

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-D

ASSET-BACKED ISSUER
DISTRIBUTION REPORT PURSUANT TO SECTION 13 OR 15(D) OF
THE SECURITIES EXCHANGE ACT OF 1934

For the semi-annual distribution period from
June 1, 2015 to November 30, 2015

Commission File Number of issuing entity: 333-179092-01

Central Index Key Number of issuing entity: 0001539816

AEP TEXAS CENTRAL TRANSITION FUNDING III LLC

(Exact name of issuing entity as specified in its charter)

Commission File Number of depositor: 333-179092

Central Index Key Number of depositor: 0000018734

AEP TEXAS CENTRAL COMPANY

(Exact name of depositor as specified in its charter)

Central Index Key Number of sponsor (if applicable): 0000018734

AEP TEXAS CENTRAL COMPANY

(Exact name of sponsor as specified in its charter)

THOMAS G. BERKEMEYER, Associate General Counsel
AMERICAN ELECTRIC POWER SERVICE CORPORATION
(614) 716-1648

(Name and telephone number, including area code, of the person to contact in connection with this filing)

DELAWARE

(State or other jurisdiction of incorporation or organization of the issuing entity)

76-0830689

(IRS Employer Identification No.)

539 N. Carancahua Street, Suite 1700, Corpus Christi, Texas

78401

(Address of principal executive offices of the issuing entity)

(Zip Code)

(361) 881-5399

(Registrant's Telephone Number, Including Area Code)

None

(Former Name or Former Address, if Changed Since Last Report)

Registered/reporting pursuant to (check one)

Title of Class	Section 12(b)	Section 12(g)	Section 15(d)	Name of exchange (If Section 12(b))
Senior Secured Transition Bonds, Series A, Tranche A-1	?	?	<input checked="" type="checkbox"/>	
Senior Secured Transition Bonds, Series A, Tranche A-2	?	?	<input checked="" type="checkbox"/>	
Senior Secured Transition Bonds, Series A, Tranche A-3	?	?	<input checked="" type="checkbox"/>	

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No?

PART I - DISTRIBUTION INFORMATION

Item 1. Distribution and Pool Performance Information.

The response to Item 1 is set forth in part herein and in part in Exhibit 99.1.

The record date for distributions described in Exhibit 99.1 is November 30, 2015.

Introductory and explanatory information regarding the material terms, parties and distributions described in Exhibit 99.1 is included in the Prospectus Supplement relating to the Senior Secured Transition Bonds, Series A (the "Series A Bonds"), dated March 7, 2012, and related Prospectus, dated March 2, 2012, of AEP Texas Central Transition Funding III LLC (the "Issuing Entity") filed with the Securities and Exchange Commission pursuant to Rule 424(b)(5) of the Securities Act of 1933 on March 9, 2012 under the depositor's Commission File Number.

As indicated in Exhibit 99.1, all required interest and scheduled principal payments on the Series A Bonds have been made with respect to the December 1, 2015 distribution date.

Item 1A. Asset-Level Information.

Omitted pursuant to General Instruction C of Form 10-D.

Item 1B. Asset Representations Reviewer and Investor Communications.

Omitted pursuant to General Instruction C of Form 10-D.

PART II - OTHER INFORMATION

Item 2. Legal Proceedings.

U.S. Bank National Association has provided the following information to the depositor:

In June 2014, a civil complaint was filed in the Supreme Court of the State of New York, New York County, by a group of institutional investors against U.S. Bank National Association ("U.S. Bank"), in its capacity as trustee or successor trustee (as the case may be) under certain residential mortgage backed securities ("RMBS") trusts. The plaintiffs are investment funds formed by nine investment advisors (AEGON, BlackRock, Brookfield, DZ Bank, Kore, PIMCO, Prudential, Sealink and TIAA) that purport to be bringing suit derivatively on behalf of 841 RMBS trusts that issued \$771 billion in original principal amount of securities between 2004 and 2008. According to the plaintiffs,

