



Control Number: 49725



Item Number: 3

Addendum StartPage: 0

DOCKET NO. 49725

AGREED NOTICE OF VIOLATION §
AND SETTLEMENT AGREEMENT §
RELATING TO AEP TEXAS INC.'S §
VIOLATION OF PURA § 38.005 AND 16 §
TAC § 25.52, CONCERNING §
RELIABILITY AND CONTINUITY OF §
SERVICE §

PUBLIC UTILITY COMMISSION
OF TEXAS

2016 SEP 29 PM 1:51
FILED
PUBLIC UTILITY COMMISSION

ORDER

This Order approves the settlement agreement between Commission Staff and AEP Texas Inc. relating to Commission Staff's investigation of AEP Texas for violations of PURA¹ § 38.005 and 16 Texas Administrative Code (TAC) § 25.52 concerning reliability and continuity of service for reporting year 2018. The settlement agreement also serves as a report to the Commission under 16 TAC § 22.246(h). Commission Staff recommends an administrative penalty of \$69,000. AEP Texas agrees to pay the recommended administrative penalty. The Commission approves the settlement agreement.

I. Findings of Fact

The Commission makes the following findings of fact.

Respondent

1. AEP Texas provides electric transmission and distribution services in the Electric Reliability Council of Texas (ERCOT) region under certificate of convenience and necessity numbers 30028 and 30170.

Reporting Year 2018

2. Commission Staff and AEP Texas used a system average interruption duration index (SAIDI) standard of 134.61 minutes. Applying this standard, a violation occurs when the system-wide value exceeds 141.34 minutes (5% over the system standard under 16 TAC § 25.52(g)(1)), or when a per-feeder value exceeds 547.4239 (300% over the system value under 16 TAC § 25.52(g)(2)).

¹ Public Utility Regulatory Act, Tex. Util. Code Ann. §§ 11.001-66.016.

3

3. For reporting year 2018, AEP Texas reported the following feeder in violation, by having a SAIDI value more than 300% greater than the system average, for five consecutive years:
 - a) Government Wells-94LA7240—645.4 minutes
4. For reporting year 2018, AEP Texas reported the following feeder in violation, by having a SAIDI value more than 300% greater than the system average, for four consecutive years:
 - a) Spudder Flat-97SA4180—1595.0 minutes
5. For reporting year 2018, AEP Texas reported the following feeder in violation, by having a SAIDI value more than 300% greater than the system average, for three consecutive years:
 - a) Raymondville Number 2-94SB3250—1595.0 minutes
6. For reporting year 2018, AEP Texas reported the following feeders in violation, by having a SAIDI value more than 300% greater than the system average, for two consecutive years:
 - a) Alazan-94CS620—829.6 minutes
 - b) Crestonio-94LA270—605.7 minutes
 - c) East Harrission-94SB3950—560.8 minutes
 - d) Greta-94CN7890—681.9 minutes
 - e) Sun Valley-97SA4300—905.0 minutes
7. Commission Staff and AEP Texas used a system average interruption frequency index (SAIFI) standard of 1.245 forced interruptions. Applying this standard, a violation occurs when the system-wide value exceeds 1.307 (5% over the system standard under 16 TAC § 25.52(g)(1)), or when a per-feeder value exceeds 5.2899 (300% over the system value under 16 TAC § 25.52(g)(2)).
8. For reporting year 2018, AEP Texas reported having a system-wide SAIFI average of 1.32248, which exceeds 5% over the system standard.

9. For reporting year 2018, AEP Texas reported the following feeders in violation, by having a SAIFI value more than 300% greater than the system average, for two consecutive years:
 - a) Elsa-94SB710—5.709 forced interruptions
 - b) Laguna-94CS9590—9.187 forced interruptions

Notice

10. On or about March 29, 2019, Commission Staff provided AEP Texas notice of the investigation, the results of the investigation, information about AEP Texas's right to a hearing, and an opportunity to explain its activities.

Settlement Agreement

11. On July 9, 2019, the parties entered into the settlement agreement. Commission Staff recommended, and AEP Texas agreed to pay, an administrative penalty of \$69,000.
12. AEP Texas agrees to make efforts to improve the performance and reliability of its feeders. The efforts will include an increase of expenditures and resources that will focus on feeders that have violated service quality and reliability standards for three or more consecutive years.
13. AEP Texas also agrees to maintain the system-wide standards required by 16 TAC § 25.52(g)(1)(A) and (B).
14. On July 9, 2019, Commission Staff filed a copy of the executed agreement with the Commission's filing clerk.

