

# *Competitive Retailer Workshop*

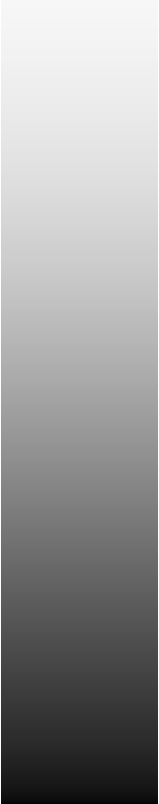
*December 13, 2012*



# Safety

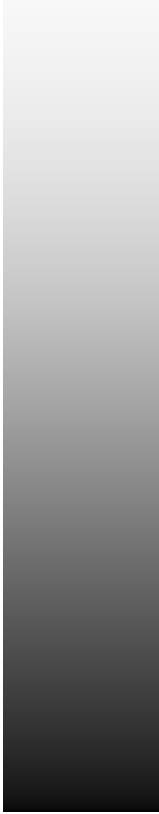
## Driving Hazards

December 13, 2012  
Corpus Christi, TX









# Corpus Christi



# Corpus Christi Distraction

AEP







# **AEP CRR Survey**

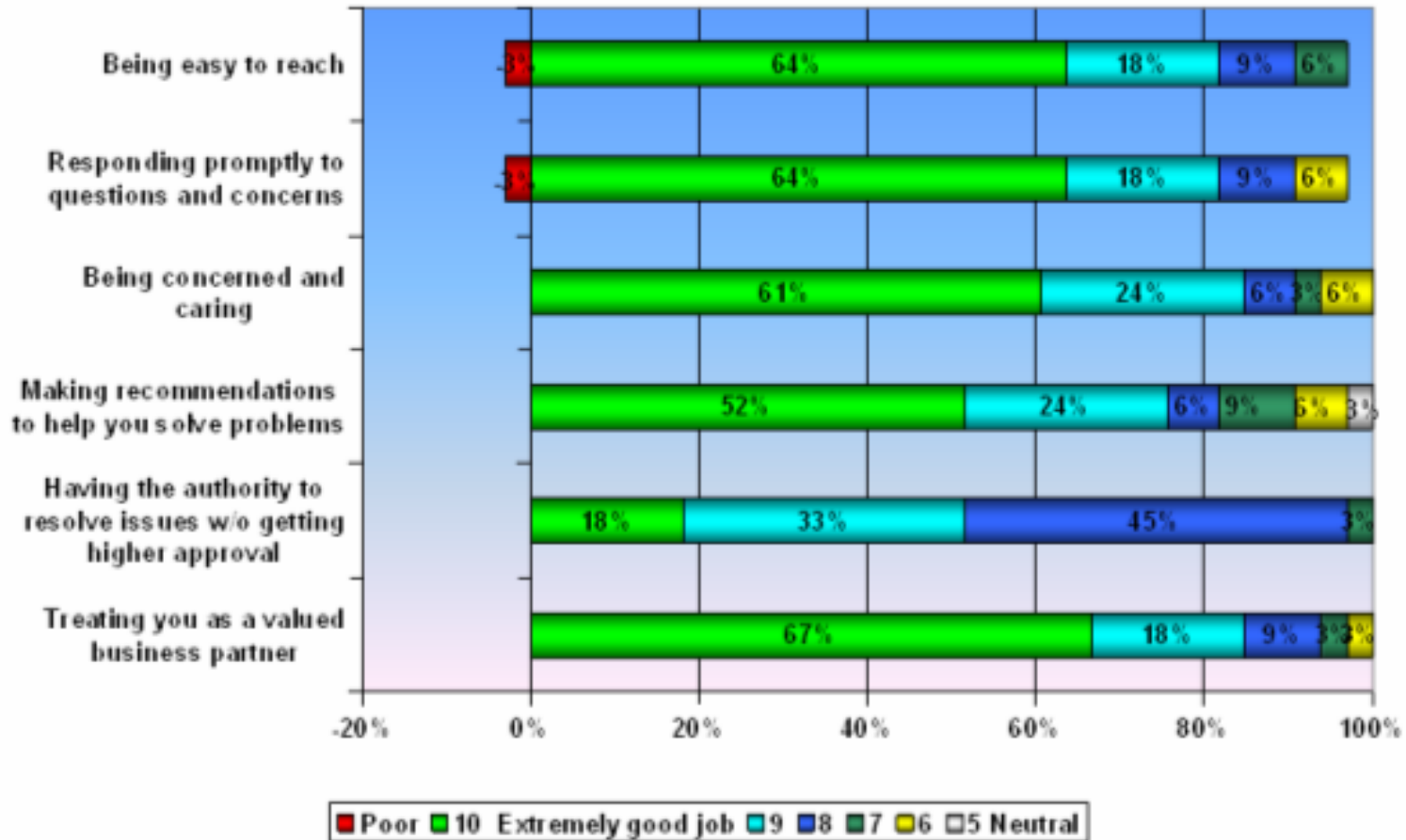
**Matt Gerick**

**CRR Manager**

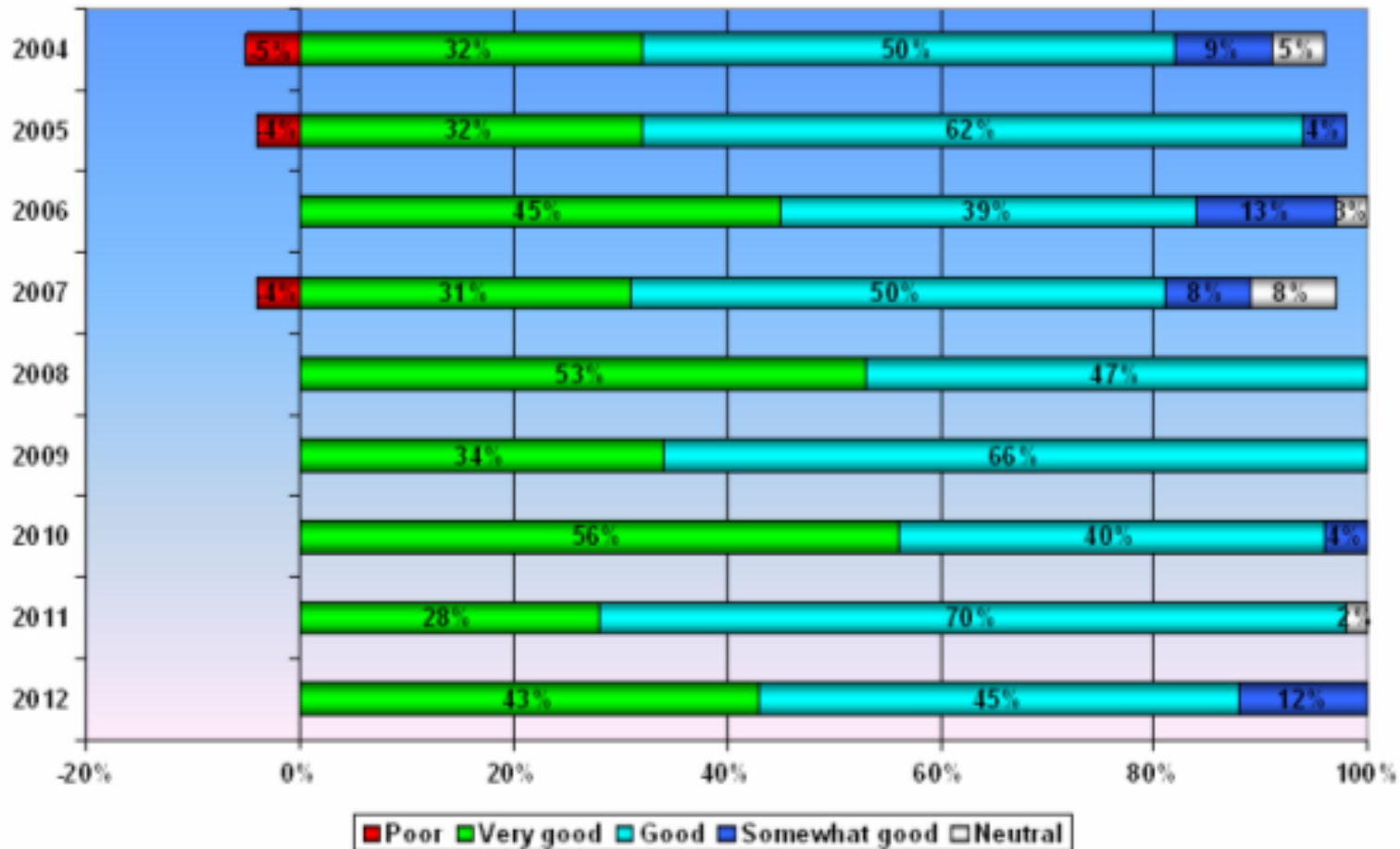
**December 13, 2012**

**Corpus Christi, TX**

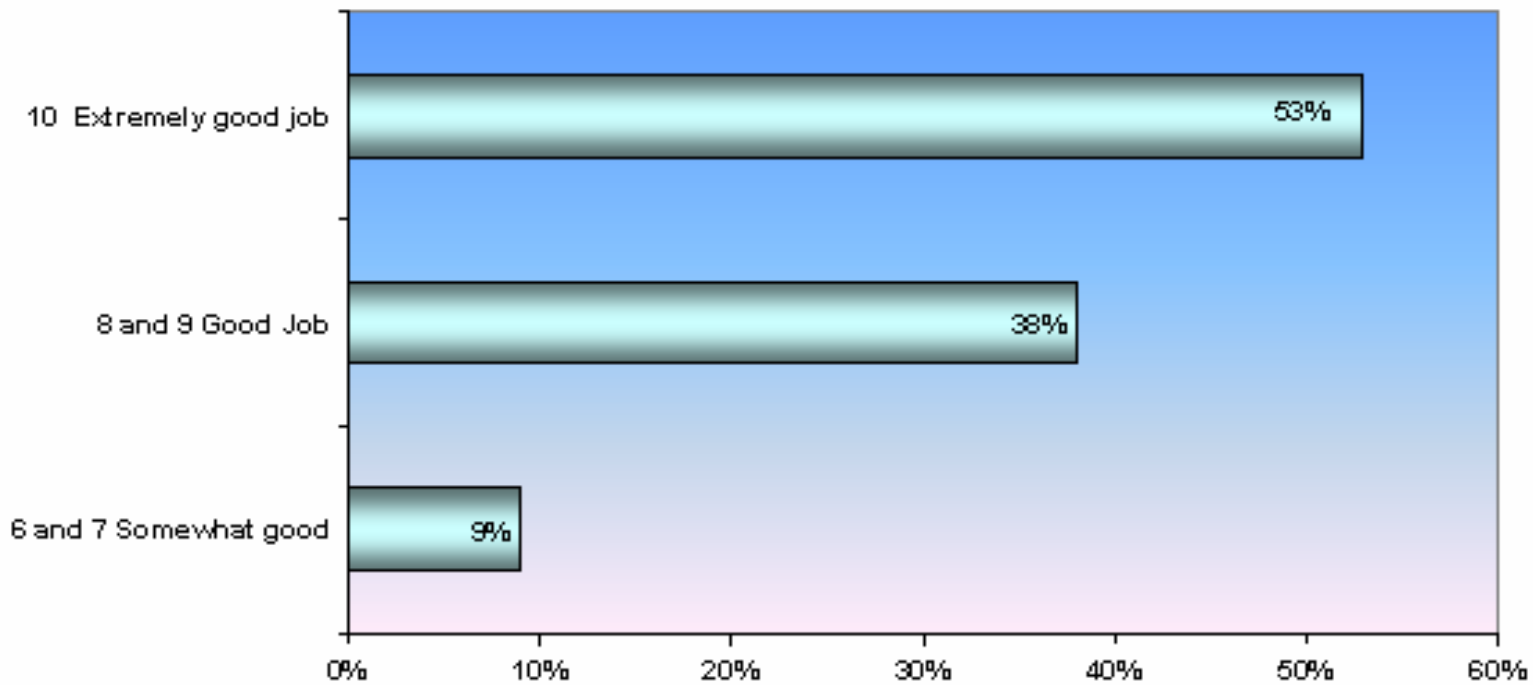
Ratings of account managers on a scale of 0-10 where 1-4 stands for poor, 5 for neutral and 10 for extremely good



