



Control Number: 50733



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SOAH DOCKET NO. 473-20-3300
PUC DOCKET NO. 50733



APPLICATION OF AEP TEXAS INC. §
TO AMEND ITS DISTRIBUTION COST §
RECOVERY FACTOR §

BEFORE THE STATE OFFICE
OF
ADMINISTRATIVE HEARING

**AEP TEXAS INC.'S RESPONSE TO COMMISSION STAFF'S
FIRST REQUEST FOR INFORMATION**

MAY 4, 2020

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**AEP TEXAS INC'S RESPONSE TO COMMISSION STAFF'S
FIRST REQUEST FOR INFORMATION**

Question Staff 1-1:

Reference the Company's earnings report for the period ending December 31, 2019, Schedule I, Summary of Revenues and Expenses. Please provide a breakout of Line 15, Taxes Other Than Income Taxes, by specific tax and associated amount.

Response Staff 1-1:

The requested taxes other than income taxes are recorded in FERC Account 408.1 and is contained in the electronically filed spreadsheet "AEP_Texas_2019_IOU_TDU_EMR_form – Final.xlsm", tab "TB-IS", "Columns G, H, K and L", "Rows 263 – 284, Less Row 278".
<http://interchange.puc.texas.gov/Search/Documents?controlNumber=50733&itemNumber=1>.

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**AEP TEXAS INC'S RESPONSE TO COMMISSION STAFF'S
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Question Staff 1-2:

Reference the Company's earnings report for the period ending December 31, 2019, Schedule I, Summary of Revenues and Expenses. Please identify the taxing authority to which the company remits Line 16, State Income Taxes and the purpose of the tax.

Response Staff 1-2:

The taxes are paid to the Texas Comptroller for Gross Margin Tax.

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Question Staff 1-3:

Reference the Company's WP Schedule E-3.1. Please explain why the Company applies the rate of 2.3517% for the weighted cost of debt in its calculation of the interest synchronization. Does that rate differ from the rate resulting from Finding of Fact No. 92 in the Docket No. 49494 Order issued on April 3, 2020?

Response Staff 1-3:

The Company applied the rate of 2.3517% for the weighted cost of debt in its calculation of interest synchronization because that was the rate included in 49494 Settlement H DCRF Baseline.xlsx. https://www.aep.com/assets/Attachments/49494_526_1052156.ZIP. See tab WP_DCRF cell E169. Yes, that rate differs from Finding of Fact No. 92 in Docket No. 49494.

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Question Staff 1-4:

If the answer to Question No. Staff 1-3 above is yes, please provide the calculation of interest synchronization that reflects the effects of the Docket No. 49494 Order.

Response Staff 1-4:

The electronic Staff 1-4 Attachment 1 shows the calculation using the 2.4586%.

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