



Control Number: 41538



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

2013 JUN 17 PM 3:27

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

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

JUNE 17, 2013

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**AEP TEXAS CENTRAL COMPANY'S RESPONSE TO
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Question No. STAFF 2-1:

Is the Company requesting the EECRF net of energy costs included in base rates?

Response No. STAFF 2-1:

Yes. Please see the filed testimony of witness Jennifer L. Jackson for information regarding the amounts of energy efficiency costs included in base rates and the requested EECRF.

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

Title: Principal Regulatory Consultant
Title: Principal Regulatory Consultant

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**AEP TEXAS CENTRAL COMPANY'S RESPONSE TO
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Question No. STAFF 2-2:

If your answer to Staff 2-1 is yes, please provide the EECRF amounts (individual component costs) included in base rates. In addition, please provide the FERC accounts and the amounts included in base rates for the years being reconciled, current and proposed rider.

Response No. STAFF 2-2:

As discussed in the direct testimony of witness Jennifer L. Jackson, TCC has \$6,334,949 of energy efficiency costs expressly included in base rates for the years being reconciled, the current, and the proposed EECRF filing. Please see TCC's filed Schedule I for FERC account and component cost information for those costs included in base rates. Schedule I also shows the adjusted energy efficiency base rate revenue included in the proposed EECRF filing.

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

Title: Principal Regulatory Consultant
Title: Principal Regulatory Consultant

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**AEP TEXAS CENTRAL COMPANY'S RESPONSE TO
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Question No. STAFF 2-3:

Please define the EECRF costs included in bases rates by component. In addition, please justify why these EECRF costs need to be in base rates

Response No. STAFF 2-3:

TCC does not have *EECRF* costs in base rates but does have *energy efficiency* costs included in base rates. Please see TCC's filed Schedule I for the energy efficiency costs included in base rates by component.

TCC still collects energy efficiency costs through its base rates as approved in TCC's Final Order in its last rate case, Docket No. 33309, which was issued March 2008, before adoption of the revised Energy Efficiency Rule. Energy efficiency costs will be in base rates as per PUC SUBST. R. 25.181(f), (approved May 4, 2008) until the conclusion of TCC next general base rate proceeding. For a utility that collects any energy efficiency costs in base rates, the EECRF is calculated to recover forecasted expenditures in excess of revenues collected in base rates as per PUC SUBST. R. 25.181(f)(1)(B).

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

Title: Principal Regulatory Consultant
Title: Principal Regulatory Consultant

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**AEP TEXAS CENTRAL COMPANY'S RESPONSE TO
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Question No. STAFF 2-4:

Please identify all the individual administrative costs by rate class included in the reconciled, current and proposed EECRF rider. In addition, please create a schedule for the respective years that the company is seeking recovery and explain the increase and/or decrease from one year to the next.

Response No. STAFF 2-4:

Please see Attachment 1 to this response for the requested information.

For 2009, total energy efficiency program costs were allocated to the rate classes (not as a separate administrative cost) as proposed and approved in Docket No. 35627. The 2009 over-recovery was assigned to the rate classes based on a comparison of actual energy efficiency costs to actual EECRF revenues as approved in Docket No. 38208; therefore, the administrative costs are not shown by rate class.

For 2010 and 2011, total energy efficiency program costs were assigned to residential and non-residential classes but allocated among the non-residential rate classes. The attachment reflects that allocation. The 2012 administrative costs were directly assigned to the rate classes.

The increase and/or decrease from one year to the next is due to TCC continually expanding and updating program databases, adding new programs to the portfolio, database updates due to Commission requirements and participating in energy efficiency studies so that TCC continues to deliver cost effective programs that deliver demand and energy savings that allow TCC to achieve its energy efficiency goals.

