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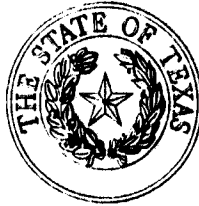
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**Donna L. Nelson**  
Commissioner

**Kenneth W. Anderson, Jr.**  
Commissioner

**Rolando Pablos**  
Commissioner

**Brian H. Lloyd**  
Executive Director




**Rick Perry**  
Governor

## *Public Utility Commission of Texas*

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**TO:** Donna L. Nelson, Commissioner  
Kenneth W. Anderson, Jr., Commissioner  
Rolando Pablos, Commissioner

All Parties of Record

**FROM:** Irene Montelongo   
Director, Docket Management

**RE:** **Open Meeting of January 26, 2012**  
Docket No. 39861 – *Application of Taylor Electric Cooperative, Inc. for Approval of Transmission Cost of Service and Wholesale Transmission Rates*

**DATE:** December 22, 2011

Enclosed is a copy of the Proposed Order in the above-referenced docket. The Commission will consider this docket at an open meeting presently scheduled to begin at 9:30 a.m. on Thursday, January 26, 2012, at the Commission's offices, 1701 North Congress Avenue, Austin, Texas. The parties shall file corrections or exceptions to the Proposed Order on or before Wednesday, January 18, 2012.

**If there are no corrections or exceptions, no response is necessary.**

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**DOCKET NO 39861**

**APPLICATION OF TAYLOR § PUBLIC UTILITY COMMISSION**  
**ELECTRIC COOPERATIVE, INC. FOR §**  
**APPROVAL OF TRANSMISSION COST § OF TEXAS**  
**OF SERVICE AND WHOLESALE §**  
**TRANSMISSION RATES §**

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**PROPOSED ORDER**

This Order addresses the application of Taylor Electric Cooperative, Inc. (Taylor) for a change in rates for wholesale transmission service (Application). Public Utility Commission of Texas (Commission) Staff recommended approval of Taylor's Application. The Application is approved.

The Commission adopts the following findings of fact and conclusions of law:

**I. Findings of Fact**

1. On October 21, 2011, Taylor filed an application for approval of transmission cost of service and revised wholesale transmission rates pursuant to P.U.C. SUBST. R. 25.191 - 25.203 (Application). Taylor's Application reflects the addition of three new substations and a mobile substation. Taylor's last transmission cost of service (TCOS) case, Docket No. 29756,<sup>1</sup> was approved in November of 2004.
2. On October 21, 2011, Taylor filed an affidavit attesting to the provision of notice of the Application by first class mail to all distribution service providers in *Commission Staff's Application to Set 2011 Wholesale Transmission Service Charges for the Electric Reliability Council of Texas, Inc.*, Docket No. 38900, Order (Apr. 8, 2011), listed in the matrix established by the Commission.
3. On October 25, 2011, the Commission Administrative Law Judge (ALJ) issued Order No. 1, requiring comments and/or a recommendation on the sufficiency of the Application.

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<sup>1</sup> Taylor Electric Cooperative, Inc.'s Application for Approval of Transmission Cost of Service, Docket No. 29756, Order (Nov. 5, 2004).

4. Taylor requests approval of wholesale transmission rates based on a transmission rate base of \$3,425,417, or 9.3108% return on transmission rate base of \$318,933, and a total TCOS of \$648,058. The resulting rate is \$0.010560 per kilowatt (kW) per year.
5. On November 1, 2011, Taylor filed a motion for a protective order.
6. On November 2, 2011, the Commission ALJ issued Order No. 2, establishing a protective order.
7. On November 7, 2011, Commission Staff responded to Order No. 1, recommending that the ALJ find Taylor's Application sufficient and the notice reasonable, and proposing a procedural schedule.
8. On November 8, 2011, the Commission ALJ issued Order No. 3, deeming Taylor's Application and notice sufficient and establishing a procedural schedule.
9. On December 19, 2011, Commission Staff filed a recommendation and an amended recommendation on final disposition recommending approval of Taylor's total transmission revenue requirement of \$648,058 in TCOS. Commission Staff also recommended approval of Taylor's annual wholesale transmission rate of \$0.010560 per kW.
10. Commission Staff recommended approval of Taylor's proposed wholesale transmission tariff, revised to reflect the recommended annual wholesale transmission rate.
11. Taylor and Commission Staff are the only parties to this proceeding. No party requested a hearing.

