



Control Number: 44446



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ANNUAL STANDARD TRUE-UP
COMPLIANCE FILING FOR
AEP TEXAS CENTRAL COMPANY
CONCERNING RIDER TC-3-
TRANSITION CHARGE-3
RATES

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OF TEXAS

STAFF'S RECOMMENDATION

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

I. Background

On February 12, 2015, AEP Texas Central Company (TCC) filed an Annual Standard True-Up compliance filing concerning Rider TC-3 - Transition Charge-3 Rates pursuant to the Financing Order issued in Docket No. 39931. On February 18, 2015, a notice was entered requiring Staff to file a recommendation confirming the accuracy of TCC's adjustment to the transition charges by February 25, 2015. This pleading is timely filed.

II. Recommendation

TCC requests an effective date of March 2, 2015 for the adjusted transition charges, the first billing cycle of TCC's March billing month. As further explained in the attached memorandum from Julie Black, of the Rate Regulation Division, Staff confirms 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


Staff respectfully requests that notice of approval be issued consistent with Staff's recommendation.

Dated: February 25, 2014

Respectfully Submitted,

Margaret Uhlig Pemberton
Division Director – Legal Division

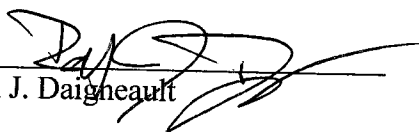
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CERTIFICATE OF SERVICE

I certify that a copy of this document will be served on all parties of record on February 25, 2015, in accordance with P.U.C. Procedural Rule 22.74.



Ralph J. Daigneault

Public Utility Commission of Texas

Memorandum

TO: Ralph Daigneault, Legal Division
FROM: Julie Black, Tariff & Rate Analysis, Rate Regulation Division
DATE: February 25, 2015
RE: **Docket No. 44446** – *Annual Standard True-Up Compliance Filing for AEP Texas Central Company Concerning Rider TC-3 – Transition Charge-3 Rates*

On February 12, 2015, 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.¹ 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 \$73,564,196 to pay principal, interest, and other charges associated with its transition bonds for the payment period covering March 1, 2015 through February 28, 2016. TCC has requested an effective of March 2, 2015.

I have reviewed TCC's filing and have determined that TCC's proposed TC-3s, as shown in Attachment 2, *6.1.1.2.3.1 Initial/Adjusted Transition Charge-3 Rates-Rider TC-3*, Third 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*, Third Revision be **Approved** as filed on February 12, 2015. 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.

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