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Commissioner




Greg Abbott
Governor
Connie Corona
Executive Director

Public Utility Commission of Texas

TO: Shelah Cisneros
Commission Counsel

All Parties of Record

FROM: Rebecca Bromley-Williams 
Administrative Law Judge

RE: **PUC Docket No. 57057**
SOAH Docket No. 473-25-01921 – *Application of AEP Texas Inc. for Approval of a System Resiliency Plan*

DATE: February 26, 2025

On February 18, 2025, I filed a Proposed Order in the above-referenced case.

On February 25, 2025, AEP Texas Inc. filed proposed corrections to the Proposed Order. Also on February 25, 2025, the Office of Public Utility Counsel filed a notice of no corrections or exceptions. No other party filed corrections or exceptions to the Proposed Order.

I find AEP Texas's proposed corrections appropriate and make the following revisions to the Proposed Order as follows:

Findings of Fact

31. The signatories agree that the Early Fault Detection program portion of Measure Five included in AEP Texas's proposed system ~~resiliency~~ resiliency plan should be removed from the plan and not approved in this proceeding.
37. The signatories agree that the following accounting language be approved:

AEP Texas may defer all or a portion of the distribution-related cost related to implementing the system resiliency plan for future recovery as a regulatory asset including, ~~but not limited to~~, depreciation expense and carrying costs at its weighted average cost of capital established in the Commission's final order in AEP Texas's most recent base rate proceeding in a manner consistent with PURA Chapter 36.



and

AEP Texas must maintain its books and records related to the system resiliency plan regulatory asset approved in this Order in such a manner that all costs recorded in the regulatory asset are supported in sufficient detail to enable a comprehensive reconciliation and review of the prudence, reasonableness, and necessity of all amounts recovered through rates, as well as demonstrate compliance with the provisions of PURA Chapter 36. This must include, but is not limited to, the dates when the individual resiliency-related projects began providing service to the public, as well as supporting documentation for the costs associated with the individual resiliency-related projects.

61. AEP Texas's application included analysis, direct testimony, and a report ~~form~~ from 1898 & Co., an independent third-party expert consultant that performed a quantitative, performance-based analysis of the costs and benefits for four of the five measures in its proposed system resiliency plan.
64. AEP Texas's application and proposed system resiliency plan, as modified by the agreement, contains sufficient evidence to support the ~~present~~ presence of and risk posed by each identified resiliency event and contains sufficient evidence and analysis to support the selection of each measure.

The Corrected Proposed Order is attached and ready for the Commission's consideration.

PUC DOCKET NO. 57057
SOAH DOCKT NO. 473-25-01921

APPLICATION OF AEP TEXAS INC.	§	PUBLIC UTILITY COMMISSION
FOR APPROVAL OF A SYSTEM	§	
RESILIENCY PLAN	§	OF TEXAS

CORRECTED PROPOSED ORDER

This Order addresses the application of AEP Texas Inc. for approval of its proposed system resiliency plan. On January 17, 2025, AEP Texas, Commission Staff, the Office of the Public Utility Counsel (OPUC), Cities Served by AEP Texas, Texas Industrial Energy Consumers (TIEC), and Walmart Inc. (the signatories) entered into a comprehensive and unopposed agreement (the agreement). The remaining parties to this docket, Texas Energy Association for Marketers (TEAM) and the Electric Reliability Council of Texas, Inc. (ERCOT), did not join, but do not oppose, the agreement.

The Commission finds that AEP Texas’s proposed system resiliency plan, as modified by the agreement, is in the public interest under PURA¹ § 38.078(e) and approves AEP Texas’s proposed system resiliency plan, as modified by the agreement.

I. Findings of Fact

The Commission makes the following findings of fact.

Applicant

1. AEP Texas is a Delaware corporation registered with the Texas secretary of state under filing number 802611352.
2. AEP Texas owns and operates for compensation in Texas facilities and equipment to transmit and distribute electricity in the ERCOT region.
3. AEP Texas holds certificate of convenience and necessity numbers 30028 and 30170 to provide service to the public.

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

Application

4. On September 25, 2024, AEP Texas filed the application at issue in this proceeding seeking approval of a system resiliency plan consisting of approximately \$352 million of resiliency projects.
5. The application also requested inclusion of AEP Texas's requested accounting language regarding the deferral of distribution-related resiliency costs.
6. No party challenged the sufficiency of the application, and no presiding administrative law judge (ALJ) filed a written order concluding material deficiencies exist.

