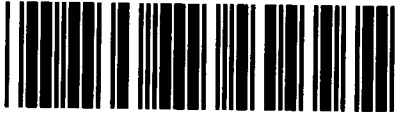


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Addendum StartPage: 0

DOCKET NO. 38340

**APPLICATION OF LCRA
TRANSMISSION SERVICES
CORPORATION FOR SALE,
TRANSFER, OR MERGER OF
CERTAIN SUBSTATION ASSETS
TO BANDERA ELECTRIC
COOPERATIVE, INC.**

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**PUBLIC UTILITY COMMISSION
OF TEXAS**

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**COMMISSION STAFF'S RESPONSE TO ORDER NO. 1 AND PROPOSED
PROCEDURAL SCHEDULE**

COMES NOW the Staff of the Public Utility Commission of Texas (Staff) representing the public interest and, in accordance with Order No. 1, provides its comments on the sufficiency of the application, sufficiency of the notice and whether additional notice is required, and the proposed procedural schedule. On June 9, 2010, LCRA Transmission Services (LCRA TSC) and Bandera Cooperative, Inc, (BEC) (collectively applicants) filed an application for transfer of LCRA TSC substation equipment located in the BEC Medina Lake Substation.

I. Sufficiency

After reviewing the application filed in this docket, Staff has determined that it is sufficient and complete.

II. Notice

Applicants proposed in their application to notify Medina County and Pipe Creek government officials. Staff, however, requests that the notice be mailed to all utilities and governments within 5 miles of the facility and published in the newspaper. This form of notice would be in accordance with other similar applications.¹ LCRA TSC has agreed to provide such notice and will file an affidavit to that effect. On June 11, 2010, the Commission issued notice for

¹ Joint Application of Golden Spread Electric Cooperative, Inc. and Southwestern Public Service Company To Transfer Certificate of Convenience And Necessity Rights, Docket No. 37866, Order No. 2 (February 9, 2010) and Joint Application of AEP Texas North Company And LCRA Transmission Services Corporation To Transfer Certificate Rights To Facilities In Mason And Llano Counties, Docket No. 36925, Order No. 2 (May 12, 2009).

publication in the Texas Register. Staff believes that the direct notice mailed to all affected parties combined with the publication of notice is sufficient.

III. Proposed Procedural Schedule

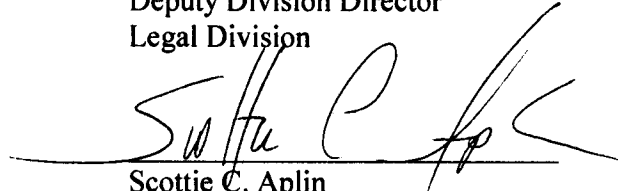
LCRA TSC has agreed to the following proposed procedural schedule. Staff respectfully requests that additional procedural dates, if necessary, be established at a later time.

Date of Application	June 9, 2010
Affidavits evidencing proof of publication	July 16, 2010
Intervention	July 19, 2010
End of Discovery	August 23, 2010
Request for hearing referral to State Office of Administrative Hearings (SOAH) or Intervenor comments on merits of application if not request for a hearing	September 9, 2010
<i>If no request for a hearing,</i>	
Staff Recommendation	September 16, 2010
Applicants' response to Intervenor comments on the merits and Commission Staff's recommendation on the merits, or, in the alternative, a settlement agreement with proposed findings of fact, conclusions of law, and ordering paragraphs	September 23, 2010

Dated: July 1, 2010

Respectfully Submitted,
Thomas S. Hunter
Division Director
Legal Division

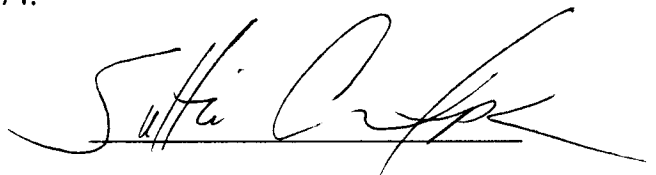
Keith Rogas
Deputy Division Director
Legal Division

A handwritten signature in black ink, appearing to read "Scottie C. Aplin", written over a horizontal line.

Scottie C. Aplin
Attorney – Legal Division
State Bar No. 24001664
(512)936-7289
(512)-936-7268 (facsimile)
Public Utility Commission of Texas
1701 North Congress Avenue
P.O. Box 13326
Austin, Texas 78711-3326

CERTIFICATE OF SERVICE

I certify that a copy of this document will be served on all parties of record on June 28, 2010 in accordance with P.U.C. PROC. R. 22.74.

A handwritten signature in black ink, appearing to read "Scottie C. Aplin", written over a horizontal line.