


Control Number: 45616



Item Number: 3

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<p><b>ANNUAL STANDARD TRUE-UP COMPLIANCE FILING FOR AEP TEXAS CENTRAL COMPANY CONCERNING RIDER TC-3- TRANSITION CHARGE-3 RATES</b></p>	<p>§ § § § §</p>	<p><b>PUBLIC UTILITY COMMISSION</b>    <b>PUBLIC UTILITY COMMISSION OF TEXAS</b>      BILLING CLERK</p>
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**STAFF'S RECOMMENDATION**

**COMES NOW** the Commission Staff of the Public Utility Commission of Texas (Staff) representing the public interest, and files this final recommendation and would show the following:

**I. Background**

On February 12, 2016, AEP Texas Central Company (TCC) filed for an annual standard true-up of its transition charges under Schedule TC-3- Transition Charge-3 Rates pursuant to the Financing Order issued in Docket No. 39931.

On February 17, 2016, a notice was entered requiring Staff to file a recommendation on the accuracy of TCC's adjustment by February 26, 2016. Therefore, this pleading is timely filed.

**II. Recommendation**

TCC has requested an effective date of the adjusted Transition Charges of March 1, 2016, the first billing cycle of TCC's March billing month. As further explained in the attached memorandum from Adrian Narvaez of the Rate Regulation Division, Staff confirmed the accuracy of TCC's adjustment and recommends approval of TCC's filing. Further, Staff recommends that TCC be required to file a "clean" record copy of its Schedule 6.1.1.2.3.1, listed as Attachment 2 in TCC's application, to be stamped "Approved" by the Commission's Central Records Division and retained for future reference.

**III. Conclusion**

For the above stated reasons, Staff respectfully requests that a notice of approval be issued consistent with Staff's recommendation.

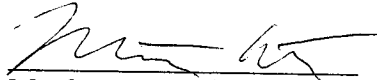
**Dated: February 24, 2016**

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Respectfully Submitted,

Margaret Uhlig Pemberton  
Division Director  
Legal Division

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**DOCKET NO. 45616**

**CERTIFICATE OF SERVICE**

I certify that a copy of this document will be served on all parties of record on February 24, 2016 in accordance with 16 TAC § 22.74.



Matthew A. Arth

# *Public Utility Commission of Texas*

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## **Memorandum**

To: Matthew Arth, Legal Division

From: Adrian Narvaez, Tariff & Rate Analysis, Rate Regulation Division

Date: February 24, 2016

Re: **Docket No. 45616**– *Annual Standard True-up Compliance Filing for AEP Texas Central Company Concerning Rider TC-3 Transition Charge-3 Rates*

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On February 12, 2016, AEP Texas Central Company, LLC (TCC) filed for an annual true-up of Rider TC-3 - Transition Charge 3 Rates. TCC is authorized to collect these non-bypassable Transition Charges (TCs) in accordance with the Financing Order in P.U.C. Docket No. 39931, which ordered the securitization of stranded costs associated with the deregulation of certain assets.<sup>1</sup> The Standard True-Up is required to correct for any over- or under-collections during the preceding collection period, and to ensure sufficient billings of transition charges to enable scheduled payments of principal, interest, and other amounts related to TCC's transition bonds.

TCC stated in its filing that it needs to collect \$71,540,758 to pay principal, interest, and other charges associated with its transition bonds for the payment period covering March 1, 2016 through February 28, 2017. TCC has requested an effective date of March 1, 2016.

I have reviewed TCC's filing and have determined that TCC's proposed TC-3s, as shown in Attachment 2, Schedule 6.1.1.2.3.1 Initial/Adjusted Transition Charge-3 Rates-Rider TC-3, Fourth Revision, are appropriate. I therefore recommend that TCC's proposed Initial/Adjusted Transition Charge-3 Rates-Rider TC-3 6.1.1.2.3.1, Fourth Revision be **Approved** as filed on February 12, 2016. I further recommend that TCC be required to file a "clean" copy of Schedule 6.1.1.2.3.1, listed as Attachment 2 in TCC's application, to be stamped "Approved" by the Commission's Central Records Division and retained for future reference.

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<sup>1</sup> Application of AEP Texas Central Company for a Financing Order, P.U.C. Docket No. 39931 (January 12, 2012).