Prepared By: Jennifer L. Jackson
Pamela D. Osterloh

Title: Principal Regulatory Consultant
Senior EE/DR Coordinator

Sponsored By: Jennifer L. Jackson
Pamela D. Osterloh

Title: Principal Regulatory Consultant
Senior EE/DR Coordinator

Projected Administrative	Residential	Sec <= 10 kW	Sec > 10 kW	Primary	Total
2014 Administrative	\$741,328	\$23,985	\$509,838	\$86,594	\$1,361,745
2013 Administrative	\$741,328	\$22,946	\$521,609	\$79,661	\$1,365,545
Actual Administrative	Residential	Sec <= 10 kW	Sec > 10 kW	Primary	Total
2012 Administrative	\$737,086	\$15,469	\$236,658	\$100,019	\$1,089,232
2011 Administrative	\$660,737	\$17,801	\$357,141	\$95,466	\$1,131,145
2010 Administrative	605,288	13,201	330,835	102,960	\$1,052,284

2012 Administrative	Residential	Sec <= 10 kW	Sec > 10 kW	Primary	Total
Labor	\$414,572	\$8,870	\$144,300	\$59,286	\$627,029
Outside Services	\$41,465	\$713	\$16,326	\$6,044	\$64,548
Materials / Supplies	\$4,646	\$20	\$584	\$405	\$5,655
Travel	\$36,957	\$348	\$9,784	\$3,612	\$50,702
Service Billings	\$229,864	\$5,342	\$63,059	\$29,531	\$327,796
Other	\$9,581	\$176	\$2,604	\$1,141	\$13,503
Total	\$737,086	\$15,469	\$236,658	\$100,019	\$1,089,232

2011 Administrative	Residential	Sec <= 10 kW	Sec > 10 kW	Primary	Total
Labor	411,937.80	10,339.84	207,826.59	56,073.42	686,177.65
Outside Services	35,843.39	1,200.91	24,833.98	5,028.04	66,906.32
Materials / Supplies	2,484.65	34.91	704.87	195.10	3,419.53
Travel	37,904.27	689.06	14,885.46	4,120.22	57,599.01
Service Billings	166,369.61	5,396.17	105,919.85	29,259.73	306,945.36
Other	6,197.34	139.94	2,970.18	789.79	10,097.25
Total	660,737.06	17,800.83	357,140.93	95,466.30	1,131,145.12

2010 Administrative	Residential	Sec <= 10 kW	Sec > 10 kW	Primary	Total
Labor	385,207.36	6,886.84	201,096.97	60,689.37	653,880.54
Outside Services	36,818.05	813.37	23,821.18	7,158.64	68,611.24
Materials / Supplies	4,645.58	153.21	2,813.46	944.27	8,556.52
Travel	42,375.43	428.12	10,681.79	3,583.60	57,068.94
Service Billings	128,320.81	4,746.28	88,555.28	29,315.95	250,938.32
Other	7,920.81	173.21	3,865.93	1,268.23	13,228.18
Total	605,288.04	13,201.03	330,834.61	102,960.06	1,052,283.74

	Labor	Outside Services	Materials/Supplies	Travel	Service Billings	Other	Grand Total
AEP Texas CARE\$ Energy Efficiency for NFP SOP	4,819.19	2,414.00		103.79	229.66	27.33	7,593.97
Residential SOP	100,446.86	5,663.97	195.37	16,340.50	1,134.31	1,750.54	125,531.55
Commercial SOP	65,544.58	9,219.79	261.78	6,799.48	814.63	715.08	83,355.34
Hard-to-Reach SOP	24,444.80	5,411.94	51.25	2,519.70	1,002.71	409.78	33,840.18
Load Management SOP	16,060.14	2,491.90		57.72	1,301.36	111.29	20,022.41
Targeted Low Income Energy Efficiency Program	5,121.40		121.44	1,246.27		109.82	6,598.93
Commercial Solutions MTP	6,472.77		471.98		102.74	39.89	7,087.38
SCORE/CitySmart MTP	7,914.24			564.86	26.72	52.14	8,557.96
Energy Star® New Homes MTP	20,976.54	8,969.32	3,623.26	1,958.29		216.66	35,744.07
SMART Source SM Solar PV Pilot MTP - Com	2,469.92				384.25	16.93	2,871.11
SMART Source SM Solar PV Pilot MTP - Res	2,362.45				367.53	16.20	2,746.17
CoolSaver A/C Tuneup Pilot MTP - Com	3,743.63			109.13	104.27	36.27	3,993.30
CoolSaver A/C Tuneup Pilot MTP - Res	9,699.83			282.77	270.17	93.99	10,346.76
A/C Distributor Pilot MTP - Com	3,146.58		19.17		37.12	22.04	3,224.91
A/C Distributor Pilot MTP - Res	6,927.10		42.20		81.71	48.51	7,099.52
EON100528 DSM R&D - CCET	2,552.07	16,176.98		1,133.37	19,357.34	16,220.70	55,440.46
EON100535 EE/DR R&D	59,812.18	124,161.54	201.98	11,259.76	10,282.38	1,394.02	207,111.86
EON100542 DSM R&D-In Home Devices Pilot	24,087.60	48,426.82	41,498.19	1,048.16	7,601.01	290.88	122,952.66
EON100547 DSM - EM&V	4,012.07					22.69	4,034.76
Direct Assigned Administrative Costs	370,613.95	222,936.26	46,486.62	43,423.80	43,097.91	21,594.76	748,153.30
Other Administrative Costs	346,878.48	30,377.21	868.53	20,719.28	321,938.78	9,836.46	730,618.74
Total Administrative Costs	717,492.43	253,313.47	47,355.15	64,143.08	365,036.69	31,431.22	1,478,772.04

