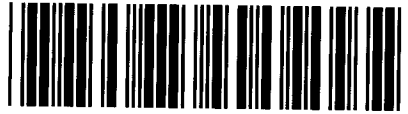


Control Number: 44717



Item Number: 29

Addendum StartPage: 0

SOAH DOCKET NO. 473-15-4118  
PUC DOCKET NO. 44717

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

BEFORE THE STATE OFFICE  
OF  
ADMINISTRATIVE HEARINGS

RECEIVED  
2015 JUL -2 PM 3:00  
PUBLIC UTILITY COMMISSION  
FILING CLERK

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

JULY 2, 2015

TABLE OF CONTENTS

<u>SECTION</u>	<u>PAGE</u>
Response No. Staff 3-1 .....	2
Attachment 1 to Response No. Staff 3-1 .....	3
Response No. Staff 3-2 .....	5
Response No. Staff 3-3 .....	6
Attachment 1 to Response No. Staff 3-3 .....	7
Response No. Staff 3-4 .....	8
Response No. Staff 3-5 .....	9
Attachment 1 to Response No. Staff 3-5 .....	10
Response No. Staff 3-6 .....	13

**SOAH DOCKET NO. 473-15-4118  
PUC DOCKET NO. 44717**

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

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

**Question No. Staff 3-1:**

Please refer to "WP Schedule C (2014 Costs)" of the Company's application; for the incentive costs shown, for each rate class, please provide a breakdown between incentive costs that were directly assigned to energy efficiency measures for that class, and those incentive costs that were allocated to that rate class.

**Response No. Staff 3-1:**

Please see Attachment 1 to this response for a breakdown by class of directly assigned program incentive costs and allocated incentive costs.

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

Title: Regulatory Consultant Staff  
Title: Regulatory Consultant Staff

AEP Texas Central Company  
EECRF Update

<i>Residential Programs</i>	Directly- Assigned Incentive Cost	Allocated Incentive Cost	Total Program Incentive Cost
A/C Distributor Pilot MTP	172,377	105,678	278,055
CoolSaver	314,249	211,106	525,356
HP NH	777,065	-	777,065
RSOP	2,626,266	-	2,626,266
SMART Source Pilot MTP - Res	179,766	19,987	199,753
HTR SOP	950,696	-	950,696
TLI EEP	1,152,934	109,529	1,262,463
<b><i>Total Residential</i></b>	<b>6,173,354</b>	<b>446,300</b>	<b>6,619,654</b>

AEP Texas Central Company  
EECRF Update

**Commercial Programs**

Irrigation LM MTP
ComSol MTP
CSOP
CoolSaver
LM SOP
Open MTP
SCORE/CS MTP
SMART Source Pilot MTP - Comm
<b>Total Commercial</b>

Directly-Assigned Incentive Costs			
Sec < 10	Sec > 10	Prim	Total
-	88,000	-	88,000
161	152,283	92,974	245,418
56,734	1,328,968	318,979	1,704,681
21,867	333,678	24,923	380,468
-	373,960	169,040	543,000
60,081	506,646	-	566,727
12,683	454,274	64,834	531,792
9,315	170,685	-	180,000
<b>160,842</b>	<b>2,783,535</b>	<b>605,916</b>	<b>3,528,295</b>

**Commercial Programs**

Irrigation LM MTP
ComSol MTP
CSOP
CoolSaver
LM SOP
Open MTP
SCORE/CS MTP
SMART Source Pilot MTP - Comm

Allocators Based on Directly-Assigned Incentive Costs			
Sec < 10	Sec > 10	Prim	Total
-	1.0000	-	1.0000
0.0007	0.6205	0.3788	1.0000
0.0333	0.7796	0.1871	1.0000
0.0575	0.8770	0.0655	1.0000
-	0.6887	0.3113	1.0000
0.1060	0.8940	-	1.0000
0.0239	0.8542	0.1219	1.0000
0.0518	0.9483	-	1.0000

**Commercial Programs**

Irrigation LM MTP
ComSol MTP
CSOP
CoolSaver
LM SOP
Open MTP
SCORE/CS MTP
SMART Source Pilot MTP - Comm
<b>Total Commercial</b>

Allocated Incentive Cost				
	Sec < 10	Sec > 10	Prim	Total
112,000	0	112,000	0	112,000
234,130	154	145,279	88,697	234,130
0	0	0	0	0
261,876	15,051	229,670	17,155	261,876
0	0	0	0	0
174,486	18,498	155,988	0	174,486
494,399	11,792	422,332	60,276	494,399
20,013	1,036	18,977	0	20,013
<b>1,296,904</b>	<b>46,530</b>	<b>1,084,246</b>	<b>166,128</b>	<b>1,296,904</b>