Informal Disposition

15. More than 15 days have passed since the completion of notice provided in this docket.
16. No person filed a protest or motion to intervene.
17. AEP Texas and Commission Staff are the only parties to this proceeding.
18. No party requested a hearing and no hearing is needed.
19. Commission Staff recommended approval of the settlement agreement.
20. This decision is not adverse to any party.

II. Conclusions of Law

The Commission makes the following conclusions of law.

1. The Commission has jurisdiction over this matter under PURA §§ 14.001, 14.002, 14.003, 14.051, 15.023, 15.024, and 38.005.
2. AEP Texas is an electric utility as defined in PURA § 31.002(6).
3. AEP Texas must comply with the service quality and reliability standards established in PURA § 38.005 and 16 TAC § 25.52.
4. Under 16 TAC § 25.52(g)(1), AEP Texas must maintain and operate its distribution system so that its system-wide SAIDI and SAIFI values do not exceed the applicable standard by more than 5%.
5. Under 16 TAC § 25.52(g)(2), AEP Texas must maintain and operate its distribution system so that no distribution feeder with more than ten customers sustains a SAIDI or SAIFI value for a reporting year that is more than 300% greater than the system average of all feeders during any two consecutive reporting years.
6. For reporting year 2018, AEP Texas violated 16 TAC § 25.52(g)(2) by having multiple feeders exceed its system-wide SAIDI value by 300% for two or more consecutive years.
7. For reporting year 2018, AEP Texas violated 16 TAC § 25.52(g)(1) by having a system-wide SAIFI value exceeding the applicable standard by more than 5%.
8. For reporting year 2018, AEP Texas violated 16 TAC § 25.52(g)(2) by having two feeders exceed its system-wide SAIFI value by 300% for two or more consecutive years.
9. Under PURA § 15.023, the Commission has authority to impose administrative penalties for violations of PURA § 38.005 and Commission rules.
10. The filing of this agreement meets the requirements of 16 TAC § 22.246(h)(1).
11. The Commission processed this docket in accordance with applicable statutes and Commission rules.
12. The requirements for informal disposition in 16 TAC § 22.35 have been met in this proceeding.

III. Ordering Paragraphs

In accordance with these findings of fact and conclusions of law, the Commission issues the following orders.

1. The Commission approves the settlement agreement.
2. AEP Texas must comply with the terms of the settlement agreement and this Order.
3. AEP Texas must pay an administrative penalty to the Commission in the amount of \$69,000. AEP Texas must remit payment of the full amount of the administrative penalty on or before 30 calendar days after the date the Commission signs this Order. Payment of the administrative penalty may be made by check payable to the Public Utility Commission of Texas. The check must reference this docket and must be sent to the following address:

Public Utility Commission of Texas
ATTN: Fiscal Services
P.O. Box 13326
Austin, Texas 78711

4. AEP Texas must file an affidavit of payment in this docket no later than five calendar days after remitting the payment.
5. AEP Texas must make efforts to improve the performance and reliability of its feeders, including an increase of expenditures and resources that will focus on feeders that have violated service quality and reliability standards for three or more consecutive years.
6. AEP Texas must file a report regarding actions to bring feeders that are found to be in violation of any of its system-wide service quality standards for two or more consecutive years into compliance with the Commission's service quality standards, and this report must be filed as an addendum to AEP Texas's required annual service quality reports, as prescribed by 16 TAC § 25.81.
7. This Order resolves only the claims identified in this Order related to AEP Texas's obligation to comply with service quality and reliability standards.
8. Entry of this Order does not indicate the Commission's endorsement or approval of any principle or methodology that may underlie the agreement and must not be regarded as precedential as to the appropriateness of any principle or methodology underlying the agreement.

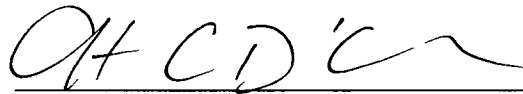
9. The Commission denies all other motions and any other requests for general or specific relief, if not expressly granted.

Signed at Austin, Texas the 20th day of September 2019

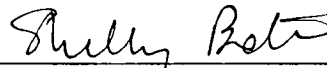
PUBLIC UTILITY COMMISSION OF TEXAS



DEANN T. WALKER, CHAIRMAN



ARTHUR D'ANDREA, COMMISSIONER



SHELLY BOTKIN, COMMISSIONER

q:\cadm\orders\final\49000\49725 fo.docx

| | | |