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BEFORE THE
STATE OFFICE OF ADMINISTRATIVE
HEARINGS

APPLICATION OF AEP TEXAS INC. TO
ADJUST ITS ENERGY EFFICIENCY COST RECOVERY
FACTOR AND RELATED RELIEF

SOAH ORDER NO. 1
FILING DESCRIPTION; JURISDICTION; SETTING PREHEARING
CONFERENCE; ADOPTING PROTECTIVE ORDER;
AND GENERAL PROCEDURES

I. FILING DESCRIPTION

On May 30, 2025, AEP Texas Inc. (AEP Texas) filed an application (Application) with the Public Utility Commission of Texas (Commission) to adjust its energy-efficiency cost recovery factor (EECRF) for program year 2026. Specifically, AEP Texas requests the authority to update its EECRF to collect \$29,572,509, reflecting the following components:

- Forecasted energy-efficiency program costs of \$18,859,458 for program year 2026;
- Evaluation, measurement, and verification (EM&V) expenses of \$254,234 for program year 2025;
- An adjustment of \$431,959 to account the under-recovery of program year 2024 energy-efficiency costs, including interest in the amount of \$40,792 and recovery of EM&V costs;
- Recovery of \$10,006,302, representing AEP Texas' earned performance bonus for achieving demand and energy savings exceeding its minimum goals for program year 2024; and
- Rate-case expenses of \$20,556 incurred by AEP Texas in Docket No. 56553.

II. JURISDICTION

On June 2, 2025, the Commission issued its Order of Referral, referring this matter to the State Office of Administrative Hearings (SOAH), requesting the assignment of a SOAH Administrative Law Judge (ALJ) to conduct a hearing and issue a proposal for decision (PFD), if necessary. The Commission intends to file a Preliminary Order, listing issues to be addressed in this proceeding.

The Commission has jurisdiction over this matter under Public Utility Regulatory Act (PURA)¹ section 39.905. SOAH has jurisdiction over all matters relating to the conduct of a hearing in this matter under Texas Government Code section 2003.049 and PURA section 14.053.

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

III. ADOPTING PROTECTIVE ORDER

AEP Texas requests entry of the Commission's standard protective order, which is attached as Attachment B to the Application. The proposed protective order is **ADOPTED**. Any objections to the form of the protective order must be filed **no later than five working days** after the date of this Order.

IV. SETTING PREHEARING CONFERENCE

A prehearing conference will convene at **9:00 a.m. (CT) on June 17, 2025**, remotely via Zoom videoconference. The parties may attend the prehearing conference in one of these ways:

<u>Join by computer or smart device:</u> Go to https://soah-texas.zoomgov.com and enter the following: Meeting ID: 160 867 6781 Passcode: PUC58U56	<u>Join by telephone (audio only):</u> Call +1 669 254 5252 and enter the following: Meeting ID: 160 867 6781 Passcode: 90817995
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The purpose of the prehearing conference is to discuss the following matters:

1. Pending motions filed by **12 p.m. (CT) on June 13, 2025**;
2. A procedural schedule;
3. Potential referral to mediation; and
4. Any other matter that may assist in the disposition of this proceeding in a fair and efficient manner.

In developing a proposed procedural schedule, the parties must anticipate a record close date that ensures that the ALJ has 60 days to issue the PFD. Additionally, the parties must endeavor to provide the Commission with enough time for two dates for open meetings to discuss the PFD, and seven calendar days after the last open meeting to issue an order. This can usually be achieved by allowing the Commission five weeks before the effective date to issue an order.

If, no later than **by 12 p.m. (CT) on June 13, 2025**, AEP Texas files an agreed procedural schedule that complies with this Order on behalf of all parties and persons/entities with pending motions to intervene, AEP Texas may file an agreed motion to cancel the prehearing conference. The proposed procedural schedule must include three different dates in three different weeks for a hearing on the merits. The ALJ will rule on such motion after reviewing the proposed schedule.

V. PROCEDURES

Except as modified by the Commission or SOAH, the Commission's procedural rules will govern the conduct of this case, and the parties are expected to comply with those rules. The Commission's procedural rules are available at: <https://www.puc.texas.gov/agency/rulesnlaws/procrules/procedural.aspx>.

A. FILING

The Commission is currently only accepting filings made online through the Commission's Interchange e-file system at <https://interchange.puc.texas.gov/filer>. **All filings must contain both the SOAH and PUC docket numbers.**

B. SERVICE

When a party files a document with the Commission, that party is also required to serve (i.e., provide a copy of that document to) every other party. At this time, service must be accomplished by e-mail.² Any party to this proceeding who has not previously provided an e-mail address **SHALL, no later than seven days after the date of this Order**, file a notice informing the parties of the e-mail address to be used for service.

SOAH orders will be served electronically at the e-mail address provided by the parties. Only one address per party will be included on the official service list maintained by SOAH pursuant to 16 Texas Administrative Code § 22.74(b). Corrections to the service list should be directed to the ALJ's legal secretary, Lisa Gomez, by email at lisa.gomez@soah.texas.gov.

C. MOTIONS

Unless otherwise specified in the Commission's procedural rules or an order issued in this case, any responses to a motion or other pleading shall be filed **within five working days** from receipt of the motion or pleading. If a party does not respond, the ALJ will assume that the party agrees with or does not oppose the requested relief.

² See 16 Tex. Admin. Code § 22.74(c).

D. DISCOVERY

Discovery may begin immediately pursuant to Subchapter H of the Commission's procedural rules. Copies of requests for information (RFIs) and objections and responses to RFIs will not be provided to the ALJ. If a party files a motion to compel responses to discovery, the motion shall include every RFI and objection to which the motion applies. Any affidavits supporting an objection, motion to compel, or response shall be attached to the relevant document. The ALJ will resolve discovery disputes based on the written documents, any sworn affidavits attached thereto, and materials, if any, provided for in camera inspection, unless the ALJ concludes that a prehearing conference on the discovery dispute should be held.

If a party seeks in camera review of documents in accordance with Rule 22.144(g), it will submit the documents to the ALJ at SOAH. Documents submitted for review should not be filed with the Commission filing clerk. If they are filed with the Commission filing clerk, even inadvertently, the documents may not be physically removed from the Commission. Further, any claim to privilege or exemption may be waived by the filing.

Signed June 5, 2025



Rachelle Nicolette Robles,
Presiding Administrative Law Judge