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

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APPLICATION OF AEP TEXAS § BEFORE THE STATE OFFICE
CENTRAL COMPANY TO ADJUST §
ENERGY EFFICIENCY COST § OF
RECOVERY FACTOR AND RELATED §
RELIEF § ADMINISTRATIVE HEARINGS

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

JUNE 17, 2013

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**SOAH DOCKET NO. 473-13-4654
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APPLICATION OF AEP TEXAS	§	BEFORE THE STATE OFFICE
CENTRAL COMPANY TO ADJUST	§	
ENERGY EFFICIENCY COST	§	OF
RECOVERY FACTOR AND RELATED	§	
RELIEF	§	ADMINISTRATIVE HEARINGS

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

Question No. STAFF 1-1:

Please provide the information below for each of the following rate classes: Residential, Secondary Voltage Service Less Than or Equal to 10kW, Secondary Voltage Service Less Greater Than 10kW, Primary Voltage Service, Transmission Voltage Service, and Lighting Service. Please provide in Microsoft Excel format, if available. If Microsoft Excel format is not available, please provide the information in a native format:

- 1) Actual program year 2012 kWh usage by month by rate class for:
 - a. Metered non-profit or government entity customers;
 - b. Metered customers that are for-profit entities engaged in an industrial process;
 - c. Metered customers that are for-profit entities engaged in an industrial process that qualify for a tax exemption under Tax Code § 151.317 and have submitted an identification notice pursuant to P.U.C. Subst. R. 25.181(w); and
 - d. Non-metered customers; and
 - e. Total rate class.
- 2) Actual program year 2012 class demand coincident with ERCOT 4CP demand by rate class for:
 - a. Metered non-profit or government entity customers;
 - b. Metered customers that are for-profit entities engaged in an industrial process;
 - c. Metered customers that are for-profit entities engaged in an industrial process that qualify for a tax exemption under Tax Code § 151.317 and have submitted an identification notice pursuant to P.U.C. Subst. R. 25.181(w); and
 - d. Non-metered customers; and
 - e. Total rate class.
- 3) For each rate class, the sum of customers' non-coincident peak demands in the actual program year 2012 by month:
 - a. Metered non-profit or government entity customer;

- b. Metered customers that are for-profit entities engaged in an industrial process;
 - c. Metered customers that are for-profit entities engaged in an industrial process that qualify for a tax exemption under Tax Code § 151.317 and have submitted an identification notice pursuant to P.U.C. Subst. R. 25.181(w); and
 - d. Non-metered customers; and
 - e. Total rate class.
- 4) Actual program year 2012 billable by month by rate class for:
- a. Metered non-profit or government entity customers;
 - b. Metered customers that are for-profit entities engaged in an industrial process;
 - c. Metered customers that are for-profit entities engaged in an industrial process that qualify for a tax exemption under Tax Code § 151.317 and have submitted an identification notice pursuant to P.U.C. Subst. R. 25.181(w); and
 - d. Non-metered customers; and
 - e. Total rate class.
- 5) Actual program year 2012 number of customer bills by month by rate class for:
- a. Metered non-profit or government entity customers;
 - b. Metered customers that are for-profit entities engaged in an industrial process;
 - c. Metered customers that are for-profit entities engaged in an industrial process that qualify for a tax exemption under Tax Code § 151.317 and have submitted an identification notice pursuant to P.U.C. Subst. R. 25.181(w); and
 - d. Non-metered customers; and
 - e. Total rate class.
- 6) The amount of energy efficiency costs TCC's base rates were set to collect by rate class for:
- a. Metered non-profit or government entity customers;
 - b. Metered customers that are for-profit entities engaged in an industrial process;
 - c. Metered customers that are for-profit entities engaged in an industrial process that qualify for a tax exemption under Tax Code § 151.317 and have submitted an identification notice pursuant to P.U.C. Subst. R. 25.181(w); and
 - d. Non-metered customers; and
 - e. Total rate class.
- 7) Forecasted program year 2014;
- a. kWh usage by month by rate class for
 - i. eligible customers; and

- ii. ineligible customers.
 - b. Sum of customers' non-coincident peak demands by month by rate class for
 - i. eligible customers; and
 - ii. ineligible customers.
 - c. Number of customer bills by rate class for
 - i. eligible customers; and
 - ii. ineligible customers.
- 8) For each 2012 program, total dollar amount for each of the following types of expenses directly assigned to each of the above-listed rate classes, and a justification for such direct assignment:
 - a. Incentive;
 - b. Administrative
 - c. Research & Development;
 - d. Evaluation, Measurement & Verification;
 - e. Municipal rate case expenses;
 - f. Utility rate class expenses;
 - g. Performance bonus;
 - h. Any additional costs and/or expenditures the Company requests to recover through the EECRF.
- 9) The total dollar amount for each of the following types of expenses directly to each 2012 program, and a justification for such direct assignment:
 - a. Incentive;
 - b. Administrative;
 - c. Research & Development;
 - d. Evaluation, Measurement & Verification;
 - e. Municipal rate case expenses;
 - f. Utility rate class expenses;
 - g. Performance bonus;
 - h. Any additional costs and/or expenditures the Company requests to recover through the EECRF.
- 10) For each 2012 program, the total dollar amount for each of the following types of expenses allocated among the above-listed rate classes, a justification for allocating instead of directly assigning those costs to each of the above-listed rate classes, a

complete explanation of the allocation methodology, work papers supporting the calculation of the allocation factors, and a justification for the proposed allocation basis:

