INVOICE

CORPORATE COURIERS 2335 KRAMER LANE, STE. F AUSTIN, TX 78758 41998

Invoice No.	Customer No.
56102	1201
Invc Date · -	. Total Due .
6/15/19	1,530.38
	• • • • • • • • •
	<u> </u>
1	

LLOYD GOSSELINK ATTORNEYS AT LAW 816 CONGRESS AVE SUITE 1900 AUSTIN, TX 78701

NOW ACCEPTING VISA,M/C E AMEX FOR INVOICE PAYMENT PLEASE CALL 512.479.4007 TO GET SETOP.

Date Ordr No.	Svel	1201 56102 Service	6/15/19 1,530.38 10 Detail - 25 - 25 - 25 - 25 - 25 - 25 - 25 - 2		Charges 17 Total
/06/19 88656	- - - - - - - - - - 	LLOYD GOSSELINK ROCHELLE & TOWNSEND 816 CONGRESS AVE	FUC 1701 N. CONGRESS AVE. AUSTIN TX 78701	Base : Return :	12.00 12.00 24.00
/14/19 68849	1 DEK			Base : Return :	12.00 24.00
/13/19 88822	5 lek 1ek	Total Charges for Ref TLB : LLOYD GOSSELINK ROCHELLE & TOWNSIND 816 CONGRESS AVE AUSTIN TX 78701 Caller: OFFICE SERVICES Time: 10:15 Signed: B BELL	FUC 1701 N. CONGRESS AVE. AUSTIN TX 78701	Base : Return :	12.00 24.00

INVOICE

CORPORATE COURIERS 2335 KRAMER LANE, STE. F AUSTIN, TX 78758 41998

Invoice No.	Customer No.
56102	1201
Invc Date	Total Due
6/15/19	1,530.38
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LLOYD GOSSELINK ATTORNEYS AT LAW 816 CONGRESS AVE SUITE 1900 AUSTIN, TX 78701

NOW ACCEPTING VISA,M/C & AMEX FOR INVOICE PAYMENT PLEASE CALL 512.479.4007 TO GET SETUP.

			Customer No.	Invoice No.	Period Ending	Amount Due	Pg			
			1201	56102	6/15/19	1,530.38	11			_
Date (Ordr No.	Svc		Service	Detail				Charges	Total
/04/19	866050	20K 18K	LLOYD GOSSELINK ROCHELI 816 CONGRESS AVE AUSTIN TX 787 Caller: OFFICE SERVICES Signed: C GARCIA	E & TOWNSEND 01 Time: 13:41	F TLB-3862-5: PUC 1701 N. CONGRESS AUSTIN Wght: 1 Lbs	20.00 3 AVE. TX 78701 22.00	Base Return	:	10.00	22.00

ReSolved Energy Consulting, LLC

11044 Research Blvd, A-420 Austin, TX 78759

Invoice

DATE	INVOICE NUMBER
7/3/2019	4427

BILL TO

Thomas Brocato Lloyd Gosselink Law Firm 816 Congress Ave, # 1900 Austin, Tx 78701

PROJECT							
I.G.AEP	19 EECRF 49592						

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TOTA	N DUE	\$540.00
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p.1 of 2

Monthly Recap

Karl Nalepa

Date	Task	Hours
June 9, 2019	Review application. (Admin/Case Mgt 0.60)	0.60
June 11, 2019	Review and edit draft issues list. Call with J. Mauldin to discuss. (Admin/Case Mgt 0.60)	0.60
June 17, 2019	Review procedural schedule. (Admin/Case Mgt 0.20)	0.20
June 28, 2019	Review response to Staff discovery. Review Preliminary Order. (Admin/Case Mgt 0.60)	0.60

2.00



CITY ATTORNEY'S OFFICE

P.O. Box 220 McAllen, Texas 78505-0220 956-681-1090 Office 956-681-1099 Fax www.mcallen.net

October 14, 2019

Ms. Melissa A. Gage American Electric Power Service Corp. 400 West 15th Street, Suite 1500 Austin, Texas 78701-1677

Re: AEP TX 2020 EECRF Filing; Lloyd Gosselink; Inv. #97504839

Dear Ms. Gage:

Pursuant to Public Utility Regulatory Act §33.023, please remit to the City of McAllen, Texas the sum of \$333.00 cover the fees and expenses of attorneys and consultants assisting the Steering Committee of Cities Served by AEP Texas Central Company in the above-referenced ratemaking proceeding.

The requested sum consists of fees and expenses of the following firm:

FIRM	DOCKET	PERIOD	BILL AMOUNT
Lloyd,	AEP Tx 2020	September 2019	\$333.00
Gosselink	EECRF Filing		

The billing has been reviewed by Cities and found to be consistent with ratemaking efforts authorized by Cities. The billing is reasonable.

Payment should be made to the City of McAllen immediately. The check should be made payable to the City of McAllen and should be addressed as follows:

P. O. BOX 220 – McALLEN, TEXAS 78505-0220

Should you have any questions, please do not hesitate to contact me.

Sincerely,

Special Counsel

KDP:av encls.



www.lglawfirm.com

October 9, 2019

Cities Served by AEP Texas Inc c/o City of McAllen Attn Kevin Pagan P O Box 22 McAllen, TX USA 78505-0220

Invoice: 97504839

Client: 3862

Matter: 6

Billing Attorney: JLM

INVOICE SUMMARY

For professional services and disbursements rendered through September 30, 2019:

RE: AEP Tx 2020 EECRF Filing

Professional Services \$ 333.00
Total Disbursements \$.00

TOTAL THIS INVOICE \$ 333.00

Cities Served by AEP Texas Inc AEP Tx 2020 EECRF Filing I.D.3862-6-JLM October 9, 2019 Invoice: 97504839

PROFESSIONAL SERVICES RENDERED

Date	Atty	Description Of Services Rendered	Hours
9/04/19	JLM	Review settlement documents; revise settlement documents; follow-up with	.60
		correspondence regarding same.	
9/18/19	JLM	Review final settlement documents; follow-up correspondence regarding same	.50
		(Administration).	
9/20/19	SJW	Review recent filings (Admin/Case Management).	.10
9/23/19	SJW	Review recent filing (Admin/Case Management).	.10

TOTAL PROFESSIONAL SERVICES

\$ 333.00

SUMMARY OF PROFESSIONAL SERVICES

Name	Staff Level	Hours	Rate	Total
Jamie L Mauldin	Associate	1.10	280.00	308.00
Sam J Weaver	Paralega i	.20	125.00	25.00
TOTALS		1.30		\$ 333.00

TOTAL THIS INVOICE

\$ 333.00



www.lglawfirm.com

October 08, 2019

Cities Served by AEP Texas Inc c/o City of McAllen Attn Kevin Pagan P O Box 22

McAllen, TX 78505-0220

USA

Client:

3862

Matter: Billing Atty.: 6 JLM

REMINDER STATEMENT

RE: AEP Tx 2020 EECRF Filing

Invoice Number	Invoice Date	Fees	Expenses	Invoice Total	Payments / Credits	Balance
97501681	June 11, 2019	112.50	0.00	112.50	0.00	112.50
97503142	August 07, 2019	1,873.50	1,861.75	3,735.25	0.00	3,735.25
97503957	September 10, 2019	25.00	50.00	75.00	0.00	75.00
				Total A	mount Due:	\$3,922.75

^{*}Note: Last payment of \$3,616.30 was received/applied on July 26, 2019

AGED ACCOUNTS RECEIVABLE

0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	Over 120 Days
75.00	•	3,735.25	112.50	•

Lloyd Gosselink Rochelle & Townsend, P.C.



October 22, 2019

CITY ATTORNEY'S OFFICE

P.O. Box 220 McAllen, Texas 78505-0220 956-681-1090 Office 956-681-1099 Fax www.mcallen.net

Ms. Melissa A. Gage American Electric Power Service Corp. 400 West 15th Street, Suite 1500 Austin, Texas 78701-1677

Re: Docket #49592; AEP TX 2020 EECRF Filing; Lloyd Gosselink; Inv. #97501681, 97503142 and 97503957

Dear Ms. Gage:

Pursuant to Public Utility Regulatory Act §33.023, please remit to the City of McAllen, Texas the sum of \$3,922.75 cover the fees and expenses of attorneys and consultants assisting the Steering Committee of Cities Served by AEP Texas Central Company in the above-referenced ratemaking proceeding.

The requested sum consists of fees and expenses of the following firm:

FIRM	DOCKET	PERIOD	BILL AMOUNT
Lloyd Gosselink	49592 - AEP TX 2020 EECRF Filing	May 2019	\$112.50
Lloyd Gosselink	49592 - AEP TX 2020 EECRF Filing	July 2019	\$3,735.25
Lloyd Gosselink	49592 - AEP TX 2020 EECRF Filing	August 2019	\$75.00
TOTAL			\$3,922.75

The billing has been reviewed by Cities and found to be consistent with ratemaking efforts authorized by Cities. The billing is reasonable.

Payment should be made to the City of McAllen immediately. The check should be made payable to the City of McAllen and should be addressed as follows:

CITY OF McALLEN – LEGAL DEPARTMENT
P. O. BOX 220 – McALLEN, TEXAS 78505-0220

Should you have any questions, please do not hesitate to contact me.

Kevin D. Pagan

Special Counsel

KDP:av encls.



www.lglawfirm.com

June 11, 2019

Cities Served by AEP Texas Inc c/o City of McAllen Attn Kevin Pagan P O Box 22 McAllen, TX USA 78505-0220

Invoice:

97501681

Client:

3862

Matter:

6

Billing Attorney:

JLM

INVOICE SUMMARY

For professional services and disbursements rendered through May 31, 2019:

RE: AEP Tx 2020 EECRF Filing

Professional Services Total Disbursements \$ 112.50 \$.00

TOTAL THIS INVOICE

\$ 112.50

Cities Served by AEP Texas Inc AEP Tx 2020 EECRF Filing I.D.3862-6-JLM June 11, 2019 Invoice: 97501681

PROFESSIONAL SERVICES RENDERED

Date	Atty	Description Of Services Rendered	Hours
5/23/19	SJW	Draft engagement agreement for K. Nalepa (Admin/Case Management).	.20
5/28/19	SJW	Revise engagement agreement for K. Nalepa (Admin/Case Management).	.10
5/31/19	SJW	Draft intervention resolution; draft model staff report; update EECRF memo;	.60
		distribute engagement agreement for K. Nalepa; draft motion to intervene	
		(Admin/Case Management).	

TOTAL PROFESSIONAL SERVICES

\$ 112.50

SUMMARY OF PROFESSIONAL SERVICES

Name	Staff Level	Hours	Rate	Total
Sam J Weaver	Paralegal	.90	125.00	112.50
TOTALS		.90		\$ 112.50

TOTAL THIS INVOICE

\$ 112.50



www.lglawfirm.com

August 7, 2019

Cities Served by AEP Texas Inc c/o City of McAllen Attn Kevin Pagan P O Box 22 McAllen, TX USA 78505-0220

Invoice: 97503142

Client: Matter:

3862 6

Billing Attorney: JLM

INVOICE SUMMARY

For professional services and disbursements rendered through July 31, 2019:

RE: AEP Tx 2020 EECRF Filing

Professional Services
Total Disbursements

\$ 1,873.50 \$ 1,861.75

TOTAL THIS INVOICE

\$3,735.25

Cities Served by AEP Texas Inc AEP Tx 2020 EECRF Filing I.D.3862-6-JLM August 7, 2019 Invoice: 97503142

PROFESSIONAL SERVICES RENDERED

Date	Atty	Description Of Services Rendered	Hours
7/01/19	SJW	Review procedural schedule with T. Brocato (Admin/Case Management).	.10
7/02/19	JLM	Finalize RFIs (Administration).	.30
7/02/19	SJW	Review highly sensitive response to Staff's RFI; draft confidential material tracking	.80
		chart; make copy of confidential response for K. Nalepa; send material to K. Nalepa;	
		review Cities' 1st RFI; prepare RFI for filing with PUC; review procedural deadlines	
		with J. Mauldin (Admin/Case Management).	
7/08/19	SJW	Review response dates to Cities' RFI; review previous testimony regarding rate case	.10
		expenses (Admin/Case Management).	
7/10/19	SJW	Review Order No. 3 (Admin/Case Management).	.10
7/12/19	JLM	Review RFI responses (Administration).	.20
7/15/19	JLM	Prepare for settlement call; telephone call with K. Nalepa regarding same; participate	.70
		in settlement call; follow-up correspondence with K. Nalepa (Administration).	
7/15/19	SJW	Review responses to Cities' 1st RFI (Admin/Case Management).	.10
7/16/19	JLM	Finalize RFIs; telephone call to P. Pearsall regarding discovery requests	.50
		(Administration).	
7/16/19	SJW	Review Cities' 2nd RFI; prepare RFI for filing with PUC (Admin/Case Management).	.30
7/18/19	SJW	Draft withdrawal of Cities' 2nd RFI (Admin/Case Management).	.50
7/24/19	JLM	Correspondence regarding settlement with Company (Administration).	.40
7/25/19	JLM	Telephone call with AEP counsel regarding EECRF settlement offer; follow-up	.50
		correspondence (Administration).	
7/26/19	JLM	Telephone calls with K. Nalepa regarding settlement discussions; follow-up with	.70
		AEP (Administration).	
7/26/19	SJW	Draft affidavit for J. Mauldin regarding rate case expenses; assemble rate case	.70
		expenses from Docket No. 48422 (Admin/Case Management).	
7/29/19	TLB	Review draft testimony (Administration).	.50
7/29/19	JLM	Review rate case expense testimony; correspondence with K. Nalepa regarding same	.90
		(Rate Case Expense).	
7/29/19	SJW	Revise K. Nalepa's Direct Testimony and J. Mauldin's affidavit; assemble	.40
		attachments (Admin/Case Management).	
7/30/19	SJW	Prepare Direct Testimony of K. Nalepa for filing with PUC; review recent filing	.70
		(Admin/Case Management).	
7/31/19	SJW	Update rate case expense tracking chart (Admin/Case Management).	.10

TOTAL PROFESSIONAL SERVICES

\$ 1,873.50

SUMMARY OF PROFESSIONAL SERVICES

Name	Staff Level	Hours	Rate	Total
Thomas L Brocato	Principal	.50	420.00	210.00

Cities Served by AEP Texas Inc
AEP Tx 2020 EECRF Filing
I.D.3862-6-JLM

August 7, 2019 Invoice: 97503142

Jamie L Mauldin	Associate	4.20	280.00	1,176.00
Sam J Weaver	Paralegal	3.90	125.00	487.50
TOTALS		8.60		\$ 1,873.50

DISBURSEMENTS

Date	Description	Amount
7/15/19	Corporate Couriers Check # - 000037112 Corporate Couriers, Courier Services, 7/15/2019	13.75
7/15/19	Corporate Couriers Check # - 000037112 Corporate Couriers, Courier Services, 7/15/2019	12.00
7/31/19	ReSolved Energy Cons Voucher # - 000100711 ReSolved Energy Consulting, LLC, Consultant Services, Professional services for July 2019 - Regarding LG AEP 19 EECRF 49592 project, 8/5/2019	1,836.00

TOTAL DISBURSEMENTS \$ 1,861.75

TOTAL THIS INVOICE \$ 3,735.25

INVOICE

CORPORATE COURIERS 2335 KRAMER LANE, STE. F AUSTIN, TX 78758 41998

Invoice No.	Customer No.
56459	1201
Invc Date	Total Due
7/15/19	1,046.33
	4.33
μ .	1

LLOYD GOSSELINK ATTORNEYS AT LAW 816 CONCRESS AVE SUITE 1900 AUSTIN, TX 78701

NOW ACCEPTING VISA,M/C & AMEX FOR INVOICE PAYMENT PLEASE CALL 512.479.4007 TO GET SETUP.

