

PUC DOCKET NO. _____

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

AEP TEXAS NORTH COMPANY'S APPLICATION

TO THE HONORABLE PUBLIC UTILITY COMMISSION OF TEXAS:

AEP Texas North Company (TNC) files its Application to Adjust Energy Efficiency Cost Recovery Factor (EECRF) and Related Relief pursuant to PURA¹ §39.905 and P.U.C. SUBST. R.25.181(f). In support thereof TNC would show the following:

I. Applicant

TNC is a transmission and distribution (T&D) utility that provides T&D service in a service area comprising all or parts of 48 counties in west and north Texas. TNC's business address is 910 Energy Drive, Abilene, Texas 79602.

II. Applicant's Authorized Representatives

TNC'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

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

TNC's authorized legal representatives are:

Rhonda Colbert Ryan
Joann Stevenson
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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

TNC provides T&D service to approximately 83 retail electric provider (REP) customers, all of whom may be affected by the relief sought by TNC.

There are approximately 201,869 end users of electricity in TNC'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 TNC, depending on the actions taken by the REPs who provide them electricity.

V. Background

In Docket No. 38209,² the Commission authorized TNC, 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 \$980,940 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

² *Application of AEP Texas North Company for an Energy Efficiency Cost Recovery Factor and Related Relief*, Docket No. 38209 (Aug. 19, 2010).

efficiency programs expressly included in TNC's base rate order in Docket No. 33310³, and recovery of TNC's performance bonus.

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, TNC requests the authority to adjust TNC's EECRF to increase the cost recovery factors for energy efficiency by \$423,743 to reflect the following three components:

- 1) recovery of \$768,593 in energy efficiency program costs projected to be incurred in 2012 that exceed costs for energy efficiency included in its base rate order;
- 2) recovery of \$188,470 representing TNC's 2010 under-recovery of its actual program expenditures for 2010; and
- 3) recovery of \$447,620 representing TNC's 2010 performance bonus for achieving demand savings that exceeded its minimum goal for 2010.

The total amount that TNC requests be recovered through its adjusted 2012 EECRF is \$1,404,683.

Attached to this application as Attachment A is an adjusted Rider EECRF to TNC's tariff, which TNC requests the Commission to make effective as of December 30, 2011, the commencement of its January 2012 billing month. The adjusted Rider EECRF sets forth the adjusted energy efficiency recovery factors that TNC requests be in effect during 2012.

VII. Adjusted EECRF Cost Recovery Factors for 2012

The adjusted Rider EECRF containing the cost recovery factors requested by TNC for 2012 is attached hereto as Attachment A. The requested adjusted EECRF cost recovery factors to recover the applicable energy efficiency costs during 2012 are as follows:

³ *Application of AEP Texas North Company for Authority to Change Rates*, Docket No. 33310, Order (May 29, 2007).

<u>Customer Rate Class</u>	<u>EECRF</u>
Residential Service	\$0.000334 per kWh
Secondary Service (Less than or equal to 10 kW)	\$0.000284 per kWh
Secondary Service (Greater than 10 kW)	\$0.000303 per kWh
Primary Service	\$0.000198 per kWh

VIII. Testimony and Schedules Supporting Application

Accompanying this application are the testimony of Billy G. Berny, Rhonda R. Fahrlander, and Jennifer L. Jackson and Schedules A through L, which support the relief sought by TNC pursuant to PURA §39.905 and P.U.C. SUBST. R.25.181(f).

IX. Notice

TNC proposes to provide notice of this application: (1) by mailing by U. S. mail, postage prepaid, the 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. 33310, TNC's last base rate case, and Docket No. 38209, TNC'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

TNC proposes the following schedule for this proceeding:

Staff Approval of Notice	May 13, 2011
Notice Completed	June 3, 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, TNC prays that the Commission:

- (i) grant TNC's application;
- (ii) approve TNC's proposed notice and method of providing notice;
- (iii) approve TNC's proposed tariff schedule;
- (iv) authorize TNC to begin applying adjusted Rider EECRF attached hereto as Attachment A as of December 30, 2011 (the commencement of TNC's January 2012 billing month); and
- (v) grant such other and further relief to which TNC may show itself justly entitled.

Dated: April 29, 2011

RESPECTFULLY SUBMITTED,

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By: _____
Joann Stevenson
ATTORNEY FOR AEP TEXAS NORTH 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. 33310 and 38209.

Joann Stevenson