



Control Number: 47777



Item Number: 56

Addendum StartPage: 0

**DOCKET NO. 47777**

**COMMISSION STAFF'S APPLICATION §  
TO SET 2018 WHOLESALE §  
TRANSMISSION SERVICE CHARGES §  
FOR THE ELECTRIC RELIABILITY §  
COUNCIL OF TEXAS §**

**PUBLIC UTILITY COMMISSION  
OF TEXAS**

RECEIVED  
2018 FEB 28 PM 1:1  
PUBLIC UTILITY COMMISSION  
FILING CLERK

**JOINT PROPOSED ORDER**

COMES NOW the Commission Staff (Staff) of the Public Utility Commission of Texas (Commission), representing the public interest, and files this Joint Proposed Order on behalf of the parties to this proceeding. Pursuant to the procedural schedule adopted in Order No. 7, the parties are required to file a joint proposed order by February 28, 2018. Therefore, this pleading is timely filed.

The attached draft of the Joint Proposed Order was provided to all parties on February 26, 2018. It is Staff's understanding that no party objects to the Joint Proposed Order.


Dated: February 28, 2018

Respectfully Submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS  
LEGAL DIVISION**

Margaret Uhlig Pemberton  
Division Director

Karen S. Hubbard  
Managing Attorney

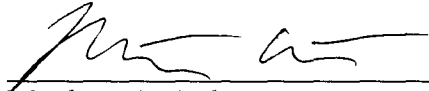


Matthew A. Arth  
State Bar No. 24090806  
(512) 936-7021  
(512) 936-7268 (facsimile)  
1701 N. Congress Avenue  
P.O. Box 13326  
Austin, Texas 78711-3326  
Matthew.Arth@puc.texas.gov

**DOCKET NO. 47777**

**CERTIFICATE OF SERVICE**

I certify that a copy of this document will be served on all parties of record on February 28, 2018 in accordance with the requirements of 16 Texas Administrative Code § 22.74.

  
\_\_\_\_\_  
Matthew A. Arth

**DOCKET NO. 47777**

**COMMISSION STAFF'S APPLICATION § PUBLIC UTILITY COMMISSION  
TO SET 2018 WHOLESAL §  
TRANSMISSION SERVICE CHARGES §  
FOR THE ELECTRIC RELIABILITY § OF TEXAS  
COUNCIL OF TEXAS §**

**PROPOSED ORDER**

This Order addresses the Electric Reliability Council of Texas (ERCOT) wholesale transmission charges to be applied in calendar year 2018. The Commission adopts the attached matrix indicating the calculation of the 2018 charges determined in accordance with 16 Texas Administrative Code (TAC) § 25.192.

**I. Background**

The wholesale transmission charges for each transmission service provider (TSP) in ERCOT are required to be updated annually based on the prior year's average of the four coincident peak (4CP) demand that is coincident with the ERCOT 4CP in accordance with 16 TAC § 25.192(b). On November 15, 2017, Commission Staff filed a petition to set 2018 wholesale transmission service charges for ERCOT.

On November 30, 2017, ERCOT filed the 2017 4CP load calculation in the ERCOT region as required by 16 TAC § 25.192. Using that data and data presented by other parties to this proceeding, Commission Staff filed a draft transmission charge matrix on January 31, 2018 and a final transmission charge matrix on February 21, 2018.

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

**II. Findings of Fact**

1. On November 15, 2017, Commission Staff filed a petition initiating this proceeding to establish the transmission service charges to be applied in calendar year 2018. Notice of the proceeding was provided to persons who participated in Docket No. 46604.<sup>1</sup>
2. On November 16, 2017, Order No. 1 was issued adopting a procedural schedule and establishing the intervention deadline in this proceeding as January 2, 2018.

---

<sup>1</sup> *Commission Staff's Application to Set 2017 Wholesale Transmission Service Charges for the Electric Reliability Council of Texas*, Docket No. 46604 (Mar. 30, 2017).