 		Customer No. Invoice No. Period Ending	". Amount Due .: .Fg	
Date	Ordr No. Svc	1201 56459 7/15/19	1,046,33 4 Charges	Total
7/02/19	892567 12K	LLOYD GOSSELINK ROCHELLE & TOWNSEND PUC 816 CONGRESS AVE 1701 N. CONGRES. AUSTIN TX 78701 AUSTIN Caller: OFFICE SERVICES Time: 13:10 Wght: 1 Lbs Signed: C WOODS Total Charges for Ref TLB 1270-40, 3862-6:	Base : 12.00 S AVE. Return : 12.00 TX 78701	24.00
7/02/19	892617 4HR	LLOYD GOSSELINK ROCHELLE & TOWNSEND RESOLVED ENERGY 11044 RESEARCH 1 AUSTIN TX 78701 AUSTIN AUSTIN AUSTIN AUSTIN TX 78701 Wght: 1 Lbs Signed: N. STEVENS Total Charges for Ref JL4-3862-6:	TX 78759	13.75

ReSolved Energy Consulting, LLC

11044 Research Blvd, A-420 Austin, TX 78759

Invoice

DATE	INVOICE NUMBER
8/5/2019	4439

BILL TO

Thomas Brocato Lloyd Gosselink Law Firm 816 Congress Ave, # 1900 Austin, Tx 78701

Austin, 1x /8/01					
		PROJECT			
	LG A	EP 19 EECRF 49:	9592		
DESCRIPTION	HOURS	RATE	AMOUNT		
Consulting (Nalepa)	6.8	270.00	1,836.00		
Work Completed thru - July 31, 2019	тот	TAL DUE	\$1,836.00		

Monthly Recap

Karl Nalepa

Date	Task	Hours	
July 1, 2019	Work on discovery. (Admin/Case Mgmt 0.20)	0.20	
July 2, 2019	Complete discovery and send to J. Mauldin. (Admin/Case Mgmt 0.80)	0.80	
July 14, 2019	Review response to discovery. Catculate revised billing determinants. (Admin/Case Mgmt 0.60)	0.60	
July 15, 2019	Compile and send summary of issues to J. Mauldin. Prepare additional discovery. Participate on		
	settlement conference call. (Admin/Case Mgmt 1.00)	1.00	
July 22, 2019	Compile and send adjustments and supporting workpapers to J. Mauldin. (Admin/Case Mgmt 1.80)	1.80	
July 23, 2019	Compile and send revised adjustments to J. Mauldin. (Admin/Case Mgmt 1.40)	1.40	
July 26, 2019	Call with J. Mauldin to discuss AEP settlement offer. (Admin/Case Mgmt 0.20)	0.20	
July 29, 2019	Review and edit draft RCE testimony. (Admin/Case Mgmt 0.80)	0.80	

6.80

LG AEP 19 EECRF Recap_July 2019_ KJN



www.lglawfirm.com

September 10, 2019

Cities Served by AEP Texas Inc c/o City of McAllen Attn Kevin Pagan P O Box 22 McAllen, TX USA 78505-0220

Invoice: 97503957

Client: Matter: 3862 6

Billing Attorney: J

....

ey: JLM

INVOICE SUMMARY

For professional services and disbursements rendered through August 31, 2019:

RE: AEP Tx 2020 EECRF Filing

Professional Services \$ 25.00
Total Disbursements \$ 50.00

TOTAL THIS INVOICE \$ 75.00

Lloyd Gosselink Rochelle & Townsend, P.C.

Cities Served by AEP Texas Inc AEP Tx 2020 EECRF Filing I.D.3862-6-JLM September 10, 2019 Invoice: 97503957

PROFESSIONAL SERVICES RENDERED

Date	Atty	Description Of Services Rendered	Hours
8/01/19	SJW	Review SOAH Order No. 4 (Admin/Case Management).	.10
8/28/19	SJW	Update rate case expense tracking chart (Admin/Case Management).	.10

TOTAL PROFESSIONAL SERVICES

\$ 25.00

SUMMARY OF PROFESSIONAL SERVICES

Name	Staff Level	Hours	Rate	Total
Sam J Weaver	Paralegal	.20	125.00	25.00
TOTALS		.20		\$ 25.00

DISBURSEMENTS

Date	Description	Amount
7/31/19	Corporate Couriers Check # - 000037155 Corporate Couriers, Courier Services, 7/31/2019	8.00
7/31/19	Corporate Couriers Check # - 000037155 Corporate Couriers, Courier Services, 7/31/2019	22.00
7/31/19	Corporate Couriers Check # - 000037155 Corporate Couriers, Courier Services, 7/31/2019	20.00

TOTAL DISBURSEMENTS \$ 50.00 TOTAL THIS INVOICE \$ 75.00

Lloyd Gosselink Rochelle & Townsend, P.C.

INVOICE

CORPORATE COURSERS
2335 KNAMER LAME, STR. F
AUSTIN, TX 78758
41998

LLOYD GOSSELINK ATTORNEYS AT LAW 816 CONGRESS AVE SUITE 1900 AUSTIN, TX 78701

Invoice No.	Customer No.
56641	1201*
. Inve Date	Total Due
7/31/19	\$350538p
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NOW ACCEPTING VISA,M/C E AMEX FOR INVOICE PAYMENT FIENSE CALL 512.479.4007 TO GET SETUP.

			Customer No.	invoice No.	Period Ending	Amount Due	Pg	-	
			1201	56641	7/31/19	950.58	1		
Date	Ordr No.	Svc		'Service	Detail			 Charges	Total
/16/19	895575	1BK	LLOYD GOSSELINK BOCERLL 816 CONGRESS AVE MOSTIN TX 787/ Caller: OFFICE SERVICES Signed: B BELL Total Charges for	01 Time: 09:50	PUC 1701 N. COMGRES: AUSTIN Wght: 1 Lbs		Base Retu	12.00 12.00	24.00

INVOICE

CORPORATE COURIERS
2335 BRANER LANE, SIE. F
AUSTIN, TK 78758
41999

LLOYD GOSSELINK ATTORNEYS AT LAW 816 COMMERS AVE SUTTE 1900 AUSTIN, EX 78701

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TO GET SETUP.

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7/18/19	896155	191K 231K	LLOYD GOSSELING ROCSELLE & TOWNSEND PUC 1701 N. CONGRESS AVE. ADSTIN IX 78701 AUSTIN IX 78 Callar: OFFICE SERVICES Time: 10:06 Wght: 1 Lbs Signed: BELL.	Baso : 12.00 Return : 10.00	2.00
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November 19, 2019

CITY ATTORNEY'S OFFICE

P.O. Box 220 McAllen, Texas 78505-0220 956-681-1090 Office 956-681-1099 Fax www.mcallen.net

Austin, Texas 78701-1677

Re: Docket #49592; AEP TX 2020 EECRF Filing; Lloyd Gosselink; Inv. #97505502

Dear Ms. Gage:

Ms. Melissa A. Gage

American Electric Power Service Corp. 400 West 15th Street, Suite 1500

Pursuant to Public Utility Regulatory Act §33.023, please remit to the City of McAllen, Texas the sum of \$180.50 cover the fees and expenses of attorneys and consultants assisting the Steering Committee of Cities Served by AEP Texas Central Company in the above-referenced ratemaking proceeding.

The requested sum consists of fees and expenses of the following firm:

FIRM	DOCKET	PERIOD	BILL
			AMOUNT
Lloyd Gosselink	49592 - AEP TX 2020 EECRF Filing	October 2019	\$180.50

The billing has been reviewed by Cities and found to be consistent with ratemaking efforts authorized by Cities. The billing is reasonable.

Payment should be made to the City of McAllen immediately. The check should be made payable to the City of McAllen and should be addressed as follows:

CITY OF McALLEN – LEGAL DEPARTMENT
P. O. BOX 220 – McALLEN, TEXAS 78505-0220

Should you have any questions, please do not hesitate to contact me.

kevin D. Pagan Special Counsel

Bincerely.

KDP:av encls.



www.lglawfirm.com

November 8, 2019

Cities Served by AEP Texas Inc c/o City of McAllen Attn Kevin Pagan P O Box 22 McAllen, TX USA 78505-0220

Invoice:

97505502

Client:

3862

Matter:

6

Billing Attorney:

JLM

INVOICE SUMMARY

For professional services and disbursements rendered through October 31, 2019:

RE: AEP Tx 2020 EECRF Filing

Professional Services Total Disbursements \$ 180.50 \$.00

TOTAL THIS INVOICE

\$ 180.50

Cities Served by AEP Texas Inc AEP Tx 2020 EECRF Filing I.D.3862-6-JLM November 8, 2019 Invoice: 97505502

PROFESSIONAL SERVICES RENDERED

Date	Atty	Description Of Services Rendered	Hours
10/07/19	SJW	Update rate case expense tracking chart (Admin/Case Management).	.10
10/30/19	JLM	Review unopposed motion to admit additional evidence; follow-up correspondence with K. Nalepa (Administration).	.20
<u>10/31/19</u>	JLM	Correspondence with AEP regarding additional evidence (Administration).	.40

TOTAL PROFESSIONAL SERVICES

\$ 180.50

SUMMARY OF PROFESSIONAL SERVICES

Name	Staff Level	Hours	Rate	Total
Jamie L Mauldin	Associate	.60	280.00	168.00
Sam J Weaver	Paralegal Paralegal	.10	125.00	12.50
TOTALS		.70		\$ 180.50

TOTAL THIS INVOICE

\$ 180.50



CITY ATTORNEY'S OFFICE

P.O. Box 220 McAllen, Texas 78505-0220 956-681-1090 Office 956-681-1099 Fax www.mcallen.net

December 19, 2019

Ms. Melissa A. Gage American Electric Power Service Corp. 400 West 15th Street, Suite 1500 Austin, Texas 78701-1677

Re: Docket #49592; AEP TX 2020 EECRF Filing; Lloyd Gosselink; Inv. #97505884

Dear Ms. Gage:

Pursuant to Public Utility Regulatory Act §33.023, please remit to the City of McAllen, Texas the sum of \$444.50 cover the fees and expenses of attorneys and consultants assisting the Steering Committee of Cities Served by AEP Texas Central Company in the above-referenced ratemaking proceeding.

The requested sum consists of fees and expenses of the following firm:

FIRM	DOCKET	PERIOD	BILL	
			AMOUNT	
Lloyd Gosselink	49592 - AEP TX 2020 EECRF Filing	Nov. 2019	\$444.50	

The billing has been reviewed by Cities and found to be consistent with ratemaking efforts authorized by Cities. The billing is reasonable.

Payment should be made to the City of McAllen immediately. The check should be made payable to the City of McAllen and should be addressed as follows:

CITY OF McALLEN – LEGAL DEPARTMENT
P. O. BOX 220 – McALLEN, TEXAS 78505-0220

Should you have any questions, please do not hesitate to contact me.

Since (City,

Kevin D. Pagan

Special Counsel

KDP:av encls.



www.lglawfirm.com

December 10, 2019

Cities Served by AEP Texas Inc c/o City of McAllen Attn Kevin Pagan P O Box 22 McAllen, TX USA 78505-0220

Invoice:

97505884

Client:

3862

JLM

Matter:

6

Billing Attorney:

INVOICE SUMMARY

For professional services and disbursements rendered through November 30, 2019:

RE: AEP Tx 2020 EECRF Filing

Professional Services Total Disbursements \$ 12.50

\$ 432.00

TOTAL THIS INVOICE

\$ 444.50

Cities Served by AEP Texas Inc AEP Tx 2020 EECRF Filing I.D.3862-6-JLM December 10, 2019 Invoice: 97505884

PROFESSIONAL SERVICES RENDERED

Date	Atty	Description Of Services Rendered	Hours
11/04/19	SJW	Update rate case expense tracking chart (Admin/Case Management).	.10

TOTAL PROFESSIONAL SERVICES

\$ 12.50

SUMMARY OF PROFESSIONAL SERVICES

Name	Staff Level	Hours	Rate	Total
Sam J Weaver	Paralegal	.10	125.00	12.50
TOTALS		.10		\$ 12.50

DISBURSEMENTS

Date	Description	Amount
10/31/19	ReSolved Energy Cons Voucher # - 000102427 ReSolved Energy Consulting, LLC, Consultant Services, Professional services for August, September, and October 2019 - Regarding LG AEP 19 EECRF 49592 project, 11/07/2019	432.00
	TOTAL DISBURSEMENTS	\$ 432.00
	TOTAL THIS INVOICE	\$ 444.50

ReSolved Energy Consulting, LLC

11044 Research Blvd, A-420 Austin, TX 78759

Invoice

DATE	INVOICE NUMBER		
11/7/2019	4501		

BILL TO

Thomas Brocato Lloyd Gosselink Law Firm 816 Congress Ave, # 1900 Austin, Tx 78701

,				
		PROJECT		
	LG A	LG AEP 19 EECRF 49592		
DESCRIPTION	HOURS	RATE	AMOUNT	
Consulting (Nalepa)	1.6	270.00	432.00	
Work Completed thru - October 31, 2019		AL DUE	0.122.00	
	тот	TAL DUE	\$432.00	

Monthly Recap

Karl Nalepa

Date	Task	Hours
August 1, 2019	Review filed RCE testimony. (Admin/Case Mgmt 0.20)	0.20
September 23, 2019	Review stipulation and supporting affidavits. (Admin/Case Mgmt 0.40)	0.40
October 31, 2019	Review additional AEP supporting workpapers and send comments to J. Mauldin. (Admin/Case Mgmt 1.0)	1.00

1.60



816 Congress Avenue, Suite 1900 Austin, Texas 78701

Telephone: (512) 322-5800 Facsimile: (512) 472-0532

www.lglawfirm.com

December 09, 2019

Cities Served by AEP Texas Inc

c/o City of McAllen Attn Kevin Pagan

P O Box 22

McAllen, TX 78505-0220

USA

Client:

3862

Matter:

6

Billing Atty.:

JLM

REMINDER STATEMENT

RE: AEP Tx 2020 EECRF Filing

invoice Number	Invoice Date	Fees	Expenses	invoice Total	Payments / Credits	Balance
97505502	November 08, 2019	180.50	0.00	180.50	0.00	180.50
				Total An	ount Due:	\$180.50

^{*}Note: Last payment of \$3,922.75 was received/applied on November 14, 2019

AGED ACCOUNTS RECEIVABLE

0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	Over 120 Days
•	180.50	-	-	-



CITY ATTORNEY'S OFFICE

P.O. Box 220 McAllen, Texas 78505-0220 956-681-1090 Office 956-681-1099 Fax www.mcallen.net

January 23, 2020

Ms. Melissa A. Gage American Electric Power Service Corp. 400 West 15th Street, Suite 1500 Austin, Texas 78701-1677

Re: Docket #49592; AEP TX 2020 EECRF Filing; Lloyd Gosselink; Inv. #97506617

Dear Ms. Gage:

Pursuant to Public Utility Regulatory Act §33.023, please remit to the City of McAllen, Texas the sum of \$402.00 cover the fees and expenses of attorneys and consultants assisting the Steering Committee of Cities Served by AEP Texas Central Company in the above-referenced ratemaking proceeding.

The requested sum consists of fees and expenses of the following firm:

FIRM	DOCKET	PERIOD	BILL
			AMOUNT
Lloyd Gosselink	49592 - AEP TX 2020 EECRF Filing	Dec 2019	\$402.00

The billing has been reviewed by Cities and found to be consistent with ratemaking efforts authorized by Cities. The billing is reasonable.

Payment should be made to the City of McAllen immediately. The check should be made payable to the City of McAllen and should be addressed as follows:

CITY OF McALLEN – LEGAL DEPARTMENT
P. O. BOX 220 – McALLEN, TEXAS 78505-0220

Should you have any questions, please do not hesitate to contact me.

