

Control Number: 11193



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DOCKET NO. 11193

APPLICATION OF RITA BLANCA ELECTRIC §  
COOPERATIVE, INC. FOR EXPEDITED §  
AUTHORITY TO CHANGE RATES §  
PURSUANT TO P.U.C. SUBST. R. 23.23(C) §

PUBLIC UTILITY COMMISSION  
OF TEXAS

ORDER

In open meeting at its offices in Austin, Texas, the Public Utility Commission of Texas (Commission) finds that this docket was processed in accordance with applicable statutes and Commission rules by an administrative law judge (ALJ), who prepared a recommendation based on an evidentiary record. All parties to the docket submitted evidence in support of the amended application.

The Commission **ADOPTS** the following findings of fact and conclusions of law:

A. Findings of Fact

1. Rita Blanca Electric Cooperative, Inc. (Rita Blanca or the Cooperative) is a member-owned distribution cooperative providing retail electric service to approximately 4,553 customers in the eight Texas counties of Dallam, Hartley, Oldham, Sherman, Potter, Moore, Hansford, and Hutchison, as well as the city of Texline, Texas.

2. On May 15, 1992, Rita Blanca filed an application for a rate increase under P.U.C. SUBST. R. 23.23(c), seeking to increase its rates on a system-wide basis by a total of \$297,500, or 4.9 percent, over actual test-year revenues of \$6,079,901 for the test year ending September 30, 1991. The Cooperative's Statement of Intent included a cost of service study, proposed revisions of its tariffs (including updated service regulations), schedules and statements specifying in detail each proposed change, an estimated revenue impact, and the classes and numbers of utility customers affected.

3. The Cooperative's last rate increase was granted in *Application of Rita Blanca Electric Cooperative, Inc. for a Rate Increase*, Docket No. 2527, 4 P.U.C. BULL. 2186 (Aug. 21, 1979) in 1979. Rita Blanca filed this application for two reasons: (1) increases in the cost of doing business have caused its present rate schedules to yield a level of operating revenues insufficient to maintain its financial integrity and (2) its desire to update its service rules.

4. Originally, Rita Blanca's effective date under P.U.C. SUBST. R. 23.23(c) was July 14, 1992. Due to requests for extensions of time to resolve disputed issues and the need to coordinate Commission action with the final order meeting schedule, however, the effective date was extended to September 16, 1992.

5. The Cooperative provided notice of its proposed change in rates as follows:

- a. By publication prior to the filing of the Statement of Intent once each week for four consecutive weeks in newspapers having general circulation in each county containing consumers affected by the proposed change;
- b. By delivering a copy of the Statement of Intent to the appropriate officer of each municipality affected by the proposed change;
- c. By mail to all affected by the proposed change;
- d. By mail to all electric utilities certified to provide retail service in the Cooperative's service area; and
- e. By service of notice upon the Office of Public Utility Counsel concurrent with the Cooperative's filing with the Commission.

6. No motions to intervene or protest letters were filed in this docket.
7. The rate increase requested by the Cooperative will become effective upon approval by the Commission, or if not approved, will be denied by operation of law pursuant to P.U.C. SUBST. R. 23.23(c)(5) on September 16, 1992. If approved, the Cooperative intends to institute the new rates commencing with the first billing cycle following Commission approval.
8. On July 17, 1992, the Cooperative amended its application to request an increase of \$22,480, or less than one percent, of actual test-year revenues. This amount corresponds to an increase of \$154,364, or 2.6 percent, over adjusted test-year revenues.
9. On July 20, 1992, the General Counsel filed a response to the Cooperative's application which (1) stated the application, as amended, conforms with the requirements of Rule 23.23(c) and (2) recommended that the amended application be approved.
10. The amended application adopts staff's request to limit the rate increase to 2.6 percent of the adjusted test-year revenues and to revise the Cooperative's base power cost factor based on the test-year level of adjusted purchase power costs.
11. On July 22, 1992, Rita Blanca filed a letter concurring with the recommendations of General Counsel.
12. The Cooperative's total revenue requirement is \$6,102,381, as reflected in the schedule on Attachment A.
13. The Cooperative's total invested capital is \$12,048,553. Based on the adjusted test year ending September 1991, the return on this invested capital is \$329,522, which corresponds to a rate of return of 2.73 percent.

14. The Cooperative's adjusted test-year operating expenses totalling \$5,610,881 include \$3,646,828 in purchased power expense and exclude \$15,130 in expenses related to non-utility, satellite TV services.

15. The allocation of revenues by class is shown on Attachment B. The revenue increase for the residential/farm class is 4.65 percent; for residents of the city of Texline, it is 4.78 percent.

16. The system average base revenue increase (revenue minus power cost) is 6.75 percent.

17. The customer billing analysis shown on Attachment C reflects the rate changes per kilowatt hour of use for the residential classes.

18. Because Rita Blanca's Power Cost Recovery Factor (PCRF) revenue represents about half of total revenues, the existing base power cost factor is too low.

19. As shown on Attachment D, the existing base power cost factor has been revised from \$0.005233 to \$0.03647.

20. General Counsel based its financial evaluation of Rita Blanca on a test year ending December 31, 1991, stating that this period is more representative and more current than the test year ending September 30, 1991, which the Cooperative used in its original application.

21. According to the staff's financial planning model, equity constituted 55 percent of Rita Blanca's capitalization in 1991; this percentage will decline to 53.4 percent by the end of 1994. No retirements of capital credits are anticipated for 1993 or 1994.

22. The projected Times Interest Earned Ratio (TIER) is 3.0949 for the year ending December 31, 1994 (compared to a TIER for the 12 months ending December 31, 1991 of 4.2927) is reasonable for the Cooperative considering its low debt cost. A substantial amount of Rita Blanca's debt (67.6 percent) bears interest at two percent. The proposed debt service coverage ratios are projected as 2.4 for 1993 and 2.3 for 1994, compared to the 1990 state median of 1.97.

23. As of the end of the test year, the percentage of Rita Blanca's general funds to total plant was 12.41 percent, which is well above the state median of 7.62 percent.

24. The Cooperative's general funds balance at the end of the test year includes money received in a refund from Southwestern Public Service Company, which must be passed through to Rita Blanca's ratepayers.

25. Test year revenues have been reduced by \$131,832 to reflect a known and measurable change in the Cooperative's operating revenues resulting from a change in the manner in which present rates are applied. Present rates are now being correctly applied by the Cooperative and this adjustment is appropriate.

26. For reasons stated in Finding of Fact Nos. 24 and 25, the Cooperative's general funds balance will be reduced to approximately 1.25 percent of total utility plant in 1992.

27. The general funds level as a percentage of total plant is projected to be six percent in 1993 and 5.7 percent in 1994. The Cooperative expects to add \$746,069 to its net plant during the three years spanning from October 1, 1991, to September 30, 1994.

28. In order for Rita Blanca to begin increasing its general funds balance to six percent, it may be forced to borrow money to fund the expected plant additions and supplement its cash balance.

