

Competitive Retailer Relations

2009 Workshop

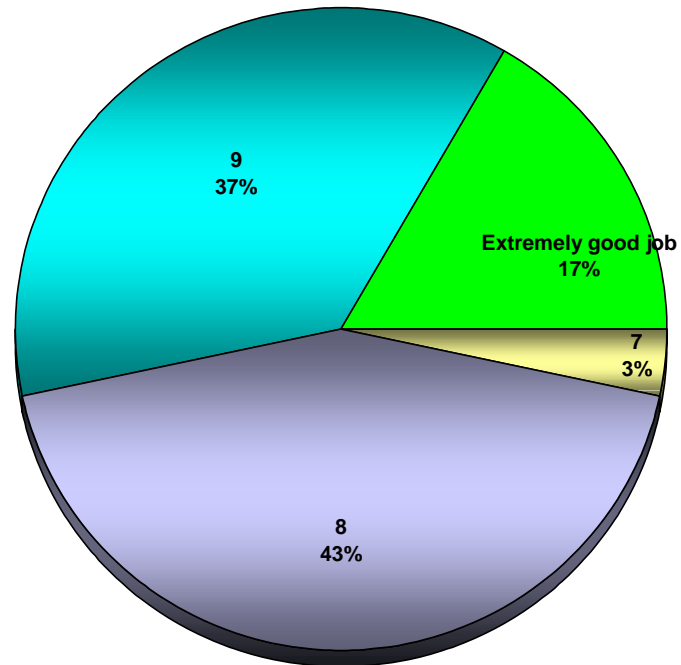
Portland, Texas
December 2009

Survey Results

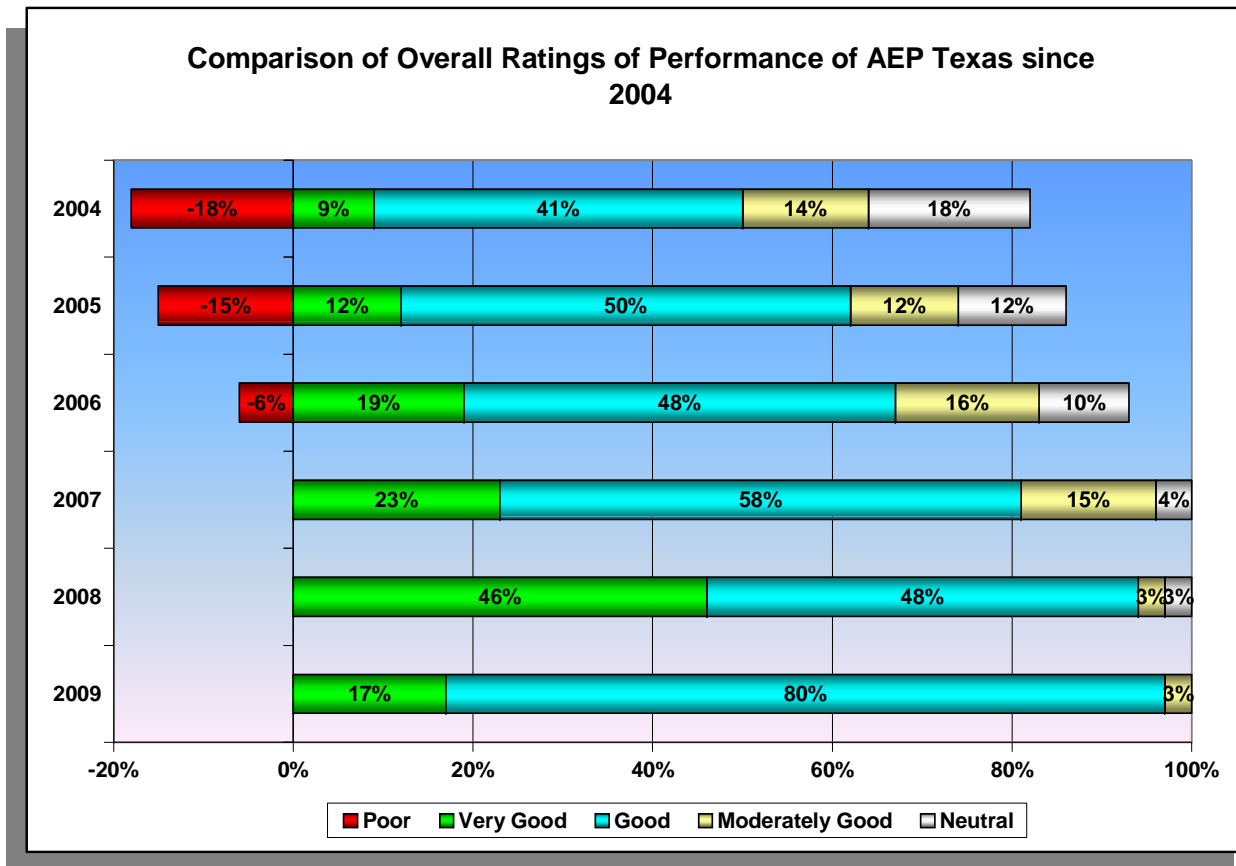
- Purpose of survey was to ascertain the level of service provided by AEP Texas
- 36 CRs Surveyed
 - Represent 88% of all ESI
 - 86% Participation
- Survey used a scale from 0 to 10
 - 0 - Extremely Poor
 - 10 - Extremely Good

