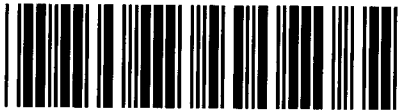


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RECOVERY FACTOR AND RELATED §
RELIEF §

BEFORE THE STATE OFFICE
OF
ADMINISTRATIVE HEARINGS

AEP TEXAS CENTRAL COMPANY'S RESPONSE TO
COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION

JUNE 29, 2016

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**AEP TEXAS CENTRAL COMPANY'S RESPONSE TO
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Question No. Staff 1-1:

Please identify all incentive compensation costs included in the EECRF by plan type for the 2015, 2016 and the 2017 energy efficiency program years.

Response No. Staff 1-1:

Refer below for the requested information. The Company assumes that the question relates to incentive compensation for the employees providing energy efficiency services. The information provided below is for the 2015 time period, and is being segregated between incentive compensation applicable to TCC employees and employees of other affiliates providing service to TCC. The affiliate incentive compensation information is further segregated between direct billings and allocated billings. All incentive compensation data is separated between operational and financial measures.

Incentive compensation data after 2015 is not available at this time.

TCC Incentive Compensation

Annual Incentive Plan	2015
Financial Basis	\$ 13,853
Operational Basis	\$ 78,501
Total Annual Incentive Plan	\$ 92,354

Long-Term Incentive Plan	
Financial Basis	\$ 4,184
Operational Basis	\$ 1,095
Total Long-Term Incentive Plan	\$ 5,279

Total TCC Incentive Compensation	\$ 97,633
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Affiliate Incentive Compensation

Annual Incentive Plan	
Financial Basis - Directly Assigned	\$ 53
Financial Basis - Allocated	\$ 3,049
Operational Basis - Directly Assigned	\$ 300
Operational Basis - Allocated	\$ 17,276
Total Annual Incentive Plan	\$ 20,677

Long-Term Incentive Plan	
Financial Basis - Directly Assigned	\$ 121
Financial Basis - Allocated	\$ (68)
Operational Basis - Directly Assigned	\$ 0
Operational Basis - Allocated	\$ 225
Total Long-Term Incentive Plan	\$ 277

Total Affiliate Incentive Compensation	\$ 20,954
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Total Incentive Compensation	\$118,587
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Question No. Staff 1-2:

For each type of incentive compensation identified in Staff 1-1 above, please separate the payments by operational performance and financial performance. Provide the information for expenses directly incurred by TCC and for expenses allocated to TCC by an affiliate.

Response No. Staff 1-2:

See response to Staff's First Request for Information, Question No. Staff 1-1 for complete breakout of incentive compensation.

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Question No. Staff 1-3:

Reference the direct testimony of Company Witness Frantz, Exhibit BJJ-1. Please provide detailed work orders/project summaries which provide additional support the 2015 affiliate costs. The project summaries should provide by project code the amount of test year affiliate billings to TNC by FERC account and should detail the billings by class of service. The summaries should also include the scope of work with a statement of the purpose, the primary activities, the primary products or deliverables, and the justification for the billing method.

Response No. Staff 1-3:

See Staff 1-03 Attachment 1 for the details related to the 2015 affiliate costs shown in Exhibit BJJ-1. Please see the Direct Testimony of Brian Frantz at pages 5-9 for a description of how work orders have been established for billing of specific projects, how these work orders have approved benefiting locations (which determine what affiliates to be billed) and allocation factors (which determine how the costs are allocated among the affiliates billed). Exhibit BJJ-2 lists the benefiting locations and allocation factors assigned to the work orders included in TCC's Energy Efficiency Affiliate Costs.

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TCC Affiliate Costs - 2015
FERC Account 907 - Supervision