3. On November 30, 2017, ERCOT filed the Report on the 2017 “4CP” Coincident Peak Load in the ERCOT region (ERCOT Report).
4. The following entities filed motions to intervene and were granted party status in this proceeding: Texas-New Mexico Power Company; Electric Transmission Texas, LLC; Lone Star Transmission, LLC; Brazos Electric Power Cooperative, Inc.; AEP Texas Inc.; City of Robstown Utility Systems; Floresville Electric Light and Power System; Fayette Electric Cooperative, Inc.; Wind Energy Transmission Texas LLC; City of Austin d/b/a Austin Energy; Public Utilities Board of the City of Brownsville, Texas; South Texas Electric Cooperative, Inc.; LCRA Transmission Services Corporation; CenterPoint Energy Houston Electric, LLC; Oncor Electric Delivery Company LLC; Golden Spread Electric Cooperative, Inc.; Lamar Electric Cooperative Association; Bryan Texas Utilities; Rayburn Country Electric Cooperative, Inc.; Bandera Electric Cooperative, Inc.; City of Garland; Denton Municipal Electric; Texas Municipal Power Agency; NRG Companies; Guadalupe Valley Electric Cooperative, Inc.; Tex-La Electric Cooperative, Inc.; East Texas Electric Cooperative, Inc.; CPS Energy; Sharyland Utilities, L.P.; City of Weatherford; and Greenville Electric Utility System.
5. Motions or objections to change load aggregations were filed by: Oncor Electric Delivery Company LLC; Golden Spread Electric Cooperative, Inc., on behalf of its member Swisher Electric Cooperative, Inc.; Lamar County Electric Cooperative, Inc.; Rayburn Country Electric Cooperative, Inc.; Sharyland Utilities, L.P.; CPS Energy and Floresville Electric Light and Power System; Denton Municipal Electric; City of Garland; and Texas Municipal Power Agency.
6. On January 12, 2018, Order No. 5 was issued scheduling a prehearing conference for January 23, 2018.
7. On January 17, 2018, CPS Energy and Austin Energy each filed objections to the 4CP load data in the ERCOT Report requesting that Commission Staff review ERCOT’s calculation methodology for assigning peak load to distribution service providers (DSP) and revise such calculations to remove any adjustments to the peak load data.

8. On January 23, 2018, a prehearing conference was held to address the motions and objections raised by the intervenors and to establish a procedural schedule. By agreement of the parties, ERCOT was asked and agreed to file a supplemental filing to the ERCOT Report in response to stakeholder objections in order to explain the new methodology utilized in calculating the DSP load values for the ERCOT Report. The parties also agreed that following the close of this proceeding they would address stakeholder concerns over the methodology used by ERCOT in developing the ERCOT Report.
9. Also on January 23, 2018, Order No. 7 was issued memorializing the prehearing conference, adopting a procedural schedule, and granting additional interventions.
10. On January 31, 2018, ERCOT filed the Supplement to the Report on the 2017 “4CP” Coincident Peak Loads in the ERCOT Region which explained changes made to the formula used to determine the ERCOT 4CP peak and clarified how the 2017 4CP was calculated and adjusted.
11. Also on January 31, 2018, Commission Staff filed the Draft Transmission Charge Matrix.
12. No comments or objections were filed in response to Commission Staff’s Draft Transmission Charge Matrix.
13. On February 21, 2018, Commission Staff filed the Final Transmission Charge Matrix.

### **III. Conclusions of Law**

1. The Commission has jurisdiction over this matter in accordance with the Public Utility Regulatory Act (PURA).<sup>2</sup>
2. Notice of this petition was provided in compliance with 16 TAC §§ 22.54-.55.
3. Pursuant to PURA § 35.001, the definition of “electric utility” within Subchapter A of Chapter 35 includes municipally-owned utilities and electric cooperatives.

---

<sup>2</sup> Public Utility Regulatory Act, TEX. UTIL. CODE ANN. §§ 11.001-58.302 (West 2016 & Supp. 2017), §§ 59.001-66.016 (West 2007 & Supp. 2017) (PURA).

