please provide supporting documentation for 'a' and 'b.'
- CJ 1-15 For each customer class, provide the 2011 program cost per kW and per kWh on both a projected and actual incurred basis.
- CJ 1-16 For each energy efficiency program, provide the incentive cost as a percentage of avoided cost.
- CJ 1-17 Does the Company attempt to achieve energy efficiency objectives at the lowest reasonable cost? If yes, please describe the steps and procedures that are used to select and design programs in order to achieve least costs.

- CJ 1-18 The Company states that it targets energy efficiency demand and energy reduction objectives higher than the statutory requirement but develops the performance bonus based on the lower statutory objective. What are the consequences for the Company and its energy efficiency managers if the Company fails to achieve the Company's targeted level of demand and energy savings? Why should the Company receive a performance bonus if it fails to achieve its targeted level of demand and energy savings?
- CJ 1-19 Provide workpapers in electronic excel format.
- CJ 1-20 How were the demand and energy savings from the 2011 energy efficiency program used to adjust the Company's projected demand and energy forecast and corporate plan for 2011 and subsequent years? Provide supporting documents that demonstrate how the projected demand and energy savings from the 2011 program are incorporated into official forecasts.
- CJ 1-21 Provide the avoided cost and performance bonus calculations in electronic excel format, including all relevant inputs.
- CJ 1-22 Provide the supporting documentation for the assumptions selected in the avoided cost calculation, including inflation, return, and program life.