



Control Number: 49355



Item Number: 68

Addendum StartPage: 0



AEP TEXAS

400 W 15th Street Suite 1520

AEP Texas
400 W 15th Street Suite 1520
Austin TX 78701
aepTEXAS.com



May 1, 2020

Public Utility Commission of Texas
Filing Clerk
1701 N. Congress Ave.
Austin, Texas 78711

Re: PUC Project No. 49355: Year-End 2018 Electric Utility Earnings Report Pursuant to 16
TAC 25.73

Filing Clerk:

Enclosed is the abbreviated combined earnings monitoring report for AEP Texas Inc. (AEP Texas) as well as for each of the divisions within AEP Texas, for the 12-month period ending December 31, 2018. AEP Texas had a comprehensive base-rate proceeding at the time the full report was due and therefore filed a Deferred Notice on May 8, 2019. AEP Texas received its final order for their base-rate case in Docket No. 49494 on April 3, 2020.

If you have any questions or need additional information, please feel free to call me at (512) 481-4550.

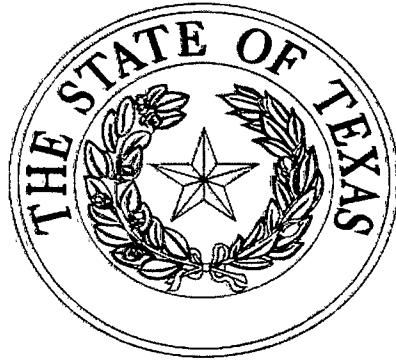
Sincerely,

A handwritten signature in cursive script that reads "Steven Beaty".

Steven Beaty
AEP Texas Regulatory Services

BOUNLESS ENERGY

68



**ELECTRIC INVESTOR-OWNED UTILITIES
(Transmission & Distribution Service Providers in ERCOT)**

EARNINGS REPORT

OF

**AEP TEXAS INC.
49355**

TO THE

PUBLIC UTILITY COMMISSION OF TEXAS

FOR THE

12 Months Ending December 31, 2018

Check one:

**This is an original submission X
This is a revised submission []**

Date of submission: May 2020

GENERAL QUESTIONS

If additional space is required, please attach pages providing the requested information.

1. State the exact name of the utility.

AEP Texas Inc.

2. State the date when the utility was originally organized.

January 11, 2017

3. Report any change in name during the most recent year and state the effective date.

*AEP Texas Central Company and AEP Texas North combined to form AEP Texas
1/1/2017*

4. State the name, title, phone number, email address, and office address of the officer of the utility to whom correspondence should be addressed concerning this report.

*Leigh Anne Stratton
American Electric Power Service Corp.
(361) 881-5798
lastratton@aep.com
539 N. Carancahua
Corpus Christi, TX 78401-2121*

- 4a. State the name, title, phone number, email address, and office address of any other individual designated by the utility to answer questions regarding this report (optional).

*Randy Hamlett, Director Regulatory Acctg Svcs
American Electric Power Service Corp.
nwhamlett@aep.com
P.O. Box 201
2121 E 6th Street
Tulsa, OK 74119-1295 (918) 599-2076*

5. State the location of the office where the Company's accounts and records are kept.

*2121 E 6th Street
Tulsa, OK 74119-1295*

6. State the name, address, phone number, and email address of the individual or firm, if other than a utility employee, preparing this report.

*American Electric Power Service Corp (Affiliated Company)
2121 E 6th Street
Tulsa, OK 74119-1295*

AEP TEXAS INC.
12 Months Ending December 31, 2018

General Questions
Page 2 of 2

- 7 Please indicate the filing status of the Company regarding federal income taxes, e.g., S-Corps, Corporations, Partnerships, Individuals, etc.

Corporation - consolidated return with parent company, American Electric Power

8. Please provide
a. The period-ending number of utility employees (total company) 1,543

- b. The period-ending number of Electric Points of Delivery

Total Company 1,048,210

Texas Jurisdictional * 148,210

- 9 Will the Company have a rate proceeding pending before this commission on the due date of this Earnings Monitoring Report?

Yes or No ==> No

- 10 IF THIS IS A REVISED REPORT, provide the schedule number, line number, and column designation where each change input data appears.

SUMMARY OF REVENUES AND EXPENSES

Line	(1) Total Company	(2) Non-Regulated or Non-Electric or Other Adjustments*	(3) Total Electric (1)+(2)	(4) Allocation Percentage (5)/(3)	(5) Tx Jurisdictional: Wholesale and Retail	(6) Wholesale Transmission Allocation Percentage**	(7) Wholesale Transmission***	(8) Retail T&D
1	TOTAL REVENUES							
2	Energy Delivery Revenues (Note 1)	\$1,242,772,468	(\$23,906,386)	\$1,218,866,080	99.82%	\$1,216,619,180	N/A	\$312,098,706
3	Miscellaneous Service Revenues	32,989,191	0	32,983,191	99.73%	\$32,894,194	N/A	\$2,498,594
4	Revenue Sub-total	\$1,275,755,657	(\$23,906,386)	\$1,251,849,271		\$1,249,513,582		\$345,087,211
5								\$904,426,371
6	Total Revenues	\$1,275,755,657	(\$23,906,386)	\$1,251,849,271	99.81%	\$1,249,513,582		\$345,087,211
7								\$904,426,371
8								
9	EXPENSES:							
10	Operations and Maintenance Expense (Note 2)	551,173,206	(492,225)	550,680,982	99.71%	549,057,739	12.08%	\$66,351,637
11	Amortization Expense (Note 3)	28,749,311	(5,123,305)	23,626,006	99.66%	23,546,507	25.81%	\$6,077,863
12	Depreciation Expense	213,141,965	(25,951,718)	187,190,247	99.70%	186,619,890	34.81%	\$64,962,231
13	Interest on REP/CR Deposits	0	0	0	0.00%	0	0.00%	\$0
14	Taxes Other Than Income Taxes	77,134,345	(340,089)	76,794,256	99.83%	76,664,738	37.07%	\$28,422,653
15	State Income Taxes	1,621,867	(142,742)	1,479,125	99.04%	1,464,860	26.96%	\$394,870
16	Federal Income Taxes (Note 4)	26,682,791	11,581,359	38,264,149	106.67%	40,816,680	57.89%	\$23,627,678
17	Deferred Expenses	0	0	0	0.00%	0	0.00%	\$0
18	Nonbypassable charges (Note 5)	51,587,754	0	51,587,754	100.00%	51,587,754	0.00%	\$0
19	Other Expenses (Note 6)	0	0	0	0.00%	0	0.00%	\$0
20	TOTAL EXPENSES (lines 11 thru 20)	\$950,091,239	(\$20,468,720)	\$929,622,520	100.01%	\$929,758,170	20.42%	\$189,836,932
21	Return (line 6 minus line 21)	325,664,418	(3,437,666)	\$322,226,752	99.23%	\$319,755,412	48.55%	\$155,250,279
22								\$164,505,133
23								
24	Non-Operating Income	2,061,774	0	2,061,774	100.00%	2,061,774	7.17%	147,840
25	AFUDC (Debt and Equity)	30,945,616	0	30,945,616	100.00%	30,945,616	73.63%	22,786,324
								\$8,159,292

* Include supporting documentation for "other adjustments."

