

AEP TEXAS INC.
Net Salvage Analysis - Distribution Plant
Depreciation Study as of December 31, 2022

Account 361 Structures and Improvements

Year	Retirements	Salvage			Removal			Net Salvg		
		Amount	%	10 Yr. Avg	Amount	%	10 Yr Avg	Amt	%	10 Yr Avg
1984	1,620	807	49.81		118	7.28		689	42.53	
1985	0	0	0.00		0	0.00		0	0.00	
1986	2,734	179	6.55		486	17.78		-307	-11.23	
1987	47,448	2,365	4.98		1,652	3.48		713	1.50	
1988	14,369	984	6.85		3,813	26.54		-2,829	-19.69	
1989	8,189	4,248	51.87		3,403	41.56		845	10.32	
1990	14,954	803	5.37		3,591	24.01		-2,788	-18.64	
1991	15,531	2,727	17.56		1,779	11.45		948	6.10	
1992	17,500	9,171	52.41		4,334	24.77		4,837	27.64	
1993	10,540	4,643	44.05	19.51	7,438	70.57	20.03	-2,795	-26.52	-0.52
1994	36,122	4,663	12.91	17.79	8,376	23.19	20.83	-3,713	-10.28	-3.04
1995	1,267	0	0.00	17.66	0	0.00	20.68	0	0.00	-3.02
1996	0	0	0.00	17.84	0	0.00	20.72	0	0.00	-2.88
1997	0	0	0.00	22.99	0	0.00	27.63	0	0.00	-4.64
1998	0	0	0.00	25.22	0	0.00	27.78	0	0.00	-2.56
1999	157	0	0.00	22.91	96	61.15	26.66	-96	-61.15	-3.75
2000	23,770	2,614	11.00	22.71	6,767	28.47	27.45	-4,153	-17.47	-4.74
2001	256	0	0.00	23.54	38	14.84	30.18	-38	-14.84	-6.65
2002	6,820	0	0.00	15.10	247	3.62	29.09	-247	-3.62	-13.99
2003	22,935	0	0.00	7.97	11,770	51.32	29.89	-11,770	-51.32	-21.92
2004	0	0	0.00	4.74	0	0.00	34.27	0	0.00	-29.53
2005	70,210	101,081	143.97	83.53	0	0.00	15.24	101,081	143.97	68.29
2006	24,825	0	0.00	69.61	0	0.00	12.70	0	0.00	56.91
2007	45,162	0	0.00	53.41	10	0.02	9.75	-10	-0.02	43.66
2008	25,188	0	0.00	47.28	12,895	51.19	14.51	-12,895	-51.19	32.77
2009	14,870	2,759	18.55	45.49	3,266	21.96	14.95	-507	-3.41	30.53
2010	18,676	639	3.42	45.64	8,432	45.15	16.01	-7,793	-41.73	29.62
2011	21,181	10,775	50.87	46.13	6,317	29.82	17.18	4,458	21.05	28.94
2012	-450	55	-12.16	47.53	160	-35.69	17.66	-106	23.53	29.87
2013	0	0	0.00	52.49	0	0.00	14.15	0	0.00	38.34
2014	16,713	0	0.00	48.78	0	0.00	13.15	0	0.00	35.63
2015	526	20	3.73	8.55	3,066	583.46	20.48	-3,047	-579.73	-11.94
2016	7,930	88	1.11	9.57	4,468	56.34	25.78	-4,381	-55.24	-16.21
2017	159,784	0	0.00	5.42	0	0.00	14.60	0	0.00	-9.18
2018	293,358	6,880	2.35	3.98	30,167	10.28	10.49	-23,287	-7.94	-6.51
2019	388,388	51,214	13.19	7.69	64,263	16.55	12.90	-13,049	-3.36	-5.21
2020	172,314	5,056	2.93	6.99	338,909	196.68	42.21	-333,854	-193.75	-35.22
2021	148,066	34	0.02	5.34	146,919	99.23	49.55	-146,885	-99.20	-44.21
2022	71,557	-544	-0.76	4.99	148,592	207.65	58.51	-149,136	-208.41	-53.52
	1,702,510	211,260	12.41		821,373	48.24		-610,112	-35.84	

In recent years, net salvage factors have been either negative or zero for account 361. The last 10 years have produced either negative or zero net salvage factors with recent years producing some larger amounts. This indicates that the account is trending to a negative net salvage. Therefore, I recommend a conservative change using the 10 year average from 2016. The 10 year average in 2016 yields a -16% net salvage using a gross salvage factor of 10% and a 26% gross removal factor, which is approximately half of the life to date net salvage percentage for this account.

AEP TEXAS INC.
Net Salvage Analysis - Distribution Plant
Depreciation Study as of December 31, 2022

Account 362 Station Equipment

Year	Retirements	Salvage Amount	Salvage %	Salvage 10 Yr. Avg	Removal Amount	Removal %	Removal 10 Yr Avg	Net Salvg Amt	Net Salvg %	Net Salvg 10 Yr Avg
1984	474,677	131,193	27.64		88,517	18.65		42,676	8.99	
1985	340,112	27,781	8.17		49,383	14.52		-21,602	-6.35	
1986	459,690	18,925	4.12		22,879	4.98		-3,954	-0.86	
1987	1,095,886	142,389	12.99		27,260	2.49		115,129	10.51	
1988	306,477	48,747	15.91		26,435	8.63		22,312	7.28	
1989	83,663	14,479	17.31		8,903	10.64		5,576	6.66	
1990	362,745	10,279	2.83		35,122	9.68		-24,843	-6.85	
1991	118,128	15,416	13.05		9,765	8.27		5,651	4.78	
1992	43,084	16,514	38.33		5,887	13.66		10,627	24.67	
1993	30,339	16,278	53.65	13.33	8,720	28.74	8.53	7,558	24.91	4.80
1994	251,697	160,060	63.59	15.23	53,171	21.13	8.01	106,889	42.47	7.22
1995	2,835	0	0.00	16.09	0	0.00	7.19	0	0.00	8.89
1996	150	0	0.00	18.48	285	190.00	7.65	-285	-190.00	10.83
1997	103,514	16,297	15.74	22.88	46,619	45.04	14.96	-30,322	-29.29	7.92
1998	456,790	29,476	6.45	19.19	152,763	33.44	22.11	-123,287	-26.99	-2.92
1999	1,328,817	429,507	32.32	25.72	236,018	17.76	20.32	193,489	14.56	5.39
2000	2,148,932	1,818,638	84.63	55.80	304,957	14.19	18.25	1,513,681	70.44	37.55
2001	1,745,389	12,327	0.71	40.89	215,523	12.35	16.75	-203,196	-11.64	24.14
2002	930,496	20,041	2.15	35.76	206,322	22.17	17.49	-186,281	-20.02	18.26
2003	1,008,325	41,680	4.13	31.69	700,053	69.43	24.02	-658,373	-65.29	7.68
2004	2,069,756	79,527	3.84	24.99	854,820	41.30	27.74	-775,293	-37.46	-2.76
2005	4,980,457	4,244,581	85.22	45.30	189,589	3.81	19.68	4,054,992	81.42	25.62
2006	3,956,388	32,142	0.81	35.90	333,878	8.44	17.30	-301,736	-7.63	18.60
2007	7,413,092	122,736	1.66	26.23	611,097	8.24	14.61	-488,361	-6.59	11.62
2008	2,184,557	411,317	18.83	25.98	472,959	21.65	14.86	-61,642	-2.82	11.12
2009	2,202,093	657,948	29.88	25.98	386,529	17.55	14.93	271,419	12.33	11.05
2010	2,033,553	786,343	38.67	22.47	648,812	31.91	16.20	137,530	6.76	6.27
2011	1,240,640	178,711	14.40	23.47	603,127	48.61	17.87	-424,416	-34.21	5.60
2012	2,378,955	554,563	23.31	24.13	292,717	12.30	17.29	261,846	11.01	6.84
2013	1,742,987	199,771	11.46	24.06	601,018	34.48	16.54	-401,247	-23.02	7.53
2014	2,178,922	109,305	5.02	24.07	611,590	28.07	15.67	-502,285	-23.05	8.40
2015	2,262,683	1,136,121	50.21	15.18	630,301	27.86	18.82	505,820	22.35	-3.64
2016	3,685,749	20,346	0.55	15.29	809,637	21.97	20.74	-789,291	-21.41	-5.46
2017	6,851,121	92,959	1.36	15.50	1,117,133	16.31	23.07	-1,024,173	-14.95	-7.57
2018	7,269,661	464,557	6.39	13.19	1,968,058	27.07	24.08	-1,503,501	-20.68	-10.89
2019	4,811,662	23,951	0.50	10.35	664,879	13.82	23.07	-640,928	-13.32	-12.71
2020	7,979,255	72,991	0.91	7.06	1,857,222	23.28	22.66	-1,784,232	-22.36	-15.60
2021	6,994,184	49,819	0.71	5.90	3,163,599	45.23	25.38	-3,113,779	-44.52	-19.48
2022	<u>7,726,890</u>	<u>52,343</u>	<u>0.68</u>	<u>4.31</u>	<u>3,396,567</u>	<u>43.96</u>	<u>28.78</u>	<u>-3,344,224</u>	<u>-43.28</u>	<u>-24.46</u>
	91,254,351	12,260,059	13.44		21,412,114	23.46		-9,152,055	-10.03	

Net Salvage factors have historically been both positive and negative for account 362. A review of recent years along with reviewing the recent 10 year averages indicates that the net salvage factors for account 362 continue to trend towards a negative value. The net salvage parameters should be changed using a gross salvage factor of 13% and a 23% gross removal yielding a -10% net salvage.

AEP TEXAS INC.
Net Salvage Analysis - Distribution Plant
Depreciation Study as of December 31, 2022

Account 364 Poles, Towers and Fixtures

Year	Retirements	Salvage			Removal			Net Salvg Amt	Net Salvg %	Net Salvg 10 Yr Avg
		Salvage Amount	Salvage %	10 Yr. Avg	Amount	%	10 Yr Avg			
1984	1,584,223	617,162	38.96		1,211,314	76.46		-594,152	-37.50	
1985	1,519,600	462,112	30.41		1,180,018	77.65		-717,906	-47.24	
1986	1,671,076	448,883	26.86		1,620,682	96.98		-1,171,799	-70.12	
1987	1,919,913	508,691	26.50		1,761,003	91.72		-1,252,312	-65.23	
1988	2,106,491	516,649	24.53		1,827,657	86.76		-1,311,008	-62.24	
1989	1,792,726	363,045	20.25		1,672,606	93.30		-1,309,561	-73.05	
1990	2,197,584	412,550	18.77		2,004,441	91.21		-1,591,891	-72.44	
1991	1,627,120	468,603	28.80		2,730,466	167.81		-2,261,863	-139.01	
1992	2,178,659	477,884	21.93		2,643,974	121.36		-2,166,090	-99.42	
1993	2,234,834	582,942	26.08	25.80	2,790,789	124.88	103.24	-2,207,847	-98.79	-77.44
1994	2,456,008	542,383	22.08	24.28	3,045,949	124.02	107.99	-2,503,566	-101.94	-83.71
1995	1,229,645	0	0.00	22.26	0	0.00	103.52	0	0.00	-81.26
1996	656,253	89,131	13.58	21.53	921,947	140.49	105.43	-832,816	-126.90	-83.90
1997	1,276,814	91,379	7.16	19.96	1,798,655	140.87	109.46	-1,707,276	-133.71	-89.50
1998	3,440,352	147,126	4.28	16.63	1,716,389	49.89	101.23	-1,569,263	-45.61	-84.60
1999	4,071,307	231,788	5.69	14.24	4,339,252	106.58	102.92	-4,107,464	-100.89	-88.67
2000	2,026,517	125,494	6.19	13.01	3,120,614	153.99	109.01	-2,995,120	-147.80	-96.01
2001	1,687,513	236,548	14.02	11.88	2,124,140	125.87	105.85	-1,887,592	-111.86	-93.97
2002	10,633,367	31,462	0.30	6.99	640,803	6.03	68.99	-609,341	-5.73	-61.99
2003	6,050,338	113,572	1.88	4.80	2,763,310	45.67	61.06	-2,649,738	-43.79	-56.26
2004	9,268,595	442,418	4.77	3.74	3,167,337	34.17	51.05	-2,724,919	-29.40	-47.31
2005	5,179,573	3,739,500	72.20	11.85	2,936,351	56.69	53.12	803,149	15.51	-41.27
2006	4,813,576	480,770	9.99	11.64	2,989,135	62.10	52.83	-2,508,365	-52.11	-41.19
2007	5,054,604	375,474	7.43	11.34	3,202,000	63.35	51.70	-2,826,527	-55.92	-40.35
2008	2,804,957	662,157	23.61	12.48	3,452,969	123.10	55.70	-2,790,812	-99.50	-43.22
2009	2,539,800	498,228	19.62	13.40	4,262,493	167.83	57.25	-3,764,265	-148.21	-43.86
2010	2,178,410	248,013	11.39	13.60	2,895,994	132.94	56.63	-2,647,981	-121.56	-43.03
2011	2,472,238	1,007,894	40.77	14.90	4,010,491	162.22	59.46	-3,002,597	-121.45	-44.56
2012	2,071,534	363,478	17.55	18.69	3,543,091	171.04	78.29	-3,179,613	-153.49	-59.60
2013	2,413,670	320,107	13.26	20.98	3,545,504	146.89	87.65	-3,225,396	-133.63	-66.67
2014	3,188,168	505,492	15.86	25.07	6,156,975	193.12	113.08	-5,651,484	-177.26	-88.01
2015	5,480,807	401,356	7.32	14.73	8,660,375	158.01	129.38	-8,259,020	-150.69	-114.65
2016	7,386,002	703,297	9.52	14.29	8,864,169	120.01	136.54	-8,160,872	-110.49	-122.25
2017	6,161,941	546,756	8.87	14.32	7,221,810	117.20	143.37	-6,675,054	-108.33	-129.05
2018	10,342,645	594,019	5.74	11.73	9,311,740	90.03	132.19	-8,717,721	-84.29	-120.46
2019	9,719,668	603,869	6.21	10.30	15,636,726	160.88	135.85	-15,032,857	-154.66	-125.55
2020	8,788,531	590,813	6.72	9.71	12,352,218	140.55	136.67	-11,761,405	-133.83	-126.96
2021	7,827,772	663,981	8.48	8.35	17,388,826	222.14	146.23	-16,724,845	-213.66	-137.88
2022	<u>9,670,929</u>	<u>-445,874</u>	<u>-4.61</u>	<u>6.32</u>	<u>15,929,258</u>	<u>164.71</u>	<u>148.02</u>	<u>-16,375,131</u>	<u>-169.32</u>	<u>-141.71</u>
	159,723,759	18,769,151	11.75		175,441,472	109.84		-156,672,321	-98.09	

Net salvage factors have historically been negative for account 364. The 10 year averages along with activity in recent years have shown that net salvage percentages are well above 100%. I recommend using the life to date net salvage factors that include a **12% salvage factor** and a **110% removal factor** resulting in a **-98% net salvage factor**.

AEP TEXAS INC.
Net Salvage Analysis - Distribution Plant
Depreciation Study as of December 31, 2022

Account 365 Overhead Conductors and Devices

Year	Retirements	Salvage Amount	Salvage %	Salvage 10 Yr. Avg	Removal Amount	Removal %	Removal 10 Yr Avg	Net Salvg Amt	Net Salvg %	Net Salvg 10 Yr Avg
1984	1,185,419	427,530	36.07		878,090	74.07		-450,560	-38.01	
1985	1,528,616	390,387	25.54		1,024,149	67.00		-633,762	-41.46	
1986	1,599,489	432,157	27.02		1,476,235	92.29		-1,044,078	-65.28	
1987	1,831,367	404,694	22.10		1,418,749	77.47		-1,014,055	-55.37	
1988	1,626,715	327,733	20.15		1,274,669	78.36		-946,936	-58.21	
1989	1,213,491	232,568	19.17		1,219,113	100.46		-986,545	-81.30	
1990	1,342,569	267,115	19.90		1,341,950	99.95		-1,074,835	-80.06	
1991	939,601	260,255	27.70		1,731,442	184.27		-1,471,187	-156.58	
1992	1,589,224	336,521	21.18		2,043,064	128.56		-1,706,543	-107.38	
1993	1,900,200	450,752	23.72	23.92	2,332,143	122.73	99.88	-1,881,391	-99.01	-75.96
1994	2,798,243	637,599	22.79	22.85	3,597,818	128.57	106.66	-2,960,219	-105.79	-83.81
1995	2,474,224	0	0.00	19.34	0	0.00	94.92	0	0.00	-75.57
1996	1,353,703	81,048	5.99	17.57	734,646	54.27	91.94	-653,598	-48.28	-74.37
1997	1,612,993	87,962	5.45	15.91	1,693,236	104.97	94.76	-1,605,274	-99.52	-78.85
1998	1,449,411	87,427	6.03	14.64	1,360,962	93.90	96.29	-1,273,535	-87.87	-81.64
1999	4,557,370	728,637	15.99	14.67	2,926,706	64.22	88.73	-2,198,069	-48.23	-74.06
2000	2,002,627	145,819	7.28	13.62	1,867,297	93.24	88.44	-1,721,478	-85.96	-74.82
2001	1,451,045	829,045	57.13	15.97	2,668,759	183.92	90.73	-1,839,714	-126.79	-74.75
2002	806,109	91,112	11.30	15.38	2,348,284	291.31	95.71	-2,257,172	-280.01	-80.32
2003	2,236,497	289,544	12.95	14.36	3,688,369	164.92	100.69	-3,398,825	-151.97	-86.34
2004	3,600,946	341,463	9.48	12.45	3,215,104	89.28	95.17	-2,873,641	-79.80	-82.72
2005	2,152,382	61,535	2.86	12.93	2,163,314	100.51	106.80	-2,101,779	-97.65	-93.87
2006	3,807,967	412,816	10.84	12.99	2,242,758	58.90	102.10	-1,829,942	-48.06	-89.11
2007	5,517,626	396,026	7.18	12.27	1,861,248	33.73	88.26	-1,465,222	-26.56	-75.99
2008	2,758,966	343,431	12.45	12.60	1,671,035	60.57	85.33	-1,327,604	-48.12	-72.73
2009	2,845,552	1,205,545	42.37	15.14	2,265,451	79.61	88.27	-1,059,907	-37.25	-73.13
2010	2,163,458	534,676	24.71	16.48	1,734,563	80.18	87.27	-1,199,887	-55.46	-70.79
2011	3,271,576	650,120	19.87	14.84	2,183,097	66.73	80.15	-1,532,977	-46.86	-65.32
2012	3,892,123	681,413	17.51	15.25	1,937,517	49.78	71.21	-1,256,104	-32.27	-55.96
2013	3,270,008	722,770	22.10	16.07	2,274,898	69.57	64.75	-1,552,128	-47.47	-48.67
2014	3,876,698	-780,792	-20.14	12.60	4,319,535	111.42	67.51	-5,100,328	-131.56	-54.91
2015	4,774,066	-64,081	-1.34	11.34	4,289,914	89.86	68.49	-4,353,995	-91.20	-57.16
2016	6,073,005	-723,888	-11.92	7.71	5,456,615	89.85	72.82	-6,180,503	-101.77	-65.11
2017	4,357,007	-1,141,521	-26.20	3.83	4,239,966	97.31	81.47	-5,381,487	-123.51	-77.64
2018	7,570,487	-458,090	-6.05	1.49	7,914,217	104.54	86.99	-8,372,307	-110.59	-85.50
2019	9,196,114	-759,587	-8.26	-2.76	6,580,458	71.56	84.49	-7,340,044	-79.82	-87.25
2020	9,181,040	-392,942	-4.28	-4.09	8,266,366	90.04	85.58	-8,659,307	-94.32	-89.66
2021	8,567,224	-408,522	-4.77	-5.47	9,608,165	112.15	90.34	-10,016,687	-116.92	-95.81
2022	11,998,533	-558,079	-4.65	-6.63	11,222,468	93.53	93.19	-11,780,546	-98.18	-99.82
	134,373,693	6,570,199	4.89		119,072,372	88.61		-112,502,172	-83.72	

Net Salvage factors have historically been negative for account 365. Based on the above analysis, the net salvage parameters should be changed using a gross salvage factor of 5% and a 89% gross removal yielding an -84% net salvage.