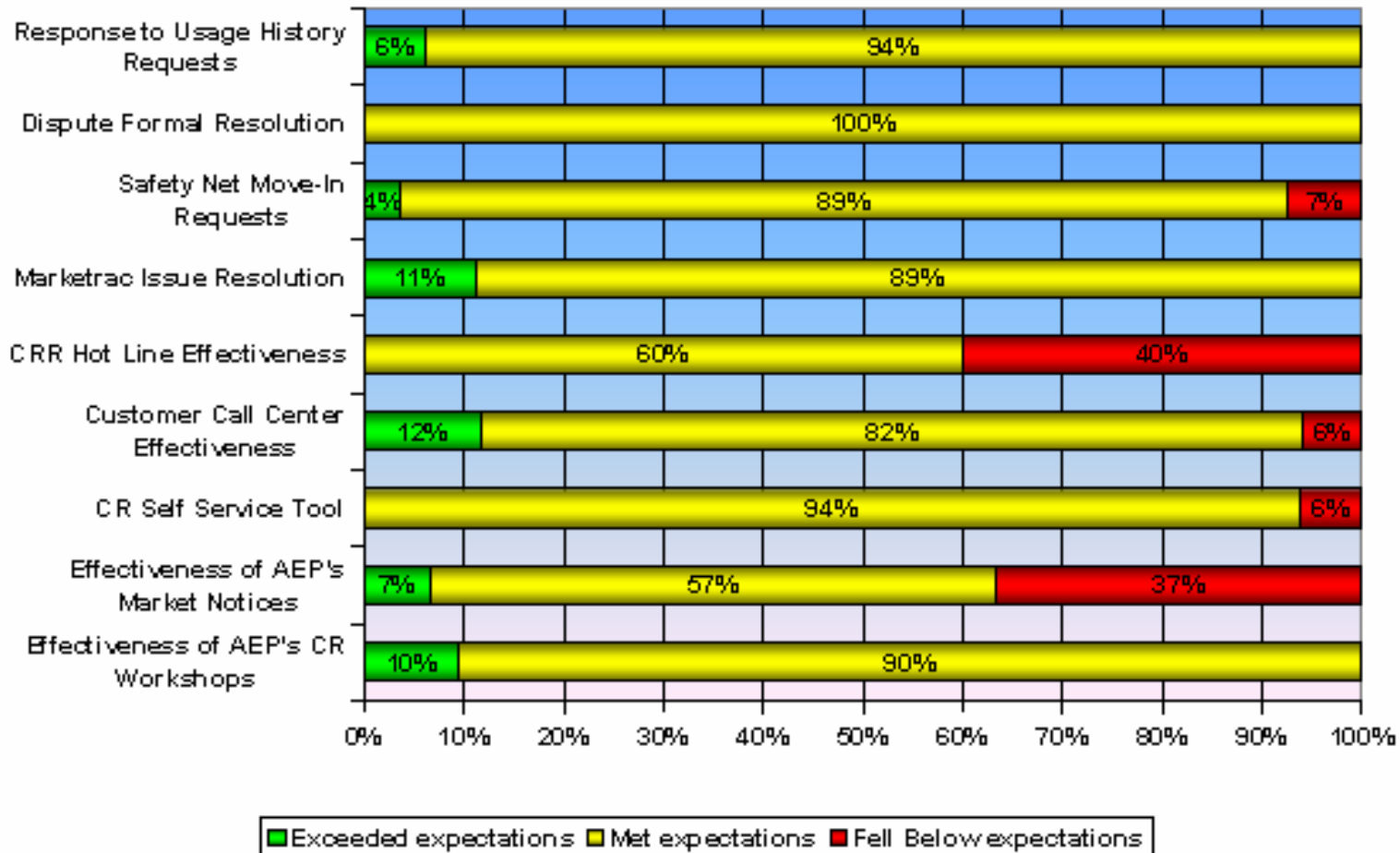
Comparison of overall ratings of account managers since 2004



