

Semi-Annual Servicer's Certificate
AEP Texas Inc., as Servicer
AEP Texas Central Transition Funding III LLC

Pursuant to Section 4.01(c)(ii) of the Transition Property Servicing Agreement dated as of March 14, 2012 (the "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:

Capitalized terms used herein have their respective meanings as set forth in the Agreement. References herein to certain sections and subsections are references to the respective sections of the Agreement.

Collection Periods: June 2017 to November 2017
Payment Date: 12/1/2017

1. Collections Allocable and Aggregate Amounts Available for the Current Payment Date:

i. Remittances for the 06/17 Collection Period (1)	5,664,735.66
ii. Remittances for the 07/17 Collection Period	6,950,055.21
iii. Remittances for the 08/17 Collection Period	7,594,216.88
iv. Remittances for the 09/17 Collection Period	7,634,026.88
v. Remittances for the 10/17 Collection Period	6,952,432.64
vi. Remittances for the 11/17 Collection Period (2)	6,806,817.19
vii. Investment Earnings on Collection Account	
viii. Investment Earnings on Capital Subaccount	17,595.77
ix. Investment Earnings on Excess Funds Subaccount	4,436.71
x. Investment Earnings on General Subaccount	82,726.67
xiv. General Subaccount Balance (sum of i through xiii above)	41,707,043.61
xi. Excess Funds Subaccount Balance as of Prior Payment Date	782,095.47
xii. Capital Subaccount Balance as of Prior Payment Date	4,000,000.00
xvii. Collection Account Balance (sum of xiv through xvi above)	46,489,139.08

(1) June remittances include the previous year's true-up, which was settled in June 2017.

(2) November remittances do not include the previous year's true-up, which will be settled in December 2017.

2. Outstanding Amounts as of Prior Payment Date:

i. Tranche A-1 Outstanding Amount	7,387,935.00
ii. Tranche A-2 Outstanding Amount	180,200,000.00
iii. Tranche A-3 Outstanding Amount	311,900,000.00
iv. Aggregate Outstanding Amount of all Tranches of Notes	499,487,935.00

{Add Other Series as applicable}

v. Aggregate Outstanding Amount of all Tranches of Notes	499,487,935.00
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3. Required Funding/Payments as of Current Payment Date:

<u>Tranche</u>	<u>Principal Due</u>
i. Tranche A-1	7,387,935.00
ii. Tranche A-2	26,370,757.00
iii. Tranche A-3	0.00
iv. For all Tranches of Notes	33,758,692.00

{Add Other Series as applicable}

<u>Tranche</u>	<u>Interest Rate</u>	<u>Days in Interest Period (1)</u>	<u>Principal Balance</u>	<u>Interest Due</u>
v. Tranche A-1	0.88%	180	7,387,935.00	32,510.61
vi. Tranche A-2	1.98%	180	180,200,000.00	1,780,736.40
vii. Tranche A-3	2.84%	180	311,900,000.00	4,436,621.55
viii. For all Tranches of Notes				6,249,868.56

{Add Other Series as applicable}

	<u>Required Level</u>	<u>Funding Required</u>
ix. Capital Subaccount	4,000,000.00	0.00
	4,000,000.00	0.00

Notes:

1. On 30/360 day basis for initial payment date; otherwise use one-half of annual rate.

4. Allocation of Remittances as of Current Payment Date Pursuant to 8.02(e) of Indenture:

i. Trustee Fees and Expenses	46,681.23
ii. Servicing Fee	200,000.00
iii. Administration Fee	50,000.00
iv. Operating Expenses	0.00
v. Semi-Annual Interest (including any past-due for prior periods)	6,249,868.56

<u>Tranche</u>	<u>Aggregate</u>	<u>Per \$1000 of Original Principal Amount</u>
1. Tranche A-1 Interest Payment	32,510.61	\$0.1056
2. Tranche A-2 Interest Payment	1,780,736.40	\$9.8820
3. Tranche A-3 Interest Payment	4,436,621.55	\$14.2245
	6,249,868.56	

{Add Other Series as applicable}

vi. Principal Due and Payable as a Result of Event of Default or on Final Maturity Date	0.00
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<u>Tranche</u>	<u>Aggregate</u>	<u>Per \$1000 of Original Principal Amount</u>
1. Tranche A-1 Principal Payment	0.00	\$0.0000
2. Tranche A-2 Principal Payment	0.00	\$0.0000
3. Tranche A-3 Principal Payment	0.00	\$0.0000
	0.00	

{Add Other Series as Applicable}

vii. Semi-Annual Principal	33,758,692.00
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<u>Tranche</u>	<u>Aggregate</u>	<u>Per \$1000 of Original Principal Amount</u>
1. Tranche A-1 Principal Payment	7,387,935.00	\$23.9946
2. Tranche A-2 Principal Payment	26,370,757.00	\$146.3416
3. Tranche A-3 Principal Payment	0.00	\$0.0000
	33,758,692.00	

{Add Other Series as Applicable}

4. Allocation of Remittances as of Current Payment Date Pursuant to 8.02(e) of Indenture (continued):

viii. Funding of Capital Subaccount (to required level)	4,000,000.00
ix. Investment Earnings on Capital Subaccount Released to Note Issuer	17,595.77
x. Deposit to Excess Funds Subaccount	2,166,301.52
xi. Released to Note Issuer upon Retirement of all Notes	0.00
xii. Aggregate Remittances as of Current Payment Date	46,489,139.08

5. Outstanding Amount and Collection Account Balance as of Current Payment Date (after giving effect to payments to be made on such Payment Date):

Tranche

i. Tranche A-1	0.00
ii. Tranche A-2	153,829,243.00
iii. Tranche A-3	311,900,000.00
iv. Aggregate Outstanding Amount of all Tranches of Notes	465,729,243.00

(Add Other Series as applicable)

v. Aggregate Outstanding Amount of all Tranches of Notes

465,729,243.00

vi. Excess Funds Subaccount Balance	2,166,301.52
vii. Capital Subaccount Balance	4,000,000.00
viii. Aggregate Collection Account Balance	6,166,301.52

6. Subaccount Withdrawals as of Current Payment Date (if applicable, pursuant to Section 8.02(e) of Indenture):

i. Excess Funds Subaccount	786,532.18
ii. Capital Subaccount	4,017,595.77
iii. Total Withdrawals	4,804,127.95

7. Shortfalls In Interest and Principal Payments as of Current Payment Date:

0.00

i. Semi-annual Interest

Tranche

- | | |
|---------------------------------|------|
| 1. Tranche A-1 Interest Payment | 0.00 |
| 2. Tranche A-2 Interest Payment | 0.00 |
| 3. Tranche A-3 Interest Payment | 0.00 |

0.00

{Add Other Series as Applicable}

ii. Semi-annual Principal

0.00

Tranche

- | | |
|----------------------------------|------|
| 1. Tranche A-1 Principal Payment | 0.00 |
| 2. Tranche A-2 Principal Payment | 0.00 |
| 3. Tranche A-3 Principal Payment | 0.00 |

0.00

{Add Other Series as Applicable}

8. Shortfalls in Required Subaccount Levels as of Current Payment Date:

i. Capital Subaccount

0.00
0.00

IN WITNESS HEREOF, the undersigned has duly executed and delivered this Semi-Annual

Servicer's Certificate this 30th day of November, 2017.



AEP TEXAS Inc., as Servicer

By: Renee V Hawkins

Title: Assistant Treasurer