AEP TEXAS INC.
Net Salvage Analysis - Distribution Plant
Depreciation Study as of December 31, 2022

Account 366 Underground Conduit

Year	Retirements	Salvage Amount	Salvage %	Salvage 10 Yr. Avg	Removal Amount	Removal %	Removal 10 Yr Avg	Net Salvg Amt	Net Salvg %	Net Salvg 10 Yr Avg
1984	3,681	8,055	218.83		2,668	72.48		5,387	146.35	
1985	26,022	11,509	44.23		11,242	43.20		267	1.03	
1986	5,419	3,391	62.58		2,782	51.34		609	11.24	
1987	29,255	4,473	15.29		10,134	34.64		-5,661	-19.35	
1988	49,202	5,638	11.46		28,347	57.61		-22,709	-46.15	
1989	34,720	9,200	26.50		53,055	152.81		-43,855	-126.31	
1990	34,025	9,225	27.11		36,615	107.61		-27,390	-80.50	
1991	10,912	4,821	44.18		21,941	201.07		-17,120	-156.89	
1992	27,253	7,884	28.93		20,586	75.54		-12,702	-46.61	
1993	28,595	11,850	41.44	30.53	43,891	153.49	92.84	-32,041	-112.05	-62.31
1994	61,908	13,681	22.10	26.58	54,367	87.82	92.08	-40,686	-65.72	-65.50
1995	11,334	0	0.00	23.98	0	0.00	92.86	0	0.00	-68.88
1996	25,420	1,769	6.96	21.92	20,804	81.84	92.68	-19,035	-74.88	-70.76
1997	5,857	3,776	64.47	23.46	15,112	258.02	101.90	-11,336	-193.55	-78.44
1998	7,946	1,915	24.10	25.86	9,187	115.62	111.13	-7,272	-91.52	-85.27
1999	13,412	934	6.96	24.64	33,244	247.87	112.83	-32,310	-240.90	-88.19
2000	5,033	1,586	31.51	24.39	7,328	145.60	114.56	-5,742	-114.09	-90.17
2001	6,990	194	2.78	22.50	16,018	229.16	113.83	-15,824	-226.38	-91.33
2002	3,127	437	13.98	21.31	6,767	216.41	121.87	-6,330	-202.43	-100.56
2003	62,948	52,722	83.75	37.76	159,500	253.38	158.02	-106,778	-169.63	-120.27
2004	445,417	30,976	6.95	16.05	116,081	26.06	65.37	-85,105	-19.11	-49.32
2005	20,146	2,068	10.27	16.16	32,564	161.64	69.87	-30,496	-151.37	-53.70
2006	26,856	14,639	54.51	18.28	69,655	259.36	77.87	-55,016	-204.85	-59.59
2007	27,948	5,510	19.72	17.91	54,879	196.36	81.51	-49,369	-176.65	-63.61
2008	19,633	14,889	75.84	19.63	54,135	275.74	87.12	-39,246	-199.90	-67.49
2009	34,136	8,275	24.24	20.13	43,525	127.50	85.93	-35,249	-103.26	-65.80
2010	15,320	5,686	37.11	20.44	28,242	184.34	87.75	-22,556	-147.23	-67.31
2011	11,967	14,046	117.38	22.36	41,695	348.42	90.94	-27,648	-231.04	-68.58
2012	13,486	4,752	35.24	22.65	39,995	296.56	94.46	-35,243	-261.32	-71.80
2013	14,497	4,294	29.62	16.70	48,118	331.91	84.03	-43,824	-302.29	-67.33
2014	15,523	12,001	77.31	43.19	198,700	1280.04	306.50	-186,699	-1202.73	-263.31
2015	34,440	14,175	41.16	45.96	167,128	485.27	348.95	-152,954	-444.11	-302.99
2016	34,257	17,923	52.32	45.91	441,042	1287.43	505.16	-423,119	-1235.11	-459.25
2017	11,462	12,338	107.64	52.94	798,039	6962.50	908.85	-785,702	-6854.86	-855.91
2018	72,299	5,934	8.21	38.63	502,260	694.70	896.99	-496,326	-686.49	-858.36
2019	19,912	10,484	52.65	41.80	410,590	2062.04	1,100.41	-400,105	-2009.38	-1058.62
2020	15,264	6,582	43.12	42.17	232,656	1524.18	1,184.75	-226,074	-1481.06	-1142.58
2021	12,357	5,467	44.24	38.58	749,332	6063.80	1,473.46	-743,865	-6019.56	-1434.88
2022	<u>15,248</u>	<u>4,871</u>	31.94	38.35	<u>195,718</u>	1283.58	1,526.37	<u>-190,847</u>	-1251.64	-1488.02
	1,313,228	347,971	26.50		4,777,942	363.83		-4,429,970	-337.33	

Net Salvage factors have historically been negative for account 366. Since underground conduit is frequently retired in place, the removal and salvage components reflected in the analysis are not indicative of actual practice. The net salvage parameters should continue to use a **gross salvage factor of 0% and a 0% gross removal yielding an 0% net salvage.**

AEP TEXAS INC.
Net Salvage Analysis - Distribution Plant
Depreciation Study as of December 31, 2022

Account 367 Underground Conductors and Devices

Year	Retirements	Salvage			Removal			Net Salvg Amt	Net Salvg %	Net Salvg 10 Yr Avg
		Salvage Amount	Salvage %	10 Yr. Avg	Amount	%	10 Yr Avg			
1984	92,814	60,615	65.31		80,925	87.19		-20,310	-21.88	
1985	387,535	56,257	14.52		300,368	77.51		-244,111	-62.99	
1986	342,850	163,290	47.63		128,357	37.44		34,933	10.19	
1987	336,067	95,554	28.43		121,952	36.29		-26,398	-7.85	
1988	303,698	56,411	18.57		86,187	28.38		-29,776	-9.80	
1989	198,961	53,308	26.79		52,099	26.19		1,209	0.61	
1990	153,509	39,550	25.76		151,895	98.95		-112,345	-73.18	
1991	104,975	38,463	36.64		98,653	93.98		-60,190	-57.34	
1992	281,735	59,246	21.03		184,086	65.34		-124,840	-44.31	
1993	270,343	61,262	22.66	27.66	326,274	120.69	61.91	-265,012	-98.03	-34.25
1994	276,382	68,160	24.66	26.03	185,239	67.02	61.56	-117,079	-42.36	-35.53
1995	123,250	0	0.00	26.56	0	0.00	55.81	0	0.00	-29.25
1996	53,256	3,595	6.75	22.62	38,806	72.87	59.23	-35,211	-66.12	-36.61
1997	142,599	6,916	4.85	20.27	243,872	171.02	71.62	-236,956	-166.17	-51.35
1998	562,736	45,512	8.09	17.35	207,790	36.92	68.68	-162,278	-28.84	-51.33
1999	1,677,507	15,996	0.95	9.29	733,760	43.74	59.52	-717,764	-42.79	-50.23
2000	444,416	19,832	4.46	8.10	254,738	57.32	57.74	-234,906	-52.86	-49.64
2001	690,840	55,146	7.98	7.42	387,423	56.08	56.64	-332,277	-48.10	-49.22
2002	1,484,914	11,815	0.80	5.03	25,063	1.69	41.96	-13,248	-0.89	-36.93
2003	1,905,892	39,462	2.07	3.62	502,446	26.36	35.03	-462,984	-24.29	-31.41
2004	796,509	91,109	11.44	3.67	464,115	58.27	36.26	-373,006	-46.83	-32.59
2005	1,402,511	3,320	0.24	3.20	432,425	30.83	35.92	-429,105	-30.60	-32.72
2006	1,902,891	24,521	1.29	2.85	648,892	34.10	35.42	-624,372	-32.81	-32.58
2007	1,135,929	34,802	3.06	2.85	681,130	59.96	36.14	-646,328	-56.90	-33.29
2008	884,575	116,382	13.16	3.35	629,173	71.13	38.61	-512,791	-57.97	-35.27
2009	986,389	881,201	89.34	10.98	814,752	82.60	41.60	66,449	6.74	-30.62
2010	876,095	39,280	4.48	10.75	469,300	53.57	41.89	-430,020	-49.08	-31.14
2011	1,460,001	101,262	6.94	10.46	497,746	34.09	40.24	-396,485	-27.16	-29.78
2012	1,081,417	74,287	6.87	11.31	424,547	39.26	44.76	-350,260	-32.39	-33.45
2013	1,309,707	17,462	1.33	11.69	306,721	23.42	45.36	-289,259	-22.09	-33.67
2014	1,432,457	106,036	7.40	11.21	434,543	30.34	42.81	-328,508	-22.93	-31.60
2015	2,993,593	84,173	2.81	10.52	879,682	29.39	41.15	-795,509	-26.57	-30.63
2016	4,476,510	135,010	3.02	9.56	1,960,002	43.78	42.66	-1,824,992	-40.77	-33.11
2017	2,416,716	119,594	4.95	9.35	2,872,357	118.85	51.84	-2,752,763	-113.91	-42.50
2018	1,820,396	126,397	6.94	8.94	1,595,254	87.63	54.39	-1,468,857	-80.69	-45.46
2019	1,574,315	70,949	4.51	4.50	1,957,151	124.32	58.62	-1,886,202	-119.81	-54.13
2020	1,482,049	65,976	4.45	4.50	1,180,214	79.63	60.40	-1,114,237	-75.18	-55.90
2021	1,193,372	56,979	4.77	4.33	2,280,894	191.13	70.23	-2,223,915	-186.36	-65.90
2022	<u>1,534,719</u>	<u>30,278</u>	<u>1.97</u>	<u>4.02</u>	<u>1,316,580</u>	<u>85.79</u>	<u>73.06</u>	<u>-1,286,302</u>	<u>-83.81</u>	<u>-69.05</u>
	40,594,432	3,129,407	7.71		23,955,411	59.01		-20,826,004	-51.30	

Net Salvage factors have historically been negative for account 367. Based on the historical analysis, the gross salvage parameters should be changed to use a **gross salvage factor of 8% and a 59% gross removal yielding a -51% net salvage.**

AEP TEXAS INC.
Net Salvage Analysis - Distribution Plant
Depreciation Study as of December 31, 2022

Account 368 Line Transformers

Year	Retirements	Salvage Amount	Salvage %	Salvage 10 Yr. Avg	Removal Amount	Removal %	Removal 10 Yr Avg	Net Salvg Amt	Net Salvg %	Net Salvg 10 Yr Avg
1984	1,276,260	157,849	12.37		186,538	14.62		-28,689	-2.25	
1985	2,146,621	161,213	7.51		182,135	8.48		-20,922	-0.97	
1986	1,677,127	203,033	12.11		261,838	15.61		-58,805	-3.51	
1987	1,290,992	143,340	11.10		178,996	13.86		-35,656	-2.76	
1988	1,419,305	25,344	1.79		80,421	5.67		-55,077	-3.88	
1989	1,618,991	79,957	4.94		105,240	6.50		-25,283	-1.56	
1990	1,887,674	34,827	1.84		51,629	2.74		-16,802	-0.89	
1991	1,387,963	10,591	0.76		84,308	6.07		-73,717	-5.31	
1992	1,178,180	13,643	1.16		88,756	7.53		-75,113	-6.38	
1993	2,453,886	59,622	2.43	5.44	451,148	18.39	10.23	-391,526	-15.96	-4.78
1994	1,784,317	49,381	2.77	4.64	224,115	12.56	10.14	-174,734	-9.79	-5.51
1995	844,129	0	0.00	3.99	0	0.00	9.82	0	0.00	-5.83
1996	184,555	10,257	5.56	3.04	80,452	43.59	9.57	-70,195	-38.03	-6.53
1997	4,481,067	46,300	1.03	1.91	1,091,291	24.35	13.09	-1,044,991	-23.32	-11.18
1998	382,018	21,844	5.72	2.01	149,682	39.18	14.36	-127,838	-33.46	-12.34
1999	7,519,833	291,383	3.87	2.43	2,069,679	27.52	19.41	-1,778,296	-23.65	-16.98
2000	3,245,264	137,236	4.23	2.73	980,738	30.22	22.25	-843,502	-25.99	-19.52
2001	3,604,968	146,497	4.06	3.02	1,445,414	40.10	25.63	-1,298,917	-36.03	-22.61
2002	1,552,534	229,940	14.81	3.81	1,007,067	64.87	28.79	-777,127	-50.06	-24.98
2003	20,505,491	192,663	0.94	2.55	1,476,409	7.20	19.33	-1,283,746	-6.26	-16.78
2004	4,752,083	367,232	7.73	3.07	578,510	12.17	18.86	-211,278	-4.45	-15.80
2005	5,656,358	15,962	0.28	2.81	-64,664	-1.14	16.99	80,626	1.43	-14.18
2006	9,460,713	1,607,435	16.99	5.00	625,295	6.61	15.30	982,140	10.38	-10.31
2007	10,281,474	1,582,608	15.39	6.86	2,576,779	25.06	16.20	-994,171	-9.67	-9.34
2008	22,753,480	319,572	1.40	5.47	4,153,992	18.26	16.62	-3,834,420	-16.85	-11.15
2009	8,194,066	1,528,697	18.66	6.81	2,613,987	31.90	17.10	-1,085,289	-13.24	-10.29
2010	7,960,474	1,997,493	25.09	8.43	2,088,057	26.23	17.42	-90,565	-1.14	-8.99
2011	8,913,574	2,110,020	23.67	9.95	2,874,189	32.25	17.92	-764,170	-8.57	-7.98
2012	9,090,572	-118,850	-1.31	8.93	3,125,829	34.39	18.64	-3,244,679	-35.69	-9.71
2013	10,127,989	1,111,727	10.98	10.83	4,281,975	42.28	23.51	-3,170,248	-31.30	-12.69
2014	12,631,085	500,891	3.97	10.14	4,732,484	37.47	25.70	-4,231,593	-33.50	-15.56
2015	14,253,480	696,506	4.89	9.97	4,171,037	29.26	27.49	-3,474,532	-24.38	-17.51
2016	12,802,788	-368,983	-2.88	8.00	3,279,950	25.62	28.97	-3,648,933	-28.50	-20.97
2017	19,826,560	-377,770	-1.91	5.85	3,514,725	17.73	27.53	-3,892,496	-19.63	-21.68
2018	20,379,542	27,130	0.13	5.72	3,836,793	18.83	27.80	-3,809,663	-18.69	-22.07
2019	18,561,065	-434,192	-2.34	3.82	3,780,258	20.37	26.52	-4,214,449	-22.71	-22.70
2020	16,316,515	-353,231	-2.16	1.95	3,364,824	20.62	25.87	-3,718,055	-22.79	-23.91
2021	15,842,763	210,404	1.33	0.60	3,325,243	20.99	24.97	-3,114,838	-19.66	-24.37
2022	<u>22,848,368</u>	<u>288,849</u>	<u>1.26</u>	<u>0.80</u>	<u>1,487,725</u>	<u>6.51</u>	<u>21.87</u>	<u>-1,198,876</u>	<u>-5.25</u>	<u>-21.07</u>
	311,094,124	12,726,420	4.09		64,542,845	20.75		-51,816,425	-16.66	

Net Salvage factors have historically been negative for account 368. Based on the above analysis, the net salvage parameters should be changed using a **gross salvage factor of 4% and a 21% gross removal yielding an -17% net salvage.**

AEP TEXAS INC.
Net Salvage Analysis - Distribution Plant
Depreciation Study as of December 31, 2022

Account 369 Services

Year	Retirements	Salvage Amount	Salvage %	Salvage 10 Yr. Avg	Removal Amount	Removal %	Removal 10 Yr Avg	Net Salvg Amt	Net Salvg %	Net Salvg 10 Yr Avg
1984	501,529	226,279	45.12		356,052	70.99		-129,773	-25.88	
1985	541,106	114,575	21.17		280,868	51.91		-166,293	-30.73	
1986	659,423	119,277	18.09		339,963	51.55		-220,686	-33.47	
1987	624,033	94,531	15.15		304,414	48.78		-209,883	-33.63	
1988	665,986	132,173	19.85		324,257	48.69		-192,084	-28.84	
1989	743,291	96,875	13.03		257,239	34.61		-160,364	-21.57	
1990	739,514	109,331	14.78		295,412	39.95		-186,081	-25.16	
1991	727,029	89,985	12.38		328,196	45.14		-238,211	-32.76	
1992	799,353	88,430	11.06		434,435	54.35		-346,005	-43.29	
1993	818,056	97,316	11.90	17.14	377,309	46.12	48.36	-279,993	-34.23	-31.23
1994	849,550	100,267	11.80	14.55	357,525	42.08	46.04	-257,258	-30.28	-31.49
1995	514,441	985	0.19	13.01	0	0.00	42.28	985	0.19	-29.26
1996	1,454	91	6.26	12.49	2,478	170.43	41.36	-2,387	-164.17	-28.87
1997	106,698	1,532	1.44	12.02	426,795	400.00	47.00	-425,263	-398.57	-34.98
1998	168,914	5,361	3.17	10.79	722,761	427.89	58.56	-717,400	-424.71	-47.77
1999	497,136	4,706	0.95	9.54	739,971	148.85	70.56	-735,265	-147.90	-61.03
2000	1,034,558	319	0.03	7.05	236,870	22.90	65.73	-236,551	-22.86	-58.68
2001	1,406,999	5,089	0.36	4.91	460,909	32.76	60.66	-455,820	-32.40	-55.75
2002	156,877	0	0.00	3.88	96,234	61.34	61.59	-96,234	-61.34	-57.70
2003	897,137	2,159	0.24	2.14	721,845	80.46	66.84	-719,686	-80.22	-64.70
2004	933,708	125,485	13.44	2.55	871,023	93.29	74.83	-745,538	-79.85	-72.28
2005	123,513	217	0.18	2.72	776,303	628.52	94.90	-776,086	-628.34	-92.18
2006	661,250	34,902	5.28	3.00	475,631	71.93	92.34	-440,729	-66.65	-89.34
2007	440,725	75,438	17.12	4.01	267,884	60.78	84.95	-192,446	-43.67	-80.94
2008	573,455	151,785	26.47	5.95	416,266	72.59	75.28	-264,481	-46.12	-69.33
2009	217,697	217,719	100.01	9.51	652,170	299.58	77.18	-434,451	-199.57	-67.67
2010	526,961	368,979	70.02	16.53	550,643	104.49	89.06	-181,664	-34.47	-72.53
2011	223,255	626,525	280.63	33.72	588,896	263.78	113.93	37,629	16.85	-80.21
2012	536,206	548,522	102.30	41.91	1,435,766	267.76	131.60	-887,244	-165.47	-89.69
2013	588,216	27,324	4.65	45.12	784,584	133.38	141.33	-757,259	-128.74	-96.21
2014	651,187	638,265	98.02	59.21	1,587,209	243.74	165.89	-948,944	-145.73	-106.68
2015	757,640	1,688,715	222.89	84.58	1,538,678	203.09	160.29	150,037	19.80	-75.72
2016	1,310,179	2,096,320	160.00	110.54	1,082,409	82.62	152.85	1,013,911	77.39	-42.31
2017	1,045,136	1,072,649	102.63	115.66	876,810	83.89	147.96	195,839	18.74	-32.30
2018	1,064,560	1,771,336	166.39	130.85	1,037,088	97.42	146.43	734,248	68.97	-15.57
2019	1,459,899	1,567,697	107.38	127.48	1,419,445	97.23	133.54	148,252	10.15	-6.07
2020	1,518,380	965,973	63.62	120.19	1,231,079	81.08	126.51	-265,105	-17.46	-6.32
2021	1,426,964	816,821	57.24	108.06	1,365,715	95.71	119.31	-548,894	-38.47	-11.25
2022	1,631,730	1,349,997	82.73	104.73	1,504,975	92.23	108.50	-154,978	-9.50	-3.78
	28,143,743	15,433,952	54.84		25,526,109	90.70		-10,092,157	-35.86	