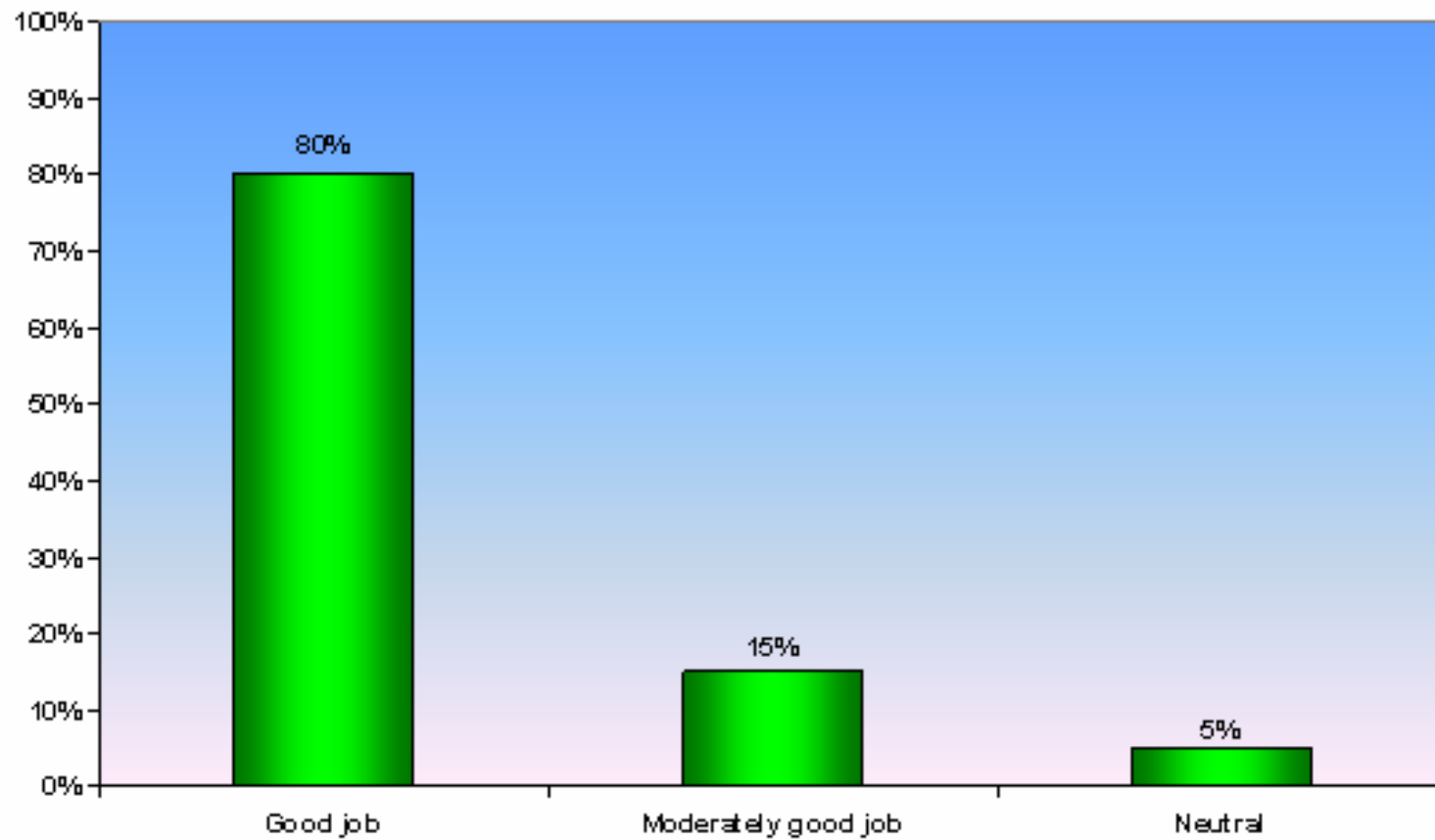
Overall, on a scale of 0-10 where 10 stands for extremely good, 0 for extremely poor and 5 for neutral how would you rate the general performance of your account manager



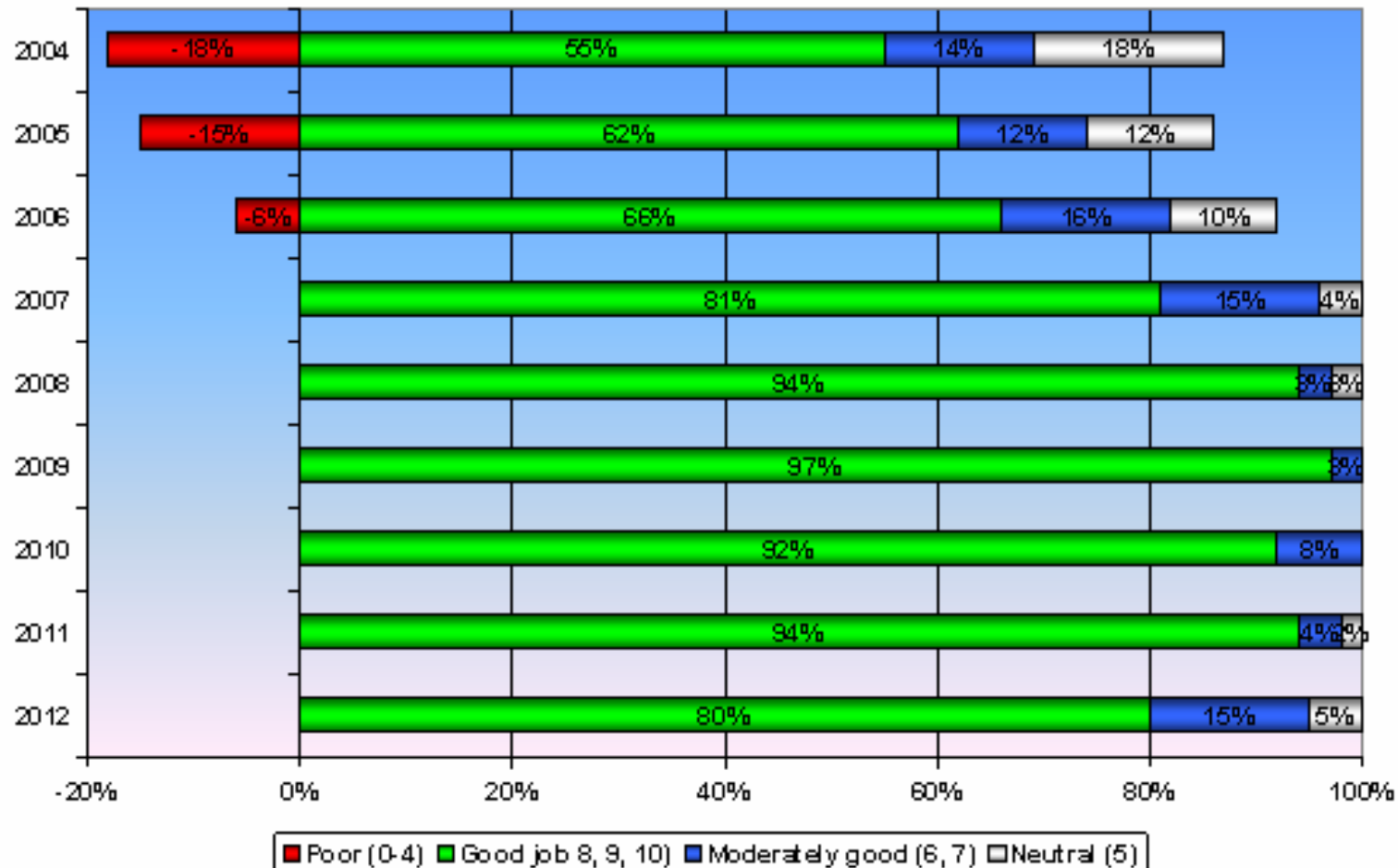
### 2012 Ratings of specific processes



Overall, how would you rate the performance of AEP Texas in the past year?