Survey Results

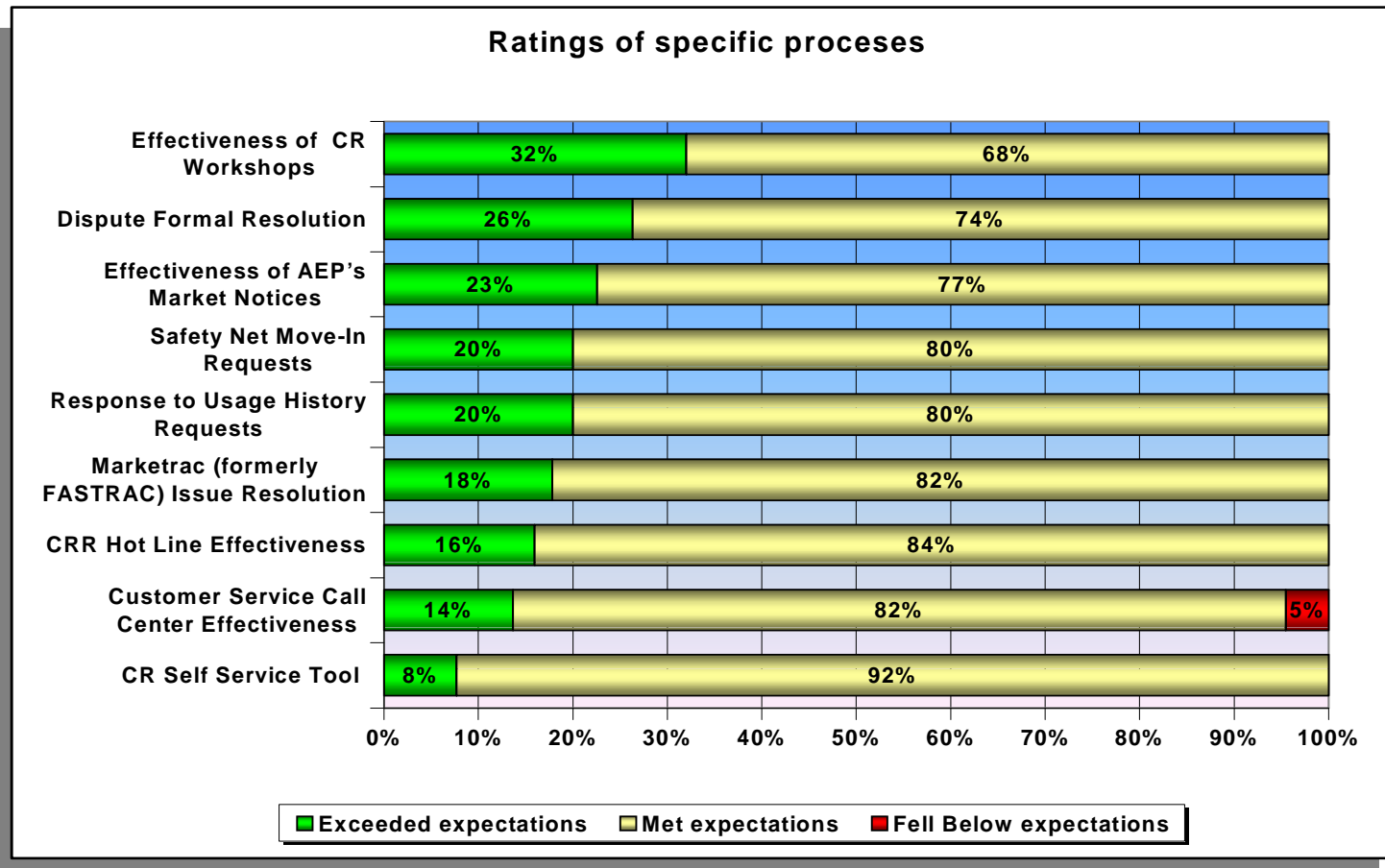
Overall, how would you rate the general performance of AEP in the past year on a scale of 0 to 10 with 0 standing for an extremely poor job, 5 for neutral, and 10 for an extremely good job?



