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APPLICATION OF ENERGER TEXAS, §
INC. FOR APPROVAL OF A §
TRANSMISSION COST RECOVERY §
FACTOR §

PUBLIC UTILITY COMMISSION
PUBLIC UTILITY COMMISSION
OF TEXAS

TEXAS INDUSTRIAL ENERGY CONSUMERS' STATEMENT OF POSITION

Texas Industrial Energy Consumers (TIEC) take the positions set out in the Direct Testimony of Jeffry Pollock filed in this docket. Additionally, TIEC takes the following positions at this time:

The \$2,139,279 in costs associated with the Skylining Tree Hazard Blanket Project (F1PPUD0129) should be disallowed. The costs associated with that vegetation management project are properly characterized as operation and maintenance (O&M) expenses because they are incurred outside of the *initial* clearing of ROW for new transmission facilities or for the rebuilding, upgrading, or reconductoring of existing transmission facilities. Therefore, it would be inappropriate to include those costs in a TCRF.

The \$32,510 revenue increase associated with ETI's bad debt expense should also be excluded from the TCRF. Bad debt expense represents neither invested capital nor transmission charges, and the inclusion of bad debt expense does not comply with the formula for the calculation of the TCRF. Therefore, it was inappropriate for ETI to include bad debt expense in its filing, and it should not be allowed to recover those costs.

ETI has the burden of proof in this proceeding,¹ and the Commission should carefully scrutinize ETI's requested rate increase. TIEC also reserves the right to take positions based on the evidence introduced at the hearing.

¹ Tex. Util. Code § 36.006.

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Respectfully submitted,

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ATTORNEYS FOR TEXAS INDUSTRIAL
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CERTIFICATE OF SERVICE

I, Michael McMillin, Attorney for TIEC, hereby certify that a copy of the foregoing document was served on all parties of record in this proceeding on this 8th day of December, 2015 by hand-delivery, facsimile, electronic mail and/or First Class, U.S. Mail, Postage Prepaid.



Michael McMillin