### Comparison of Overall Performance Ratings since 2004



# Our Focus for 2013

- CRR Hotline
- AMI Service Order Processing
- SMTP File Delivery
- Market Notices



# *Competitive Retailer Workshop*

*December 13, 2012*





# **AEP Texas' AMI Initiative**

**Jeff Stracener**  
**Texas AMI Manager**

**December 13, 2012**  
**Corpus Christi, TX**

# AMI at AEP Texas

- \$300 million project
- AEP Texas wide (TCC and TNC)
- Approximately 1 million Smart Meters
- Deployed over 4 years
- Remote Connect and Disconnect
- Support Home Area Network (HAN)
- Smart Meter Texas Portal (SMT)

# Project Status

- 700,000 AMI meters installed (70%)
- 8,000 large commercial and industrial meters (35%)
- 200+ HAN devices provisioned
- 99% read attainment

# Deployment Schedule (2012 & 2013)

## TCC

- 2012 – Harlingen, Weslaco, Edinburg, McAllen, Pharr, Rio Grande City
- 2013 – Mission, Laredo, Freer, Hebbronville, Zapata, Falfurrias, Pearsall, Pleasanton, Rocksprings, Bay City, Edna, El Campo, Beeville, Refugio, Kenedy

## TNC

- 2012 – Ballinger, Cross Plains, Hamlin, Stamford, Munday, Childress, Vernon, Quitiqua
- 2013 – Sonora, McCamey, Marfa

# Automated Service Orders



AMI Orders	Jan	Feb	Mar	April	May	June	July	*Aug	*Sept	*Oct	*Nov
Close Orders	8,394	9,620	9,263	9,581	11,443	12,599	13,319	4,453	5,239	6,439	5,465
DN Orders	7,146	9,691	9,957	11,828	11,368	9,315	16,978	10,417	16,992	21,777	13,098
IO Orders	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Open Orders	3,381	3,996	4,046	3,856	4,628	5,191	5,739	11,776	12,555	14,653	12,545
Reconnect Orders	6,845	8,192	8,612	10,120	9,950	7,739	13,727	9,135	14,079	18,329	11,016
L&G Auto Complete Commands	25,766	31,499	31,878	35,385	37,389	34,844	49,763	35,781	48,865	61,198	42,124
AMI Orders Completed in Field Comm	2,591	1,229	1068	1160	853	683	767	11,713	1,052	1225	1068
AMI Ordes Completed by Field Employees	508	614	612	615	637	449	720	1,813	787	892	662
Total Monthly Completed Orders	28,865	33,342	33,558	37,160	38,879	35,976	51,250	49,307	50,704	63,315	43,854
AMI Connect and Disconnect Completed	28,357	32,728	32,946	36,545	38,242	35,527	50,530	47,494	49,917	62,423	43,192
Percentage of AMI Orders Sent to Field	1.76%	1.84%	1.82%	1.66%	1.64%	1.25%	1.40%	3.68%	1.55%	1.41%	1.51%
Percentage AMI Orders Completed by Field Comm	9.0%	3.7%	3.2%	3.1%	2.2%	1.9%	1.5%	23.8%	2.1%	1.9%	2.4%
True System Failed Percentage	10.7%	5.5%	5.0%	4.8%	3.8%	3.1%	2.9%	27.4%	3.6%	3.3%	3.9%
True System AMI Auto Complete Percentage	89.3%	94.5%	95.0%	95.2%	96.2%	96.9%	97.1%	72.6%	96.4%	96.7%	96.1%

# Market Interval Data File Delivery

## Problems impacting delivery of files

- Reconciliation Tool encountered performance issues.
- Database issues throughout the year had negative impact.
- Head-end system upgrade in August
- MDM hardware upgrade in October

## Efforts to improve

- AMS Governance Established
- Internal and External AMS Issue Notification Improvements
- Upgraded database - 3<sup>rd</sup> Qtr 2012
- Implemented Batch Job Scheduler – 4<sup>th</sup> Qtr 2012
- Implemented 1<sup>st</sup> Phase of System Watchman Console – 4<sup>th</sup> Qtr 2012

# Market Interval Data File Delivery

## Future Enhancements

- Address issues around IAGs
- Stabilization of Integrations
- MDM Performance Assessment
- Additional Phases of System Watchman Console
- E2E Test Environment

## Issue Resolution

- Utilization of MarkeTrak
- Escalated Issue – Account Manager



# Market Interval Data File Delivery

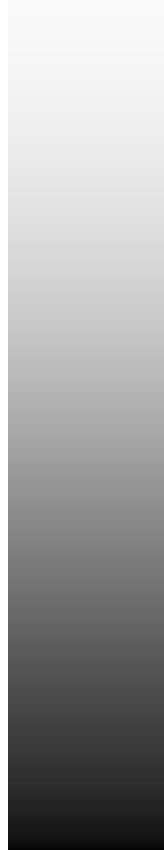
## Future Enhancements

- Address issues around IAGs
- Stabilization of Integrations
- MDM Performance Assessment
- Additional Phases of System Watchman Console
- E2E Test Environment

## Issue Resolution

- Utilization of MarkeTrak
- Escalated Issue – Account Manager

# AMI Opt-Out???



**Questions?**



# *Competitive Retailer Workshop*

*December 13, 2012*



# Regulatory Update

**David Hawk**  
Rates Manager

# Demand Based Rates

## 6.1.1.1.3 SECONDARY VOLTAGE SERVICE GREATER THAN 10 KW AVAILABILITY

This schedule is applicable to Delivery Service for **non-residential** purposes at **secondary voltage** with demand greater than 10 kW when such Delivery Service is provided to one Point of Delivery.

