

TARIFF CONTROL NO. _____

INTERIM TRUE-UP COMPLIANCE	§	PUBLIC UTILITY COMMISSION
FILING FOR AEP TEXAS INC.	§	
CONCERNING RIDER SRC – SYSTEM	§	OF TEXAS
RESTORATION CHARGE FACTORS	§	

AEP TEXAS INC.’S INTERIM TRUE-UP COMPLIANCE FILING

AEP Texas Inc. makes this interim true-up compliance filing concerning Rider SRC – System Restoration Charge Factors in accordance with the interim true-up provisions in the Financing Order issued by the Public Utility Commission of Texas (“Commission”) in Docket No. 49308.¹ In support of this filing, AEP Texas respectfully shows as follows:

I. Background

On March 8, 2019, AEP Texas filed an application for a Financing Order under Subchapter G of Chapter 39 of the Public Utility Regulatory Act (“PURA”) to securitize the distribution-related system restoration costs incurred by AEP Texas due to Hurricane Harvey and other weather-related events in AEP Texas Central Division’s service territory. That proceeding was assigned Docket No. 49308. On June 17, 2019, the Commission issued a Financing Order that authorized the issuance of system restoration bonds for AEP Texas for the securitizable balance and up-front qualified costs associated with such bonds through Rider SRC. In accordance with the Financing Order, AEP Texas Restoration Funding LLC (“Bond Company”) securitized the securitizable balance and other qualified costs on September 18, 2019 by issuing Senior Secured Restoration Bonds (“System Restoration Bonds”), and AEP Texas began billing Rider SRC September 18, 2019. AEP Texas is the Servicer for the Bond Company with respect to the System Restoration Bonds, and in that role, it bills, collects, receives, and adjusts the restoration charges imposed pursuant to AEP Texas Tariff for Retail Delivery Service, Section 6.1.1.4.6.1 - Rider SRC - System Restoration Charge Factors and remits the amounts received to the trustee to repay the System Restoration Bonds. The Financing Order, Schedule SRC and Rider SRC set out the rates

¹ *Application of AEP Texas Inc. for a Financing Order*, Docket No. 49308, Financing Order at Findings of Fact Nos. 83-84, 88-90 and Ordering Paragraph No. 14 (Jun. 17, 2019).

and terms and conditions under which the system restoration charges will be billed and collected with respect to the System Restoration Bonds.

Effective December 31, 2016, AEP Texas Central Company (“TCC”) and AEP Texas North Company (“TNC”) were merged into their parent company, now called AEP Texas. The merger was approved by the Commission in Docket No. 46050 – *Application of AEP Texas Central Company, AEP Texas North Company, and AEP Utilities, Inc. for Approval of Merger*. The Commission ordered AEP Texas to “maintain separate TCC and TNC divisions, which will continue to charge separate rates and riders, and maintain separate tariffs, unless and until such time as the Commission may consider and approve consolidated rates and tariffs.”² Consistent with the Commission’s order, AEP Texas maintained two divisions within AEP Texas: AEP Texas – Central Division (formerly TCC) and AEP Texas – North Division (formerly TNC). In AEP Texas rate case Docket No. 49494,³ the Commission approved the combination of the central and north division rates, with a few exceptions. Schedule SRC is one of those exceptions and continues to apply only to customers in the certificated area previously served by AEP TCC.

II. Authorized Representatives

AEP Texas’ authorized business and legal representatives are:

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George Hoyt
Associate General Counsel
American Electric Power Service Corporation
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Austin, Texas 78701
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AEP Texas requests that all information, pleadings, and other documents in this matter be served on each of the persons above as well as emailed to aepaustintx@aep.com.

² *Application of AEP Texas Central Company, AEP Texas North Company, and AEP Utilities, Inc. for Approval of Merger*, Docket No. 46050, Final Order at Ordering Paragraph No. 2 (Dec. 12, 2016).

³ *Application of AEP Texas Inc. for Authority to Change Rates*, Docket No. 49494, Order (Apr. 3, 2020).

III. Purpose of Filing and Jurisdiction

AEP Texas is filing for an interim true-up of its Rider SRC system restoration charges in accordance with the Financing Order. The Commission has jurisdiction over the interim true-up under PURA §§ 39.303 and 39.307.