** No inputs are made into the revenue (top) portion of this column; revenues for wholesale transmission are directly input into the top part of column 7. See Schedule I instructions for additional details on calculating the percentage inputs in the bottom portion of this column.

*** The revenues in this column should reflect the payments received from others for wholesale transmission service per the commission's wholesale transmission matrix. See instructions for additional details.

Note 1: See instructions for details regarding the reporting of revenues. Additionally, note that column 8 of this line should correspond to Schedule X.1a, line 13, column 7

Note 2: This amount will be carried automatically from Schedule II, line 12

Note 3: Columns 1 through 5 for this line will be carried automatically from Supplementary Schedule I-1· Amortization Expense, line 22.

Note 4: Columns 3, 5, 7, and 8 of this line will be carried automatically from Schedule IV, line 41.

Note 5: This amount will be carried automatically from Schedule Ia, line 18, and includes only the NBP expenses included in the utility's T&D revenue requirement (i.e., not collected through a separate rider)

Note 6: This amount will be carried automatically from Supplementary Schedule I-2· Other Expenses, line 22

[1] Indicate here if footnote or comment relating to this schedule is included on Supplemental Schedule IV

AEP TEXAS INC
12 Months Ending December 31, 2018

Schedule Combined-II

OPERATIONS AND MAINTENANCE EXPENSE

Line		(1) Total Company	(2) Non-Regulated or Non-Electric or Other Adjustments*	(3) Total Electric (1)+(2)	(4) Allocation Percentage (5)/(3)	(5) Tx Jurisdictional Wholesale and Retail	(6) Wholesale Transmission Allocation Percentage**	(7) Wholesale Transmission	(8) Retail T&D
1	Transmission Operations Expenses	\$29,922,365	\$5,468	29,933,822	99.87%	\$29,900,617	98.88%	\$29,566,073	\$334,544
2	Transmission Maintenance Expenses	\$19,707,803	\$0	19,707,803	95.87%	\$19,289,536	102.08%	\$19,690,106	(\$400,570)
3	Distribution Operations Expense	\$53,852,410	(\$506,283)	53,346,127	99.98%	\$53,189,737	-0.34%	(\$178,480)	\$53,362,217
4	Distribution Maintenance Expenses	\$45,809,681	\$8,001	45,518,282	99.98%	\$45,367,601	0.16%	\$86,596	\$45,281,005
5	Customer Accounts Expense	\$12,348,981	\$0	12,348,081	98.20%	\$12,169,440	1.54%	\$187,382	\$11,976,058
6	Customer Service and Informational Expense	\$19,042,596	\$0	19,042,566	100.00%	\$19,042,376	0.97%	\$70,435	\$18,971,940
7	Sales Expense	\$318,138	\$0	318,138	100.00%	\$318,138	4.98%	\$13,943	\$304,192
8	Wholesale transmission matrix payments to others	\$309,619,527	\$0	309,619,527	100.00%	\$309,619,527	N/A	N/A	\$309,619,527
9	Admin. and General Operations Expenses	\$43,245,079	\$0	43,245,079	98.81%	\$42,787,832	99.44%	\$16,874,447	\$25,913,385
10	Admin. and General Maintenance Expenses	\$17,591,566	\$0	17,601,556	98.81%	\$17,584,998	0.24%	\$41,136	\$17,343,802
12									
13	TOTAL OPERATIONS AND MAINTENANCE EXP	551,173,206.41	(\$492,225)	\$550,680,982	99.71%	\$549,057,739	12.08%	\$66,351,637	\$482,706,102

* Include supporting documentation for "other adjustments"

** See instructions for Schedule II to calculate this column

[] Indicate here if footnote or comment relating to this schedule is included on Supplemental Schedule IV

INVESTED CAPITAL AT END OF REPORTING PERIOD

Line	(1) Total Company	(2) Non-Regulated or Non-Electric or Other Adjustments*	(3) Total Electric (1)+(2)	(4) Allocation Percentage (5)/(3)	(5) Tx Jurisdictional: Wholesale and Retail	(6) Wholesale Transmission Allocation Percentage**	(7) Wholesale Transmission	(8) Retail T&D
1	Plant In Service	\$8,404,344,227	(\$243,042,828)	\$8,161,301,399	99.7397%	\$8,140,059,154	47.60%	\$3,874,626,592
2	Accumulated Depreciation (Note 2)	(\$2,065,822,863)	\$229,421,829	(1,836,401,060)	99.6709%	(\$1,830,380,331)	32.29%	(\$589,930,495)
3								
4	Net Plant In Service (lines 1 thru 2)	6,338,521,345	(13,621,005)	6,324,900,339	99.7597%	6,309,700,823	52.06%	\$3,284,696,097
5	Construction Work In Progress	\$836,003,973	\$0	836,003,973	99.7597%	\$832,703,245	77.50%	\$645,346,329
6	Plant Held For Future Use	\$4,941,592	\$0	4,941,592	99.9901%	\$4,941,193	0.00%	\$0
7	Working Cash Allowance	(\$68,835,123)	\$0	(68,835,123)	99.4443%	(\$68,452,619)	12.12%	(\$8,293,955)
8	Materials and Supplies	\$48,920,552	\$0	48,920,552	99.8727%	\$48,858,280	20.09%	\$14,507,265
9	Prepayments	\$208,837,598	\$0	208,837,595	99.8533%	\$208,531,256	10.93%	\$22,794,143
10	Other Invested Capital Additions (Note 1)	242,560,728	0	242,560,728	99.9233%	\$242,374,098	10.39%	\$25,177,208
11	Deferred Federal Income Taxes (Note 2)	(\$764,616,523)	\$2,741,309	(761,774,214)	99.9903%	(\$761,700,119)	45.92%	(\$349,810,141)
12	Advances For Construction (Note 2)	\$0	\$0	0	0.0000%	\$0	0.00%	\$0
13	Property Insurance Reserve (Note 2)	\$0	\$0	0	0.0000%	\$0	0.00%	\$0
14	Injuries and Damages Reserve (Note 2)	(\$254,933)	\$0	(254,933)	99.1754%	(\$252,831)	0.00%	\$0
15	Customer Energy Prepayments (Note 2)	\$0	\$0	0	0.0000%	\$0	0.00%	\$0
16	Unclaimed Dividends (Note 2)	\$0	\$0	0	0.0000%	\$0	0.00%	\$0
17	Other Invested Capital Deductions (Note 3)	(782,346,792)	52,750,225	(729,596,567)	99.7240%	(\$727,583,015)	46.71%	(\$339,838,523)
18								
19								
20	TOTAL INVESTED CAPITAL (lines 4 thru 17)	\$6,063,833,414	\$41,870,528	\$6,105,703,942	99.7284%	\$6,089,120,819		\$2,794,542,396
21								
22	Less: CWIP and PHFU (Note 4)			\$836,003,973	99.7597%	\$832,703,245	77.50%	\$645,346,329
23	Plus: Ending CWIP in Rate Base			\$0		\$0	0.00%	\$0
24								
25	TOTAL INVESTED CAPITAL--ADJUSTED			\$5,269,699,969		\$5,256,417,574		\$2,649,232,094
26								\$2,607,185,480
27	Return (Schedule I, line 22)			\$322,226,752		\$319,755,412		\$155,250,279
28	Rate of Return (line 27 / line 25)			6.11%		6.08%		5.86%
29	Earned Return on Ending Equity (based on reported capital structure in Sch. V)			8.33%		8.26%		6.31%
30	(Line 28 will automatically calculate correctly only after Schedules I, II, III, IV, and V are ALL completed.)							7.77%
31								8.76%
32								
33	<u>Weather-Adjusted Data</u>							
34	Return (Schedule I, line 22, adjusted)			\$323,462,830		\$320,991,490		\$155,250,279
35	Rate of Return (line 34 / line 25)			6.14%		6.11%		5.86%
36	Earned Return on Ending Equity (based on reported capital structure in Sch. V)			8.38%		8.31%		7.77%
37	(Line 36 will automatically calculate correctly only after Schedules I, II, III, IV, and V are ALL completed.)							8.86%
38								

* Include supporting documentation for "other adjustments."