**Commercial Programs**

Irrigation LM MTP
ComSol MTP
CSOP
CoolSaver
LM SOP
Open MTP
SCORE/CS MTP
SMART Source Pilot MTP - Comm
<b>Total Commercial</b>

Total Program Incentive Cost			
Sec < 10	Sec > 10	Prim	Total
0	200,000	0	200,000
315	297,562	181,671	479,548
56,734	1,328,968	318,979	1,704,681
36,918	563,348	42,078	642,344
0	373,960	169,040	543,000
78,580	662,634	0	741,213
24,475	876,606	125,110	1,026,191
10,351	189,662	0	200,013
<b>207,373</b>	<b>4,492,739</b>	<b>836,878</b>	<b>5,536,990</b>

**SOAH DOCKET NO. 473-15-4118  
PUC DOCKET NO. 44717**

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

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

**Question No. Staff 3-2:**

For 2014 incentive costs that were allocated to rate classes, please provide the justification for allocating instead of directly assigning those cost. Please provide workpapers showing the derivation of any allocation factors used.

**Response No. Staff 3-2:**

The allocated incentive costs are payments to third-party implementers for the implementation of the contracted program and are not associated with a particular EECRF rate class but with the program itself. The EE Rule does not specify how these incentive costs should be allocated to the program-eligible classes. TCC has allocated these incentive costs to the classes based upon an allocator derived from the program incentive costs that have been directly-assigned to the classes.

Please see the response to Staff's Third Request for Information, Question No. STAFF 3-1, Attachment 1 for a workpaper showing the derivation of the class allocation factors.

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

Title: Regulatory Consultant Staff  
Title: Regulatory Consultant Staff

**SOAH DOCKET NO. 473-15-4118  
PUC DOCKET NO. 44717**

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

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

**Question No. Staff 3-3:**

Please refer to "WP Schedule C (2014 Costs)" of the Company's application; for the Research & Development costs shown, for each rate class, please provide a breakdown between Research & Development costs that are directly assigned to that class, and those Research & Development costs that were allocated to that rate class.

**Response No. Staff 3-3:**

Please see Attachment 1 to this response for a breakdown between Research & Development Costs that are directly assigned and those that are allocated to the rate classes.

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

Title: Regulatory Consultant Staff  
Title: Regulatory Consultant Staff

AEP Texas Central Company  
EECRF Update

TCC R&D Allocation Factors						
	Residential	Sec < 10	Sec > 10	Prim	Total	
TCC 2014 Energy Efficiency Program Incentive Cost	6,619,654	207,373	4,492,739	836,878	\$12,156,645	
Class Allocation Factor Derived From 2014 Incentive Cost	54.45%	1.71%	36.96%	6.88%	100.00%	
Comm Class Allocator Derived From 2014 Comm Incentive Cost		3.75%	81.14%	15.11%	100.00%	

R&D	Assignment Method	R&D Cost	Residential	Sec < 10	Sec > 10	Prim	Total
R&D - CCET	Allocated to All Classes	\$4,892	\$2,664	\$83	\$1,808	\$337	\$4,892
R&D - SMART View	Directly- Assigned to Residential	\$18,974	\$18,974				\$18,974
Residential R&D	Directly- Assigned to Residential	\$108,441	\$108,441				\$108,441
Commercial R&D	Allocated to the Comm Classes	\$18,989		\$711	\$15,407	\$2,870	\$18,989
R&D - Programs	Allocated to All Classes	\$275,823	\$150,194	\$4,705	\$101,936	\$18,988	\$275,823
Total R&D	Total R&D	\$427,119	\$280,272	\$5,500	\$119,152	\$22,195	\$427,119



SOAH DOCKET NO. 473-15-4118  
PUC DOCKET NO. 44717

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

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

**Question No. Staff 3-4:**

For 2014 Research & Development costs that were allocated to rate classes, please provide workpapers showing the derivation of any allocation factors used.

**Response No. Staff 3-4:**

Please see the response to Staff's Third Request for Information, Question No. STAFF 3-3, Attachment 1 for a workpaper showing the derivation of the class allocation factors.

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

Title: Regulatory Consultant Staff  
Title: Regulatory Consultant Staff

**SOAH DOCKET NO. 473-15-4118  
PUC DOCKET NO. 44717**

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

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

**Question No. Staff 3-5:**

Please refer to "WP Schedule C (2014 Costs)" of the Company's application; for the Administrative costs shown, for each rate class, please provide a breakdown between Administrative costs that are directly assigned to that class, and those Administrative costs that were allocated to that rate class.

