

**AEP Texas North Company**  
**2012 Energy Efficiency Cost Recovery Factor**

**Description of Grandfathered Load Management Standard Offer Programs for Industrial Customers**

PUC Substantive Rule §25.181(t):

**Grandfathered programs.** An electric utility that offered a load management standard offer programs for industrial customers prior to May 1, 2007 shall continue to make the program available, at 2007 funding and participation levels, and may include additional customers in the program to maintain these funding and participation levels. Notwithstanding subsection (c)(8) of this section, an industrial customer may be considered an eligible customer for programs that will be completed no later than December 31, 2008.

Although TNC's portfolio of energy efficiency programs did include a load management standard offer program prior to May 1, 2007, no industrial customers elected to participate in the program. Therefore, there are no such grandfathered programs for industrial customers, since both the funding and participation levels by industrial customers prior to May 1, 2007 were zero.