** See instructions for Schedule III to calculate this column.

Note 1: This amount will be carried automatically from Supplementary Schedule III-1: Other Rate Base Additions, line 22.

Note 2: These items are typically DEDUCTIONS from invested capital and thus should normally be entered as NEGATIVE amounts.

Note 3: This amount will be carried automatically from Supplementary Schedule III-2: Other Rate Base Deductions, line 22.

Note 4: Include the appropriate amounts from lines 5 and 6 (only PHFU balances falling outside the 10-year construction window are excluded).

[] Indicate here if footnote or comment relating to this schedule is included on Supplemental Schedule IV.

Signature Page
Public Utility Commission of Texas--Earnings Report
12 Months Ending December 31, 2018

I certify that I am the responsible official of AEP Texas Inc.; that I have examined the foregoing report; that to the best of my knowledge, information, and belief, all statements of fact contained in the said report are true and the said report is a correct statement of the business and affairs of the above-named respondent in respect to each and every matter set forth therein during the period from January 1, 2018 to December 31, 2018 inclusive.

4/30/2020
Date

Leigh Anne Strahler
Signature

Vice President, Regulatory and Finance
Title

Address: 539 N. Carancahua
Corpus Christi, Texas 78478

Phone: (361) 881-5793

Email address: lastrahler@aep.com

Alternative contact regarding this report:

Name: Randy Hamlett
Title: Director, Regulatory Accounting Services

Address: 212 East Sixth Street
Tulsa, Oklahoma 74119

Phone: (918) 599-2076

Email address: rwhamlett@aep.com



**ELECTRIC INVESTOR-OWNED UTILITIES
(Transmission & Distribution Service Providers in ERCOT)**

EARNINGS REPORT

OF

AEP TEXAS - CENTRAL DIVISION
Project No. 49355

TO THE

PUBLIC UTILITY COMMISSION OF TEXAS

FOR THE

12 Months Ending December 31, 2018

Check one:

This is an original submission X
This is a revised submission []

Date of submission: May 2020

AEP TEXAS - CENTRAL DIVISION
12 Months Ending December 31, 2018

General Questions
Page 1 of 2

GENERAL QUESTIONS

If additional space is required, please attach pages providing the requested information.

1. State the exact name of the utility.

AEP Texas Inc.

2. State the date when the utility was originally organized.

November 2, 1916

3. Report any change in name during the most recent year and state the effective date.

AEP TEXAS INC. (Formerly AEP Texas Central Company
1/1/2017

4. State the name, title, **phone number, email address**, and office address of the officer of the utility to whom correspondence should be addressed concerning this report.

Leigh Anne Strahler
American Electric Power Service Corp.
(361) 881-5793
lstrahler@aep.com
539 N. Carancahua
Corpus Christi, TX 78401-2121

- 4a. State the name, title, **phone number, email address**, and office address of any other individual designated by the utility to answer questions regarding this report (optional).

Randy Hamlett, Director Regulatory Acctg Svcs
American Electric Power Service Corp.
rwhamlett@aep.com
P.O. Box 201
2112 E 6th Street
Tulsa, OK 74119-1295 (918) 599-2076

5. State the location of the office where the Company's accounts and records are kept.

2112 E 6th Street
Tulsa, OK 74119-1295

6. State the name, address, **phone number, and email address** of the individual or firm, if other than a utility employee, preparing this report.

American Electric Power Service Corp. (Affiliated Company)
2112 E 6th Street
Tulsa, OK 74119-1295

**AEP TEXAS - CENTRAL DIVISION
12 Months Ending December 31, 2018**

General Questions

7. Please indicate the filing status of the Company regarding federal income taxes, e.g., S-Corps, Corporations, Partnerships, Individuals, etc.

Corporation - consolidated team with parent company, American Electric Power

8. Please provide:

 - The period-ending number of utility employees (total company): t t76
 - The period-ending number of Electric Points of Delivery:

Total Company	656,662
Texas Jurisdictional	656,662

9. Will the Company have a rate proceeding pending before this commission on the due date of this Earnings Monitoring Report?

Yes or No ==> No

10. IF THIS IS A REVISED REPORT, provide the schedule number, line number, and column designation where each change input data appears.

SUMMARY OF REVENUES AND EXPENSES

Line	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	Total Company	Non-Regulated or Non-Electric or Other Adjustments*	Total Electric (1)+(2)	Allocation Percentage (5)/(3)	Tx Jurisdictional Wholesale and Retail	Wholesale Transmission Allocation Percentage**	Wholesale Transmission***	Retail T&D
1	TOTAL REVENUES.							
2	Energy Delivery Revenues (Note 1)	\$957,333,616	(\$19,125,786)	\$938,207,730	99.80%	\$936,309,414	N/A	\$242,678,738
3	Miscellaneous Service Revenues	24,629,381	0	24,629,381	99.99%	\$24,627,117	N/A	\$1,977,195
4	Revenue Sub-total	\$981,962,897	(\$19,125,786)	\$962,837,111		\$960,936,561		\$244,256,473
5								\$716,680,087
6	Total Revenues	\$981,962,897	(\$19,125,786)	\$962,837,111	99.80%	\$960,936,561		\$244,256,473
7								
8								
9	EXPENSES:							
10	Operations and Maintenance Expense (Note 2)	428,131,996	0	428,131,996	99.73%	426,957,994	9.71%	\$41,477,899
11	Amortization Expense (Note 3)	24,759,413	(6,340,826)	18,418,587	99.98%	18,415,660	22.16%	\$4,080,104
12	Depreciation Expense	144,961,464	(20,352,385)	124,609,079	99.99%	\$124,594,074	29.10%	\$36,257,540
13	Interest on REP/CR Deposits	0	0	0	100.00%	\$0	0.00%	\$0
14	Taxes Other Than Income Taxes	56,126,834	(264,698)	55,872,236	100.00%	\$55,860,594	33.03%	\$18,452,957
15	State Income Taxes	1,252,626	(96,902)	1,155,924	99.98%	\$1,169,739	24.33%	\$281,208
16	Federal Income Taxes (Note 4)	22,426,091	9,547,776	31,973,867	107.25%	34,293,181	60.39%	\$20,708,184
17	Deferred Expenses	0	0	0	0.00%	\$0	0.00%	\$0
18	Nonbypassable charges (Note 5)	47,194,381	0	47,194,381	100.00%	\$47,194,381	0.00%	\$0
19	Other Expenses (Note 6)	0	0	0	0.00%	0	0.00%	\$0
20								
21	TOTAL EXPENSES (lines 11 thru 20)	\$724,853,006	(\$17,496,935)	\$707,356,071	100.16%	\$708,481,363	17.12%	\$121,257,892
22	Return (line 6 minus line 21)	257,109,891	(1,628,851)	\$255,481,040	98.82%	\$252,455,197	48.72%	\$122,998,581
23								
24	Non-Operating Income	2,061,774	0	2,061,774	0.00%	0		
25	AFUDC (Debt and Equity)	25,460,988	0	25,450,988	0.00%	0		

* Include supporting documentation for "other adjustments."