Service Billings* Includes billing of AEPSC employees and administrative support costs related to building space, equipment (pc, phone, etc.), HR support, etc.
Other** Includes cell phone charges, postage, and employee memberships

Project	Labor	Outside Services	Materials/Supplies	Travel	Service Billings* Other**	Grand Total
AEP Texas CARE\$ Energy Efficiency for NFP Agencies SOP	12,717.10	2,628.86			81.54	16,701.66
Residential SOP	89,042.25	2,928.81	218.61	23,224.75	1,682.71	117,946.50
Commercial SOP	69,833.98	12,058.12		2,610.32	686.49	86,301.57
Hard-to-Reach SOP	67,268.06	7,130.46	322.27	2,621.55	2,089.83	80,335.32
Load Management SOP	12,436.38				842.32	13,375.88
Targeted Low Income Energy Efficiency Program	34,341.89		36.05	1,045.24	441.37	35,828.50
Commercial Solutions Pilot MTP	18,976.09			1,121.72	116.26	21,276.69
SCORE/CitySmart MTP	7,805.96			135.00	55.32	7,996.28
Energy Star® New Homes MTP	30,060.91	8,638.04		3,995.68	282.30	42,976.93
Residential Energy Efficiency Pilot MTP	5,144.75				42.20	5,186.95
SMART Source SM Solar PV Pilot MTP - Com	38.18				0.43	38.61
SMART Source SM Solar PV Pilot MTP - Res	247.95				2.81	250.76
CoolSaver A/C Tune-up Pilot MTP - Com	822.86			4.58	10.00	837.44
CoolSaver A/C Tune-up Pilot MTP - Com	4,397.42			24.49	53.45	4,475.36
DSM R&D - CCET	5,057.32	27139.81		848.13	36.01	49,468.86
DSM-RES DR R&D Pilot MTP	6,194.31	125000			80.47	131,274.78
DSM-R&D Non-Specific	6,530.91				19.40	7,966.46
DSM R&D - Program	38,256.46	75,688.15		964.24	4,295.67	122,033.23
DSM R&D-Low Income Eng Monitor	13,274.33			445.46	115.56	23,467.64
Direct Assigned Administrative Costs	422,447.11	261,212.25	576.93	37,041.16	9,002.32	767,739.42
Other Administrative Costs	300,746.76	35,226.95	7,979.58	22,285.61	8,772.97	618,755.28
Total Administrative Costs	723,193.87	296,439.20	8,556.51	59,326.77	17,775.29	1,386,494.70

Service Billings* Includes billing of AEPSC employees and administrative support costs related to building space, equipment (pc, phone, etc.), HR support, etc.
Other** Includes cell phone charges, postage, and employee memberships