- a. Incentive;
 - b. Administrative;
 - c. Research & Development;
 - d. Evaluation, Measurement & Verification;
 - e. Municipal rate case expenses;
 - f. Utility rate class expenses;
 - g. Performance bonus;
 - h. Any additional costs and/or expenditures the Company requests to recover through the EECRF.
- 11) The total dollar amount for each of the following types of expenses allocated among the 2012 programs, a justification for allocating instead of directly assigning those costs to each program, a complete explanation of the allocation methodology, work papers supporting the calculation of the allocation factors, and a justification for the proposed allocation basis:
- a. Administrative;
 - b. Research & Development;
 - c. Evaluation, Measurement & Verification;
 - d. Municipal rate case expenses;
 - e. Utility rate class expenses;
 - f. Performance bonus;
 - g. Any additional costs and/or expenditures the Company requests to recover through the EECRF.
- 12) In native format, actual 2012 energy efficiency revenues collected through base rates and 2014 budgeted energy efficiency revenues expected to be collected through base rates for each of the above listed rate classes.
- 13) 2014 energy efficiency revenues expected to be collected through base rates for each of the above-listed rate classes.
- 14) Actual 2012 revenues collected through the Company's Rider EECRF for each of the above-listed rate classes for:
- a. Metered non-profit or government entity customers;
 - b. Metered customers that are for-profit entities engaged in an industrial process;

- c. Metered customers that are for-profit entities engaged in an industrial process that qualify for a tax exemption under Tax Code § 151.317 and have submitted an identification notice pursuant to P.U.C. Subst. R. 25.181(w); and
 - d. Non-metered customers; and
 - e. Total rate class.
- 15) A list of which of the Company's base rate classes will be eligible for each of the Company's proposed 2014 programs.
- 16) A list of which if the Company's base rate classes received services under each of the programs 2012 programs.
- 17) Projected incentive disbursement by rate class for each of the Company's proposed 2014 programs, and with an explanation for the Company's rationale for such projections.

Response No. STAFF 1-1:

TCC has reviewed information on the transmission voltage rate class and determined that there are not any not-for-profit or governmental customers served at transmission voltage that would be defined as "commercial customers" under the definition in the Rule. TCC does not have the information to separate non-profit, governmental customers, or industrial process customers with any specificity other than those that have given TCC notice under PUC SUBST. R. 25.181(w). The following responses reflect that limitation.

- 1) Please see Attachment 1, page 1 of 3 for actual program year 2012 kWh usage by month by rate class.
- 2) Demand studies as requested are performed as part of a rate case filing and are not performed annually; therefore, TCC does not have a 2012 actual class demand coincident with system peak demand study available.
- 3) Demand studies as requested are performed as part of a rate case filing and are not performed annually; therefore, TCC does not have 2012 actual non-coincident peak demands by month available.
- 4) Please see Attachment 1, page 2 of 3 for actual program year 2012 billable demand by month by rate class.
- 5) Please see Attachment 1, page 3 of 3 for actual program year 2012 number of customer bills by month by rate class.
- 6) Please refer to TCC's filing Schedule I for a breakdown of the amount of energy efficiency costs expressly included in base rates for each rate class approved in Docket No. 33309. Base rate energy efficiency costs were not identified by non-profit,

governmental, industrial process customers, or by customers who qualify for exemption under the industrial customer identification notice rule.

7)

- a.
 - i. Projected 2014 kWh by rate class are included in Schedule H of the filing, which is an annual forecast. Monthly kWh were not projected for 2014 for eligible customers.
 - ii. Projected 2014 kWh by rate class are included in Schedule H of the filing, which is an annual forecast. Monthly kWh were not projected for 2014 for ineligible customers.
- b.
 - i. Non-coincident peak demands (metered demands) were not projected for 2014 for eligible customers.
 - ii. Non-coincident peak demands (metered demands) were not projected for 2014 for ineligible customers.
- c.
 - i. Number of customer bills were not projected for 2014 by eligible rate class.
 - ii. Number of customer bills were not projected for 2014 by ineligible rate class.

8)

- a. TCC directly assigned \$10,643,987 of 2012 program incentive costs to the rate classes. Please refer to the 'Workpaper Schedule C (2012 Costs)' for the direct assignment of each program incentive cost to rate classes.
- b. Administrative costs totaling \$358,614 were directly assigned to the rate classes following the associated incentive costs based on each program's work order code. Please see Attachment 2, page 1 of 3, for the direct assignment of those costs to the rate classes.
- c. Research and Development costs of \$152,990 were directly assigned to the Residential class; \$122,953 associated with the SMART View IHD and \$30,038 associated with R&D Programs.
- d. There were no EM&V costs in 2012.
- e. There were no municipal rate case expenses included in 2012.
- f. There were no utility rate case expenses included in 2012.
- g. The performance bonus was not direct assigned to rate classes.
- h. TCC has requested to reflect revisions made to its 2013 EEPR in the current EECRF filing. A 2011 program cost revision of \$40,945 has been directly

assigned to the rate classes. Please refer to filed 'Workpaper Schedule E (EEPR Revisions)' for the rate class assignment.