Survey Results



Survey Results



Field Performance

| TARIFF REQUIREMENT TYPE | % On Time |
|---|-----------|
| Reconnect after DNP Target: 98% on requested completion date | 99.10% |
| DNP Disconnect Target: 96% in 3 BD | 98.00% |
| Move In (Non Construction) Target: 98% on requested completion date | 99.36% |
| Move-Outs Target: 96% on requested complete date | 98.30% |
| Self Selected Switches Target: 98% in 2 BDs | 100.00% |
| Meter Tests Target: 98% in 10 BDs | 100.00% |
| Meter Re-reads Target: 96% in 5 BDs | 98.01% |
| PUC Complaints Target: 95% in 3 BDs | 100.00% |
| Meter Read Estimates Target: 99% actual reads | 99.50% |

AMI Regulatory Update

Richard Byrne
Manager of Rates – TCC/TNC

AMI Regulatory Update

- AMI/AMS Deployment (Docket No. 36928)
- SIA Refunds (Docket No. 36924)

AMS/AMI

- AEP Texas applied unsuccessfully for Stimulus Funds to assist in the cost of deployment.
- SIA refund was used to off-set cost of deployment for metered, non-IDR customers (\$ 29.7 million).
- Deployment plan set surcharge for 11 years beginning with January 2010 bills.

AMI Surcharges

Surcharges will be passed to the REPS using the 810_ with a SAC 04 Code of:

MSC039 – Advanced Metering Cost Recovery Factor

AMI Surcharge - TCC

| RATE CLASSES | BILLING PERIODS | | |
|--|---------------------------------|---------------------------------|---------------------------------|
| | January 2010 - December 2011 | January 2012 - December 2013 | January 2014 - December 2020 |
| Residential Service | \$3.15 | \$2.89 | \$2.26 |
| Secondary Service Less Than or Equal to 10 kW | \$4.17 | \$4.17 | \$4.17 |
| Secondary Service Greater Than 10 kW Non-IDR | \$2.05 | \$2.05 | \$2.05 |
| Primary Service Non-IDR | (\$7.07) | (\$7.07) | (\$7.07) |

AMI Surcharge - TNC

| RATE CLASSES | BILLING PERIODS | | |
|--|---------------------------------|---------------------------------|---------------------------------|
| | January 2010 - December 2011 | January 2012 - December 2013 | January 2014 - December 2020 |
| Residential Service | \$3.15 | \$2.77 | \$2.35 |
| Secondary Service Less Than or Equal to 10 kW | \$4.40 | \$4.40 | \$4.40 |
| Secondary Service Greater Than 10 kW Non-IDR | \$1.46 | \$1.46 | \$1.46 |
| Primary Service Non-IDR | \$0.22 | \$0.22 | \$0.22 |

SIA Refund

After the off-set to cost of AMI deployment which benefits all customer classes except IDR metered accounts and un-metered accounts, \$16 million is being refunded to non-AMI customers (IDR and un-metered customers).

SIA Refund

- \$8.8 million in refunds to Transmission Voltage Service IDR Customers will be made in the January 2010 billing month.
- All other refunds will be made over 2 months with the January and February bills (\$7.6 million).

SIA Refund

All IDR and un-metered customers, except TCC's Transmission Voltage Service IDR Customers, will receive refunds via billing credit(s) on the 810_ using SAC code **CRE020**.

SIA Refund

TCC's Transmission Voltage Service IDR Customers, **that consumed power during the historical refund period**, will receive refund via electronic funds transfer per REP's wiring instructions.