29. Without the proposed rate increase, a reduced interest income and increased interest expense would impair Rita Blanca's financial condition. Even with the stipulated 2.6 percent rate increase over adjusted test-year revenues, the Cooperative's financial ratios are projected to fall during the next three years.

30. The service rules proposed by Rita Blanca comply with the Commission staff's recommendations in the compliance audit conducted in *Compliance Audit of Rita Blanca Electric Cooperative, Inc.*, Project No. 10407.

B. Conclusions of Law

1. Rita Blanca Electric Cooperative, Inc. is a public utility as defined in Section 3(c)(1) of the Public Utility Regulatory Act (PURA), Tex. Rev. Civ. Stat. Ann. art. 1446c (Vernon Supp. 1992).

2. The Commission has jurisdiction over this docket under PURA §§ 16(a), 17(e), 37, and 43(a).

3. This case was processed in accordance with the requirements of PURA and the Administrative Procedure and Texas Register Act (APTRA), Tex. Rev. Civ. Stat. Ann. art. 6252-13a (Vernon Supp. 1992).

4. As a cooperatively-owned electric distribution utility, Rita Blanca is entitled to file a rate change request under P.U.C. SUBST. R. 23.23(c).

5. Rita Blanca provided notice in compliance with P.U.C. SUBST. R. 23.23(c)(3) and P.U.C. PROC. R. 21.22.

6. P.U.C. SUBST. R. 23.23(c) requires that the utility's total revenue cannot change by more than five percent over the test-year level and that no customer class receive a base revenue change greater than 1.5 times the system base revenue change.



7. The stipulated rate increase specified in Finding of Fact No. 8 is in compliance with P.U.C. SUBST. R. 23.23(c) because (1) it is less than the maximum five percent increase allowed by P.U.C. SUBST. R. 23.23(c)(1)(A), whether on an adjusted or actual test-year basis, and (2) the highest class base revenue change involved is 10 percent, which is slightly less than the maximum increase ( $1.5 \times 6.75 = 10.12$  percent) permitted under P.U.C. SUBST. R. 23.23(c)(1)(B).

8. Rita Blanca has met its burden of proof, as required under P.U.C. SUBST. R. 23.23(c) and PURA § 40.

9. The proposed rates are just and reasonable, are not unreasonably preferential, prejudicial, or discriminatory but rather are sufficient, equitable, and consistent in application to each class of customers as required by PURA § 38.

10. Rita Blanca has met the procedural and substantive requirements of P.U.C. SUBST. R. 23.23(c).

11. The proposed service rules comply with PURA and the Commission's rules.


The Commission further issues the following Order:

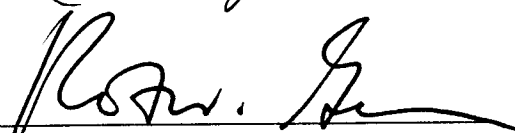
1. The application of Rita Blanca Electric Cooperative, Inc. to change rates, as amended, is **APPROVED**.
2. The tariff sheets filed by Rita Blanca on August 26, 1992, consistent with this Order, are **APPROVED**.
3. The approved rates shall be charged for service rendered in the areas in which the Commission is exercising original jurisdiction. Said rates shall be charged only for service rendered after the tariff approval date.

4. All motions, requests for entry of specific findings of fact and conclusions of law, and any other requests for general or specific relief, if not expressly granted herein, are **DENIED** for want of merit.

SIGNED AT AUSTIN, TEXAS this 11<sup>th</sup> day of September 1992.

PUBLIC UTILITY COMMISSION OF TEXAS

  
MARTA GREYTOK, COMMISSIONER

  
ROBERT W. GEE, CHAIRMAN

  
KARL R. RABAGO, COMMISSIONER

ATTEST:

  
JOHN M. RENFROW  
SECRETARY OF THE COMMISSION



*Book*

## Public Utility Commission of Texas

7800 Shoal Creek Boulevard  
Austin, Texas 78757 • 512/458-0100

August 21, 1992

Marta Greytok  
Commissioner

Robert W. Gee  
Chairman

Karl R. Rábago  
Commissioner

**TO:** Commissioner Marta Greytok  
Chairman Robert W. Gee  
Commissioner Karl R. Rábago  
All Parties of Record

**FROM:** Stephen J. Davis  
Administrative Law Judge

**RE:** Docket No. 11193--Application of Rita Blanca Electric Cooperative, Inc. for Expedited Authority to Change Rates Pursuant to P.U.C. SUBST. R. 23.23(c)

Enclosed is a copy of the Proposed Final Order in this docket.

The Commission will consider this application at an open meeting to begin at 9:00 a.m., on Wednesday, September 9, 1992, at the Commission's offices, 7800 Shoal Creek Boulevard, Austin, Texas. Any party proposing corrections to the Administrative Law Judge's (ALJ) recommendation should file an original and 17 copies with the Commission filing clerk and serve all other parties, including the Commission General Counsel, by 3:00 p.m., Wednesday, August 26, 1992. **LATE-FILED MATERIAL MAY NOT BE CONSIDERED.**


The jurisdictional deadline for this docket is September 16, 1992.

This docket involves a request by Rita Blanca Electric Cooperative, Inc. (Rita Blanca or the Cooperative) to increase its rates under the Commission's expedited P.U.C. SUBST. R. 23.23(c). Originally, Rita Blanca requested a \$297,500, or 4.89 percent, annual revenue increase over actual test-year revenues for a test year ending September 30, 1991. The Cooperative filed an amended agreement with the concurrence of General Counsel which results in a \$154,364, or 2.60 percent, annual revenue increase over adjusted test-year revenues for the test year ending December 31, 1991. The docket also involves a request to adopt the service rules in Rita Blanca's revised and reorganized tariff.

The ALJ recommends approval of the application, as modified by the amended application.

The proposed findings of fact and conclusions of law were prepared by the ALJ based on the record in this docket. A list of the items comprising the record evidence is shown on the attached index. A copy of the record evidence has been compiled and is located in the Special Counsel's office for your review.

APPROVED this 21<sup>st</sup> day of August 1992.

  
JOHN M. RENFROW  
DIRECTOR OF HEARINGS



## **INDEX TO THE RECORD**

**Docket No. 11193**

1. Rita Blanca's rate filing package and application filed on May 15, 1992.
2. Publishers' affidavits and other affidavits of notice filed by Rita Blanca with its rate filing package on May 15, 1992.
3. Rita Blanca's tariff for electric service filed on May 15, 1992.
4. Amendment to the application filed by Rita Blanca on July 17, 1992.
5. Response to the amended application filed by General Counsel on July 20, 1992.
6. Response to General Counsel's memorandum filed by Rita Blanca on July 22, 1992.
7. General Counsel's recommendation on proposed service rules filed on August 21, 1992.