9)

- a. The total 2012 program incentive cost of \$10,643,987 was directly assigned to each program based on customer participation. Please see 'Workpaper Schedule C (2012 Costs)' for a breakdown of specific incentive costs by program.
- b. Administrative costs of \$358,614 of the total \$1,089,232 2012 administrative costs were directly assigned to each program based on the work order assigned to each program.
- c. Research and Development costs were not direct assigned to particular programs.
- d. There were no EM&V costs in 2012.
- e. There were no municipal rate case expenses included in 2012.
- f. There were no utility rate case expenses included in 2012.
- g. The performance bonus was not directly assigned to a particular program.
- h. TCC has requested to reflect revisions made to its 2011 EEPR in the current EECRF filing. The program revisions were directly assigned to the Commercial SOP program.

10)

- a. The 2012 program incentive costs were not allocated to rate classes, they were directly assigned.
- b. Program administrative costs for 2012 of \$730,619 were allocated to rate classes based on each rate class's share of the corresponding 2012 program incentive costs. Please see Attachment 2, page 2 of 3 for the allocated administrative cost by rate class.
- c. Research and Development costs of \$236,550 were allocated to rate classes using a 2012 incentive allocator for non-residential classes or total classes. The remaining \$152,990 in 2012 R&D costs were directly assigned to the Residential class.
- d. There were no EM&V costs in 2012.
- e. There were no municipal rate case expenses included in 2012.
- f. There were no utility rate case expenses included in 2012.
- g. The performance bonus of \$3,840,680 was allocated to rate classes based on 2012 program incentive costs as shown in 'Workpaper Schedule E (Bonus)', which is consistent with the Rule.
- h. TCC has requested to reflect revisions made to its 2013 EEPR in the current EECRF filing. A 2011 program cost revision of \$40,945 has been directly

assigned to the rate classes. A 2011 performance bonus revision of \$8,189 has been allocated to the rate classes based on the allocation methodology approved in Docket No. 40359 for allocating the original level of 2011 performance bonus. TCC allocated the 2011 performance bonus based on the weighted class demand allocators, adjusted based on actual 2011 kWh sales.

- 11)
- a. In 2012, other administrative costs of \$730,619 of total administrative costs of \$1,089,232 were allocated across the 2012 programs based on the actual incentive costs directly assigned to each program.
 - b. Research and Development costs were not allocated to particular programs.
 - c. There were no EM&V costs in 2012.
 - d. There were no 2012 municipal rate case expenses included in TCC's EECRF filing.
 - e. There were no utility rate case expenses included in TCC's EECRF filing.
 - f. The performance bonus was not allocated to a particular program.
 - g. There were no additional costs for which TCC is seeking recovery that were allocated among the 2012 programs.
- 12) Please see the electronic filed Schedule I for the 2012 adjusted energy efficiency revenue collected through base rates and the 2014 energy efficiency revenue estimated to be collected through base rates by rate class. For further information on adjusted base rate revenues, please see TCC's response to Staff's 1-2.
- 13) Please see TCC's response to Staff's 1-1(12) above.
- 14) Please see filed 'Workpaper Schedule C (2012 Rev)' for actual 2012 EECRF Rider for each rate class that was eligible for participation in the 2012 program year. The Transmission and Lighting classes were not eligible for participation in the 2012 program year and therefore had no revenues collected under the EECRF.
- 15) Please refer to 'Workpaper Schedule A (2014)' in the current filing for rate classes eligible for 2014 programs.
- 16) Please refer to 'Workpaper Schedule C (2012 Costs)' in the current filing for a listing of each of the rate classes that received services under each of the 2012 programs.
- 17) Please refer to 'Workpaper Schedule A (2014)' in the current filing for 2014 incentive disbursement by rate class. TCC has assigned the 2014 program costs, including the administrative portion of each program cost, to each EECRF rate class based on each class's eligibility to participate in the proposed 2014 programs. Residential incentive

costs were direct assigned to the residential class. The Irrigation Load Management MTP incentive cost was directly assigned to the Secondary > 10 kW class based on the distribution rate class under which most irrigation customers are billed for distribution services. Where more than one EECRF rate class is eligible to participate in a specific program, TCC has employed an adjusted and weighted demand allocator to assign program costs across the eligible classes. TCC has directly assigned research and development (R&D) costs, where possible, to a specific class. Where a specific class assignment of R&D costs cannot be made, TCC has employed the weighted and adjusted demand allocator to assign R&D costs across the eligible classes.