### TYPE OF SERVICE

Delivery Service for secondary voltage. Delivery Service for secondary voltage provided for this type of Demand Service will be provided at an additional charge. Delivery Service not available at the Point of Delivery may be required prior to Delivery. See section 6.1.2 of this Tariff.



**Commercial**

### MONTHLY RATES

I. Transmission and

# TDSP Charges

Demand based rates are charged based on the kW demand and contain a ratchet provision.

Billing demand is the higher of the current month's demand or 80% of the highest demand of the prior 11 months.

# Why bill on kW Demand?

AEP must size the electric distribution equipment that serves a customer based on the peak load of the customer. Peak load is the highest average kW demand over a 15 minute period.

Peak load dictates the electric distribution system investment needed to serve the customer.





# Why have a demand ratchet?

The “ratchet” is a rate design tool that offers maximum flexibility in smoothing the customer’s payment obligation out over a full year.

Customers that do not use the distribution system as efficiently as possible, bear the cost of the equipment and not other customers.

# Demand Rate with No Demand Ratchet

## Customer A

- 1-100 hp motor with a peak demand of 75 kW
- Customer runs motor several hours every month.
- $75 \text{ kW} \times 12 = 900 \text{ kW}$  billed annually
- Annual Cost to Serve = \$3000
- Cost per kW -  $\$3000/900 = \$3.33$

## Customer B

- 1-100 hp motor with a peak demand of 75 kW
- Customer runs motor several hours in three months.
- $75 \text{ kW} \times 3 = 225 \text{ kW}$  billed annually
- Annual Cost to Serve = \$3000
- Cost per kW -  $\$3000/225 = \$13.33$

# Demand rate with a Demand Ratchet

## Customer A

- 1-100 hp motor with a peak demand of 75 kW
- Customer runs motor several hours every month.
- $75 \text{ kW} \times 12 = 900 \text{ kW}$  billed annually
- Annual Cost to Serve = \$3000
- Cost per kW -  $\$3000/900 = \$3.33$

## Customer B

- 1-100 hp motor with a peak demand of 75 kW
- Customer runs motor several hours in three months.
- $75 \text{ kW} \times 3 = 225 \text{ kW}$  billed for 3 months plus 80% Demand Ratchet for 9 months.
- $60 \text{ kW} \times 9 = 540 \text{ kW}$  billed for 9 months. 765 kW billed annually.
- Annual Cost to Serve = \$3000
- Cost per kW -  $\$3000/765 = \$3.92$

# § 25.244 - Billing Demand for Certain Utility Customers

- (a) **Application.** This section applies to a transmission and distribution utility (TDU) that provides retail distribution service.
- (b) **Definitions.** The following terms, when used in this section, have the following meanings, unless the context indicates otherwise.
  - (1) **Demand ratchet** -- A provision in a TDU's tariff for retail distribution service that allows a customer to be billed based on the greater of the peak demand by that customer in the current month or some fixed percentage of the peak demand for that customer during previous months.
  - (2) **Nonresidential secondary voltage service customer** -- A nonresidential customer that is billed demand charges for retail distribution service and that receives retail distribution service at secondary voltage through one point of delivery and that is measured using one meter.
- (c) **Rates.** In a proceeding in which base rates are set for nonresidential secondary voltage service customers, the base rates set for nonresidential secondary voltage service customers shall provide that these customers shall be billed on a kilowatt-hour (kWh), kilowatt (kW), or kilovolt-amperes (kVA) basis, and that if a demand ratchet is utilized, the demand ratchet shall not apply to a nonresidential secondary voltage service customer that has an annual load factor less than or equal to 25 percent. This subsection does not require the use of demand ratchets for any customers. This subsection shall not be applied in a manner that would shift costs to other customer classes.
- (d) **Annual Verification.** Upon the implementation of base rates consistent with subsection (c) of this section, a TDU shall determine annually for each of its nonresidential secondary service customers whether to apply a demand ratchet. In addition, by January 15 of each year following the commission's final order in a proceeding described by subsection (c) of this section, a TDU shall file an affidavit certifying that it has accurately identified and billed nonresidential secondary service customers who under subsection (c) of this section cannot be charged a demand ratchet. In addition, the TDU shall attach to the affidavit a thorough description of the procedures that it uses to ensure that these customers are accurately identified and billed.

# What is Load Factor?

Load factor is an expression of how much energy was used over a time period, versus how much energy could have been used relative to the peak demand.

Load factor is a measure of the utilization rate, or efficiency of electrical energy usage. It is the ratio of total energy (KWh) used in the billing period divided by the possible total energy used within the period.

To calculate the annual load factor, you take the total electricity (KWh) used in the period and divide it by the peak demand (KW) times the number of days in the period (year) times 24 hours. The result is a ratio between zero and one.