**Response No. Staff 3-5:**

Administrative program costs are either directly assigned or allocated to the energy efficiency programs first. Total administrative program costs are then assigned to the rate classes based upon the rate class participation in each program. In other words, the administrative program costs, whether directly assigned to each of the programs or allocated to the each of the programs, follow the rate class program incentive costs that were directly assigned to the rate classes.

Please see Attachment 1 for a workpaper showing the administrative costs that have been directly assigned to each program and those administrative program costs that were allocated to each program. Those administrative program costs that were allocated to the programs were allocated based on the percent of each program incentives versus total energy efficiency incentives across all programs. The administrative program costs that have been assigned and allocated to the programs are then assigned to the rate classes based on the direct assignment of the program incentives to the rate classes.

The rate class assignments and the commercial rate class program incentive allocators are also detailed in Attachment 1.

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

Title: Regulatory Consultant Staff  
Title: Regulatory Consultant Staff

AEP Texas Central Company  
Adjusted Energy Efficiency Cost Recovery Factor Filing

TCC 2014	Actual Funds Expended (Incentives)	Actual Funds Expended (Admin Directly Assigned to Programs)	% Program Incentives to Total Incentives	Other Admin (Allocated to Programs)	Total Admin
					\$ 751,601
<b>Commercial Programs</b>					
Commercial Solutions	\$479,548	\$ 20,637	3.945%	\$29,649	\$50,286
Commercial SOP	\$1,704,681	\$ 78,409	14.023%	\$105,394	\$183,803
CoolSaver MTP	\$642,344	\$ 6,971	5.284%	\$39,714	\$46,685
Irrigation LM MTP	\$200,000	\$ 4,282	1.645%	\$12,365	\$16,648
Load Management	\$543,000	\$ 11,457	4.467%	\$33,572	\$45,029
Open MTP	\$741,213	\$ 6,715	6.097%	\$45,827	\$52,542
SCORE/CitySmart	\$1,026,191	\$ 23,442	8.441%	\$63,446	\$86,888
SMART Source Pilot MTP	\$200,013	\$ 2,786	1.645%	\$12,366	\$15,152
<b>Total Commercial</b>	<b>\$5,536,990</b>	<b>\$154,700</b>	<b>45.547%</b>	<b>\$342,332</b>	<b>\$497,032</b>
<b>Residential Programs</b>					
A/C Distributor Pilot MTP	\$278,055	\$ 23,056	2.287%	\$ 17,191	\$ 40,247
CoolSaver MTP	\$525,356	\$ 5,702	4.322%	\$ 32,481	\$ 38,183
HP NH MTP	\$777,065	\$ 37,039	6.392%	\$ 48,043	\$ 85,082
Residential SOP	\$2,626,266	\$ 100,912	21.604%	\$ 162,372	\$ 263,284
Solar PV MTP	\$199,753	\$ 2,786	1.643%	\$ 12,350	\$ 15,136
<b>Total Residential</b>	<b>\$4,406,495</b>	<b>\$169,495</b>	<b>36.248%</b>	<b>\$272,438</b>	<b>\$441,933</b>
<b>Hard-to-Reach Programs</b>					
Hard-to-Reach SOP	\$950,696	\$ 26,246	7.820%	\$ 58,778	\$ 85,024
TL EE	\$1,262,463	\$ 9,077	10.385%	\$ 78,054	\$ 87,130
<b>Total Hard-to-Reach</b>	<b>\$2,213,160</b>	<b>\$35,322</b>	<b>18.205%</b>	<b>\$136,832</b>	<b>\$172,154</b>
<b>Total</b>	<b>\$12,156,645</b>	<b>\$359,517</b>	<b>100.000%</b>	<b>\$751,601</b>	<b>\$1,111,118</b>

AEP Texas Central Company  
Adjusted Energy Efficiency Cost Recovery Factor Filing