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Jennifer L. Jackson

Title: Senior EE/DR Coordinator
Principal Regulatory Consultant

Texas Central Company

2012 kWh

Class	January	February	March	April	May	June	July	August	September	October	November	December	Total 2012
Residential	708,457,263	551,047,386	544,809,116	647,110,223	724,693,686	932,278,320	1,029,001,126	1,049,980,056	1,053,812,020	809,126,396	662,185,100	597,773,751	9,310,274,443
Secondary <= 10 kW Metered	27,051,539	23,841,603	25,289,658	28,948,750	30,015,160	34,051,354	36,469,603	36,881,318	37,698,155	32,596,378	29,675,511	29,278,353	371,797,382
Secondary <= 10 kW Non-metered	4,946,200	4,944,977	4,936,370	4,934,337	4,933,629	4,929,998	4,975,556	4,853,597	4,901,469	4,903,708	4,905,216	4,905,588	59,070,645
Total Secondary <= 10 kW	31,997,739	28,786,580	30,226,028	33,883,087	34,948,789	38,981,352	41,445,159	41,734,915	42,599,624	37,500,086	34,580,727	34,183,941	430,868,027
Secondary > 10 kW	502,665,107	464,146,358	476,516,690	551,050,186	584,464,988	660,222,700	662,297,637	683,892,234	709,037,863	620,618,251	565,191,856	537,147,279	7,017,251,149
Primary	186,846,486	173,946,335	173,790,782	191,208,375	202,786,681	220,428,989	217,599,362	221,110,433	225,607,537	208,017,333	193,522,164	197,087,713	2,411,952,190
Transmission	375,642,900	388,676,000	251,984,400	611,760,200	409,982,600	392,932,800	272,250,700	483,992,700	358,212,300	311,937,900	372,412,600	460,653,400	4,640,438,500
Lighting	18,328,701	18,205,030	18,208,768	18,279,550	18,282,912	18,412,504	18,096,925	18,255,195	18,232,583	18,303,541	18,336,203	18,316,995	219,258,907
Total	1,823,938,196	1,624,807,689	1,495,535,784	2,053,291,621	1,975,159,656	2,263,256,665	2,240,690,909	2,498,965,533	2,407,501,927	2,005,503,507	1,796,228,650	1,845,163,079	24,030,043,216

Texas Central Company

2012 Billed kW

Class	January	February	March	April	May	June	July	August	September	October	November	December	Total
Residential*													
Secondary <= 10 kW Metered*													
Secondary <= 10 kW Non-metered*													
Total Secondary <= 10 kW*													
Secondary > 10 kW													
Primary	2,340,595.7	2,269,622.2	2,227,795.3	2,238,174.1	2,285,587.9	2,423,542.1	2,366,113.1	2,379,780.1	2,396,169.8	2,348,574.8	2,279,974.7	2,238,542.0	27,794,471.8
Transmission	466,969.0	465,675.5	459,881.5	474,707.2	487,517.7	522,458.9	513,624.1	505,396.5	510,324.1	502,157.3	489,696.9	470,133.6	5,868,542.3
Lighting*	1,267,307.0	1,294,086.7	942,399.4	1,518,011.2	1,300,035.0	1,209,976.1	1,048,731.1	1,381,999.6	1,184,539.0	1,131,009.9	997,952.3	1,263,321.9	14,539,369.2

* not applicable for class billing

Texas Central Company
2012 Number of Bills

Class	January	February	March	April	May	June	July	August	September	October	November	December	Total
Residential	673,605	674,463	676,192	676,432	676,790	676,848	677,465	678,050	678,524	679,337	680,429	681,469	8,129,604
Secondary <= 10 kW Metered	54,189	54,195	55,585	56,300	56,394	56,568	56,698	56,717	56,870	57,030	57,100	57,168	674,814
Secondary <= 10 kW Non-metered	2,273	2,268	2,269	2,267	2,267	2,270	2,269	2,266	2,262	2,263	2,261	2,260	27,195
Total Secondary <= 10 kW	56,462	56,463	57,854	58,567	58,661	58,838	58,967	58,983	59,132	59,293	59,361	59,428	702,009
Secondary > 10 kW	55,939	56,017	55,059	54,630	54,604	54,716	54,838	55,102	55,052	55,242	55,309	55,442	661,950
Primary	470	471	467	470	465	464	467	480	466	472	466	468	5,626
Transmission	40	39	33	44	41	39	35	42	39	42	36	43	473
Lighting	1,724	1,730	1,708	1,709	1,709	1,710	1,709	1,719	1,718	1,718	1,715	1,717	20,586
Total	788,240	789,183	791,313	791,852	792,270	792,615	793,481	794,376	794,931	796,104	797,316	798,567	9,520,248

Texas Central Company

Commercial Programs	Directly Assigned Administrative				
	Sec < 10	Sec > 10	Prim	Res	Total
CARE\$ SOP	702.60	6,891.37	-		7,593.97
A/C Distributor Pilot MTP	995.47	2,275.85	-		3,271.33
ComSol MTP	156.84	3,464.51	3,466.03		7,087.38
CSOP	88.27	66,046.73	17,220.33		83,355.34
CoolSaver	147.99	3,471.77	373.46		3,993.21
LM SOP	-	4,968.42	6,887.64		11,856.06
LM SOP - expanded	-	3,422.20	4,744.14		8,166.34
SCORE/CS MTP	250.09	5,963.41	2,344.46		8,557.96
SMART Source Pilot MTP - Comm	1,802.32	1,370.10	-		3,172.42
Total Commercial	4,143.58	97,874.36	35,036.06		137,054.00
Residential Programs					
A/C Distributor Pilot MTP				7,053.10	7,053.10
CoolSaver				10,346.85	10,346.85
Energy Star				35,744.07	35,744.07
RSOP				125,531.55	125,531.55
SMART Source Pilot MTP - Res				2,444.86	2,444.86
Total Residential				181,120.43	181,120.44
Hard-to-Reach Programs					
HTR SOP				33,840.18	33,840.18
TLI EEP				6,598.93	6,598.93
Total HTR				40,439.11	40,439.11
Total Programs	4,143.58	97,874.36	35,036.06	221,559.54	358,613.55