SIA Refund

TCC's Transmission Voltage Service IDR Customers will receive refunds based on historical usage from July 2000 through December 2001 (same customers that received a CTC fuel refund).

SIA Refund

TNC's Transmission Voltage Service IDR customers will receive a refund based on a factor applied to the current kWh consumption.

SIA Refund

TNC's Primary Voltage Service IDR Customers will receive refund over 2 months based on usage from January through July 2009.

SIA Refund – TCC/TNC

All REPs that received SIA refund credits on behalf of their consumers are required to file an affidavit with the PUCT, within 45 days of completion of the refunds, indicating that the credits were passed on to the consumers.

SIA Refund

Once all refunds have been made to the customer's REPs, the AEP Companies are required to file a list with the PUCT that identifies all of the REPs that received refund credits for their customers.

AMI Regulatory Update

Questions?????

AMI at AEP Texas

Jeff Stracener
AMI Manager



AMI at AEP Texas

- Project Scope
- AMI Technology
- Deployment Schedule
- Provisioning of Meters
- Order Processing
- Market Notification
- Customer Education
- Low-income Energy Monitor Program

Project Scope

- AMI Communications Network(s)
- Approximately 1 million Smart Meters
- Remote Connect and Disconnect
- Support Home Area Network (HAN)
- Smart Meter Texas Portal (SMT)

Project Scope

Location

- AEP Texas – TCC and TNC

Funding

- \$270 million in Capital
- \$38 million in net O&M (\$160 incremental cost and \$122 savings)

