



Control Number: 41527



Item Number: 15

Addendum StartPage: 0

DOCKET NO. 41527

2013 SEP 16 PM 3:10

**APPLICATION OF SOUTH TEXAS
ELECTRIC COOPERATIVE, INC. TO
CHANGE RATES FOR WHOLESALE
TRANSMISSION SERVICE (NON-IOU)**

§
§
§
§

**PUBLIC UTILITY COMMISSION
OF TEXAS**

FILING CLERK

ORDER

This Order addresses the application of South Texas Electric Cooperative, Inc. (STEC) to change rates for wholesale transmission service pursuant to P.U.C. SUBST. R. 25.191 – 25.203. The Public Utility Commission of Texas (Commission) Staff recommended approval of STEC's application. The application is approved.

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

I. Findings of Fact

1. On May 30, 2013, STEC filed an application to change wholesale transmission rates. The filing included the completed Non-IOU TCOS rate filing package schedules and workpapers, and testimonies in support of the application. STEC seeks the following:
 - (a) a total transmission cost of service (TCOS) in the amount of \$47,681,204 based on a test year ending December 31, 2012, an increase of \$13,113,641;
 - (b) an annual wholesale transmission rate equaling \$0.722285/kilowatt (kW) ;
 - (c) a distribution-level monthly wholesale transmission rate equaling \$1.26429/kW;
 - (d) tariff changes to reflect the joining of Magic Valley Electric Cooperative, Inc. and Medina Electric Cooperative, Inc. as members of STEC and the effect their joining has on the counties STEC serves, its offices, and the description of its system; and
 - (e) approval to update the rules and regulations governing its wholesale transmission service.

2. STEC is a not-for-profit electric cooperative providing generation and wholesale transmission service for eight distribution electric cooperatives serving 42 south Texas counties.
3. On May 31, 2013, the Commission's Administrative Law Judge (ALJ) issued Order No. 1, requiring Commission Staff to file comments and/or recommendations regarding STEC's application.
4. On June 12, 2013, Commission Staff recommended that STEC's application be deemed sufficient and that STEC's notice be found reasonable. Commission Staff also filed a proposed procedural schedule.
5. On June 13, 2013, the Commission's ALJ issued Order No. 2, finding the application sufficient, approving notice, and establishing a procedural schedule.
6. On June 26, 2013, STEC filed an affidavit of notice attesting that it provided notice of the application by first class mail to all transmission and distribution service providers listed on the Commission's transmission matrix in *Commission Staff's Application to Set 2013 Wholesale Transmission Service Charges for the Electric Reliability Council of Texas*, Docket No. 40946, Order (Mar. 28, 2013).
7. On July 8, 2013, Commission Staff filed its first request for information (RFI) on STEC.
8. On July 18, 2013, STEC responded to Commission Staff's first RFI.
9. On July 26, 2013, Commission Staff filed its second RFI on STEC.
10. On July 31, 2013, STEC responded to Commission Staff's second RFI.
11. On August 6, 2013, Commission Staff recommended approval of STEC's application.
12. STEC and Commission Staff are the only parties to this proceeding.
13. STEC's TCOS is \$47,681,204; its annual wholesale transmission rate is \$0.722285/kW; and its distribution-level monthly wholesale transmission rate is \$1.26429/kW.

II. Conclusions of Law

1. STEC 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. 2012) (PURA) and P.U.C. SUBST. R. 25.191 – 25.203.
3. STEC provided notice of the application in compliance with P.U.C. PROC. R. 22.54 and 22.55.
4. STEC's application was processed in accordance with the requirements of PURA, the Administrative Procedure Act, and Commission rules.
5. STEC's wholesale TCOS in the amount of \$47,681,204 is reasonable and necessary.
6. STEC's annual wholesale transmission rate of \$0.722285/kW is just and reasonable and properly calculated pursuant to P.U.C. SUBST. R. 25.192.
7. STEC's distribution-level monthly wholesale transmission rate is just and reasonable.
8. 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 findings of fact and conclusions of law, the Commission issues the following order:

1. STEC's application is approved.
2. STEC shall establish a wholesale TCOS in the amount of \$47,681,204, an annual wholesale transmission rate of \$0.722285/kW, and a distribution-level monthly wholesale transmission rate of \$1.26429/kW, effective the date this Order is signed.
3. STEC shall file a "clean" tariff reflecting the new wholesale transmission rates and changes to its transmission tariff to be stamped "Approved" by the Commission's Central Records Division and retained for future reference.

4. All other motions, requests for entry of specific findings of fact, conclusions of law, and any other requests for general or specific relief, if not expressly granted herein, are denied.

SIGNED AT AUSTIN, TEXAS the 16th day of September 2013.

PUBLIC UTILITY COMMISSION OF TEXAS



DONNA L. NELSON, CHAIRMAN



KENNETH W. ANDERSON, JR., COMMISSIONER



BRANDY D. MARTY, COMMISSIONER