**Informal Disposition**

12. More than 15 days have passed since the completion of notice of Taylor's Application.
13. There are no unresolved issues remaining in this proceeding and this decision is not adverse to any party.
14. An evidentiary hearing is not necessary

**II. Conclusions of Law**

1. Taylor is a transmission service provider pursuant to P.U.C. SUBST. R. 25.5(143).

2. The Commission has jurisdiction over this matter pursuant to § 35.004 of the Public Utility Regulatory Act, TEX. UTIL. CODE ANN. §§ 11.001-66.016 (Vernon 2007 & Supp. 2011) (PURA).
3. Taylor's Application was processed in accordance with the requirements of PURA and Commission rules.
4. Notice of the Application was provided by Taylor in compliance with P.U.C. PROC. R. 22.54 and 22.55.
5. Taylor's wholesale transmission revenue requirement of \$648,058 is reasonable and necessary.
6. Taylor's wholesale transmission rates are just and reasonable and properly calculated pursuant to P.U.C. SUBST. R. 25.192.
7. The requirements for informal disposition under P.U.C. PROC. R. 22.35 have been met in this proceeding.

### III. Ordering Paragraphs

In accordance with the foregoing findings of fact and conclusions of law, the Commission issues the following Order:

1. Taylor's Application to establish a TCOS of \$648,058 and an annual wholesale transmission rate of \$0.010560 per kW is approved. The new service rates reflected in Taylor's Wholesale Transmission Service – WTS tariff and Rider EETS – ERCOT Export Transmission Service and provided with this Order as Attachments 1 and 2, respectively, are effective the date this Order is signed.
2. Within 10 days of the date of this Order, Taylor shall file "clean" tariff rate schedules reflecting the new wholesale transmission rate to be stamped "Approved" by the Commission's Central Records Division and retained for future reference.

3. All other 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.

**SIGNED AT AUSTIN, TEXAS the \_\_\_\_\_ day of January 2012.**

**PUBLIC UTILITY COMMISSION OF TEXAS**

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**DONNA L. NELSON, CHAIRMAN**

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**KENNETH W. ANDERSON, JR., COMMISSIONER**

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**ROLANDO PABLOS, COMMISSIONER**

<p style="text-align: center;">TAYLOR ELECTRIC COOPERATIVE, INC. Tariff for Electric Service</p>		Section	Sheet No.
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		Revision	Page
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<p><u>SECTION TITLE:</u></p> <p style="text-align: center;">RATE SCHEDULES</p> <p>APPLICABLE TO WHOLESALE TRANSMISSION FACILITIES</p>	<p>PUC STAMP</p>		

**202.9 WHOLESALE TRANSMISSION SERVICE - WTS**

**AVAILABILITY:**

Transmission Service is available at all points where transmission facilities of the Cooperative in the Electric Reliability Council of Texas (ERCOT) having adequate capacity and suitable voltage are available to implement Wholesale Transmission Service. Service under this tariff is wholesale service. Transmission service is not available for retail service.

**APPLICABILITY:**

Wholesale Transmission Service is provided within ERCOT to any eligible transmission service customer as that term is defined in all applicable Substantive Rules of the Public Utility Commission of Texas (PUC), and shall be provided in accordance with PUC Substantive Rules 25.191 - 25.203. Any power delivered onto or received from the Cooperative's transmission facilities under this tariff must be delivered onto and received at 60,000 volts or higher, three phase, 60 hertz alternating current, transmission lines in ERCOT which have been made available for this service.

**CONDITIONS:**

The Cooperative will provide transmission service to any eligible transmission service customer, provided that:

- (A) The eligible transmission service customer has complied with the applicable provisions of the ERCOT protocols;
- (B) the transmission service customer and the Cooperative have completed the technical arrangements specified in the interconnection agreement;
- (C) if the transmission service customer operates electrical facilities that are interconnected to the facilities of the Cooperative, the eligible transmission service customer has executed an Interconnection Agreement for Transmission Service, or has requested in writing that the Cooperative file a proposed unexecuted agreement with the PUC, and
- (D) The eligible transmission service customer satisfies all other conditions for transmission service specified in the PUC Substantive Rules

<p style="text-align: center;"><b>TAYLOR ELECTRIC COOPERATIVE, INC.</b>  <b>Tariff</b>  <b>For</b>  <b>Electric Service</b></p>		Section	Sheet No.
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		Revision	Page
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<p><b>SECTION TITLE:</b></p> <p><b>RATE SCHEDULES</b></p>  <p><b>APPLICABLE TO WHOLESALE TRANSMISSION FACILITIES</b></p>	<p>PUC STAMP</p>		

**PRICING:**

Access Charge: \$0.010560 per KW of the eligible transmission service customer's average system demand coincident with the ERCOT peak demand during each of the months from June through September of the preceding calendar year, as such demands are determined by the ISO.

**LOSSES:**

A transmission customer that uses transmission service shall compensate the Cooperative for losses resulting from such transmission service. Losses shall be calculated by the ISO under a method approved by the PUC.

**RESALE OF TRANSMISSION RIGHTS:**

A wholesale transmission customer is permitted to resell any and all transmission service rights contracted for by the transmission customer to other eligible transmission service customers for wholesale service to the extent allowed by applicable Commission rules and ERCOT protocols. The transmission customer shall inform the transmission provider and obtain ISO approval for any resale of transmission service rights.

