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**SOAH DOCKET NO. 473-24-12812
PUC DOCKET NO. 56165**

APPLICATION OF AEP TEXAS, INC.	§	BEFORE THE STATE OFFICE
FOR AUTHORITY TO CHANGE	§	OF
RATES	§	ADMINISTRATIVE HEARINGS

**OFFICE OF PUBLIC UTILITY COUNSEL’S
FIRST REQUEST FOR INFORMATION TO
AEP TEXAS, INC.**

Pursuant to 16 Texas Administrative Code (“TAC”) § 22.144, the Office of Public Utility Counsel (“OPUC”) submits this First Request for Information to AEP Texas, Inc. (“AEP Texas” or the “Company”). OPUC requests that AEP Texas provide answers to the request for information under oath as required by 16 TAC § 22.144(c)(2)(F) within the timeframe specified in the procedural schedule in this proceeding. OPUC further requests that AEP Texas provide an answer to the questions and sub-questions in the order listed below with sufficient detailed information to provide a complete and accurate answer to each question and sub-question.

Definitions

1. “AEP Texas,” the “Company,” “Applicant,” “You,” and “Your” refer to AEP Texas, Inc. and its affiliates, subsidiaries, and any person acting or purporting to act on their behalf, including without limitation, attorneys, agents, advisors, investigators, representatives, employees, or other persons.
2. “Document” and “documents” include any written, recorded, filmed, or graphic matter, whether produced, reproduced, or on paper, cards, tape, 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, 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

1. The Definitions, Instructions, and Claim of Privilege sections set forth in this request for information apply to these questions.
2. In providing an answer to each question, please furnish all of the information that is in your possession, custody, or control, as defined by Texas Rules of Civil Procedure (Tex. R. Civ. Proc.) 192.7(b), including information in the possession, custody, or control of your affiliates, subsidiaries, and any person acting or purporting to act on their behalf, including without limitation, attorneys, agents, advisors, investigators, representatives, employees, or other persons.
3. Please answer each question based upon your knowledge, information, or belief, and state whether each answer is based upon your knowledge, information, or belief.
4. If you have possession, custody, or control, as defined by Tex. R. Civ. Proc. 192.7(b), of an original requested document, please produce the original requested document or a complete copy of the original requested document and all copies that are different in any way from the original requested document, whether by interlineation, receipt stamp, or notation.
5. If you do not have possession, custody, or control of an original requested document, please produce copies of the document, however made, in your possession, custody, or control. If any requested document is not in your possession, custody, or control, please explain why the document is not in your possession, custody, or control and provide the current location and custodian of the requested document or any copy, summary, or other form of the requested document thereof.
6. If there is any confusion about a question, please contact the undersigned counsel for clarification.
7. In providing your response to a question, please start each response on a separate page and type, at the top of the page, the question that is being answered by the response.
8. As part of the response to each question, please state, at the bottom of the answer to the question, the name and job position of each person(s) who participated in any way, other than by providing clerical assistance, in the preparation of the answer to the question. If

the question has sub-parts, please identify each person(s) by name and job position that participated in any way, other than by providing clerical assistance, in the preparation of the answer for each sub-part of the question.

9. Please state the name of the witness in this docket who will sponsor the answer to the question and/or sub-part of the question and who will swear to the truthfulness of the answer to the question and/or sub-part of the question.
10. Please provide individual responses to questions as each response becomes available, rather than waiting to provide all of the responses to the questions at the same time.
11. These questions are continuing in nature. If there is a change in circumstances or facts or if you receive or generate additional information that changes your answer to a question between the time of your original response and the time of the hearing, then you should submit, under oath, a supplemental response to your earlier answer to the question.
12. If you consider any question to be unduly burdensome, or if the response would require the production of a voluminous amount of material, please contact the undersigned counsel, as soon as possible, to discuss the situation and try to resolve the issue. Furthermore, if you object to any question on the grounds that the question seeks confidential information, or on any other grounds, please contact the undersigned counsel, as soon as possible, to discuss the situation and try to resolve the issue.
13. If the response to any question is voluminous, please make available all of the voluminous material at a designated location in Austin. Please provide a detailed index for the voluminous material with your response to the question to enable efficient review of the material. The index should include information sufficient to locate each individual document by page, file, and box number, date of each document, title of each document, description of each document if no document title exists, name of the preparer of each document, and length of each document.
14. If the requested information is included in previously furnished exhibits, workpapers, or 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 previously furnished information.

15. If a question requests the production of copyrighted material, you may provide a list of such material, including the title, publisher, author, edition, and page references relied on or otherwise relevant to the question.

Claim of Privilege

If any document is withheld under any claim of privilege, please provide a list that identifies each document for which a privilege is being claimed, including the date, sender, recipient(s) of the privileged document, recipient(s) of copies of the privileged document, subject matter of the privileged document, and the basis upon which a privilege is being claimed by the Company.

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AEP Texas, Inc.