cumulative losses for these RMBS trusts equal \$92.4 billion as of the date of the complaint. The complaint is one of six similar complaints filed against RMBS trustees (Deutsche Bank, Citibank, HSBC, Bank of New York Mellon and Wells Fargo) by certain of these plaintiffs. The complaint against U.S. Bank alleges the trustee caused losses to investors as a result of alleged failures by the sponsors, mortgage loan sellers and servicers for these RMBS trusts and asserts causes of action based upon the trustee's purported failure to enforce repurchase obligations of mortgage loan sellers for alleged breaches of representations and warranties concerning loan quality. The complaint also asserts that the trustee failed to notify securityholders of purported events of default allegedly caused by breaches by mortgage loan servicers and that the trustee purportedly failed to abide by appropriate standards of care following events of default. Relief sought includes money damages in an unspecified amount and equitable relief. In November 2014, the plaintiffs sought leave to voluntarily dismiss their original state court complaint and filed a substantially similar complaint in the United States District Court for the Southern District of New York. The federal civil complaint added a class action allegation and a change in the total number of named trusts to 843 RMBS trusts. In December 2014, the plaintiffs' motion to voluntarily dismiss their original state court complaint was granted. Other cases alleging similar causes of action have previously been filed against U.S. Bank and other trustees by RMBS investors in other transactions.

There can be no assurances as to the outcome of the litigation, or the possible impact of the litigation on the trustee or the RMBS trusts. However, U.S. Bank denies liability and believes that it has performed its obligations under the RMBS trusts in good faith, that its actions were not the cause of losses to investors and that it has meritorious defenses, and it intends to contest the plaintiffs' claims vigorously.

Item 3. Sale of Securities and Use of Proceeds.

None.

Item 4. Defaults Upon Senior Securities.

Omitted pursuant to General Instruction C of Form 10-D.

Item 5. Submission of Matters to a Vote of Security Holders.

Omitted pursuant to General Instruction C of Form 10-D.

Item 6. Significant Obligors of Pool Assets

Omitted pursuant to General Instruction C of Form 10-D.

Item 7. Change in Sponsor Interest in the Securities

None.

Item 8. Significant Enhancement Provider Information.

Omitted pursuant to General Instruction C of Form 10-D.

Item 9. Other Information

Omitted pursuant to General Instruction C of Form 10-D.

Item 10. Exhibits.

(a) Documents filed as a part of this report (exhibits marked with an asterisk are filed herewith):

*99.1 Semi-annual Servicer's Certificate relating to the Series A Bonds, dated November 30, 2015.

(b) Exhibits required by this Form and Item 601 of Regulation S-K (exhibits marked with an asterisk are filed herewith):

3.1 Certificate of Formation of the Issuing Entity filed with the Delaware Secretary of State on January 5, 2012 (incorporated by reference to exhibit 3.1 included as an exhibit to the Sponsor's Form S-3/A filed on February 27, 2012).

3.2 Amended and Restated Limited Liability Company Agreement of the Issuing Entity executed as of February 27, 2012 (incorporated by reference to exhibit 3.2 included as an exhibit to the Sponsor's Form S-3/A filed on February 27, 2012).

4.1 Indenture dated as of March 14, 2012 between the Issuing Entity and U.S. Bank National Association providing for the issuance of Senior Secured Transition Bonds, Series A (incorporated by reference to exhibit 4.1 included as an exhibit to the Sponsor's Form 8-K filed on March 16, 2012).

4.2 Form of Senior Secured Transition Bonds, Series A (included as Exhibit A to the Indenture filed as Exhibit 4.1) (incorporated by reference to exhibit 4.1 included as an exhibit to the Sponsor's Form 8-K filed on March 16, 2012).

10.1 Transition Property Purchase and Sale Agreement dated as of March 14, 2012 between the Issuing Entity and AEP Texas Central Company, as seller (incorporated by reference to exhibit 99.2 included as an exhibit to the Sponsor's Form 8-K filed on March 16, 2012).

10.2 Transition Property Servicing Agreement dated as of March 14, 2012 between the Issuing Entity and AEP Texas Central Company, as servicer (incorporated by reference to exhibit 99.1 included as an exhibit to the Sponsor's Form 8-K filed on March 16, 2012).

10.3 Administration Agreement dated as of March 14, 2012 between the Issuing Entity and AEP Texas Central Company, as servicer (incorporated by reference to exhibit 99.3 included as an exhibit to the Sponsor's Form 8-K filed on March 16, 2012).

10.4 Amended and Restated Intercreditor Agreement, dated as of March 14, 2012, by and among AEP Texas Central Company, AEP Texas Central Transition Funding LLC, U.S. Bank National Association, AEP Texas Central Transition Funding II LLC, The Bank of New York Mellon and AEP Texas Central Transition Funding III LLC, each in their respective capacities (incorporated by reference to exhibit 99.4 included as an exhibit to the Sponsor's Form 8-K filed on March 16, 2012).