**VOLTAGE SUPPORT:**

The Cooperative will provide whatever devices are necessary to maintain reasonable operating voltages on the Cooperative's transmission facilities. The eligible transmission service customer shall maintain a power factor of 95% or greater at each point of interconnection, or such other power factor as may be required pursuant to PUC Substantive Rules and/or ERCOT Protocols.

**PAYMENT:**

Any charges for transmission service by the Cooperative under this rate schedule shall be billed in accordance with PUC Substantive Rule 25.202. Customer shall make payment to the Cooperative in a manner consistent with the procedures and deadlines set forth in PUC Substantive Rule 25.202. Any late payments by customer or customer default shall be handled in accordance with PUC Substantive Rule 25.202.

**CONTRACT TERM:**

Transmission service is available in periods as short as 15 minutes, subject to ERCOT capabilities.



<b>FAYLOR ELECTRIC COOPERATIVE, INC.</b> Tariff for Electric Service		Section II Revision 3	Sheet No. Page
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**RIDER EETS — ERCOT EXPORT TRANSMISSION SERVICE**

**AVAILABILITY:**

ERCOT Export Transmission Service is available at all points where transmission facilities of the Cooperative in the Electric Reliability Council of Texas ("ERCOT") having adequate capacity and suitable voltage are available to implement ERCOT Export Transmission Service. Service under this rider is provided in conjunction with, and is subject to, all the terms and conditions for Wholesale Transmission Service under Rate WTS.

**APPLICABILITY:**

ERCOT Export Transmission Service is provided within ERCOT to any Transmission Service Customer as that term is defined in all applicable Substantive Rules of the Public Utility Commission of Texas (PUC), and shall be provided in accordance with PUC Substantive Rules 25.191 - 25.203. Any power delivered onto or received from the Cooperative's transmission facilities under this rider must be delivered onto and received at 60,000 volts or higher, three phase, 60 hertz alternating current, transmission lines in ERCOT which have been made available for this service.

**CONDITIONS:**

The Cooperative will provide transmission service to any Eligible Transmission Service Customer, provided that:

- (A) The eligible transmission service customer has complied with the applicable provisions of the ERCOT protocols;
- (B) the transmission service customer and the Cooperative have completed the technical arrangements specified in the interconnection agreement;
- (C) if the transmission service customer operates electrical facilities that are interconnected to the facilities of the Cooperative, the eligible transmission service customer has executed an Interconnection Agreement for Transmission Service, or has requested in writing that the Cooperative file a proposed unexecuted agreement with the PUC, and
- (D) The eligible transmission service customer satisfies all other conditions for transmission service specified in the PUC Substantive Rules.

**PRICING:**

Transmission service customers exporting power from ERCOT will be assessed an access charge based on the megawatts that are actually exported. Charges for ERCOT Export Transmission Service shall be in accordance with PUC Substantive Rule 25.192(e) and calculated as follows:

Annual	Access Charge	\$0.0105600 per KW
Monthly On Peak	Access Charge	\$0.0076399 per KW

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APPLICABLE TO ALL FACILITIES			

Monthly Off-Peak:	Access Charge	\$0.0008800 per KW
Weekly:	Access Charge	\$0.0002031 per KW
Daily:	Access Charge	\$0.0000289 per KW
Hourly:	Access Charge	\$0.0000012 per KW

**LOSSES:**

A transmission customer that uses transmission service shall compensate the Cooperative for losses resulting from such transmission service. Losses shall be calculated by the ISO under a method approved by the PUC.

**PAYMENT:**

Any charges due to the Cooperative under this rate schedule shall be billed in accordance with PUC Substantive Rule 25.202. Customer shall make payment to the Cooperative in a manner consistent with the procedures and deadlines set forth in PUC Substantive Rule 25.202. Any late payments by customer or customer default shall be handled in accordance with PUC Substantive Rule 25.202.

**AGREEMENT**

An Agreement for Wholesale Transmission Service is required. An Interconnection Agreement is required for Customers directly connected to the Cooperative's facilities.

**CHANGES TO RATE SCHEDULE:**

This rate schedule may be changed by order or consent of regulatory authorities having jurisdiction, or to the extent that this rate schedule is not subject to the jurisdiction of a regulatory authority, by the Cooperative's Board of Directors.

**EFFECTIVE DATE:**

\_\_\_\_\_

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**PAYMENT NETTING:**

This Rate for Wholesale Transmission Service is subject to orders entered by the PUC in proceedings relating to payment netting.

Inter-utility charges are based on the net annual payments prescribed in the PUC's orders relating to netting of payments.

**EFFECTIVE DATE:** \_\_\_\_\_