



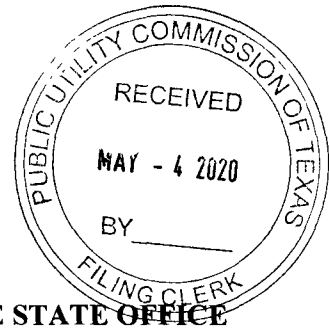
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SOAH DOCKET NO. 473-20-3300
PUC DOCKET NO. 50733



APPLICATION OF AEP TEXAS INC. § BEFORE THE STATE OFFICE
TO AMEND ITS DISTRIBUTION COST § OF
RECOVERY FACTOR § ADMINISTRATIVE HEARING

**AEP TEXAS INC.'S RESPONSE TO COMMISSION STAFF'S
SECOND REQUEST FOR INFORMATION**

MAY 4, 2020

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Question Staff 2-1:

Please refer to the DCRF baselines established in AEP Texas' last base rate case, Docket No. 49494.

- a.) Confirm that the baseline billing determinants for Secondary > 10kW were not adjusted to reflect the removal of ratchet provisions for Secondary > 10kW in Docket No. 49494.
- b.) Please provide the DCRF baseline billing determinants for Secondary > 10kW adjusted to reflect the removal of ratchet provisions for Secondary > 10 kW, as well as unadjusted DCRF baseline billing determinants for Secondary > 10kW.
- c.) Were DCRF test-year billing determinants for Secondary > 10kW adjusted to reflect the removal of ratchet provisions for Secondary > 10kW in Docket No. 49494.
- d.) Please provide the DCRF test-year billing determinants for Secondary > 10kW adjusted to reflect the removal of ratchet provisions for Secondary > 10kW, as well as unadjusted DCRF test-year billing determinants for Secondary > 10kW.
- e.) If the response to c) is "yes," confirm that using DCRF baseline billing determinants for Secondary > 10kW not adjusted to reflect the removal of ratchet provisions for Secondary > 10kW to calculate the load growth adjustment would overstate baseline billing determinants and would not reflect actual load growth.

Response Staff 2-1:

- a.) AEP cannot confirm. Both the DCRF baseline billing determinants and the 2019 adjusted DCRF billing determinants are included without a ratchet. In Docket No. 49494, AEP Texas requested and received approval to remove the 80% demand ratchet from the distribution service billing determinants for the Secondary > 10 kW class. In Docket No. 49494, AEP Texas filed information on the test year distribution billing kW with and without the ratchet. The approved distribution service charges from the rate case were determined using the distribution demand without the 80% ratchet. The distribution service billing unit is the basis for the DCRF baseline billing unit. Therefore, the baseline billing determinants for Secondary > 10kW, per Commission approved DCRF baseline, were adjusted to reflect the removal of ratchet provisions for Secondary > 10kW in Docket No. 49494. Please see Staff's number running settlement CCOS and Settlement Exhibit H DCRF Baseline values.
- b.) The DCRF baseline billing determinants already reflect the removal of the ratchet. The baseline billing determinants were provided in tab 'Schedule H' in file 'AEP Texas DCRF Schedules H & J.xls.'. The unadjusted DCRF baseline billing determinants for Secondary > 10 kW can be found in the Docket No. 49494 workpapers. The unadjusted 2019 test year DCRF demand billing units by class can be found in the filed WP Schedule h-3(b). The unadjusted demands are recorded without the ratchet prior to any weather and customer normalization adjustments. Please see the answer to a) above.

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- c.) Yes, the DCRF test-year billing determinants for Secondary > 10kW reflect the removal of ratchet provisions for Secondary > 10kW prior to any weather and customer normalization adjustments to match the DCRF baseline billing determinants approved in Docket No 49494.
- d.) Please see tab 'Schedule H' in file 'AEP Texas DCRF Schedules H & J.xls.' For the unadjusted DCRF billing determinants for Secondary > 10kW, please see tab 'WP-H3b' in file 'AEP Texas WP Schedule H-3.xlsx.' The unadjusted DCRF test year billing determinants for Secondary > 10 kW already reflect the removal of the ratchet.

In the table below, AEP Texas has provided the 2019 distribution billed kW with the ratchet for comparison along with the Docket No. 49494 Secondary > 10 kW customer count and class kW without the ratchet.

DCRF/Rate Case Billing Unit Comparison						
	Customers		Billed kW with Ratchet		Metered kW without Ratchet	
	49494	DCRF 2019	49494	DCRF 2019	49494	DCRF 2019
Sec > 10 NCP	72,592	70,702	33,775,906	32,886,053	29,321,712	27,189,231
Sec > 10 4CP	478	528	3,358,360	3,560,509	3,041,756	3,300,538
Total	73,070	71,230	37,134,266	36,446,562	32,363,468	30,489,770

- e.) Yes, using DCRF baseline billing determinants for Secondary > 10kW not adjusted to reflect the removal of ratchet provisions for Secondary > 10kW to calculate the load growth adjustment would overstate baseline billing determinants and would not reflect actual load growth. The DCRF baseline and the DCRF test year Secondary > 10 kW distribution demand billing units both reflect the removal of the 80% ratchet.

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