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DOCKET NO. 11193

APPLICATION OF RITA BLANCA ELECTRIC  
COOPERATIVE, INC. FOR EXPEDITED  
AUTHORITY TO CHANGE RATES  
PURSUANT TO P.U.C. SUBST. R. 23.23(C)

§  
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PUBLIC UTILITY COMMISSION  
OF TEXAS

PROPOSED ORDER

In open meeting at its offices in Austin, Texas, the Public Utility Commission of Texas (Commission) finds that this docket was processed in accordance with applicable statutes and Commission rules by an administrative law judge (ALJ), who prepared a recommendation based on an evidentiary record. All parties to the docket submitted evidence in support of the amended application.

The Commission **ADOPTS** the following findings of fact and conclusions of law:

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3. The Cooperative's last rate increase was granted in *Application of Rita Blanca Electric Cooperative, Inc. for a Rate Increase*, Docket No. 2527, 4 P.U.C. BULL. 2186 (Aug. 21, 1979) in 1979. Rita Blanca filed this application for two reasons: (1) increases in the cost of doing business have caused its present rate schedules to yield a level of operating revenues insufficient to maintain its financial integrity and (2) its desire to update its service rules.

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5. The Cooperative provided notice of its proposed change in rates as follows:

- a. By publication prior to the filing of the Statement of Intent once each week for four consecutive weeks in newspapers having general circulation in each county containing consumers affected by the proposed change;
- b. By delivering a copy of the Statement of Intent to the appropriate officer of each municipality affected by the proposed change;
- c. By mail to all affected by the proposed change;
- d. By mail to all electric utilities certified to provide retail service in the Cooperative's service area; and
- e. By service of notice upon the Office of Public Utility Counsel concurrent with the Cooperative's filing with the Commission.



6. No motions to intervene or protest letters were filed in this docket.
7. The rate increase requested by the Cooperative will become effective upon approval by the Commission, or if not approved, will be denied by operation of law pursuant to P.U.C. SUBST. R. 23.23(c)(5) on September 16, 1992. If approved, the Cooperative intends to institute the new rates commencing with the first billing cycle following Commission approval.
8. On July 17, 1992, the Cooperative amended its application to request an increase of \$22,480, or less than one percent, of actual test-year revenues. This amount corresponds to an increase of \$154,364, or 2.6 percent, over adjusted test-year revenues.
9. On July 20, 1992, the General Counsel filed a response to the Cooperative's application which (1) stated the application, as amended, conforms with the requirements of Rule 23.23(c) and (2) recommended that the amended application be approved.
10. The amended application adopts staff's request to limit the rate increase to 2.6 percent of the adjusted test-year revenues and to modify the rate design so that the test-year level of adjusted power costs is recovered through base rates.
11. On July 22, 1992, Rita Blanca filed a letter concurring with the recommendations of General Counsel.
12. The Cooperative's total revenue requirement is \$6,102,381, as reflected in the schedule on Attachment A.
13. The Cooperative's total invested capital is \$12,048,553. Based on the adjusted test year ending September 1991, the return on this invested capital is \$329,522, which corresponds to a rate of return of 2.73 percent.

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15. The allocation of revenues by class is shown on Attachment B. The revenue increase for the residential/farm class is 4.65 percent; for residents of the city of Texline, it is 4.78 percent.

16. The system average base revenue increase (revenue minus power cost) is 6.75 percent.

17. The customer billing analysis shown on Attachment C reflects the rate changes per kilowatt hour of use for the residential classes.

18. Because Rita Blanca's Power Cost Recovery Factor (PCRF) revenue represents about half of total revenues, the existing base power cost factor is too low.

19. As shown on Attachment D, an increase in the existing base power cost factor from \$0.005233 to \$0.03647 results in a \$161,979 adjustment to test-year purchased power costs.

20. General Counsel based its financial evaluation of Rita Blanca on a test year ending December 31, 1991, stating that this period is more representative and more current than the test year ending September 30, 1991, which the Cooperative used in its original application.

21. According to the staff's financial planning model, equity constituted 55 percent of Rita Blanca's capitalization in 1991; this percentage will decline to 53.4 percent by the end of 1994. No retirements of capital credits are anticipated for 1993 or 1994.

22. The projected Times Interest Earned Ratio (TIER) is 3.0949 for the year ending December 31, 1994 (compared to a TIER for the 12 months ending December 31, 1991 of 4.2927) is reasonable for the Cooperative considering its low debt cost. A substantial amount of Rita Blanca's debt (67.6 percent) bears interest at two percent. The proposed debt service coverage ratios are projected as 2.4 for 1993 and 2.3 for 1994, compared to the 1990 state median of 1.97.

23. As of the end of the test year, the percentage of Rita Blanca's general funds to total plant was 12.41 percent, which is well above the state median of 7.62 percent.

24. The Cooperative's general funds balance at the end of the test year includes money received in a refund from Southwestern Public Service Company, which must be passed through to Rita Blanca's ratepayers.

25. Rita Blanca also refunded approximately \$1.41 million in 1991 to some of its customers due to overcharges in recent years.

26. For reasons stated in Finding of Fact Nos. 24 and 25, the Cooperative's general funds balance will be reduced to approximately 1.25 percent of total utility plant in 1992.

27. The general funds level as a percentage of total plant is projected to be six percent in 1993 and 5.7 percent in 1994. The Cooperative expects to add \$746,069 to its net plant during the three years spanning from October 1, 1991, to September 30, 1994.

28. In order for Rita Blanca to begin increasing its general funds balance to six percent, it may be forced to borrow money to fund the expected plant additions and supplement its cash balance.

29. Without the proposed rate increase, a reduced interest income and increased interest expense would impair Rita Blanca's financial condition. Even with the stipulated 2.6 percent rate increase over adjusted test-year revenues, the Cooperative's financial ratios are projected to fall during the next three years.

30. The service rules proposed by Rita Blanca comply with the Commission staff's recommendations in the compliance audit conducted in *Compliance Audit of Rita Blanca Electric Cooperative, Inc.*, Project No. 10407.

B. Conclusions of Law

1. Rita Blanca Electric Cooperative, Inc. is a public utility as defined in Section 3(c)(1) of the Public Utility Regulatory Act (PURA), Tex. Rev. Civ. Stat. Ann. art. 1446c (Vernon Supp. 1992).

2. The Commission has jurisdiction over this docket under PURA §§ 16(a), 17(e), 37, and 43(a).

3. This case was processed in accordance with the requirements of PURA and the Administrative Procedure and Texas Register Act (APTRA), Tex. Rev. Civ. Stat. Ann. art. 6252-13a (Vernon Supp. 1992).

4. As a cooperatively-owned electric distribution utility, Rita Blanca is entitled to file a rate change request under P.U.C. SUBST. R. 23.23(c).

5. Rita Blanca provided notice in compliance with P.U.C. SUBST. R. 23.23(c)(3) and P.U.C. PROC. R. 21.22.

6. P.U.C. SUBST. R. 23.23(c) requires that the utility's total revenue cannot change by more than five percent over the test-year level and that no customer class receive a base revenue change greater than 1.5 times the system base revenue change.