Notice

7. On September 25, 2024, AEP Texas provided notice of the application via email, to the following entities:
 - a. all municipalities that retain jurisdiction over AEP Texas's rates;
 - b. all parties of record in AEP Texas's last comprehensive base-rate proceeding, Docket No. 56165;²
 - c. OPUC; and
 - d. ERCOT.
8. On October 8, 2024, AEP Texas filed the affidavit of Gregory Gullickson, regulatory consultant for AEP Texas, attesting to the provision of notice as described above.
9. No party challenged the sufficiency of notice of the application, and AEP Texas used a reasonable method of notice.

Intervenors

10. In Order No. 2 filed on February 18, 2025, the Commission ALJ granted the motions to intervene filed by Cities Served by AEP Texas, OPUC, TEAM, TIEC, Walmart, and ERCOT.

² *Application of AEP Texas Inc. for Authority to Change Rates*, Docket No. 56165, Order (Oct. 3, 2024).

Referral to the State Office of Administrative Hearings (SOAH)

11. On September 26, 2024, the Commission referred this proceeding to SOAH for a hearing on the merits.
12. On January 17, 2025, the signatories filed the agreement resolving the issues between themselves. ERCOT and TEAM did not join the agreement but are unopposed to the agreement.
13. In SOAH Order No. 5 filed on January 23, 2025, the SOAH ALJ remanded this proceeding to the Commission.

Testimony and Statements of Position

14. On September 25, 2024, AEP Texas filed the direct testimonies and exhibits of the following witnesses: Chad M. Burnett, Mark A. Baker, Robert De Leon, Jeffery S. Stracener, Alex Ramirez, Jr., K. Shawn Robinson, and Jason DeStigter.
15. On November 19, 2024, Walmart filed the direct testimony of Eric S. Austin.
16. On November 19, 2024, Cities Served by AEP Texas filed the direct testimony and attachments of Karl J. Nalepa.
17. On November 19, 2024, ERCOT filed the direct testimony of Gnanaprabhu Gnanam.
18. On November 19, 2024, OPUC filed the direct testimony of John E. Haselden.
19. On November 19, 2024, TIEC filed the direct testimony of Shawn McGlothlin.
20. On November 20, 2024, TIEC filed supporting workpapers of Shawn McGlothlin's testimony.
21. On November 26, 2024, Commission Staff filed the direct testimonies of the following witnesses: Ruth Stark, Tyler Nicholson, Eduardo Acosta, P.E., and David Bautista, P.E.
22. On December 12, 2024, AEP Texas filed the rebuttal testimonies of the following witnesses: Chad M. Burnett, Mark A. Baker, Robert De Leon, Jeffery S. Stracener, Alex Ramirez, Jr., K. Shawn Robinson, and Jason DeStigter.
23. On December 16, 2024, TEAM filed a statement of position

24. On January 17, 2025, AEP Texas filed the testimony of Chad M. Burnett, in support of the agreement.
25. On January 24, 2025, Commission Staff filed the testimony of David Bautista in support of the agreement.

Evidentiary Record

26. In SOAH Order No. 5 filed on January 23, 2025, the SOAH ALJ admitted the following evidence into the record of this proceeding:
 - a. AEP Texas's application with attachments, and the direct testimony and exhibits of AEP witnesses Chad M. Burnett, Mark A. Baker, Robert De Leon, Jeffery S. Stracener, Alex Ramirez, Jr., K. Shawn Robinson, and Jason DeStigter filed on September 25, 2024;
 - b. AEP Texas's proof of notice filed on October 8, 2024;
 - c. Commission Staff's recommendation on the administrative completeness of the application and notice filed on October 23, 2024;
 - d. direct testimony and exhibit of Walmart witness Eric S. Austin filed on November 19, 2024;
 - e. direct testimony and attachments of Cities Served by AEP Texas witness Karl J. Nalepa filed on November 19, 2024;
 - f. direct testimony of ERCOT witness Gnanaprabhu Gnanam filed on November 19, 2024;
 - g. direct testimony and attachments of OPUC witness John E. Haselden filed on November 19, 2024;
 - h. direct testimony of TIEC witness Shawn McGlothlin filed on November 19, 2024;
 - i. workpapers of TIEC witness Shawn McGlothlin filed on November 20, 2024;
 - j. direct testimony and attachment of Commission Staff witness Ruth Stark filed on November 26, 2024;