Net Salvage factors have historically been both positive and negative for account 369. Based on the account history, the net salvage parameters should be changed using a **gross salvage factor of 55% and a 91% gross removal yielding a -36% net salvage.**

AEP TEXAS INC.
Net Salvage Analysis - Distribution Plant
Depreciation Study as of December 31, 2022

Account 370 Meters

Year	Retirements	Salvage Amount	Salvage %	Salvage 10 Yr. Avg	Removal Amount	Removal %	Removal 10 Yr Avg	Net Salvg Amt	Net Salvg %	Net Salvg 10 Yr Avg
1984	786,646	214,428	27.26		17,024	2.16		197,404	25.09	
1985	611,916	121,343	19.83		13,903	2.27		107,440	17.56	
1986	730,951	120,054	16.42		17,762	2.43		102,292	13.99	
1987	680,342	188,624	27.72		31,349	4.61		157,275	23.12	
1988	466,500	168,358	36.09		30,642	6.57		137,716	29.52	
1989	368,354	356	0.10		1,098	0.30		-742	-0.20	
1990	536,764	6,213	1.16		1,779	0.33		4,434	0.83	
1991	627,185	0	0.00		0	0.00		0	0.00	
1992	970,077	3,078	0.32		703	0.07		2,375	0.24	
1993	886,565	12,709	1.43	12.53	2,440	0.28	1.75	10,269	1.16	10.78
1994	747,333	62,648	8.38	10.31	69,680	9.32	2.56	-7,032	-0.94	7.76
1995	412,516	0	0.00	8.75	0	0.00	2.42	0	0.00	6.33
1996	3,189	0	0.00	7.76	0	0.00	2.42	0	0.00	5.34
1997	2,297,646	67,074	2.92	4.38	1,079,835	47.00	16.21	-1,012,761	-44.08	-11.83
1998	0	0	0.00	2.22	0	0.00	16.87	0	0.00	-14.65
1999	7,888,719	35,208	0.45	1.30	2,482,044	31.46	25.31	-2,446,836	-31.02	-24.01
2000	2,035,432	143	0.01	1.14	673,646	33.10	27.15	-673,503	-33.09	-26.01
2001	3,086,234	5,064	0.16	1.01	946,432	30.67	28.67	-941,368	-30.50	-27.66
2002	2,992,365	75,932	2.54	1.27	987,770	33.01	30.67	-911,838	-30.47	-29.40
2003	2,231,767	22,141	0.99	1.24	1,603,453	71.85	36.15	-1,581,312	-70.85	-34.91
2004	2,514,283	476,468	18.95	2.91	1,575,892	62.68	39.85	-1,099,424	-43.73	-36.94
2005	12,059,209	0	0.00	1.94	1,069,447	8.87	29.67	-1,069,447	-8.87	-27.73
2006	12,584,624	1,235,974	9.82	4.02	4,736,068	37.63	31.78	-3,500,094	-27.81	-27.76
2007	6,135,968	1,253,545	20.43	6.02	4,137,518	67.43	35.34	-2,883,973	-47.00	-29.32
2008	5,185,602	985,468	19.00	7.21	3,460,894	66.74	38.21	-2,475,426	-47.74	-31.00
2009	4,690,256	1,042,238	22.22	9.52	2,575,440	54.91	40.67	-1,533,202	-32.69	-31.15
2010	11,106,585	4,650,610	41.87	15.57	3,804,817	34.26	39.78	845,793	7.62	-24.21
2011	44,226,661	40,780,030	92.21	48.71	2,595,702	5.87	25.59	38,184,328	86.34	23.11
2012	18,190,245	19,461,365	106.99	58.78	2,849,195	15.66	23.89	16,612,170	91.32	34.90
2013	56,214,653	49,794,998	88.58	69.22	1,070,185	1.90	16.12	48,724,813	86.68	53.10
2014	16,823,219	9,330,774	55.46	68.66	1,478,230	8.79	14.84	7,852,544	46.68	53.82
2015	7,674,271	3,676,392	47.91	72.31	816,486	10.64	15.05	2,859,905	37.27	57.26
2016	13,058,750	19	0.00	71.45	-4,354,218	-33.34	10.06	4,354,237	33.34	61.40
2017	11,411,350	14	0.00	68.79	-5,074,201	-44.47	4.89	5,074,215	44.47	63.90
2018	26,563,544	175	0.00	61.32	468,983	1.77	2.97	-468,809	-1.76	58.35
2019	30,598,072	5	0.00	54.14	2,713,716	8.87	2.70	-2,713,711	-8.87	51.44
2020	27,129,986	0	0.00	48.85	3,219,361	11.87	2.30	-3,219,361	-11.87	46.55
2021	18,525,956	0	0.00	36.37	2,644,310	14.27	2.58	-2,644,310	-14.27	33.79
2022	<u>17,815,682</u>	<u>121</u>	<u>0.00</u>	<u>27.81</u>	<u>3,423,919</u>	<u>19.22</u>	<u>2.84</u>	<u>-3,423,798</u>	<u>-19.22</u>	<u>24.97</u>
	370,869,418	133,791,569	36.08		41,171,304	11.10		92,620,265	24.97	
Less 2010-2017	192,163,684	6,097,367	3.17		37,985,108	19.77		-31,887,741	-16.59	

Account 370 and 370.16 were combined for the purpose of this net salvage analysis since the removal and salvage in these accounts are similar. In addition, on December 17, 2009, AEP Texas' Advanced Metering System Deployment (AMS) plan was approved by the PUC in Docket No. 36928. AEP Texas is keeping the new automated meter investment in account 370.16. Since the mass retirement of older meters is abnormally affecting the salvage and removal statistics, I recommend ignoring the activity that occurred in years 2010-2017. Exclusion of years 2010-2017 data from the analysis produces a -17% net salvage factor using a gross salvage factor of 3% and a 20% gross removal factor.

AEP TEXAS INC.
Net Salvage Analysis - Distribution Plant
Depreciation Study as of December 31, 2022

Account 371 Installations on Customers' Premises

Year	Retirements	Salvage		10 Yr. Avg	Removal		Removal 10 Yr Avg	Net Salv		Net Salv 10 Yr Avg
		Amount	%		Amount	%		Amt	%	
1984	404,869	275,018	67.93		152,980	37.79		122,038	30.14	
1985	368,208	161,931	43.98		129,987	35.30		31,944	8.68	
1986	546,485	136,166	24.92		188,130	34.43		-51,964	-9.51	
1987	497,101	220,656	44.39		233,856	47.04		-13,200	-2.66	
1988	1,181,264	269,245	22.79		317,041	26.84		-47,796	-4.05	
1989	1,325,720	295,136	22.26		336,932	25.42		-41,796	-3.15	
1990	1,715,625	448,825	26.16		620,153	36.15		-171,328	-9.99	
1991	1,022,810	382,439	37.39		498,256	48.71		-115,817	-11.32	
1992	1,793,621	522,982	29.16		383,339	21.37		139,643	7.79	
1993	714,948	391,204	54.72	32.43	347,495	48.60	33.52	43,709	6.11	-1.09
1994	1,626,255	363,972	22.38	29.58	336,024	20.66	31.42	27,948	1.72	-1.84
1995	373,962	0	0.00	28.07	0	0.00	30.20	0	0.00	-2.14
1996	244,551	24,445	10.00	27.81	146,044	59.72	30.67	-121,599	-49.72	-2.86
1997	231,145	25,091	10.86	26.62	317,790	137.49	32.29	-292,699	-126.63	-5.67
1998	392,568	47,831	12.18	26.50	272,796	69.49	34.52	-224,965	-57.31	-8.02
1999	801,336	43,034	5.37	25.23	902,773	112.66	42.89	-859,739	-107.29	-17.66
2000	279,006	8,563	3.07	24.19	154,805	55.48	44.91	-146,242	-52.42	-20.72
2001	344,765	25,391	7.36	21.35	220,594	63.98	45.30	-195,203	-56.62	-23.95
2002	1,340,366	1,558	0.12	14.67	20,497	1.53	42.82	-18,939	-1.41	-28.16
2003	437,806	11,390	2.60	9.08	344,215	78.62	44.72	-332,825	-76.02	-35.64
2004	260,237	77,712	29.86	5.63	243,432	93.54	55.74	-165,720	-63.68	-50.11
2005	598,160	256	0.04	5.38	299,938	50.14	59.29	-299,682	-50.10	-53.91
2006	1,349,473	6,956	0.52	4.11	111,209	8.24	47.86	-104,253	-7.73	-43.75
2007	1,396,593	21,990	1.57	3.40	197,185	14.12	38.44	-175,195	-12.54	-35.04
2008	1,473,595	26,394	1.79	2.70	268,994	18.25	33.37	-242,599	-16.46	-30.68
2009	852,461	13,058	1.53	2.32	317,472	37.24	26.14	-304,414	-35.71	-23.82
2010	1,184,496	6,081	0.51	2.07	244,350	20.63	24.55	-238,269	-20.12	-22.48
2011	736,014	19,370	2.63	1.92	225,664	30.66	23.60	-206,294	-28.03	-21.69
2012	709,564	7,415	1.05	2.12	217,706	30.68	27.45	-210,291	-29.64	-25.33
2013	695,437	6,736	0.97	2.01	220,241	31.67	25.35	-213,506	-30.70	-23.34
2014	674,599	17,638	2.61	1.30	176,200	26.12	23.57	-158,563	-23.50	-22.26
2015	658,026	23,704	3.60	1.53	196,535	29.87	22.36	-172,830	-26.26	-20.82
2016	864,512	10,638	1.23	1.66	178,527	20.65	24.26	-167,890	-19.42	-22.60
2017	783,833	3,786	0.48	1.56	179,478	22.90	25.78	-175,692	-22.41	-24.21
2018	769,592	19,570	2.54	1.61	196,804	25.57	27.15	-177,234	-23.03	-25.54
2019	883,960	15,982	1.81	1.64	287,999	32.58	26.68	-272,017	-30.77	-25.03
2020	848,988	25,991	3.06	1.98	277,475	32.68	28.29	-251,484	-29.62	-26.31
2021	675,948	11,743	1.74	1.89	284,477	42.09	29.29	-272,734	-40.35	-27.39
2022	751,234	46,868	6.24	2.40	307,751	40.97	30.31	-260,883	-34.73	-27.91
	31,809,133	4,016,765	12.63		10,355,145	32.55		-6,338,380	-19.93	

Net Salvage factors have historically been negative for account 371. Based on the above analysis, the net salvage parameters should be changed using a **gross salvage factor of 13% and a 33% gross removal yielding an -20% net salvage.**

AEP TEXAS INC.
Net Salvage Analysis - Distribution Plant
Depreciation Study as of December 31, 2022

Account 373 Street Lighting and Signal Systems

Year	Retirements	Salvage			Removal			Net Salvg Amt	Net Salvg %	Net Salvg 10 Yr Avg
		Salvage Amount	Salvage %	10 Yr. Avg	Amount	%	10 Yr Avg			
1984	186,105	87,567	47.05		115,209	61.91		-27,642	-14.85	
1985	207,448	60,070	28.96		61,101	29.45		-1,031	-0.50	
1986	161,356	118,061	73.17		80,775	50.06		37,286	23.11	
1987	752,790	87,432	11.61		143,274	19.03		-55,842	-7.42	
1988	381,911	76,035	19.91		82,534	21.61		-6,499	-1.70	
1989	438,950	145,120	33.06		135,708	30.92		9,412	2.14	
1990	468,639	84,768	18.09		166,479	35.52		-81,711	-17.44	
1991	335,896	98,490	29.32		379,431	112.96		-280,941	-83.64	
1992	595,289	171,236	28.77		174,246	29.27		-3,010	-0.51	
1993	415,331	110,376	26.58	26.35	181,281	43.65	38.54	-70,905	-17.07	-12.19
1994	556,025	120,028	21.59	24.84	248,685	44.73	38.33	-128,657	-23.14	-13.49
1995	195,856	0	0.00	23.51	0	0.00	37.02	0	0.00	-13.50
1996	447,230	42,496	9.50	20.40	318,162	71.14	39.88	-275,666	-61.64	-19.48
1997	350,455	32,886	9.38	21.06	451,368	128.79	51.08	-418,482	-119.41	-30.02
1998	577,789	32,557	5.63	19.13	257,635	44.59	52.79	-225,078	-38.96	-33.67
1999	1,192,742	44,836	3.76	14.36	951,125	79.74	60.92	-906,289	-75.98	-46.56
2000	312,741	20,122	6.43	13.52	194,282	62.12	63.39	-174,160	-55.69	-49.87
2001	337,059	73,407	21.78	13.01	433,003	128.47	64.45	-359,596	-106.69	-51.44
2002	614,852	6,851	1.11	9.67	56,368	9.17	61.84	-49,517	-8.05	-52.17
2003	1,265,597	35,796	2.83	6.99	111,878	8.84	51.66	-76,082	-6.01	-44.67
2004	386,400	15,398	3.98	5.36	252,311	65.30	53.27	-236,913	-61.31	-47.91
2005	941,638	275	0.03	4.74	486,683	51.68	54.66	-486,408	-51.66	-49.92
2006	1,474,453	15,372	1.04	3.72	597,451	40.52	50.88	-582,079	-39.48	-47.15
2007	2,697,902	32,086	1.19	2.82	583,414	21.62	40.04	-551,327	-20.44	-37.21
2008	3,053,002	59,241	1.94	2.47	844,944	27.68	36.75	-785,703	-25.74	-34.28
2009	1,491,748	46,857	3.14	2.43	583,585	39.12	32.95	-536,728	-35.98	-30.52
2010	1,003,209	31,805	3.17	2.39	287,286	28.64	31.94	-255,481	-25.47	-29.55
2011	1,079,070	50,701	4.70	2.10	362,929	33.63	29.75	-312,228	-28.93	-27.64
2012	1,135,220	33,769	2.97	2.21	373,515	32.90	30.86	-339,746	-29.93	-28.65
2013	1,034,539	34,329	3.32	2.24	343,237	33.18	32.98	-308,908	-29.86	-30.74
2014	1,085,835	40,096	3.69	2.30	356,114	32.80	32.14	-316,018	-29.10	-29.84
2015	1,155,937	34,508	2.99	2.49	368,227	31.86	30.90	-333,719	-28.87	-28.41
2016	1,965,200	56,166	2.86	2.67	565,921	28.80	29.74	-509,755	-25.94	-27.06
2017	1,648,392	34,123	2.07	2.88	488,937	29.66	31.22	-454,814	-27.59	-28.34
2018	2,627,200	57,192	2.18	2.95	693,090	26.38	31.09	-635,898	-24.20	-28.14
2019	2,370,601	66,186	2.79	2.91	1,013,103	42.74	32.12	-946,916	-39.94	-29.22
2020	2,246,335	83,757	3.73	3.00	879,410	39.15	33.30	-795,653	-35.42	-30.30
2021	2,243,985	73,031	3.25	2.93	1,094,187	48.76	35.26	-1,021,156	-45.51	-32.33
2022	<u>4,576,367</u>	<u>461,692</u>	10.09	4.49	<u>1,875,302</u>	40.98	36.64	<u>-1,413,610</u>	-30.89	-32.15
	44,011,094	2,674,718	6.08		16,592,190	37.70		-13,917,472	-31.62	

Net salvage factors have historically been negative for account 373. The analysis above indicates that a **6% gross salvage and a 38% gross removal should be used, yielding a -32% net salvage.**

AEP TEXAS INC.

DEPRECIATION STUDY AS OF DECEMBER 31, 2022

GENERAL PLANT WORK PAPERS

AEP TEXAS INC.
Depreciation Study as of December 31, 2022
General Plant

<i>Account</i>	<u>390 STRUCTURES & IMPROVEMENTS</u>		
Depreciable Balance	\$384,443,960		
	<u>TCC</u>	<u>Current</u> <u>TNC</u>	<u>Recommended</u>
Average Service Life (Yrs)	50	43	54
Iowa Curve	R0.5	S0.5	L0.5
Gross Removal, %	12	2	14
Gross Salvage, %	31	13	22
Net Salvage %	19	11	8

Account 390 includes general structures and structure improvements consisting of items like roofing, plumbing and heating systems. The results of the account's life analysis supports a L0.5 dispersion with an increase in average service life to 54 years.

The Average Age of the property in this account is 10.48 years.

Net salvage rates have been trending negative in the most recent years. However, the life to date average continues to show a positive net salvage amount and the net salvage approved in the prior case was also positive. It is recommended that we use the life to date average which supports a 22% salvage factor and a 14% removal factor yielding a 8% net salvage rate.

AEP TEXAS INC.
Depreciation Study as of December 31, 2022
General Plant

Account **391 OFFICE FURNITURE AND EQUIPMENT**

Depreciable Balance \$7,797,067

	<u>TCC</u>	<u>Current</u>	<u>TNC</u>	<u>Recommended</u>
Average Service Life (Yrs)	15		15	15
Iowa Curve	SQ		SQ	SQ
Gross Removal, %	1		0	5
Gross Salvage, %	1		0	1
Net Salvage %	0		0	-4

This account consists of office furniture and equipment. In 1996, the company began recording retirements when vintages reach an age of average service life. The average service life for the account was set in the prior depreciation study and there is no compelling reason to change the life in the current study. Use of a square curve "SQ" is appropriate when performing vintage retirements.

The Average Age of the property in this account is 4.53 years.

Net Salvage factors have historically been low for account 391. Based on the analysis, the net salvage parameters from the prior study should be changed slightly to use a gross salvage factor of 1% and a 5% gross removal yielding a -4% net salvage.

AEP TEXAS INC.
Depreciation Study as of December 31, 2022
General Plant

<i>Account</i>	<u>392 TRANSPORTATION EQUIPMENT</u>		
Depreciable Balance	\$185,606		
	<u>TCC</u>	<u>Current</u> <u>TNC</u>	<u>Recommended</u>
Average Service Life (Yrs)	15	15	15
Iowa Curve	SQ	SQ	SQ
Gross Removal, %	0	0	0
Gross Salvage, %	0	0	0
Net Salvage %	0	0	0

Account 392 includes owned automobiles, trucks, trailers and other transportation equipment. In 1996, the company began recording general equipment retirements when vintages reach an age of average service life. The average service life for the account was not set in the prior depreciation study since there was a \$0 balance in the account when the study was performed. Recommend that we use the AEP Texas North Division depreciable life of 15 years (for trailers) which was approved by the North Division's order in Docket No. 33310. Use of a square curve "SQ" is appropriate when performing vintage retirements.

The Average Age of the property in this account is 14.50 years.

There is limited salvage and removal history for account 392. Based on the limited history, I recommend using a gross salvage factor of 0% and a 0% gross removal yielding an 0% net salvage.

AEP TEXAS INC.
Depreciation Study as of December 31, 2022
General Plant

Account **393 STORES EQUIPMENT**

Depreciable Balance \$2,647,349

	<u>TCC</u>	<u>Current</u> <u>TNC</u>	<u>Recommended</u>
Average Service Life (Yrs)	22	22	22
Iowa Curve	SQ	SQ	SQ
Gross Removal, %	1	0	1
Gross Salvage, %	1	0	0
Net Salvage %	0	0	-1

This account contains property related to stores such as cabinets, shelving materials, ramps and material storage units. In 1996, the company began recording retirements when vintages reach an age of average service life. The average service life for the account was set in the prior depreciation study and there is no compelling reason to change the life in the current study. Use of a square curve "SQ" is appropriate when performing vintage retirements.

The Average Age of the property in this account is 5.39 years.

Historical net salvage has been both positive and negative for account 393. Based on the account history, the net salvage parameters have changed slightly from the previously approved factors. I recommend updating to a -1% net salvage factor using a gross salvage factor of 0% and a 1% gross removal factor.

