



Control Number: 25960



Item Number: 57

Addendum StartPage: 0

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APPLICATION OF BRAZOS ELECTRIC
POWER COOPERATIVE, INC. TO
CHANGE RATES FOR WHOLESALE
TRANSMISSION SERVICE

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PUBLIC UTILITY COMMISSION
FILING CLERK
BEFORE THE STATE OFFICE

OF

ADMINISTRATIVE HEARINGS

ORDER NO. 4
DENYING BRAZOS ELECTRIC'S REQUEST FOR INTERIM RATE RELIEF

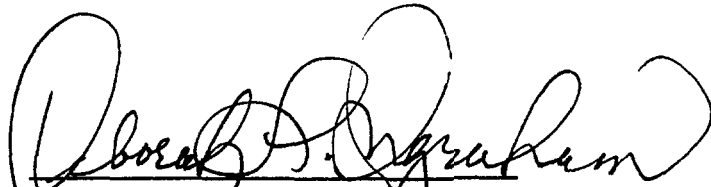
On May 28, 2002, Brazos Electric Cooperative, Inc. (Brazos) filed its petition initiating this docket and requesting a rate change for its wholesale transmission service rates. Brazos requested that the Commission implement its rate change for transmission service on an interim basis pursuant to P.U.C. SUBST. R. 22.125. The Commission referred this docket to the State Office of Administrative Hearings (SOAH) on July 9, 2002, and issued a Preliminary Order on July 30, 2002. On August 16, 2002, the SOAH Administrative Law Judge (ALJ) conducted a hearing regarding Brazos' interim rate approval request. Parties participating in the hearing included Brazos, Staff of the Public Utility Commission of Texas, CenterPoint Houston Electric Company, City of Garland, AEP ERCOT Companies, and TXU Energy Retail Company L.L.P.

A contested request for interim relief may only be granted upon a showing of good cause pursuant to P.U.C. SUBST. R. 22.125 (interim relief rule). The ALJ has considered the arguments of the parties and finds that Brazos' request for interim relief should not be granted.

The ALJ agrees with Brazos that something less than a dire or immediate threat to a company's financial integrity could constitute good cause under the interim relief rule. But the rule's good cause standard suggests that a company must have a *substantial* reason for collecting an increased rate on an interim basis. The ALJ was not persuaded that a substantial negative impact on the company or the public interest (or perhaps on competition) would most likely result from the circumstances Brazos presented to support its interim relief request.

Therefore, it is ordered that Brazos Electric Cooperative, Inc.'s request for the interim wholesale transmission rates is denied.

ISSUED this 9th day of September, 2002.



DEBORAH L. INGRAHAM
ADMINISTRATIVE LAW JUDGE
STATE OFFICE OF ADMINISTRATIVE HEARINGS

121