- k. direct testimony of Commission Staff witness Tyler Nicholson filed on November 26, 2024;
 - l. direct testimony and attachments of Commission Staff witness Eduardo Acosta, P.E filed on November 26, 2024;
 - m. direct testimony and attachments of Commission Staff witness David Bautista, P.E filed on November 26, 2024;
 - n. rebuttal testimony of AEP Texas witness Mark A. Baker filed on December 12, 2024;
 - o. rebuttal testimony of AEP Texas witness Chad M. Burnett filed on December 12, 2024;
 - p. rebuttal testimony of AEP Texas witness Robert De Leon filed on December 12, 2024;
 - q. rebuttal testimony and exhibit of AEP Texas witness Alex Ramirez, Jr. filed on December 12, 2024;
 - r. rebuttal testimony of AEP Texas witness K. Shawn Robinson filed on December 12, 2024;
 - s. rebuttal testimony of AEP Texas witness Jeffrey S. Stracener filed on December 12, 2024;
 - t. rebuttal testimony of AEP Texas witness Jason DeStigter filed on December 12, 2024;
 - u. stipulation testimony of AEP Texas witness Chad M. Burnett filed on January 17, 2025;
 - v. the agreement and its workpapers filed on January 17, 2025.
27. In Order No. 2 filed on February 18, 2025, the Commission ALJ admitted the testimony of Commission Staff witness David Bautista in support of the agreement filed on January 23, 2025.

Agreement

28. The agreement was executed by the signatories on January 17, 2025. TEAM and ERCOT are not signatories to the agreement, but do not oppose it.
29. The signatories agree that AEP Texas's application, as modified by the agreement, meets the standards of approval under PURA § 38.078 and the Commission's requirements for approval under 16 TAC § 25.62, is in the public interest, and should be approved.
30. The signatories agree that the following proposed resiliency measures of AEP Texas's proposed system resiliency plan should be approved: Measure One: Distribution Feeder Hardening (Rebuild), Measure Two: Lateral Hardening (Rebuild), Measure Three: Distribution Crossing Upgrades, Measure Four: Resiliency Vegetation Trimming, and the following portions of Measure Five: Wildfire Mitigation - Vegetation Intelligence, Wildfire Mitigation - Supervisory Control And Distribution Automation (SCADA) Expansion (limited to substations in Wildfire Mitigation Zones), and Wildfire Mitigation - Drone Technology (limited to Wildfire Mitigation Zones North and West).
31. The signatories agree that the Early Fault Detection program portion of Measure Five included in AEP Texas's proposed system resiliency plan should be removed from the plan and not approved in this proceeding.
32. The signatories agree that, as modified by the agreement, AEP Texas's proposed system resiliency plan, based on the proposed cost estimates, and subject to the terms herein, should be approved.
33. The signatories agree that no terms set forth in this Order should be interpreted as a determination of the reasonableness, necessity, or prudence of the actual costs that AEP Texas will incur in implementing any of the measures in the approved resiliency plan. The signatories agree that all parties in this proceeding reserve the right to review the reasonableness, necessity, and prudence of the actual costs AEP Texas incurs in implementing its approved system resiliency plan measures.
34. The signatories agree AEP Texas may re-allocate the estimated costs of any one of the measures set forth in its approved system resiliency plan to another of the measures or

programs of its proposed system resiliency plan or between capital and operations and maintenance up to an amount not to exceed 20% of the estimated expenditures by measure.

35. Under the agreement, the signatories agree that the following evaluation metrics are to be included in the annual reports filed by AEP Texas under 16 TAC § 25.62(g):

- a. AEP Texas's proposed evaluation metrics as stated in Sections V.A.1.i. through V.A.3i., V.B.1.i., V.C.1.i., V.C.2.i., and V.C.4.i. of its proposed system resiliency plan.
- b. Customer minutes interrupted (CMI) ratio calculation – applicable to Measure One through Measure Three: This metric will calculate a CMI ratio for major events as defined by 16 TAC § 25.52(c)(4)(D). The metric will compare the actual CMI of the circuits hardened by projects in Measure One through Measure Three of AEP Texas's approved system resiliency plan to the modeled CMI of the same circuits without those hardening investments. To calculate the metric, AEP Texas will develop a model that will input outage data from the county or counties materially impacted by the major event to calculate the CMI that would have occurred if the investment had not occurred. AEP Texas will use the following equation to calculate the CMI ratio:

$$\text{CMI Ratio} = \frac{\text{actual CMI for hardened circuits following event A in county B}}{\text{projected CMI for unhardened circuits following event A in county B}}$$