7. The stipulated rate increase specified in Finding of Fact No. 8 is in compliance with P.U.C. SUBST. R. 23.23(c) because (1) it is less than the maximum five percent increase allowed by P.U.C. SUBST. R. 23.23(c)(1)(A), whether on an adjusted or actual test-year basis, and (2) the highest class base revenue change involved is 10 percent, which is slightly less than the maximum increase ( $1.5 \times 6.75 = 10.12$  percent) permitted under P.U.C. SUBST. R. 23.23(c)(1)(B).

8. Rita Blanca has met its burden of proof, as required under P.U.C. SUBST. R. 23.23(c) and PURA § 40.

9. The proposed rates are just and reasonable, are not unreasonably preferential, prejudicial, or discriminatory but rather are sufficient, equitable, and consistent in application to each class of customers as required by PURA § 38.

10. Rita Blanca has met the procedural and substantive requirements of P.U.C. SUBST. R. 23.23(c).

11. The proposed service rules comply with PURA and the Commission's rules.

The Commission further issues the following Order:

1. The application of Rita Blanca Electric Cooperative, Inc. to change rates, as amended, is **APPROVED**.
2. The tariff sheets filed by Rita Blanca on August 26, 1992, consistent with this Order, are **APPROVED**.
3. The approved rates shall be charged for service rendered in the areas in which the Commission is exercising original jurisdiction. Said rates shall be charged only for service rendered after the tariff approval date.

4. All motions, requests for entry of specific findings of fact and conclusions of law, and any other requests for general or specific relief, if not expressly granted herein, are DENIED for want of merit.

SIGNED AT AUSTIN, TEXAS this \_\_\_\_ day of \_\_\_\_\_ 1992.

PUBLIC UTILITY COMMISSION OF TEXAS

\_\_\_\_\_  
MARTA GREYTOK, COMMISSIONER

\_\_\_\_\_  
ROBERT W. GEE, CHAIRMAN

\_\_\_\_\_  
KARL R. RABAGO, COMMISSIONER

ATTEST:

\_\_\_\_\_  
JOHN M. RENFROW  
SECRETARY OF THE COMMISSION

Attachment A

RITA BLANCA ELECTRIC COOPERATIVE, INC.

SECTION 23.23(c) TESTS  
SEPTEMBER 30, 1991

	NUMBER OF CUSTOMERS	LNH SOLD	TEST YEAR BASE REVENUE EXCLUDING POWER COST	TEST YEAR POWER COST REVENUE IN BASE RATES	TY PCR REVENUE	TY TOTAL REVENUE	PROP. INCR.	PROPOSED BASE REVENUE	CHANGE BASE REV/ CLASS	PROPOSED TOTAL REVENUE	CHANGE TOTAL REV/ CLASS
Parm Service	1,912	17,196,407	540,578	89,948	931,115	1,161,641	54,056	594,434	10.00%	1,215,697	4.65%
Textline Residential	168	1,120,060	37,155	5,858	34,710	77,723	3,716	40,871	10.00%	81,439	4.78%
Pence Charge	188	77,770	16,527	407	2,426	19,360	1,639	18,166	9.92%	20,999	8.47%
Small Commercial	783	13,162,872	394,390	68,842	407,943	871,175	18,003	412,595	4.56%	889,178	2.07%
Small Irrigation	1,169	7,159,614	308,368	37,445	225,573	571,386	30,804	339,172	9.99%	602,190	5.39%
Large Power	164	38,949,234	589,609	283,704	1,201,802	1,993,115	26,850	616,459	4.55%	2,021,965	1.53%
Large Irrigation	103	21,787,980	383,302	113,951	703,201	1,200,454	17,463	400,763	4.56%	1,217,917	1.45%
Lighting	614	531,410	18,648	2,779	16,592	38,039	1,833	20,501	9.82%	39,872	4.82%
Subtotal	5,101	99,987,347	2,286,597	522,934	3,123,362	5,934,893	154,364	2,442,961	6.74%	6,089,257	2.60%
Other Revenue			13,124			13,124		13,124			
Total	5,101	99,987,347	2,301,721	522,934	3,123,362	5,948,017	154,364	2,456,085	6.71%	6,102,381	2.60%

Public Utility Commission of Texas  
Docket No. 11193  
Rita Blanca Electric Cooperative, Inc.  
Class Base Rate Revenue Requirements

Exhibit IN-2  
Stipulated

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Customer Class	Present Revenue (\$)	Coop Proposed (\$)	Increase (Decrease) (\$)	Percent Change (%)	Staff Proposed Rev. Adj. (\$)	Percent Change (%)	Relative to System Increase	Staff Proposed Rev. Req. (\$)	Adj. ROR (%)	Relative ROR Index	Present Relative ROR Index
Farm Service	1,161,641	1,215,697	54,056	4.65	54,056	4.65	1.79	1,215,697	(0.758)	(0.277)	(1.729)
Textline Residential	77,723	81,439	3,716	4.78	3,716	4.78	1.84	81,439	(5.362)	(1.961)	(5.000)
Fence Charges	19,360	20,999	1,639	8.47	1,639	8.47	3.25	20,999	(7.065)	(2.584)	(5.838)
Small Commercial	871,175	889,178	18,003	2.07	18,003	2.07	0.79	889,178	7.649	2.797	4.882
Small Irrigation	571,386	602,190	30,804	5.39	30,804	5.39	2.07	602,190	(8.245)	(3.015)	(7.202)
Large Power	1,995,115	2,021,965	26,850	1.35	26,850	1.35	0.52	2,021,965	19.209	7.025	13.281
Large Irrigation	1,200,454	1,217,917	17,463	1.45	17,463	1.45	0.56	1,217,917	12.200	4.461	8.050
Lighting	38,039	39,872	1,833	4.82	1,833	4.82	1.85	39,872	(16.251)	(5.943)	(13.119)
Total	5,934,893	6,089,257	154,364	2.60	154,364	2.60	1.00	6,089,257	2.735	1.000	1.000

Note: Revenues shown here include Base power cost in base rates



Public Utility Commission of Texas  
Docket No. 11193  
Rita Blanca Electric Cooperative, Inc.  
Residential Bill Comparison

Exhibit IN-4  
Stipulated

KWH USAGE =====	EXISTING BILL =====	PROPOSED BILL =====	INCREASE (DECREASE) =====	PERCENT CHANGE =====
<u>Farm Service</u>				
Customer Charge	\$8.50	\$8.50		
Energy Charge	\$0.02580	\$0.06046		
PCRF	\$0.030882	\$0.000000		
500	\$36.32	\$37.52	\$1.20	3.29%
1,000	\$64.67	\$67.75	\$3.09	4.77%
1,500	\$93.01	\$97.98	\$4.97	5.35%
<u>Texline Residential</u>				
Customer Charge	\$7.50	\$7.50		
Energy Charge	\$0.02580	\$0.06136		
PCRF	\$0.030989	\$0.000000		
500	\$35.38	\$36.95	\$1.57	4.45%
1,000	\$63.77	\$67.63	\$3.86	6.05%
1,500	\$92.17	\$98.31	\$6.14	6.67%