To Project	To Work Order	Class of Service	Primary Activities or Products	From BU Grouping	Total
EDNANDA Distribution Anda Project	G0000211 AEPTC Distribution	Customer Operations	261 MGE/SUPP CUSTOMER SERV BUSINES	AEPSC	3,531
EON100508 Dsm-Res Standard Offer	UTXC006701 DSM Res Stndrd Offer-TNC/TCC D	Distribution	261 MGE/SUPP CUSTOMER SERV BUSINES	AEPSC	678
EON100512 Dsm-C&I Standard Offer	UTXC006801 DSM C&I Stndrd Offer-TNC/TCC D	Utility Operations	721 Manage Demand Side Progs-Plans	TNC	438
EON100514 Dsm-Hard To Reach Std Offer	UTXC006901 DSMHardtoReachStdOf-TNC/TCC D	Utility Operations	721 Manage Demand Side Progs-Plans	TNC	4,251
EON100520 DSM-Load Management	UTXC007101 DSM Load Mgmt - TNC/TCC D	Utility Operations	721 Manage Demand Side Progs-Plans	TNC	20,109
EON100522 DSM-Low Income Weatherization	UTXC008301 DSM LowIncWeathPrgr - TCC D	Utility Operations	721 Manage Demand Side Progs-Plans	TNC	3,082
EON100534 DSM Solar PV Pilot MTP	UTXC008501 DSMSolarPV Pilot MTP-TCC/TNC-D	Utility Operations	721 Manage Demand Side Progs-Plans	TNC	1,598
EON100535 EE/DR R&D	UTXC008701 DSM R&D Program TCC-D	Utility Operations	721 Manage Demand Side Progs-Plans	TNC	1,859
EON100547 DSM - EM&V	UTXC011401 DSM R&D-Programs TCC/TNC-D	Utility Operations	721 Manage Demand Side Progs-Plans	TNC	14,948
EON100548 EE/DR Irrigation Load Mgmt MTP	UTXC011601 Irrigation LM TCC/TNC-D	Utility Operations	290 MGE/PART IN REGULATORY AFFRS	TNC	19,475
EON100551 EE/DR EECRF	UTXC012701 EE/DR EECRF TCC/TNC-D	Utility Operations	721 Manage Demand Side Progs-Plans	TNC	321
TXDSMANDA Texas DSM Admin & General	G0001397 Distribution - AEPTC/AEPTN	Legal	286 PREP OTH NON-RATE CASE FILINGS *	TNC	111
	UTXC007901 DSM Texas General Admin -TCC D	Utility Operations	280 PREPARE RATE CASE FILINGS **	TNC	3,560
	UTXC008201 DSMTexasGeneralAdmin-TCC/TNC D	Utility Operations	286 PREP OTH NON-RATE CASE FILINGS *	AEPSC	2,071
			177 CONSTRUCT TRANSM LN FACILITIES	TNC	1,694
			286 PREP OTH NON-RATE CASE FILINGS *	TNC	190
			290 MGE/PART IN REGULATORY AFFRS	TNC	7,870
			317 PARTICIPATE IN TRNG/LEARNING	TNC	240
			322 DEV/MGE/ADMINSTR SAFETY PROGS	TNC	18,451
			721 Manage Demand Side Progs-Plans	TNC	7,162
Grand Total					287,470

* Amounts coded to 286 are associated with internal labor related to energy efficiency, but not directly related to the production of the EEP or EECRF filings.

** Amounts coded to 280 are associated with internal labor related to the EEP and EECRF filings.

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Question No. Staff 1-4:

Does the Company's requested EECRF affiliate expenses include amounts for carrying charges on shared assets? Is so, please provide the amount of carrying charges by category such as depreciation, equity, and debt.

Response No. Staff 1-4:

The portion of TCC's 2015 EECRF affiliate expenses that related to depreciation on AEPSC shared assets was approximately \$16. There were no carrying charges for debt or equity on AEPSC shared assets.

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Question No. Staff 1-5:

Is the Company requesting recovery of rate case expenses in the current EECRF filing? If yes, please provide the requested rate case expense amount.

Response No. Staff 1-5:

No, TCC is not requesting recovery of any company-related rate case expenses in the current EECRF filing.

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**AEP TEXAS CENTRAL COMPANY'S RESPONSE TO
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Question No. Staff 1-6:

If the answer to Staff 1-5 above is yes, please provide for the amount of rate case expenses requested all supporting documentation. Include engagement agreements, summary schedules of expenses requested, and copies of third party invoices to support each requested expense.

Response No. Staff 1-6:

The answer to Staff's First Request for Information, Question No. Staff 1-5 is no therefore no supporting documentation is provided.

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**AEP TEXAS CENTRAL COMPANY'S RESPONSE TO
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Question No. Staff 1-7:

If the answer to Staff 1-5 above is yes, please provide appropriate affidavits and testimony which meet the requirements of 16 TAC § 25.245.

Response No. Staff 1-7:

The answer to Staff's First Request for Information, Question No. Staff 1-5 is no therefore documentation is not provided.

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Question No. Staff 1-8:

If the Company is not requesting recovery of rate case expenses in the current EECRF filing, please describe the process anticipated by the Company for recovery of its rate case expenses.

Response No. Staff 1-8:

The EECRF rule requires that any EECRF rate case expenses for the immediately previous EECRF proceeding must be recovered through the EECRF application (25.181 (f)). In this case, TCC is not seeking recovery of its prior Docket No. 44717 costs. The rate case expenses incurred for this current Docket No. 45929 are eligible for recovery in the next EECRF filing in 2017, and TCC will determine at the time of that filing whether those costs will be included for recovery.

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