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PUBLIC UTILITY COMMISSION
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Chairman Donna L. Nelson
Commissioner Kenneth W. Anderson, Jr.
Public Utility Commission of Texas
1701 N. Congress Ave.
Austin, Texas 78701

Re: Docket No. 41223, *Application of Entergy Texas, Inc., ITC Holdings Corp., Mid South Transco LLC, Transmission Company Texas LLC, and ITC Midsouth LLC for Approval of Change of Ownership and Control of Transmission Business, Transfer of Certification Rights, Certain Cost Recovery Approvals, and Related Relief*

Dear Commissioners,

This case involves a multi-jurisdictional transaction that is set for consideration at the August 9 open meeting and has a decision deadline of August 18 under PURA § 39.262(m). This case is also on the Commission's Open Meeting agenda for July 19, 2013. Consistent with Preliminary Order Issue 3 regarding Applicants' commitments to other regulatory jurisdictions, Applicants want to bring to your attention commitments that have been made in other jurisdictions and would apply in Texas as a result of Applicants' commitment to honor "most favored nations" provisions. In addition, Applicants wish to share their view of some of the alternatives for Commission handling of the commitments that were made after the hearing in this case, and to pledge their cooperation in implementing those alternatives.

In the hearing in this case, Applicants made a series of commitments which are included in the ITC Rebuttal Testimony of Cameron M. Bready (Interchange Filer Item 374). On June 21, ITC and Entergy Arkansas, Inc. (EAI) filed testimony at the Arkansas Public Service Commission (APSC) containing certain additional and enhanced commitments. On July 9, ITC and EAI filed additional testimony at the APSC that supplemented the commitments in the June 21 filing. Consistent with their most favored nations commitment in Texas and Preliminary Order Issue No. 3, Applicants made informational filings in this proceeding on July 2 and July 12 containing the Arkansas commitments along with a corresponding set of commitments as they relate to Texas. The current Arkansas commitments and the corresponding ones for Texas were filed on July 12 and can be found at Interchange Filer Item 473.

On July 8, the Administrative Law Judges issued their Proposal for Decision, which did not consider the commitments filed on July 2¹ but discussed the previous commitments by the Applicants that were addressed at the hearing. The commitments filed July 2 and supplemented July 12 contain significant additional measures to address concerns raised by parties in the

¹ Docket No. 41223, *Application of Entergy Texas, Inc., ITC Holdings Corp., Mid South Transco LLC, Transmission Company Texas LLC, and ITC Midsouth LLC for Approval of Change of Ownership and Control of Transmission Business, Transfer of Certification Rights, Certain Cost Recovery Approvals, and Related Relief*, Proposal for Decision at 2, footnote 1 (indicating that Applicants' July 2 filing was not considered), *see also* p. 20 (mentioning commitments in other jurisdictions and recommending that the Commission also require such commitments in Texas if the transaction is approved) (July 8, 2013).

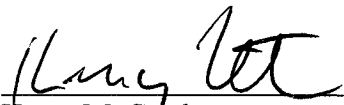
Entergy Operating Companies' retail jurisdictions.

Applicants believe that it would be appropriate for the Commission to consider the additional commitments and that admitting them into the evidentiary record can be accomplished in a fair and reasonable way so as to permit the Commission to make its determination based on the transaction including those additional commitments. If the Commission agrees that the July 12 commitments should be included in the evidentiary record in this case, the Commission could admit the July 12 filing pursuant to P.U.C. PROC. R. 22.226(d).² Applicants would also agree to make Mr. Bready or other ITC and Entergy witnesses available to answer questions on the record about the commitments at the Commission's August 9 open meeting or at another open meeting convened for that purpose.

Alternatively, the Commission could decide this case based on the existing record with confidence that the Applicants will honor most favored nations commitments with respect to proposals made in other jurisdictions, including those contained in the July 12 filing. By their nature, most favored nations requirements apply to commitments that may arise late in a proceeding or after it is concluded. If necessary, those commitments could be implemented in a subsequent compliance project.

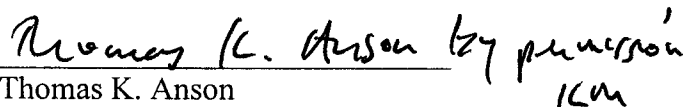
Applicants are aware of the challenges presented by parallel proceedings in several jurisdictions, and therefore wanted to bring this issue to your attention at this time.

Very truly yours,



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cc: Central Records
All Parties
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² P.U.C. PROC. R. 22.226(d) authorizes admission of evidence after the hearing on motion of the presiding officer or on motion of a party for good cause shown. A presiding officer includes the Commission or any Commissioner presiding over a proceeding or any portion thereof. *Id.* at Rule 22.2(34). Given the multi-jurisdictional nature of the transaction and the importance of most favored nations benefits for Texas customers, good cause exists to admit the updated commitments. The Commission has received evidence in previous cases after the SOAH hearing and issuance of the PFD. *E.g.*, Docket No. 22356, *Application of Entergy Gulf States, Inc. for Approval of Unbundled Cost of Service Rate*, Order No. 65 (April 18, 2001); Docket No. 28840, *Application of AEP Texas Central Co. for Authority to Change Rates*, Order No. 22 (Jan. 14, 2005).