** No inputs are made into the revenue (top) portion of this column, revenues for wholesale transmission are directly input into the top part of column 7. See Schedule I instructions for additional details on calculating the percentage inputs in the bottom portion of this column.

*** The revenues in this column should reflect the payments received from others for wholesale transmission service per the commission's wholesale transmission matrix. See instructions for additional details.

Note 1 See instructions for details regarding the reporting of revenues. Additionally, note that column 8 of this line should correspond to Schedule X 1a, line 13, column 7

Note 2 This amount will be carried automatically from Schedule II, line 12.

Note 3 Columns 1 through 5 for this line will be carried automatically from Supplementary Schedule I-1: Amortization Expense, line 22.

Note 4 Columns 3, 5, 7, and 8 of this line will be carried automatically from Schedule IV, line 41.

Note 5 This amount will be carried automatically from Schedule Ia, line 18, and includes only the NBP expenses included in the utility's T&D revenue requirement (i.e., not collected through a separate rider).

Note 6: This amount will be carried automatically from Supplementary Schedule I-2: Other Expenses, line 22

[] Indicate here if footnote or comment relating to this schedule is included on Supplemental Schedule IV.

AEP TEXAS - CENTRAL DIVISION
12 Months Ending December 31, 2018

Schedule Ia

SUMMARY OF OTHER NONBYPASSABLE CHARGES

<u>Line</u>	Texas Jurisdictional
1 <u>REVENUES RELATED TO NONBYPASSABLE CHARGES</u>	
2 Nuclear Decommissioning Expense	\$387,868
3 Competition Transition Charge (CTC)	\$0
4 Municipal Franchise Fees	\$47,194,381
5 System Benefit Fund	\$0
6 Subtotal	<u>\$47,582,249</u>
7	
8 Transition Charges (related to securitized costs)	<u>\$277,204,677</u>
9 TOTAL NONBYPASSABLE CHARGES	<u>\$324,786,926</u>
10	
11	
12 Amounts related to above NBP charges to be reflected in Sched I revenue requirement	
13 (actual amounts of expenses incurred during monitoring period)	
14 Nuclear Decommissioning Charges	\$0
15 Municipal Franchise Fees	\$47,194,381
16 System Benefit Fund	\$0
17 Total (Note 1)	<u>\$47,194,381</u>
18	

Note 1 The amount on line 18 is carried automatically to Schedule I, line 19.

[] Indicate here if footnote or comment relating to this schedule is included on Supplemental Schedule IV.

INVESTED CAPITAL AT END OF REPORTING PERIOD

Line	(1) Total Company	(2) Non-Regulated or Non-Electric or Other Adjustments*	(3) Total Electric (1)+(2)	(4) Allocation Percentage (5)/(3)	(5) Tx Jurisdictional: Wholesale and Retail	(6) Wholesale Transmission Allocation Percentage**	(7) Wholesale Transmission	(8) Retail T&D
1	Plant In Service	\$6,144,518,193	(\$185,696,467)	\$5,958,821,726	99.9902%	\$5,958,235,761	44.37%	\$2,643,680,823
2	Accumulated Depreciation (Note 2)	(\$1,387,661,439)	\$178,341,957	(1,212,320,382)	99.9905%	(\$1,212,295,987)	26.43%	(\$344,628,654)
3								
4	Net Plant In Service (lines 1 thru 2)	4,756,856,754	(10,355,409)	4,746,501,345	99.9901%	4,746,030,374	48.44%	\$2,299,052,169
5	Construction Work In Progress	\$489,227,555	\$0	489,227,555	99.9901%	\$489,179,121	69.95%	\$342,170,342
6	Plant Held For Future Use	\$4,941,592	\$0	4,941,592	99.9901%	\$4,941,103	0.00%	\$0
7	Working Cash Allowance	(\$53,516,500)	\$0	(53,516,500)	100.0000%	(\$53,516,500)	9.69%	(\$5,184,737)
8	Materials and Supplies	\$41,496,406	\$0	41,496,406	99.9889%	\$41,491,803	28.35%	\$11,764,735
9	Prepayments	\$167,931,848	\$0	167,931,848	99.9911%	\$167,916,860	10.81%	\$18,157,987
10	Other Invested Capital Additions (Note 1)	226,663,995	0	226,663,995	99.9900%	226,642,065	8.85%	\$20,064,127
11	Deferred Federal Income Taxes (Note 2)	(\$607,472,539)	\$0	(607,472,539)	99.9878%	(\$607,398,443)	43.89%	(\$266,580,200)
12	Advances For Construction (Note 2)	\$0	\$0	0	0.0000%	\$0	0.00%	\$0
13	Property Insurance Reserve (Note 2)	\$0	\$0	0	100.0000%	\$0	0.00%	\$0
14	Injuries and Damages Reserve (Note 2)	(\$79,265)	\$0	(79,265)	98.8077%	(\$78,320)	0.00%	\$0
15	Customer Energy Prepayments (Note 2)	\$0	\$0	0	0.0000%	\$0	0.00%	\$0
16	Unclaimed Dividends (Note 2)	\$0	\$0	0	0.0000%	\$0	0.00%	\$0
17	Other Invested Capital Deductions (Note 3)	(618,281,485)	52,750,225	(565,531,260)	99.9878%	(565,462,280)	45.06%	(\$254,790,241)
18								
19								
20	TOTAL INVESTED CAPITAL (lines 4 thru 17)	\$4,407,768,363	\$42,394,816	\$4,450,163,178	99.9906%	\$4,449,745,783		\$2,164,654,182
21								\$2,285,091,601
22	Less: CWIP and PHFU (Note 4)			\$489,227,555	99.9901%	\$489,179,121	69.95%	\$342,170,342
23	Plus: Ending CWIP in Rate Base			\$0		\$0	0.00%	\$0
24								
25	TOTAL INVESTED CAPITAL--ADJUSTED			\$3,960,935,624		\$3,960,566,662		\$1,822,483,841
26								\$2,138,082,821
27	Return (Schedule I, line 22)			\$255,481,040		\$252,455,197		\$122,998,581
28	Rate of Return (line 27 / line 25)			6.45%		6.37%		\$129,456,616
29	Earned Return on Ending Equity (based on reported capital structure in Sch. V)			9.07%		8.90%		6.75%
30	(Line 28 will automatically calculate correctly only after Schedules I, II, III, IV, and V are ALL completed.)							6.05%
31								9.73%
32								8.19%
33	Weather-Adjusted Data							
34	Return (Schedule I, line 22, adjusted)			\$252,141,924		\$249,116,082		\$122,998,581
35	Rate of Return (line 34 / line 25)			6.37%		6.29%		5.90%
36	Earned Return on Ending Equity (based on reported capital structure in Sch. V)			8.88%		8.71%		9.73%
37	(Line 36 will automatically calculate correctly only after Schedules I, II, III, IV, and V are ALL completed.)							7.85%

* Include supporting documentation for "other adjustments."

