

PUBLIC UTILITY COMMISSION OF TEXAS
 INTERIM APPROVAL GRANTED
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 TARIFF CLERK

**AEP TEXAS CENTRAL COMPANY
 TARIFF FOR ELECTRIC DELIVERY SERVICE**

Applicable: Entire System
 Chapter: 6 Section: 6.1.1
 Section Title: Delivery System Charges
 Revision: Original Effective Date: Bills Rendered on or after October 12, 2006

**6.1.1.10 Interim Rider CTC – Competition
 Transition Charge**

AVAILABILITY

This schedule is applicable to energy consumption and demands of retail customers taking transmission and/or distribution service from the Company and to facilities, premises and loads of such retail customers. This schedule also applies to Retail Customers taking retail electric Delivery Service at facilities, premises, or loads located within the service area who are not presently receiving retail electric Delivery Service from the Company, but whose present facilities, premises, or loads received such service from the Company at any time on or after May 1, 1999. This schedule will be in effect for bills rendered on or after October 12, 2006 and will expire upon further order of the Commission.

MONTHLY CTC RATE

CTC Class	CTC Factor
Residential	(\$0.037211) per kWh
Commercial and Small Industrial – Energy	(\$0.002841) per kWh
Commercial and Small Industrial – Demand	(\$0.661659) per kW or kVA
Large Industrial – Firm	(\$0.173594) per kW or kVA
Large Industrial – Non-Firm	(\$0.314638) per kW or kVA
Standby – Firm	(\$0.023382) per kW or kVA
Standby – Non-Firm	(\$0.043732) per kW or kVA
Municipal and Cotton Gin	(\$0.002097) per kWh

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

CTC CLASSES

For the purposes of billing competition transition charges, each retail end-use customer shall be designated as a customer in one of the defined eight customer classes. A new customer shall be assigned to the appropriate customer class based on anticipated usage characteristics. The CTC class shall match the Schedule TC class to which the customer is assigned.

Residential – This service is applicable to Retail Customers consisting of individual private dwellings and individually metered apartments. In addition, security or flood lighting services provided on a residential Retail Customer’s premises shall be included in this rate class.

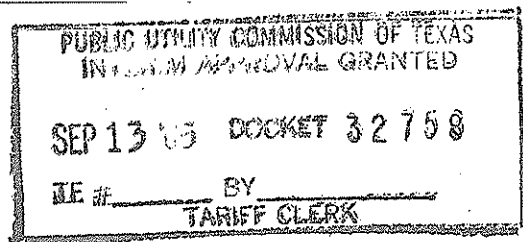
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Commercial and Small Industrial – Energy – This service is applicable to non-residential Retail Customers (1) with annual maximum measured Demands less than 12,500 kVA, (2) are not specifically designated into one of the other customer classes, and (3) whose current rate class for the purpose of transmission and distribution usage is billed without any Demand charges. In addition, security or flood lighting services provided on applicable end-use Retail Customer's premises shall be included in this rate class.

Commercial and Small Industrial – Demand – This service is applicable to non-residential Retail Customers (1) with annual maximum measured Demands less than 12,500 kVA and (2) whose current rate class for the purpose of transmission and distribution usage requires a Demand Meter.

Large Industrial – Firm – This service is applicable to non-residential Retail Customers taking non-interruptible service with annual maximum measured Demands equal to 12,500 kVA or more whose service is provided to the entire premises at not less than 60,000 volts.

Standby – Firm – This service is applicable to non-residential Retail Customers taking non-interruptible standby service when such service may be substituted, either directly or indirectly, for Retail Customer-owned and operated power production equipment.

Standby – Non-Firm – This service is applicable to non-residential Retail Customers whose service is provided to the entire premises at not less than 60,000 volts who are taking as-available standby service when such service may be substituted, either directly or indirectly, for Retail Customer-owned and operated power production equipment not held primarily for emergency use.

Large Industrial – Non-Firm – This service is applicable to non-residential Retail Customers taking interruptible service with annual maximum measured Demands equal to 12,500 kVA or more whose service is provided to the entire premises at not less than 60,000 volts. In addition, this service is applicable to Retail Customers whose service is provided to the entire premises at not less than 60,000 volts and who have self-generation capability equal to or greater than 25,000 kW and who purchase a minimum of 25,000 kW as Standby – Firm service for that portion of the Retail Customer's load which displaces, in total or in part, the Retail Customer's self-generation capability.

Municipal and Cotton Gin – This service is applicable to municipalities, other utilities, and other public agencies for electric Delivery Service for the operation of water supply, sewage, and/or drainage systems serving the general public supplied at one Point of Delivery and measured by one Meter. In addition, this service is applicable to political subdivisions and eleemosynary institutions for traffic lighting, flood lighting and street

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lighting service on public streets and highways, in public areas, and upon the grounds of public schoolyard or educational institutions not organized for profit. This service is further applicable to all electric Delivery Service other than lighting service furnished to cotton gins.

ADJUSTMENTS TO COMPETITION TRANSITION CHARGES

Competition transition charges may be adjusted due to an over or under-refund under the following circumstances:

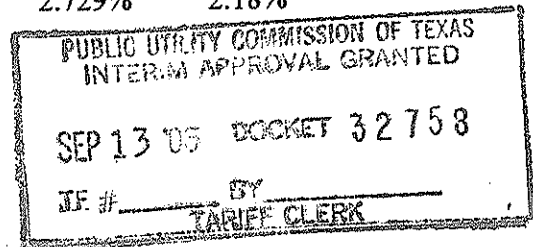
- 1) if there is, and is projected to continue to be, a variance of CTC refund amounts, including interest, exceeding 5% of the most recent annual CTC revenue requirement;
- 2) during the final year of the projected recovery period, and,
- 3) if the revenue requirement for the competition transition charge is altered as a result of the appeals process or other Commission mandate.

Any time an adjustment to the competition transition charges is necessary, the competition transition charges will be adjusted and filed with the Commission for approval under a Commission approved proceeding.

CTC ALLOCATION FACTORS

The following CTC allocation factors are to be used in the calculation of the CTC factors when an adjustment to the competition transition charge revenue requirement is necessary under the conditions as set out in the Adjustments To Competition Transition Charges section of this rider. The allocation factors shall be the percentage of cost responsibility for each competition transition charge customer class.

CTC Class	ADFIT/ EDFIT/ ADITC	Capacity Auction	Navigant Refund	Fuel	Retail Clawback
Residential	37.672%	39.05%	37.672%	33.59%	100.00%
Comm & Small Ind - Energy	22.768%	22.65%	22.768%	16.77%	
Comm & Small Ind - Demand	29.606%	29.45%	29.606%	21.65%	
Large Industrial - Firm	2.225%	2.21%	2.225%	7.89%	
Large Industrial - Non-Firm	3.103%	2.15%	3.103%	17.92%	
Standby - Firm	1.501%	1.49%	1.501%	0.00%	
Standby - Non-Firm	0.396%	0.27%	0.396%	0.00%	
Municipal and Cotton Gin	2.729%	2.71%	2.729%	2.18%	



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DETERMINATION OF ADJUSTED CTC RATES

The CTC factors shall be computed by multiplying the CTC class allocation factor times the adjusted competition transition charge revenue requirement and dividing such amount by the billing units of the competition transition charge customer class.

NOTICE

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