Programs	Labor	Outside Services	Materials/Supplies	Travel	Service Billings* Other**	Grand Total
AEP Texas CARE\$ Energy Efficiency for NFP SOP	1,952.37	7,012.24			221.63	9,289.30
Residential SOP	117,987.75	7,978.09			1,349.63	147,327.23
Commercial SOP	61,949.57	7,807.10	1,174.50	17,147.99	529.72	79,270.86
Hard-to-Reach SOP	47,855.10	6,374.35	229.92	4,139.03	1,289.82	60,345.06
Loan Management SOP	7,644.93	1,938.75		138.71	639.70	10,424.98
Targeted Low Income Energy Efficiency Program	20,042.04			371.64	197.59	20,611.27
Commercial Solutions Pilot MTP	25,486.03			731.83	833.61	27,264.54
SCORE/CitySmart MTP	1,941.92			822.27	37.29	2,801.48
Energy Star® New Homes MTP	20,648.31	4,642.09		5,107.49	415.34	31,587.57
SMART Source SM Solar PV Pilot MTP - Com	1,394.59		34.51	231.92	10.35	1,671.37
SMART Source SM Solar PV Pilot MTP - Res	797.39		19.73	132.60	5.92	955.64
CoolSaver A/C Tune-up Pilot MTP - Com	3,563.22				19.75	3,582.97
CoolSaver A/C Tune-up Pilot MTP - Res	4,012.12				22.23	4,034.35
DSM R&D - CCET	13,642.09	47,298.02		2,018.30	30,011.56	93,038.30
DSM-RES DR R&D Pilot MTP					5.21	5.21
DSM Energy Efficiency PilotMTP					6.95	6.95
DSM-R&D Non-Specific	1,991.26				11.46	2,269.89
EE/DR R&D	45,566.53	80,923.19		16,549.81	4,337.03	154,248.02
DSM R&D-Low Income Eng Monitor					4.20	2,758.77
DSM R&D-In Home Devices Pilot	16,829.90	14,974.21		629.16	160.93	44,302.18
Direct Assigned Administrative Costs	393,305.12	178,948.04	1,458.66	56,446.97	57,251.19	695,795.94
Other Administrative Costs	370,902.29	31,153.71	1,960.88	20,349.31	301,306.92	731,978.51
Total Administrative Costs	764,207.41	210,101.75	3,419.54	76,796.28	358,558.11	1,427,774.45

Service Billings* Includes billing of AEPSC employees and administrative support costs related to building space, equipment (pc, phone, etc.), HR support, etc.
Other** Includes cell phone charges, postage, and employee memberships

Programs	Labor	Outside Services	Materials/Supplies	Travel	Service Billings*	Other**	Grand Total
EEIP NFP SOP	8,570.60			229.43	144.66	91.11	9,035.80
Residential SOP	84,123.62	9,479.68	13.06	5,499.52	1,060.70	1,879.61	102,056.19
Commercial SOP	52,635.37	12,202.39	0.00	3,739.56	2,076.82	587.22	71,241.36
Hard-to-Reach SOP	70,017.23	9,487.47	8.67	4,758.10	561.84	864.57	85,697.88
Load Management SOP	2,046.59	489.60				21.84	2,558.03
Low Income Weatherization Program	14,900.96			890.66	1,947.01	166.56	17,905.19
Commercial Solutions Pilot MTP	17,408.29			317.47		215.46	17,941.22
SCORE/CitySmart MTP	23,614.57			459.89		234.14	24,308.60
Energy Star® Homes MTP	32,190.02	1,346.15		4,421.28		427.66	38,385.11
Pilot EE MTP	8,615.60					133.81	8,749.41
Texas Statewide ENERGY STAR Residential CFL MTP	2,313.01		126.67	1,070.20	153.91	42.06	3,705.85
Appliance Recycling Pilot MTP	9,899.37	788.80	616.25	260.15	150.93	460.23	12,175.73
SMART Source SM Solar PV Pilot MTP - Com	339.79	0	0	100.235	166.595	2.52	609.14
SMART Source SM Solar PV Pilot MTP - Res	339.79	0	0	100.235	166.595	2.52	609.14
EON100528 DSM R&D - CCET	5,006.37	20,326.96		1,749.66	18,259.47	56.11	45,398.57
EON100531 DSM-RES DR R&D Pilot MTP	14,265.67	211,546.64				166.27	225,978.58
EON100532 DSM-R&D Non-Specific	14,008.78	51,920.70		589.43	8,502.75	129.97	75,151.63
EON100535 DSM R&D - Program	14,390.90	79,913.18	7.57	490.60	2,288.35	111.24	97,201.84
Direct Assigned Administrative Costs	374,686.53	397,501.57	772.22	24,676.42	35,479.63	5,592.90	838,709.27
Other Administrative Costs	182,937.14	14,814.15	3,555.63	23,443.47	222,462.38	6,941.34	454,154.11
Total Administrative Costs	557,623.67	412,315.72	4,327.85	48,119.89	257,942.01	12,534.24	1,292,863.38