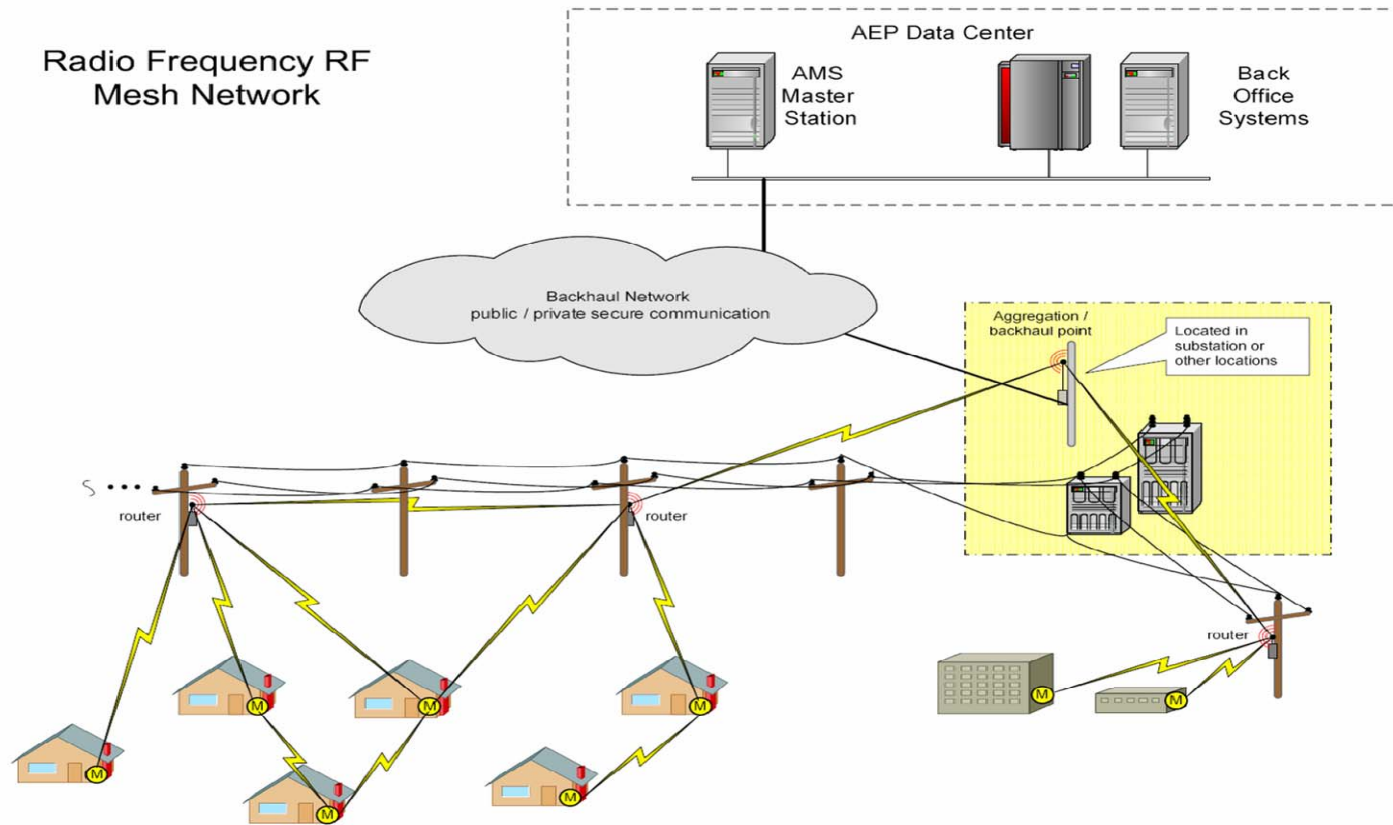
Time Frame

- 48 month deployment beginning in November, 2009

AMI Technology

- Gridstream RF Mesh from Landis+Gyr
 - Radio Frequency Mesh Network
 - 900 MHz system
 - Meters communicate with their neighbors
 - Router supports up to 14,000 meters
 - Collector gathers data from the mesh and sends it up stream to the head end system
 - Same technology used by Oncor

AMI Technology



AMI Technology - Meter



AMI Technology - Router



AMI Technology - Collector



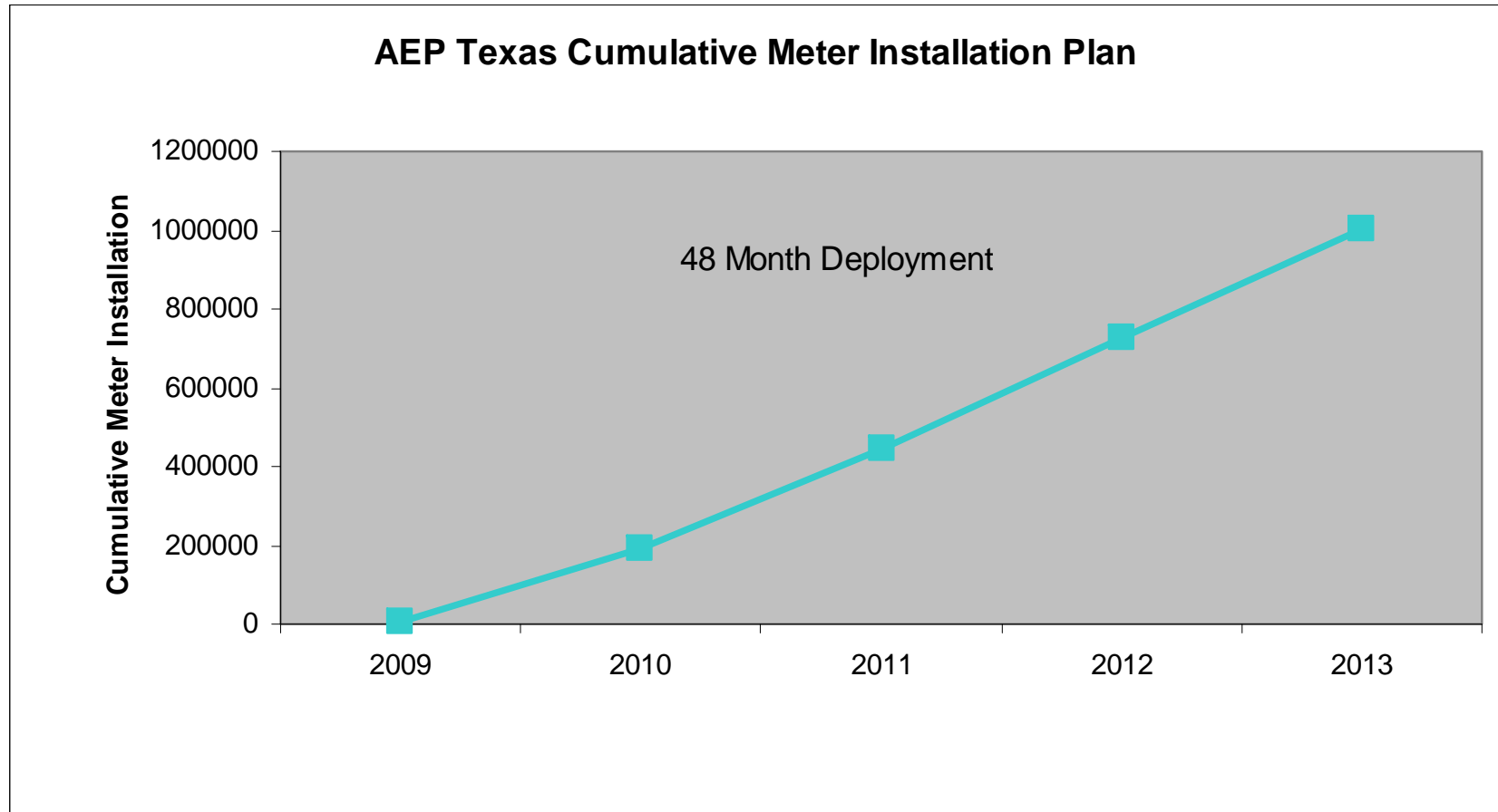
Deployment Schedule (TCC)