** See instructions for Schedule III to calculate this column.

Note 1: This amount will be carried automatically from Supplementary Schedule III-1: Other Rate Base Additions, line 22.

Note 2: These items are typically DEDUCTIONS from invested capital and thus should normally be entered as NEGATIVE amounts.

Note 3: This amount will be carried automatically from Supplementary Schedule III-2: Other Rate Base Deductions, line 22.

Note 4: Include the appropriate amounts from lines 5 and 6 (only PHFU balances falling outside the 10-year construction window are excluded).

[] Indicate here if footnote or comment relating to this schedule is included on Supplemental Schedule IV.

Line No.	FEDERAL INCOME TAXES				
	(1) Total Electric	(2) Allocation Percentage (3)/(1)	(3) Texas Jurisdictional	(4) Wholesale Transmission	(5) Retail
1 TOTAL REVENUES (Note 1)	\$962,837,111	99.80%	\$960,936,561	\$244,256,473	\$716,680,087
2 LESS:					
3 Operations and Maintenance Expense	\$428,131,996	99.73%	\$426,957,994	\$41,477,899	\$385,480,096
4 Amortization Expense	\$18,418,587	99.98%	\$18,415,660	\$4,080,104	\$14,335,556
5 Depreciation Expense	\$124,609,079	99.99%	\$124,594,874	\$36,257,540	\$88,337,334
6 Interest on Customer Deposits	\$0	0.00%	\$0	\$0	\$0
7 Taxes Other Than Income Taxes	\$55,872,236	100.00%	\$55,869,534	\$18,452,957	\$37,416,577
8 State Income Taxes	\$1,155,924	99.98%	\$1,155,739	\$281,208	\$874,530
9 Deferred Expenses	\$0	0.00%	\$0	\$0	\$0
10 Other Expenses	\$0	0.00%	\$0	\$0	\$0
11 Nonbypassable charges (from Schedule I)	\$47,194,381	100.00%	\$47,194,381	\$0	\$47,194,381
12 Interest Included in Return (Note 2)	\$92,685,894	99.99%	\$92,677,260	\$42,646,122	\$50,031,138
13 ADD:					
14 Depreciation Addback - Permanent Differences	3,064,000	99.99%	\$3,063,651	1,215,000	\$1,848,651
15 Business Meals Not Deductible	627,500	99.73%	\$625,780	115,323	\$510,457
16 Other Permanent Differences	0	0.00%	\$0	0	\$0
17 LESS:					
18 Preferred Dividend Exclusion	0	0.00%	\$0	0	\$0
19 Other Permanent Differences (Attach Detail)	44,869	99.99%	\$44,865	(935)	\$45,799
20 Additional Tax Depreciation (Note 3)	202,711,809	99.99%	\$202,692,754	(149,050,350)	\$351,743,104
21 Other Timing Differences (Attach Detail)	(33,129,611)	99.99%	(\$33,126,497)	(5,810,848)	(\$27,315,649)
22					
23 OTHER:					
24 Other adj. not shown elsewhere (Notes 8 & 9)	0	0.00%	0	0	0
25					
26 TAXABLE INCOME	28,833,447		28,149,427	257,253,099	(229,103,672)
27 TAX RATE	21%		21%	21%	21%
28					
29 CURRENT FEDERAL INCOME TAXES (Note 4)	6,055,024	97.63%	5,911,380	54,023,151	(48,111,771)
30 ADD:					
31 Current Provision for Deferred Taxes (Note 5)	35,612,262	99.99%	35,608,914	(32,520,852)	68,129,766
32 Adjustment for Prior Flowthrough (Note 6)	0	0.00%	0	0	0
33 LESS:					
34 Amortization of Investment Tax Credits	655,814	99.99%	655,734	112,216	543,518
35 Amortization of Excess Deferred Taxes					
36 a. Protected (Note 7)	6,572,180	99.99%	6,571,378	681,899	\$5,889,479
37 b. Unprotected (Attach Detail)	2,465,424	0.00%	0	0	0
38 OTHER:					
39 Other adj. not shown elsewhere (Notes 8 & 9)	0	0.00%	0	0	\$0
40					
41 TOTAL FEDERAL INCOME TAXES	\$31,973,867	107.25%	\$34,293,181	\$20,708,184	\$13,584,997

Note 1: Lines 1 through 11 will be carried automatically from Schedule I.

Note 2: This amount will be calculated automatically by applying the weighted cost of debt to the total invested capital.

Note 3: Excess of tax depreciation over depreciation claimed on Schedule I adjusted to remove the effects of Line 14 for all plant reflected in Schedule III.

Note 4: This amount will be calculated automatically by applying the tax rate of 35% to the taxable income found on Line 26.

Note 5: This amount will be calculated automatically by applying the tax rate of 35% to the total of Lines 20 and 21.

Note 6: This amount will be derived by multiplying non-normalized timing differences times 35%.

Note 7: This amount may reflect the most recent year end balance.

Note 8: Enter additions as positive amounts and deductions as negative amounts.

Note 9: Include detailed accounting of this line's components on Supplemental Schedule IV.

Indicate here if footnote or comment relating to this schedule is included on Supplemental Schedule IV.

Weighted Average Cost of Capital

Line	(a) Balance	(b) Percent of Total	(c) Cost	(d) Weighted Cost
1 Common Equity	\$2,566,609,482	45.33%	9.96% *	4.52%
2 Preferred Stock		0.00%	0.00%	0.00%
3 Long-Term Debt	3,095,118,968	54.67%	4.28%	2.34%
4 Short-Term Debt		0.00%	0.00%	0.00%
5				
6 Total	\$5,661,808,450	100.00%	**	6.86%

*This return on equity was
allowed in Docket No:
The final order was issued on:

33309

12/13/2007

Notes: The costs and balances of preferred stock, long-term debt, and short-term debt
should correspond with those provided on Schedules VI, VIa, VII, VIIa, and VIII.

[X] Indicate here if footnote or comment relating to this schedule is included on Supp Sched IV.

** Note This schedule is Total AEP Texas

Historical Financial Statistics
(Total Company Basis)

Line	Fiscal Year.	2014	2015	2016	2017	Monitoring Period ** (Total AEP Texas)
1	#1) Total Debt as a Percent of Total Capital	57.31%	56.11%	53.74%	55.83%	61.52%
2						
3						
4	#2) CWIP as a Percent of Net Plant	6.74%	6.38%	6.77%	13.47%	10.46%
5						
6	#3) Construction Expenditures as a Percent of Average Total Capital	25.94%	20.70%	17.84%	23.27%	23.09%
7						
8						
9	#4) Pre-Tax Interest Coverage	4.27	3.36	4.14	5.30	2.39
10						
11	#5) Funds From Operations / Total Debt	37.05%	34.26%	26.89%	24.36%	15.99%
12						
14	#6) Fixed Charge Coverage	4.22	3.33	4.10	5.26	2.38
15						
16	#7) Fixed Charge Coverage (Including Distributions on Pref Trust Securities)	4.22	3.33	4.10	5.26	2.38
17						
18						
19	#8) Funds From Operations Interest Coverage	11.66	11.16	8.59	7.69	5.47
20						
21	#9) Net Cash Flow / Capital Outlays	92.19%	104.03%	83.97%	68.67%	216.58%
22						
23	#10) Cash Coverage of Common Dividends	86.79	97.81	39.47	0.00	0.00
24						
25	#11) AFUDC and Deferrals as a Percent of Net Income for Common	7.57%	11.56%	8.57%	3.58%	19.53%
26						
27						
28	#12) Return on Average Common Equity	13.60%	9.37%	12.25%	20.57%	8.90%

[X] Indicate here if footnote or comment relating to this schedule is included on Supplemental Schedule IV

** Financial Statistics for 2018 shown as total AEP Texas

Signature Page
Public Utility Commission of Texas—Earnings Report
12 Months Ending December 31, 2018

I certify that I am the responsible official of AEP Texas Inc.; that I have examined the foregoing report; that to the best of my knowledge, information, and belief, all statements of fact contained in the said report are true and the said report is a correct statement of the business and affairs of the above-named respondent in respect to each and every matter set forth therein during the period from January 1, 2018 to December 31, 2018 inclusive.

