



Control Number: 38518



Item Number: 3

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**DOCKET NO. 38518**

**APPLICATION OF FARMERS  
ELECTRIC COOPERATIVE, INC. FOR  
TRANSMISSION COST OF SERVICE  
AND WHOLESALE TRANSMISSION  
RATES** §  
§  
§  
§  
§

**PUBLIC UTILITY COMMISSION  
OF TEXAS**

FILED  
AUG 16 PM 2:07  
REGISTRATION CLERK

**COMMISSION STAFF'S RESPONSE TO ORDER NO. 1**

**COMES NOW** the Staff of the Public Utility Commission of Texas (Staff), and files this response to Order No. 1, and would show the following:

**I. BACKGROUND**

On August 4, 2010, Farmers Electric Cooperative, Inc. (Farmers) filed an application for transmission cost of service (TCOS) and wholesale transmission rates pursuant to P.U.C. SUBST. R. 25.192 (Application). Farmers represented that its total transmission rate base is \$13,690,658. Farmers seeks approval of wholesale transmission rates based on a TCOS of \$1,174,043 and a wholesale transmission rate of \$0.0192914/kW- year, based on the 2009 ERCOT 4CP demand. Farmers represented that the proposed revenue requirement is a 112% increase over Farmers current wholesale transmission revenue requirement of \$553,661, which was approved in Docket No. 15844 and based on costs for a test year ending Dec. 31, 1995. Farmers represented that its service area has experienced significant load growth, and that Farmers has added new facilities to ensure reliable service. Together with the Application, Farmers filed the direct testimony of David Naylor and the TCOS rate filing package, schedules and workpapers.

Farmers also requested a Wholesale Transmission Service (WTS) Tariff in the same form as a number of previously-approved tariffs for non-IOU transmission service providers. Farmers' requested WTS Tariff reflects an access fee of \$0.0192914/kW-year of ERCOT CP demand, based on the 2009 ERCOT Average 4-CP load responsibility of 60,858,331.4 kW from the 2010 Net Payment Matrices. Farmers' Applications included schedules and workpapers in support of its WTS Tariff for this Application.

## II. SUFFICIENCY OF APPLICATION

Staff has reviewed the Application and recommends that it be considered sufficient. This finding of sufficiency is not a recommendation that the application be granted.

## III. SUFFICIENCY OF PROPOSED NOTICE

Staff has reviewed the notice and recommends that it be found reasonable. However, Farmers has not filed proof of service of its notice in this docket, therefore its notice is not complete. Staff requests the Farmers be required to file proof of notice attesting that it provided notice pursuant to P.U.C. PROC. R. 22.55 in the form of Exhibit "A" attached to the Application, to all the distribution service providers listed in the matrix established in Docket No 37680.

## IV. PROPOSED PROCEDURAL SCHEDULE


Staff will propose a procedural schedule after Farmers has filed proof of notice that shows when it completed notice.

**Dated: August 16, 2010**

Respectfully Submitted,

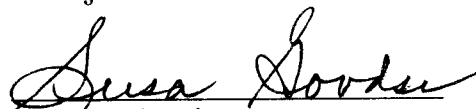
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**CERTIFICATE OF SERVICE**

I certify that a copy of this document will be served on all parties of record on this the 16th of August 2010 in accordance with P.U.C. PROC. R. § 22.74.

  
Susan E. Goodson