- 2009 – Portland (~4800 meters)
- 2010 – Corpus Christi
- 2011 – Alice, Aransas Pass, Brownsville, Carrizo Springs, Del Rio, Eagle Pass, Kingsville, Port Isabel, Port Lavaca, Sinton, Uvalde, Victoria
- 2012 – Edinburg, Harlingen, McAllen, Pharr, Rio Grande City, Weslaco
- 2013 – Bay City, Beeville, Edna, El Campo, Falfurrias, Freer, Hebbronville, Kenedy, Laredo, Mission, Pearsall, Pleasanton, Refugio, Rocksprings, Zapata

Deployment Schedule (TNC)

- 2010 – Abilene
- 2011 – San Angelo
- 2012 – Ballinger, Childress, Clyde, Cross Plains, Hamlin, Munday, Quitiqua, Stamford, Vernon
- 2013 – Marfa, McCamey, Sonora

Deployment Schedule



Provisioning of Meters

- A provisioned meter is one whose data is available to the market
- Portland meters will not be provisioned until next Spring
- Typical sequence
 - Meter installed
 - Read manually first billing cycle after install
 - Load profile changed
 - Data made available to the market

Order Processing

- Beginning next Spring AEP will automate the routing of service orders between the AMI and field personnel.
- Orders for locations with a provisioned meter that have a service switch will be worked more expeditiously.
- Reconnects for pre-pay customers will be worked within one hour of receipt.

Market Notification - REPs

- Notice of surcharge implementation (done)
- Workshop (today)
- Monthly status reports via CR self-service tool
- Quarterly reports on customer education efforts

Market Notification

- Monthly reports include:
 - List of ESIDs with advanced meters
 - Meter failure and repair rates and associated costs
 - Prepaid service support
 - Status of security audit – Web Portal
 - Status of security audit – AMI system
 - Low-income in-home monitors program

Market Notification - Consumers

- Pre-deployment door hangers
- Newspaper notices
- Failure to install door hangers
- Installation completed door hangers

Customer Education

- Mobile Education Display targeting communities prior to AMI installation
- Trade Shows/Home & Garden Shows
- Advertisements and Promotions
 - PUCT staff will develop boilerplate language
 - Drive the consumer to the REPs and websites

Low-income Energy Monitor Program

- \$1 million through AMI surcharge to provide in-home energy monitors
- An additional \$1 million through EECRF
- Work with other TDSPs and the market to develop the program
- IHDs are still being developed

Regulatory Update

- Tampering Rule Making (Project 37291)
- Critical Care Customer (Project 37622)
- Expedited Switch
- AMS Disconnect/Reconnect