Public Utility Commission of Texas  
Docket No. 11193  
Rita Blanca Electric Cooperative, Inc.  
Calculation of Base Power Cost Factor

Exhibit IN-1  
Stipulated

Actual Test Year Purchased Power Cost	3,808,807
Test Year Purchased Power Cost Adjustment	(161,979)
Adjusted Test Year Purchased Power Cost	3,646,828
Test Year KWH Sold	99,987,347
Base Power Cost Factor	0.03647

Book

DOCKET NO. 11193

APPLICATION OF RITA BLANCA ELECTRIC § PUBLIC UTILITY COMMISSION  
COOPERATIVE, INC. FOR EXPEDITED §  
AUTHORITY TO CHANGE RATES §  
PURSUANT TO P.U.C. SUBST. R. 23.23(c) § OF TEXAS

EXAMINER'S ORDER NO. 11

ADMISSION OF ADDITIONAL EXHIBIT

On August 21, 1992, the General Counsel filed its and the Staff's recommendations in support of the proposed service rules and tariffs in the original application. These recommendations are ADMITTED as "General Counsel Ex. 2."

SIGNED AT AUSTIN, TEXAS the 21st day of August 1992.

PUBLIC UTILITY COMMISSION OF TEXAS

*Stephen J. Davis*

STEPHEN J. DAVIS  
ADMINISTRATIVE LAW JUDGE

Book

DOCKET NO. 11193

APPLICATION OF RITA BLANCA ELECTRIC §  
COOPERATIVE, INC. FOR EXPEDITED §  
AUTHORITY TO CHANGE RATES §  
PURSUANT TO P.U.C. SUBST. R. 23.23(c) §

PUBLIC UTILITY COMMISSION  
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OF TEXAS

EXAMINER'S ORDER NO. 10

**SETTING EXPEDITED DEADLINES**

In reviewing the evidentiary record in preparation of issuing a recommendation, the Administrative Law Judge (ALJ) has found no indication that either the General Counsel or the Staff reviewed the proposed service rules in the original application filed by Rita Blanca Electric Cooperative, Inc. (Rita Blanca). The ALJ notes that many of the service rules proposed in the original application are designated as new or involve textual changes.

Under the existing schedule, the ALJ's proposed order must be issued today. Therefore, the General Counsel **SHALL** file by noon today a statement of whether the General Counsel and Staff have thoroughly reviewed the proposed service rules, particularly with respect to whether the new service regulations and the textual changes are reasonable and consistent with the Public Utility Regulatory Act (PURA), Tex. Rev. Civ. Stat. Ann. art. 1446c (Vernon Supp. 1992) and the Commission's rules. If such a review has occurred, a memorandum from the responsible Staff member shall accompany the General Counsel's filing for inclusion in the evidentiary record.

If the General Counsel and Staff have not yet reviewed the proposed service rules in Rita Blanca's original application, the proposed order will be issued today with the qualification that it does not contain a recommendation on the proposed service rules and that such is forthcoming. In such an event, the General Counsel and Staff's recommendations with respect to the proposed service rules are due by noon, Wednesday, August 26, 1992. A revised proposed order will thereafter issue incorporating the ALJ's recommendation with respect to the General Counsel and Staff's pleadings, which will be admitted into evidence. If the General Counsel and Staff cannot


file these pleadings until August 26, 1992, the procedural schedule is  
**MODIFIED** as follows:

Rita's Blanca's Tariff Filing  
General Counsel's Response

Tuesday, September 1, 1992  
Friday, September 4, 1992

**SIGNED AT AUSTIN, TEXAS** the 21st day of August 1992.

**PUBLIC UTILITY COMMISSION OF TEXAS**

  
\_\_\_\_\_  
**STEPHEN J. DAVIS**  
**ADMINISTRATIVE LAW JUDGE**

DOCKET NO. 11193

APPLICATION OF RITA BLANCA ELECTRIC  
COOPERATIVE, INC. FOR EXPEDITED  
AUTHORITY TO CHANGE RATES  
PURSUANT TO P.U.C. SUBST. R. 23.23(c)

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PUBLIC UTILITY COMMISSION  
OF TEXAS

EXAMINER'S ORDER NO. 9

FOURTH REVISION OF PROCEDURAL SCHEDULE

The musical final order meeting schedule continues .... The final order meeting scheduled for September 16, 1992 has been cancelled. In its stead, a final order meeting will be convened on September 9, 1992. Consequently, the procedural schedule is again **REVISED** as follows:

Proposed Order or Order of Denial	August 21, 1992
Corrections to Proposed Order	August 26, 1992
Rita Blanca's Tariff Filing	August 26, 1992
General Counsel's Response to Tariff Filing	September 3, 1992
Final Order Meeting	September 9, 1992
Denial if No Commission Action	September 16, 1992

SIGNED AT AUSTIN, TEXAS the 5<sup>th</sup> day of August 1992.

PUBLIC UTILITY COMMISSION OF TEXAS

*Stephen J. Davis*

STEPHEN J. DAVIS  
ADMINISTRATIVE LAW JUDGE

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PUBLIC UTILITY COMMISSION  
OF TEXAS

*BWR*

DOCKET NO. 11193

APPLICATION OF RITA BLANCA ELECTRIC § PUBLIC UTILITY COMMISSION  
COOPERATIVE, INC. FOR EXPEDITED §  
AUTHORITY TO CHANGE RATES §  
PURSUANT TO P.U.C. SUBST. R. 23.23(c) § OF TEXAS

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EXAMINER'S ORDER NO. 8  
THIRD REVISION OF PROCEDURAL SCHEDULE

In response to Examiner's Order No. 7, Rita Blanca Electric Cooperative, Inc. filed a letter on July 22, 1992 stating its willingness to extend its effective date by 14 days, until September 16, 1992, to accommodate the Commission's schedule. Accordingly, the procedural schedule is REVISED as follows:

Proposed Order or Order of Denial	August 28, 1992
Corrections to Proposed Order	September 2, 1992
Rita Blanca's Tariff Filing	September 2, 1992
General Counsel's Response to Tariff Filing	September 10, 1992
Final Order Meeting	September 16, 1992
Denial if No Commission Action	September 16, 1992

SIGNED AT AUSTIN, TEXAS the 3rd day of August 1992.