Service Billings* Includes billing of AEPSC employees and administrative support costs related to building space, equipment (pc, phone, etc.), HR support, etc.
Other** Includes cell phone charges, postage, and employee memberships

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**AEP TEXAS CENTRAL COMPANY'S RESPONSE TO
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Question No. STAFF 2-5:

Please identify all the different types of incentive performance bonus costs incurred directly and/or allocated that are included in the EECRF by rate class for the reconciled, current and proposed riders. In addition, please separate all incentives bonuses measured by operational and financial performance.

Response No. STAFF 2-5:

Refer below for the requested information. The Company assumes that the question relates to incentive compensation for the employees providing energy efficiency services. Detailed accounting records, such as incentive compensation accrued each year, are not available by rate class. The information provided below is for the 2009 - 2012 time period, and is being segregated between incentive compensation applicable to TCC employees and employees of other affiliates providing service to TCC. The affiliate incentive compensation information is further segregated between direct billings and allocated billings. All incentive compensation data is separated between operational and financial measures.

TCC Incentive Compensation	2009	2010	2011	2012
Financial Basis	\$ 1,190	\$ 6,864	\$ 11,340	\$ 4,998
Operational Basis	\$ 1,090	\$ 28,137	\$ 42,755	\$ 16,788
Total TCC Incentive Compensation	\$ 2,280	\$ 35,002	\$ 54,095	\$ 21,786
Affiliate Incentive Compensation				
Financial Basis - Directly Assigned	\$ 1,468	\$ 3	\$ 45	\$ 45
Financial Basis - Allocated	\$ 4,033	\$ 10,040	\$ 23,719	\$ 25,031
Operational Basis - Directly Assigned	\$ 1,153	\$ 18	\$ 236	\$ 248
Operational Basis - Allocated	\$ 1,865	\$ 22,789	\$ 30,978	\$ 16,661
Total Affiliate Incentive Compensation	\$ 8,519	\$ 32,850	\$ 54,979	\$ 41,985
Total Incentive Compensation	\$ 10,799	\$ 67,852	\$ 109,074	\$ 63,772

Prepared By: Jeffrey W. Hoersdig
Sponsored By: Jeffrey W. Hoersdig

Title: Dir Regulated Accounting
Title: Dir Regulated Accounting

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**AEP TEXAS CENTRAL COMPANY'S RESPONSE TO
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Question No. STAFF 2-6:

Please provide a reconciliation of all the EECRF cost included in base rates and the rider on an annual basis for the period reconciled, current and proposed riders. If any of the periods referenced exceed the established costs caps, please provide a detailed justification.

Response No. STAFF 2-6:

For a reconciliation of all the EECRF costs included in base rates and the rider on an annual basis for the period reconciled, current and proposed riders, please refer to Attachment 1. The referenced periods do not exceed the cost caps.