Kevin D. Pagan Special Counsel

KDP:av encls.



www.lglawfirm.com

January 17, 2020

Cities Served by AEP Texas Inc c/o City of McAllen Attn Kevin Pagan P O Box 22 McAllen, TX USA 78505-0220

Invoice:

97506617

Client:

3862

Matter:

6 JLM

Billing Attorney:

INVOICE SUMMARY

For professional services and disbursements rendered through December 31, 2019:

RE: AEP Tx 2020 EECRF Filing

Professional Services
Total Disbursements

\$ 402.00 \$.00

TOTAL THIS INVOICE

\$ 402.00

Cities Served by AEP Texas Inc AEP Tx 2020 EECRF Filing I.D.3862-6-JLM January 17, 2020 Invoice: 97506617

PROFESSIONAL SERVICES RENDERED

Date	Atty	Description Of Services Rendered	Hours
12/03/19	JLM	Review Exceptions to Proposed Order (Administration).	.30
12/09/19	BXE	Review correspondence regarding PUC open meeting for December 13, 2019 (Administration).	.20
12/13/19	JLM	Attend open meeting for approval of Order (Administration).	1.00
12/17/19	HEC	Monitor recent filings in Docket No. 49592 (Case Management).	.10

TOTAL PROFESSIONAL SERVICES

\$ 402.00

SUMMARY OF PROFESSIONAL SERVICES

Name	Staff Level	Hours	Rate	Total
Jamie L Mauldin	Associate	1.30	280.00	364.00
Barbara X Elias	Paralegal	.20	125.00	25.00
Hanna E Campbell	Paralegal	.10	130.00	13.00
TOTALS		1.60		\$ 402.00

TOTAL THIS INVOICE

\$ 402.00

PUBLIC UTILITY COMMISSION OF TEXAS

APPLICATION OF

AEP TEXAS INC.

TO ADJUST

ENERGY EFFICIENCY COST RECOVERY FACTORS AND RELATED RELIEF

DIRECT TESTIMONY OF

PAMELA D. OSTERLOH

FOR

AEP TEXAS INC.

JUNE 1, 2020

TESTIMONY INDEX

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i

I. INTRODUCTION

- 2 Q. PLEASE STATE YOUR NAME, POSITION IN THE COMPANY, AND BUSINESS
- 3 ADDRESS.

- 4 A. My name is Pamela D. Osterloh. I am Energy Efficiency and Consumer Programs
- 5 Compliance Coordinator Principal for AEP Texas Inc. My business address is 539 N.
- 6 Carancahua, Corpus Christi, Texas 78401.
- 7 Q. PLEASE STATE YOUR EDUCATIONAL AND PROFESSIONAL BACKGROUND.
- 8 A. I received a Bachelor of Science degree from Texas A&M University in 1986. I was
- 9 first employed by and worked in various capacities and locations for Central Power and
- 10 Light Company (the predecessor of AEP Texas Central Company) from November
- 11 1991 through May 1992. In June 1992, I accepted the position of Market Research
- Analyst with West Texas Utilities Company (the predecessor of AEP Texas North
- 13 Company). In September 1997, I was appointed Demand Side Management (DSM)
- 14 Resource Evaluation Coordinator with Central and South West Services, Inc. (the
- 15 corporate service affiliate of Central and South West Corporation or CSW) located in
- Austin, Texas. In that role, I was responsible for energy efficiency regulatory activities
- and compliance for DSM activities for CSW in Texas. In April 1999, I transferred to
- 18 Corpus Christi with CSW and began work in my current role as Energy Efficiency and
- 19 Consumer Program Compliance Coordinator Principal for AEP Texas. In my current
- 20 position, I am responsible for implementing and administering energy efficiency
- 21 programs in compliance with the Public Utility Regulatory Act provisions and the
- Public Utility Commission of Texas (PUCT or Commission) rules for such energy

1		efficiency programs. I hold professional certification from the Association of Energy
2		Engineers (AEE) as a Certified Energy Manager.
3	Q.	HAVE YOU PREVIOUSLY FILED TESTIMONY BEFORE ANY REGULATORY
4		AGENCY?
5	A.	Yes, I have previously filed testimony before the Commission before the PUCT in the
6		following dockets:
7 8		 Docket No. 35627, Application of AEP Texas Central Company for Energy Efficiency Cost Recovery Factor (EECRF) and Related Relief;
9 10		 Docket No. 36960, Application of AEP Texas Central Company to Adjust Energy Efficiency Cost Recovery Factor and Related Relief;
11 12		 Docket No. 38208, Application of AEP Texas Central Company to Adjust Energy Efficiency Cost Recovery Factor and Related Relief;
13 14		 Docket No. 39360, Application of AEP Texas Central Company to Adjust Energy Efficiency Cost Recovery Factor and Related Relief;
15 16		 Docket No. 40359, Application of AEP Texas Central Company to Adjust Energy Efficiency Cost Recovery Factor and Related Relief;
17 18		 Docket No. 41538, Application of AEP Texas Central Company to Adjust Energy Efficiency Cost Recovery Factor and Related Relief;
19 20		 Docket No. 42508, Application of AEP Texas Central Company to Adjust Energy Efficiency Cost Recovery Factor and Related Relief;
21 22		 Docket No. 44717 Application of AEP Texas Central Company to Adjust Energy Efficiency Cost Recovery Factor and Related Relief;
23 24		 Docket No. 45929 Application of AEP Texas Central Company to Adjust Energy Efficiency Cost Recovery Factor and Related Relief;
25 26		 Docket No. 47236 Application of AEP Texas Inc. to Adjust Energy Efficiency Cost Recovery Facto and Related Relief;
27 28		 Docket No. 48422 Application of AEP Texas Inc. to Adjust Energy Efficiency Cost Recovery Factors and Related Relief; and
29 30		 Docket No. 49592 Application of AEP Texas Inc. to Adjust Energy Efficiency Cost Recovery Factors and Related Relief.
31	Q.	DO YOU SPONSOR ANY OF THE SCHEDULES ACCOMPANYING AEP
32		TEXAS' FILING?

1	A.	Yes, I sponsor Central Division Schedules L through O, and R. In addition, I co-sponsor
2		Central Division Schedule A with witnesses Robert Cavazos and Jennifer L. Jackson
3		Central Division Schedule B with witness Jackson; and Central Division Schedules J
4		P, and S with witness Cavazos.
5		
6		II. PURPOSE OF TESTIMONY
7	Q.	WHAT IS THE PURPOSE OF YOUR DIRECT TESTIMONY?
8	A.	The purpose of my testimony is to present information supporting the request to adjust
9		the AEP Texas EECRF for 2021. Consistent with Docket No. 46050, AEP Texas
10		maintained two divisions, the Central and North divisions, during the 2019 program
11		year. However, in AEP Texas' last rate case, Docket No. 49494, the Commission
12		approved the combination of the rates of the Central and North divisions. In this filing,
13		AEP Texas seeks approval to combine its two EECRFs into one EECRF for AEP
14		Texas. Because portions of the EECRF are based on historical data, that information is
15		presented by division, where appropriate. As Mr. Cavazos discusses in his direct
16		testimony, AEP Texas seeks an adjustment in 2021 to reflect:
17 18		 recovery of \$17,747,659, which is the amount of projected 2021 energy efficiency program costs;
19 20 21 22		 return to customers of \$948,163, which is the amount of AEP Texas' over-recovered energy efficiency costs in 2019 (includes interest and recovery of 2018 Evaluation, Measurement and Verification (EM&V) costs);
23 24 25		• recovery of \$3,475,676, which is the amount of performance bonus earned from actual energy efficiency achievements in Program Year (PY) 2019 results;
26 27 28		• recovery of \$44,303, which is the amount of AEP Texas' EECRF proceeding expenses incurred as a result of Docket No. 49592 pursuant to 16 Tex. Admin. Code § 25.182(d)(3) (TAC); and

1 2		 recovery of \$211,988 representing AEP Texas' share of the EM&V cost to evaluate 2020.
3		The total amount that AEP Texas requests to be recovered through its 2021 EECRF is
4		\$20,531,462.
5		In my direct testimony, I first outline the energy efficiency goals established by
6		Section 39.905 of the Public Utility Regulatory Act ¹ (PURA). I also discuss the impact
7		of the identification notice referenced in 16 TAC § 25.181(u). I then present the actual
8		energy efficiency expenditures incurred by AEP Texas for its 2019 programs, 2019
9		AEP Texas and municipal EECRF proceeding expenses, and EM&V costs incurred in
10		PY 2019. I describe each of the programs AEP Texas implemented during 2019. I also
11		present the projected costs and the plans and programs AEP Texas will implement to
12		achieve its energy efficiency objectives for 2021.
13		
14		III. ENERGY EFFICIENCY REQUIREMENTS AND OBJECTIVES
15		A. Statutory and Regulatory Requirements
16	Q.	PLEASE DESCRIBE THE BASIC REQUIREMENTS OF PURA § 39.905 AS
17		RELEVANT TO YOUR TESTIMONY.
18	A.	As discussed by Mr. Cavazos in his testimony, the requirements of PURA § 39.905 as
19		relevant to my testimony are:
20 21 22 23 24		• A utility must provide incentives adequate for the purpose of acquiring cost-effective energy efficiency equivalent to at least 30% of the electric utility's annual growth in demand of residential and commercial customers beginning with the 2013 program year; but not less than the previous year.

¹ PURA is codified at Tex. Util. Code Ann. §§ 11.001–66.016.

1 2 3 4 5 6		 Once the utility's demand reduction goal is equivalent to at least four- tenths of one percent of its summer weather-adjusted peak demand for the combined residential and commercial customers for the previous calendar year, the utility's goal shall be four-tenths of one percent of its summer weather-adjusted peak demand for the combined residential and commercial customers but not less than the previous year.
7 8		 A utility must provide incentives through market-based standard offer programs (SOPs) or targeted market transformation programs (MTPs).
9 10 11 12		• A utility must provide incentives in such a manner that retail electric providers (REPs) and competitive energy efficiency service providers (EESPs) install the measures that produce the energy efficiency necessary to meet the utility's mandated annual goal.
13	Q.	HAS THE COMMISSION ADOPTED RULES TO IMPLEMENT PURA § 39.905?
14	A.	Yes, 16 TAC §§ 25.181 and 25.182 have been adopted to implement PURA § 39.905.
15	Q.	WHAT ARE SOME OF THE KEY COMPONENTS OF 16 TAC §§ 25.181 and
16		25.182?
17	A.	Some of the key components of 16 TAC §§ 25.181 and 25.182 are:
18 19 20 21 22 23		 An electric utility shall administer energy efficiency programs to acquire at a minimum 30% reduction of its annual growth in demand of residential and commercial customers until the demand reduction goal to be acquired is at least four-tenths of 1% of its summer weather- adjusted peak demand for the combined residential and commercial customers for the previous program year.
24 25 26 27 28 29		 Once the demand reduction goal to be acquired is equivalent to at least four-tenths of 1% of its summer weather-adjusted peak demand for the combined residential and commercial customers for the previous program year, the utility shall acquire four-tenths of 1% of its summer weather-adjusted peak demand for the combined residential and commercial customers for the previous program year.
30 31		• A utility's demand goal in any year shall not be lower than its goal for the prior year.
32 33 34 35		 Utilities are encouraged to achieve demand reduction and energy savings through a portfolio of cost-effective programs that exceed each utility's energy efficiency goals while staying within the required cost caps.

1 2 3 4 5 6		• A utility shall adjust an EECRF to timely recover forecasted annual energy efficiency program costs in excess of the actual energy efficiency revenues collected from base rates, the preceding year's over-or under-recovery including municipal and utility EECRF proceeding expenses, any performance bonus earned, and EM&V costs assigned to the utility.
7 8		• 16 TAC § 25.182(e) allows a utility exceeding the minimum goal to earn a performance bonus.
9 10		 A utility may use up to 15% of its total program costs for administration of its energy efficiency programs.
11 12 13 14		 A utility may use up to 10% of the previous program year's costs to perform necessary energy efficiency research and development (R&D) to foster continuous improvement and innovation in the application of energy efficiency technology and energy efficiency program design and implementation.
16 17		 The cumulative cost of administration and R&D shall not exceed 20% of a utility's total program costs.
18 19 20		 An EM&V framework is included to evaluate program portfolio performance and to measure and verify estimated demand and energy impacts reported for those programs.
21 22 23 24 25 26		 Qualifying industrial customers taking electric service at distribution voltage may submit a notice to identify metering points for their industrial processes, which allows those metering points to not be charged for any costs associated with programs provided through the EECRF nor shall the identified facilities be eligible to participate or receive incentives for a three-year period.
27	Q.	HOW DOES AEP TEXAS IMPLEMENT THESE REQUIREMENTS?
28	A.	AEP Texas develops and offers cost-effective energy efficiency programs to third-party
29		EESPs as defined in 16 TAC § 25.181(c)(17), who in turn market their services to end
30		use retail residential and commercial customers. These programs offer incentives to
31		encourage third-party EESPs, REPs, and/or eligible commercial customers to

participate as project sponsors of energy efficiency measures. The Commission's

energy efficiency rule allows commercial customers with a peak demand of 50

kilowatts (kW) or greater to act as their own EESP for measures they install for

32

33

themselves. The EESPs or project sponsors then supply and install the measures at homes or businesses that produce the energy efficiency savings that AEP Texas reports to satisfy its energy efficiency objectives. Energy efficiency objectives and goals are established annually, so that each year AEP Texas may procure the necessary demand reduction and energy savings from participating project sponsors to meet AEP Texas' objectives for that year. The energy efficiency savings may be in the form of reduction in summer or winter peak demand (kW), energy usage (kWh), or both. AEP Texas pays incentives to the project sponsors for peak demand and energy savings resulting from the energy efficiency measures installed according to program guidelines.

10 Q. PLEASE DEFINE THE TERM SOP.

- Pursuant to 16 TAC § 25.181(c)(55), a standard offer program ("SOP") is defined as a program under which a utility administers standard offer contracts between the utility and EESPs. A standard offer contract specifies standard payments based upon the amount of energy and peak demand savings achieved through energy efficiency measures, the applicable measurement and verification (M&V) protocols, and other terms and conditions, consistent with 16 TAC § 25.181.
- 17 Q. PLEASE DEFINE THE TERM MTP.
- A. Pursuant to 16 TAC § 25.181(c)(37), a market transformation program ("MTP") is defined as a strategic program intended to induce lasting structural or behavioral changes in a market that result in the increased adoption of energy efficiency technologies, services, and practices.

B.	Annual	Demand	Reduction	Goal

- 2 Q. PLEASE DESCRIBE THE DEMAND REDUCTION GOAL REQUIREMENT FOR
- 3 AEP TEXAS.