IV. Notice

In accordance with Ordering Paragraph No. 14 of the Financing Order, AEP Texas will provide notice of this compliance filing to all the parties to Docket No. 49308 by providing them with a copy of this filing on the same day this filing is made. In addition, AEP Texas will provide notice to the Office of Public Utility Counsel. In accordance with the Commission's Second Order Suspending Rules in Project No. 50664, AEP Texas will provide the notice via email. Proof of service is evidenced by the attached Certificate of Service.

V. Timing of Interim True-Up

Findings of Fact Nos. 83-84 of the Financing Order set forth the interim true-up adjustment procedures. Finding of Fact No. 83 states that in addition to the required annual true-up pursuant to Findings of Fact Nos. 80-82, true-up adjustments may be made by the servicer more frequently at any time during the term of the system restoration bonds to correct any undercollection or overcollection in order to assure timely payment of system restoration bonds based on rating agency and bondholder considerations. Under Finding of Fact No. 84, an interim true-up adjustment must use the methodology utilized in the most recent annual true-up and be filed not less than 15 days before the first billing cycle of the month in which the revised system restoration charges will be in effect.

Ordering Paragraph No. 14 of the Financing Order provides that true-ups of the system restoration charges must be undertaken and conducted as described in Schedule SRC. As in the Findings of Fact described above, Schedule SRC provides that "interim true-up adjustments may be made more frequently by the Servicer at any time during the term of the system restoration bonds to correct any undercollection or overcollection, as provided for in the Financing Order, in order to assure timely payment of the System Restoration Bonds based on rating agency and bondholder considerations." It also provides that "the interim true-up adjustment will be filed no later than 15 days prior to the following month's first billing cycle for implementation."

Under Schedule SRC, the Commission will have 15 days after the date of the true-up filing in which to confirm the accuracy of the Servicer's adjustment. Any necessary corrections to the adjusted SRC Rates, due to mathematical errors in the calculation of such rates or otherwise, will be made in a future true-up adjustment filing.

AEP Texas is proposing that the interim true-up rates become effective May 30, 2025, the first billing cycle of June 2025. Therefore, this interim true-up is timely filed.

VI. Description of the Interim True-Up Adjustment to Rider SRC

AEP Texas expects system restoration charge collections by the date of the next bond payment, August 1, 2025, to be insufficient unless the capital subaccount is drawn upon. Accordingly, the interim true-up is needed to correct the undercollection. The SRC rates calculated in the interim true-up will be effective with the first billing cycle of June 2025 (May 30, 2025) through the last billing cycle for August 2025 (August 27, 2025), at which time the SRC rates will be reset in accordance with the annual true-up.

The interim true-up calculation is the same as the standard true-up calculation prescribed in Financing Order Finding of Fact No. 83 and Schedule SRC and updated with collections data since August 2024 and a revised forecast for all SRC classes. In this filing, three months of billing units and Periodic Billing Requirement (PBR) amounts are included in the factor calculation instead of the twelve months included in the annual filing. The interim true-up is to be calculated in the following manner:

- (a) allocate the upcoming period's PBR based on the PBRs approved in this Financing Order;
- (b) calculate undercollections or overcollections, including without limitation any caused by REP defaults, from the preceding period in each class by subtracting the previous period's system restoration charge revenues collected from each class from the PBR determined for that class for the same period;
- (c) sum the amounts allocated to each customer class in steps (a) and (b) to determine an adjusted PBR for each system restoration charge customer class; and

- (d) divide the amount assigned to each customer class in step (c) above by the appropriate forecasted billing units to determine the system restoration charge rate by class for the upcoming period.

Attachment 1:

Attachment 1 is a summary of the Rider SRC system restoration charge adjustment calculation. An explanation of each column in Attachment 1 is set out below.

Column A shows the PBRAF SRC class allocator approved in Docket No. 49308 Finding of Fact No. 79 and shown in Schedule SRC.