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

Title: Principal Regulatory Consultant
Title: Principal Regulatory Consultant

TCC	Projected 2014 Program Costs*	2012 Performance Bonus*	2012 (O)/U*	2014 Projected Billing kWh**	2014 Projected Cost Cap Rate	2014 Cap As Prescribed in §25.181(f)(7)(E)
Residential	\$7,750,313	\$2,708,168	(\$1,070,561)	9,285,969,609	\$0.001	\$0.001225
Non-Residential	\$6,283,007	\$1,132,512	(\$1,001,207)	9,828,298,459	\$0.0007	\$0.000766
Total	\$14,033,320	\$3,840,680	(\$2,071,768)	19,114,268,068		

*filed Schedule C Workpapers 2013 Programs - Docket No. 41538 (does not include EM&V or Muni Expenses)

**filed Schedule L - Docket No. 41538

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

TCC	Projected 2013 Program Costs*	2011 Performance Bonus*	2011 (O)/U*	2013 Projected Billing kWh**	2013 Projected Cost Cap Rate	2013 Cap As Prescribed in §25.181(f)(8)(B)
Residential	\$7,752,120	\$1,424,939	(\$1,298,487)	9,210,496,645	\$0.001	\$0.001200
Non-Residential	\$6,330,334	\$1,209,788	(\$1,489,980)	9,484,505,447	\$0.0006	\$0.000750
Total	\$14,082,454	\$2,634,727	(\$2,788,466)	18,695,002,092		

*filed Schedule C Workpapers 2013 Programs - Docket No. 40359

**filed Schedule L - Docket No. 40359

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

TCC	Actual 2012 Program Costs Included in Base and EECRF Rider*	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		

*filed Schedule C Workpapers 2012 Programs - Docket No. 41538

**filed Schedule H - Docket No. 41538

***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.

TCC	Actual 2011 Program Costs Included in Base and EECRF Rider*	2009 Performance Bonus*	2009 (O)/U*	2011 Actual Billing kWh**	2011 Actual Cost Cap Rate	2011 Cap As Prescribed in §25.181(f)(8)(A)***
Residential	\$8,861,404	\$1,464,105	(\$1,317,164)	9,519,832,411	\$0.001	\$0.001095
Non-Residential	\$4,312,230	\$1,304,626	(\$1,243,419)	9,803,043,835	\$0.0004	\$0.0005
Total	\$13,173,634	\$2,768,731	(\$2,560,583)	19,322,876,246		

*filed Schedule C Workpapers 2011 Programs - Docket No. 40359

**filed Schedule L - Docket No. 40359

***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.

TCC	Actual 2010 Program Costs Included in Base and EECRF Rider*	2008 Performance Bonus*	2008 (O)/U*	2010 Actual Billing kWh**	2010 Actual Rate
Residential	\$10,133,016	\$752,440	\$161,484	8,833,993,268	\$0.001
Non-Residential	\$2,765,271	\$710,313	\$152,442	9,339,849,996	\$0.0004
Total	\$12,898,287	\$1,462,753	\$313,926	18,173,843,264	

*filed Schedule C Workpapers 2010 Programs - Docket No. 39360

**filed Schedule L - Docket No. 39360

Note: There was not a cap in 2010.

PUC Docket No. 38208
Actual 2009 Program Costs

SOAH Docket No. 473-13-4654
PUC Docket No. 41538
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TCC	Actual 2009 Program Costs Included in Base and EECRF Rider*	2007 Performance Bonus*	2007 (O)/U*	2009 Actual Billing kWh**	2009 Actual Rate
Residential	\$6,473,796			8,649,276,859	\$0.001
Non-Residential	\$6,111,344			9,498,685,957	\$0.0006
Total	\$12,585,140	n/a	n/a	18,147,962,816	

*filed Schedule C Workpapers 2009 Programs - Docket No. 38208

**filed Schedule L - Docket No. 38208

Note: There was not a cap in 2009.

**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
RECOVERY FACTOR AND RELATED	§	
RELIEF	§	ADMINISTRATIVE HEARINGS

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

Question No. STAFF 2-7:

Did the Company make any affiliate payments during the reconciled or current period within the EECRF? If yes, please identify the different types of services obtained and/or products purchased that created these affiliate transactions.

Response No. STAFF 2-7:

Yes, affiliate transactions are discussed within the direct testimony of witness Hoersdig. The affiliate services provided from 2009 through 2012 are detailed in Exhibits JWH-1, JWH-2, JWH-3, and JWH-4 of Mr. Hoersdig's direct testimony as well as Schedule K of the filing package.

