

Monthly Servicer's Certificate

(to be delivered each month pursuant to Section 3.01 (b) of the Transition Property Servicing Agreement)

AEP TEXAS CENTRAL TRANSITION FUNDING III LLC**AEP Texas Inc., as Servicer**

Pursuant to the Transition Property Servicing Agreement dated as of March 14, 2012 (the "Transition Property Servicing Agreement") between AEP Texas Inc., as Servicer, and AEP Texas Central Transition Funding III LLC, as Note Issuer, the Servicer does hereby certify as follows:

Collection Period: December - 2016

Remittance Dates: Dec-01-2016 to Dec-31-2016

TC Class	a. TCs in Effect	b. TCs Billed	c. Estimated TC Payments Received
Residential	0.002899 \$ / KWH	1,932,818.49	1,963,693.81
Commercial Energy	0.007999 \$ / KWH	1,236,676.03	1,301,402.48
Commercial Demand	0.770932 \$ / KW	1,643,355.95	1,596,184.04
Large Industrial - Firm	0.442558 \$ / kW	164,685.84	141,139.63
Large Industrial - Non-Firm	0.522200 \$ / kW	128,066.39	118,351.53
Standby - Firm	0.071069 \$ / kW	92,103.68	86,113.43
Standby - Non-Firm	0.056349 \$ / kW	12,284.51	12,418.71
Municipal & Cotton Gin	0.004410 \$ / KWH	158,644.36	151,344.65
Total		\$5,368,635.25	\$5,370,648.28

Collection Period: December - 2015

TC Class	d. Estimated TC Payments Received	e. Actual TC Payments Received	f. Remittance Shortfall for this Collection Period	g. Excess Remittance for this Collection Period
Residential	1,854,834.34	2,162,317.01	307,482.67	0.00
Commercial Energy	1,291,440.86	1,533,647.29	242,206.43	0.00
Commercial Demand	1,748,432.30	2,029,697.55	281,265.25	0.00
Large Industrial - Firm	155,055.52	120,032.54	0.00	35,022.98
Large Industrial - Non-Firm	147,248.33	118,821.38	0.00	28,426.95
Standby - Firm	94,114.13	93,013.86	0.00	1,100.27
Standby - Non-Firm	13,744.94	14,911.59	1,166.65	0.00
Municipal & Cotton Gin	140,949.97	199,140.63	58,190.66	0.00
Total	\$5,445,820.39	\$6,271,581.85	\$890,311.66	\$64,550.20

h. Daily remittances previously made by the Servicer to the Collection Account in respect of this Collection Period (c): \$5,370,648.28

i. The amount to be remitted by the Servicer to the Collection Account for this Collection Period is (c + f - g): \$6,196,409.74

j. If (i>h), (i-h) equals net amount due from the Servicer to the Collection Amount: \$825,761.46

k. If (h>i), (h-i) equals net amount due to the Servicer from the Collection Amount: \$0.00

Capitalized terms used herein have their respective meanings set forth in the Transition Property Servicing Agreement.

In WITNESS WHEREOF, the undersigned has duly executed and delivered this Monthly Servicer's Certificate the 24th day of January, 2017

AEP TEXAS INC., as Servicer

By 