AEP Texas will present the CMI ratio in its annual system resiliency plan reports. The report may also include a narrative description of the resiliency events or lack of resiliency events in the relevant historical period and how those and other circumstances may have affected the modeling and CMI ratio.

- c. System restoration cost (SRC) ratio calculation – applicable to Measure One through Measure Three: This metric will calculate a SRC ratio for major events as defined by 16 TAC § 25.52(c)(4)(D). The metric will compare the actual SRC of

the circuits hardened by projects in the Measure One through Measure Three of AEP Texas's approved system resiliency plan to the modeled SRC of the same circuits without those hardening investments. To calculate the metric, AEP Texas will develop a model that will input outage data from the county or counties materially impacted by the major event to calculate the SRC that would have occurred if the investment had not occurred. AEP Texas will use the following equation to calculate the SRC ratio:

$$\text{SRC Ratio} = \frac{\text{actual SRC for hardened circuits following event A in county B}}{\text{projected SRC for unhardened circuits following event A in county B}}$$

AEP Texas will present the SRC ratio in its annual system resiliency plan reports. The report may also include a narrative description of the resiliency events or lack of resiliency events in the relevant historical period and how those and other circumstances may have affected the modeling and SRC ratio.

During deployment of the hardening projects, AEP Texas will continue evaluating potential meaningful metrics for evaluating the effectiveness of resiliency efforts, including monitoring for industry developments on this issue.

- d. Additional metrics applicable to Measure One through Measure Three: In addition, for major events as defined by 16 TAC § 25.52(c)(4)(D), AEP Texas will also provide the number of customers impacted and the average restoration time per customer. AEP Texas will present these metrics in its annual system resiliency plan reports. The report may also include a narrative description of the resiliency events or lack of resiliency events in the relevant historical period and how those and other circumstances may have affected the modeling.
- e. AEP Texas's system resiliency plan at Section V.B.1.i is modified to state:

The collected data and reduction of vegetation over the areas identified will be used on a comparative basis for a post-resiliency event analysis.

36. The signatories agree that the incremental operations and maintenance costs associated with the additional evaluation metrics for Measure One through Measure Three of the approved system resiliency plan can be included in the cost of implementing those measures.

37. The signatories agree that the following accounting language be approved:

AEP Texas may defer all or a portion of the distribution-related cost related to implementing the system resiliency plan for future recovery as a regulatory asset including, depreciation expense and carrying costs at its weighted average cost of capital established in the Commission's final order in AEP Texas's most recent base rate proceeding in a manner consistent with PURA Chapter 36.

and

AEP Texas must maintain its books and records related to the system resiliency plan regulatory asset approved in this Order in such a manner that all costs recorded in the regulatory asset are supported in sufficient detail to enable a comprehensive reconciliation and review of the prudence, reasonableness, and necessity of all amounts recovered through rates, as well as demonstrate compliance with the provisions of PURA Chapter 36. This must include, but is not limited to, the dates when the individual resiliency-related projects began providing service to the public, as well as supporting documentation for the costs associated with the individual resiliency-related projects.

38. The signatories agree that AEP Texas will provide an annual report for the capital projects detailing progress and justification for those projects +/-30% their cost estimate and including annual reporting of operation and maintenance costs (including Cities Served by AEP Texas's costs) on Measure Four.

39. The signatories agree that AEP Texas will monitor the approved system resiliency plan on a monthly basis starting on the date the individual resiliency related projects were initiated to ensure proper financial oversight and accountability. To that end, AEP Texas has created a specific program, project identification number TXRES2527, which encompasses several child projects targeting distinct elements of the system resiliency plan. These child projects are categorized into Texas North (AEPTN) and Texas Central (AEPTC) regions, facilitating a detailed analysis of expenditures.

