

PUC DOCKET NO. \_\_\_\_\_

APPLICATION OF AEP TEXAS	§	PUBLIC UTILITY COMMISSION
CENTRAL COMPANY TO ADJUST	§	
ENERGY EFFICIENCY COST	§	OF
RECOVERY FACTOR AND RELATED	§	
RELIEF	§	TEXAS

**AEP TEXAS CENTRAL COMPANY'S APPLICATION**

TO THE HONORABLE PUBLIC UTILITY COMMISSION OF TEXAS:

AEP Texas Company (TCC or Applicant) files its Application to Adjust Energy Efficiency Cost Recovery Factor and Related Relief pursuant to PURA<sup>1</sup> §39.905 and P.U.C. SUBST. R.25.181(f). In support thereof TCC would show the following:

**I. Applicant**

TCC is a transmission and distribution (T&D) utility that provides T&D service in a service area comprising all or parts of 44 counties in south and central Texas. TCC's business address is 539 North Carancahua Street, Corpus Christi, Texas 78403.

**II. Applicant's Authorized Representatives**

TCC's authorized representative for the purpose of receiving service of documents is:

Nancy J. Napolitano  
American Electric Power Service Corporation  
400 West 15th Street  
Suite 1520  
Austin, Texas 78701  
512.481.4543 (voice)  
512.481.4591 (facsimile)  
Email: [njnapolitano@aep.com](mailto:njnapolitano@aep.com)

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<sup>1</sup> Public Utility Regulatory Act (PURA), TEX. UTIL. CODE ANN. §§ 11.001-66.016 (Vernon 2007 and Supp. 2010).

TCC's authorized legal representatives are:

Rhonda Colbert Ryan  
Joann Stevenson  
American Electric Power Service Corporation.  
400 West 15th Street, Suite 1520  
Austin, Texas 78701  
512.481.3321 (voice)  
512.481.4591 (facsimile)  
Email: [rcryan@aep.com](mailto:rcryan@aep.com)  
Email: [jtstevenson@aep.com](mailto:jtstevenson@aep.com)

### **III. Jurisdiction**

The Commission has jurisdiction over this application pursuant to PURA §39.905 and P.U.C. SUBST. R. 25.181.

### **IV. Affected Persons**

TCC provides T&D service to approximately 90 retail electric provider (REP) customers, all of whom may be affected by the relief sought by TCC.

There are approximately 829,191 end users of electricity in Applicant's service territory, all of whom are customers of REPs. Those end users of electricity who take service at below 69,000 volts may be affected by the relief sought by TCC, depending on the actions taken by the REPs who provide them electricity.

### **V. Background**

In Docket No. 38208,<sup>2</sup> the Commission authorized TCC, pursuant to PURA §39.905 and P.U.C. SUBST. R. 25.181(f), to implement an energy efficiency cost recovery factor (EECRF) designed to recover \$9,029,163 in energy efficiency costs representing its projected expenditures to achieve its energy efficiency objectives for 2011 that were in excess of the amount for energy efficiency expressly included in TCC's base rate order in Docket No. 33309<sup>3</sup>, recovery of TCC's

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<sup>2</sup> *Application of AEP Texas Central Company to Adjust Energy Efficiency Cost Recovery Factor and Related Relief*, Docket No. 38208 (Aug. 19, 2010).

<sup>3</sup> *AEP Texas Central Company for Authority to Change Rates*, Docket No. 33309, Order on Rehearing (March 4, 2008).

2009 performance bonus of \$2,768,731, and return to customers of over-recovered 2009 energy efficiency program revenues of \$2,560,583.

P.U.C. SUBST. R. 25.181(f)(4) requires a utility with an EECRF to apply no later than May 1 of each year to adjust its EECRF in order to reflect changes in costs and performance bonus and to minimize any over- or under-collection in prior year program costs.

