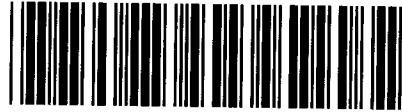




Control Number: 44361



Item Number: 105

Addendum StartPage: 0

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PUBL. UTIL. COM. POSITION  
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SHARYLAND UTILITIES, L.P.'S § BEFORE THE STATE OFFICE  
REQUEST FOR APPROVAL OF AN §  
ADVANCED METERING SYSTEM § OF  
(AMS) DEPLOYMENT, AMS §  
SURCHARGE, AND NON-STANDARD § ADMINISTRATIVE HEARINGS  
METERING SERVICE FEE §

**COMMISSION STAFF'S STATEMENT OF POSITION**

COMES NOW the Staff (Staff) of the Public Utility Commission of Texas (Commission), and files this Statement of Position, and would show the following:

**I. BACKGROUND**

On January 23, 2015, Sharyland Utilities, L.P. (Sharyland) filed with the Commission an application for approval of an Advanced Metering System (AMS) Deployment Plan, AMS Surcharge, and Non-Standard Metering Service Fees (AMS Proceeding). This proceeding is currently scheduled for a hearing on the merits for November 12-13, 2015. Pursuant to 16 Tex. Admin. Code § 22.124 (TAC), Staff files this Statement of Position.

**II. STATEMENT OF POSITION**

On September 29, 2015, in Docket No. 45188, *Joint Report and Application of Oncor Electric Delivery Company LLC, Ovation Acquisition I, LLC, Ovation Acquisition II, LLC, And Shary Holdings, LLC For Regulatory Approvals Pursuant to PURA §§14.101, 37.154, 39.262(I)-(M), And 39.915*, Oncor Electric Delivery Company L.L.C. (Oncor), Ovation Acquisition I, L.L.C. (OV1), Ovation Acquisition II, L.L.C. (OV2), and Shary Holdings, L.L.C., (Shary Holdings) filed an application that requested Commission approval of OV1's acquisition of Energy Future Holdings Corp.'s (EFH) indirect stake in Oncor (Oncor Proceeding). Should the Oncor proceeding be approved by the Commission, Sharyland will be an affiliate of Oncor. Oncor has an AMS program. Sharyland's AMS Proceeding is currently scheduled for hearing on the merits before

105

the Commission in January 2016 and under the Public Utility Regulatory Act must be decided by the Commission by March 27, 2016.<sup>1</sup>

The Oncor Proceeding was not contemplated when Sharyland originally filed its application in the AMS Proceeding. In the Oncor Proceeding, the applicants have stated that there may be a possible business combination between OV1 and InfraREIT, a publically traded real REIT that owns the transmission and distribution assets currently operated by Sharyland.<sup>2</sup> Beyond that step, a merger of Oncor and Sharyland is possible, especially given their overlapping service areas.

Sharyland is proposing that Landis+Gyr provide the advanced meters, the infrastructure to support communication from the meter to the collection system, the collection system, and meter data management system.<sup>3</sup> Landis+Gyr also provides the AMS technology for Oncor. The AMS Proceeding involves a substantial capital investment by Sharyland to install smart meters and the associated communications and information systems. Sharyland has not evaluated the potential impact of using existing Oncor infrastructure in the AMS deployment. Collaboration between Oncor and Sharyland could reduce costs for Sharyland and therefore the amounts that Sharyland would charge its customers for AMS deployment. This is especially critical for Sharyland because of its high rates.<sup>4</sup> Without analysis from Sharyland of this option, Sharyland has failed to meet its burden of proving that its deployment plan is reasonable.

### III. CONCLUSION

Sharyland's application should be denied because Sharyland has not evaluated utilizing existing Oncor infrastructure in its deployment of AMS and therefore has failed to meet its burden of proving that its deployment plan is reasonable. Staff reserves the right to address additional positions raised by other parties at the hearing on the merits.

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<sup>1</sup> Docket No. 45188, Preliminary Order at 3 (Oct. 15, 2015).

<sup>2</sup> Docket No. 45188, Application at 3 (Sept. 29, 2015).

<sup>3</sup> Supplemental Direct Testimony and Exhibits of BJ Flowers at 13 (April 3, 2015).

<sup>4</sup> See *Relating to a Project Regarding Sharyland Utility Complaints*, Project No. 44592, Staff Report on the Factors and Historical Background Underlying the Rates of Sharyland Utilities (Sept. 17, 2015).

**Dated: November 6, 2015**

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 November 6, 2015, in accordance with 16 Tex. Admin Code § 22.74.

  
Jason Haas