Texas Central Company

<i>Commercial Programs</i>	Allocated Administrative				
	<i>Sec < 10</i>	<i>Sec > 10</i>	<i>Prim</i>	<i>Res</i>	<i>Total</i>
CARE\$ SOP	343.21	3,366.30			3,709.51
A/C Distributor Pilot MTP	625.34	1,429.64			2,054.97
ComSol MTP	636.62	14,063.03	14,069.17		28,768.82
CSOP	64.07	47,935.75	12,498.27		60,498.08
CoolSaver	368.23	8,638.78	929.27		9,936.29
LM SOP		8,629.48	11,962.92		20,592.40
LM SOP - expanded		5,943.90	8,239.94		14,183.84
SCORE/CS MTP	1,816.53	43,315.42	17,029.05		62,161.00
SMART Source Pilot MTP - Comm	7,689.30	5,845.31			13,534.61
Total Commercial	11,543.30	139,167.61	64,728.62		215,439.53
<i>Residential Programs</i>					
A/C Distributor Pilot MTP				4,672.18	4,672.18
CoolSaver				25,746.05	25,746.05
Energy Star				54,738.24	54,738.24
RSOP				248,664.12	248,664.12
SMART Source Pilot MTP - Res				13,535.50	13,535.50
Total Residential				347,356.08	347,356.08
<i>Hard-to-Reach Programs</i>					
HTR SOP				80,849.71	80,849.71
TLI EEP				86,973.38	86,973.38
Total HTR				167,823.09	167,823.09
Total Programs	11,543.30	139,167.61	64,728.62	515,179.17	730,618.70

Texas Central Company

<i>Commercial Programs</i>	Total Administrative				
	<i>Sec < 10</i>	<i>Sec > 10</i>	<i>Prim</i>	<i>Res</i>	<i>Total</i>
CARE\$ SOP	1,045.81	10,257.67	0.00		11,303.48
A/C Distributor Pilot MTP	1,620.81	3,705.49	0.00		5,326.30
ComSol MTP	793.46	17,527.54	17,535.20		35,856.20
CSOP	152.34	113,982.48	29,718.60		143,853.42
CoolSaver	516.22	12,110.55	1,302.73		13,929.50
LM SOP	0.00	13,597.90	18,850.56		32,448.46
LM SOP - expanded	0.00	9,366.10	12,984.08		22,350.18
SCORE/CS MTP	2,066.62	49,278.83	19,373.51		70,718.96
SMART Source Pilot MTP - Comm	9,491.62	7,215.41	0.00		16,707.03
<i>Total Commercial</i>	15,686.88	237,041.97	99,764.68		352,493.53
<i>Residential Programs</i>					
A/C Distributor Pilot MTP				11,725.28	11,725.28
CoolSaver				36,092.90	36,092.90
Energy Star				90,482.31	90,482.31
RSOP				374,195.67	374,195.67
SMART Source Pilot MTP - Res				15,980.36	15,980.36
<i>Total Residential</i>				528,476.52	528,476.52
<i>Hard-to-Reach Programs</i>					
HTR SOP				114,689.89	114,689.89
TLI EEP				93,572.31	93,572.31
<i>Total HTR</i>				208,262.20	208,262.20
<i>Total Programs</i>	15,686.88	237,041.97	99,764.68	736,738.72	1,089,232.25

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

Question No. STAFF 1-2:

Please comprehensively describe the methodology the Company utilized to adjust the amount of energy efficiency costs expressly included in base rates to account for changes in billing determinants from the test year billing determinants used to set rates in the last base rate proceeding. In response to this question, please also include an active electronic copy in MS excel or compatible format with links and formulas intact of the work papers that support the adjustment, and separated for the 2012 historical year and the 2014 budgeted year.

Response No. STAFF 1-2:

The Commission's final order in Docket No. 33309 expressly included \$6,334,949 of energy efficiency program funding in base rates. TCC has made an adjustment to the cost expressly included in base rates to account for changes in test year billing determinants since Docket No. 33309. Filed Schedule I (in MS Excel format) details the process for adjusting the costs expressly included in base rates.

The first step is to determine the per billing unit level of cost included in base rates by dividing the total approved energy efficiency cost included in base rates per rate class by the Docket No. 33309 distribution rate class billing unit (energy efficiency costs included in base rates are recovered through the distribution system charge based on the rate class distribution billing unit). Then the per billing unit cost per rate class is multiplied by the 2012 actual distribution billing unit per class to arrive at a base rate level of adjusted energy efficiency revenues as prescribed by SUBST. R. 25.181(f)(2).

TCC has increased the actual energy efficiency base revenues by \$547,530. Total energy efficiency base revenues are adjusted to be \$6,882,479. This level of adjusted base rate energy efficiency revenues is used for the 2012 actual and 2014 projected program years. TCC did not propose a separate 2014 adjustment since the 2012 level of adjusted energy efficiency revenues is as good an estimate for 2014 as a forecast would be because TCC does not typically forecast the billing demands needed to forecast EECRF revenues for the Secondary > 10 kW and Primary classes, and the 2014 estimate will be subject to adjustment based on 2014 actual data in a future EECRF proceeding.

