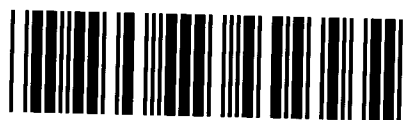




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APPLICATION OF AEP TEXAS § BEFORE THE STATE OFFICE
NORTH COMPANY TO ADJUST §
ENERGY EFFICIENCY COST § FILING CLERK
RECOVERY FACTOR AND RELATED § OF
RELIEF § ADMINISTRATIVE HEARINGS

**CITIES SERVED BY AEP TEXAS NORTH COMPANY'S
LIST OF ISSUES**

COMES NOW, the Cities Served by AEP Texas North Company ("Cities") and files this List of Issues pursuant to the Order of Referral dated June 2, 2014. Cities would respectfully show as follows:

I. INTRODUCTION

Cities present this list of issues based solely on a preliminary analysis of AEP Texas North Company's ("TNC" or "Company") application for approval of an Energy Efficiency Cost Recovery Factor ("EECRF"). Cities anticipate that a more detailed review of the filing may result in the identification of additional issues. Accordingly, Cities reserve the right under the Administrative Procedure Act¹ to submit evidence and argument on each and every issue raised by TNC's filing, regardless of whether or not the issues are specifically identified in this pleading.

II. LIST OF ISSUES

Cities intend to investigate the following issues:

1. Whether TNC properly determined the basis for the demand and energy goals applicable to 2015 consistent with P.U.C. SUBST. R. 25.181.

¹ Administrative Procedure Act, TEX. GOV'T CODE ANN. § 2001.051(2) (West 2008 & Supp. 2013) ("APA").

2. Whether TNC's program incentive costs are reasonable and necessary and comply with the Public Utility Regulatory Act ("PURA")² and P.U.C. SUBST. R. 25.181.
3. Whether any affiliate costs billed to TNC are in compliance with PURA § 36.058.
4. Whether TNC's proposed energy efficiency programs comply with P.U.C. SUBST. R. 25.181.
5. Whether the costs for administration and research and development comply with the spending caps in P.U.C. SUBST. R. 25.181.
6. Whether TNC's over-recovery calculation is consistent with P.U.C. SUBST. R. 25.181 and PURA § 39.905 and whether the allocation of that over-recovery to customer classes is reasonable.
7. Whether the causes of TNC's over-recovery are reasonable.
8. Whether TNC's proposed billing units for 2015 are reasonable.
9. Whether TNC's evaluation, management, and verification ("EM&V") expenses forecasted for the 2014 program year are reasonable and consistent with P.U.C. SUBST. R. 25.181.
10. Whether the costs recovered by TNC through its EECRF complied with PURA § 39.905 and P.U.C. SUBST. R. 25.181. Were the costs reasonable and necessary to reduce energy and demand costs?
11. Whether the methodology to assign or allocate energy efficiency program costs is reasonable and consistent with P.U.C. SUBST. R. 25.181.

² Public Utility Regulatory Act, TEX. UTIL. CODE ANN. §§ 11.001-66.017 (West 2007 & Supp. 2013) ("PURA").

12. Whether the EECRF for each rate class is consistent with P.U.C. SUBST. R. 25.181(f).

13. Whether the incentive payments for each customer class comply with P.U.C. SUBST. R. 25.181(g).

14. Whether TNC's calculation of a performance bonus is reasonable and consistent with P.U.C. SUBST. R. 25.181.

15. Whether TNC's projected expenditures for administrative costs and research and development costs are reasonable and necessary and comply with PURA and Public Utility Commission ("PUC" or "Commission") rules.

16. Whether TNC's proposed EECRF complies with the rate caps required by P.U.C. SUBST. R. 25.181.

17. Whether Cities' rate case expenses incurred in Docket No. 41539³ were reasonable.

III. CONCLUSION

WHEREFORE, PREMISES CONSIDERED, Cities request that these issues be included in any preliminary order issued by the PUC in this case. Further, Cities request that the preliminary order include language, historically included in PUC preliminary orders, that the list of issues is preliminary and parties are not precluded from identification and presentation of other issues relevant to TNC's application.

³ *Application of AEP Texas North Company to Adjust Energy Efficiency Cost Recovery Factor and Related Relief*, Docket No. 41539.

Respectfully submitted,

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ATTORNEYS FOR CITIES SERVED BY AEP
TEXAS NORTH COMPANY

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing document was transmitted by facsimile, e-mail and/or regular, first class mail on this 9th day of June, 2014, to the parties of record.



EILEEN McPHEE KEIFFER