Column B shows the allocation of the PBR of \$7,710,666 for the period of May 30, 2025 through August 27, 2025 to the SRC classes using the PBRAF allocator. This amount corresponds to the actual interest rates and other factors known at issuance on September 18, 2019.

Column C shows the \$122,834 under-collection of SRCs by the payment date of August 1, 2025, which has been assigned to SRC classes based on the responsibility of each class.

Column D shows the Adjusted PBR of \$7,833,500, which is calculated by adding Columns B and C.

Column E shows updated forecasted billing units from June 2025 through August 2025 based on the latest SRC forecast, which was revised in May 2025.

Column F shows the Adjusted SRC Rates calculated by dividing the Adjusted PBR in Column D by the Projected Billing Units in Column E.

Workpapers supporting the calculation of Attachment 1 are included in the filing. Monthly Servicer's Certificates are available on the Company website at:

<https://aep.com/investors/securitizations/TexasRestoration/>

Attachment 2:

Attachment 2 shows the SRC rates compared to the revised SRC rates. Rates for all classes have increased except for the residential class.

Attachment 3:

Attachment 3 is the revised Rider SRC that goes into effect May 30, 2025.

Attachment 4:

Attachment 4 is the affidavit of Mr. Jacob A. Miller supporting this filing.

VII. Conclusion and Prayer

With the exception of the rates, the rider set out in Attachment 3 has been approved by the Commission. AEP Texas requests that the presiding officer approve the interim SRC rates set out in Attachment 3 through a notice of approval, effective May 30, 2025. AEP Texas further requests any other relief to which it has shown itself justly entitled.

Respectfully submitted,

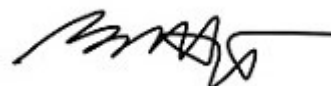


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ATTORNEY FOR AEP TEXAS INC.

Certificate of Service

In accordance with the Commission's Second Order Suspending Rules filed on July 16, 2020 in Project No. 50664, I certify that on May 15, 2025, a true and correct copy of this petition was filed with the Commission through the Interchange on the Commission's website and was provided by email to the Office of Public Utility Counsel and all parties of record in Docket No. 49308.



AEP TEXAS CENTRAL DIVISION
SYSTEM RESTORATION CHARGE - RIDER SRC
Calculation of Rider SRC Rates
Interim True-up per Financing Order of Docket No. 49308

(a)	(b)	(c)	(d)	(e)	(f)	
SRC Customer Class	PBRAf	Periodic Billing Requirement	Prior Period (Over)/Under Recovery	Adjusted PBR	Forecasted Billing Units	Adjusted Rider SRC Charge Rate Billing Units
Residential	52.5194%	4,049,598	(248,430)	3,801,169	3,375,163,307	0.001126 per kWh
Secondary Service ≤ 10 kW	2.9287%	225,819	44,574	270,393	156,887,739	0.001723 per kWh
Secondary Service > 10 kW	31.8567%	2,456,365	305,354	2,761,719	7,922,887	0.348575 per kW
Primary Service	6.0053%	463,050	(55,546)	407,504	2,085,665	0.195383 per kW
Lighting Service	6.6899%	515,835	76,882	592,716	49,186,147	0.012050 per kWh
Total	100.0000%	7,710,666	122,834	7,833,500		

AEP TEXAS CENTRAL DIVISION
SYSTEM RESTORATION CHARGE - RIDER SRC
Rate Comparison

SRC Customer Class	Period 1 Rider SRC Rate	Period 2 Rider SRC Rate	Billing Units	Rate Change	
				per unit	%
Residential	0.001170	0.001126	per kWh	(0.000044)	-3.76%
Secondary Service ≤ 10 kW	0.001259	0.001723	per kWh	0.000464	36.85%
Secondary Service > 10 kW	0.225180	0.348575	per kW	0.123395	54.80%
Primary Service	0.170889	0.195383	per kW	0.024494	14.33%
Lighting Service	0.007482	0.012050	per kWh	0.004568	61.05%

AEP TEXAS

TARIFF FOR ELECTRIC DELIVERY SERVICE

Applicable: Certified Service Area previously served by AEP Texas Central Company

Chapter: 6 Section: 6.1.1

Section Title: Delivery System Charges

Revision: Eighth Effective Date: May 30, 2025

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6.1.1.4.6.1 RIDER SRC – SYSTEM RESTORATION CHARGE FACTORS

AVAILABILITY

This schedule is applicable to billed energy consumption and demands of retail customers taking service from the Company during the term that this schedule is in effect, and to the facilities, premises, and loads of all other retail customers obligated to pay Rider SRC Charges as provided in Schedule SRC, Section 6.1.1.4.6. Terms defined in Schedule SRC that are used herein shall have the same meaning as set forth in Schedule SRC.