PUBLIC UTILITY COMMISSION OF TEXAS

*Stephen J. Davis*  
\_\_\_\_\_  
STEPHEN J. DAVIS  
ADMINISTRATIVE LAW JUDGE

Back

DOCKET NO. 11193

APPLICATION OF RITA BLANCA ELECTRIC § PUBLIC UTILITY COMMISSION  
COOPERATIVE, INC. FOR EXPEDITED §  
AUTHORITY TO CHANGE RATES §  
PURSUANT TO P.U.C. SUBST. R. 23.23(c) § OF TEXAS

EXAMINER'S ORDER NO. 6

ADMITTING EXHIBITS

On July 17, 1992, Rita Blanca Electric Cooperative, Inc. (Rita Blanca) filed an amendment to its original application. On July 20, 1992, the General Counsel filed its analysis of the issues specified in Examiner's Order No. 1 and recommended the approval of Rita Blanca's amended request. On July 22, 1992, Rita Blanca filed a letter of concurrence in response to the General Counsel's recommendation. Because the parties are in agreement, the following exhibits are ADMITTED into evidence:

Rate Filing and Application (5-15-92)	Rita Blanca Ex. 1
Tariff for Electric Service (5-15-92)	Rita Blanca Ex. 2
Amendment to Application (7-17-92)	Rita Blanca Ex. 3
Response to Application (7-20-92)	General Counsel Ex. 1
Response to General Counsel (7-22-92)	Rita Blanca Ex. 4

The parties are deemed to have waived their right to cross-examination of these exhibits.

SIGNED AT AUSTIN, TEXAS the 24th day of July 1992.

PUBLIC UTILITY COMMISSION OF TEXAS

*Stephen J. Davis*

STEPHEN J. DAVIS  
ADMINISTRATIVE LAW JUDGE



DOCKET NO. 11193

APPLICATION OF RITA BLANCA ELECTRIC §  
COOPERATIVE, INC. FOR EXPEDITED §  
AUTHORITY TO CHANGE RATES §  
PURSUANT TO P.U.C. SUBST. R. 23.23(c) §

PUBLIC UTILITY COMMISSION  
OF TEXAS

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EXAMINER'S ORDER NO. 5

SECOND REVISION OF PROCEDURAL SCHEDULE

On July 3, 1992, the General Counsel filed a letter requesting the suspension of the procedural schedule to allow time for the resolution of certain disputed issues. On July 7, 1992, Rita Blanca Electric Cooperative, Inc. (Rita Blanca) filed a letter agreeing to extend its effective date by 20 days. The extension results in a September 2, 1992 effective date. Rita Blanca failed to propose a new procedural schedule, but stated that the parties would advise the ALJ by July 17, 1992, regarding the status of their discussions.

Accordingly, the procedural schedule is REVISED as follows:

Report to the ALJ Regarding the Status of Discussions	July 17, 1992
Response to Application and Proposed Order, Findings of Fact and Conclusions of Law	July 20, 1992
Rita Blanca's Response, if any	July 22, 1992
Proposed Order or Order of Denial	August 14, 1992
Proposed Corrections to Order	August 19, 1992
Rita Blanca's Tariff Filing	August 19, 1992
General Counsel's Response to Tariff Filing	August 27, 1992
Final Order Meeting	September 2, 1992
Denial if No Commission Action	September 2, 1992

SIGNED AT AUSTIN, TEXAS the 8<sup>th</sup> day of July 1992.

PUBLIC UTILITY COMMISSION OF TEXAS

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STEPHEN J. DAVIS  
ADMINISTRATIVE LAW JUDGE

Book

DOCKET NO. 11193

APPLICATION OF RITA BLANCA ELECTRIC § PUBLIC UTILITY COMMISSION  
COOPERATIVE, INC. FOR EXPEDITED §  
AUTHORITY TO CHANGE RATES §  
PURSUANT TO P.U.C. SUBST. R. 23.23(c) § OF TEXAS

EXAMINER'S ORDER NO. 4

SUSPENSION OF PROCEDURAL SCHEDULE

On July 3, 1992, the General Counsel filed a letter requesting a suspension of the procedural schedule in order to permit further negotiations on disputed matters. The letter states that Rita Blanca Electric Cooperative, Inc. requested the General Counsel to make this request.

The procedural schedule is **SUSPENDED** until an order issues establishing a second revised procedural schedule.

SIGNED AT AUSTIN, TEXAS the 3rd day of July 1992 .

PUBLIC UTILITY COMMISSION OF TEXAS

*Stephen J. Davis*

STEPHEN J. DAVIS  
ADMINISTRATIVE LAW JUDGE

*BPR*

DOCKET NO. 11193

APPLICATION OF RITA BLANCA ELECTRIC  
COOPERATIVE, INC. FOR EXPEDITED  
AUTHORITY TO CHANGE RATES  
PURSUANT TO P.U.C. SUBST. R. 23.23(c)

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PUBLIC UTILITY COMMISSION  
OF TEXAS

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EXAMINER'S ORDER NO. 3

ESTABLISHING REVISED DEADLINE FOR TARIFF FILINGS

The revised procedural schedule in Examiner's Order No. 2 erroneously omitted a revised deadline for the tariff filings ordered in Examiner's Order No. 1. Consistent with the deadline extensions in Examiner's Order No. 2, the deadline for the tariff filings is REVISED to July 29, 1992. By August 6, 1992, the General Counsel SHALL file a pleading recommending the approval or disapproval of the tariffs.

SIGNED AT AUSTIN, TEXAS the 30th day of June 1992.

PUBLIC UTILITY COMMISSION OF TEXAS

*Stephen J. Davis*

STEPHEN J. DAVIS  
ADMINISTRATIVE LAW JUDGE

Book

DOCKET NO. 11193

APPLICATION OF RITA BLANCA ELECTRIC  
COOPERATIVE, INC. FOR EXPEDITED  
AUTHORITY TO CHANGE RATES  
PURSUANT TO P.U.C. SUBST. R. 23.23(c)

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OF TEXAS

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EXAMINER'S ORDER NO. 2  
REVISION OF PROCEDURAL SCHEDULE

On June 18, 1992, the General Counsel filed a letter stating the parties had agreed to request an extension of the procedural schedule to allow time for the resolution of certain disputed issues. On June 19, 1992, Rita Blanca Electric Cooperative, Inc. (Rita Blanca) filed a letter agreeing to extend its effective date by 21 days in order to accommodate the parties' request to modify the schedule. This extension results in an August 13, 1992 effective date.

Accordingly, the procedural schedule is **REVISED** as follows:

Motions to Intervene	June 29, 1992
Response to Application and Proposed Order, Findings of Fact and Conclusions of Law	July 3, 1992
Rita Blanca's Response, if any	July 8, 1992
Proposed Order or Order of Denial	July 24, 1992
Proposed Corrections to Order	July 29, 1992
Final Order Meeting	August 12, 1992
Denial if No Commission Action	August 13, 1992

SIGNED AT AUSTIN, TEXAS the 22nd day of June 1992.