- 4 A. Pursuant to 16 TAC § 25.181(e)(1), AEP Texas is required to acquire a 30% reduction
- of its annual growth in demand of residential and commercial customers until that goal
- is equivalent to at least four-tenths of 1% (the trigger) of AEP Texas summer
- 7 weather-adjusted peak demand for the combined residential and commercial customers
- 8 for the previous program year. Once that trigger is reached, AEP Texas shall acquire
- 9 four-tenths of 1% of its summer weather-adjusted peak demand for the combined
- residential and commercial customers for the previous program year. In addition, 16
- TAC § 25.181(e)(1)(D) also states that, except as adjusted in accordance with
- subsection (u) of the rule, a utility's demand reduction goal in any year shall not be
- lower than its goal for the prior year, unless the Commission establishes a goal for a
- utility pursuant to paragraph (2) of 16 TAC § 25.181(e).
- 15 Q. HAS AEP TEXAS MET THE TRIGGER DESCRIBED IN 16 TAC
- 16 § 25.181(e)(1)(B)?
- 17 A. Yes, AEP Texas met the trigger. The Central Division met the trigger when calculating
- its goal for PY 2016. The North Division met the trigger when calculating its goal for
- 19 PY 2015.
- 20 Q. PLEASE DESCRIBE HOW AEP TEXAS' FOUR-TENTHS OF 1% DEMAND
- 21 REDUCTION GOAL IS CALCULATED.
- 22 A. AEP Texas four-tenths of 1% demand reduction goal was calculated by taking the
- 23 average of the 2015 2019 weather adjusted peak demand at the meter. The resulting

- peak demand average for this time period was 5,150 MW; therefore, AEP Texas'
- 2 four-tenths of 1% goal for PY 2021 is 20.6 MW.
- 3 Q. PLEASE DESCRIBE THE IDENTIFICATION NOTICE REFERENCED IN 16 TAC
- 4 § 25.181.
- 5 A. 16 TAC § 25.181(u) states that an industrial customer taking electric service at
- distribution voltage that qualifies under subsection 16 TAC § 25.181(c)(30) may
- 7 submit an identification notice to the utility for those metered points of delivery of the
- 8 industrial process. The ESID number(s) identified under this section are not to be
- 9 charged for any costs associated with and will not be able to participate in energy
- efficiency programs for three years.
- 11 Q. COULD THE IDENTIFICATION NOTICE REQUIREMENT, AFFECT THE
- 12 UTILITY'S CALCULATED GOAL FOR ENERGY EFFICIENCY?
- 13 A. Yes. Pursuant to 16 TAC § 25.181(u) the utility's demand reduction goal is required to
- be adjusted to remove any load identified as a result of the identification notice
- provision.
- 16 Q. ARE ANY SUCH NOTICES TO BE EFFECTIVE IN PY 2021?
- 17 A. Yes. AEP Texas received identification notices prior to February 1, 2020 for 236 ESIDs
- representing 22,461 kW.
- 19 Q. WHAT IS AEP TEXAS' DEMAND REDUCTION GOAL TO BE ACHIEVED IN
- 20 PY 2021?
- 21 A. The demand reduction goal for AEP Texas to achieve in PY 2021 is 20.6 MW, based
- 22 on the requirements in 16 TAC § 25.181(e)(1)(D) and as adjusted in accordance with
- subsection (u). The minimum PY 2021 demand reduction goal is set forth in Schedule

1		N that I sponsor. AEP Texas, however, projects it will achieve as much as 42.96 MW
2		of demand reduction from the programs it will implement in PY 2021. As Mr. Cavazos
3		explains in his testimony, AEP Texas interprets PURA § 39.905 and 16 TAC § 25.181
4		as intending to encourage as much cost-effective energy efficiency as can reasonably
5		be achieved under the limits set forth in the statute and rule.
6	Q.	WERE LINE LOSSES INCORPORATED IN THE CALCULATION OF THE
7		DEMAND REDUCTION GOAL?
8	A.	Yes. Calculation of the demand reduction goal used the line loss numbers referenced
9		in Table 11 of its 2021 Energy Efficiency Plan and Report. Line losses are derived from
10		the loss factors determined in AEP Texas' most recent line loss study.
1		C. Annual Energy Savings Goal
12	Q.	HOW IS THE ENERGY SAVINGS GOAL CALCULATED UNDER 16 TAC
13		§ 25.181?
14	A.	The minimum energy savings goal is calculated from the utility's calculated demand
15		goal, using a 20% conservation load factor, as set forth in 16 TAC § 25.181(e)(4).
16	Q.	WHAT IS AEP TEXAS' ENERGY SAVINGS GOAL TO BE ACHIEVED IN PY
17		2021?
18	A.	The energy savings goal for AEP Texas to achieve in PY 2021 is 36,091 megawatt-
19		hour (MWh). The 2021 energy savings goal is set forth in Schedule N. However, AEP
20		Texas projects to achieve as much as 62,918 MWh of energy savings from the programs
21		it will implement in PY 2021. As I mentioned above and as Mr. Cavazos explains in
22		his testimony, the AEP Texas interprets PURA § 39.905 and 16 TAC § 25.181 as

1		intended to encourage utilities to achieve as much cost-effective energy efficiency as
2		can reasonably be achieved under the limits set forth in the statute and rule.
3		D. Process to Achieve Savings
4	Q.	WILL AEP TEXAS OFFER PROGRAMS TO ACHIEVE THESE PY 2021
5		SAVINGS?
6	A.	Yes, I discuss the programs that AEP Texas will offer in Section V of my testimony.
7		AEP Texas' energy efficiency program portfolio is designed to achieve both its demand
8		reduction and energy savings objectives for PY 2021.
9	Q.	WILL ALL ELIGIBLE CUSTOMERS HAVE ACCESS TO ENERGY EFFICIENCY
10		PROGRAMS OFFERED BY AEP TEXAS?
11	A.	Yes, except for industrial customers who have submitted an identification notice, all
12		customers in the residential and commercial customer classes will have access to the
13		energy efficiency programs offered by AEP Texas.
14		
15		IV. ENERGY EFFICIENCY COSTS
16		A. PY 2019
17	Q.	WHAT COSTS DID AEP TEXAS INCUR WITH ITS PY 2019 ENERGY
18		EFFICIENCY PROGRAMS?
19	A.	The costs incurred by AEP Texas to implement its PY 2019 energy efficiency programs
20		totaled \$17,269,733 (\$14,032,803 for the Central Division and \$3,236,930 for the
21		North Division), as shown in Schedule B.
22	Q.	WERE AEP TEXAS' ACTUAL PY 2019 ENERGY EFFICIENCY COSTS LESS
23		THAN THE ENERGY EFFICIENCY AMOUNT PROJECTED FOR PY 2019?

- 1 A. Yes. AEP Texas' energy efficiency costs were 3.9% (\$689,913 which is \$538,743 for
- 2 the Central Division and \$151,170 for the North Division) less than the projected
- 3 amount in 2019.
- 4 Q. WERE AEP TEXAS' PY 2019 PROGRAM PORTFOLIO COSTS LESS THAN OR
- 5 EQUAL TO THE BENEFITS OF THE PROGRAMS?
- 6 A. Yes. AEP Texas program portfolio costs were less than the benefits of the program.
- 7 The benefit-cost ratio for the AEP Texas' entire PY 2019 program portfolio is shown
- 8 in Schedule P-1 for the Central Division and P-2 for the North Division. The estimated
- 9 useful life for each measure is provided in Schedule M.
- 10 Q. PLEASE DESCRIBE AEP TEXAS' PY 2019 ADMINISTRATIVE COSTS.
- 11 A. AEP Texas' PY 2019 administrative costs included costs to review project applications,
- award contracts, review incentive reports, conduct field inspections of installed
- measures, review M&V plans for projects that do not utilize deemed savings measures,
- and interact with project sponsors. Administrative duties also include continuous
- review and monitoring of programs for successful program implementation. Costs
- associated with work activities regarding regulatory reporting and special projects are
- 17 also considered administrative costs and are included in the AEP Texas' administrative
- 18 costs.
- 19 Q. DID AEP TEXAS HAVE ANY EXPENSES ASSOCIATED WITH R&D IN PY
- 20 2019?
- 21 A. Yes. AEP Texas expended \$386,955 (\$281,180 for Central Division and \$105,775 for
- North Division) for R&D in PY 2019 as detailed in Schedule B.

- 1 Q. PLEASE DESCRIBE AEP TEXAS' R&D EFFORTS.
- 2 A. AEP Texas' PY 2019 R&D projects included costs related to identifying, developing
- and implementing necessary enhancements to its electronic data collection and
- 4 management systems to incorporate updates for new program requirements, regulatory
- 5 requirements, and deemed savings values; and costs associated with researching new
- 6 technologies and energy efficiency program ideas. AEP Texas also participated with
- 7 the Electric Utility Marketing Managers of Texas (EUMMOT) in research activities
- 8 that included providing technical support for the Texas Technical Reference Manual
- 9 (TRM). All of the R&D expenditures incurred in PY 2019 were for the purpose of
- fostering continuous improvement and innovation in the application of energy
- efficiency technology and energy efficiency program design and implementation.
- 12 Q. PLEASE DESCRIBE AEP TEXAS' PY 2019 EXPENDITURES FOR ITS
- 13 TARGETED LOW-INCOME PROGRAM.
- 14 A. As required by 16 TAC § 25.181(p), AEP Texas expended \$1,996,229 (\$1,618,125 for
- 15 Central Division and \$378,104 for North Division) in PY 2019 for the targeted low-
- income energy efficiency program, which is 11% of AEP Texas' (11% for Central
- Division and 11% for North Division) PY 2019 energy efficiency budget.
- 18 Q. HAS AEP TEXAS PROVIDED INFORMATION ON THE BIDDING AND
- 19 ENGAGEMENT PROCESS USED FOR CONTRACTING WITH EESPS?
- 20 A. Yes. Schedule L describes the process used to select and contract with EESPs.
- 21 Q. DID ANY SINGLE EESP RECEIVE MORE THAN 5% OF AEP TEXAS'
- 22 OVERALL INCENTIVE PAYMENTS?

1	A.	Yes. Please see Highly Sensitive Schedule J for a list of all EESPs that participated in
2		the 2019 programs, including those EESPs receiving more than 5% of AEP Texas'
3		PY 2019 overall incentive payments, as well as a list of all EEXPs that participated in
4		the 2019 programs. Schedule J also includes contracts associated with those receiving
5		more than 5% of overall incentive payments.
6		B. EECRF Proceeding Expenses
7	Q.	DOES AEP TEXAS REQUEST RECOVERY OF ANY COSTS RELATED TO THE
8		2019 EECRF PROCEEDING?
9	A.	Yes. AEP Texas requests recovery of \$44,303 (\$35,442 for the Central Division and
10		\$8,861 for the North Division) for the Company's 2019 EECRF proceeding in Docket
11		No. 49592. This request includes \$8,899 paid to Municipalities for their participation
12		in Docket 49592. Please see the direct testimony of AEP Texas witness Cavazos for
13		further discussion of the Company's requested recovery of its 2019 EECRF proceeding
14		expenses.
15	Q.	WHY DID AEP TEXAS INCLUDE EECRF PROCEEDING EXPENSES?
16	A.	16 TAC § 25.182(d) states that an EECRF proceeding is a ratemaking proceeding for

18

19

the purposes of PURA § 33.023 and that a utility's EECRF proceeding expenses shall

be included in the EECRF. AEP Texas has included proceeding expenses owed for the

2019 EECRF proceeding, as allowed by 16 TAC § 25.182(d)(3).

1		C. 2019 EM&V Costs
2	Q.	DID AEP TEXAS INCUR ANY COSTS IN 2019 FOR EM&V FOR THE
3		EVALUATION OF PY 2018?
4	A.	Yes, AEP Texas incurred \$211,988 (\$180,198 for the Central Division and \$31,790 for
5		the North Division) in costs paid to the statewide EM&V contractor during 2019 for
6		the evaluation of PY 2018.
7		D. 2021 Projected Energy Efficiency Program Costs
8	Q.	WHAT ARE AEP TEXAS' ENERGY EFFICIENCY PLANS FOR PY 2021?
9	A.	As shown in Schedule A, AEP Texas will implement 12 energy efficiency programs in
10		PY 2021 for a total projected cost of \$17,959,647, which includes R&D and EM&V
11		activities. The 12 energy efficiency programs are described in Schedule R and are
12		designed to allow AEP Texas to achieve its energy efficiency objectives for PY 2021
13		This portfolio of programs will continue to encourage EESPs to provide energy
14		efficiency services to all qualifying residential and commercial customers. Each year
15		AEP Texas reviews the programs and activities that have taken place to improve its
16		plan for the upcoming year. AEP Texas has selected the programs that it believes will
17		achieve its PY 2021 objectives and comply with PURA provisions and the
18		Commission's rule.
19	Q.	HOW DID AEP TEXAS DETERMINE ITS PY 2021 ENERGY EFFICIENCY
20		OBJECTIVES?
21	A.	AEP Texas first determined to achieve even greater cost-effective energy efficiency
22		savings than required by the Commission's Rule. AEP Texas then allocated portions
23		of its PY 2021 projected program costs among customer classes using criteria such as

1	customer counts, historical cost allocation, and previous program success. The Hard-
2	to-Reach SOP and the Targeted Low-Income Energy Efficiency Program were
3	designed to comply with PURA provisions and the Commission's rule. AEP Texas then
4	estimated projected impacts from each program based on historical results and previous
5	years' experience. Projected impacts from all programs within each customer class
6	were then combined to formulate customer class projected savings. Finally, all
7	projected customer class savings were added together to produce AEP Texas' PY 2021
8	projected energy efficiency savings as shown in Schedule O.

- Q. ARE THERE SPECIFIC TYPES OF ADMINISTRATIVE COSTS ASSOCIATED
 WITH THE PY 2021 ENERGY EFFICIENCY PROGRAMS?
- Yes. Administrative costs for PY 2021 will include costs for reviewing project 11 A. applications, awarding contracts, reviewing M&V plans for some projects that do not 12 utilize deemed savings measures, performing field inspections of installed measures, 13 14 processing incentive payments, and interacting with project sponsors. Administrative 15 costs also include development, review and selection of new or revised programs that 16 may be considered for successful program implementation. Costs associated with work activities regarding regulatory reporting, EECRF filing, and other energy efficiency-17 18 related projects are also considered administrative costs and are included as shown in 19 Schedule A.
- Q. DOES AEP TEXAS INCLUDE ANY PROPOSED R&D ACTIVITIES IN ITS
 PROJECTED COSTS FOR PY 2021?
- 22 A. Yes, AEP Texas PY 2021 projected R&D costs include \$565,125 or about 3% of its
 23 total projected program costs as shown in Schedule A.

1		E. 2021 EM&V Costs
2	Q.	DOES AEP TEXAS INCLUDE ANY EM&V COSTS IN THIS FILING?
3	A.	Yes. AEP Texas is including \$211,988 as its apportioned EM&V costs to be incurred
4		in 2021 for the evaluation of PY 2020.
5		
6		V. ENERGY EFFICIENCY PROGRAMS
7		A. PY 2019 Programs
8	Q.	WHAT PROGRAMS DID AEP TEXAS OFFER IN PY 2019 TO ACHIEVE ITS
9		ENERGY EFFICIENCY OBJECTIVES?
10	A.	AEP Texas offered the following programs in PY 2019:
11 12 13 14 15 16 17 18 19 20 21 22		 Commercial Solutions MTP Commercial SOP CoolSaverSM A/C Tune-up MTP (Central Division only) Hard-to-Reach SOP High Performance New Homes MTP (Central Division only) Load Management SOP Open MTP Residential Pool Pump Pilot MTP Residential SOP SCORE/CitySmart MTP SMART SourceSM Solar PV MTP Targeted Low-Income Energy Efficiency Program
	_	
23	Q.	PLEASE DESCRIBE THE COMMERCIAL SOLUTIONS MTP.
24	A.	The Commercial Solutions MTP identifies a variety of commercial customers having
25		a high likelihood of installing energy efficiency measures within their facilities. These
26		customers may have delayed making such improvements for a number of reasons,

- including an inability to identify appropriate actions to take or lack of understanding of
 energy efficiency project funding. The Commercial Solutions MTP provides education
 and information to such customers, and provides monetary incentives to encourage
 them to take action to improve their facilities' energy efficiency.
- 5 Q. PLEASE DESCRIBE THE COMMERCIAL SOP.

- A. The Commercial SOP provides incentives for the installation of a wide range of measures that reduce customer energy costs and reduce peak demand and/or save energy in non-residential facilities. Examples of eligible customer sites include hotels, schools, manufacturing facilities, restaurants, and larger grocery and retail stores. These types of customers have installed eligible measures such as lighting systems, new or replacement chiller systems, high-efficiency pumping systems, and other similar efficient technologies. Incentives are paid to project sponsors on the basis of deemed savings or, if deemed savings have not been established for a particular qualifying energy efficiency measure, incentives may be paid on the basis of verified peak demand and/or energy savings using the International Performance Measurement & Verification Protocol.
- 17 Q. PLEASE DESCRIBE THE COOLSAVERSM A/C TUNE-UP MTP.
- A. The CoolSaver SM A/C Tune-Up MTP is designed to overcome market barriers that prevent residential and small business customers from receiving high-performance A/C system tune-ups. This program works with local A/C distributor networks to train and certify A/C technicians on tune-up and air flow correction services and protocols.