Prepared By: Jennifer L. Jackson
Sponsored By: Jennifer L. Jackson

Title: Principal Regulatory Consultant
Title: Principal Regulatory Consultant

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

APPLICATION OF AEP TEXAS	§	BEFORE THE STATE OFFICE
CENTRAL COMPANY TO ADJUST	§	
ENERGY EFFICIENCY COST	§	OF
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**AEP TEXAS CENTRAL COMPANY'S RESPONSE TO
COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION**

Question No. STAFF 1-3:

Please provide work papers supporting the Company's calculations of:

- 1) The residential and non-residential cost caps approved in the 2011 EECRF proceedings for the Company's 2012 budgeted and 2012 actual programs;
- 2) The residential and non-residential cost caps from the 2012 EECRF proceedings for the Company's 2013 budgeted and 2011 actual programs; and,
- 3) The actual 2012 residential and non-residential per-kWh cost cap rate based on actual 2012 program costs subject to the cap and actual 2012 billing determinants.

Response No. STAFF 1-3:

Please see Attachment 1 for the calculations supporting residential and non-residential cost caps as requested.

Prepared By: Jennifer L. Jackson
Sponsored By: Jennifer L. Jackson

Title: Principal Regulatory Consultant
Title: Principal Regulatory Consultant

TCC Docket No. 39360

Schedule C

Calculation of Requested EECRF by Customer Class Using Direct Assignment of EECRF Program Costs

2012 Program Costs Above Base Rates	\$7,118,795
2010 Over Recovery	(\$2,562,212)
Calculated Performance Bonus for 2010	\$2,579,657
Adjusted EECRF Revenue Requirement	\$7,136,240

Direct Assignment of 2012 EECRF Program Costs

Class	Total Adjusted 2012 EECRF Revenue Requirement	2012 Forecasted Billing kWh Unit	2012 Proposed EECRF Factor	Unit
Residential	\$6,653,298	9,092,100,461	\$0.000732	kWh
Secondary <= 10 kW	(\$9,029)	405,870,612	(\$0.000022)	kWh
Total Secondary > 10 kW	\$678,780	6,748,608,461	\$0.000101	kWh
Total Primary	(\$32,513)	2,458,257,985	(\$0.000013)	kWh
Transmission	\$0	4,448,953,817	\$0.000000	kWh
Lighting	\$0	228,249,686	\$0.000000	kWh
Total	\$7,290,536	23,382,041,022		

Class	Base Rate	2012 Total Base + EECRF	2012 Cap
Residential	\$0.000362	\$0.001094	\$0.001095
Non-Residential	\$0.000290	\$0.000356	\$0.000500

Calculation of Non-Residential per kWh Rate		
2012 Rev Req	\$637,238	
2012 kWh	9,612,737,058	
Combined per kWh	\$0.000066	
Combined per kWh	\$0.000290	
Total 2012 per kWh	\$0.000356	

Total

Schedule C

Calculation of Requested EECRF by Customer Class Using Direct Assignment of EECRF Program Costs

TCC		
2013 Program Costs Above Base Rates (no 2013 EM&V cost)	\$7,747,505	102.02%
2011 Over Recovery	(\$2,788,466)	-36.72%
Calculated Performance Bonus for 2011	\$2,634,727	34.70%
Adjusted EECR Revenue Requirement (no EM&V cost)	\$7,593,766	100.00%

TCC
Direct Assignment of 2013 EECRF Program Costs

Class	Total Adjusted 2013 EECR Revenue Requirement (no EM&V cost)	2013 Forecasted Billing kWh Unit	2013 EECR Factor (no EM&V)	Unit
Residential	\$4,549,665	9,210,496,645	\$0.000494	kWh
Secondary <= 10 kW	\$68,243	397,603,889	\$0.000172	kWh
Total Secondary > 10 kW	\$3,111,492	6,725,308,921	\$0.000463	kWh
Total Primary	(\$135,635)	2,361,592,637	(\$0.000057)	kWh
Transmission	\$0	4,621,395,512	\$0.000000	kWh
Lighting	\$0	212,809,033	\$0.000000	kWh
Total (no EM&V cost)	\$7,593,766	23,529,206,637		

Class	Base Rate per Final Order in Docket No. 39360	2013 EECR Factor	2013 Total Base + EECRF	2013 Cap
Residential	\$0.000362	\$0.000494	\$0.000856	\$0.001200
Non-Residential	\$0.000290	\$0.000321	\$0.000611	\$0.000750

Calculation of Non-Residential per kWh Rate		
2013 Rev Req	\$3,044,100	
2013 kWh	9,484,505,447	
Combined per kWh	\$0.000321	
Combined per kWh	\$0.000290	
Total 2013 per kWh	\$0.000611	

TCC	Actual 2012 Program Costs	2010 Performance Bonus	2010 (O)/U	2012 Actual Billing kWh	2012 Cost Cap Based on Actuals	2012 Cap As Prescribed in \$25.181(f)(8)(A)*
Residential	\$8,487,494	\$1,387,854	(\$459,423)	9,310,274,443	\$0.001	\$0.001095
Non-Residential	\$3,635,265	\$1,191,803	(\$2,102,792)	9,860,071,366	\$0.0003	\$0.0005
Total	\$12,122,759	\$2,579,657	(\$2,562,215)	19,170,345,809		

*based on the amount previously authorized by the Commission per prior rule

Note: Caps are based on the rule effective when EECRF rates were approved.