4. Pursuant to 16 TAC § 25.191, utilities owning transmission facilities are required to provide open-access transmission service. A pricing mechanism for utilities in ERCOT is established by 16 TAC § 25.192
5. The transmission charges and 4CP data shown in the Final Transmission Charge Matrix (2018 matrix) are consistent with PURA and the TSPs' wholesale transmission service tariffs as of the 2018 matrix filing date.
6. The billing authority of a TSP to charge a DSP for wholesale transmission service is in accordance with the Commission's Order that establishes a wholesale transmission rate for the TSP and the resulting Commission-approved tariff.
7. This proceeding is not a major rate proceeding as defined in 16 TAC § 22.2(27).
8. The requirements for informal disposition under 16 TAC § 22.35 have been met in this proceeding.

#### **IV. Ordering Paragraphs**

In accordance with these findings of fact and conclusions of law, the Commission issues the following orders:

1. The 2018 matrix, Attachments A through D of this Order, is adopted for use by the TSPs in calculating the transmission charges for transmission customers in ERCOT.
2. The 2018 matrix is not intended to be relied upon in the determination of annual billing amounts DSPs remit to TSPs. The 2018 matrix is designed to be used to calculate the net monthly billing amounts for the most recent Commission-approved transmission rates as of the 2018 matrix filing date, February 21, 2018. For the time period in 2018 prior to the approval date of this 2018 matrix, TSPs have been required to charge on an interim basis the billing amounts from the 2017 matrix plus any incremental amounts resulting from rate changes effective after approval of the 2017 matrix. Subsequently, beginning with this approval of the 2018 matrix, TSPs shall charge, in their entirety, the new Commission-approved billing amounts calculated using the 2018 matrix and any incremental amounts resulting from rate changes effective after approval of the 2018 matrix. In addition, after approval of the 2018 matrix, surcharges or refunds shall be charged by TSPs for the time

periods in 2018 that were charged using interim charges, consistent with the Commission's Order from last year's matrix docket, Docket No. 46604. The surcharges or refunds shall reflect the rates that were in effect during the time period in which the refunds or surcharges accrued and the 4CP load data used to calculate the 2018 matrix.

3. In the event that the Commission does not establish the transmission charges for 2019 before January 1, 2019, DSPs shall continue paying the monthly billing amounts based on the 2018 matrix and any incremental amounts resulting from rate changes effective after approval of the 2018 matrix. However, the interim charges for 2019 are subject to possible modification in a future docketed proceeding to address Commission Staff's application to approve 2019 wholesale transmission service charges for ERCOT. If a TSP's transmission service rate is changed by the Commission and becomes effective after the filing date of the 2018 matrix, February 21, 2018, the new transmission service rate will be reflected in the final transmission charge matrix set for 2019. Until the final transmission charge matrix is approved in the 2019 proceeding, the TSP shall separately charge a DSP the difference between the 2018 matrix charge approved herein and the charge calculated using the interim or final tariffed rate established in the TSP's most recent separate transmission service rate case or update to wholesale transmission rate proceeding. Payments made in 2019 consistent with this Order will be subject to refund or surcharge if the final charges adopted by the Commission for 2019 are different than the charges approved in this Order.
4. ERCOT and Commission Staff shall coordinate with interested stakeholders prior to the next matrix docket to initiate a forum to work on revising, if necessary, the methodology to determine the ERCOT 4CP and DSP 4CP load values for future ERCOT Reports.
5. This Order does not affect the validity or continuing application of an order or rate schedule approved by the Federal Energy Regulatory Commission that provides for transmission service on different terms.
6. All other motions, requests for entry of specific findings of fact and conclusions of law, and any other requests for general or specific relief, if not expressly granted herein, are hereby denied.



Signed at Austin, Texas the \_\_\_\_\_ day of March 2018.

**PUBLIC UTILITY COMMISSION OF TEXAS**

---

**DEANN T. WALKER, CHAIRMAN**

---

**BRANDY MARTY MARQUEZ, COMMISSIONER**

---

**ARTHUR C. D'ANDREA, COMMISSIONER**