RATE CLASSES

For purposes of billing System Restoration Charge Rates (SRC Rates), each retail end-use customer will be designated as a customer belonging to one of five classes as identified by Schedule SRC.

SYSTEM RESTORATION CHARGE RATES

<u>System Restoration Charge Customer Class</u>	<u>SRC Rates</u>	
Residential	\$0.001126 per kWh	R
Secondary Service Less Than or Equal to 10 kW	\$0.001723 per kWh	I
Secondary Service Greater Than 10 kW	\$0.348575 per Distribution Billing kW	I
Primary Service	\$0.195383 per Distribution Billing kW	I
Lighting Service	\$0.012050 per kWh	I

The SRC Rates are multiplied by the kWh or kW, as applicable, read, estimated or determined during the billing month and will be applied to bills rendered on and after the effective date.

SYSTEM RESTORATION CHARGE TRUE-UP

The Restoration Charge Rates shall be determined in accordance with and are subject to the provisions set forth in the Financing Order and Schedule SRC. Not less than 15 days prior to the first billing cycle for the Company's September billing month and no less frequently than annually thereafter, the Company or successor Servicer will file a revision to Rider SRC setting forth the adjusted SRC Rates to be effective for the upcoming period. If made as a result of the annual true-up adjustment in Schedule SRC, the adjusted SRC Rates will become effective on the first billing cycle of the Company's September billing month. In accordance with Schedule SRC, an interim true-up is mandatory semi-annually (or quarterly after the final scheduled payment date of the last tranche of the system restoration bonds) if the Servicer forecasts that system restoration charge

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collections will be insufficient to make all scheduled payments of principal, interest and other amounts in respect of the System Restoration Bonds on a timely basis during the current or next succeeding payment period and/or or to replenish any draws upon the capital subaccount. Optional interim true-ups may also be made at any time as described in Schedule SRC. If an interim true-up adjustment is made pursuant to Schedule SRC, the Adjusted SRC Rates will be become effective on the first billing cycle of the Company's billing month that is not less than 15 days following the making of the interim true-up adjustment filing. In the event that the forecasted billing units for one or more of the System Restoration Charge customer classes for an upcoming period decreases by more than 10% of the threshold billing units set forth in the Financing Order, the Servicer shall make a true-up filing at least 90 days prior to the first billing cycle for the Company's September billing month.

NOTICE

This rate schedule is subject to the Company's Tariff and Applicable Legal Authorities.

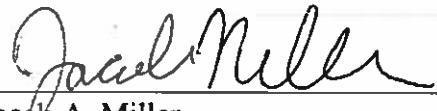
AFFIDAVIT OF JACOB A. MILLER

STATE OF OKLAHOMA §
 §
COUNTY OF TULSA §

BEFORE ME, the undersigned notary public, on this day personally appeared Jacob A. Miller, who first being duly sworn, upon this oath said:


1. My name is Jacob A. Miller. I am over the age of 21, a resident of Oklahoma, and of sound mind and competent to testify to the matters stated herein. I am a Regulatory Consultant for American Electric Power Service Corporation, authorized to represent AEP Texas Inc.
2. I have reviewed the Interim True-Up Compliance Filing of AEP Texas Inc. concerning Rider SRC – System Restoration Charge Factors and the statements and information therein are true and accurate to the best of my knowledge and belief, and I hereby adopt them as my own.

The foregoing statements are true and correct. This concludes my affidavit.



Jacob A. Miller

SUBSCRIBED AND SWORN BEFORE ME by the said Jacob A. Miller this 13th day of May 2025.



Notary Public in and for the State of
Oklahoma