**SOAH DOCKET NO. 473-13-4654
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**AEP TEXAS CENTRAL COMPANY'S RESPONSE TO
COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION**

Question No. STAFF 1-4:

Please provide a narrative description of the rationale behind TCC's decision to set per-kWh EECRF rates rather than per-kW EECRF rates for each of TCC's rate classes that are billed on a demand basis.

Response No. STAFF 1-4:

Based on the Energy Efficiency rule in effect at the time of TCC's original EECRF filing in Docket No. 35627, PUC SUBST. R. 25.181(f)(6), the Commission could approve an energy charge or a monthly customer charge for the EECRF. In its original docket TCC proposed and was approved to use an energy charge (kWh) for recovery of energy efficiency costs for all classes of customers included in the EECRF.

To remain consistent with the billing unit approved in Docket Nos. 35627, 36960, 38208, 39360, and 40359, TCC is proposing to continue to use an energy charge (kWh) for recovery of energy efficiency costs for all classes of customers included in the EECRF, as authorized by PUC SUBST. R. 25.181(f)(6). TCC's kWh proposal is consistent with past approved EECRF billing methodologies and is in compliance with current PUC SUBST. R. 25.181(f)(6).

Prepared By: Jennifer L. Jackson
Sponsored By: Jennifer L. Jackson

Title: Principal Regulatory Consultant
Title: Principal Regulatory Consultant

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

APPLICATION OF AEP TEXAS CENTRAL COMPANY TO ADJUST ENERGY EFFICIENCY COST RECOVERY FACTOR AND RELATED RELIEF	§ § § § §	BEFORE THE STATE OFFICE OF ADMINISTRATIVE HEARINGS
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**AEP TEXAS CENTRAL COMPANY'S RESPONSE TO
COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION**

Question No. STAFF 1-5:

Please provide a comprehensive narrative description of the activities TCC has performed to comply with Ordering Paragraph No. 3 from the final order in P.U.C. Docket No. 39360.

Response No. STAFF 1-5:

As a result of the final order in Docket No. 39360, TCC initiated a process in 2012 to account for actual energy efficiency costs on a rate class basis. TCC created product codes that program managers use to identify the rate classes when expensing energy efficiency costs.

Program managers determine the appropriate rate class of each site for which incentives are requested by reviewing the rate code of the site where the measure was installed. Incentive payments are submitted for payment using the applicable product code, which identifies the incentive by rate class. Incentives for which a rate class could not be specifically assigned, such as some implementer costs, are assigned to the rate classes based upon the distribution of directly assigned incentives of that program. Residential incentive costs are directly assigned to the residential rate class within the specific residential program.

Administrative costs that are directly related to individual programs are assigned to those programs. General administrative costs that are not directly related to an individual program are assigned to programs based on the percentage of incentives each program expended. Administrative costs within each program are then assigned to the rate classes based upon the distribution of directly assigned incentives.

Prepared By: Pamela D. Osterloh
Sponsored By: Pamela D. Osterloh

Title: Senior EE/DR Coordinator
Title: Senior EE/DR Coordinator

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

APPLICATION OF AEP TEXAS CENTRAL COMPANY TO ADJUST ENERGY EFFICIENCY COST RECOVERY FACTOR AND RELATED RELIEF	§ § § § §	BEFORE THE STATE OFFICE OF ADMINISTRATIVE HEARINGS
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**AEP TEXAS CENTRAL COMPANY'S RESPONSE TO
COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION**

Question No. STAFF 1-6:

Please refer to Ordering Paragraph No. 3 from the final order in P.U.C. Docket No. 39360. For each of the following types of expense, please provide the actual energy-efficiency program costs on a rate class basis: actual 2012 incentive payments, actual 2012 administrative costs, actual 2012 research & development costs.

Response No. STAFF 1-6:

Please see TCC's filing 'Workpaper to Schedule C (2012 Costs)' for the actual 2012 incentive payments, actual 2012 administrative costs, and actual 2012 research & developments costs by rate class.

Prepared By: Jennifer L. Jackson
Sponsored By: Jennifer L. Jackson

Title: Principal Regulatory Consultant
Title: Principal Regulatory Consultant

**SOAH DOCKET NO. 473-13-4654
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APPLICATION OF AEP TEXAS	§	BEFORE THE STATE OFFICE
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**AEP TEXAS CENTRAL COMPANY'S RESPONSE TO
COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION**

Question No. STAFF 1-7:

Please provide an estimate of the cost to TCC to implement a non-ratcheted demand charge for TCC's EECRFs for non-residential rate classes that are billed on a demand basis.

Response No. STAFF 1-7:

TCC estimates programming costs of approximately \$ 8,500 to implement and test a non-ratcheted demand charge for the non-residential classes that currently have registered demand. This estimate does not include administrative or other non-programming related expenses.

