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<b>APPLICATION OF AEP TEXAS INC.</b>	§	<b>BEFORE THE STATE OFFICE</b>
<b>FOR APPROVAL OF A WHOLESALE</b>	§	
<b>DISTRIBUTION SERVICE</b>	§	<b>OF</b>
<b>DISTRIBUTED GENERATION TARIFF</b>	§	
	§	<b>ADMINISTRATIVE HEARINGS</b>

**AEP TEXAS INC.'S SUPPLEMENTAL TESTIMONY OF**  
**JENNIFER L. JACKSON**

TO THE HONORABLE ADMINISTRATIVE LAW JUDGES:

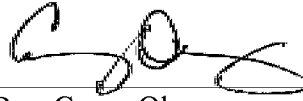
AEP Texas Inc. ("AEP Texas") submits the attached Supplemental Direct Testimony and Exhibit of AEP Texas witness Jennifer L. Jackson. This supplemental filing addresses issues required to be addressed in this proceeding by the Public Utility Commission of Texas' Preliminary Order, issued on August 15, 2022. In SOAH Order No. 2, issued on September 28, 2022, the presiding judges in this matter adopted a procedural schedule permitting AEP Texas to file supplemental testimony by October 7, 2022. This supplemental testimony is timely filed.

Dated: October 7, 2022

Respectfully submitted,

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By: Carey Olney

**ATTORNEYS FOR AEP TEXAS INC.**

**CERTIFICATE OF SERVICE**

I certify that a true and correct copy of this document was served on all parties of record on October 7, 2022 via email in accordance with the Commission's order in Docket No. 50664 suspending 16 TAC § 22.74.



Carey Olney

PUC DOCKET NO. 53267  
PUBLIC UTILITY COMMISSION OF TEXAS

APPLICATION OF  
AEP TEXAS INC.  
FOR APPROVAL OF A WHOLESALE DISTRIBUTION SERVICE DISTRIBUTED  
GENERATION ENERGY STORAGE TARIFF

SUPPLEMENTAL DIRECT TESTIMONY OF  
JENNIFER L. JACKSON  
FOR  
AEP TEXAS INC.

OCTOBER 7, 2022

## **TESTIMONY INDEX**

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## **EXHIBITS**

### **EXHIBIT**

### **DESCRIPTION**

Exhibit Supplemental JLJ-1

AEP Texas Schedule WDS DG – Wholesale  
Distribution Service – Distributed Generation  
Tariff

1 Q. PLEASE STATE YOUR NAME AND ADDRESS.

2 A. My name is Jennifer L. Jackson. I am a Regulated Pricing and Analysis, Manager, in  
3 Regulated Pricing and Analysis, part of the American Electric Power Service  
4 Corporation (AEPSC) Regulatory Services Department. My address is 212 East Sixth  
5 Street, Tulsa, Oklahoma 74119-1295.

6 Q. ARE YOU THE SAME JENNIFER L. JACKSON THAT PROVIDED DIRECT  
7 TESTIMONY IN THIS CASE?

8 A. Yes, I am.

9 Q. WHY ARE YOU PROVIDING SUPPLEMENTAL DIRECT TESTIMONY IN THIS  
10 CASE?

11 A. I am providing supplemental direct testimony to address question number 6 in the  
12 Preliminary Order: "Should the billing demand for demand-based charges under AEP  
13 Texas' proposed tariff be determined on peak demand after all testing has been  
14 completed and commercial operations for the customer's facility have begun, or should  
15 the billing demand include all testing that occurs before commercial operations begin?"

16 Q. HOW DOES THE TARIFF, AS PROPOSED IN THE APPLICATION, DETERMINE  
17 BILLING DEMAND FOR DEMAND-BASED CHARGES?

18 A. As proposed in the application, AEP Texas' tariff would initially determine the NCP  
19 kW billing demand based on the kW supplied during the 15-minute period of maximum  
20 use. The NCP kW Billing Demand applicable to the Distribution System Charge,  
21 including DCRF charges, would be the higher of the NCP kW demand for the current  
22 billing month or 80% of the highest monthly NCP kW demand established in the 11  
23 months preceding the current billing month (80% ratchet).

24 Q. HAS AEP TEXAS SUBMITTED AN ADDITION TO ITS PROPOSED TARIFF  
25 WHICH WOULD OFFER AN OPPORTUNITY FOR A WHOLESALE ENERGY  
26 STORAGE CUSTOMER TO REQUEST AN ADJUSTMENT TO ITS DEMAND-  
27 BASED CHARGES?

1 A. Yes. AEP Texas has submitted an amended proposed tariff attached as Exhibit  
2 Supplemental JLJ-1 to this testimony. The tariff amends the proposed “Determination  
3 of Billing Demand for Distribution System Charges” section to permit a wholesale  
4 energy storage customer to request that the Company ignore the test period demands  
5 for billing demand ratchet purposes and conduct approved, scheduled equipment  
6 testing. To request testing, the customer must contact the Company at least ten days in  
7 advance of the equipment testing. The approval of the equipment testing (including the  
8 date and time) will be at the Company’s discretion, as long as the customer provides at  
9 least ten days’ notice. The tariff prohibits the Company-approved testing between the  
10 hours of noon and 8:00 PM on weekdays during the months of June, July, August, and  
11 September. The Company may bill the customer for charges for electric usage (kWh  
12 and kW) during the test period. Increased demand for the testing period will not affect  
13 the customer’s demand for billing ratchet purposes. Charges for reading and resetting  
14 the meter, if required, will be calculated and billed to the customer.