- 1 Q. PLEASE DESCRIBE THE HARD-TO-REACH SOP.
- 2 A. The Hard-to-Reach SOP targets a specific subset of residential customers defined by 3 16 TAC § 25.181(c)(27). The hard-to-reach customer is one whose total household income is at or below 200% of federal poverty guidelines. The program provides 4 incentives for the installation of a wide range of measures that reduce residential 5 customer energy costs and reduce peak demand. It is designed to cost-effectively 6 provide energy efficiency improvements to individual households at no or very low 7 8 cost. Incentives are paid to project sponsors for eligible measures installed in retrofit 9 applications on the basis of deemed savings. Eligible measures include replacement air 10 conditioners, wall and ceiling insulation, and air distribution duct improvements, 11 among others.
- 12 O. PLEASE DESCRIBE THE HIGH PERFORMANCE NEW HOMES MTP.
- A. The High Performance New Homes MTP targets homebuilders and residential consumers. The program's goal is to create conditions where consumers demand high performance built homes, and homebuilders supply these energy-efficient homes.

 Incentives are paid to homebuilders who construct high performance built homes in the Central Division service area.
- 18 Q. PLEASE DESCRIBE THE LOAD MANAGEMENT SOP.
- 19 A. The Load Management SOP targets commercial customers that have a minimum
 20 demand of 500 kW or more. Incentives are paid to project sponsors that identify
 21 interruptible load and provide curtailment of this electric load on short notice. These
 22 payments are based on the verified demand savings methodology identified in the
 23 Texas TRM.

- 1 Q. PLEASE DESCRIBE THE OPEN MTP.
- 2 A. The Open MTP targets traditionally underserved small commercial customers who may
- 3 not employ knowledgeable personnel with a focus on energy efficiency, who are
- 4 limited in the ability to implement energy efficiency measures, and/or who typically do
- 5 not actively seek the help of a professional EESP. Small commercial customers with a
- 6 peak demand not exceeding 150 kW in the previous 12 consecutive billing months may
- 7 qualify to participate in the program. The program is intended to overcome market
- 8 barriers for participating contractors by providing technical support and incentives to
- 9 implement energy efficiency upgrades and produce demand and energy savings.
- 10 Q. PLEASE DESCRIBE THE RESIDENTIAL POOL PUMP PILOT MTP.
- 11 A. The Residential Pool Pump Pilot MTP Provides incentives to pool pump distributors
- for the installation of high-efficiency ENERGY STAR® certified variable speed pool
- pumps in new and existing single-family properties.
- 14 Q. PLEASE DESCRIBE THE RESIDENTIAL SOP.
- 15 A. The Residential SOP provides incentives for the installation of a wide range of
- measures that reduce residential customer energy costs and reduce peak demand. It is
- also designed to encourage private sector delivery of energy efficiency products and
- services. Incentives are paid to project sponsors for eligible measures installed in
- retrofit applications on the basis of deemed savings. Eligible measures include
- replacement air conditioners, wall and ceiling insulation, and air distribution duct
- 21 improvements, among others.

- 1 Q. PLEASE DESCRIBE THE SCORE/CITYSMART MTP.
- 2 A. The Schools COnserving REsources/CitySmart MTP (SCORE/CitySmart) provides 3 energy efficiency and demand reduction solutions for government and educational 4 customers. SCORE/CitySmart facilitates the examination of actual demand and energy 5 savings, operating characteristics, program design, long-range energy efficiency 6 planning and overall measure and program acceptance by the targeted cities and 7 schools. This program is designed to help educate and assist these customers to lower 8 energy use by integrating energy efficiency into their short- and long-term planning, 9 budgeting and operational practices. Incentives are paid to participants for certain 10 qualifying measures installed in new or retrofit applications that result in verifiable
- 12 O. PLEASE DESCRIBE THE SMART SOURCESM SOLAR PV MTP.

demand and energy savings.

- 13 A. The SMART SourceSM Solar PV MTP offers residential and commercial installations
 14 a financial incentive for installations of solar electric (photovoltaic) systems
 15 interconnected on the customer's side of the electric service meter. The goal of this
 16 program is to transform the market by increasing the number of qualified companies
 17 offering installation services and by decreasing the average installed cost of systems,
 18 creating economies of scale.
- 19 Q. PLEASE DESCRIBE THE TARGETED LOW-INCOME ENERGY EFFICIENCY
 20 PROGRAM.
- A. AEP Texas' Targeted Low-Income Energy Efficiency Program is designed to costeffectively reduce the energy consumption and energy costs of AEP Texas' low-income

- 1 residential customers. The program provides eligible residential customers with
- 2 appropriate weatherization measures and basic on-site energy education.
- B. PY 2019 Achievements
- 4 Q. PLEASE DESCRIBE THE CENTRAL DIVISION'S REQUIRED DEMAND
- 5 REDUCTION GOAL FOR PY 2019 AND THE RESULTS THAT WERE
- 6 ACHIEVED IN 2019.
- 7 A. The Central Division's required demand reduction goal to be achieved in PY 2019 was
- 8 16.14 MW. The Central Division's actual demand reduction achieved was 39.7 MW of
- 9 peak demand savings from its PY 2019 energy efficiency programs.
- 10 Q. PLEASE DESCRIBE THE NORTH DIVISION'S REQUIRED DEMAND
- 11 REDUCTION GOAL FOR PY 2019 AND THE RESULTS THAT WERE
- 12 ACHIEVED IN 2019.
- 13 A. The North Division's required demand reduction goal to be achieved in PY 2019 was
- 4.26 MW. The North Division's actual demand reduction achieved was 6.58 MW of
- peak demand savings from its PY 2019 energy efficiency programs.
- 16 Q. PLEASE DESCRIBE THE CENTRAL DIVISION'S REQUIRED ENERGY
- 17 REDUCTION GOAL FOR PY 2019 AND THE RESULTS THAT WERE
- 18 ACHIEVED IN PY 2019.
- 19 A. The Central Division's required energy reduction goal to be achieved in PY 2019 was
- 20 28,277 MWh. The Central Division's actual energy reduction achieved was 58,398
- MWh from its PY 2019 energy efficiency programs.

- 1 Q. PLEASE DESCRIBE THE NORTH DIVISION'S REQUIRED ENERGY
- 2 REDUCTION GOAL FOR PY 2019 AND THE RESULTS THAT WERE
- 3 ACHIEVED IN PY 2019.
- 4 A. The North Division's required energy reduction goal to be achieved in PY 2019 was
- 5 7,464 MWh. The North Division's actual energy reduction achieved was 11,968 MWh
- from its PY 2019 energy efficiency programs.
- 7 Q. PLEASE DESCRIBE THE AMOUNT OF DEMAND REDUCTION THAT AEP
- 8 TEXAS ACHIEVED FROM ITS HARD-TO-REACH PROGRAMS FOR EACH
- 9 DIVISION.
- 10 A. The Central Division achieved a total demand reduction of 2.98 MW from its hard-to-
- reach programs (2.11 MW from its Hard-To-Reach SOP and 0.87 MW from its
- 12 Targeted Low Income Energy Efficiency Program). The North Division achieved a
- total demand reduction of 0.72 MW from its hard-to-reach programs (0.60 MW from
- its Hard-To-Reach SOP and 0.12 MW from its Targeted Low Income Energy
- 15 Efficiency Program) in 2019.
- 16 Q. DID AEP TEXAS ACHIEVE MORE THAN 5% OF ITS STATUTORY DEMAND
- 17 REDUCTION GOAL FROM ITS HARD-TO-REACH PROGRAMS?
- 18 A. Yes, the Central Division achieved 18% of its PY 2019 statutory demand reduction
- 19 goal from its hard-to-reach programs. The North Division achieved 17% of its PY 2019
- statutory demand reduction goal from its hard-to-reach programs.

ı	Q.	DID AEP TEXAS EARN A PERFORMANCE BUNUS FOR PY 2019?
2	A.	Yes. Mr. Cavazos discusses the \$3,475,676 (\$2,859,931 for Central Division and
3		\$615,745 for North Division) performance bonus earned by AEP Texas for its PY 2019
4		results.
5	Q.	SHOULD AEP TEXAS BE GRANTED ITS PERFORMANCE BONUS?
6	A.	Yes, AEP Texas should be granted its performance bonus set forth in Schedules D1
7		and D2.
8		C. PY 2021 Programs
9	Q.	WHAT PROGRAMS WILL AEP TEXAS OFFER IN PY 2021 TO ACHIEVE THE
10		ENERGY EFFICIENCY OBJECTIVES?
11	A.	AEP Texas will offer the following programs in PY 2021:
12		Commercial Solutions MTP
13		Commercial SOP
14		• CoolSaver sm A/C Tune-up MTP
15		Hard-to-Reach SOP
16		High Performance New Homes MTP
17		Load Management SOP
18		Open MTP
19		Residential Pool Pump Pilot MTP
20		Residential SOP
21		SCORE/CitySmart MTP
22		SMART Source SM Solar PV MTP
23		Targeted Low Income Energy Efficiency Program
24	Q.	WHAT IS THE PY 2021 PROJECTED COST FOR EACH PROGRAM?
25	A.	Schedule A contains details of the PY 2021 projected cost for each of AEP Texas'
26		programs.

1	Q.	WHAT ARE THE PROJECTED SAVINGS FROM EACH PROGRAM?
2	A.	Schedule O contains the PY 2021 projected savings from each program.
3		
4		VI. CONCLUSION
5	Q.	DO AEP TEXAS' ENERGY EFFICIENCY COSTS INCURRED IN PY 2019
6		COMPLY WITH THE COMMISSION RULES?
7	A.	Yes. The costs incurred in connection with the PY 2019 energy efficiency programs
8		were reasonable and necessary to provide energy efficiency to residential and
9		commercial customers and were properly incurred consistent with 16 TAC §§ 25.181
10		and 25.182.
11	Q.	DO AEP TEXAS' CALCULATIONS OF ITS ENERGY EFFICIENCY GOALS,
12		OBJECTIVES, AND THE PROJECTED COSTS TO BE INCURRED IN PY 2021
13		AND INCLUDED IN THE REQUESTED 2021 EECRF COMPLY WITH THE
14		COMMISSION RULE?
15	A.	Yes. AEP Texas' statutory minimum goals to be achieved in PY 2021 are 20.6 MW of
16		demand reduction and 36,091 MWh of energy reduction, and are in compliance with
17		the Commission rule. As discussed above and in Mr. Cavazos's testimony, in order to
18		satisfy PURA § 39.905 and the Commission rule that utilities achieve as much energy
19		efficiency savings as reasonably possible within the limitations in the statute and the
20		rule, AEP Texas has established energy efficiency objectives for PY 2021 above the
21		minimum goals in the statute and rule. The \$17,959,647 that AEP Texas projects it will
22		incur in PY 2021 is a reasonable estimate of the costs (including EM&V) necessary to

- provide energy efficiency programs to meet AEP Texas' energy efficiency objectives
- 2 for PY 2021 in furtherance of PURA § 39.905 and 16 TAC § 25.181.
- 3 Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?
- 4 A. Yes, it does.

PUBLIC UTILITY COMMISSION OF TEXAS

APPLICATION OF

AEP TEXAS INC.

TO ADJUST

ENERGY EFFICIENCY COST RECOVERY FACTORS AND RELATED RELIEF

DIRECT TESTIMONY OF

BRIAN T. LYSIAK

FOR

AEP TEXAS INC.

JUNE 1, 2020

TESTIMONY INDEX

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EXHIBITS

<u>EXHIBIT</u>	DESCRIPTION
EXHIBIT BTL-1	Central Division Costs – 2019
EXHIBIT BTL-2	Central Division Costs – 2019 by Benefiting Location and Allocation Factor
EXHIBIT BTL-3	North Division Costs – 2019
EXHIBIT BTL-4	North Division Costs -2019 by Benefiting Location and Allocation Factor

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DIRECT TESTIMONY BRIAN T. LYSIAK

1		I. INTRODUCTION
2	Q.	PLEASE STATE YOUR NAME, BUSINESS ADDRESS AND POSITION.
3	A.	My name is Brian T. Lysiak. My business address is 1 Riverside Plaza, Columbus,
4		Ohio 43215. I am currently Senior Manager, Corporate Accounting, of American
5		Electric Power Service Corporation (AEPSC), a wholly-owned subsidiary of
6		American Electric Power, Inc. (AEP).
7	Q.	WHAT ARE YOUR PRINCIPAL AREAS OF RESPONSIBILITY WITH AEPSC?
8	A.	I am responsible for maintaining the accounting books and records, and regulatory
9		reporting for AEPSC. I am also responsible for AEPSC's monthly service billings to
10		its affiliates. My responsibilities for AEPSC also include compliance with the Federal
11		Energy Regulatory Commission's (FERC) Uniform System of Accounts accounting
12		and reporting requirements.
13	Q.	PLEASE DESCRIBE YOUR EDUCATIONAL AND PROFESSIONAL
14		BACKGROUND.
15	A.	I attended Kent State University and received a Bachelor of Business Administration
16		degree, with an emphasis in Accounting in 2000 and a Master Degree in Business
17		Administration from Otterbein College in 2006. In January 2001, I was hired by
18		AEPSC as a Staff Accountant in the Corporate and General Accounting group. Since
19		that time, I have worked in several accounting departments. In January 2013, I was
20		promoted to Supervisor of the Fuel and Contract Accounting group. In August 2016, I
21		became Supervisor of AEPSC Accounting. In December 2018, I was promoted to

Senior Manager Corporate Accounting, my present position.

1	Q.	HAVE YOU PREVIOUSLY TESTIFIED BEFORE ANY REGULATORY
2		COMMISSIONS?
3	A.	Yes, I submitted written testimony to the Public Utility Commission of Texas (PUCT
4		or Commission) in Docket No. 49592, AEP Texas' most recent energy efficiency cost
5		recover factor (EECRF) proceeding, and the Virginia State Corporation Commission
6		(VSCC) in Case No. PUE-2020-00015.
7		
8		II. PURPOSE OF TESTIMONY
9	Q.	WHAT IS THE PURPOSE OF YOUR TESTIMONY?
10	A.	AEP Texas Central Company and AEP Texas North Company have been merged into
11		a single entity, AEP Texas Inc. However, in approving the merger, the Commission
12		required AEP Texas to maintain separate divisions, the AEP Texas Central Division
13		and AEP Texas North Division, until the Commission issued a subsequent order
14		combining the rates of the two divisions. In AEP Texas' last rate case, Docket No.
15		49494, the Commission ordered the combination of rates for AEP Texas, with a few
16		exceptions. In this case, AEP Texas seeks approval of one combined EECRF for AEP
17		Texas.
18		Although the Commission has authorized the consolidation of AEP Texas'
19		divisions' rates and tariffs, during the 2019 EECRF program year, AEP Texas was
20		still maintaining separate divisions and the two divisions charged costs to each other
21		The two divisions are not affiliates as defined in the Public Utility Regulatory Act

¹ PURA is codified at Tex. Util. Code Ann. §§ 11.001–66.016.

1		(PURA) and the Commission's rules. Nevertheless, I am presenting the charges for
2		each division to show that even if the divisions of AEP Texas were treated as
3		affiliates, they would meet the Commission's standards.
4		Specifically, my testimony addresses several areas relating to the services
5		provided between the Central and North Divisions in support of AEP Texas' energy
6		efficiency programs, including:
7 8		 An explanation of how services related to energy efficiency activities between the Central and North Divisions are assigned;
9 10 11		 A discussion of the workings of the affiliate billing systems for the services provided to AEP Texas and the other AEP utility operating companies;
12		 The Texas standards governing recovery of affiliate costs;
13 14 15 16		 A demonstration that the work order billing system ensures that the costs of services provided between the Central and North Divisions in support of AEP Texas' energy efficiency programs are no higher than those of other AEP affiliates for the same services or types of services; and
8		• A review of the costs included in this filing.
19	Q.	DO YOU SPONSOR ANY SCHEDULES IN THE FILING?
20	A.	Yes, I co-sponsor Schedule K for each division with witness Robert Cavazos.
21	Q.	WHAT EXHIBITS DO YOU SPONSOR?
22	A.	I sponsor EXHIBITs BTL-1, BTL-2, BTL-3, and BTL-4 as listed in the index to my
23		testimony.