## **VI. Request to Adjust the EECRF**

By this application, TCC requests the authority to adjust TCC's EECRF to decrease the cost recovery factors for energy efficiency by \$1,892,923 to reflect the following three components:

- 1) recovery of \$7,118,795 in energy efficiency program costs projected to be incurred in 2012 that exceed the costs for energy efficiency included in its base rate order;
- 2) return to customers the amount of \$2,562,212 representing TCC's 2010 over-recovery of its actual energy efficiency program revenues for 2010; and
- 3) recovery of \$2,579,657 representing TCC's 2010 performance bonus for achieving demand savings that exceeded its minimum goal in 2010.

The total amount that TCC requests be recovered through its adjusted 2012 EECRF is \$7,136,240.

## **VII. Adjusted EECRF Cost Recovery Factors for 2012**

The adjusted Rider EECRF containing the cost recovery factors requested by TCC for 2012 is attached hereto as Attachment A. TCC requests the Commission make the adjusted Rider EECRF effective as of December 30, 2011, the commencement of its January 2012 billing month. The requested adjusted EECRF cost recovery factors to recover the applicable energy efficiency costs during 2012 are as follows:

<u>Customer Rate Class</u>	<u>EECRF</u>
Residential Service	\$0.000555
Secondary Service (Less than or equal to 10 kW)	\$0.000205
Secondary Service (Greater than 10 kW)	\$0.000230
Primary Service	\$0.000187

### **VIII. Testimony and Schedules Supporting Application**

Accompanying this application are the direct testimony of Billy G. Berny, Pamela D. Osterloh, and Jennifer L. Jackson and Schedules A through L, which support the relief sought by Applicant. The evidence sponsored by Mr. Berny, Ms. Osterloh, and Ms. Jackson fully supports the relief sought by TCC pursuant to PURA §39.905 and P.U.C. SUBST. R. 25.181(f).

### **IX. Notice**

TCC proposes to provide notice of this application: (1) by mailing by U. S. mail, postage prepaid, notice to all of the REPs certificated by the Commission as listed on the Commission website as of the date hereof; (b) by mailing by U. S. mail, postage prepaid, a copy of this application to all parties to Docket No. 33309, TCC's last base rate case, and Docket No. 38208, TCC's last EECRF case; and (c) by publishing notice once in newspapers having general circulation in each county in its service area. The form of notice to be provided is attached as Attachment B.

### **X. Proposed Schedule**

TCC proposes the following schedule for this proceeding:

Staff Approval of Notice	May 13, 2011
Notice Completed	June 2, 2011
Proof of Notice	June 17, 2011
Intervention Deadline	June 17, 2011
Request for a Hearing	June 20, 2011
<u>If no Hearing requested</u>	
Staff Recommendation	July 6, 2011
Parties' Proposed Order	July 20, 2011

### **XI. Conclusion and Prayer for Relief**

WHEREFORE, PREMISES CONSIDERED, TCC prays that the Commission:

- (i) grant TCC's application;
- (ii) approve TCC's proposed notice and method of providing notice;
- (iii) approve TCC's proposed schedule;

- (iv) authorize TCC to begin applying the adjusted Rider EECRF attached hereto as Attachment A as of December 30, 2011 (the commencement of TCC's January 2012 billing month); and
- (v) grant such other and further relief to which TCC may show itself justly entitled.

Dated: April 29, 2011

RESPECTFULLY SUBMITTED,

American Electric Power Service Corporation  
400 West 15<sup>th</sup> Street, Suite 1520  
Austin, Texas 78701  
Rhonda Colbert Ryan  
State Bar No. 17478800  
Joann Stevenson  
State Bar No. 24033231  
Telephone: 512.481.3321  
Facsimile: 512.481.4591

By: \_\_\_\_\_  
Joann Stevenson  
ATTORNEY FOR AEP TEXAS CENTRAL COMPANY

**CERTIFICATE OF SERVICE**

A true and correct copy of the foregoing application has been provided, this 29th day of April, 2011, by U. S. mail, postage prepaid, to all parties to Docket Nos. 33309 and 38208.

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Joann Stevenson