AEP TEXAS INC.
Depreciation Study as of December 31, 2022
General Plant

Account **394 TOOLS, SHOP AND GARAGE EQUIPMENT**

Depreciable Balance \$65,627,384

	<u>TCC</u>	<u>Current</u>	<u>TNC</u>	<u>Recommended</u>
Average Service Life (Yrs)	35		35	35
Iowa Curve	SQ		SQ	SQ
Gross Removal, %	0		5	7
Gross Salvage, %	0		0	0
Net Salvage %	0		-5	-7

Account 394 includes tools used in shops and garages like drills, grinders, mixers, hoists and cranes. In 1996, the company began recording retirements when vintages reach an age of average service life. The average service life for the account was set in the prior depreciation study and there is no compelling reason to change the life in the current study. Use of a square curve "SQ" is appropriate when performing vintage retirements.

The Average Age of the property in this account is 9.69 years.

Net Salvage factors have historically been negative for account 394. Based on the analysis, the recent 10 year averages (2015-2022) yielded a net salvage factor that ranged from -2% to -21%. It is recommended that a gross salvage factor of 0% and a 7% gross removal yielding a -7% net salvage factor be used.

AEP TEXAS INC.
Depreciation Study as of December 31, 2022
General Plant

<i>Account</i>	<u>395 LABORATORY EQUIPMENT</u>		
Depreciable Balance	\$440,894		
	<u>TCC</u>	<u>Current</u> <u>TNC</u>	<u>Recommended</u>
Average Service Life (Yrs)	33	N/A	33
Iowa Curve	SQ	N/A	SQ
Gross Removal, %	0	N/A	0
Gross Salvage, %	0	N/A	0
Net Salvage %	0	N/A	0

Property in account 395 consists of laboratory equipment such as testing equipment, centrifuges, and other laboratory devices. In 1996, the company began recording retirements when vintages reach an age of average service life. The average service life for the account was set in the prior depreciation study and there is no compelling reason to change the life in the current study. Use of a square curve "SQ" is appropriate when performing vintage retirements.

The Average Age of the property in this account is 10.19 years.

Historically net salvage factors have been approximately 0% for account 395. Based on the analysis, the net salvage parameters should remain unchanged using a gross salvage factor of 0% and a 0% gross removal yielding a 0% net salvage.

AEP TEXAS INC.
Depreciation Study as of December 31, 2022
General Plant

Account **396 POWER OPERATED EQUIPMENT**

Depreciable Balance \$21,803

	<u>TCC</u>	<u>Current</u> <u>TNC</u>	<u>Recommended</u>
Average Service Life (Yrs)	15	15	15
Iowa Curve	SQ	SQ	SQ
Gross Removal, %	0	0	0
Gross Salvage, %	3	0	0
Net Salvage %	3	0	0

Account 396 is used to capitalize equipment such as bulldozers, forklifts, and tractors. In 1996, the company began recording retirements when vintages reach an age of average service life. The average service life for the account was set in the prior depreciation study and there is no compelling reason to change the life in the current study. Use of a square curve "SQ" is appropriate when performing vintage retirements.

The Average Age of the property in this account is 13.50 years.

Net salvage factors have historically been positive for account 396 until recent years. I recommend updating the net salvage parameters to use a gross salvage factor of 0% and a 0% gross removal yielding a 0% net salvage.

AEP TEXAS INC.
Depreciation Study as of December 31, 2022
General Plant

Account **397 COMMUNICATION EQUIPMENT**

Depreciable Balance \$238,083,447

	<u>TCC</u>	<u>Current</u> <u>TNC</u>	<u>Recommended</u>
Average Service Life (Yrs)	20	20	20
Iowa Curve	SQ	SQ	SQ
Gross Removal, %	0	0	1
Gross Salvage, %	1	0	6
Net Salvage %	1	0	5

This account contains communication equipment such as towers, antennae, and mobile radio equipment. In 1996, the company began recording retirements when vintages reach an age of average service life. The average service life for the account was set in the prior depreciation study and there is no compelling reason to change the life in the current study. Use of a square curve "SQ" is appropriate when performing vintage retirements.

The Average Age of the property in this account is 4.07 years.

Account 397 and 397.16 were combined for the purpose of this net salvage analysis since the removal and salvage in these accounts are similar. Net Salvage factors have been positive for account 397 in most years. The 10 year average analysis from the years 2004-2022 indicates a consistent positive net salvage. I recommend that the net salvage parameters from the prior study be changed slightly to use a gross salvage factor of 6% and a 1% gross removal yielding a 5% net salvage factor.

AEP TEXAS INC.
Depreciation Study as of December 31, 2022
General Plant

Account **397.16 AMI COMMUNICATION EQUIPMENT**

Depreciable Balance \$8,476,679

	<u>TCC</u>	<u>Current</u>	<u>TNC</u>	<u>Recommended</u>
Average Service Life (Yrs)	15		15	15
Iowa Curve	SQ		SQ	SQ
Gross Removal, %	0		0	1
Gross Salvage, %	0		0	6
Net Salvage %	0		0	5

The new Advanced Meter Infrastructure (AMI) communication equipment was recorded in sub point 397.16 by AEP Texas. Use of a square curve "SQ" is appropriate when performing vintage retirements.

The Average Age of the property in this account is 3.93 years.

Account 397 and 397.16 were combined for the purpose of this net salvage analysis since the removal and salvage in these accounts are similar. Net Salvage factors have been positive for account 397 in most years. The 10 year average analysis from the years 2004-2022 indicates a consistent positive net salvage. I recommend that the net salvage parameters from the prior study be changed slightly to use a gross salvage factor of 6% and a 1% gross removal yielding a 5% net salvage factor.

AEP TEXAS INC.
Depreciation Study as of December 31, 2022
General Plant

Account **398 MISCELLANEOUS EQUIPMENT**

Depreciable Balance \$8,591,792

	<u>TCC</u>	<u>Current</u>	<u>TNC</u>	<u>Recommended</u>
Average Service Life (Yrs)	20		20	20
Iowa Curve	SQ		SQ	SQ
Gross Removal, %	7		0	3
Gross Salvage, %	1		0	0
Net Salvage %	-6		0	-3

The property in account 398 contains equipment such as fire extinguishers and kitchen equipment. In 1996, the company began recording retirements when vintages reach an age of average service life. The average service life for the account was set in the prior depreciation study and there is no compelling reason to change the life in the current study. Use of a square curve "SQ" is appropriate when performing vintage retirements.

The Average Age of the property in this account is 8.23 years.

Net Salvage factors have historically been negative for account 398. Based on the analysis, the net salvage parameters should be changed using a gross salvage factor of 0% and a 3% gross removal yielding a -3% net salvage.

AEP TEXAS INC.

DEPRECIATION STUDY AS OF DECEMBER 31, 2022

DEPRECIATION STUDY WORKPAPERS

GENERAL PLANT

AVERAGE AGE OF SURVIVING PLANT

AEP TEXAS INC.
DEPRECIATION STUDY AS OF DECEMBER 31, 2022
CALCULATION OF AVERAGE AGE OF SURVIVING PLANT

Account 390 Structures & Improvements

<u>VINTAGE YEAR</u>	<u>SURVIVING BALANCE</u>	<u>AGE (YEARS)</u>	<u>DOLLAR YEARS</u>	<u>AVERAGE AGE (YEARS)</u>
1923	8,432	99.5	838,949	
1925	90,960	97.5	8,868,633	
1926	35,629	96.5	3,438,185	
1927	205,617	95.5	19,636,419	
1928	44,666	94.5	4,220,900	
1929	933	93.5	87,228	
1930	74,310	92.5	6,873,677	
1931	18,446	91.5	1,687,799	
1935	27	87.5	2,371	
1936	49	86.5	4,252	
1937	7,123	85.5	609,028	
1938	75	84.5	6,368	
1942	320	80.5	25,763	
1943	230	79.5	18,285	
1944	87	78.5	6,811	
1945	71,697	77.5	5,556,479	
1946	102	76.5	7,769	
1947	7,575	75.5	571,948	
1948	216,886	74.5	16,158,031	
1949	11,629	73.5	854,731	
1950	1,349	72.5	97,793	
1951	6,270	71.5	448,281	
1952	352,529	70.5	24,853,291	
1953	183,349	69.5	12,742,730	
1954	822,911	68.5	56,369,384	
1955	563,711	67.5	38,050,522	
1956	86,199	66.5	5,732,214	
1957	240,774	65.5	15,770,664	
1958	4,961	64.5	319,984	
1959	50,554	63.5	3,210,152	
1960	89,302	62.5	5,581,377	
1961	319	61.5	19,639	
1962	90,622	60.5	5,482,638	
1963	25,865	59.5	1,538,943	
1964	10,833	58.5	633,703	
1965	128,495	57.5	7,388,437	
1966	102,994	56.5	5,819,170	
1967	20,416	55.5	1,133,110	
1968	135,316	54.5	7,374,725	
1969	83,773	53.5	4,481,868	
1970	25,669	52.5	1,347,624	

AEP TEXAS INC.
DEPRECIATION STUDY AS OF DECEMBER 31, 2022
CALCULATION OF AVERAGE AGE OF SURVIVING PLANT

Account 390 Structures & Improvements

<u>VINTAGE</u> <u>YEAR</u>	<u>SURVIVING</u> <u>BALANCE</u>	<u>AGE</u> <u>(YEARS)</u>	<u>DOLLAR</u> <u>YEARS</u>	<u>AVERAGE AGE</u> <u>(YEARS)</u>
1971	17,159	51.5	883,664	
1972	508,807	50.5	25,694,728	
1973	480,660	49.5	23,792,659	
1974	36,611	48.5	1,775,622	
1975	1,299,620	47.5	61,731,965	
1976	16,467	46.5	765,705	
1977	1,024,833	45.5	46,629,890	
1978	140,591	44.5	6,256,321	
1979	102,722	43.5	4,468,389	
1980	287,490	42.5	12,218,343	
1981	155,636	41.5	6,458,883	
1982	1,723,463	40.5	69,800,255	
1983	6,434,829	39.5	254,175,737	
1984	481,251	38.5	18,528,167	
1985	1,495,655	37.5	56,087,064	
1986	2,853,684	36.5	104,159,480	
1987	24,362,343	35.5	864,863,166	
1988	715,231	34.5	24,675,482	
1989	716,911	33.5	24,016,514	
1990	496,092	32.5	16,122,986	
1991	664,929	31.5	20,945,254	
1992	141,669	30.5	4,320,904	
1993	326,754	29.5	9,639,241	
1994	779,434	28.5	22,213,855	
1995	120,996	27.5	3,327,394	
1996	4,698,500	26.5	124,510,243	
1997	1,726,435	25.5	44,024,101	
1998	674,751	24.5	16,531,403	
1999	1,121,577	23.5	26,357,053	
2000	1,002,005	22.5	22,545,115	
2001	1,308,695	21.5	28,136,933	
2002	8,281,027	20.5	169,761,058	
2003	275,284	19.5	5,368,034	
2004	4,659,292	18.5	86,196,897	
2005	31,223	17.5	546,402	
2006	5,937,809	16.5	97,973,857	
2007	1,842,747	15.5	28,562,579	
2008	1,883,754	14.5	27,314,436	
2009	3,853,399	13.5	52,020,885	
2010	983,540	12.5	12,294,245	
2011	1,055,078	11.5	12,133,397	

AEP TEXAS INC.
DEPRECIATION STUDY AS OF DECEMBER 31, 2022
CALCULATION OF AVERAGE AGE OF SURVIVING PLANT

Account 390 Structures & Improvements

<u>VINTAGE</u> <u>YEAR</u>	<u>SURVIVING</u> <u>BALANCE</u>	<u>AGE</u> <u>(YEARS)</u>	<u>DOLLAR</u> <u>YEARS</u>	<u>AVERAGE AGE</u> <u>(YEARS)</u>
2012	1,991,455	10.5	20,910,276	
2013	2,488,606	9.5	23,641,758	
2014	2,130,182	8.5	18,106,548	
2015	8,091,222	7.5	60,684,168	
2016	802,004	6.5	5,213,025	
2017	5,496,488	5.5	30,230,687	
2018	231,783,194	4.5	1,043,024,373	
2019	26,112,196	3.5	91,392,687	
2020	6,429,662	2.5	16,074,156	
2021	9,745,098	1.5	14,617,648	
2022	<u>833,899</u>	0.5	<u>416,950</u>	
	384,443,960		4,030,010,457	10.48

AEP TEXAS INC.
DEPRECIATION STUDY AS OF DECEMBER 31, 2022
CALCULATION OF AVERAGE AGE OF SURVIVING PLANT

Account 391.00, Office Furniture & Equipment

<u>VINTAGE</u> <u>YEAR</u>	<u>SURVIVING</u> <u>BALANCE</u>	<u>AGE</u> <u>(YEARS)</u>	<u>DOLLAR</u> <u>YEARS</u>	<u>AVERAGE AGE</u> <u>(YEARS)</u>
2008	71,340	14.5	1,034,430	
2009	110,808	13.5	1,495,914	
2010	39,024	12.5	487,801	
2011	6,067	11.5	69,769	
2012	8,477	10.5	89,010	
2013	16,900	9.5	160,552	
2014	129,852	8.5	1,103,740	
2015	207,027	7.5	1,552,705	
2016	158,089	6.5	1,027,577	
2017	308,785	5.5	1,698,320	
2018	4,783,957	4.5	21,527,806	
2019	808,755	3.5	2,830,641	
2020	620,105	2.5	1,550,262	
2021	413,792	1.5	620,689	
2022	<u>114,088</u>	0.5	<u>57,044</u>	
	7,797,067		35,306,260	4.53

AEP TEXAS INC.
DEPRECIATION STUDY AS OF DECEMBER 31, 2022
CALCULATION OF AVERAGE AGE OF SURVIVING PLANT

Account 392 Transportation Equipment

VINTAGE <u>YEAR</u>	SURVIVING <u>BALANCE</u>	AGE <u>(YEARS)</u>	DOLLAR <u>YEARS</u>	AVERAGE AGE <u>(YEARS)</u>
2008	<u>185,605</u>	14.5	<u>2,691,274</u>	
	185,605		2,691,274	14.50

AEP TEXAS INC.
DEPRECIATION STUDY AS OF DECEMBER 31, 2022
CALCULATION OF AVERAGE AGE OF SURVIVING PLANT

Account 393, Stores Equipment

<u>VINTAGE</u> <u>YEAR</u>	<u>SURVIVING</u> <u>BALANCE</u>	<u>AGE</u> <u>(YEARS)</u>	<u>DOLLAR</u> <u>YEARS</u>	<u>AVERAGE AGE</u> <u>(YEARS)</u>
2003	1,602	19.5	31,233	
2006	2,745	16.5	45,289	
2010	9,918	12.5	123,981	
2011	585,656	11.5	6,735,047	
2012	47,350	10.5	497,171	
2013	207,680	9.5	1,972,964	
2014	20,841	8.5	177,149	
2015	25,080	7.5	188,100	
2016	95,674	6.5	621,881	
2018	304,574	4.5	1,370,585	
2019	128,796	3.5	450,787	
2020	639,956	2.5	1,599,889	
2021	155,514	1.5	233,271	
2022	<u>421,963</u>	0.5	<u>210,981</u>	
	2,647,349		14,258,328	5.39

AEP TEXAS INC.
DEPRECIATION STUDY AS OF DECEMBER 31, 2022
CALCULATION OF AVERAGE AGE OF SURVIVING PLANT

Account 394, Tools, Shop & Garage Equipment

VINTAGE YEAR	SURVIVING BALANCE	AGE (YEARS)	DOLLAR YEARS	AVERAGE AGE (YEARS)
1988	143,901	34.5	4,964,587	
1989	147,817	33.5	4,951,864	
1990	155,291	32.5	5,046,965	
1991	244,225	31.5	7,693,095	
1992	204,343	30.5	6,232,451	
1993	196,541	29.5	5,797,949	
1994	442,675	28.5	12,616,224	
1995	315,594	27.5	8,678,846	
1996	687,794	26.5	18,226,528	
1997	242,534	25.5	6,184,627	
1998	140,128	24.5	3,433,136	
1999	3,454,941	23.5	81,191,115	
2000	374,021	22.5	8,415,473	
2001	532,726	21.5	11,453,619	
2002	1,870,268	20.5	38,340,494	
2003	854,064	19.5	16,654,250	
2004	469,352	18.5	8,683,012	
2005	621,717	17.5	10,880,055	
2006	2,137,044	16.5	35,261,218	
2007	1,965,559	15.5	30,466,168	
2008	2,861,881	14.5	41,497,276	
2009	1,269,480	13.5	17,137,981	
2010	2,175,477	12.5	27,193,467	
2011	3,047,065	11.5	35,041,243	
2012	1,379,779	10.5	14,487,677	
2013	1,943,147	9.5	18,459,895	
2014	3,370,207	8.5	28,646,761	
2015	4,298,354	7.5	32,237,651	
2016	3,615,713	6.5	23,502,134	
2017	5,120,484	5.5	28,162,664	
2018	3,491,333	4.5	15,711,000	
2019	1,919,434	3.5	6,718,019	
2020	2,882,631	2.5	7,206,577	
2021	8,452,639	1.5	12,678,958	
2022	<u>4,599,225</u>	0.5	<u>2,299,612</u>	
	65,627,384		636,152,591	9.69

**AEP TEXAS INC.
DEPRECIATION STUDY AS OF DECEMBER 31, 2022
CALCULATION OF AVERAGE AGE OF SURVIVING PLANT**

Account 395, Laboratory Equipment

VINTAGE YEAR	SURVIVING BALANCE	AGE (YEARS)	DOLLAR YEARS	AVERAGE AGE (YEARS)
2005	22,591	17.5	395,338	
2007	7,252	15.5	112,413	
2008	174,884	14.5	2,535,818	
2015	75,795	7.5	568,460	
2017	<u>160,372</u>	5.5	<u>882,048</u>	
	440,894		4,494,077	10.19

AEP TEXAS INC.
DEPRECIATION STUDY AS OF DECEMBER 31, 2022
CALCULATION OF AVERAGE AGE OF SURVIVING PLANT

Account 396, Power Operated Equipment

VINTAGE <u>YEAR</u>	SURVIVING <u>BALANCE</u>	AGE <u>(YEARS)</u>	DOLLAR <u>YEARS</u>	AVERAGE AGE <u>(YEARS)</u>
2009	<u>21,803</u>	13.5	<u>294,335</u>	
	21,803		294,335	13.50

AEP TEXAS INC.
DEPRECIATION STUDY AS OF DECEMBER 31, 2022
CALCULATION OF AVERAGE AGE OF SURVIVING PLANT

Account 397, Communications Equipment

<u>VINTAGE</u> <u>YEAR</u>	<u>SURVIVING</u> <u>BALANCE</u>	<u>AGE</u> <u>(YEARS)</u>	<u>DOLLAR</u> <u>YEARS</u>	<u>AVERAGE AGE</u> <u>(YEARS)</u>
2003	2,625,211	19.5	51,191,616	
2004	938,619	18.5	17,364,458	
2005	1,490,883	17.5	26,090,454	
2006	828,093	16.5	13,663,542	
2007	2,171,970	15.5	33,665,529	
2008	3,437,540	14.5	49,844,326	
2009	5,219,008	13.5	70,456,607	
2010	1,322,076	12.5	16,525,954	
2011	1,149,962	11.5	13,224,560	
2012	5,509,804	10.5	57,852,937	
2013	1,420,199	9.5	13,491,891	
2014	378,655	8.5	3,218,570	
2015	6,432,996	7.5	48,247,468	
2016	11,501,197	6.5	74,757,781	
2017	3,390,040	5.5	18,645,217	
2018	25,053,160	4.5	112,739,220	
2019	40,224,498	3.5	140,785,742	
2020	36,032,627	2.5	90,081,569	
2021	71,484,345	1.5	107,226,517	
2022	<u>17,472,565</u>	0.5	<u>8,736,283</u>	
	238,083,447		967,810,241	4.07

**AEP TEXAS INC.
DEPRECIATION STUDY AS OF DECEMBER 31, 2022
CALCULATION OF AVERAGE AGE OF SURVIVING PLANT**

Account 397.16, AMI Communications Equipment

<u>VINTAGE YEAR</u>	<u>SURVIVING BALANCE</u>	<u>AGE (YEARS)</u>	<u>DOLLAR YEARS</u>	<u>AVERAGE AGE (YEARS)</u>
2016	175,324	6.5	1,139,603	
2017	3,180,508	5.5	17,492,793	
2018	2,041,353	4.5	9,186,086	
2019	280,596	3.5	982,084	
2020	764,162	2.5	1,910,406	
2021	1,556,515	1.5	2,334,772	
2022	<u>478,223</u>	0.5	<u>239,112</u>	
	8,476,679		33,284,856	3.93

AEP TEXAS INC.
DEPRECIATION STUDY AS OF DECEMBER 31, 2022
CALCULATION OF AVERAGE AGE OF SURVIVING PLANT

Account 398, Miscellaneous Equipment

<u>VINTAGE</u> <u>YEAR</u>	<u>SURVIVING</u> <u>BALANCE</u>	<u>AGE</u> <u>(YEARS)</u>	<u>DOLLAR</u> <u>YEARS</u>	<u>AVERAGE AGE</u> <u>(YEARS)</u>
2003	169,032	19.5	3,296,133	
2004	530,484	18.5	9,813,949	
2005	324,823	17.5	5,684,394	
2006	72,555	16.5	1,197,155	
2007	163,919	15.5	2,540,751	
2008	479,551	14.5	6,953,495	
2009	912,691	13.5	12,321,324	
2010	89,491	12.5	1,118,638	
2011	113,061	11.5	1,300,200	
2012	59,587	10.5	625,665	
2013	732,476	9.5	6,958,521	
2014	58,737	8.5	499,265	
2015	102,046	7.5	765,346	
2016	66,685	6.5	433,451	
2017	240,853	5.5	1,324,693	
2018	2,925,736	4.5	13,165,810	
2019	76,206	3.5	266,720	
2020	423,475	2.5	1,058,689	
2021	864,535	1.5	1,296,803	
2022	<u>185,849</u>	0.5	<u>92,924</u>	
	8,591,792		70,713,926	8.23

AEP TEXAS INC.