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111	AFFILIATE	COSTA	CCOUNTING	AND OVERSIGHT

2		A. Assignment of Costs to AEP Texas
3	Q.	HOW ARE SERVICES RELATED TO ENERGY EFFICIENCY ACTIVITIES
4		ASSIGNED TO AEP TEXAS?
5	A.	AEP and its affiliates use a work order system designed for the express purpose of
6		meeting the FERC requirements to fairly allocate common charges among AEF
7		affiliates and to do so at cost. By using a work order system, the expenses for specific
8		projects are identified and the work orders are assigned specific and approved
9		benefiting locations and allocation factors. Common costs are allocated based on the
10		factor that best matches the charge with the cost driver related to the service, and that
11		same factor is applied to all companies in proportion to the benefit they receive from
12		the service.
13		The costs for services benefiting only one company are directly assigned and
14		are billed 100% to that company. AEPSC and operating company employees directly
15		assign costs to the maximum extent practicable by coding their time to unique work
16		orders. Unique work orders have also been established for billing of certain affiliate
17		support services exclusively performed for the AEP Texas energy efficiency
18		programs, which allow the associated costs billed to energy efficiency programs to be
19		tracked and readily identified.
20	Q.	HOW DO AEPSC AND OTHER AEP AFFILIATES BILL FOR THE SERVICES
21		THEY PROVIDE TO AEP TEXAS AND OTHER AFFILIATES?

1	A.	Services are billed at cost, without any profit. Included in the billings are overheads
2		for benefits (i.e. medical, dental, pension), payroll taxes, nonproductive time (sick
3		time, vacation time, jury duty, etc.), and departmental charges for certain
4		administrative costs, such as personal computers and the maintenance of automated
5		accounting systems required to provide a service. To the extent third-party labor
6		under a contract is involved, the contract labor charges are at the contract employee's

- under a constact is inverved, the constact facer sharges are at the constact employees
- 7 hourly rate paid by the AEP affiliate to the contractor providing the services, without
- 8 any profit to the AEP affiliate.
- 9 Q. HOW DOES THE WORK ORDER SYSTEM ENSURE THAT AEP AFFILIATE
- 10 CHARGES TO AEP TEXAS ARE NO HIGHER THAN THE CHARGES TO
- OTHER AFFILIATES FOR THE SAME OR SIMILAR SERVICES, AND THAT
- 12 THE CHARGES REASONABLY REFLECT THE ACTUAL COST OF
- 13 PROVIDING THE SERVICE TO AEP TEXAS?
- 14 A. Through the use of the work order system, AEP Texas and every other affiliate
- included in the benefiting locations receiving a shared service is charged the same
- unit price that is its appropriate share of the actual cost of the service. Accordingly,
- 17 consistent with the requirements of PURA § 36.058(c)(2), the price charged to AEP
- Texas for the service (actual cost) is no higher than the price charged to the other
- affiliates receiving the same service (actual cost).
- 20 Q. ARE THE CHARGES FOR SERVICES PROVIDED BY THE CENTRAL AND
- NORTH DIVISIONS REASONABLE AND NECESSARY?

I	Α.	Yes, the services provided by the AEP Texas divisions to each other are reasonable
2		and necessary costs of each division's provision of energy efficiency programs. These
3		services have been reasonably and necessarily incurred to support the energy
4		efficiency programs as set forth in EXHIBITs BTL-1, BTL-2, BTL-3, and BTL-4 and
5		within the testimonies of Mr. Cavazos and Ms. Pamela D. Osterloh.
6		B. Standards Governing Recovery of Affiliate Costs
7	Q.	ARE AFFILIATE EXPENSES ADDRESSED IN PURA?
8	A.	Yes, affiliate expenses are addressed by PURA § 36.058, which allows an electric
9		utility to include in its revenue requirement payments to affiliates that meet the certain
10		requirements. PURA § 36.058(b) directs the Commission to allow recovery of
11		affiliate payments "only to the extent that the regulatory authority finds the payment is
12		reasonable and necessary for each item or class of items" In addition, PURA §
13		36.058(c) requires that the Commission find that "the price to the electric utility [for
14		the affiliate service] is not higher than the prices charged by the supplying affiliate for
15		the same item or class of items" to other affiliates or to non-affiliated persons. PURA
16		§ 36.058(f) provides:
17 18 19 20 21		 (f) If the regulatory authority finds that an affiliate expense for the test period is unreasonable, the regulatory authority shall: (1) determine the reasonable level of the expense; and (2) include that expense in determining the electric utility's cost of service.
22	Q.	DOES THE COMMISSION ALSO HAVE RULES PERTINENT TO THE REVIEW
23		OF AFFILIATE TRANSACTIONS?

1	A.	Yes. 16 Tex. Admin. Code § 25.272 (TAC) discusses the code of conduct with which
2		electric utilities and their affiliates must comply. Specifically, § 25.272(e)(1) states:
3 4 5 6 7		In accordance with PURA and the commission's rules, a utility and its affiliates shall fully allocate costs for any shared services, including corporate support services, offices, employees, property, equipment, computer systems, information systems, and any other shared assets, services, or products.
8	Q.	DO THE COSTS INCLUDED IN AEP TEXAS' FILING COMPLY WITH
9		APPLICABLE STANDARDS IN TEXAS STATUTES AND RULES?
10	A.	Yes, they do. Other witnesses and I will discuss how the costs meet the tests for being
11		reasonable and necessary, and that these costs are no higher than prices charged to
12		others.
13		
14		IV. ENERGY EFFICIENCY AFFILIATE COSTS
15	Q.	WERE ANY AFFILIATE SERVICES PROVIDED IN SUPPORT OF AEP TEXAS'
16		ENERGY EFFICIENCY PROGRAMS IN 2019?
17	A.	No. During 2019, no AEPSC services were provided for the 2019 energy efficiency
18		programs. However, there were services provided by each division of AEP Texas to
19		support the other division. Because the Central and North divisions are not affiliates
20		under PURA or the Commission's rules, there were no affiliate services in 2019.
21		However, I am providing testimony to show that even if the Commission's affiliate
22		rules were applied, the services provided by the two divisions would comply with the
23		affiliate standards

1	O.	PLEASE	DESCRIBE	THE	SERVICES	PROVIDED	BY	THE	CENTRAL	AND

- 2 NORTH DIVISIONS IN 2019 IN SUPPORT OF AEP TEXAS' ENERGY
- 3 EFFICIENCY PROGRAMS.
- 4 A. As shown by department and project on EXHIBIT BTL-1 and EXHIBIT BTL-3, the
- 5 Central Division incurred costs for services from the North Division of \$183,516 in
- 6 2019, and the North Division incurred costs for services from the Central Division of
- 7 \$85,613 in 2019. The services shown above were provided by the Energy
- 8 Efficiency/Demand Response Programs department as detailed on EXHIBIT BTL-1
- 9 and EXHIBIT BTL-3. This department is comprised of employees of AEP Texas and
- is responsible for the overall design and implementation of the programs discussed
- throughout the testimonies of witnesses Cavazos and Osterloh.
- 12 Q. WERE THE SERVICES PROVIDED IN 2019 REASONABLY ALLOCATED?
- 13 A. Yes, they were. As shown on EXHIBIT BTL-2 and EXHIBIT BTL-4, all of the
- 14 Central Division and North Division costs were allocated between the Central
- Division and the North Division, which both participate in energy efficiency
- programs. These services were performed in a manner to benefit AEP Texas and were
- shared among each division using its relative number of customers as the allocation
- methodology, which is an appropriate manner in which to share the cost of such
- 19 services.
- 20 Q. HOW DO THE 2019 COSTS COMPARE TO AEP TEXAS' TOTAL ENERGY
- 21 EFFICIENCY COSTS DURING THIS PERIOD?

1	A.	As shown in the table below, services received by the Central Div	ision from the North		
2		Division are 1.3% of total energy efficiency costs during the year.	The remaining cost,		
3		98.7%, is incurred directly by the Central Division.			
		Table 1			
		Central Division's Costs from North Division as Percentage of To	tal Costs - 2019		
		Category	2019 (\$)		
		Cost from North Division	183,516		
		Total Cost	14,032,803_		
		Percentage of Total Cost	1.3%		
		Source: EXHIBIT BTL-1 and Schedule B			
4		As shown in the table below, services received by the North Divis	ion from the Central		
5		Division are 2.6% of total energy efficiency costs during the year. The remaining cost,			
6		97.4%, is incurred directly by the North Division.			
		Table 2			
		Table 2 North Division's Costs from Central Division as Percentage of T	Cotal Costs - 2019		
			Total Costs - 2019 2019 (\$)		
		North Division's Costs from Central Division as Percentage of T			
		North Division's Costs from Central Division as Percentage of T Category	2019 (\$)		
		North Division's Costs from Central Division as Percentage of T Category Cost from Central Division	2019 (\$) 85,613		
7		North Division's Costs from Central Division as Percentage of T Category Cost from Central Division Total Cost	2019 (\$) 85,613 3,236,930		
7 8		North Division's Costs from Central Division as Percentage of T Category Cost from Central Division Total Cost Percentage of Total Cost	2019 (\$) 85,613 3,236,930		
	Q.	North Division's Costs from Central Division as Percentage of T Category Cost from Central Division Total Cost Percentage of Total Cost Source: EXHIBIT BTL-3 and Schedule B	2019 (\$) 85,613 3,236,930		
8	Q. A.	North Division's Costs from Central Division as Percentage of T Category Cost from Central Division Total Cost Percentage of Total Cost Source: EXHIBIT BTL-3 and Schedule B V. CONCLUSION	2019 (\$) 85,613 3,236,930 2.6%		
8 9		North Division's Costs from Central Division as Percentage of Total Cost from Central Division Total Cost Percentage of Total Cost Source: EXHIBIT BTL-3 and Schedule B V. CONCLUSION PLEASE SUMMARIZE YOUR TESTIMONY.	2019 (\$) 85,613 3,236,930 2.6% nce with the rules		

- order system utilized to ensure that AEP Texas pays no more than any other AEP
- 2 company for the comparable services it receives from affiliates.
- 3 Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?
- 4 A. Yes, it does.

AEP Texas Central Division Costs - 2019

Cost Type	From Department	To Project	From BU Grouping	Total
Administrative Costs	10329 TX EE/DR Programs	TXDSMANDA Texas DSM Admin & General	AEP Texas North Division	130,382
		TXDSMANDA Texas DSM Admin & General Total		130,382
		EON100551 EE/DR EECRF	AEP Texas North Division	15,433
		EON100551 EE/DR EECRF Total		15,433
	10329 TX EE/DR Programs Total			145,815
Administrative Costs Total				145,815
Program Direct Costs	10329 TX EE/DR Programs	EON100547 DSM - EM&V - TX	AEP Texas North Division	233
		EON100547 DSM - EM&V - TX Total		233
		EON100520 DSM-Load Management - TX	AEP Texas North Division	521
		EON100520 DSM-Load Management - TX Total		521
		EON100549 EE/DR Targeted Small Bus MTP	AEP Texas North Division	549
		EON100549 EE/DR Targeted Small Bus MTP Total		549
	10329 TX EE/DR Programs Total			1,302
Program Direct Costs Total				1,302
R&D Costs	10329 TX EE/DR Programs	EON100535 EE/DR R&D - TX	AEP Texas North Division	36,399
ļ		EON100535 EE/DR R&D - TX Total		36,399
	10329 TX EE/DR Programs Total			36,399
R&D Costs Total				36,399
Grand Total	V AND UR 1 APPEN A 141 NO P N APPEN			183,516

AEP Texas Central Division Costs - 2019 by Benefiting Location and Allocation Factor

	Benefiting Location	Allocation Factor	Total	%
1397	Distribution - AEPTC/AEPTN	08 - Number of Customers	180,199	98.2%
1397	Distribution - AEPTC/AEPTN Total		180,199	98.2%
211	AEPTC Distribution	39 - Direct	3,317	1.8%
211	AEPTC Distribution Total		3,317	1.8%
Gran	d Total		183,516	100.0%

AEP Texas North Division Costs - 2019

Cost Type	From Department	To Project	From BU Grouping	Total
Administrative Costs	10329 TX EE/DR Programs	TXDSMANDA Texas DSM Admin & General	AEP Texas Central Division	47,340
	-	TXDSMANDA Texas DSM Admin & General Total		47,340
	10329 TX EE/DR Programs Total	Barrer (No. 1966) For F. F. F. S.		47,340
Administrative Costs Total	The annual Act of continuous to the A to a second to the continuous continuou		W	47,340
Program Direct Costs	10329 TX EE/DR Programs	EON100547 DSM - EM&V - TX	AEP Texas Central Division	13,648
-	_	EON100547 DSM - EM&V - TX Total	**************************************	13,648
	10329 TX EE/DR Programs Total			13,648
Program Direct Costs Total	THE RESERVE THE PROPERTY OF TH	At any a hand of the second se		13,648
R&D Costs	10329 TX EE/DR Programs	EON100535 EE/DR R&D - TX	AEP Texas Central Division	24,625
		EON100535 EE/DR R&D - TX Total		24,625
	10329 TX EE/DR Programs Total			24,625
R&D Costs Total	орите, за може уда жиро ченорого, шиниросного рего отношности институт одного ченорого од того может од того од		· /	24,625
Grand Total	THE RESIDENCE OF THE PART OF T	# AND THE PROPERTY AND THE PARTY OF THE PART		85,613

AEP Texas North Division Costs - 2019 by Benefiting Location and Allocation Factor

	Benefiting Location	Allocation Factor	Total	%
1397	Distribution - AEPTC/AEPTN	08 - Number of Customers	85,613	100.0%
1397	Distribution - AEPTC/AEPTN Total		85,613	100.0%
Grand	l Total		85,613	100.0%

PUBLIC UTILITY COMMISSION OF TEXAS

APPLICATION OF

AEP TEXAS INC.

TO ADJUST

ENERGY EFFICIENCY COST RECOVERY FACTORS AND RELATED RELIEF

DIRECT TESTIMONY OF

JENNIFER L. JACKSON

FOR

AEP TEXAS INC.

JUNE 1, 2020

TESTIMONY INDEX

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IV.	CONCLUSION	23

i

I. INTRODUCTION AND PURPOSE

- 2 Q. PLEASE STATE YOUR NAME, POSITION, AND BUSINESS ADDRESS.
- 3 A. My name is Jennifer L. Jackson. I am a Regulatory Consultant in Regulated Pricing
- and Analysis, part of the American Electric Power Service Corporation (AEPSC)
- 5 Regulatory Services Department, 212 East Sixth Street, Tulsa, Oklahoma 74119-1295.
- 6 O. PLEASE BRIEFLY DESCRIBE THE AEPSC REGULATORY SERVICES
- 7 DEPARTMENT, YOUR CURRENT JOB RESPONSIBILITIES, AND
- 8 EDUCATION.