7/27/2020

Date


Signature

Vice President, Regulatory and Finance
Title

Address: 539 N. Carancahua
Corpus Christi, Texas 78478

Phone: (361) 881-5793

Email address: laszather@aep.com

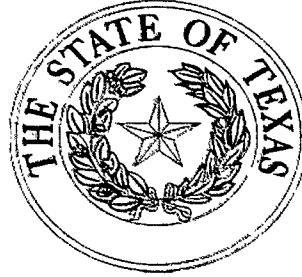
Alternative contact regarding this report:

Name: Randy Hamlett
Title: Director, Regulatory Accounting Services

Address: 212 East Sixth Street
Tulsa, Oklahoma 74119

Phone: (918) 599-2076

Email address: rwhamlett@aep.com



**ELECTRIC INVESTOR-OWNED UTILITIES
(Transmission & Distribution Service Providers in ERCOT)**

EARNINGS REPORT

OF

AEP TEXAS - NORTH DIVISION

Project No. 49355

TO THE

PUBLIC UTILITY COMMISSION OF TEXAS

FOR THE

12 Months Ending December 31, 2018

Check one:

This is an original submission
This is a revised submission

Date of submission: May 2020

GENERAL QUESTIONS

If additional space is required, please attach pages providing the requested information.

1. State the exact name of the utility

AEP Texas Inc

2. State the date when the utility was originally organized.

October 1, 1927

3. Report any change in name during the most recent year and state the effective date.

AEP Texas Inc. (Formerly AEP Texas North Company)
1/1/2017

4. State the name, title, phone number, email address, and office address of the officer of the utility to whom correspondence should be addressed concerning this report

Leigh Anne Strahler
American Electric Power Service Corp.
(361) 881-5793
lastrahler@aep.com
539 N. Carancahua
Corpus Christi, TX 78401-2121

- 4a. State the name, title, phone number, email address, and office address of any other individual designated by the utility to answer questions regarding this report (optional).

Randy Hamlett, Director Regulatory Acctg Svcs
American Electric Power Service Corp.
rwhamlett@aep.com

P.O. Box 201
212 E 6th Street
Tulsa, OK 74119-1295 (918) 599-2076

5. State the location of the office where the Company's accounts and records are kept.

212 E 6th Street
Tulsa, OK 74119-1295

6. State the name, address, phone number, and email address of the individual or firm, if other than a utility employee, preparing this report.

American Electric Power Service Corp (Affiliated Company)
212 E 6th Street
Tulsa, OK 74119-1295

AEP TEXAS - NORTH DIVISION
12 Months Ending December 31, 2018

General Questions
Page 2 of 2

7. Please indicate the filing status of the Company regarding federal income taxes, e.g., S-Corps, Corporations, Partnerships, Individuals, etc

Corporation - consolidated return with parent company, American Electric Power

8. Please provide

a. The period-ending number of utility employees (total company). 373

b. The period-ending number of Electric Points of Delivery

Total Company	191,548
---------------	---------

Texas Jurisdictional	191,548
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9. Will the Company have a rate proceeding pending before this commission on the due date of this Earnings Monitoring Report?

Yes or No ==> Yes

10. IF THIS IS A REVISED REPORT, provide the schedule number, line number, and column designation where each change input data appears.

SUMMARY OF REVENUES AND EXPENSES

Line		(1) Total Company	(2) Non-Regulated or Non-Electrc or Other Adjustments*	(3) Total Electric (1)+(2)	(4) Allocation Percentage (5)/(3)	(5) Tx Junsdictional Wholesale and Retail	(6) Wholesale Transmission Allocation Percentage**	(7) Wholesale Transmission***	(8) Retail T&D
1	TOTAL REVENUES								
2	Energy Delivery Revenues (Note 1)	\$285,438,950	(\$4,780,600)	\$280,658,350	99.88%	\$280,309,736	N/A	\$99,719,968	\$180,589,767 97
3	Miscellaneous Service Revenues	8,353,811	0	8,353,811	98.96%	\$8,267,285	13.44%	\$1,110,769	\$7,156,516
4	Revenue Sub-total	\$293,792,760	(\$4,780,600)	\$289,012,161		\$288,577,021		\$100,830,737	\$187,746,284
5									
6	Total Revenues	\$293,792,760	(\$4,780,600)	\$289,012,161	99.85%	\$288,577,021		\$100,830,737	\$187,746,284
7									
8									
9	EXPENSES								
10	Operations and Maintenance Expense (Note 2)	123,041,210	(492,225)	122,548,986	99.63%	122,099,744	20.37%	\$24,873,738	\$97,226,006
11	Amortization Expense (Note 3)	3,989,899	1,217,521	5,207,419	98.53%	5,130,847	38.94%	\$1,997,759	\$3,133,087
12	Depreciation Expense	68,180,500	(5,599,333)	62,581,168	99.11%	62,025,017	46.28%	\$28,704,691	\$33,320,326
13	Interest on REP/CR Deposits	0	0	0	0.00%	\$0	0.00%	\$0	\$0
14	Taxes Other Than Income Taxes	21,007,511	(85,491)	20,922,020	99.39%	\$20,795,204	47.94%	\$9,969,696	\$10,825,508
15	State Income Taxes	369,041	(45,840)	323,200	95.64%	\$309,122	36.77%	\$113,661	\$195,461
16	Federal Income Taxes (Note 4)	4,256,699	2,033,582	6,290,282	103.71%	6,523,499	44.75%	\$2,919,494	\$3,604,005
17	Deferred Expenses	0	0	0	0.00%	\$0	0.00%	\$0	\$0
18	Nonbypassable charges (Note 5)	4,393,374	0	4,393,374	100.00%	\$4,393,374	0.00%	\$0	\$4,393,374
19	Other Expenses (Note 6)	0	0	0	0.00%	\$0	0.00%	\$0	\$0
20									
21	TOTAL EXPENSES (lines 11 thru 20)	\$225,238,234	(\$2,971,785)	\$222,266,449	99.55%	\$221,276,806	30.99%	\$68,579,039	\$152,697,767
22	Return (line 6 minus line 21)	68,554,527	(1,808,815)	\$66,745,712	100.83%	\$67,300,215	47.92%	\$32,251,698	\$35,048,517
23									
24	Non-Operating Income	9,359,518	0	9,359,518	100.00%	9,359,518	91.04%	8,520,577	838,941
25	AFUDC (Debt and Equity)	12,948,439	0	12,948,439	100.00%	12,948,439	91.26%	11,816,516	1,131,924

* Include supporting documentation for "other adjustments"

** No inputs are made into the revenue (top) portion of this column, revenues for wholesale transmission are directly input into the top part of column 7. See Schedule I instructions for additional details on calculating the percentage inputs in the bottom portion of this column.