40. The signatories agree that AEP Texas will also implement further tracking of incremental costs through the management of numerous work orders and cost categories required because of the related projects under TXRES2527. This approach will allow for a more precise breakdown of expenses and enhance AEP Texas’s ability to monitor financial performance at a detailed level. Only the projects listed in the approved system resiliency plan will be charged to these new project identification numbers, which will isolate the system resiliency plan efforts from any ongoing resiliency efforts occurring outside the context of the approved system resiliency plan. Below is a table listing the related projects:

Texas Resiliency Program - TXRES2527		
Project ID	AEPTN	AEPTC
Feeder Hardening	RESFDHTNC	RESFDHTCC
Lateral Hardening	RESLHTNC	RESLHTCC
Crossing Upgrade Crossing Upgrade UG	RESCRUGTN	RESCRUGTC
Crossing Upgrade Crossing Upgrade OH	RESCROHTN	RESCROHTC
Veg Trimming	RESVEGTNC	RESVEGTCC
SCADA	RESSCDTNC	RESSCDTCC
Wildfire Tech	RESWDHTN	RESWDHTC

41. The signatories agree AEP Texas will include operations and maintenance expense in any benefit-cost analysis in its next system resiliency plan.
42. The signatories agree AEP Texas will include sensitivity testing for any benefit-cost analysis in its next system resiliency plan that considers the key input variables.
43. The signatories agree that within 30 days of the date of this Order, AEP Texas will reimburse Cities Served by AEP Texas their reasonable expenses incurred through the completion of this proceeding and for their reasonable expenses incurred to monitor AEP Texas’s implementation of its system resiliency plan, including the review of reports AEP Texas submits to the Commission under 16 TAC § 25.62(g).
44. The signatories agree that AEP Texas must comply with existing Commission rules and the ERCOT Nodal Protocols, Planning Guide, and Operating Guide, including but not limited to those provisions concerning outage coordination, the ERCOT Regional Planning Group process, and submission of future transmission projects in the ERCOT planning and operations model.

AEP Texas's Resiliency Measures

45. In the application, AEP Texas's proposed system resiliency plan was organized by measure, including a description of any activities, programs, actions, standards, services, procedures, practices, structures, or equipment required because of each measure.
46. Each of the measures in AEP Texas's proposed system resiliency plan, as modified by the agreement, utilizes one or more of the methods listed in 16 TAC § 25.62(c)(1)(A)-(J).
47. AEP Texas's application and proposed system resiliency plan, as modified by the agreement, sufficiently identified and described each type of resiliency event and associated resiliency-related risk that each proposed measure is designed to prevent, withstand, mitigate, or more promptly recover from.
48. AEP Texas provided sufficient evidence in its system resiliency plan and supporting testimonies to support the presence of, and risk posed by, each identified resiliency event.
49. For each of the proposed measures, AEP Texas's application and proposed system resiliency plan, as modified by the agreement, sufficiently explained the following: provided the information required under 16 TAC § 25.62(c)(2)(A)(i)-(vi) for each of the proposed measures within its proposed system resiliency plan, as modified by the agreement, including the prioritization of each identified resiliency event to be mitigated by the proposed measure, the evidence of effectiveness of the proposed measure in mitigating the identified risk posed by relevant resiliency events, the expected benefits of the proposed measure, whether the proposed measure is a coordinated effort with federal, state, or local government programs or may benefit from any government funding opportunities, the selection of the proposed measures over reasonable and readily-identifiable alternatives, and whether each measure may require a transmission system outage to implement.
50. AEP Texas's application and proposed system resiliency plan, as modified by the agreement, sufficiently distinguished each proposed measure from other existing programs or measures, or programs or measures otherwise required by law, and where appropriate, explained how the related items work in conjunction with one another.

51. AEP Texas's application and proposed system resiliency plan, as modified by the agreement, used a systematic implementation approach over a period of at least three years and provide sufficient implementation details for each of the proposed measures.

Evaluation Metrics and Criteria

52. The evaluation metrics and criteria in AEP Texas's application and proposed system resiliency plan, as modified by the agreement, meet the requirements of 16 TAC § 25.62(c)(2)(C) and should be approved by the Commission.
53. Under the agreement, AEP Texas will use the agreed upon evaluation metrics and criteria and will include those evaluation metrics and criteria in the annual reports filed under 16 TAC § 25.62(g).

Coordination with Government Programs

54. AEP Texas has applied for federal grant funding for certain vegetation trimming-related resiliency investments through the United States Department of Energy's Grid Resilience and Innovative Partnerships program.

