



Control Number: 41538



Item Number: 10

Addendum StartPage: 0

**PUC DOCKET NO. 41538  
SOAH DOCKET NO. 473-13-4654**

**APPLICATION OF AEP TEXAS  
CENTRAL COMPANY TO ADJUST  
ENERGY EFFICIENCY COST  
RECOVERY FACTOR AND RELATED  
RELIEF**

§  
§  
§  
§  
§

**PUBLIC UTILITY COMMISSION  
OF  
TEXAS**

2013 JUN 10 PM 2:48  
PUC CLERK

**AEP TEXAS CENTRAL COMPANY'S LIST OF ISSUES**

TO THE HONORABLE PUBLIC UTILITY COMMISSION OF TEXAS:

NOW COMES AEP Texas Central Company (TCC) and files its List of Issues in accordance with the Order of Referral issued on June 3, 2013. In support thereof, TCC shows as follows:

**I. List of Issues to be Addressed in this Proceeding**

PUC SUBST. R. 25.181 governs this proceeding and sets forth the scope for a proceeding to adjust an energy efficiency cost recovery factor (EECRF) rider. In addition, the preamble in the Order adopting the most recent revisions to PUC SUBST. R. 25.181 directs that the reasonableness of TCC's energy efficiency programs and expenditures for the 2009-2012 period will be determined in this docket. Accordingly, TCC submits the following list of issues to be addressed in this proceeding:

**Application**

1. Does TCC's EECRF application comply with P.U.C. Subst. R. 25.181(f) and contain the testimony and schedules required by P.U.C. SUBST. R. 25.181(f)(10) and address the factors required by P.U.C. SUBST. R. 25.181(f)(11)?

**2014 Program Year**

2. What are TCC's appropriate demand reduction goal and energy savings goal for program year 2014 consistent with P.U.C. SUBST. R. 25.181(e)?
  - A. Has TCC requested a lower demand reduction goal under P.U.C. SUBST. R. 25.181(e)(2)?

- B. Has TCC received any identification notices under P.U.C. Subst. R. 25.181(w)? If so, has TCC's demand reduction goal for program year 2014 been properly adjusted to remove any load that is lost as a result of identification notices submitted to TCC under that rule?
3. What is the appropriate amount of projected energy-efficiency-program costs to be recovered through TCC's 2014 EECRF?
- A. Are these costs reasonable estimates of the costs necessary to provide energy-efficiency programs and to meet TCC's goals under P.U.C. SUBST. R. 25.181?
- B. Does TCC currently recover any energy-efficiency costs in its base rates? If so, what is the amount of projected program costs in excess of revenues collected through base rates?
- C. Are the projected costs of administration and costs of research and development in compliance with the administrative spending caps in P.U.C. SUBST. R. 25.181(i)?
4. What are the EM&V costs assigned to TCC for program years 2013 and 2014?<sup>1</sup>

Reconciliation of Prior Program Years

5. Have the costs recovered by TCC through its EECRF for all prior program years complied with PURA § 39.905 and the then-applicable P.U.C. Subst. R. 25.181 and were the costs reasonable and necessary to reduce energy and demand costs?<sup>2</sup>

---

<sup>1</sup> P.U.C. SUBST. R. 25.181(q)(10).

<sup>2</sup> See *Rulemaking Proceeding to Amend Energy Efficiency Rule*, Project No. 39674, Order Adopting Amendments to § 25.181 as Approved at the September 28, 2012 Open Meeting at 144 (Oct. 17, 2012) ("The commission clarifies that it intends that the adopted rule to be interpreted as follows: A utility has over-recovered costs in the preceding year to the extent that it has recovered costs through the EECRF, in the preceding year *or any other prior year*, that do not comply with subsection (f). For the 2013 EECRF proceeding initiated by a utility, the reasonableness of incurred expenses for *all years prior to 2013* shall be an issue to be addressed because those expenses have not been reconciled. After the 2013 EECRF proceeding, the reconciliation in an EECRF proceeding will be limited to the costs recovered in the preceding year because parties will have had an opportunity in prior EECRF proceedings to challenge the appropriateness of the expenses recovered in years prior to the preceding year and the commission will have determined in those prior EECRF proceedings whether those expenses complied with subsection (f)(12)."). (emphasis added).