Prepared By: Jennifer L. Jackson
Sponsored By: Jennifer L. Jackson

Title: Principal Regulatory Consultant
Title: Principal Regulatory Consultant

**SOAH DOCKET NO. 473-13-4654
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**AEP TEXAS CENTRAL COMPANY'S RESPONSE TO
COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION**

Question No. STAFF 1-8:

For each energy efficiency contractor that provides services to TCC's customers through TCC's non-residential market transformation programs (e.g., CLEAResult), please provide the following information by contractor by month:

- Contractor's fees categorized as "incentives costs" in the Company's application by contractor by month by MTP program;
- Contractor's fees categorized as "administrative costs" in the Company's application by contractor by month by MTP program; and
- Number of participating customers by contractor by month by MTP program by rate class.

Response No. STAFF 1-8:

Contractor's fees categorized as incentive costs by MTP program and month are provided in the table below. None of the contractor fees are categorized as administrative costs. Each program has a single contractor.

2012 TCC Commercial Solutions MTP

Month	Contractor Fees
January	\$20,785.95
February	\$27,716.35
March	\$20,848.75
April	\$20,788.76
May	\$21,819.79
June	\$21,426.13
July	\$21,076.51
August	\$38,266.60
September	\$27,545.07
October	\$3,333.98
November	\$0.00
December	\$62,078.46
Total	\$285,686.34

2012 SCORE/CitySmart MTP

Month	Contractor Fees
January	\$34,868.00
February	\$62,998.31
March	\$36,098.38
April	\$35,033.71
May	\$36,016.91
June	\$52,692.66
July	\$43,636.72
August	\$56,142.15
September	\$46,181.98
October	\$92,391.88
November	\$0.00
December	\$120,051.65
Total	\$616,112.35

Program	2012 TCC SMART Source Solar PV MTP (Non-residential)		
Month	Contractor Fees		
January	\$1,396.40		
February	\$1,849.05		
March	\$1,558.71		
April	\$0.00		
May	\$3,082.05		
June	\$924.14		
July	\$3,171.38		
August	\$2,297.57		
September	\$1,220.22		
October	\$0.00		
November	\$786.66		
December	\$903.82		
Total	\$17,190.00		

2012 TCC CoolSaver MTP (Non-residential)		
Month		Contractor Fees
January		\$ 10,550.09
February		\$ 14,359.74
March		\$ 16,484.17
April		\$ 11,324.45
May		\$ 14,039.45
June		\$ 10,431.16
July		\$ 14,507.05
August		\$ 13,730.01
September		\$ 640.57
October		\$ 101.36
November		\$ 2,848.79
December		\$ 693.28
Total		\$ 109,710.12

The number of participants in each MTP program is provided by rate class by month in the table below.

2012 Commercial Solutions MTP

Month	Rate Class		
	≤10 kW	>10kW	Primary
January	0	0	0
February	0	13	0
March	0	0	0
April	0	0	1
May	0	1	0
June	0	3	0
July	1	1	0
August	0	1	0
September	0	2	1
October	0	4	0
November	0	3	0
December	4	18	1
Total	5	46	3

SCORE/CitySmart MTP

Month	Rate Class		
	≤10 kW	>10kW	Primary
January	0	0	0
February	0	3	3
March	0	0	0
April	0	1	0
May	0	1	0
June	0	1	0
July	0	7	3
August	1	3	0
September	0	14	0
October	0	6	1
November	1	39	3
December	1	18	4
Total	3	93	14

2012 TCC SMART Source Solar PV MTP (Non-residential)

Month	Rate Class		
	≤10 kW	>10kW	Primary
January	0	0	0
February	0	0	0
March	0	0	0
April	0	4	0
May	0	0	0
June	1	1	0
July	0	0	0
August	0	0	0
September	0	1	0
October	0	0	0
November	0	0	0
December	6	0	0
Total	7	6	0

2012 TCC CoolSaver MTP (Non-residential)

Rate Class			
Month	≤10 kW	>10kW	Primary
January	0	2	0
February	2	11	0
March	1	7	0
April	1	5	1
May	0	4	0
June	1	3	0
July	0	9	0
August	2	4	2
September	3	2	0
October	0	4	0
November	2	9	1
December	0	5	0
Total	12	65	4

Prepared By: Pamela D. Osterloh
Sponsored By: Pamela D. Osterloh

Title: Senior EE/DR Coordinator
Title: Senior EE/DR Coordinator

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

Question No. STAFF 1-9:

Please provide work papers supporting the TCC's assignment and allocation of incentive costs for TCC's non-residential MTP programs among TCC's non-residential rate classes. Please include work papers supporting the calculation of all allocation factors.

Response No. STAFF 1-9:

In TCC's filing, please refer to filed 'Workpaper Schedule C (2012 Costs)' for the 2012 non-residential MTP program incentive cost direct assignment to each non-residential rate class. Also refer to filed 'Workpaper Schedule A (2014)' for 2014 program eligibility and assignment of non-residential MTP program incentive cost to the eligible non-residential rate classes. 'Workpaper Schedule E (Adj. Allocators)' shows the determination of the adjusted 2014 class allocators used to assign the projected 2014 non-residential MTP program incentive costs and R&D to the eligible rate classes.

Prepared By: Jennifer L. Jackson
Sponsored By: Jennifer L. Jackson

Title: Principal Regulatory Consultant
Title: Principal Regulatory Consultant