NorthShore CC



NorthShore CC



NorthShore CC



Substantive Rule 25.474

Understanding AEP's Switch Logic

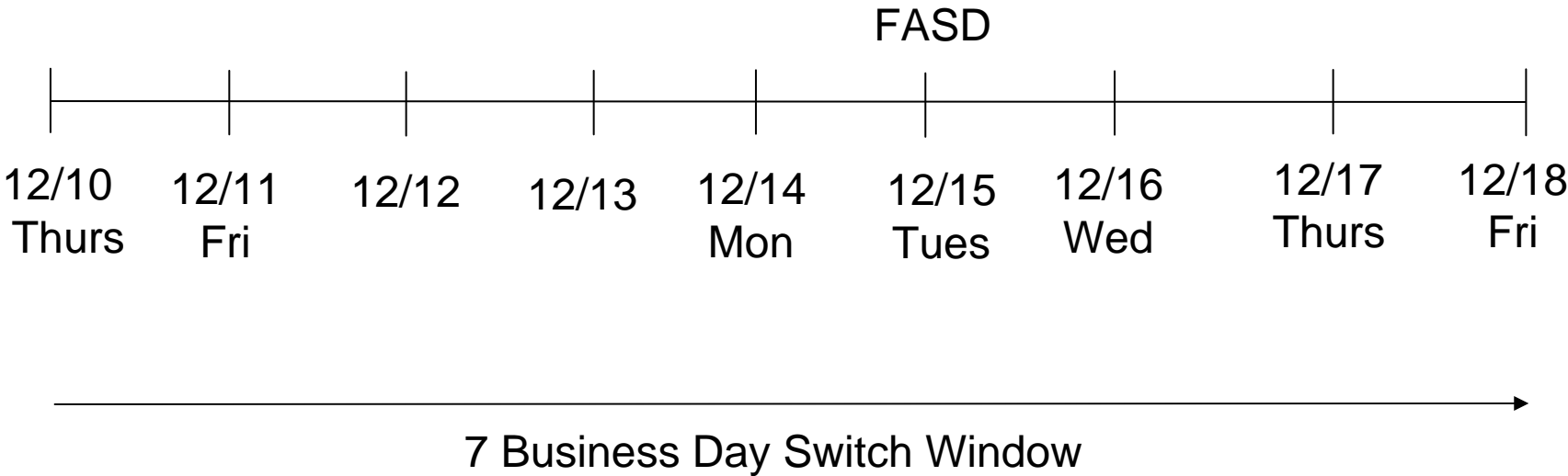
Types of Switches

- Self Selected Switch - Meter Read if a specific date is needed.
- Standard Switch - Meter Read if the Switch can occur within the next 7 business days.

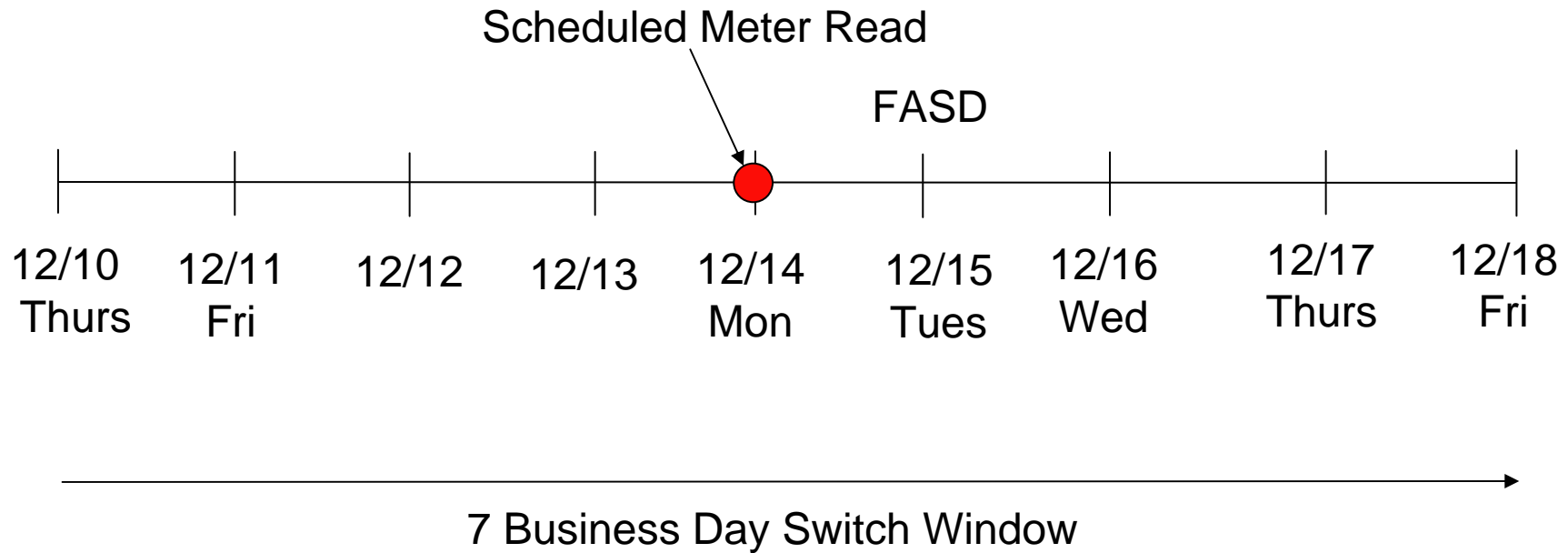
Use of Actual Read

- Three business days prior to the First Available Switch Date (FASD)
- Four business days beginning with the FASD
- +/- 3 days of the FASD