- 1-1** Please provide a detailed schedule of the total American Electric Power Service Corporation ("AEPSC") costs by class of service allocated to AEP Texas by calendar year for the period January 1, 2018 through September 30, 2023. Please include the allocation metrics used in the allocation to AEP Texas.
- 1-2** For each of the calendar years 2018-2023, please provide a copy of each cost allocation manual ("CAM") used for assigning or allocating costs from AEPSC to AEP affiliates. Please include the manner in which any AEP jurisdiction is taken into account when authorization of certain cost recovery has been denied by state or federal regulators.
- 1-3** Please identify the nature and amount of any errors or financial statement adjustments that AEP Texas has identified regarding AEP Texas's September 30, 2023 Test Year data after filing its rate application in this proceeding. If any, describe the error or correction and its effect on the adjustments to the Test Year data.
- 1-4** Please identify any components of Asset Retirement Obligations ("ARO") costs included in the revenue requirement. For purposes of this question, ARO costs include the following components:
- a. ARO asset,
 - b. ARO accumulated depreciation,
 - c. ARO liability,
 - d. ARO depreciation and accretion expense, and
 - e. ARO-related deferred income taxes.
- 1-5** In reference to AEP's request for approval from the Federal Energy Regulatory Commission ("FERC") of Liberty's acquisition of the Kentucky Companies under Docket Nos. EC23-56 and EC22-26, please identify all costs allocated to AEP Texas from AEPSC (or other affiliate) included in the following:
- a. revenue requirement,
 - b. by FERC Account,
 - c. associated with these dockets related to the potential AEP-Liberty transaction, including:
 - i. costs and efforts to attempt to consummate the transaction,

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- ii. internal and external costs of due diligence (e.g. Executive, Accounting, HR, etc.),
- iii. legal and other professional/third-party support to evaluate and execute the transaction,
- iv. internal labor (including all labor incurred at AEPSC,
- v. corporate or any other AEP affiliate),
- vi. any expenses or labor incurred to obtain the requisite regulatory approvals (state and federal), and
- vii. any expense or cost to cancel the transaction.

- 1-6** Please identify and describe any deferred or capitalized costs written off to expense during the Test Year and included in the revenue requirement, other than those items recorded to expense over approved amortization periods.
- 1-7** Please identify and describe all uncertain income tax positions existing on AEP Texas's books during the Test Year and provide the applicable deferred income tax assets or liabilities.
- 1-8** Please identify and discuss any effects to AEP Texas of participating in the AEP consolidated income tax return and the effect this has on the balances of deferred tax assets and liabilities included in rate base.
- 1-9** Please provide the labor capitalization ratios for AEP Texas for each of the calendar years 2018-2023.
- 1-10** Please provide detailed information regarding any wage/salary increases received by each AEPSC employee during the historical test year. Please include the percentage wage/salary increase that was given to each employee and the month in which the wage/salary increase was effective.
- 1-11** Please provide the average annual base wage/salary increases that have been given to AEPSC employees for each of the last five years.

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- 1-12** Please provide the total number of AEPSC employees by cost center or department by month for the period of January 2018 through the most recent monthly information available.
- 1-13** For each of the last five calendar years, including the historical test year, please provide a copy of any incentive compensation plan that was in effect during the calendar year and that was available to employees of AEP Texas and/or AEPSC. Please include the total number of eligible employees and officers for each incentive compensation plan, the total number of employees and officers actually receiving the incentive compensation, a list of performance metrics under which awards would be given under each incentive compensation plan, and the weighting criteria for each performance measure.
- 1-14** With respect to any current short-term and long-term incentive compensation plan, please describe any changes that have been made to the plan since 2018.
- 1-15** For each employee of AEP Texas and AEPSC, please separately provide the following information related to short-term incentive awards in the historical test year:
- a. The incentive compensation plan used to compute the award;
 - b. Date of the award;
 - c. Total short-term incentive compensation awarded during the historical test year;
 - d. Base salary on which incentive compensation was computed;
 - e. Target percentage for each employee;
 - f. Actual percentage awarded for each employee along with confirmation of whether the pay was greater than 100% of target; and
 - g. A detailed computation of the incentive pay adjustment included in the Company's application, listed by employee, with an explanation of how it complies with prior Commission decisions.

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- 1-16** For each employee of AEP Texas and AEPSC, please separately provide the following information related to long-term incentive compensation awards in the historical test year:
- a. The incentive compensation plan used to compute the award;
 - b. Date of the award;
 - c. Distinguish between performance units awarded and restricted stock awarded;
 - d. The performance metrics used to provide awards under each long-term incentive compensation plan; and
 - e. A comparison of costs for actual awards and costs for projected awards to meet plan targets.

Date: April 22, 2024

Respectfully submitted,

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Chief Executive & Public Counsel
State Bar No. 24070294



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State Bar No. 24094361

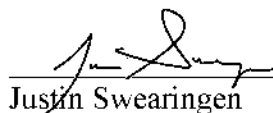
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**ATTORNEYS FOR THE
OFFICE OF PUBLIC UTILITY COUNSEL**

CERTIFICATE OF SERVICE
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I hereby certify that a copy of the foregoing document was served on all parties of record in this proceeding on this 22nd day of April 2024 by facsimile, electronic mail, and/or first class, U.S. mail.


Justin Swearingen