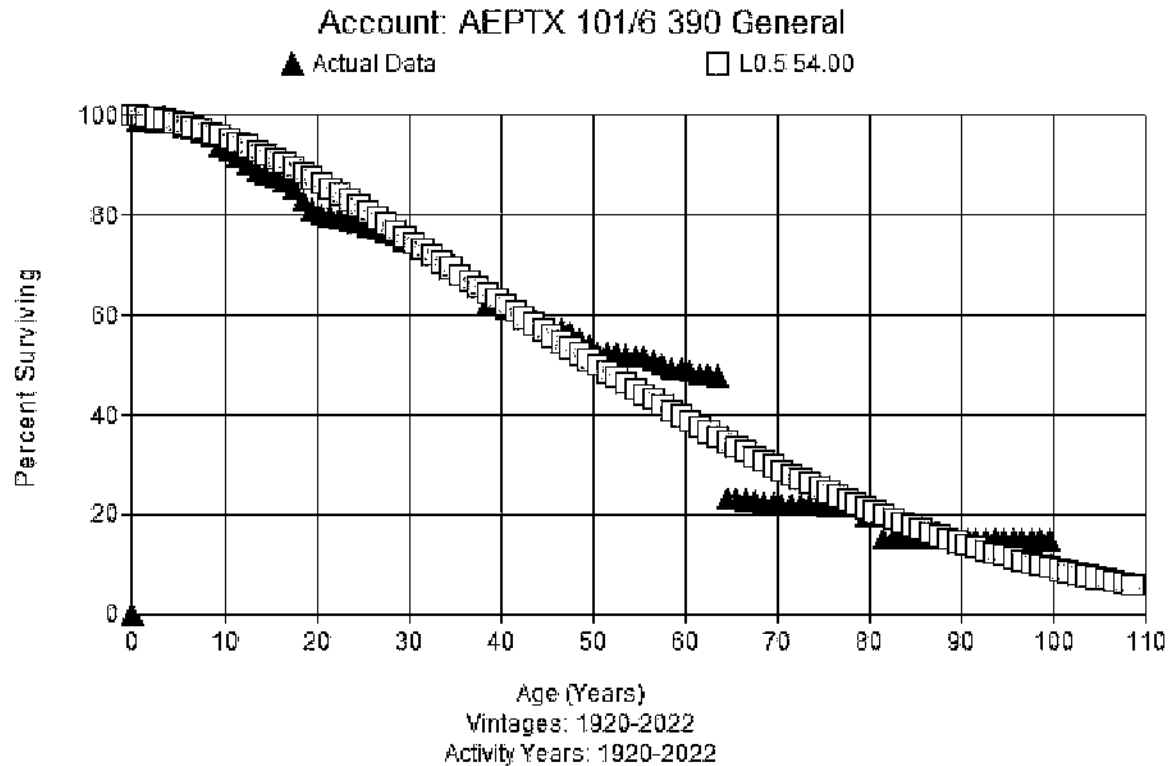
DEPRECIATION STUDY AS OF DECEMBER 31, 2022

GENERAL PLANT

ACTUARIAL ANALYSIS GRAPHS

**AEP TEXAS INC.
ACCOUNT 390 GRAPH
DEPRECIATION STUDY AS OF DECEMBER 31, 2022**

Account 390 Structures & Improvements



The above graph for account 390 includes activity years 1920 to 2022. As indicated above, I recommend updating to a L0.5 dispersion and a 54-year average service life for this study.

AEP TEXAS INC.

DEPRECIATION STUDY AS OF DECEMBER 31, 2022

DEPRECIATION STUDY WORK PAPERS

GENERAL PLANT

GENERATION ARRANGEMENT REPORT

AEP TEXAS INC.
GENERATION ARRANGEMENT REPORT
Depreciation Study as of December 31, 2022

Account: AEPTX 101/6 390 Structures & Improvements
Dispersion: 54.00, L0.5
Average Net Salvage Rate: 8%

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
2022	0.5	\$833,899.15	54.00	53.55	0.9123	1.0000	\$760,734.69	\$14,207.17
2021	1.5	\$9,745,098.47	54.00	52.68	0.8975	1.0000	\$8,746,329.73	\$166,027.60
2020	2.5	\$6,429,662.36	54.00	51.85	0.8834	1.0000	\$5,679,908.54	\$109,542.40
2019	3.5	\$26,112,196.16	54.00	51.05	0.8698	1.0000	\$22,711,325.66	\$444,874.45
2018	4.5	\$231,783,193.95	54.00	50.28	0.8565	1.0000	\$198,531,435.90	\$3,948,898.86
2017	5.5	\$5,496,488.49	54.00	49.52	0.8437	1.0000	\$4,637,359.94	\$93,643.88
2016	6.5	\$802,003.83	54.00	48.79	0.8312	1.0000	\$666,627.99	\$13,663.77
2015	7.5	\$8,091,222.38	54.00	48.07	0.8190	1.0000	\$6,627,115.44	\$137,850.46
2014	8.5	\$2,130,182.13	54.00	47.38	0.8072	1.0000	\$1,719,507.10	\$36,291.99
2013	9.5	\$2,488,606.11	54.00	46.70	0.7957	1.0000	\$1,980,138.68	\$42,398.47
2012	10.5	\$1,991,454.90	54.00	46.04	0.7845	1.0000	\$1,562,200.56	\$33,928.49
2011	11.5	\$1,055,078.02	54.00	45.40	0.7735	1.0000	\$816,122.35	\$17,975.40
2010	12.5	\$983,539.61	54.00	44.78	0.7629	1.0000	\$750,314.25	\$16,756.60
2009	13.5	\$3,853,398.90	54.00	44.17	0.7525	1.0000	\$2,899,744.87	\$65,650.50
2008	14.5	\$1,883,754.22	54.00	43.58	0.7424	1.0000	\$1,398,589.64	\$32,093.59
2007	15.5	\$1,842,747.05	54.00	43.00	0.7327	1.0000	\$1,350,115.29	\$31,394.95
2006	16.5	\$5,937,809.49	54.00	42.45	0.7232	1.0000	\$4,293,941.12	\$101,162.68
2005	17.5	\$31,222.95	54.00	41.90	0.7139	1.0000	\$22,290.35	\$531.95
2004	18.5	\$4,659,291.75	54.00	41.38	0.7049	1.0000	\$3,284,493.70	\$79,380.53
2003	19.5	\$275,283.79	54.00	40.86	0.6962	1.0000	\$191,654.71	\$4,690.02
2002	20.5	\$8,281,027.24	54.00	40.37	0.6877	1.0000	\$5,695,144.53	\$141,084.17
2001	21.5	\$1,308,694.55	54.00	39.88	0.6795	1.0000	\$889,274.74	\$22,296.28
2000	22.5	\$1,002,005.12	54.00	39.42	0.6715	1.0000	\$672,867.86	\$17,071.20
1999	23.5	\$1,121,576.73	54.00	38.96	0.6638	1.0000	\$744,451.19	\$19,108.34
1998	24.5	\$674,751.15	54.00	38.52	0.6562	1.0000	\$442,766.10	\$11,495.76
1997	25.5	\$1,726,435.35	54.00	38.08	0.6488	1.0000	\$1,120,151.44	\$29,413.34
1996	26.5	\$4,698,499.75	54.00	37.66	0.6416	1.0000	\$3,014,757.78	\$80,048.51
1995	27.5	\$120,996.16	54.00	37.26	0.6348	1.0000	\$76,814.15	\$2,061.42
1994	28.5	\$779,433.50	54.00	36.87	0.6282	1.0000	\$489,617.87	\$13,279.24
1993	29.5	\$326,753.94	54.00	36.48	0.6216	1.0000	\$203,100.68	\$5,566.92
1992	30.5	\$141,668.99	54.00	36.10	0.6150	1.0000	\$87,131.75	\$2,413.62
1991	31.5	\$664,928.69	54.00	35.72	0.6086	1.0000	\$404,652.44	\$11,328.41
1990	32.5	\$496,091.89	54.00	35.34	0.6022	1.0000	\$298,728.53	\$8,451.94
1989	33.5	\$716,910.88	54.00	34.97	0.5958	1.0000	\$427,158.85	\$12,214.04
1988	34.5	\$715,231.35	54.00	34.60	0.5896	1.0000	\$421,676.08	\$12,185.42
1987	35.5	\$24,362,342.71	54.00	34.24	0.5834	1.0000	\$14,212,060.27	\$415,062.14
1986	36.5	\$2,853,684.37	54.00	33.88	0.5772	1.0000	\$1,647,215.86	\$48,618.33
1985	37.5	\$1,495,655.05	54.00	33.52	0.5711	1.0000	\$854,240.95	\$25,481.53
1984	38.5	\$481,251.08	54.00	33.17	0.5651	1.0000	\$271,973.19	\$8,199.09
1983	39.5	\$6,434,828.79	54.00	32.82	0.5592	1.0000	\$3,598,267.25	\$109,630.42
1982	40.5	\$1,723,463.08	54.00	32.48	0.5533	1.0000	\$953,594.07	\$29,362.70
1981	41.5	\$155,635.73	54.00	32.13	0.5475	1.0000	\$85,205.21	\$2,651.57
1980	42.5	\$287,490.42	54.00	31.80	0.5417	1.0000	\$155,732.90	\$4,897.98
1979	43.5	\$102,721.59	54.00	31.46	0.5360	1.0000	\$55,057.54	\$1,750.07
1978	44.5	\$140,591.49	54.00	31.13	0.5303	1.0000	\$74,561.01	\$2,395.26
1977	45.5	\$1,024,832.74	54.00	30.80	0.5247	1.0000	\$537,769.72	\$17,460.11
1976	46.5	\$16,466.78	54.00	30.47	0.5192	1.0000	\$8,549.60	\$280.55
1975	47.5	\$1,299,620.31	54.00	30.15	0.5137	1.0000	\$667,650.80	\$22,141.68
1974	48.5	\$36,610.76	54.00	29.84	0.5083	1.0000	\$18,609.41	\$623.74
1973	49.5	\$480,659.78	54.00	29.52	0.5029	1.0000	\$241,739.89	\$8,189.02

AEP TEXAS INC.
GENERATION ARRANGEMENT REPORT
Depreciation Study as of December 31, 2022

Account: AEPTX 101/6 390 Structures & Improvements
Dispersion: 54.00, L0.5
Average Net Salvage Rate: 8%

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
1972	50.5	\$508,806.50	54.00	29.21	0.4976	1.0000	\$253,191.40	\$8,668.56
1971	51.5	\$17,158.53	54.00	28.90	0.4924	1.0000	\$8,448.10	\$292.33
1970	52.5	\$25,669.02	54.00	28.59	0.4872	1.0000	\$12,504.70	\$437.32
1969	53.5	\$83,773.23	54.00	28.29	0.4820	1.0000	\$40,378.91	\$1,427.25
1968	54.5	\$135,316.06	54.00	27.99	0.4769	1.0000	\$64,532.59	\$2,305.38
1967	55.5	\$20,416.40	54.00	27.70	0.4718	1.0000	\$9,633.40	\$347.83
1966	56.5	\$102,994.16	54.00	27.40	0.4668	1.0000	\$48,082.67	\$1,754.72
1965	57.5	\$128,494.55	54.00	27.11	0.4619	1.0000	\$59,352.00	\$2,189.17
1964	58.5	\$10,832.53	54.00	26.82	0.4570	1.0000	\$4,950.52	\$184.55
1963	59.5	\$25,864.58	54.00	26.54	0.4522	1.0000	\$11,694.90	\$440.66
1962	60.5	\$90,622.12	54.00	26.26	0.4474	1.0000	\$40,541.32	\$1,543.93
1961	61.5	\$319.34	54.00	25.98	0.4426	1.0000	\$141.34	\$5.44
1960	62.5	\$89,302.03	54.00	25.70	0.4379	1.0000	\$39,106.23	\$1,521.44
1959	63.5	\$50,553.58	54.00	25.43	0.4333	1.0000	\$21,902.63	\$861.28
1958	64.5	\$4,960.99	54.00	25.16	0.4287	1.0000	\$2,126.53	\$84.52
1957	65.5	\$240,773.50	54.00	24.89	0.4241	1.0000	\$102,108.43	\$4,102.07
1956	66.5	\$86,198.70	54.00	24.63	0.4196	1.0000	\$36,167.04	\$1,468.57
1955	67.5	\$563,711.43	54.00	24.37	0.4151	1.0000	\$234,002.79	\$9,603.97
1954	68.5	\$822,910.72	54.00	24.11	0.4107	1.0000	\$337,961.99	\$14,019.96
1953	69.5	\$183,348.64	54.00	23.85	0.4063	1.0000	\$74,497.55	\$3,123.72
1952	70.5	\$352,528.95	54.00	23.60	0.4020	1.0000	\$141,712.95	\$6,006.05
1951	71.5	\$6,269.67	54.00	23.34	0.3977	1.0000	\$2,493.44	\$106.82
1950	72.5	\$1,348.87	54.00	23.09	0.3935	1.0000	\$530.72	\$22.98
1949	73.5	\$11,628.99	54.00	22.85	0.3893	1.0000	\$4,526.67	\$198.12
1948	74.5	\$216,886.32	54.00	22.60	0.3851	1.0000	\$83,525.07	\$3,695.10
1947	75.5	\$7,575.47	54.00	22.36	0.3810	1.0000	\$2,886.25	\$129.06
1946	76.5	\$101.55	54.00	22.12	0.3769	1.0000	\$38.28	\$1.73
1945	77.5	\$71,696.50	54.00	21.89	0.3729	1.0000	\$26,735.64	\$1,221.50
1944	78.5	\$86.76	54.00	21.65	0.3689	1.0000	\$32.01	\$1.48
1943	79.5	\$230.00	54.00	21.42	0.3650	1.0000	\$83.95	\$3.92
1942	80.5	\$320.04	54.00	21.19	0.3611	1.0000	\$115.56	\$5.45
1938	84.5	\$75.36	54.00	20.30	0.3459	1.0000	\$26.07	\$1.28
1937	85.5	\$7,123.14	54.00	20.09	0.3422	1.0000	\$2,437.73	\$121.36
1936	86.5	\$49.16	54.00	19.87	0.3386	1.0000	\$16.64	\$0.84
1935	87.5	\$27.10	54.00	19.66	0.3350	1.0000	\$9.08	\$0.46
1931	91.5	\$18,445.89	54.00	18.84	0.3209	1.0000	\$5,920.20	\$314.26
1930	92.5	\$74,310.02	54.00	18.64	0.3175	1.0000	\$23,596.21	\$1,266.02
1929	93.5	\$932.92	54.00	18.44	0.3142	1.0000	\$293.10	\$15.89
1928	94.5	\$44,665.61	54.00	18.25	0.3109	1.0000	\$13,885.33	\$760.97
1927	95.5	\$205,616.95	54.00	18.05	0.3076	1.0000	\$63,241.70	\$3,503.10
1926	96.5	\$35,628.86	54.00	17.86	0.3043	1.0000	\$10,843.21	\$607.01
1925	97.5	\$90,960.34	54.00	17.67	0.3011	1.0000	\$27,389.85	\$1,549.69
1923	99.5	\$8,431.65	54.00	17.31	0.2948	1.0000	\$2,485.99	\$143.65
		\$384,443,960.41	54.00	47.15	0.8033	1.0000	\$308,814,622.86	\$6,549,785.97

AEP TEXAS INC.
GENERATION ARRANGEMENT REPORT
Depreciation Study as of December 31, 2022

Account: AEPTX 101/6 391 Office Furniture
Dispersion: 15.00, SQ
Average Net Salvage Rate: -4%

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
2022	0.5	\$114,088.47	15.00	14.50	1.0053	1.0000	\$114,696.94	\$7,910.13
2021	1.5	\$413,792.45	15.00	13.50	0.9360	1.0000	\$387,309.73	\$28,689.61
2020	2.5	\$620,104.82	15.00	12.50	0.8667	1.0000	\$537,424.18	\$42,993.93
2019	3.5	\$808,754.69	15.00	11.50	0.7973	1.0000	\$644,847.07	\$56,073.66
2018	4.5	\$4,783,956.85	15.00	10.50	0.7280	1.0000	\$3,482,720.59	\$331,687.67
2017	5.5	\$308,785.39	15.00	9.50	0.6587	1.0000	\$203,386.64	\$21,409.12
2016	6.5	\$158,088.70	15.00	8.50	0.5893	1.0000	\$93,166.94	\$10,960.82
2015	7.5	\$207,027.27	15.00	7.50	0.5200	1.0000	\$107,654.18	\$14,353.89
2014	8.5	\$129,851.78	15.00	6.50	0.4507	1.0000	\$58,519.87	\$9,003.06
2013	9.5	\$16,900.23	15.00	5.50	0.3813	1.0000	\$6,444.62	\$1,171.75
2012	10.5	\$8,477.13	15.00	4.50	0.3120	1.0000	\$2,644.86	\$587.75
2011	11.5	\$6,066.87	15.00	3.50	0.2427	1.0000	\$1,472.23	\$420.64
2010	12.5	\$39,024.05	15.00	2.50	0.1733	1.0000	\$6,764.17	\$2,705.67
2009	13.5	\$110,808.44	15.00	1.50	0.1040	1.0000	\$11,524.08	\$7,682.72
2008	14.5	\$71,340.03	15.00	0.50	0.0347	1.0000	\$2,473.12	\$4,946.24
		\$7,797,067.17	15.00	10.47	0.7260	1.0000	\$5,661,049.22	\$540,596.66

AEP TEXAS INC.
GENERATION ARRANGEMENT REPORT
Depreciation Study as of December 31, 2022

Account: AEPTX 101/6 392 Transportation Equipment
Dispersion: 15.00, SQ
Average Net Salvage Rate: 0%