Cost Recovery and Regulatory Asset

55. In its application, as modified by the agreement, AEP Texas does not propose to use a resiliency cost-recovery rider.
56. In its application, as modified by the agreement, AEP Texas requested to defer all or a portion of the distribution-related costs relating to the implementation of the system resiliency plan for future recovery as a regulatory asset including depreciation expense and carrying costs at its weighted average cost of capital established in the Commission's final order in its most recent base rate proceeding in a manner consistent with PURA Chapter 36.
57. In its application, as modified by the agreement, AEP Texas agrees to maintain its books and records related to the proposed system resiliency plan regulatory asset approved in this proceeding in such a manner that all costs recorded in the regulatory asset are supported in sufficient detail to enable a comprehensive reconciliation and review of the prudence, reasonableness, and necessity of all amounts recovered through rates, as well as demonstrate compliance with the provisions of PURA Chapter 36. This must include, but is not limited to, the dates when the individual resiliency-related projects began providing

service to the public, as well as supporting documentation for the costs associated with the individual resiliency-related projects.

Coordination with Independent System Operator

58. To the extent any measure requires a transmission system outage to implement, AEP Texas will coordinate with its independent system operator, ERCOT, in accordance with 16 TAC § 25.62(c)(2)(A)(vi).

Evaluation of AEP Texas's Proposed Resiliency Plan

59. AEP Texas's proposed system resiliency plan, as modified by the agreement, contains five measures that are each intended to prevent, withstand, mitigate, or more promptly recover from the risks posed by one or more specific and defined resiliency events to AEP Texas's transmission or distribution system.

60. AEP Texas's application included the direct testimonies of seven witnesses supporting its proposed system resiliency plan, which collectively explained, among other details, the measures in AEP Texas's proposed system resiliency plan, the relevant resiliency risks and events that the measures are designed and intended to mitigate, the expected benefits and estimated costs of implementing the measures, the systematic approach to the implementation of the measures, and the proposed metrics and criteria for evaluating the effectiveness of the proposed measures.

61. AEP Texas's application included analysis, direct testimony, and a report from 1898 & Co., an independent third-party expert consultant that performed a quantitative, performance-based analysis of the costs and benefits for four of the five measures in its proposed system resiliency plan.

62. AEP Texas's application included analysis and direct testimony, including explanation of the internal and external data sources AEP Texas used to support the development of the measure activities and its assessment of resiliency-related risks in its service area.

63. AEP Texas's application included direct testimony explaining that the implementation and scheduling of projects set forth in its proposed system resiliency plan is based on both the results of the Storm Resiliency Model conducted by 1898 & Co., which assigned a benefit to cost ratio to each project, and AEP Texas's operational experience and judgment.

64. AEP Texas's application and proposed system resiliency plan, as modified by the agreement, contains sufficient evidence to support the presence of and risk posed by each identified resiliency event and contains sufficient evidence and analysis to support the selection of each measure.
65. Based on the record evidence and the terms set forth in the agreement, it is reasonable to expect that implementation of the measures set forth in AEP Texas's proposed system resiliency plan, as modified by the agreement, will provide significant enhancements to system resiliency, within a reasonable timeframe and at a reasonable cost in light of the expected benefits and will provide corresponding benefits to customers.
66. AEP Texas's application and proposed system resiliency plan, as modified by the agreement, is in the public interest in accordance with PURA § 38.078(e), and should be approved.

Informal Disposition

67. More than 15 days have passed since the completion of all notice requirements.
68. No person filed a protest.
69. AEP Texas, Commission Staff, OPUC, Cities Served by AEP Texas, TIEC, ERCOT, TEAM, and Walmart are the only parties to this proceeding.
70. No party is currently requesting a hearing, and no hearing is needed.
71. Commission Staff recommends approval of AEP Texas's application, as modified by the agreement.
72. This decision is not adverse to any party.

II. Conclusions of Law

The Commission makes the following conclusions of law.

1. AEP Texas is a public utility as that term is defined in PURA § 11.004(1), an electric utility as that term is defined in PURA § 31.002(6), and a transmission and distribution utility as defined in PURA § 31.002(19).
2. The Commission has authority over this proceeding under PURA §§ 14.001 and 38.078.