TCC 2014	Directly-Assigned Administrative Costs				Allocated Administrative Costs					
	Secondary y < 10 kW	Secondary y > 10 kW	Primary	Residential	Total All Rate Classes	Secondary y < 10 kW	Secondary y > 10 kW	Primary	Residential	Total All Rate Classes
<b>Commercial Programs</b>										
Commercial Solutions	\$14	\$12,805	\$7,818	\$0	\$20,637	\$19	\$18,397	\$11,232	\$0	\$29,649
Commercial SOP	\$2,610	\$61,127	\$14,672	\$0	\$78,409	\$3,508	\$82,165	\$19,721	\$0	\$105,394
CoolSaver MTP	\$401	\$6,114	\$457	\$0	\$6,971	\$2,283	\$34,830	\$2,602	\$0	\$39,714
Irrigation LM MTP	\$0	\$4,282	\$0	\$0	\$4,282	\$0	\$12,365	\$0	\$0	\$12,365
Load Management	\$0	\$7,890	\$3,567	\$0	\$11,457	\$0	\$23,121	\$10,451	\$0	\$33,572
Open MTP	\$712	\$6,003	\$0	\$0	\$6,715	\$4,858	\$40,968	\$0	\$0	\$45,827
SCORE/CitySmart	\$559	\$20,025	\$2,858	\$0	\$23,442	\$1,513	\$54,197	\$7,735	\$0	\$63,446
SMART Source Pilot MTP	\$144	\$2,642	\$0	\$0	\$2,786	\$640	\$11,726	\$0	\$0	\$12,366
<b>Total Commercial</b>	<b>\$4,439</b>	<b>\$120,890</b>	<b>\$29,371</b>	<b>\$0</b>	<b>\$154,700</b>	<b>\$12,821</b>	<b>\$277,770</b>	<b>\$51,741</b>	<b>\$0</b>	<b>\$342,332</b>
<b>Residential Programs</b>										
A/C Distributor Pilot MTP				\$23,056	\$23,056				\$17,191	\$17,191
CoolSaver MTP				\$5,702	\$5,702				\$32,481	\$32,481
HP NH MTP				\$37,039	\$37,039				\$48,043	\$48,043
Residential SOP				\$100,912	\$100,912				\$162,372	\$162,372
Solar PV MTP				\$2,786	\$2,786				\$12,350	\$12,350
<b>Total Residential</b>				<b>\$169,495</b>	<b>\$169,495</b>				<b>\$272,438</b>	<b>\$272,438</b>
<b>Hard-to-Reach Programs</b>										
Hard-to-Reach SOP				\$26,246	\$26,246				\$58,778	\$58,778
TL EE				\$9,077	\$9,077				\$78,054	\$78,054
<b>Total Hard-to-Reach</b>				<b>\$35,322</b>	<b>\$35,322</b>				<b>\$136,832</b>	<b>\$136,832</b>
<b>Total</b>	<b>\$4,439</b>	<b>\$120,890</b>	<b>\$29,371</b>	<b>\$204,818</b>	<b>\$359,517</b>	<b>\$12,821</b>	<b>\$277,770</b>	<b>\$51,741</b>	<b>\$409,269</b>	<b>\$751,601</b>

AEP Texas Central Company  
Adjusted Energy Efficiency Cost Recovery Factor Filing

2014 Commercial Programs Directly Assigned to the Commercial EECRF Rate Classes

Commercial Program Incentives	Sec < 10	Sec > 10	Prim	Total
Irrigation LM MTP	\$0.00	200,000.00	\$0.00	\$200,000.00
ComSol MTP	315.24	297,561.66	181,670.99	\$479,547.89
CSOP	56,733.76	1,328,968.46	318,979.12	\$1,704,681.34
CoolSaver	36,918.31	563,347.52	42,078.19	\$642,344.02
LM SOP	0.00	373,960.00	169,040.00	\$543,000.00
Open MTP	78,579.59	662,633.73	0.00	\$741,213.32
SCORE/CS MTP	24,475.07	876,605.57	125,110.15	\$1,026,190.79
SMART Source Pilot MTP - Comm	10,350.67	189,662.34	0.00	\$200,013.01
<b>Total Commercial Programs</b>	<b>\$207,373</b>	<b>\$4,492,739</b>	<b>\$836,878</b>	<b>\$5,536,990</b>

Commercial Program Incentive Class Allocators	Sec < 10	Sec > 10	Prim	Total
Irrigation LM MTP	0.00%	100.00%	0.00%	100.00%
ComSol MTP	0.07%	62.05%	37.88%	100.00%
CSOP	3.33%	77.96%	18.71%	100.00%
CoolSaver	5.75%	87.70%	6.55%	100.00%
LM SOP	0.00%	68.87%	31.13%	100.00%
Open MTP	10.60%	89.40%	0.00%	100.00%
SCORE/CS MTP	2.39%	85.42%	12.19%	100.00%
SMART Source Pilot MTP - Comm	5.17%	94.83%	0.00%	100.00%

SOAH DOCKET NO. 473-15-4118  
PUC DOCKET NO. 44717

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

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

**Question No. Staff 3-6:**

For 2014 Administrative costs that were allocated to rate classes, please provide workpapers showing the derivation of any allocation factors used.

**Response No. Staff 3-6:**

Please see the response to Staff's Third Request for Information, Question No. STAFF 3-5, Attachment 1 for a workpaper showing the derivation of the class allocation factors.

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

Title: Regulatory Consultant Staff  
Title: Regulatory Consultant Staff