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
2022	0.5	\$185,605.55	15.00	0.50	0.0333	1.0000	\$6,186.85	\$12,373.70
		\$185,605.55	15.00	0.50	0.0333	1.0000	\$6,186.85	\$12,373.70

AEP TEXAS INC.
GENERATION ARRANGEMENT REPORT
Depreciation Study as of December 31, 2022

Account: AEPTX 101/6 393 Stores Equipment
Dispersion: 22.00, SQ
Average Net Salvage Rate: -1%

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
2022	0.5	\$421,962.80	22.00	21.50	0.9870	1.0000	\$416,496.46	\$19,371.93
2021	1.5	\$155,513.74	22.00	20.50	0.9411	1.0000	\$146,359.64	\$7,139.49
2020	2.5	\$639,955.64	22.00	19.50	0.8952	1.0000	\$572,905.74	\$29,379.78
2019	3.5	\$128,796.31	22.00	18.50	0.8493	1.0000	\$109,389.05	\$5,912.92
2018	4.5	\$304,574.40	22.00	17.50	0.8034	1.0000	\$244,697.84	\$13,982.73
2016	6.5	\$95,674.01	22.00	15.50	0.7116	1.0000	\$68,080.76	\$4,392.31
2015	7.5	\$25,080.01	22.00	14.50	0.6657	1.0000	\$16,695.31	\$1,151.40
2014	8.5	\$20,841.07	22.00	13.50	0.6198	1.0000	\$12,916.73	\$956.79
2013	9.5	\$207,680.37	22.00	12.50	0.5739	1.0000	\$119,180.21	\$9,534.42
2012	10.5	\$47,349.63	22.00	11.50	0.5280	1.0000	\$24,998.45	\$2,173.78
2011	11.5	\$585,656.29	22.00	10.50	0.4820	1.0000	\$282,312.95	\$26,886.95
2010	12.5	\$9,918.49	22.00	9.50	0.4361	1.0000	\$4,325.81	\$455.35
2006	16.5	\$2,744.77	22.00	5.50	0.2525	1.0000	\$693.05	\$126.01
2003	19.5	\$1,601.67	22.00	2.50	0.1148	1.0000	\$183.83	\$73.53
		\$2,647,349.20	22.00	16.61	0.7627	1.0000	\$2,019,235.83	\$121,537.39

AEP TEXAS INC.
GENERATION ARRANGEMENT REPORT
Depreciation Study as of December 31, 2022

Account: AEPTX 101/6 394 Tools, Shop and Garage Equipment
Dispersion: 35.00, SQ
Average Net Salvage Rate: -7%

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
2022	0.5	\$4,599,224.50	35.00	34.50	1.0547	1.0000	\$4,850,867.78	\$140,604.86
2021	1.5	\$8,452,638.99	35.00	33.50	1.0241	1.0000	\$8,656,709.85	\$258,409.25
2020	2.5	\$2,882,630.82	35.00	32.50	0.9936	1.0000	\$2,864,099.62	\$88,126.14
2019	3.5	\$1,919,433.88	35.00	31.50	0.9630	1.0000	\$1,848,414.83	\$58,679.84
2018	4.5	\$3,491,333.41	35.00	30.50	0.9324	1.0000	\$3,255,419.02	\$106,735.05
2017	5.5	\$5,120,484.44	35.00	29.50	0.9019	1.0000	\$4,617,945.47	\$156,540.52
2016	6.5	\$3,615,712.93	35.00	28.50	0.8713	1.0000	\$3,150,319.02	\$110,537.51
2015	7.5	\$4,298,353.52	35.00	27.50	0.8407	1.0000	\$3,613,687.21	\$131,406.81
2014	8.5	\$3,370,207.23	35.00	26.50	0.8101	1.0000	\$2,730,349.31	\$103,032.05
2013	9.5	\$1,943,146.80	35.00	25.50	0.7796	1.0000	\$1,514,821.73	\$59,404.77
2012	10.5	\$1,379,778.79	35.00	24.50	0.7490	1.0000	\$1,033,454.31	\$42,181.81
2011	11.5	\$3,047,064.65	35.00	23.50	0.7184	1.0000	\$2,189,098.30	\$93,153.12
2010	12.5	\$2,175,477.33	35.00	22.50	0.6879	1.0000	\$1,496,417.62	\$66,507.45
2009	13.5	\$1,269,480.04	35.00	21.50	0.6573	1.0000	\$834,411.09	\$38,809.82
2008	14.5	\$2,861,881.11	35.00	20.50	0.6267	1.0000	\$1,793,581.78	\$87,491.79
2007	15.5	\$1,965,559.24	35.00	19.50	0.5961	1.0000	\$1,171,754.10	\$60,089.95
2006	16.5	\$2,137,043.53	35.00	18.50	0.5656	1.0000	\$1,208,650.76	\$65,332.47
2005	17.5	\$621,717.45	35.00	17.50	0.5350	1.0000	\$332,618.84	\$19,006.79
2004	18.5	\$469,352.00	35.00	16.50	0.5044	1.0000	\$236,754.56	\$14,348.76
2003	19.5	\$854,064.09	35.00	15.50	0.4739	1.0000	\$404,704.37	\$26,109.96
2002	20.5	\$1,870,267.98	35.00	14.50	0.4433	1.0000	\$829,063.08	\$57,176.76
2001	21.5	\$532,726.47	35.00	13.50	0.4127	1.0000	\$219,863.82	\$16,286.21
2000	22.5	\$374,021.01	35.00	12.50	0.3821	1.0000	\$142,929.46	\$11,434.36
1999	23.5	\$3,454,941.07	35.00	11.50	0.3516	1.0000	\$1,214,658.57	\$105,622.48
1998	24.5	\$140,128.01	35.00	10.50	0.3210	1.0000	\$44,981.09	\$4,283.91
1997	25.5	\$242,534.38	35.00	9.50	0.2904	1.0000	\$70,438.91	\$7,414.62
1996	26.5	\$687,793.51	35.00	8.50	0.2599	1.0000	\$178,728.06	\$21,026.83
1995	27.5	\$315,594.41	35.00	7.50	0.2293	1.0000	\$72,361.29	\$9,648.17
1994	28.5	\$442,674.52	35.00	6.50	0.1987	1.0000	\$87,965.75	\$13,533.19
1993	29.5	\$196,540.66	35.00	5.50	0.1681	1.0000	\$33,046.91	\$6,008.53
1992	30.5	\$204,342.64	35.00	4.50	0.1376	1.0000	\$28,111.71	\$6,247.05
1991	31.5	\$244,225.25	35.00	3.50	0.1070	1.0000	\$26,132.10	\$7,466.31
1990	32.5	\$155,291.22	35.00	2.50	0.0764	1.0000	\$11,868.69	\$4,747.47
1989	33.5	\$147,816.84	35.00	1.50	0.0459	1.0000	\$6,778.46	\$4,518.97
1988	34.5	\$143,901.08	35.00	0.50	0.0153	1.0000	\$2,199.63	\$4,399.26
		\$65,627,383.80	35.00	25.31	0.7737	1.0000	\$50,773,207.10	\$2,006,322.84

AEP TEXAS INC.
GENERATION ARRANGEMENT REPORT
Depreciation Study as of December 31, 2022

Account: AEPTX 101/6 395 Laboratory Equipment
Dispersion: 33.00, SQ
Average Net Salvage Rate: 0%

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
2017	5.5	\$160,372.39	33.00	27.50	0.8333	1.0000	\$133,643.66	\$4,859.77
2015	7.5	\$75,794.62	33.00	25.50	0.7727	1.0000	\$58,568.57	\$2,296.81
2008	14.5	\$174,884.03	33.00	18.50	0.5606	1.0000	\$98,041.05	\$5,299.52
2007	15.5	\$7,252.45	33.00	17.50	0.5303	1.0000	\$3,846.00	\$219.77
2005	17.5	\$22,590.72	33.00	15.50	0.4697	1.0000	\$10,610.79	\$684.57
		<u>\$440,894.21</u>	<u>33.00</u>	<u>22.81</u>	<u>0.6911</u>	<u>1.0000</u>	<u>\$304,710.07</u>	<u>\$13,360.44</u>

AEP TEXAS INC.
GENERATION ARRANGEMENT REPORT
Depreciation Study as of December 31, 2022

Account: AEPTX 101/6 396 Power Operated Equipment
Dispersion: 15.00, SQ
Average Net Salvage Rate: 3%

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
2009	13.5	\$21,802.61	15.00	1.50	0.1000	1.0000	\$2,180.26	\$1,453.51
		\$21,802.61	15.00	1.50	0.1000	1.0000	\$2,180.26	\$1,453.51

AEP TEXAS INC.
GENERATION ARRANGEMENT REPORT
Depreciation Study as of December 31, 2022

Account: AEPTX 101/6 397 Communication Equipment
Dispersion: 20.00, SQ
Average Net Salvage Rate: 5%

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
2022	0.5	\$17,472,565.12	20.00	19.50	0.9263	1.0000	\$16,183,963.44	\$829,946.84
2021	1.5	\$71,484,344.63	20.00	18.50	0.8788	1.0000	\$62,816,867.84	\$3,395,506.37
2020	2.5	\$36,032,627.42	20.00	17.50	0.8313	1.0000	\$29,952,121.54	\$1,711,549.80
2019	3.5	\$40,224,497.58	20.00	16.50	0.7838	1.0000	\$31,525,949.98	\$1,910,663.64
2018	4.5	\$25,053,159.91	20.00	15.50	0.7363	1.0000	\$18,445,388.98	\$1,190,025.10
2017	5.5	\$3,390,039.50	20.00	14.50	0.6888	1.0000	\$2,334,889.71	\$161,026.88
2016	6.5	\$11,501,197.01	20.00	13.50	0.6413	1.0000	\$7,375,142.58	\$546,306.86
2015	7.5	\$6,432,995.71	20.00	12.50	0.5938	1.0000	\$3,819,591.20	\$305,567.30
2014	8.5	\$378,655.26	20.00	11.50	0.5463	1.0000	\$206,840.44	\$17,986.12
2013	9.5	\$1,420,199.07	20.00	10.50	0.4988	1.0000	\$708,324.29	\$67,459.46
2012	10.5	\$5,509,803.56	20.00	9.50	0.4513	1.0000	\$2,486,298.86	\$261,715.67
2011	11.5	\$1,149,961.70	20.00	8.50	0.4038	1.0000	\$464,297.04	\$54,623.18
2010	12.5	\$1,322,076.30	20.00	7.50	0.3563	1.0000	\$470,989.68	\$62,798.62
2009	13.5	\$5,219,007.95	20.00	6.50	0.3088	1.0000	\$1,611,368.70	\$247,902.88
2008	14.5	\$3,437,539.75	20.00	5.50	0.2613	1.0000	\$898,057.26	\$163,283.14
2007	15.5	\$2,171,969.61	20.00	4.50	0.2138	1.0000	\$464,258.50	\$103,168.56
2006	16.5	\$828,093.46	20.00	3.50	0.1663	1.0000	\$137,670.54	\$39,334.44
2005	17.5	\$1,490,883.07	20.00	2.50	0.1188	1.0000	\$177,042.36	\$70,816.95
2004	18.5	\$938,619.33	20.00	1.50	0.0713	1.0000	\$66,876.63	\$44,584.42
2003	19.5	\$2,625,211.07	20.00	0.50	0.0238	1.0000	\$62,348.76	\$124,697.53
		\$238,083,447.01	20.00	15.93	0.7569	1.0000	\$180,208,288.33	\$11,308,963.76

AEP TEXAS INC.
GENERATION ARRANGEMENT REPORT
Depreciation Study as of December 31, 2022

Account: AEPTX 101/6 397.16 AMI Communication Equipment
Dispersion: 15.00, SQ
Average Net Salvage Rate: 5%

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
2022	0.5	\$478,223.32	15.00	14.50	0.9183	1.0000	\$439,168.42	\$30,287.48
2021	1.5	\$1,556,514.60	15.00	13.50	0.8550	1.0000	\$1,330,819.98	\$98,579.26
2020	2.5	\$764,162.20	15.00	12.50	0.7917	1.0000	\$604,961.74	\$48,396.94
2019	3.5	\$280,595.53	15.00	11.50	0.7283	1.0000	\$204,367.08	\$17,771.05
2018	4.5	\$2,041,352.53	15.00	10.50	0.6650	1.0000	\$1,357,499.43	\$129,285.66
2017	5.5	\$3,180,507.81	15.00	9.50	0.6017	1.0000	\$1,913,605.53	\$201,432.16
2016	6.5	\$175,323.50	15.00	8.50	0.5383	1.0000	\$94,382.48	\$11,103.82
		\$8,476,679.49	15.00	11.07	0.7013	1.0000	\$5,944,804.66	\$536,856.37

AEP TEXAS INC.
GENERATION ARRANGEMENT REPORT
Depreciation Study as of December 31, 2022

Account: AEPTX 101/6 398 Miscellaneous Equipment
Dispersion: 20.00, SQ
Average Net Salvage Rate: -6%

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
2022	0.5	\$185,848.56	20.00	19.50	1.0043	1.0000	\$186,638.42	\$9,571.20
2021	1.5	\$864,535.22	20.00	18.50	0.9528	1.0000	\$823,685.93	\$44,523.56
2020	2.5	\$423,475.46	20.00	17.50	0.9013	1.0000	\$381,657.26	\$21,808.99
2019	3.5	\$76,205.61	20.00	16.50	0.8498	1.0000	\$64,755.72	\$3,924.59
2018	4.5	\$2,925,735.62	20.00	15.50	0.7983	1.0000	\$2,335,468.46	\$150,675.38
2017	5.5	\$240,853.20	20.00	14.50	0.7468	1.0000	\$179,857.13	\$12,403.94
2016	6.5	\$66,684.81	20.00	13.50	0.6953	1.0000	\$46,362.61	\$3,434.27
2015	7.5	\$102,046.11	20.00	12.50	0.6438	1.0000	\$65,692.18	\$5,255.37
2014	8.5	\$58,737.10	20.00	11.50	0.5923	1.0000	\$34,787.05	\$3,024.96
2013	9.5	\$732,475.85	20.00	10.50	0.5408	1.0000	\$396,086.32	\$37,722.51
2012	10.5	\$59,587.17	20.00	9.50	0.4893	1.0000	\$29,153.02	\$3,068.74
2011	11.5	\$113,060.84	20.00	8.50	0.4378	1.0000	\$49,492.38	\$5,822.63
2010	12.5	\$89,491.02	20.00	7.50	0.3863	1.0000	\$34,565.91	\$4,608.79
2009	13.5	\$912,690.67	20.00	6.50	0.3348	1.0000	\$305,523.20	\$47,003.57
2008	14.5	\$479,551.38	20.00	5.50	0.2833	1.0000	\$135,832.93	\$24,696.90
2007	15.5	\$163,919.45	20.00	4.50	0.2318	1.0000	\$37,988.33	\$8,441.85
2006	16.5	\$72,554.83	20.00	3.50	0.1803	1.0000	\$13,078.01	\$3,736.57
2005	17.5	\$324,822.52	20.00	2.50	0.1288	1.0000	\$41,820.90	\$16,728.36
2004	18.5	\$530,483.73	20.00	1.50	0.0773	1.0000	\$40,979.87	\$27,319.91
2003	19.5	\$169,032.48	20.00	0.50	0.0258	1.0000	\$4,352.59	\$8,705.17
		\$8,591,791.63	20.00	11.77	0.6061	1.0000	\$5,207,778.22	\$442,477.26

AEP TEXAS INC.

DEPRECIATION STUDY AS OF DECEMBER 31, 2022

DEPRECIATION STUDY WORK PAPERS

GENERAL PLANT - ACCOUNT 390

OBSERVED LIFE TABLE

AEP TEXAS INC.
DEPRECIATION STUDY AS OF DECEMBER 31, 2022
OBSERVED LIFE TABLE - ACCOUNT 390 STRUCTURES AND IMPROVEMENTS

Observation Band 1920 to 2022

Age at Beginning of Interval	Exposures at Beginning of Interval	Retirements During Interval	Retirement Ratio	Survivor Ratio	Percent Surviving at Beginning of Interval
0	433,106,596	3,767,285	0.00870	0.99130	100.00
0.5	428,505,412	1,347,099	0.00314	0.99686	99.13
1.5	417,413,215	192,885	0.00046	0.99954	98.82
2.5	410,790,668	370,433	0.00090	0.99910	98.77
3.5	384,308,038	866,228	0.00225	0.99775	98.69
4.5	151,658,617	877,571	0.00579	0.99421	98.46
5.5	145,284,557	825,779	0.00568	0.99432	97.89
6.5	143,656,774	1,261,162	0.00878	0.99122	97.34
7.5	134,304,390	1,287,642	0.00959	0.99041	96.48
8.5	130,886,566	2,475,283	0.01891	0.98109	95.56
9.5	125,922,677	1,156,365	0.00918	0.99082	93.75
10.5	122,774,857	1,552,753	0.01265	0.98735	92.89
11.5	120,167,025	1,844,535	0.01535	0.98465	91.71
12.5	117,338,951	1,718,302	0.01464	0.98536	90.31
13.5	111,767,250	1,012,004	0.00905	0.99095	88.98
14.5	108,871,492	744,298	0.00684	0.99316	88.18
15.5	106,284,447	908,356	0.00855	0.99145	87.58
16.5	99,438,281	1,598,586	0.01608	0.98392	86.83
17.5	97,808,472	3,001,788	0.03069	0.96931	85.43
18.5	90,147,392	1,814,792	0.02013	0.97987	82.81
19.5	88,057,316	1,021,952	0.01161	0.98839	81.14
20.5	78,754,336	479,651	0.00609	0.99391	80.20
21.5	76,965,991	194,981	0.00253	0.99747	79.71
22.5	75,769,005	696,494	0.00919	0.99081	79.51
23.5	73,950,935	367,141	0.00496	0.99504	78.78
24.5	72,909,043	475,716	0.00652	0.99348	78.39
25.5	70,706,891	650,627	0.00920	0.99080	77.88
26.5	65,357,765	476,757	0.00729	0.99271	77.16
27.5	64,760,011	554,643	0.00856	0.99144	76.60
28.5	63,425,935	941,006	0.01484	0.98516	75.94
29.5	62,158,175	430,707	0.00693	0.99307	74.82
30.5	61,585,800	872,850	0.01417	0.98583	74.30
31.5	60,048,021	543,513	0.00905	0.99095	73.24
32.5	59,008,416	760,463	0.01289	0.98711	72.58
33.5	57,531,042	553,365	0.00962	0.99038	71.65
34.5	56,262,446	1,639,075	0.02913	0.97087	70.96
35.5	30,261,028	688,698	0.02276	0.97724	68.89
36.5	26,718,646	488,934	0.01830	0.98170	67.32
37.5	24,734,057	1,428,410	0.05775	0.94225	66.09
38.5	22,824,396	51,130	0.00224	0.99776	62.27
39.5	16,338,438	179,480	0.01099	0.98901	62.13
40.5	14,435,495	58,701	0.00407	0.99593	61.45
41.5	14,221,159	180,870	0.01272	0.98728	61.20
42.5	13,752,798	210,105	0.01528	0.98472	60.42
43.5	13,439,971	378,268	0.02815	0.97185	59.50
44.5	12,921,111	109,491	0.00847	0.99153	57.82
45.5	11,786,787	61,240	0.00520	0.99480	57.33
46.5	11,709,081	104,355	0.00891	0.99109	57.04