- 9 A. AEPSC Regulated Pricing and Analysis reports through Regulatory Services which is
- part of the American Electric Power Service Company (AEP) External Affairs Group.
- Among its activities, Regulated Pricing and Analysis provides cost-of-service, rate
- design, pricing analysis and tariff-related services to the AEP operating companies,
- including AEP Texas Inc. My job duties include providing testimony, rate review
- analysis and support, pricing design, implementation of pricing programs, and
- regulatory compliance for the AEP operating companies. I have been involved in
- 16 regulatory rate review and pricing design proceedings since 1991 in all four of the AEP
- 17 west state jurisdictions: Arkansas, Louisiana, Oklahoma, and Texas. I received a
- Bachelor of Business Administration Degree with an emphasis in Marketing, in 1989
- 19 from Texas Tech University
- 20 Q. HAVE YOU PREVIOUSLY SPONSORED TESTIMONY BEFORE THIS
- 21 COMMISSION?
- 22 A. Yes, I have previously sponsored testimony before the Public Utility Commission of
- 23 Texas (PUCT or Commission) in the following dockets: 20545, 28520, 28840, 31251,

1 31461, 32758	5. <i>333</i> 09.	. 33310.	. 35625.	35627.	36422,	. 36928,	<i>3</i> 6949.	. 36961,	. 36960,
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- 2 36959, 38208, 38209, 38210, 39359, 39360, 39361, 40358, 40359, 40443, 41538,
- 3 41539, 41879, 41970, 42370, 42508, 42509, 44717, 44718, 45787, 45788, 45928,
- 4 45929, 47015, 47236, 48110, 48422, 49163, 49494, and 49592. I have also sponsored
- 5 testimony before the Arkansas Public Service Commission and the Oklahoma
- 6 Corporation Commission.
- 7 Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?
- 8 A. The purpose of my testimony is to support the calculation of the annual redetermination
- 9 of AEP Texas Energy Efficiency Cost Recovery Factors and to support the revised
- tariff (Rider EECRF) accompanying this filing, proposed to be effective March 1, 2021.
- I also address the changes to the 2020 filing for approval of 2021 Energy Efficiency
- 12 Cost Recovery Factors (EECRF), necessitated by the Final Order from Docket No.
- 13 49494, Application of AEP Texas Inc. For Authority to Change Rates (Final Order).
- The annual redetermination of AEP Texas adjusted factors are proposed based
- on 16 Tex. Admin. Code § 25.182(d) (TAC), which among other things provides for a
- 16 cost recovery factor to allow a utility to recover reasonable expenditures on energy
- 17 efficiency as well as a performance bonus for exceeding its goals, to recover EECRF
- proceeding expenses, and to recover Evaluation, Measurement and Verification
- 19 (EM&V) costs.
- 20 Q. PLEASE DESCRIBE THE CHANGES TO THE 2020 FILING PACKAGE
- 21 NECESSITATED BY THE FINAL ORDER IN DOCKET NO. 49494.
- 22 A. The Docket No. 49494 Final Order requires two modifications to prior AEP Texas
- 23 Rider EECRF updates that are included in this filing. The first modification is to

- combine the energy efficiency riders from the AEP Texas Central and North Divisions into one AEP Texas Rider EECRF. The second modification recognizes the removal of energy efficiency costs from base rates to be solely recovered through the 2021 AEP Texas Rider EECRF. While the Final Order dictates the modifications, there is a transition to one AEP Texas Rider EECRF based on the historical information from each division. The filing schedules and workpapers will include information from each division and combined AEP Texas information.
- 8 Q. WHAT SCHEDULES THAT ACCOMPANY THE AEP TEXAS FILING DO YOU9 SPONSOR?
- A. As part of my testimony, I will provide schedules for AEP Texas that include information from both the Central Division and the North Division. I sponsor the following schedules:

Schedule	Description
Schedule E	Calculation of the 2021 AEP Texas combined
	EECRF Factors
Schedule F	AEP Texas Energy Efficiency Cost Recovery Factor
	Rider
Schedule G	Calculation of Cost Caps
Schedule H	Development of Forecasted Billing Units
Schedule I	2019 Energy Efficiency Costs Recovered Through
	Base Rates
Schedule Q	System and Line Losses

I also sponsor the workpapers supporting the schedules.

1

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- 14 Q. WHAT SCHEDULES ARE YOU CO-SPONSORING?
- A. I am co-sponsoring Schedule A with AEP Texas witnesses Robert Cavazos and Pamela
 D. Osterloh; Schedule B with AEP Texas witness Osterloh; and Schedule C with AEP
 Texas witness Cavazos.

- 1 O. PLEASE DESCRIBE THE SCHEDULES THAT YOU ARE SPONSORING.
- 2 A. Schedule E provides the calculation of the proposed 2021 AEP Texas EECRF class
- factors. Schedule F contains the adjusted Rider EECRF, which sets forth the adjusted
- 4 2021 EECRF factors by EECRF rate class. Schedule G provides the 2021 cost cap
- 5 calculation for the requested program budget year based on the combined information
- from both AEP Texas divisions and the 2019 actual cap calculated on 2019 actual costs,
- 7 without EM&V and class kWh from each division. Schedule H details the development
- 8 of the forecasted EECRF class kWh for program year 2021, including combined
- 9 historical kWh for the most recent calendar year, January through December 2019.
- 10 Schedule I shows the determination of the energy efficiency costs included in base rates
- from the historical Program Year (PY) 2019 and the adjustment to the base rate
- revenues using 2019 actual billing units. Schedule Q indicates that system and line
- losses are not applicable in the determination of the AEP Texas Rider EECRF factors.
- 14 Q. PLEASE DESCRIBE THE SCHEDULES THAT YOU CO-SPONSOR.
- 15 A. Schedule A provides the requested program budget year proposed incentives and
- administrative costs, research and development (R&D), and EM&V costs in total and
- by EECRF rate class. Schedule B provides the historical program budget year actual
- incentives and administrative costs, and R&D and EM&V costs in total and by EECRF
- rate class. Schedule C provides the actual results from the PY 2019 by EECRF rate
- 20 class, including EECRF revenues.
- 21 Q. PLEASE LIST THE INFORMATION CONTAINED IN THE COMBINED AND
- 22 DIVISIONAL FILING PACKAGE SCHEDULES AND WORKPAPERS.

1	A.	The schedules and workpapers that I sponsor that are included in the AEP Texas
2		Combined Schedules include the following:
3 4 5 6 7 8 9 10 11 12 13		 Schedule A, page 2, (PY 2021 budget by rate class) Schedule C (combined 2019 over/under recovery by class) Schedule E (2021 AEP Texas EECRF factors) Schedule F (2021 Rider EECRF) Schedule G (2021 cap calculation) Schedule H (2021 projected kWh) Schedule Q (line losses) Workpaper Schedule E (PY 2021 budget class allocation) Workpaper Schedule E (EM&V class allocation) Workpaper Schedule E (combined earned performance bonus) Workpaper Schedule E (EECRF proceeding expenses)
14		Workpaper Schedule E (adjusted allocators)
15		• Workpaper Schedule G (CPI data)
16		A set of schedules and workpapers is being provided for each division. The divisional
17		workpapers used in the determination of the total combined AEP Texas EECRF
18		revenue requirement include the following:
19 20 21 22 23 24 25 26 27 28		 Schedule B, page 2 (2019 actual expenses by division by rate class) Schedule C (2019 program cost over/under recovery by division, by class) Schedule G (2019 historical cap calculations based on actuals by division) Schedule H (projected kWh by division) Schedule I (base rate energy efficiency revenue plus base rate adjustment by division) Workpaper Schedule C (summary of 2019 over/under recovery by division) Workpaper Schedule C (2019 over/under recovery calculation detail by division) Workpaper Schedule C (2019 EECRF rider revenue by division) Workpaper Schedule E (2019 bonus by division)
30 31		II. ADJUSTED ENERGY EFFICIENCY COST RECOVERY REVENUE REQUIREMENT
32	Q.	WHY IS AEP TEXAS REQUESTING APPROVAL OF AN ADJUSTED EECRF?
33	A.	AEP Texas is requesting approval of an adjusted EECRF based on 16 TAC § 25.182(d).
34		AEP Texas filed for and received approval of its initial Schedule EECRFs in Docket

1		Nos. 35627 and 36959 for the Central and North Divisions, respectively. The Central
2		Division also filed for an adjustment to its EECRF in Docket Nos. 36960, 38208,
3		39360, 40359, 41538, 42508, 44717, and 45929. The North Division also filed for an
4		adjustment to its EECRF in Docket Nos. 38209, 39361, 40358, 41539, 42509, 44718,
5		and 45928. In the 2017 filing, the EECRF adjustments for Central and North were
6		combined into one docket, Docket No. 47236. The 2018 consolidated filing was Docket
7		No. 48422 and the 2019 consolidated filing was Docket No. 49592. In the current
8		adjustment request, AEP Texas is requesting: 1) recovery of the 2021 projected energy
9		efficiency program costs; 2) an adjustment to the EECRF factors for the over-recovery
10		of actual energy efficiency program costs in 2019, including interest developed for each
11		division and then combined; 3) recovery of AEP Texas' 2019 performance bonus for
12		demand and energy reduction that exceeded the minimum goal to be achieved in 2019
13		developed for each division and then combined; 4) recovery of EECRF proceeding
14		expenses from Docket No. 49592; and 5) recovery of projected EM&V costs for the
15		evaluation of PY 2020 to be included in PY 2021. AEP Texas is requesting
16		Commission approval of a combined, adjusted Rider EECRF with factors to be
17		effective March 1, 2021.
18	Q.	WHILE THE FINAL ORDER IN DOCKET NO. 49494 APPROVED THE
19		REMOVAL OF ENERGY EFFICIENCY COSTS FROM ITS BASE RATES, ARE
20		ENERGY EFFICIENCY COSTS INCLUDED IN BASE RATES STILL THE
21		SUBJECT OF THIS FILING?
22	A.	Yes. The Docket No. 49494 Final Order was not issued until April 6, 2020.
23		Consequently, AEP Texas' 2019 base rate revenues included energy efficiency costs.

1		Thus, the recognition of 2019 base rate revenues is required in order to evaluate the
2		2019 over/under recovery amount to be included in the 2021 EECRF rate update.
3	Q.	WHAT AMOUNT EXPRESSLY SPECIFIED AS ENERGY EFFICIENCY COSTS
4		WAS INCLUDED IN AEP TEXAS' BASE RATES IN 2019?
5	A.	AEP Texas had \$7,629,379 expressly specified as energy efficiency costs in base rates
6		in 2019. For the Central Division, the Commission's final order in Docket No. 33309
7		expressly included \$6,334,949 of energy efficiency program funding in base rates. For
8		the North Division, the Commission's final order in Docket No. 33310 expressly
9		included \$1,294,430 of energy efficiency program funding in base rates.
10	Q.	HAS AEP TEXAS MADE AN ADJUSTMENT TO THE ENERGY EFFICIENCY
11		REVENUES INCLUDED IN BASE RATES?
12	A.	Yes. Because AEP Texas had energy efficiency costs in base rates in 2019 an
13		adjustment was made pursuant to 16 TAC § 25.182(d)(2) that states:
14 15 16 17 18		where a utility collects energy efficiency costs in its base rates, actual energy efficiency revenues collected from base rates consist of the amount of energy efficiency costs expressly included in base rates, adjusted to account for changes in billing determinants from the test year billing determinants used to set rates in the last base rate proceeding.
19		The Central Division has increased actual energy efficiency base revenues by
20		\$1,082,685 to account for changes in test year billing determinants as determined in
21		Docket No. 33309. Total energy efficiency base revenues for the Central Division are
22		adjusted to be \$7,417,634 as shown in Table 1 below.

	Table 1		
	Total Energy Efficiency Costs Expressly Included	Adjustment to	Total Adj. EE Base Revenue per
EECRF Rate Class	In Base Rates	Base Revenue	16 TAC § 25.181
Residential	\$3,024,435	\$643,069	\$3,667,069
Secondary <= 10 kW	\$114,088	\$18,888	\$132,976
Secondary > 10 kW	\$1,957,962	\$307,788	\$2,265,750
Primary	\$675,491	\$34,409	\$709,899
Transmission	\$562,892	\$78,612	\$641,505
Lighting	\$81	(\$81)	\$0
Total	\$6,334,949	\$1,082,685	\$7,417,634

(Numbers rounded to the nearest dollar)

The North Division has increased actual energy efficiency base revenues by \$197,644 to account for changes in test year billing determinants as determined in Docket No. 33310. Total energy efficiency base revenues for the North Division are adjusted to be \$1,492,074 as shown in Table 2 below.

	ר	Table 2	
	Total Energy Efficiency	Adjustment	Total Adj. EE Base
	Costs Expressly Included In	to Base	Revenue per 16 TAC §
EECRF Rate Class	Base Rates	Revenue	25.181
Residential	\$602,913	\$64,453	\$667,366
Secondary <= 10 kW	\$37,620	(\$2,313)	\$35,307
Secondary > 10 kW	\$476,869	\$32,008	\$508,877
Primary	\$169,274	\$95,448	\$264,721
Transmission	\$7,754	\$8,049	\$15,803
Lighting	\$1	(\$1)	\$0
Total	\$1,294,430	\$197,644	\$1,492,074

(Numbers rounded to the nearest dollar)

The revenue adjustment is used in the base rate revenue adjustment determination for the 2019 actual over/under recovery. Based on the Final Order in Docket No. 49494, AEP Texas will not be recovering any energy efficiency costs through base rates in PY 2021, therefore, a revenue adjustment is not applied to the 2021 forecasted PY. The base rate energy efficiency adjustment is represented in the determination of the 2019

1	over-/under- recovery (Schedule C 2019) for the combined AEP Texas schedules and
2	WP Schedule C (2019 Costs) and WP Schedule C (Summary) included in the divisional
3	workpapers. Schedule I, included in the divisional workpapers, details the calculation
4	of the base revenue adjustment, including the base rate billing determinants and the
5	2019 billing determinants by class. The workpapers supporting the AEP Texas
6	combined schedules will provide the details for each division.
7 Q.	WILL THE ADOPTION OF NEW BASE RATES FOR AEP TEXAS IN DOCKET
8	NO. 49494 HAVE ANY OTHER EFFECTS ON THIS FILING?
9 A.	Yes. AEP Texas agreed in Docket Nos. 44717 and 44718 to credit the Secondary and
10	Primary Service ID Notice Customers for EE costs recovered through base rates. AEP
11	Texas previously credited ID Notice Customers for base rate EE costs through a
12	separate EE base rate credit factor based on that agreement. When EE costs are
13	removed from base rates, the clause including this credit is no longer necessary.
14	Because the transmission class continues to have an over/under recovery based on the
15	2019 base rate amounts, that class will have a small credit factor in 2021. The Rider
16	EECRF includes these modifications.
17 Q.	WHAT IS AEP TEXAS REQUESTING THROUGH THE ADJUSTED EECRF?
18 A.	AEP Texas, through this application, is requesting to adjust the EECRF cost recovery
19	factors to reflect:
20 21	 recovery of \$17,747,659; in energy efficiency program costs projected to be incurred in 2021;
22 23 24 25 26	return of \$948,163; to account for the over-recovery of EECRF revenues in excess of actual energy efficiency program expenditures incurred for its 2019 programs determined by division and then combined, including the recovery of 2018 EM&V costs and interest in the amount of \$39,846.

1 2		 recovery of \$3,475,676 representing the AEP Texas earned performance bonus;
3		 recovery of EECRF proceeding expenses from Docket No. 49592 in the amount of \$44,303; and
5		recovery of EM&V costs in the amount of \$211,988.
6		In sum, AEP Texas requests Commission approval of the adjusted EECRF cost
7		recovery factors as provided for in 16 TAC § 25.182(d)(1) to recover \$20,531,462 in
8		energy efficiency costs in 2021.
9	Q.	HOW ARE THE PY 2021 PROGRAM COSTS SOUGHT TO BE RECOVERED
10		THROUGH THE EECRF ASSIGNED TO EACH CLASS?
11	A.	AEP Texas has assigned the PY 2021 program costs, including the administrative
12		portion of each program cost, to each EECRF rate class based on each class's eligibility
13		to participate in the proposed 2021 programs. Where more than one EECRF rate class
14		is eligible to participate in a specific program, AEP Texas has employed an adjusted
15		and weighted demand allocator to assign program costs across the eligible classes based
16		on the allocators from Docket No. 49494. AEP Texas has employed the weighted and
17		adjusted class demand allocator to assign PY 2021 R&D costs across the eligible
18		classes.
19		The transmission service class of customers is not allocated energy efficiency
20		program costs through the EECRF because those customers taking service at 69
21		kilovolts (kV) and above are not eligible for participation in the 2021 energy efficiency
22		programs.