PUBLIC UTILITY COMMISSION OF TEXAS

*Stephen J. Davis*

STEPHEN J. DAVIS  
ADMINISTRATIVE LAW JUDGE

Back

DOCKET NO. 11193

APPLICATION OF RITA BLANCA ELECTRIC § PUBLIC UTILITY COMMISSION  
COOPERATIVE, INC. FOR EXPEDITED §  
AUTHORITY TO CHANGE RATES §  
PURSUANT TO P.U.C. SUBST. R. 23.23(c) § OF TEXAS

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EXAMINER'S ORDER NO. 7

REQUESTING POSITION ON EXTENDING EFFECTIVE DATE

Under the current procedural schedule, the Commission will consider the recommendation of the Administrative Law Judge (ALJ) on September 2, 1992. Subject to a need to convene this final order meeting, however, the Commission may cancel it. Therefore, by 4:00 p.m., Monday, August 3, 1992, Rita Blanca Electric Cooperative, Inc. SHALL file a statement indicating whether it will extend its effective date by 14 days, or until September 16, 1992, the date of the next final order meeting scheduled after September 2, 1992. If Rita Blanca agrees to this extension, a revised procedural schedule will be issued.

SIGNED AT AUSTIN, TEXAS the 29th day of July 1992.

PUBLIC UTILITY COMMISSION OF TEXAS

Stephen J. Davis  
STEPHEN J. DAVIS  
ADMINISTRATIVE LAW JUDGE



**Public Utility Commission of Texas**

7800 Shoal Creek Boulevard  
Austin, Texas 78757 • 512/458-0100

**Marta Greytok**  
Commissioner

**Robert W. Gee**  
Chairman

**Karl R. Rábago**  
Commissioner

August 26, 1992

**TO:** Marta Greytok, Commissioner  
Robert W. Gee, Chairman  
Karl R. Rábago, Commissioner  
All Parties of Record

**RE:** Stephen J. Davis *SJD*

**RE:** Docket No. 11193--Application of Rita Blanca Electric Cooperative, Inc. for Expedited Authority to Change Rates Pursuant to Subst. R. 23.23(c)

Please find enclosed Revised Pages 3 and 4, which reflect revisions of Finding of Fact Nos. 10 and 19. These revisions are in response to the General Counsel's recommendation to modify the proposed order. Attached are the superseded pages of the proposed order which indicate the revisions by handwritten notation.

Please substitute the superseded pages with the revised pages.

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6. No motions to intervene or protest letters were filed in this docket.
7. The rate increase requested by the Cooperative will become effective upon approval by the Commission, or if not approved, will be denied by operation of law pursuant to P.U.C. SUBST. R. 23.23(c)(5) on September 16, 1992. If approved, the Cooperative intends to institute the new rates commencing with the first billing cycle following Commission approval.
8. On July 17, 1992, the Cooperative amended its application to request an increase of \$22,480, or less than one percent, of actual test-year revenues. This amount corresponds to an increase of \$154,364, or 2.6 percent, over adjusted test-year revenues.
9. On July 20, 1992, the General Counsel filed a response to the Cooperative's application which (1) stated the application, as amended, conforms with the requirements of Rule 23.23(c) and (2) recommended that the amended application be approved.
10. The amended application adopts staff's request to limit the rate increase to 2.6 percent of the adjusted test-year revenues and to revise the Cooperative's base power cost factor based on the test-year level of adjusted purchase power costs.
11. On July 22, 1992, Rita Blanca filed a letter concurring with the recommendations of General Counsel.
12. The Cooperative's total revenue requirement is \$6,102,381, as reflected in the schedule on Attachment A.
13. The Cooperative's total invested capital is \$12,048,553. Based on the adjusted test year ending September 1991, the return on this invested capital is \$329,522, which corresponds to a rate of return of 2.73 percent.

14. The Cooperative's adjusted test-year operating expenses totalling \$5,610,881 include \$3,646,828 in purchased power expense and exclude \$15,130 in expenses related to non-utility, satellite TV services.

15. The allocation of revenues by class is shown on Attachment B. The revenue increase for the residential/farm class is 4.65 percent; for residents of the city of Texline, it is 4.78 percent.

16. The system average base revenue increase (revenue minus power cost) is 6.75 percent.

17. The customer billing analysis shown on Attachment C reflects the rate changes per kilowatt hour of use for the residential classes.

18. Because Rita Blanca's Power Cost Recovery Factor (PCRF) revenue represents about half of total revenues, the existing base power cost factor is too low.

19. As shown on Attachment D, the existing base power cost factor has been revised from \$0.005233 to \$0.03647.

20. General Counsel based its financial evaluation of Rita Blanca on a test year ending December 31, 1991, stating that this period is more representative and more current than the test year ending September 30, 1991, which the Cooperative used in its original application.

21. According to the staff's financial planning model, equity constituted 55 percent of Rita Blanca's capitalization in 1991; this percentage will decline to 53.4 percent by the end of 1994. No retirements of capital credits are anticipated for 1993 or 1994.



6. No motions to intervene or protest letters were filed in this docket.
7. The rate increase requested by the Cooperative will become effective upon approval by the Commission, or if not approved, will be denied by operation of law pursuant to P.U.C. SUBST. R. 23.23(c)(5) on September 16, 1992. If approved, the Cooperative intends to institute the new rates commencing with the first billing cycle following Commission approval.
8. On July 17, 1992, the Cooperative amended its application to request an increase of \$22,480, or less than one percent, of actual test-year revenues. This amount corresponds to an increase of \$154,364, or 2.6 percent, over adjusted test-year revenues.
9. On July 20, 1992, the General Counsel filed a response to the Cooperative's application which (1) stated the application, as amended, conforms with the requirements of Rule 23.23(c) and (2) recommended that the amended application be approved.
10. The amended application adopts staff's request to limit the rate increase to 2.6 percent of the adjusted test-year revenues and to <sup>revise</sup> ~~modify~~ the Cooperative's <sup>purchase</sup> ~~rate design~~ so that the test-year level of adjusted power costs is recovered through base rates. ~~base power cost factor based on~~
11. On July 22, 1992, Rita Blanca filed a letter concurring with the recommendations of General Counsel.
12. The Cooperative's total revenue requirement is \$6,102,381, as reflected in the schedule on Attachment A.
13. The Cooperative's total invested capital is \$12,048,553. Based on the adjusted test year ending September 1991, the return on this invested capital is \$329,522, which corresponds to a rate of return of 2.73 percent.

14. The Cooperative's adjusted test-year operating expenses totalling \$5,610,881 include \$3,646,828 in purchased power expense and exclude \$15,130 in expenses related to non-utility, satellite TV services.

15. The allocation of revenues by class is shown on Attachment B. The revenue increase for the residential/farm class is 4.65 percent; for residents of the city of Texline, it is 4.78 percent.

16. The system average base revenue increase (revenue minus power cost) is 6.75 percent.

17. The customer billing analysis shown on Attachment C reflects the rate changes per kilowatt hour of use for the residential classes.

18. Because Rita Blanca's Power Cost Recovery Factor (PCRF) revenue represents about half of total revenues, the existing base power cost factor is too low.