AEP TEXAS INC.
DEPRECIATION STUDY AS OF DECEMBER 31, 2022
OBSERVED LIFE TABLE - ACCOUNT 390 STRUCTURES AND IMPROVEMENTS

Observation Band 1920 to 2022

Age at Beginning of Interval	Exposures at Beginning of Interval	Retirements During Interval	Retirement Ratio	Survivor Ratio	Percent Surviving at Beginning of Interval
47.5	10,305,106	277,051	0.02688	0.97312	56.53
48.5	9,991,444	216,233	0.02164	0.97836	55.01
49.5	9,294,551	246,338	0.02650	0.97350	53.82
50.5	8,539,407	17,362	0.00203	0.99797	52.39
51.5	8,504,886	17,954	0.00211	0.99789	52.29
52.5	8,461,264	47,374	0.00560	0.99440	52.18
53.5	8,330,117	24,198	0.00290	0.99710	51.89
54.5	8,170,603	17,101	0.00209	0.99791	51.74
55.5	8,133,085	105,363	0.01295	0.98705	51.63
56.5	7,924,728	165,220	0.02085	0.97915	50.96
57.5	7,631,013	88,322	0.01157	0.98843	49.90
58.5	7,531,859	14,617	0.00194	0.99806	49.32
59.5	7,491,378	70,871	0.00946	0.99054	49.22
60.5	7,329,885	98,143	0.01339	0.98661	48.76
61.5	7,231,422	16,391	0.00227	0.99773	48.10
62.5	7,125,729	22,119	0.00310	0.99690	48.00
63.5	7,053,057	3,648,182	0.51725	0.48275	47.85
64.5	3,399,914	2,392	0.00070	0.99930	23.10
65.5	3,156,749	11,064	0.00350	0.99650	23.08
66.5	3,059,487	21,637	0.00707	0.99293	23.00
67.5	2,474,138	72,812	0.02943	0.97057	22.84
68.5	1,578,414	0	0.00000	1.00000	22.17
69.5	1,395,066	6,342	0.00455	0.99545	22.17
70.5	1,036,195	0	0.00000	1.00000	22.07
71.5	1,029,925	226	0.00022	0.99978	22.07
72.5	1,028,350	0	0.00000	1.00000	22.06
73.5	1,016,721	770	0.00076	0.99924	22.06
74.5	799,065	7,980	0.00999	0.99001	22.04
75.5	783,510	0	0.00000	1.00000	21.82
76.5	783,408	1,726	0.00220	0.99780	21.82
77.5	709,986	0	0.00000	1.00000	21.78
78.5	709,899	66,175	0.09322	0.90678	21.78
79.5	643,494	0	0.00000	1.00000	19.75
80.5	643,174	148,106	0.23027	0.76973	19.75
81.5	495,068	0	0.00000	1.00000	15.20
82.5	495,068	837	0.00169	0.99831	15.20
83.5	494,230	0	0.00000	1.00000	15.17
84.5	494,155	0	0.00000	1.00000	15.17
85.5	487,032	0	0.00000	1.00000	15.17
86.5	486,983	4,554	0.00935	0.99065	15.17
87.5	482,401	0	0.00000	1.00000	15.03
88.5	482,401	0	0.00000	1.00000	15.03
89.5	482,401	1,632	0.00338	0.99662	15.03
90.5	480,770	1,323	0.00275	0.99725	14.98
91.5	461,001	0	0.00000	1.00000	14.94
92.5	386,691	455	0.00118	0.99882	14.94
93.5	385,303	0	0.00000	1.00000	14.92
94.5	340,638	0	0.00000	1.00000	14.92

AEP TEXAS INC.
DEPRECIATION STUDY AS OF DECEMBER 31, 2022
OBSERVED LIFE TABLE - ACCOUNT 390 STRUCTURES AND IMPROVEMENTS

Observation Band 1920 to 2022

Age at Beginning of Interval	Exposures at Beginning of Interval	Retirements During Interval	Retirement Ratio	Survivor Ratio	Percent Surviving at Beginning of Interval
95.5	135,021	0	0.00000	1.00000	14.92
96.5	99,392	0	0.00000	1.00000	14.92
97.5	8,432	0	0.00000	1.00000	14.92
98.5	8,432	0	0.00000	1.00000	14.92
99.5	0	0	0.00000	1.00000	14.92

AEP TEXAS INC.

DEPRECIATION STUDY AS OF DECEMBER 31, 2022

DEPRECIATION STUDY WORK PAPERS

SALVAGE AND REMOVAL ANALYSIS

GENERAL PLANT

AEP TEXAS INC.
Net Salvage Analysis - General Plant
Depreciation Study as of December 31, 2022

GENERAL PLANT ACCOUNT 390, Structures and Improvements

Year	Retirements	Salvage Amount	Salvage %	Salvage 10 Yr. Avg	Removal Amount	Removal %	Removal 10 Yr Avg	Net Salvg Amt	Net Salvg %	Net Salvg 10 Yr Avg
1984	65,197	63,450	97.32		6,877	10.55		56,573	86.77	
1985	69,117	31,228	45.18		50	0.07		31,178	45.11	
1986	58,657	1,179	2.01		24,545	41.84		-23,366	-39.83	
1987	112,759	84,203	74.68		881	0.78		83,322	73.89	
1988	130,660	6,158	4.71		0	0.00		6,158	4.71	
1989	194,426	5,415	2.79		12,174	6.26		-6,759	-3.48	
1990	504,131	1,549	0.31		8,400	1.67		-6,851	-1.36	
1991	62,037	255	0.41		3,335	5.38		-3,080	-4.96	
1992	24,283	3,143	12.94		0	0.00		3,143	12.94	
1993	38,856	22,837	58.77	17.41	2,790	7.18	4.69	20,047	51.59	12.73
1994	421,245	319,419	75.83	29.41	32,509	7.72	5.24	286,910	68.11	24.17
1995	15,463	0	0.00	28.43	0	0.00	5.42	0	0.00	23.01
1996	129,414	0	0.00	27.12	0	0.00	3.68	0	0.00	23.44
1997	332,570	0	0.00	19.36	144,073	43.32	10.97	-144,073	-43.32	8.39
1998	0	0	0.00	20.47	0	0.00	11.80	0	0.00	8.67
1999	3,992,704	2,547,005	63.79	52.42	471,641	11.81	12.00	2,075,364	51.98	40.42
2000	98,461	2,622	2.66	56.60	25,777	26.18	13.30	-23,155	-23.52	43.31
2001	100	29,059	29,059.00	57.87	54,710	54,710.00	14.48	-25,651	-25,651.00	43.39
2002	17,242	390,881	2,267.03	65.63	124,285	720.83	16.96	266,596	1546.20	48.67
2003	18,568	112,907	608.07	67.69	179,769	968.17	20.55	-66,862	-360.09	47.14
2004	1,475,683	573,036	38.83	60.12	-272,762	-18.48	11.96	845,798	57.32	48.16
2005	3,305,656	2,256,793	68.27	63.10	109,807	3.32	8.94	2,146,986	64.95	54.16
2006	2,075,081	-1,912	-0.09	52.23	-699,648	-33.72	1.22	697,736	33.62	51.01
2007	941,325	0	0.00	49.56	298,361	31.70	2.45	-298,361	-31.70	47.12
2008	-27,739	3,413	-12.30	49.71	2,896	-10.44	2.48	517	-1.86	47.23
2009	368,934	0	0.00	40.69	62,421	16.92	-1.38	-62,421	-16.92	42.08
2010	85,752	0	0.00	40.73	54,347	63.38	-1.04	-54,347	-63.38	41.76
2011	121,466	0	0.00	39.79	4,400	3.62	-1.62	-4,400	-3.62	41.41
2012	717,279	4,169	0.58	32.46	208,952	29.13	-0.57	-204,782	-28.55	33.03
2013	487,963	104	0.02	29.69	167,299	34.29	-0.67	-167,195	-34.26	30.36
2014	230,827	26,371	11.42	27.56	66,978	29.02	3.32	-40,607	-17.59	24.24
2015	881,228	42,487	4.82	1.27	59,743	6.78	3.84	-17,256	-1.96	-2.57
2016	1,100,122	1,786	0.16	1.60	207,748	18.88	23.09	-205,961	-18.72	-21.50
2017	1,435,272	0	0.00	1.45	345,323	24.06	21.85	-345,323	-24.06	-20.40
2018	2,244,160	0	0.00	0.98	700,274	31.20	24.47	-700,274	-31.20	-23.49
2019	2,027,989	0	0.00	0.80	356,109	17.56	23.27	-356,109	-17.56	-22.46
2020	1,232,440	0	0.00	0.71	738,910	59.96	27.25	-738,910	-59.96	-26.54
2021	2,864,793	0	0.00	0.57	266,253	9.29	23.58	-266,253	-9.29	-23.01
2022	<u>2,843,800</u>	<u>314,922</u>	<u>11.07</u>	<u>2.51</u>	<u>421,598</u>	<u>14.83</u>	<u>21.70</u>	<u>-106,677</u>	<u>-3.75</u>	<u>-19.18</u>
	30,697,923	6,842,479	22.29		4,190,824	13.65		2,651,655	8.64	

Net salvage rates have been trending negative in the most recent years. However, the life to date average continues to show a positive net salvage amount and the net salvage approved in the prior case was also positive. It is recommended that we use the life to date average which supports a **22% salvage factor** and a **14% removal factor** yielding a **8% net salvage rate**.

AEP TEXAS INC.
Net Salvage Analysis - General Plant
Depreciation Study as of December 31, 2022

GENERAL PLANT ACCOUNT 391, Office Furniture and Equipment

Year	Retirements	Salvage Amount	Salvage %	Salvage 10 Yr. Avg	Removal Amount	Removal %	Removal 10 Yr Avg	Net Salvg Amt	Net Salvg %	Net Salvg 10 Yr Avg
1984	22,713	6,470	28.49		6,580	28.97		-110	-0.48	
1985	35,170	4,759	13.53		32	0.09		4,727	13.44	
1986	33,473	9,914	29.62		347	1.04		9,567	28.58	
1987	78,183	8,082	10.34		1,995	2.55		6,087	7.79	
1988	23,261	8,762	37.67		63	0.27		8,699	37.40	
1989	17,594	115	0.65		159	0.90		-44	-0.25	
1990	3,865	295	7.63		0	0.00		295	7.63	
1991	76,830	556	0.72		36	0.05		520	0.68	
1992	45,713	565	1.24		0	0.00		565	1.24	
1993	1,346,275	51,367	3.82	5.40	310	0.02	0.57	51,057	3.79	4.83
1994	921,147	14	0.00	3.27	142	0.02	0.12	-128	-0.01	3.15
1995	0	0	0.00	3.13	0	0.00	0.12	0	0.00	3.01
1996	2,754,268	0	0.00	1.32	0	0.00	0.05	0	0.00	1.27
1997	1,329,756	5,209	0.39	1.03	-3,623	-0.27	-0.04	8,832	0.66	1.07
1998	8,844	99	1.12	0.90	-2,975	-33.64	-0.09	3,074	34.76	0.99
1999	1,183,147	12,744	1.08	0.92	-60	-0.01	-0.08	12,804	1.08	1.00
2000	4,467,347	360	0.01	0.58	27,912	0.62	0.18	-27,552	-0.62	0.41
2001	4,666,344	1,918	0.04	0.43	584	0.01	0.13	1,334	0.03	0.30
2002	475	0	0.00	0.43	12,944	2725.05	0.21	-12,944	-2725.05	0.22
2003	1,092,286	215,341	19.71	1.44	74,925	6.86	0.67	140,416	12.86	0.77
2004	5,453,357	13,158	0.24	1.19	836	0.02	0.53	12,322	0.23	0.66
2005	-798,118	0	0.00	1.23	0	0.00	0.55	0	0.00	0.69
2006	18,318,709	353	0.00	0.70	15	0.00	0.31	337	0.00	0.39
2007	485,876	-30,624	-6.30	0.61	-54,264	-11.17	0.17	23,640	4.87	0.44
2008	4,039,038	1,853	0.05	0.55	-9,291	-0.23	0.14	11,144	0.28	0.42
2009	1,080,131	166	0.02	0.52	-20,304	-1.88	0.09	20,470	1.90	0.44
2010	555,805	342	0.06	0.58	35,181	6.33	0.12	-34,839	-6.27	0.46
2011	1,597,598	0	0.00	0.63	0	0.00	0.13	0	0.00	0.50
2012	2,147,049	0	0.00	0.59	0	0.00	0.08	0	0.00	0.51
2013	11,571	0	0.00	-0.04	0	0.00	-0.15	0	0.00	0.10
2014	474,149	0	0.00	-0.10	0	0.00	-0.17	0	0.00	0.07
2015	125,273	0	0.00	-0.10	26,806	21.40	-0.08	-26,806	-21.40	-0.02
2016	154,093	0	0.00	-0.26	121,613	78.92	0.93	-121,613	-78.92	-1.20
2017	155,786	0	0.00	0.02	15,618	10.03	1.64	-15,618	-10.03	-1.62
2018	275,334	-734	-0.27	0.00	240,099	87.20	6.37	-240,833	-87.47	-6.37
2019	953,356	-6	0.00	-0.01	272,826	28.62	11.04	-272,832	-28.62	-11.05
2020	1,553,421	0	0.00	-0.01	551,320	35.49	16.49	-551,320	-35.49	-16.50
2021	150,711	0	0.00	-0.01	399,255	264.91	27.12	-399,255	-264.91	-27.13
2022	93,750	0	0.00	-0.02	802,506	856.01	61.56	-802,506	-856.01	-61.58
	54,933,581	311,078	0.57		2,501,588	4.55		-2,190,510	-3.99	

Net Salvage factors have historically been low for account 391. Based on the analysis above, the net salvage parameters from the prior study should be changed slightly to use a gross salvage factor of 1% and a 5% gross removal yielding a -4% net salvage.

AEP TEXAS INC.
Net Salvage Analysis - General Plant
Depreciation Study as of December 31, 2022

GENERAL PLANT ACCOUNT 392, Transportation Equipment

Year	Retirements	Salvage Amount	Salvage %	Salvage 10 Yr. Avg	Removal Amount	Removal %	Removal 10 Yr Avg	Net Salvg Amt	Net Salvg %	Net Salvg 10 Yr Avg
2000	691	3,795	549.20		0	0.00		3,795	549.20	
2001	0	0	0.00		0	0.00		0	0.00	
2002	0	0	0.00		0	0.00		0	0.00	
2003	428,971	0	0.00		0	0.00		0	0.00	
2004	23,377	0	0.00		0	0.00		0	0.00	
2005	5,148	0	0.00		0	0.00		0	0.00	
2006	0	0	0.00		0	0.00		0	0.00	
2007	1,109,370	-31	0.00		-56	-0.01		24	0.00	
2008	2	2	89.20		-9	-445.54		11	534.74	
2009	96,316	0	0.00	0.23	-4,821	-5.01	-0.29	4,821	5.01	0.52
2010	50,533	0	0.00	0.00	36	0.07	-0.28	-36	-0.07	0.28
2011	0	0	0.00	0.00	0	0.00	-0.28	0	0.00	0.28
2012	0	0	0.00	0.00	0	0.00	-0.28	0	0.00	0.28
2013	2,212	0	0.00	0.00	23	1.02	-0.38	-23	-1.02	0.37
2014	426,305	0	0.00	0.00	114	0.03	-0.28	-114	-0.03	0.28
2015	1,317,234	9,115	0.69	0.30	104	0.01	-0.15	9,011	0.68	0.46
2016	17,571	0	0.00	0.30	28	0.16	-0.15	-28	-0.16	0.45
2017	554,799	0	0.00	0.37	6	0.00	-0.18	-6	0.00	0.55
2018	0	0	0.00	0.37	0	0.00	-0.18	0	0.00	0.55
2019	22,468	0	0.00	0.38	44	0.19	0.01	-44	-0.19	0.37
2020	75,113	0	0.00	0.38	105	0.14	0.02	-105	-0.14	0.36
2021	0	0	0.00	0.38	0	0.00	0.02	0	0.00	0.36
2022	0	0	0.00	0.38	0	0.00	0.02	0	0.00	0.36
	4,130,110	12,881	0.31		-4,427	-0.11		17,307	0.42	

There is limited salvage and removal history for account 392. Based on the limited history, I recommend using a gross salvage factor of 0% and a 0% gross removal yielding an 0% net salvage.

AEP TEXAS INC.
Net Salvage Analysis - General Plant
Depreciation Study as of December 31, 2022

GENERAL PLANT ACCOUNT 393, Stores Equipment

Year	Retirements	Salvage Amount	Salvage %	Salvage 10 Yr. Avg	Removal Amount	Removal %	Removal 10 Yr Avg	Net Salvg Amt	Net Salvg %	Net Salvg 10 Yr Avg
1985	5,210	0	0.00		0	0.00		0	0.00	
1986	36,404	0	0.00		0	0.00		0	0.00	
1987	0	0	0.00		0	0.00		0	0.00	
1988	26,945	54	0.20		0	0.00		54	0.20	
1989	0	0	0.00		0	0.00		0	0.00	
1990	13,276	0	0.00		0	0.00		0	0.00	
1991	2,082	0	0.00		0	0.00		0	0.00	
1992	14,956	0	0.00		0	0.00		0	0.00	
1993	40,288	0	0.00		5,857	14.54		-5,857	-14.54	
1994	49,884	441	0.88	0.26	0	0.00	3.10	441	0.88	-2.84
1995	0	0	0.00	0.27	0	0.00	3.19	0	0.00	-2.92
1996	125,929	0	0.00	0.18	0	0.00	2.14	0	0.00	-1.96
1997	34,440	0	0.00	0.16	0	0.00	1.90	0	0.00	-1.74
1998	0	0	0.00	0.16	0	0.00	2.09	0	0.00	-1.93
1999	48,764	496	1.02	0.28	0	0.00	1.78	496	1.02	-1.49
2000	5,359	0	0.00	0.29	187	3.49	1.88	-187	-3.49	-1.59
2001	452	733	162.17	0.52	2	0.44	1.89	731	161.73	-1.37
2002	8,607	2,500	29.05	1.33	705	8.19	2.15	1,795	20.86	-0.82
2003	10,918	2,473	22.65	2.34	414	3.79	0.46	2,059	18.86	1.88
2004	146,792	526	0.36	1.76	65	0.04	0.36	461	0.31	1.40
2005	4,730	-805	-17.02	1.53	177	3.74	0.40	-982	-20.76	1.13
2006	142,989	0	0.00	1.47	0	0.00	0.38	0	0.00	1.09
2007	45,749	-3,242	-7.09	0.65	-5,744	-12.56	-1.01	2,503	5.47	1.66
2008	177,963	196	0.11	0.49	-983	-0.55	-0.87	1,180	0.66	1.36
2009	13,137	18	0.13	0.43	-2,149	-16.36	-1.32	2,167	16.49	1.75
2010	-6,037	15	-0.25	0.44	3,724	-61.69	-0.70	-3,709	61.44	1.14
2011	0	0	0.00	0.31	0	0.00	-0.70	0	0.00	1.00
2012	429,031	0	0.00	-0.08	7,995	1.86	0.36	-7,995	-1.86	-0.45
2013	8,141	0	0.00	-0.34	0	0.00	0.32	0	0.00	-0.66
2014	10,968	0	0.00	-0.46	0	0.00	0.37	0	0.00	-0.83
2015	289,509	0	0.00	-0.27	22	0.01	0.26	-22	-0.01	-0.53
2016	10,885	0	0.00	-0.31	704	6.47	0.36	-704	-6.47	-0.67
2017	4,720	0	0.00	0.02	-21	-0.45	0.99	21	0.45	-0.97
2018	78,579	-8	-0.01	0.00	1,478	1.88	1.40	-1,486	-1.89	-1.40
2019	14,510	0	0.00	0.00	2,477	17.07	1.95	-2,478	-17.08	-1.95
2020	29,448	0	0.00	0.00	4,084	13.87	1.91	-4,084	-13.87	-1.91
2021	144,684	0	0.00	0.00	3,816	2.64	2.01	-3,816	-2.64	-2.02
2022	<u>13,691</u>	<u>0</u>	<u>0.00</u>	<u>0.00</u>	<u>5,274</u>	<u>38.52</u>	<u>2.95</u>	<u>-5,274</u>	<u>-38.52</u>	<u>-2.95</u>
	1,983,002	3,397	0.17		28,082	1.42		-24,686	-1.24	

Historical net salvage has been both positive and negative for account 393. Based on the account history, the net salvage parameters have changed slightly from the previously approved factors. I recommend updating to a **-1% net salvage factor** using a **gross salvage factor of 0%** and a **1% gross removal factor**.

