

AEP Texas North Company

2012 Energy Efficiency Cost Recovery Factor

Calculation of Any Over-/Under-Recovery of Energy Efficiency Program Costs

PUC Substantive Rule §25.181(f):

- (4) Not later than May 1 of each year, a utility with an EECRF shall apply to adjust the EECRF effective in January of the following year. An application filed pursuant to this paragraph shall reflect changes in program costs and bonuses and shall minimize any over- or under-collection of energy efficiency costs resulting from the use of the EECRF. The EECRF shall be designed to permit the utility to recover any under-recovery of energy efficiency program costs or return any over-recovery of costs...
- (6) The commission may approve an energy charge or a monthly customer charge for the EECRF. The EECRF shall be set at a rate that will give the utility the opportunity to earn revenues equal to the sum of the utility's forecasted energy efficiency costs, net of energy efficiency costs included in base rates, ...and any adjustment for past over- or under-recovery of energy efficiency revenues.
- (9) A utility's application to establish or adjust an EECRF shall include...any adjustment for past over- or under-recovery of energy efficiency revenues,...and the following:
 - (C) the actual revenues attributable to the EECRF for any period for which the utility seeks to adjust the EECRF for an under- or over-recovery of EECRF revenues;...
- (11) In any proceeding to establish or adjust an EECRF, the utility must show that:
 - (B) calculations of any under- or over-recovery of EECRF revenues is consistent with this section;...
- (12) The scope of a proceeding to establish or adjust an EECRF is limited to the issues of whether the utility's cost estimates are reasonable, calculations of under- or over-recoveries are consistent with this section,...

In 2010, TNC collected energy efficiency program revenues of \$2,049,631 (exclusive of its performance bonus it earned for 2008 program achievements) through its base rates and EECRF combined. TNC incurred energy efficiency costs in 2010 of \$2,238,101 which was \$188,470 more than the \$2,049,631 collected in 2010.

2010 Energy Efficiency Program Revenue & Expenditures

2010 EECRF Revenue	\$ 755,201
+ 2010 Base Rate Revenue	<u>\$ 1,294,430</u>
Total 2010 Energy Efficiency Program Revenue	\$ 2,049,631
 <u>- 2010 Energy Efficiency Program Expenditures</u>	 <u>\$ 2,238,101</u>
Energy Efficiency Program Under-Recovery Amount	(\$ 188,470)