3. SOAH exercised authority over this proceeding under PURA § 14.053 and Texas Government Code § 2003.049(b).
4. The Commission processed this docket in accordance with the requirement of PURA, the APA,³ and Commission rules.
5. The hearing on the merits was set and notice of the hearing was given in compliance with APA §§ 2001.051 and 2001.052. The hearing was subsequently cancelled, at the request of the parties.
6. AEP Texas's proposed system resiliency plan was filed in compliance with PURA § 38.078(b) and (c).
7. AEP Texas provided notice of the application in compliance with 16 TAC § 25.62(d)(1).
8. AEP Texas's system resiliency plan uses methods in compliance with PURA § 38.078(b) and 16 TAC § 25.62(c)(1) and explains a systematic approach for the plan's implementation in compliance with PURA § 38.078(c) and 16 TAC § 25.62(c)(2)(E).
9. The Commission's consideration of the agreement complies with PURA § 14.054 and 16 TAC § 22.206.
10. The Commission evaluated AEP Texas's system resiliency plan, as modified by the agreement, in accordance with the requirements of PURA § 38.078(d) and 16 TAC § 25.62(d)(4)(A) and (B).
11. The evaluation metrics and criteria in AEP Texas's proposed system resiliency plan, as modified by the agreement, meet the requirements of 16 TAC § 25.62(c)(2)(C).
12. AEP Texas's proposed system resiliency plan, as modified by the agreement, is in the public interest under PURA § 38.078(e) and 16 TAC § 25.62(d)(4)(C) and should be approved.
13. The agreement is a just and reasonable resolution of the issues it addresses, is supported by a preponderance of the evidence in the record and is consistent with the relevant

³ Administrative Procedure Act, Tex. Gov't Code §§ 2001.001-903.

provisions of PURA and Commission rules.

14. Under PURA § 38.078(k) and 16 TAC § 25.62(f), AEP Texas may defer its distribution-related costs relating to the implementation of AEP Texas's proposed system resiliency plan for recovery as a regulatory asset.
15. AEP Texas's application is sufficient, in compliance with 16 TAC § 25.62(d)(2).
16. The Commission must approve, deny, or modify AEP Texas's system resiliency plan no later than 180 days after the plan was filed, in accordance with PURA § 38.078(e) and 16 TAC § 25.62(d)(3).
17. Under PURA § 38.078(g), AEP Texas may seek to amend its resiliency plan, provided that no amendment may take effect before the third anniversary of this Order.
18. The requirements for informal disposition under 16 TAC § 22.35 have been met in this proceeding.

III. Ordering Paragraphs

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

1. The Commission approves AEP Texas's proposed system resiliency plan, as modified by the agreement.
2. AEP Texas must comply with all commitments described in this Order.
3. AEP Texas must comply with all applicable requirements concerning the implementation of its system resiliency plan, including but not limited to all transmission and planning requirements contained in the ERCOT Nodal Protocols, Planning Guide, and Operating Guide including but not limited to those concerning outage coordination, the ERCOT Regional Planning Group process, and submission of future transmission projects in ERCOT planning and operations mode.
4. AEP Texas must comply with all reporting requirements set forth in 16 TAC § 25.62(g) and Finding of Fact 35 and utilize the evaluation metrics and criteria described in Finding of Fact 35 for its proposed system resiliency plan.

5. AEP Texas must establish a regulatory asset to capture distribution-related costs relating to the implementation of its system resiliency plan.
6. Within thirty days of the date of this Order, AEP Texas must file a copy of its system resiliency plan that conforms to the terms of this Order in Docket No. 57695, *Compliance Filing for Docket No. 57057 (Application of AEP Texas, Inc. for Approval of a System Resiliency Plan)*.
7. AEP Texas may seek to amend its resiliency plan, provided that no amendment may take effect before the third anniversary of this Order.
8. Entry of this Order does not indicate the Commission's endorsement or approval of any principle or methodology that may underlie the agreement and must not be regarded as precedential as to the appropriateness of any principle or methodology underlying the agreement.
9. The Commission denies all other motions and any other requests for general or specific relief, if not expressly granted.

Signed at Austin, Texas the _____ day of _____ 2025

PUBLIC UTILITY COMMISSION OF TEXAS

THOMAS J. GLEESON, CHAIRMAN

KATHLEEN JACKSON, COMMISSIONER

COURTNEY K. HJALTMAN, COMMISSIONER