*** The revenues in this column should reflect the payments received from others for wholesale transmission service per the commission's wholesale transmission matrix. See instructions for additional details.

Note 1 See instructions for details regarding the reporting of revenues. Additionally, note that column 8 of this line should correspond to Schedule X 1a, line 13, column 7.

Note 2 This amount will be carried automatically from Schedule II, line 12.

Note 3 Columns 1 through 5 for this line will be carried automatically from Supplementary Schedule I-1 Amortization Expense, line 22

Note 4 Columns 3, 5, 7, and 8 of this line will be carried automatically from Schedule IV, line 41.

Note 5 This amount will be carried automatically from Schedule Ia, line 18, and includes only the NBP expenses included in the utility's T&D revenue requirement (i.e., not collected through a separate rider).

Note 6 This amount will be carried automatically from Supplementary Schedule I-2 Other Expenses, line 22.

[] Indicate here if footnote or comment relating to this schedule is included on Supplemental Schedule IV.

SUMMARY OF OTHER NONBYPASSABLE CHARGES

<u>Line</u>	Texas Jurisdictional
1 <u>REVENUES RELATED TO NONBYPASSABLE CHARGES</u>	
2 Nuclear Decommissioning Expense	\$0
3 Competition Transition Charge (CTC)	\$0
4 Municipal Franchise Fees	\$4,393,374
5 System Benefit Fund	\$0
6 Subtotal	<u>\$4,393,374</u>
7	
8 Transition Charges (related to securitized costs)	\$0
9 TOTAL NONBYPASSABLE CHARGES	\$4,393,374
10	
11	
12 Amounts related to above NBP charges to be reflected in Sched I revenue requirement	
13 (actual amounts of expenses incurred during monitoring period)	
14 Nuclear Decommissioning Charges	\$0
15 Municipal Franchise Fees	\$4,393,374
16 System Benefit Fund	\$0
17 Total (Note 1)	<u>\$4,393,374</u>
18	

Note 1 The amount on line 18 is carried automatically to Schedule I, line 19.

[] Indicate here if footnote or comment relating to this schedule is included on Supplemental Schedule IV.

INVESTED CAPITAL AT END OF REPORTING PERIOD

Line	(1) Total Company	(2) Non-Regulated or Non-Electric or Other Adjustments*	(3) Total Electric (1)+(2)	(4) Allocation Percentage (5)/(3)	(5) Tx Junsdictional Wholesale and Retail	(6) Wholesale Transmission Allocation Percentage**	(7) Wholesale Transmission	(8) Retail T&D
1	Plant In Service	\$2,259,826,034	(\$57,346,362)	\$2,202,479,673	99.06%	\$2,181,823,392	56.42%	\$1,230,945,769
2	Accumulated Depreciation (Note 2)	(\$678,161,444)	\$54,080,765	(\$624,080,678)	99.05%	(\$618,152,943)	39.68%	(\$245,301,840)
3								
4	Net Plant In Service (lines 1 thru 2)	1,581,664,591	(3,265,596)	1,578,398,995	99.07%	1,563,670,449	63.03%	\$985,643,928
5	Construction Work In Progress	346,776,418	-	346,776,418	99.06%	343,524,124	88.25%	\$303,175,988
6	Plant Held For Future Use	-	-	0	0.00%	-	0.00%	\$0
7	Working Cash Allowance	(15,318,623)	-	(15,318,623)	97.50%	(14,936,120)	20.82%	(\$3,109,217)
8	Materials and Supplies	7,424,146	-	7,424,146	99.22%	7,366,477	37.23%	\$2,742,529
9	Prepayments	40,905,746	-	40,905,746	99.29%	40,614,397	11.42%	\$4,636,156
10	Other Invested Capital Additions (Note 1)	15,896,733	-	15,896,733	98.97%	15,732,632	32.50%	\$35,978,241
11	Deferred Federal Income Taxes (Note 2)	(157,042,984)	2,741,309	(154,301,675)	100.00%	(154,301,675)	53.94%	(\$83,229,941)
12	Advances For Construction (Note 2)	-	-	0	99.06%	-	0.00%	\$0
13	Property Insurance Reserve (Note 2)	-	-	0	0.00%	-	0.00%	\$0
14	Injuries and Damages Reserve (Note 2)	(175,668)	-	(175,668)	99.34%	(174,511)	0.00%	\$0
15	Customer Energy Prepayments (Note 2)	-	-	0	0.00%	-	0.00%	\$0
16	Unclaimed Dividends (Note 2)	-	-	0	0.00%	-	0.00%	\$0
17	Other Invested Capital Deductions (Note 3)	(164,065,307)	(0)	(164,065,307)	98.81%	(162,120,735)	52.46%	(\$85,048,283)
18								
20	TOTAL INVESTED CAPITAL (lines 4 thru 17)	\$1,656,065,051	(\$524,288)	\$1,655,540,763	99.02%	\$1,639,375,036		\$1,129,924,241
21								
22	Less CWIP and PHFU (Note 4)			\$346,776,418	99.06%	\$343,524,124	88.25%	\$303,175,988
23	Plus Ending CWIP in Rate Base			\$0		\$0	0.00%	\$0
24								
25	TOTAL INVESTED CAPITAL—ADJUSTED			\$1,308,764,346		\$1,295,850,912		\$826,748,253
26								
27	Return (Schedule I, line 22)			\$66,745,712		\$67,300,215		\$32,251,698
28	Rate of Return (line 27 / line 25)			5.10%		5.19%		3.90%
29	Earned Return on Ending Equity (based on reported capital structure in Sch. V)			6.09%		6.30%		7.47%
30	(Line 28 will automatically calculate correctly only after Schedules I, II, III, IV, and V are ALL completed.)							3.45%
31								11.33%
32								
33	Weather-Adjusted Data							
34	Return (Schedule I, line 22, adjusted)			\$64,564,368		\$65,118,871		\$32,251,698
35	Rate of Return (line 34 / line 25)			4.93%		5.03%		3.90%
36	Earned Return on Ending Equity (based on reported capital structure in Sch. V)			5.73%		5.93%		3.45%
37	(Line 36 will automatically calculate correctly only after Schedules I, II, III, IV, and V are ALL completed.)							10.30%
38								

* Include supporting documentation for "other adjustments."

** See instructions for Schedule III to calculate this column.

Note 1 This amount will be carried automatically from Supplementary Schedule III-1 Other Rate Base Additions, line 22

Note 2 These items are typically DEDUCTIONS from invested capital and thus should normally be entered as NEGATIVE amounts

Note 3 This amount will be carried automatically from Supplementary Schedule III-2 Other Rate Base Deductions, line 22.

Note 4 Include the appropriate amounts from lines 5 and 6 (only PHFU balances falling outside the 10-year construction window are excluded).

[] Indicate here if footnote or comment relating to this schedule is included on Supplemental Schedule IV.

