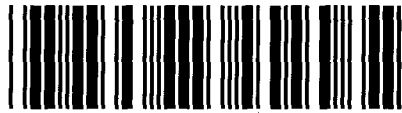


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Item Number: 5

Addendum StartPage: 0

RECEIVED

APPLICATION OF DENTON §  
MUNICIPAL ELECTRIC FOR §  
INTERIM UPDATE OF WHOLESALE §  
TRANSMISSION RATES §

PUBLIC UTILITY COMMISSION AM 9:18  
OF TEXAS PUBLIC UTILITY COMMISSION  
FILING CLERK

**COMMISSION STAFF'S SUFFICIENCY FINDING**

COMES NOW the Staff (Staff) of the Public Utility Commission of Texas (Commission), representing the public interest and files this Sufficiency Finding. In support thereof, Staff shows the following:

**I. Background**

On September 16, 2016, Denton Municipal Electric (DME) filed an application for interim update of wholesale transmission rates pursuant to 16 Tex. Admin. Code § 25.192(h) (TAC) (application). DME requested an interim revision to its previously-approved transmission cost of service (TCOS) and wholesale transmission rate. DME's application compares the actual June 30, 2016, transmission net plant balances, and additional projects completed and energized but not yet classified, with the net plant balances established in Docket No. 45071.<sup>1</sup> The difference between these two balances provides the increase in the rate base for DME in this application.

The requested increase in invested capital in this filing is \$24,176,219, with a total annual wholesale transmission revenue requirement of \$26,187,001, which represents an increase of \$7,152,978. DME further requested that the Commission approve an interim wholesale transmission rate of \$396.55381 per megawatt, or \$0.3965547 per kilowatt. In Order No. 1, the administrative law judge set October 7, 2016 as the deadline to file a motion to find DME's Application materially deficient. Staff now timely files these comments regarding the sufficiency of DME's Application.

<sup>1</sup> Application of Denton Municipal Electric for Interim Update of Wholesale Transmission Rates Pursuant to 16 Tex. Admin. Code § 25.192(h), Docket No. 45071, Notice of Approval (Oct. 16, 2015).

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## **II. Application Sufficiency**

Staff has reviewed DME's Application and has determined that there are no material deficiencies. DME's Application is sufficient for a review on the merits.

## **III. Notice Sufficiency**

On July 31, 2015, DME filed an affidavit attesting to the provision of notice indicating that it had provided written notice to all parties of record in Docket No. 30358, the last complete review of DME's transmission cost of service, and all distribution service providers listed in Docket No. 45382, the last docket in which the Commission set the annual transmission service charges for the Electric Reliability Council of Texas. Staff has reviewed DME's proof of notice and has determined that it satisfies the requirements of 16 TAC § 25.192(h)(4)(A).

## **IV. Conclusion**

Staff recommends that the Application be deemed sufficient for further review on the merits. Pursuant to Order No. 1, by October 28, 2016, Staff intends to file a recommendation on the final disposition of this application or request a hearing.

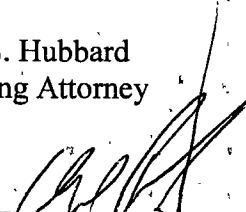
Dated: October 7, 2016

Respectfully Submitted,

**PUBLIC UTILITY COMMISSION OF  
TEXAS LEGAL DIVISION**

Margaret Uhlig Pemberton  
Division Director

Karen S. Hubbard  
Managing Attorney



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**DOCKET NO. 46348**

**CERTIFICATE OF SERVICE**

I certify that a copy of this document will be served on all parties of record on October 7, 2016 in accordance with 16 TAC § 22.74.



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Alexander Petak