# How is Load Factor calculated?

$$\frac{\text{Annual kWh}}{\text{Max NCP kW} \times \text{Total Days} \times 24}$$

## Annual Load Factor Calculation

	days	kWh	kW
11/15	29	1488	10.1
10/17	31	1656	10.8
9/16	30	1948	11.3
8/17	29	2490	11.8
7/19	33	2661	12.1
6/16	30	2178	12.4
5/17	32	1754	10.9
4/15	29	1066	8.1
3/17	29	693	6.9
2/16	29	1481	10.1
1/18	33	994	7.8
12/16	34	678	6.8
	<b>368</b>	<b>19087</b>	

$$\frac{\text{Annual kWh}}{\text{Max kW} \times \text{Annual days} \times 24}$$

$$19087 / (12.4 * 368 * 24)$$

$$= 17.4\%$$

## Annual Load Factor Calculation

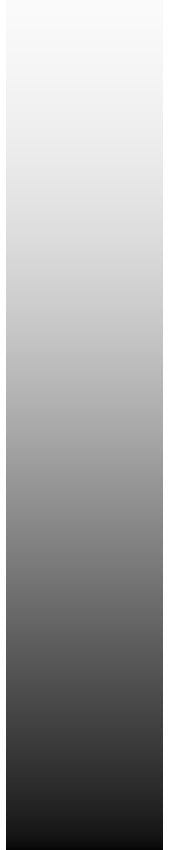
	days	kWh	kW
11/15	29	30597	63.0
10/17	31	30666	64.0
9/16	30	36332	65.7
8/17	29	33173	70.2
7/19	33	36975	68.2
6/16	30	35001	69.8
5/17	32	30023	69.0
4/15	29	33506	66.4
3/17	29	26396	68.2
2/16	29	23372	66.4
1/18	33	31975	67.8
12/16	34	34929	74.3
	<b>368</b>	<b>382945</b>	

$$\frac{\text{Annual kWh}}{\text{Max kW} \times \text{Annual days} \times 24}$$

$$382945 / (74.3 * 368 * 24)$$

$$= 58.4\%$$

Questions?





# *Competitive Retailer Workshop*

*December 13, 2012*



# Field Communications

## **Monitor Head End Systems Stability and Replay Service Orders when necessary.**

- 7am – 7pm
- Notify AMS System Support if excessive system failures occurs before 7 am and during business day.

## **Manage Service Order Auto completion Reports at 2 hour intervals.**

- Periodically will manage manual report to determine flow of Service Orders.

## **Communicate unresponsive Service Orders to Field employees every 45 minutes.**

# Field Communications

**Run Collector Verification Process several times a day starting at 7 am.**

**Assist BAO with Meters not Billing Successfully**

**Manage Meters in Abnormal Statuses utilizing Radio Shop if necessary.**

- Not Logging
  - Based on Future Cycle Billing in 2 days
  
- Discovered Meters Not Transitioning to Normal Status
  - Establish 2-way communication
  - Verify Lat / Long coordinates are valid

# Field Communications

- Meters in Installed Status
  - Assure RF Network Coverage is Available.
  - Establish Two Way Communication with meter.

Implement Manual Work Around Process –

- System Failures
- Manual Order completion

# *Competitive Retailer Workshop*

*December 13, 2012*



# ***CRRTX HOTLINE***

**Market Transaction Specialists:**

**Jesse Macias**  
**Belinda Ybarra**



## ***What is the CRRTX Hotline?***

- **Back Office to Back Office Communication**
- **1-866-237-7722 + REP's 4-digit pin**
- **Hotline answered by Market Transaction Specialist**
- **In 2011 Hotline answered 10,800 calls**
- **In 2012 calls have increased to YTD 11,800 calls**

# ***How can the Hotline help me?***

**Hotline is set up as a REP Back Office to AEP Back Office line to assist with the following types of Retail Electric Provider calls:**

- **MarkeTrak Issues**
- **Order Rejection Reasons**
- **PMVI's (after 4pm, or if can't send Safety Net)**
- **Date Change Requests for a MVI/MVO**
- **Switch Hold inquiries**
- **Priority RN's after DNP if having system issues**





# ***Hotline Availability***

- **Survey feedback brought up availability issues**
- **Looking at the type of calls Hotline receives**
- **Progress made in 2011**
  - **Market Notice issued May of 2011**
  - **Hotline upfront message change**
  - **Educating our callers**
- **Limited Resources**



# ***When to call . . .***

**We need your help! Please advise your teams to call:**

## **CRRTX HOTLINE**

- **1-866-237-7722 + pin**
- **MarkeTrak issues**
- **Missing Transactions; Interval Data; or DEV/LSE issues**
- **Requesting an explanation for a Rejection of an order**
- **PMVI's (after 4pm, or if can't send Safety Net)**
- **Date Change Requests for a MVI/MVO**
- **Cancel/Rebill adjustment transactions**
- **Switch Hold inquiries**

## **Customer Solutions Center**

- **1-877-373-4858**
- **ESI ID look up per the address or meter number**
- **Account Status (active or not)**
- **Permit information (is one required for this city/county? has one been received yet or not?)**
- **Temporary Disconnection of service requests, for when the customer is making repairs or doing tree trimming**
- **1-866-223-8508 Outage Line**

# *Improving in 2013*

- Adding a Market Transaction Specialist
- After the first quarter we will survey the effectiveness
- If we aren't successful in achieving our targets we will look into other options

# ***AEP CRRTX HOTLINE***

***Questions or comments?***

***Thanks!***

***GAME TIME!***

***TEXAS SET 4.0***

***GAME!***

## QUESTIONS AND ANSWERS:

1. Name the four designations of Critical Care Customers.

- a. **CRITICAL LOAD PUBLIC SAFETY\_**
- b. **CRITICAL LOAD INDUSTRIAL CUSTOMER\_**
- c. **CHRONIC CONDITION RESIDENTIAL CUSTOMER\_**
- d. **CRITICAL CARE RESIDENTIAL CUSTOMER\_**

2. Which days are defined as AMS Operational Days?

**Any day but Sunday or a Non-Business Day as defined in Section 3.18(P.35)**

3. What is a “Non-Business Day?”

**Additional Holiday Observances**

**4. What is the Priority Code for a prepaid reconnect?**

**05**

**5. A change to Texas 4.0 allows a REP to cancel a Move In, Move Out or Switch Order. This can now be done how many days prior to their scheduled date?**