*99.1 Semi-annual Servicer's Certificate relating to the Series A Bonds, dated November 30, 2015.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

AEP Texas Central Transition Funding III LLC
(Issuing Entity)

Date: December 1, 2015

By: AEP Texas Central Company, As Servicer

By: /s/ Julia A. Sloat

Name: Julia A. Sloat

Title: Treasurer and Senior Officer in Charge of the Servicing
Function

EXHIBIT INDEX

99.1 Semi-annual Servicer's Certificate relating to the Series A Bonds, dated November 30, 2015.

Semi-Annual Servicer's Certificate
AEP Texas Central Company, 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 Central Company, 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: Jun-2015 to Nov-2015
Payment Date: 12/1/2015

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

i. Remittances for the 06/15 Collection Period (1)	4,944,736.89
ii. Remittances for the 07/15 Collection Period	7,163,248.13
iii. Remittances for the 08/15 Collection Period	7,087,150.32
iv. Remittances for the 09/15 Collection Period	6,955,463.93
v. Remittances for the 10/15 Collection Period	7,490,107.77
vi. Remittances for the 11/15 Collection Period (2)	6,790,643.31
vii. Investment Earnings on Collection Account	
viii. Investment Earnings on Capital Subaccount	813.93
ix. Investment Earnings on Excess Funds Subaccount	910.44
x. Investment Earnings on General Subaccount	3,919.96
xiv. General Subaccount Balance (sum of i through xiii above)	40,436,994.68
xi. Excess Funds Subaccount Balance as of Prior Payment Date	4,581,387.62
xii. Capital Subaccount Balance as of Prior Payment Date	4,000,000.00
xvii. Collection Account Balance (sum of xiv through xvi above)	49,018,382.30

(1) June remittances include the previous year's true-up, which was settled in June 2015.

(2) November remittances do not include the previous year's true-up, which will be settled in December 2015.

2. Outstanding Amounts as of Prior Payment Date:

i. Tranche A-1 Outstanding Amount	128,259,683.00
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	620,359,683.00

{Add Other Series as applicable}

v. Aggregate Outstanding Amount of all Tranches of Notes	620,359,683.00
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3. Required Funding/Payments as of Current Payment Date:

<u>Tranche</u>	<u>Principal Due</u>
i. Tranche A-1	33,234,912.00
ii. Tranche A-2	0.00
iii. Tranche A-3	0.00
iv. For all Tranches of Notes	33,234,912.00

{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	128,259,683.00	564,406.74
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				6,781,764.69

{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	11,360.00
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)	6,781,764.69

<u>Tranche</u>	<u>Aggregate</u>	<u>Per \$1000 of Original Principal Amount</u>
1. Tranche A-1 Interest Payment	564,406.74	\$1.8331
2. Tranche A-2 Interest Payment	1,780,736.40	\$9.8820
3. Tranche A-3 Interest Payment	4,436,621.55	\$14.2245
	6,781,764.69	
{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	33,234,912.00
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<u>Tranche</u>	<u>Aggregate</u>	<u>Per \$1000 of Original Principal Amount</u>
1. Tranche A-1 Principal Payment	33,234,912.00	\$107.9406
2. Tranche A-2 Principal Payment	0.00	\$0.0000
3. Tranche A-3 Principal Payment	0.00	\$0.0000
	33,234,912.00	
{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	813.93
x. Deposit to Excess Funds Subaccount	4,739,531.68
xi. Released to Note Issuer upon Retirement of all Notes	0.00
xii. Aggregate Remittances as of Current Payment Date	49,018,382.30

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	95,024,771.00
ii. Tranche A-2	180,200,000.00
iii. Tranche A-3	311,900,000.00
iv. Aggregate Outstanding Amount of all Tranches of Notes	587,124,771.00
{Add Other Series as applicable}	
v. Aggregate Outstanding Amount of all Tranches of Notes	587,124,771.00
vi. Excess Funds Subaccount Balance	4,739,531.68
vii. Capital Subaccount Balance	4,000,000.00
viii. Aggregate Collection Account Balance	8,739,531.68

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

i. Excess Funds Subaccount	4,582,298.06
ii. Capital Subaccount	4,000,813.93
iii. Total Withdrawals	8,583,111.99

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, 2015.

/s/ Renee V. Hawkins

AEP TEXAS CENTRAL COMPANY, as Servicer

Name: Renee Hawkins

Title: Assistant Treasurer