	1 ().	PLEASE	DESCRIBE	THE	ADJUSTED	DEMAND	ALLOCATION	FACTORS
--	-----	----	--------	----------	-----	----------	--------	------------	---------

2 USED TO ALLOCATE PY 2021 COSTS THAT ARE NOT DIRECTLY ASSIGNED

- 3 TO RATE CLASSES.
- 4 A. The class distribution function demand allocators from Docket No. 49494 have been
- weighted to remove the lighting class and transmission customers at or above 69 kV
- and adjusted using 2021 projected kWh. The 2021 kWh projection has accounted for
- 7 industrial customers identifying themselves under 16 TAC § 25.181(c)(30) and (u).
- 8 Under 16 TAC § 25.181(c)(30) and (u), distribution voltage industrial customers that
- 9 qualify for a tax exemption under Tex. Tax Code Ann. § 151.317 and submit an
- identification notice by February 1 characterizing the account as such, are not eligible
- for participation in energy efficiency programs through the EECRF beginning with the
- next calendar year. AEP Texas has therefore removed kWh associated with those
- customers from the 2021 kWh projection. The removal of the identification notice
- 14 customers affects the adjusted demand allocators and the calculation of the proposed
- class EECRF factors for 2021. The kWh associated with the identification notice
- customers and the resulting 2021 kWh projection are shown in Schedule H and the
- adjusted demand allocators and supporting data are shown in the rate design
- 18 workpapers supporting Schedule E; WP Schedule E (Adj Allocators).
- 19 Q. HOW IS THE 2019 OVER-RECOVERY DETERMINED?
- 20 A. The over-recovery is determined by first assessing the total energy efficiency costs
- 21 incurred in 2019 for each division. The Central Division incurred total energy
- 22 efficiency costs of \$14,013,456, including EM&V for 2019. The North Division
- incurred total energy efficiency costs of \$3,232,093, including EM&V for 2019.

EECRF proceeding expenses are removed from the 2019 expenses prior to determining
the over/under recovery. Both the Central and North Divisions had EECRF proceeding
expenses from Docket No. 49592. The municipal rate case expenses from Docket No.
49592 are removed from the 2019 expenses and included as part of the request for
recovery through the 2021 EECRF rates in this cause. Both divisions also had
municipal EECRF proceeding expenses from Docket No. 48422 included in the 2019
expenses. Those amounts have also been removed from the over/under recovery
calculations but will not be included for recovery in the 2021 rates since those expenses
were included in the 2020 rate recovery. Also, AEP Texas EECRF proceeding legal
expenses are not included in the 2019 administrative costs.

In addition, \$18,603 in financially-based incentive compensation was removed from the Central Division 2019 expenses prior to determining the 2019 over-recovery. For the North Division, \$3,432 in financially-based incentive compensation was removed. The adjusted 2019 expense, excluding municipal proceeding expenses and financially-based incentives is \$13,994,852 for Central and \$3,228,661 for North.

After the adjusted 2019 expenses are determined, the total energy efficiency program revenue is recognized. AEP Texas recovered energy efficiency program costs through its base rates, including a base rate adjustment, and through the EECRF rider in 2019.

Central Division recovered \$7,417,634 in energy efficiency program costs through base rates (including the 2019 base rate adjustment) and \$7,194,748 in energy efficiency program costs through the EECRF rider for a total program cost recovery of \$14,612,382. The difference between total costs incurred, including EM&V costs, less

municipal rate case expenses, and financially-based incentives, and total program
revenue determines the 2019 over-recovery amount of \$617,529 for the Central
Division. Interest on the over/under recovery balance is required per 16 TAC
§ 25.182(d)(10)(D). Interest on the over-recovery balance is \$27,090 for a total over-
recovery with interest of \$644,619 for the Central Division.

North Division recovered \$1,492,074 in energy efficiency program costs through base rates (including the 2019 base rate adjustment) and \$2,027,376 in energy efficiency program costs through the EECRF rider for a total program cost recovery of \$3,519,450. The difference between total costs incurred, including EM&V, less municipal rate case expenses, and financially-based incentives, and total program revenue determines the 2019 over-recovery amount of \$290,788 for the North Division. Interest on the over/under recovery balance is required per 16 TAC § 25.182(d)(10)(D). Interest on the over-recovery balance is \$12,756 for a total over-recovery with interest of \$303,545 for the North Division. The combination of the Central and North Divisions' over recovery with interest is included in WP Schedule C (2019 Costs) in each of the divisional workpapers and the combined over-recovery with interest is included in Schedule C (2019) as part of the combined AEP Texas filing schedules.

- Q. HOW IS AEP TEXAS ASSIGNING THE 2019 OVER-RECOVERY TO THE CLASSES?
- A. The divisional over-recovery assignment to each class is based on a comparison of the total 2019 energy efficiency revenues, including the adjusted 2019 base rate and EECRF Rider revenues by EECRF rate class, to actual 2019 program costs assigned to each EECRF rate class. As stated above, the EECRF proceeding expenses and

financially-based incentives are not included in the over-recovery determination for PY
2019. The actual 2019 energy efficiency program costs by division have been directly
assigned to the individual EECRF rate classes that actually participated in each
program using a direct, program-by-program assignment. The 2019 administrative
costs follow the assignment of the incentive costs and the R&D costs have been either
directly assigned to the rate classes or allocated to the classes based on the 2019 class
program cost assignment. The specifics of the class assignment of the over-recovery
are shown in the workpapers supporting Schedule C, for each division.

9 Q. HOW IS AEP TEXAS ASSIGNING THE PY 2019 EARNED PERFORMANCE
 10 BONUS TO THE CLASSES?

A.

The earned performance bonus and the allocation to the rate classes was determined by division. AEP Texas has assigned the PY 2019 earned performance bonus to all EECRF rate classes eligible for participation in the PY 2019 energy efficiency programs using an allocator based on the direct assignment of the PY 2019 program incentives to the EECRF rate classes. AEP Texas' allocation is in accordance with 16 TAC § 25.182(e)(6), which states that the bonus shall be allocated in proportion to the program costs associated with meeting the demand and energy goals and allocated to the eligible customers on a rate class basis. The performance bonus is combined for a total AEP Texas bonus based on the goals achieved by each division. The divisional bonus is first allocated to each class within each division and then the divisional classes are combined to yield a total AEP Texas bonus for each class. The detail for the earned performance bonus allocation is shown in the divisional workpapers, WP Schedule E

- 1 (2019 Bonus) and the combined bonus is shown in the WP Schedule E (2019 Bonus)
- 2 for the combined AEP Texas EECRF filing schedules.
- 3 Q. ARE THERE EECRF PROCEEDING EXPENSES INCLUDED IN THE 2021
- 4 TOTAL REVENUE REQUIREMENT?
- 5 A. Yes. AEP Texas was invoiced by the municipal entities who took part in the EECRF
- 6 proceeding in Docket No. 49592 in 2019. The invoices were presented in 2019 and in
- 7 2020. The municipal rate case expenses from Docket No. 49592 are included for
- 8 recovery in 2021. AEP Texas is also requesting recovery of EECRF proceeding
- 9 expenses incurred by AEP outside legal counsel in support of Docket No. 49592, as
- addressed in the testimony of Mr. Cavazos. The details of the municipal and AEP legal
- counsel EECRF proceeding expenses are shown in WP Schedule E (Proceeding
- Expenses). The support for those expenses are included in Exhibit RC-1 to the
- 13 testimony Mr. Cavazos.
- 14 Q. HOW IS AEP TEXAS ASSIGNING THE EECRF PROCEEDING EXPENSES TO
- THE CLASSES?
- 16 A. AEP Texas has assigned the total requested EECRF proceeding expenses to the classes
- using an allocator developed using the combined assignment of the 2021 program cost
- to the EECRF rate classes.
- 19 Q. HAS AEP TEXAS INCLUDED EM&V COSTS IN THE 2021 REVENUE
- 20 REQUIREMENT?
- 21 A. Yes. AEP Texas has included statewide EM&V contractor costs in the 2021 revenue
- requirement for evaluating PY 2020 to be recovered through the 2021 EECRF. The
- statewide EM&V contractor costs are shown in WP Schedule E (EMV).

1 2		III. DEVELOPMENT OF CLASS ENERGY EFFICIENCY COST RECOVERY FACTORS
3	Q.	WHAT ARE THE COMPONENTS NEEDED TO DEVELOP AEP TEXAS'
4		ADJUSTED ENERGY EFFICIENCY COST RECOVERY FACTORS?
5	A.	The components needed to develop the PY 2021 EECRF cost recovery factors include:
6 7 8		 the projected, combined PY 2021 energy efficiency program cost provided in Schedule A and the assignment of PY 2021 program costs to the EECRF rate classes;
9 10		2) the over- or under-recovery associated with the 2019 energy efficiency programs for each division;
11 12		3) the performance bonus achieved for 2019 performance for each division;
13		4) the projected EM&V costs for the evaluation of PY 2020
14		5) the class kWh and demand allocation factors from Docket No. 49494;
15		6) the identification notice customers and related kWh;
16		7) the forecasted billing units by EECRF rate class for PY 2021; and
17		8) the proceeding expenses from prior EECRF dockets.
18	Q.	HOW ARE THE EECRF FACTORS DETERMINED ONCE ALL THE
19		COMPONENTS ARE ASSEMBLED?
20	A.	Once the total EECRF class revenue requirement based on the components listed above
21		has been assigned to EECRF rate classes by direct assignment or by using the
22		appropriate allocators, and the 2019 divisional data has been accumulated into the
23		combined AEP Texas set of EECRF Schedules, the combined EECRF class factors are
24		calculated by dividing the revenue requirement for each EECRF rate class by the 2021
25		projected billing units for each EECRF rate class. The 2021 EECRF factors for AEP
26		Texas are shown in Schedule E and the revised AEP Texas Rider EECRF is contained
27		in Schedule F.

1	Q.	WHAT BILLING UNIT IS AEP TEXAS PROPOSING TO USE TO RECOVER THE
2		ENERGY EFFICIENCY COSTS?
3	A.	As was approved in Docket Nos. 35627, 36960, 38208, 39360, 40359, 41538, 42508,
4		44717, and 45929 for the Central Division and Docket Nos. 36959, 38209, 39361.
5		40358, 41539, 42509, 44718 and 45928 for the North Division, and in the combined
6		AEP Texas EECRF Docket Nos. 47236, 48422, and 49592, AEP Texas is proposing to
7		continue to use an energy charge (kWh) for recovery of energy efficiency costs for all
8		classes of customers included in the EECRF, as authorized by 16 TAC § 25.182(d)(6).
9		AEP Texas' kWh proposal is consistent with past approved EECRF billing
10		methodologies and is in compliance with 16 TAC § 25.182(d)(6). AEP Texas has
11		supplied forecasted 2021 kWh data for all classes in Schedule H for each division and
12		in the combined AEP Texas schedules.
13	Q.	PLEASE DESCRIBE HOW THE 2021 FORECASTED BILLING UNITS USED IN
14		THE DEVELOPMENT OF THE EECRF FACTORS FOR PROGRAM YEAR 2021
15		WERE DETERMINED.
16	A.	As part of the normal course of business, AEP projects monthly kWh sales for each of
17		its operating companies, including AEP Texas. The AEPSC Economic Forecasting
18		Department provides the total retail kWh sales forecasts by revenue class for each
19		division. Because the kWh sales are projected on a revenue class basis, kWh data must
20		be converted to EECRF rate class forecasted kWh sales. Forecasted kWh sales by
21		EECRF rate class were established by first determining each EECRF rate class's
22		percentage of total retail sales based on twelve months of historical kWh sales data for
23		each division. Forecasted kWh sales by rate class were then calculated by multiplying

- each rate class's percentage of total retail kWh sales by the total retail forecasted kWh sales. As discussed above, the projection of the 2021 kWh reflects the removal of the identification notice customer kWh. The annual class projected kWh sales less the customer identification notice kWh for each division were combined for an AEP Texas total and each EECRF rate class total was used to determine the adjusted 2021 EECRF class factors. Schedule H specifies the process for determining the projected kWh sales by EECRF rate class for each division and for the combined AEP Texas.
- 8 Q. WERE SYSTEM AND LINE LOSSES USED TO DEVELOP THE EECRF9 FACTORS?
- 10 A. No. AEP Texas' kWh sales forecast for 2021 is based on energy delivered at the meter, 11 so it was not necessary to adjust the EECRF factors to reflect system and line losses.
- 12 Q. WHAT ARE THE PROPOSED 2021 EECRF RATE CLASS FACTORS?
- 13 A. The proposed 2021 factors by EECRF rate class are:

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AEP Texas		
	Proposed	Billing Unit
Rate Class	kWh Factor	Per Rate
Residential	\$0.000937	kWh
Secondary <= 10 kW	\$0.000625	kWh
Secondary > 10 kW	\$0.000796	kWh
Primary	\$0.000308	kWh
Transmission	(\$.000221)	kW

- These EECRF factors are shown in the 2021 EECRF Schedule F.
- 15 Q. DO THE 2021 EECRF FACTORS, EXCLUDING MUNICIPAL EECRF
 16 PROCEEDING EXPENSES AND STATEWIDE EM&V CONTRACTOR COSTS,
 17 EXCEED THE MAXIMUM PRICE PER KWH FOR RESIDENTIAL AND
 18 COMMERCIAL CUSTOMERS AS SPECIFIED IN 16 TAC § 25.182(d)(7)?

- 1 A. No, they do not. 16 TAC § 25.182(d)(7) recognizes two groups of customers for the
- 2 purposes of setting cost caps, residential and commercial. Neither class factor exceeds
- the PY 2021 cost cap. In 2021, energy efficiency costs are entirely recovered through
- 4 Rider EECRF factors. There are no costs included for base rate recovery for 2021.
- 5 Q. HOW ARE THE 2021 EECRF COST CAPS DETERMINED?
- 6 A. The method of calculating the 2021 cost caps is described in 16 TAC
- 7 § 25.182(d)(7)(C). The most recently available calendar year's percentage change in
- 8 the South urban consumer price index is calendar year 2019. The percentage change
- 9 for calendar year 2021 is 1.45%. AEP Texas has evaluated the cap based on the adjusted
- 2021 per kWh residential cap of \$.001351 and commercial cap of \$.000845. The 2021
- 11 cost cap calculation is included in Schedule G of the combined AEP Texas EECRF
- filing schedules.
- 13 Q. HOW DO THE PROPOSED FACTORS FOR RESIDENTIAL AND COMMERCIAL
- 14 COMPARE TO THE 2021 COST CAPS?
- 15 A. The revised residential factor excluding municipal EECRF proceeding expenses,
- EM&V statewide contractor costs, and interest on the over-recovery is \$0.000928 per
- kWh which does not exceed the residential maximum of \$0.001351 per kWh. The
- maximum commercial rate per kWh for 2021 is \$0.000845 per kWh as explained
- above. The updated commercial class factor excluding the municipal EECRF
- 20 proceeding expenses, statewide EM&V contractor cost, and interest on the over-
- 21 recovery is \$0.000631 per kWh which does not exceed the cap for the commercial
- class. Schedule G details the 2021 cost cap comparison.

1	Q.	HOW HAS AEP TEXAS TREATED THE MUNICIPAL RATE CASE EXPENSES
2		AND EM&V COST WHEN DETERMINING WHETHER THE PROPOSED EECRF
3		FACTORS EXCEED THE LIMITATIONS DETAILED IN 16 TAC § 25.182(d)(7)?
4	A.	AEP Texas has not included municipal EECRF proceeding expenses or any statewide
5		EM&V contractor's costs in its determination of the EECRF factor limitations based
6		on 16 TAC § 25.182(d)(7), which states that the municipal EECRF proceeding
7		expenses and the statewide EM&V contractor costs shall not count against the utility's
8		cost caps. The interest on the over/under recovery is also eligible for exclusion from
9		the cost cap calculation. AEP Texas has included in Schedule E the total EECRF factor
10		calculation including the municipal EECRF proceeding expenses and the EM&V cost
11		and in Schedule G a separate calculation of the limitation on EECRF factors without
12		the municipal EECRF proceeding expenses and the statewide EM&V contractor cost.
13		The EECRF factors calculated without the municipal EECRF proceeding expenses and
14		the statewide EM&V contractor cost are slightly lower than the total EECRF factors.
15		AEP Texas is requesting recovery of the municipal EECRF proceeding expenses
16		through the total proposed EECRF factor as shown on adjusted Rider EECRF, Schedule
17		F in this filing.
18	Q.	HAS AEP TEXAS INCLUDED A CALCULATION OF THE 2019 CAP BASED ON
19		ACTUAL PROGRAM COSTS AND ACTUAL 2019 BILLING UNITS?
20	A.	Yes, AEP Texas has included a 2019 cap calculation based on actual 2019 program
21		costs and billing units as part of Schedule G. The 2019 cap calculation was performed
22		for each division.