AEP TEXAS - NORTH DIVISION
12 Months Ending December 31, 2018

FEDERAL INCOME TAXES

Schedule IV
Page 1 of 1

Line No.	(1) Total Electric	(2) Allocation Percentage (3)/(1)	(3) Texas Jurisdictional	(4) Wholesale Transmission	(5) Retail
1 TOTAL REVENUES (Note 1)	\$289,012,161	99.85%	\$288,577,021	\$100,830,737	\$187,746,284
2 LESS					
3 Operations and Maintenance Expense	\$122,548,986	99.63%	\$122,099,744	\$24,873,738	\$97,226,006
4 Amortization Expense	5,207,419	98.53%	5,130,847	1,997,759	3,133,087
5 Depreciation Expense	62,581,168	99.11%	62,025,017	28,704,691	33,320,326
6 Interest on Customer Deposits	-	0.00%	-	-	-
7 Taxes Other Than Income Taxes	20,922,020	99.39%	20,795,204	9,969,696	10,825,508
8 State Income Taxes	323,200	95.64%	309,122	113,661	195,461
9 Deferred Expenses	-	0.00%	-	-	-
10 Other Expenses	-	0.00%	-	-	-
11 Nonbypassable charges (from Schedule I)	4,393,374	100.00%	4,393,374	-	4,393,374
12 Interest Included in Return (Note 2)	30,585,823	99.01%	30,284,036	19,321,107	10,962,929
13 ADD					
14 Depreciation Addback - Permanent Differences	338,000	99.11%	334,996	158,000	176,996
15 Business Meals Not Deductible	202,128	99.63%	201,387	74,805	126,582
16 Other Permanent Differences	0	0.00%	0	0	0
17 LESS					
18 Preferred Dividend Exclusion	0	0.00%	0	0	0
19 Other Permanent Differences (Attach Detail)	0	0.00%	0	0	0
20 Additional Tax Depreciation (Note 3)	40,654,055	99.11%	40,292,768	39,331,871	960,896
21 Other Timing Differences (Attach Detail)	(4,839,667)	99.02%	(4,792,407)	(525,909)	(4,266,498)
22					
23 OTHER					
24 Other adj. not shown elsewhere (Notes 8 & 9)	0	0.00%	0	0	0
25					
26 TAXABLE INCOME	7,175,911		8,575,702	(22,723,071)	31,298,773
27 TAX RATE	21%		21%	21%	21%
28					
29 CURRENT FEDERAL INCOME TAXES (Note 4)	1,506,941	119.51%	1,800,897	(4,771,845)	6,572,742
30 ADD					
31 Current Provision for Deferred Taxes (Note 5)	7,521,022	99.12%	7,455,076	8,149,252	(694,176)
32 Adjustment for Prior Flowthrough (Note 6)	0	0.00%	0	0	0
33 LESS					
34 Amortization of Investment Tax Credits	585,924	99.11%	580,717	119,016	461,701
35 Amortization of Excess Deferred Taxes					
36 a. Protected (Note 7)	2,151,757	100.00%	2,151,757	338,897	1,812,860
37 b. Unprotected (Attach Detail)	0	0.00%	0	0	0
38 OTHER					
39 Other adj. not shown elsewhere (Notes 8 & 9)	0	0.00%	0	0	0
40					
41 TOTAL FEDERAL INCOME TAXES	\$6,290,282	103.71%	\$6,523,499	\$2,919,494	\$3,604,005

Note 1 Lines 1 through 11 will be carried automatically from Schedule I.

Note 2 This amount will be calculated automatically by applying the weighted cost of debt to the total invested capital.

Note 3 Excess of tax depreciation over depreciation claimed on Schedule I adjusted to remove the effects of Line 14 for all plant reflected in Schedule III

Note 4 This amount will be calculated automatically by applying the tax rate of 21% to the taxable income found on Line 26.

Note 5 This amount will be calculated automatically by applying the tax rate of 21% to the total of Lines 20 and 21.

Note 6 This amount will be derived by multiplying non-normalized timing differences times 21%

Note 7 This amount may reflect the most recent year end balance

Note 8 Enter additions as positive amounts and deductions as negative amounts.

Note 9 Include detailed accounting of this line's components on Supplemental Schedule IV.

[] Indicate here if footnote or comment relating to this schedule is included on Supplemental Schedule IV.

Weighted Average Cost of Capital

<u>Line</u>	(a) <u>Balance</u>	(b) <u>Percent of Total</u>	(c) <u>Cost</u>	(d) <u>Weighted Cost</u>
1 Common Equity	\$2,566,659,482	45.33%	9.96% *	4.515%
2 Preferred Stock	0	0.00%	0.00%	0.000%
3 Long-Term Debt	3,095,118,968	54.67%	4.28%	2.337%
4 Short-Term Debt		0.00%	0.00%	0.000%
5				
6 Total	\$5,661,808,450	100.00%		6.852%

*This return on equity was allowed in AEP Texas North's Company's

Docket No. 33309

The final order was issued on: 12/13/2007

Notes: The costs and balances of preferred stock, long-term debt, and short-term debt should correspond with those provided on Schedules VI, VIa, VII, VIIa, and VIII.

Indicate here if footnote or comment relating to this schedule is included on Supp Sched IV.

Note This schedule is Total AEP Texas

Historical Financial Statistics
(Total Company Basis)

Line	Fiscal Year	2014	2015	2016	2017	Monitoring Period ** Total AEP TEXAS
1	Total Debt as a Percent of Total Capital	52.93%	51.80%	57.70%	60.61%	61.52%
2	CWIP as a Percent of Net Plant	2.22%	2.56%	3.51%	11.80%	10.46%
3	Construction Expenditures as a Percent of Average Total Capital	17.21%	19.54%	20.59%	32.90%	23.09%
4	Pre-Tax Interest Coverage	3.50	3.47	2.70	3.37	2.39
5	Funds From Operations / Total Debt	19.46%	25.65%	20.30%	20.14%	15.99%
6	Fixed Charge Coverage	3.47	3.44	2.68	3.36	2.38
7	Fixed Charge Coverage (Including Distributions on Pref Trust Securities)	3.47	3.44	2.68	3.36	2.38
8	Funds From Operations Interest Coverage	4.34	6.32	6.48	6.11	5.47
9	Net Cash Flow / Capital Outlays	55.57%	51.95%	49.32%	43.15%	216.58%
10	Cash Coverage of Common Dividends	3.21	3.58	4.70	0.00	0.00
11	AFUDC and Deferrals as a Percent of Net Income for Common	1.50%	1.38%	2.71%	10.25%	19.53%
12	Return on Average Common Equity	9.95%	8.65%	5.85%	10.41%	8.90%

[X] i Indicate here if footnote or comment relating to this schedule is included on Supplemental Schedule IV.

** Financial Statistics for 2018 shown as total AEP Texas

Signature Page
Public Utility Commission of Texas—Earnings Report
12 Months Ending December 31, 2018

I certify that I am the responsible official of AEP Texas Inc.; that I have examined the foregoing report; that to the best of my knowledge, information, and belief, all statements of fact contained in the said report are true and the said report is a correct statement of the business and affairs of the above-named respondent in respect to each and every matter set forth therein during the period from January 1, 2018 to December 31, 2018 inclusive.

4/27/2020
Date

Lugh Anne A. Strahler
Signature

Vice President, Regulatory and Finance
Title

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