- A. Were the actual costs of administration and costs of research and development for program year 2012, or any prior program year that is challenged, in compliance with the administrative spending caps in the then-applicable P.U.C. SUBST. R. 25.181 or P.U.C. SUBST. R. 25.181(i) or higher spending caps otherwise established by the Commission?
  - B. Did any costs for program year 2012, or any prior program year that is challenged, result from payments to an affiliate? If so, do those costs meet the requirements for affiliate expenses in PURA § 36.058?
  - C. What are the reasonable and necessary utility rate-case expenses for TCC's immediately previous EECRF proceeding?
  - D. What are the reasonable and necessary municipality rate-case expenses for TCC's immediately previous EECRF proceeding?
6. For each EECRF rate class, what is the appropriate amount, if any, of under- or over-recovered EECRF costs consistent with P.U.C. SUBST. R. 25.181 for program year 2012, or any prior program years that are challenged?
- A. Did TCC recover any of its energy-efficiency costs through base rates for program year 2012, or any prior program years that are challenged? If so, what is the actual amount of energy-efficiency revenues collected through base rates consistent with the Commission's orders or P.U.C. SUBST. R. 25.181(f)(2)?
  - B. What was the actual revenue collected through TCC's EECRF for program year 2012 and any prior program years that are challenged?
  - C. What were the actual costs that comply with P.U.C. SUBST. R. 25.181(f)(12) of TCC's energy-efficiency programs for program year 2012, or any prior year for which costs are challenged?

Performance Bonus

7. What were TCC's demand and energy reduction goals for program year 2012?
8. What is the appropriate energy-efficiency performance bonus, if any, consistent with P.U.C. SUBST. R. 25.181(h) for program year 2012?
  - A. Did TCC exceed its demand and energy reduction goals for program year 2012? If so, by what amounts?
  - B. What are the net benefits of TCC's energy-efficiency program for program year 2012?
  - C. Did TCC exceed the 2012 EECRF cost caps in P.U.C. SUBST. R. 25.181(f)(7)?
  - D. Did the Commission establish a lower demand reduction goal, higher administrative spending cap, or higher EECRF cost cap for TCC for program year 2012?

EECRF Design

9. What are the appropriate 2014 EECRFs for each rate class consistent with P.U.C. SUBST. R. 25.181(f)?
  - A. What is the total cost that should be recovered through TCC's 2014 EECRFs?
  - B. What are the appropriate EECRF rate classes for TCC's 2014 EECRFs?
  - C. Has TCC requested a good-cause exception under P.U.C. SUBST. R. 25.181(f)(2) to combine one or more rate classes? If so, for each rate class that is proposed to be combined, does it have fewer than 20 customers, is it similar to the other rate classes, and does it receive services under the same energy-efficiency programs as the other rate classes?
  - D. Are the costs assigned or allocated to rate classes reasonable and consistent with P.U.C. SUBST. R. 25.181?

- i. Are TCC's program costs directly assigned to each EECRF rate class that receives services under the programs to the maximum extent possible?
  - ii. Is the 2012 performance bonus allocated consistent with P.U.C. SUBST. R. 25.181(h)(6)?
  - iii. Are administrative costs, including rate-case expenses,<sup>3</sup> and research and development costs allocated consistent with P.U.C. SUBST. R. 25.181(i)?
- E. Does TCC propose an EECRF for any commercial rate classes as a demand charge?
- F. What is the appropriate estimate of billing determinants for the 2014 program?
- G. What are the appropriate calculated or estimated system losses and line losses that should be used in calculating the 2014 EECRF charges?
10. Do the total 2014 EECRF costs, excluding EM&V costs and municipal rate-case expenses, exceed the EECRF cost caps prescribed in P.U.C. SUBST. R. 25.181(f)(7)?
11. Do the incentive payments for each customer class in program year 2012, or any prior program year that is challenged, comply with the then-applicable P.U.C. SUBST. R. 25.181 or P.U.C. SUBST. R. 25.181(g)?

Tariff

12. What tariff schedule should be adopted for TCC in compliance with P.U.C. SUBST. R. 25.181?

---

<sup>3</sup> *Application of Oncor Electric Delivery Company, LLC for 2013 Energy Efficiency Cost Recovery Factor*, Docket No. 40361, Order at 6, Finding of Fact No. 30 (Aug. 29, 2012) ("The Commission, on its own motion, reconsidered the supplemental preliminary order and found that municipalities' EECRF rate-case expenses should be allocated as all other EECRF administrative costs.").

## **II. Issues Not to be Addressed**

Given the scope of this proceeding as established in PUC SUBST. R. 25.181(f)(12) and the preamble in the Order adopting the most recent revisions to PUC SUBST. R. 25.181, this proceeding should not address any issues that go beyond the set of issues set forth above.

## **III. Conclusion**

WHEREFORE, PREMISES CONSIDERED, TCC requests the Commission to adopt a Preliminary Order consistent with the list of issues set forth above.

Dated: June 10, 2013

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

Jerry N. Huerta

State Bar No. 24004709

Telephone: 512.481.3321

Facsimile: 512.481.4591

By:

  
Rhonda Colbert Ryan

## **CERTIFICATE OF SERVICE**

A true and correct copy of the foregoing document was served on all parties of record in this proceeding by hand-delivery, overnight delivery, facsimile transmission or U.S. First Class Mail on the 10<sup>th</sup> day of June, 2013.

  
Rhonda Colbert Ryan