15 Q. HOW DOES AEP TEXAS RESPOND TO QUESTION 6 IN THE PRELIMINARY  
16 ORDER?

17 A. AEP Texas agrees that testing may occur after commercial operation begins if the  
18 testing schedule is approved by AEP Texas. The proposed tariff would initially  
19 determine billing demand for demand-based charges as described above. In addition,  
20 AEP Texas would provide wholesale customers an option to adjust their demand-  
21 charges after commercial operations have begun as described by the proposed tariff  
22 attached as Exhibit Supplemental JLJ-1 to this testimony. Finally, AEP Texas will not  
23 use a maximum demand set during a prescribed and approved testing period to ratchet  
24 demands for billing purposes after commercial operations have begun.

25 Q. DOES THIS CONCLUDE YOUR SUPPLEMENTAL DIRECT TESTIMONY?

26 A. Yes, it does.

Applicable: Certified Service Area  
Chapter: 6 Section: 6.4  
Section Title: Delivery System Charges  
Revision: Original Effective Date: March 25, 2022

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## **6.4.1 Schedule WDS DG - Wholesale Distribution Service to Distributed Generation**

### **AVAILABILITY**

This schedule is applicable for the transformation of electric power and energy from generation facilities to Wholesale Distribution Service Customers who have distributed generation energy storage facilities. Wholesale distribution service is supplied to WDS DG Customers who take wholesale service at distribution voltage from AEP Texas in order to charge an energy storage facility. WDS DG Customers who receive distribution service for delivery to energy storage systems to charge the energy storage facilities supplied at one point of interconnection and measured through one meter necessary to support the transmission of energy for purposes of resale in accordance with 16 TAC §§ 25.5, 25.191, 25.200-25.203 and 25.501 are eligible for service under this Rate Schedule. This schedule provides service as defined by 16 TAC § 25.191(d)(2)(C) and is in accordance with Commission Substantive Rules. This schedule is not available for auxiliary retail service to the WDS DG facility.

### **TYPE OF SERVICE**

Delivery service will be three-phase, 60 hertz, at the standard primary distribution service voltage (below 60 kV). Delivery service will be provided at one point of delivery and measured with one meter.

### **MONTHLY RATE**

Distribution Service Charges:

Customer Charge	\$ 7.35	per Month
Metering Charge	\$126.87	per Month
Distribution System Charge	\$ 3.112	per NCP kW Billing Demand
Distribution Cost Recovery Factor - DCRF	\$ 0.423685	per NCP kW Billing Demand

The amount payable for monthly WDS DG service is equal to the sum of the Customer and Meter Charge, plus the Distribution System Charge, including the DCRF charge, based on the monthly distribution billing demand.

### **Determination of Billing Demand for Distribution System Charges**

The NCP kW Billing Demand shall be the kW supplied during the 15-minute period of maximum use. The NCP kW Billing Demand applicable to the Distribution System Charge, including DCRF charges, shall be the higher of the NCP kW demand for the current billing month or 80% of the highest monthly NCP kW demand established in the 11 months preceding the current billing month (80% ratchet).



Applicable: Certified Service Area  
Chapter: 6 Section: 6.4  
Section Title: Delivery System Charges  
Revision: Original Effective Date: March 25, 2022

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### **Scheduled Equipment Testing**

During AEP Texas approved scheduled equipment testing, the billing demands during the test period will be ignored for billing demand ratchet purposes. Approval of the equipment testing schedule, including the date and time, shall be at AEP Texas' discretion, shall be scheduled at least ten days in advance of the equipment testing. In no event shall the Company-approved testing occur between the hours of 12 noon and 8:00 PM during the weekdays of the months of June, July, August and September. Charges for electric usage (kWh and kW) during the testing period will be billed to the WDS DG Customer, but increased demand for the testing period shall not affect the Customer's demand for billing ratchet purposes as long as the testing is approved. Charges for reading and resetting the Meter, if required, shall be as calculated and shall be billed to the WDS DG Customer.

### **TERMS OF SERVICE**

A Distributed Generation Service Agreement is required.

The WDS DG Customer shall be responsible for all costs of interconnecting with the AEP Texas distribution system as detailed in the Distributed Generation Service Agreement.

### **CONTRIBUTION IN AID OF CONSTRUCTION**

In the event any new facilities or any upgrades, extensions or modifications to existing facilities are required in order to provide the requested service, the WDS DG Customer will be required to pay, as a contribution in aid of construction, the estimated cost of such facilities, upgrades, extensions and modifications. All facilities constructed or modified by AEP Texas shall remain the property of AEP Texas.

### **AGREEMENTS**

The WDS DG Customer shall enter into a Distributed Generation Service Agreement with AEP Texas covering specific terms and conditions of the Primary Voltage Distribution Service requested for the points of interconnection.

### **PAYMENT**

AEP Texas will receive payment by the 30<sup>th</sup> calendar day after the issuance of the distribution service bill to the WDS DG Customer.

### **NOTICE**

This rate schedule is subject to the Company's Tariff and Applicable Legal Authorities.