**1 business day prior to the scheduled day**

**6. Prepaid service is available to a customer who is officially designated as a Critical Care/Chronic Condition Residential Customer. TRUE OR FALSE?**

**FALSE!**

**7. If AEP is unable to successfully communicate with a Provisioned AMS meter by what time does a Standard Move In have to be received by, on an AMS Operational Day, to ensure same day completion?**

**2:00PM**

**8. If AEP is unable to successfully communicate with a Provisioned AMS meter, by what time does a Pre-paid Reconnect request with the appropriate priority code have to be received by the TDSP on an AMS Operational Day to ensure same day completion?**

**5:00PM**

**9. For customers with a Provisioned AMS meter with Remote Disconnect/Reconnect capability, what services are considered Standard Service?**

- **Same day Move in**
- **Same day Move out**
- **Reconnect for non-pay**
- **Same day switch**



***Thanks for  
playing!***

# *Competitive Retailer Workshop*

*December 13, 2012*



# **Legislative Update**

**Patrick Tarlton**

**State Government Affairs Manager**

**December 13, 2012**

**Corpus Christi, TX**

# *Competitive Retailer Workshop*

*December 13, 2012*





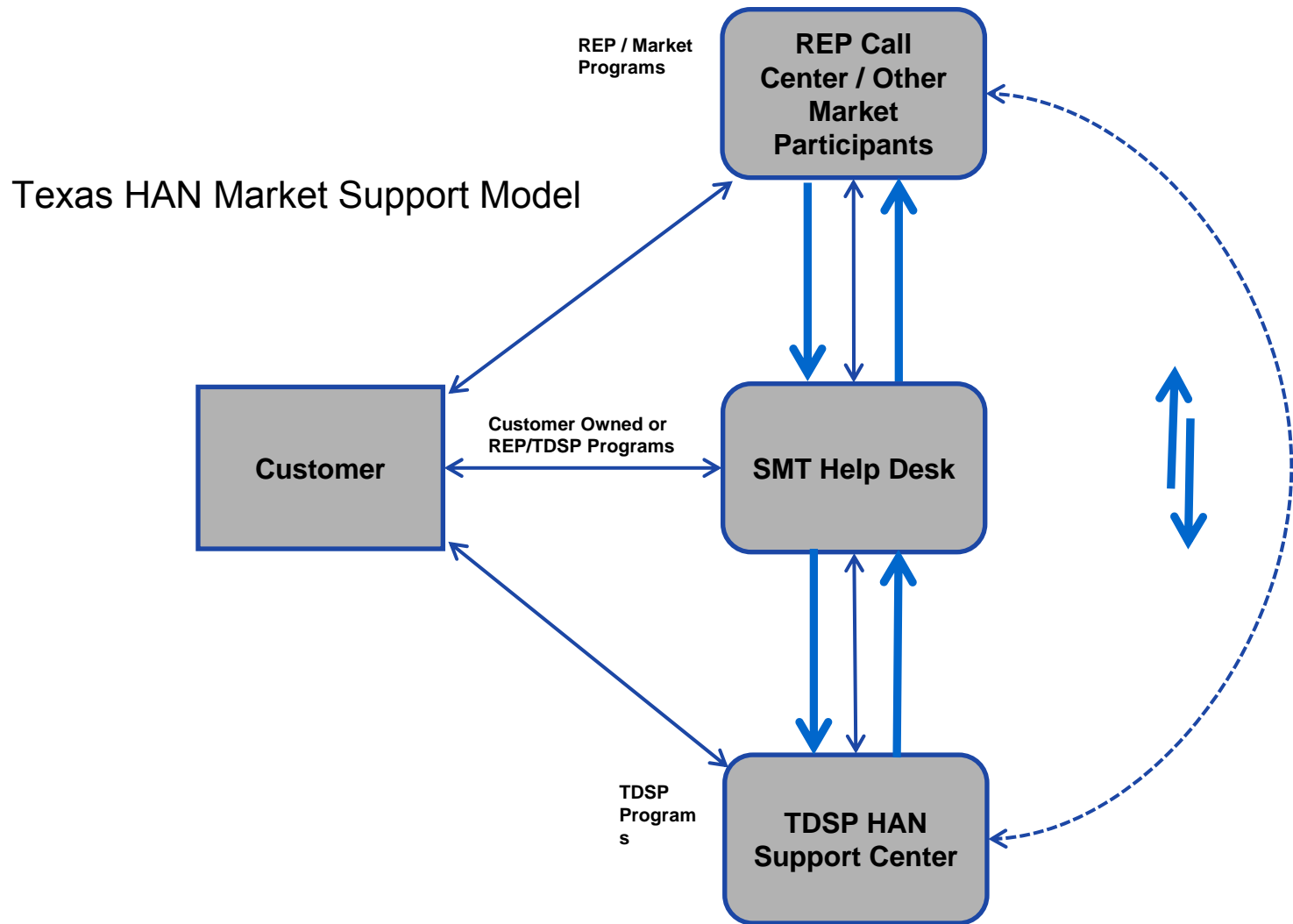
## Home Area Network (HAN) Update

### Jerry Young – HAN Implementation Coordinator

- AEP Texas presently has approximately 250 In Home Displays (IHDs) connected.
  - 81 IHDs installed in employee homes.
  - 170 IHDs installed in customer homes through the AEP Texas Energy Efficiency department.
  - Approximately a 46% connect rate out of 330 IHDs distributed to date.
- Basic HAN Market functionality deployed
  - Provision with 21 day pairing window – API and SMT portal
  - De-Provision – API and SMT portal
  - Simple Text Message – API
  - Price Messaging – API
- Enhanced HAN Market Functionality – Planned Completion in 2013
  - Load Control Messaging - API
  - Meter Exchange with installed HAN device
  - HAN Sync – TDSP only
  - De-provision on Pairing Window expiration

# Home Area Network (HAN) Update – continued

## Jerry Young – HAN Implementation Coordinator



# *Competitive Retailer Workshop*

*December 13, 2012*