AEP TEXAS INC.
Net Salvage Analysis - General Plant
Depreciation Study as of December 31, 2022

GENERAL PLANT ACCOUNT 394, Tools, Shop and Garage Equipment

Year	Retirements	Salvage Amount	Salvage %	Salvage 10 Yr. Avg	Removal Amount	Removal %	Removal 10 Yr Avg	Net Salvg Amt	Net Salvg %	Net Salvg 10 Yr Avg
1984	305	0	0.00		0	0.00		0	0.00	
1985	18,988	185	0.97		0	0.00		185	0.97	
1986	19,839	110	0.55		1,525	7.69		-1,415	-7.13	
1987	67,534	1,582	2.34		104	0.15		1,478	2.19	
1988	12,732	339	2.66		0	0.00		339	2.66	
1989	5,908	0	0.00		0	0.00		0	0.00	
1990	11,807	300	2.54		0	0.00		300	2.54	
1991	27,787	136	0.49		14	0.05		122	0.44	
1992	7,093	713	10.05		0	0.00		713	10.05	
1993	22,132	1,105	4.99	2.30	355	1.60	1.03	750	3.39	1.27
1994	178,528	439	0.25	1.32	327	0.18	0.62	112	0.06	0.69
1995	0	0	0.00	1.34	0	0.00	0.66	0	0.00	0.68
1996	87,754	0	0.00	1.10	0	0.00	0.19	0	0.00	0.91
1997	2,657	0	0.00	0.85	-8	-0.30	0.19	8	0.30	0.66
1998	0	0	0.00	0.78	0	0.00	0.20	0	0.00	0.58
1999	2,300	380	16.52	0.90	0	0.00	0.20	380	16.52	0.70
2000	38,312	130	0.34	0.79	0	0.00	0.19	130	0.34	0.60
2001	27,020	19	0.07	0.76	98	0.36	0.21	-79	-0.29	0.55
2002	0	0	0.00	0.58	0	0.00	0.22	0	0.00	0.36
2003	779,974	3,078	0.39	0.36	13,110	1.68	1.21	-10,032	-1.29	-0.85
2004	2,533,670	1,053	0.04	0.13	131	0.01	0.38	922	0.04	-0.25
2005	-1,619,404	0	0.00	0.25	0	0.00	0.72	0	0.00	-0.47
2006	362,313	0	0.00	0.22	23,748	6.55	1.74	-23,748	-6.55	-1.52
2007	813,188	0	0.00	0.16	0	0.00	1.26	0	0.00	-1.10
2008	23,733	0	0.00	0.16	0	0.00	1.25	0	0.00	-1.10
2009	130,367	0	0.00	0.14	0	0.00	1.20	0	0.00	-1.06
2010	14,523	0	0.00	0.14	0	0.00	1.21	0	0.00	-1.07
2011	224,939	0	0.00	0.13	0	0.00	1.13	0	0.00	-1.01
2012	0	0	0.00	0.13	0	0.00	1.13	0	0.00	-1.01
2013	0	0	0.00	0.04	0	0.00	0.96	0	0.00	-0.92
2014	31,110	0	0.00	0.00	0	0.00	-123.50	0	0.00	123.50
2015	43,115	0	0.00	0.00	10,501	24.36	2.08	-10,501	-24.36	-2.08
2016	144,668	0	0.00	0.00	25,408	17.56	2.52	-25,408	-17.56	-2.52
2017	49,395	0	0.00	0.00	7,348	14.88	6.54	-7,348	-14.88	-6.54
2018	160,472	0	0.00	0.00	47,689	29.72	11.39	-47,689	-29.72	-11.39
2019	408,794	0	0.00	0.00	24,037	5.88	10.68	-24,037	-5.88	-10.68
2020	387,644	0	0.00	0.00	79,634	20.54	13.42	-79,634	-20.54	-13.42
2021	311,428	0	0.00	0.00	36,791	11.81	15.06	-36,791	-11.81	-15.06
2022	<u>205,888</u>	<u>0</u>	<u>0.00</u>	<u>0.00</u>	<u>146,102</u>	<u>70.96</u>	<u>21.66</u>	<u>-146,102</u>	<u>-70.96</u>	<u>-21.66</u>
	5,536,514	9,569	0.17		416,915	7.53		-407,346	-7.36	

Net Salvage factors have historically been negative for account 394. Based on the above analysis, the recent 10 year averages (2015-2022) yielded a net salvage factor that ranged from -2% to -21%. It is recommended that a gross salvage factor of 0% and a 7% gross removal yielding a -7% net salvage factor be used.

AEP TEXAS INC.
Net Salvage Analysis - General Plant
Depreciation Study as of December 31, 2022

GENERAL PLANT ACCOUNT 395, Laboratory Equipment

Year	Retirements	Salvage Amount	Salvage %	Salvage 10 Yr. Avg	Removal Amount	Removal %	Removal 10 Yr Avg	Net Salvg Amt	Net Salvg %	Net Salvg 10 Yr Avg
1985	279	0	0.00		0	0.00		0	0.00	
1986	2,360	0	0.00		0	0.00		0	0.00	
1987	0	0	0.00		0	0.00		0	0.00	
1988	1,109	0	0.00		0	0.00		0	0.00	
1989	94,173	0	0.00		0	0.00		0	0.00	
1990	0	0	0.00		0	0.00		0	0.00	
1991	82,478	0	0.00		0	0.00		0	0.00	
1992	0	0	0.00		0	0.00		0	0.00	
1993	1,137	0	0.00		179	15.74		-179	-15.74	
1994	69,407	33	0.05	0.01	8	0.01	0.07	25	0.04	-0.06
1995	0	0	0.00	0.01	0	0.00	0.07	0	0.00	-0.06
1996	44,664	0	0.00	0.01	0	0.00	0.06	0	0.00	-0.05
1997	6,082	0	0.00	0.01	-19	-0.31	0.06	19	0.31	-0.05
1998	0	0	0.00	0.01	0	0.00	0.06	0	0.00	-0.05
1999	0	0	0.00	0.02	0	0.00	0.08	0	0.00	-0.07
2000	15,829	67	0.42	0.05	0	0.00	0.08	67	0.42	-0.03
2001	3,310	9	0.27	0.08	0	0.00	0.12	9	0.27	-0.04
2002	0	0	0.00	0.08	0	0.00	0.12	0	0.00	-0.04
2003	95,354	0	0.00	0.05	0	0.00	0.00	0	0.00	0.05
2004	1,081,822	24,211	2.24	1.95	3,007	0.28	0.24	21,204	1.96	1.71
2005	240,294	0	0.00	1.63	0	0.00	0.20	0	0.00	1.43
2006	60,870	0	0.00	1.62	0	0.00	0.20	0	0.00	1.42
2007	0	0	0.00	1.62	0	0.00	0.20	0	0.00	1.42
2008	105,995	0	0.00	1.51	0	0.00	0.19	0	0.00	1.33
2009	0	0	0.00	1.51	0	0.00	0.19	0	0.00	1.33
2010	0	0	0.00	1.53	0	0.00	0.19	0	0.00	1.34
2011	0	0	0.00	1.53	0	0.00	0.19	0	0.00	1.34
2012	0	0	0.00	1.53	0	0.00	0.19	0	0.00	1.34
2013	0	0	0.00	1.63	0	0.00	0.20	0	0.00	1.42
2014	0	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
2015	0	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
2016	0	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
2017	0	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
2018	0	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
2019	0	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
2020	1,925,887	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
2021	0	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
2022	0	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
	3,831,050	24,320	0.63		3,175	0.08		21,145	0.55	

Historically net salvage factors have been approximately 0% for account 395. Based on the above analysis, the net salvage parameters should remain unchanged **using a gross salvage factor of 0% and a 0% gross removal yielding a 0% net salvage.**

AEP TEXAS INC.
Net Salvage Analysis - General Plant
Depreciation Study as of December 31, 2022

GENERAL PLANT ACCOUNT 396, Power Operated Equipment

Year	Retirements	Salvage Amount	Salvage %	Salvage 10 Yr. Avg	Removal Amount	Removal %	Removal 10 Yr Avg	Net Salvg Amt	Net Salvg %	Net Salvg 10 Yr Avg
1990	137,575	0	0.00		0	0.00		0	0.00	
1991	0	0	0.00		0	0.00		0	0.00	
1992	8,572	0	0.00		0	0.00		0	0.00	
1993	0	0	0.00		0	0.00		0	0.00	
1994	51,382	0	0.00		0	0.00		0	0.00	
1995	0	0	0.00		0	0.00		0	0.00	
1996	0	0	0.00		0	0.00		0	0.00	
1997	0	0	0.00		0	0.00		0	0.00	
1998	0	0	0.00		0	0.00		0	0.00	
1999	0	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
2000	0	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
2001	0	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
2002	0	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
2003	118,857	28,473	23.96	16.73	-705	-0.59	-0.41	29,178	24.55	17.14
2004	58,969	0	0.00	16.01	0	0.00	-0.40	0	0.00	16.41
2005	606,197	0	0.00	3.63	0	0.00	-0.09	0	0.00	3.72
2006	0	0	0.00	3.63	0	0.00	-0.09	0	0.00	3.72
2007	0	0	0.00	3.63	0	0.00	-0.09	0	0.00	3.72
2008	2,146	478	22.30	3.68	-2,398	-111.78	-0.39	2,877	134.08	4.08
2009	0	0	0.00	3.68	0	0.00	-0.39	0	0.00	4.08
2010	0	0	0.00	3.68	0	0.00	-0.39	0	0.00	4.08
2011	1	0	0.00	3.68	5,343	534265.00	0.28	-5,343	-534265.00	3.40
2012	0	0	0.00	3.68	0	0.00	0.28	0	0.00	3.40
2013	111,239	0	0.00	0.06	0	0.00	0.38	0	0.00	-0.32
2014	126,938	0	0.00	0.06	0	0.00	0.35	0	0.00	-0.29
2015	23,511	0	0.00	0.18	24,298	103.35	10.33	-24,298	-103.35	-10.14
2016	0	0	0.00	0.18	0	0.00	10.33	0	0.00	-10.14
2017	234,782	0	0.00	0.10	-242	-0.10	5.42	242	0.10	-5.32
2018	0	0	0.00	0.00	0	0.00	5.92	0	0.00	-5.92
2019	170,396	-1	0.00	0.00	28,528	16.74	8.69	-28,529	-16.74	-8.69
2020	32,898	0	0.00	0.00	47,023	142.93	15.00	-47,023	-142.93	-15.00
2021	0	0	0.00	0.00	0	0.00	14.23	0	0.00	-14.23
2022	0	0	0.00	0.00	0	0.00	14.23	0	0.00	-14.23
	1,683,463	28,951	1.72		101,846	6.05		-72,895	-4.33	

Net salvage factors have historically been positive for account 396 until recent years. I recommend updating the net salvage parameters to use a **gross salvage factor of 0%** and a **0% gross removal** yielding a **0% net salvage**.

AEP TEXAS INC.
Net Salvage Analysis - General Plant
Depreciation Study as of December 31, 2022

GENERAL PLANT ACCOUNT 397, Communication Equipment

Year	Retirements	Salvage Amount	Salvage %	Salvage 10 Yr. Avg	Removal Amount	Removal %	Removal 10 Yr Avg	Net Salvg Amt	Net Salvg %	Net Salvg 10 Yr Avg
1984	108,966	1,044	0.96		3,989	3.66		-2,945	-2.70	
1985	112,592	8,994	7.99		9,580	8.51		-586	-0.52	
1986	334,838	5,979	1.79		13,270	3.96		-7,291	-2.18	
1987	118,487	3,879	3.27		3,003	2.53		876	0.74	
1988	167,941	6,370	3.79		8,732	5.20		-2,362	-1.41	
1989	641,360	6,683	1.04		3,348	0.52		3,335	0.52	
1990	70,119	32,478	46.32		5,571	7.95		26,907	38.37	
1991	64,405	1,803	2.80		3,721	5.78		-1,918	-2.98	
1992	187,091	10,986	5.87		12,272	6.56		-1,286	-0.69	
1993	166,933	8,840	5.30	4.41	5,539	3.32	3.50	3,301	1.98	0.91
1994	7,220,015	7,008,432	97.07	78.10	32,744	0.45	1.08	6,975,688	96.62	77.02
1995	0	0	0.00	78.98	0	0.00	0.98	0	0.00	78.00
1996	8,275,920	20,393	0.25	41.98	-700	-0.01	0.44	21,093	0.25	41.54
1997	5,126,166	0	0.00	32.37	0	0.00	0.32	0	0.00	32.05
1998	46,751	1,000	2.14	32.53	875	1.87	0.29	125	0.27	32.24
1999	4,969,220	125	0.00	27.11	24,389	0.49	0.32	-24,264	-0.49	26.79
2000	4,143,356	1,000	0.02	23.35	82,555	1.99	0.53	-81,555	-1.97	22.82
2001	311,007	0	0.00	23.16	1	0.00	0.52	-1	0.00	22.64
2002	4,035	0	0.00	23.26	229	5.68	0.48	-229	-5.68	22.78
2003	3,846,614	215,125	5.59	21.35	55,403	1.44	0.58	159,722	4.15	20.77
2004	8,030,832	0	0.00	0.68	-11,797	-0.15	0.43	11,797	0.15	0.25
2005	14,151,908	19,326	0.14	0.53	-10,654	-0.08	0.29	29,980	0.21	0.24
2006	225,247	114,491	50.83	0.86	7,839	3.48	0.36	106,652	47.35	0.50
2007	741,078	-22,926	-3.09	0.90	-40,625	-5.48	0.30	17,698	2.39	0.60
2008	6,320,696	1,388	0.02	0.77	-6,955	-0.11	0.23	8,343	0.13	0.53
2009	2,319,384	124	0.01	0.82	-15,201	-0.66	0.15	15,325	0.66	0.67
2010	1,125,271	106	0.01	0.88	26,338	2.34	0.01	-26,232	-2.33	0.87
2011	4,339,397	0	0.00	0.80	0	0.00	0.01	0	0.00	0.79
2012	2,954,639	0	0.00	0.74	-271	-0.01	0.01	271	0.01	0.73
2013	5,386,699	0	0.00	0.25	-589	-0.01	-0.11	589	0.01	0.36
2014	7,065,127	0	0.00	0.25	837	0.01	-0.09	-837	-0.01	0.34
2015	3,611,283	0	0.00	0.27	16,554	0.46	-0.04	-16,554	-0.46	0.31
2016	20,269,887	0	0.00	-0.04	115,915	0.57	0.18	-115,915	-0.57	-0.22
2017	12,820,323	1,584,945	12.36	2.40	55,277	0.43	0.29	1,529,668	11.93	2.11
2018	13,515,810	664,215	4.91	3.06	-110,168	-0.82	0.12	774,383	5.73	2.94
2019	20,660,777	-1,321	-0.01	2.45	758,370	3.67	0.94	-759,691	-3.68	1.51
2020	16,218,219	2,689,875	16.59	4.62	321,591	1.98	1.08	2,368,284	14.60	3.54
2021	4,690,453	0	0.00	4.61	373,075	7.95	1.43	-373,075	-7.95	3.18
2022	10,319,335	0	0.00	4.31	647,697	6.28	1.90	-647,697	-6.28	2.41
	190,682,179	12,383,354	6.49		2,391,754	1.25		9,991,600	5.24	

Account 397 and 397.16 were combined for the purpose of this net salvage analysis since the removal and salvage in these accounts are similar. Net Salvage factors have been positive for account 397 in most years. The 10 year average analysis from the years 2004-2022 indicates a consistent positive net salvage. I recommend that the net salvage parameters from the prior study be changed slightly to use a gross salvage factor of 6% and a 1% gross removal yielding a 5% net salvage factor.

AEP TEXAS INC.
Net Salvage Analysis - General Plant
Depreciation Study as of December 31, 2022

GENERAL PLANT ACCOUNT 398, Miscellaneous Equipment

Year	Retirements	Salvage Amount	Salvage %	Salvage 10 Yr. Avg	Removal Amount	Removal %	Removal 10 Yr Avg	Net Salvg Amt	Net Salvg %	Net Salvg 10 Yr Avg
1984	1,201	563	46.88		0	0.00		563	46.88	
1985	0	0	0.00		0	0.00		0	0.00	
1986	521	18	3.45		0	0.00		18	3.45	
1987	0	0	0.00		0	0.00		0	0.00	
1988	25,575	0	0.00		0	0.00		0	0.00	
1989	15,694	0	0.00		0	0.00		0	0.00	
1990	1,086	122	11.23		0	0.00		122	11.23	
1991	995	0	0.00		0	0.00		0	0.00	
1992	0	0	0.00		0	0.00		0	0.00	
1993	22,222	866	3.90	2.33	672	3.02	1.00	194	0.87	1.33
1994	463	14	3.02	1.53	0	0.00	1.01	14	3.02	0.52
1995	0	0	0.00	1.53	0	0.00	1.01	0	0.00	0.52
1996	75,047	0	0.00	0.71	0	0.00	0.48	0	0.00	0.23
1997	7,240	0	0.00	0.68	-20	-0.28	0.44	20	0.28	0.24
1998	0	0	0.00	0.82	0	0.00	0.53	0	0.00	0.29
1999	666	37	5.56	0.96	0	0.00	0.61	37	5.56	0.36
2000	6,350	2,533	39.89	3.05	132	2.08	0.69	2,401	37.81	2.36
2001	0	0	0.00	3.08	0	0.00	0.70	0	0.00	2.38
2002	0	0	0.00	3.08	0	0.00	0.70	0	0.00	2.38
2003	125,194	0	0.00	1.20	12,772	10.20	5.99	-12,772	-10.20	-4.79
2004	85,292	0	0.00	0.86	0	0.00	4.30	0	0.00	-3.44
2005	29,747	0	0.00	0.78	-2,260	-7.60	3.22	2,260	7.60	-2.44
2006	6,694	0	0.00	0.98	0	0.00	4.07	0	0.00	-3.08
2007	45,868	0	0.00	0.86	7,623	16.62	6.09	-7,623	-16.62	-5.24
2008	297,829	0	0.00	0.43	974	0.33	3.22	-974	-0.33	-2.79
2009	25	0	0.00	0.42	31,490	124074.07	8.50	-31,490	-124074.07	-8.07
2010	53,266	0	0.00	0.00	3,855	7.24	8.46	-3,855	-7.24	-8.46
2011	113,167	0	0.00	0.00	0	0.00	7.19	0	0.00	-7.19
2012	21,001	0	0.00	0.00	-1	0.00	7.00	1	0.00	-7.00
2013	25,766	0	0.00	0.00	0	0.00	6.14	0	0.00	-6.14
2014	9,196	0	0.00	0.00	1,321	14.37	7.14	-1,321	-14.37	-7.14
2015	131	0	0.00	0.00	594	452.76	8.00	-594	-452.76	-8.00
2016	3,518	0	0.00	0.00	0	0.00	8.05	0	0.00	-8.05
2017	6,145	0	0.00	0.00	0	0.00	7.21	0	0.00	-7.21
2018	2,983	0	0.00	0.00	5	0.16	15.84	-5	-0.16	-15.84
2019	55,932	0	0.00	0.00	8,393	15.01	4.87	-8,393	-15.01	-4.87
2020	586,133	0	0.00	0.00	5,683	0.97	1.94	-5,683	-0.97	-1.94
2021	4,622	0	0.00	0.00	0	0.00	2.24	0	0.00	-2.24
2022	389,909	4,073	1.04	0.38	1,030	0.26	1.57	3,043	0.78	-1.19
	2,019,479	8,226	0.41		72,263	3.58		-64,037	-3.17	

Net Salvage factors have historically been negative for account 398. Based on the above analysis, the net salvage parameters should be changed using a gross salvage factor of 0% and a 3% gross removal yielding a -3% net salvage.