Prepared By: Jeffrey W. Hoersdig
Sponsored By: Jeffrey W. Hoersdig

Title: Dir Regulated Accounting
Title: Dir Regulated Accounting

**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
RECOVERY FACTOR AND RELATED	§	
RELIEF	§	ADMINISTRATIVE HEARINGS

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

Question No. STAFF 2-8:

If your answer to Staff 2-7 is yes, please provide the Company's analysis that the price paid for services and/or products was not greater than the current market fees.

Response No. STAFF 2-8:

TCC is billed at cost for the affiliate services received from AEPSC, TNC, and SWEPCO, as discussed in the direct testimony of witness Hoersdig.

The billing for services at cost is a requirement of the Federal Energy Regulatory Commission (FERC), through Orders 667 and 707. In addition, the direct testimony of Mr. Hoersdig discusses the pertinent Texas rules and regulations related to the cost for affiliate services. In no instance is a market price analysis required, and as such none is available.

Prepared By: Jeffrey W. Hoersdig
Sponsored By: Jeffrey W. Hoersdig

Title: Dir Regulated Accounting
Title: Dir Regulated Accounting

**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
STAFF'S SECOND REQUEST FOR INFORMATION**

Question No. STAFF 2-9:

Please provide a summary (vendor's name, date of contract, expiration date, types of contracts, percentage ownership, and monthly/annual costs) of the affiliate contracts by product and/or services for the reconciled, current and proposed EECRF riders.

Response No. STAFF 2-9:

The affiliate services provided to TCC by AEPSC are covered by the Service Agreement between AEPSC and TCC dated June 15, 2000. The requested information is as follows:

Vendor Name: N/A (there is no vendor, this is an affiliate agreement between AEPSC and TCC)
Date of Contract: June 15, 2000
Expiration Date: 90 days after written notification from either party in the agreement
Type of Contract: Affiliate Contract
Percentage Ownership: N/A (AEPSC and TCC have no ownership interest in one another)
Monthly/Annual Costs: In regard to EECRF transactions, see Exhibits JWH-1, JWH-2, JWH-3, and JWH-4 of Mr. Hoersdig's direct testimony

The affiliate services provided to TCC by TNC and SWEPCO are covered by the CSW System General Agreement dated June 1, 1999. The requested information is as follows:

Vendor Name: N/A (there is no vendor, this is an affiliate agreement between the various AEP affiliates including SWEPCO, TCC and TNC)
Date of Contract: June 1, 1999
Expiration Date: 90 days after written notification from any party in the agreement
Type of Contract: Affiliate Contract
Percentage Ownership: N/A (SWEPCO, TCC, and TNC have no ownership interest in one another)
Monthly/Annual Costs: In regard to EECRF transactions, see Exhibits JWH-1, JWH-2, JWH-3, and JWH-4 of Mr. Hoersdig's direct testimony

Prepared By: Jeffrey W. Hoersdig
Sponsored By: Jeffrey W. Hoersdig

Title: Dir Regulated Accounting
Title: Dir Regulated Accounting

**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
RECOVERY FACTOR AND RELATED	§	
RELIEF	§	ADMINISTRATIVE HEARINGS

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

Question No. STAFF 2-10:

Is the Company requesting any rate case expenses in the EECRF proceeding for prior, current or future periods? If yes, please provide all the supporting documentation for the rate case expense by service (legal, accounting & etc.) and docket number. In addition, please provide copies of all the engagement agreements.

Response No. STAFF 2-10:

TCC is not requesting any utility rate case expenses; however, TCC is requesting recovery of 2012 proceeding expenses incurred in Docket No. 40359 by municipalities. For the supporting documents see the workpapers 'TCC WP/Berny' pages 1-16. TCC does not have engagement agreements associated with these expenses.

Prepared By: Pamela D. Osterloh
Sponsored By: Billy G. Berny

Title: Senior EE/DR Coordinator
Title: Mgr EE/Demand Response Programs