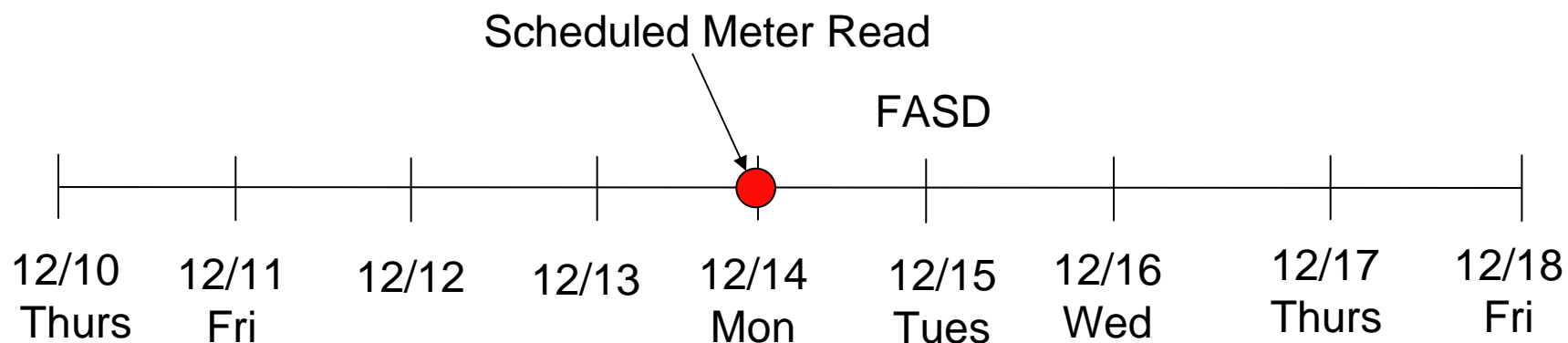
Standard Switch Timeline



Standard Switch Timeline



Standard Switch Timeline

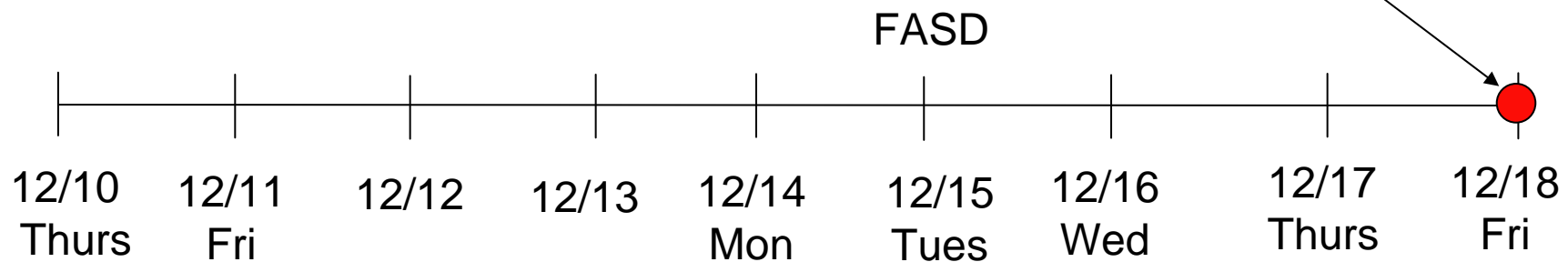


814_05 – Will reflect 12/14 confirm date

867_04 – Will reflect actual date the meter is read

Standard Switch Timeline

No scheduled meter read then plan to complete switch on the seventh business day.



814_05 – Will reflect 12/18 confirm date

867_04 – Will reflect 12/18 or another date prior to 12/18 if we read the meter earlier in the seven business day window.

Discussion