19. As shown on Attachment D, <sup>*the existing base power cost factor has been revised*</sup> ~~an increase in the existing base power cost factor from \$0.005233 to \$0.03647, results in a \$161,979 adjustment to test-year purchased power costs.~~

20. General Counsel based its financial evaluation of Rita Blanca on a test year ending December 31, 1991, stating that this period is more representative and more current than the test year ending September 30, 1991, which the Cooperative used in its original application.

21. According to the staff's financial planning model, equity constituted 55 percent of Rita Blanca's capitalization in 1991; this percentage will decline to 53.4 percent by the end of 1994. No retirements of capital credits are anticipated for 1993 or 1994.

DOCKET NO. 11193

APPLICATION OF RITA BLANCA ELECTRIC  
COOPERATIVE, INC. FOR EXPEDITED  
AUTHORITY TO CHANGE RATES  
PURSUANT TO P.U.C. SUBST. R. 23.23(c)

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PUBLIC UTILITY COMMISSION  
OF TEXAS

EXAMINER'S ORDER NO. 1

ESTABLISHING PROCEDURAL SCHEDULE

On May 15, 1992, Rita Blanca Electric Cooperative, Inc. (Rita Blanca) filed an application for authority to increase its rates by \$297,500, or 4.9 percent, over actual test-year revenues, pursuant to the expedited procedure established in P.U.C. SUBST. R. 23.23(c). This rule imposes filing and jurisdictional deadlines aimed to facilitate the speedy resolution of applications filed by electric distribution cooperatives seeking authority to change rates within certain restrictions. The deadlines set in this Order are similar to those set in prior dockets initiated pursuant to P.U.C. SUBST. R. 23.23(c).

*Jurisdiction* -- The Commission has jurisdiction over this application pursuant to Public Utility Regulatory Act (PURA), Tex. Rev. Civ. Stat. Ann. art. 1446c, §§16(a), 17(e), 37, and 43(a) (Vernon Supp. 1992).

*Motions to Intervene* -- Pursuant to P.U.C. SUBST. R. 23.23(c)(4)(A), motions to intervene SHALL be filed no later than June 29, 1992, 45 days after the filing of the application.

*Notice* -- Rita Blanca SHALL comply with the notice requirements specified in P.U.C. SUBST. R. 23.23(c)(3)(A), (B), and (C). Rita Blanca SHALL also serve a copy of its application upon the Office of Public Utility Counsel (OPC), as required by P.U.C. SUBST. R. 23.23(c)(1). Affidavits attesting to the provision of this notice are included in Rita Blanca's application.

*Effective Date* -- P.U.C. SUBST. R. 23.23(c)(1)(C) states that the effective date of a rate change proposed under P.U.C. SUBST. R. 23.23(c) is at least 60 days after the date upon which the application is filed. P.U.C. SUBST. R. 23.23(c)(5) states that "an application will be deemed denied on the

60th day after the filing date unless the utility in writing postpones the effective date of the rate changes to allow the commission to approve the application at its next scheduled meeting." The 60-day deadline for Rita Blanca's application is July 14, 1992. Because there is no final order meeting scheduled between June 24, 1992 and July 22, 1992, Rita Blanca must extend its effective date by nine days (to July 23, 1992) to permit the Commission to consider its application in open meeting and enter a final order based on its deliberations. (The extra day allows the Commissioners sufficient time to sign the final order.)

For those reasons, Rita Blanca is REQUESTED to file a letter by Friday, May 29, 1992 agreeing to extend its effective date to July 23, 1992. In the interim, the procedural schedule established in this Order assumes a July 23, 1992 effective date.

*Procedural Schedule* -- The procedural schedule below is driven by the deadlines mandated in P.U.C. SUBST. R. 23.23(c). The parties SHALL engage in informal discovery, given that the time constraints of the rule preclude the adoption of a formal discovery schedule.

Rita Blanca's Proposed Order, Findings of Fact and Conclusions of Law	June 12, 1992
Response to Application and Proposed Order, Findings of Fact and Conclusions of Law	June 19, 1992
Rita Blanca's Response, if any, to Responses	June 24, 1992
Motions to Intervene	June 29, 1992
Proposed Order or Order of Denial	July 3, 1992
Proposed Corrections to Order	July 8, 1992
Final Order Meeting	July 22, 1992
Denial if No Commission Action	July 23, 1992

*Proposed Order, Findings of Fact, and Conclusions of Law* -- The Administrative Law Judge (ALJ) requests Rita Blanca to file a proposed order, findings of fact, and conclusions of law for the purpose of a timely

recommendation, which will in turn give the parties and the Commission adequate time to review the docket before the final order meeting.

*Intervenor Responses* -- Although the intervention deadline is not until June 29, 1992, the ALJ needs the benefit of any intervenor response, particularly OPC's, by June 19, 1992 in order to issue a timely recommendation. The ALJ recognizes the paradox in this deadline, but has no other choice given the timelines contemplated by P.U.C. SUBST. R. 23.23(c).

*General Counsel Response* -- The response filed by the General Counsel SHALL address the following issues:

- Whether the application and statement of intent comply with the requirements of the rule as to form (§23.23(c)(2)) and substance (23.23(c)(1));
- Whether the notice provided is adequate;
- The impact of the proposed rate changes on Rita Blanca's financial condition;
- Whether the proposed rate changes are just and reasonable;
- Whether the proposed rates are unreasonably discriminatory or preferential;
- Whether the application should be approved, and if not, what modifications, if any, should be made; and
- Whether Rita Blanca's proposed order, findings of fact, and/or conclusions of law should be adopted, and if not, what modifications should be made.

In conjunction with its recommendations, the General Counsel SHALL provide a schedule comparing the existing monthly bills with the proposed bills for residential customers using 500, 1,000, and 1,500 kilowatts.

*Deadlines* -- Unless otherwise specified, all filing deadlines are for 4:00 p.m. on the designated date.

*Tariff Filings* -- To expedite the tariff approval process, Rita Blanca SHALL file an original and four copies of the tariff with appropriate notations by July 8, 1992. By July 15, 1992, the General Counsel SHALL file a pleading recommending the approval or disapproval of the tariffs. This pleading will enable the ALJ to inform the Commission at the final order meeting whether the tariffs are correct, so they may be approved on the date of the final order.

*Designation of the Record* -- At the time any party, including the General Counsel, recommends the approval of the application, it SHALL designate those documents which it believes should be admitted into evidence to support its recommendation. The ALJ will admit such designated materials into evidence upon determining that the application has met the requirements in P.U.C. SUBST. R. 23.23(c) and should be approved. The parties will be deemed to have waived any objections to the evidence and their rights to cross-examination. The docket will be processed administratively without a hearing.

SIGNED AT AUSTIN, TEXAS the 22nd day of May 1992.

PUBLIC UTILITY COMMISSION OF TEXAS

*Stephen J. Davis*

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STEPHEN J. DAVIS  
ADMINISTRATIVE LAW JUDGE