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**PUC DOCKET NO. 49308**

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PUBLIC UTILITY COMMISSION  
OF TEXAS

**APPLICATION OF AEP TEXAS, INC.  
FOR A FINANCING ORDER**

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**PUBLIC UTILITY COMMISSION  
OF TEXAS**



**TESTIMONY IN SUPPORT OF STIPULATION AND AGREEMENT**

**DARRYL TIETJEN**

**RATE REGULATION DIVISION  
PUBLIC UTILITY COMMISSION OF TEXAS**

**MAY 10, 2019**

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TESTIMONY OF DARRYL TIETJEN  
IN SUPPORT OF STIPULATION AND AGREEMENT

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Attachment DT-1      List of Testimonies by Darryl Tietjen

**I. INTRODUCTION**

**Q. Please state your name and business address.**

A. Darryl Tietjen, 1701 N. Congress Avenue, Austin, Texas.

**Q. By whom are you employed and in what capacity?**

A. I am employed by the Public Utility Commission of Texas (PUC or Commission) as the Director of the Rate Regulation Division.

**Q. What are your principal areas of responsibility?**

A. In addition to the management of the Rate Regulation Division, I am responsible for recommending fair rates of return on invested capital, evaluating financial integrity requirements, conducting various financial analyses, leading or participating in various rulemaking projects, and preparing testimony concerning various financial matters relevant to public utilities regulated by the Commission.

**Q. Please describe your educational background and professional qualifications.**

A. I hold a Master of Business Administration degree with concentrations in finance and accounting from The University of Texas at Austin (UT Austin), and a Bachelor of Business Administration degree with a concentration in finance, also from UT Austin. While earning my master's degree, I was employed by UT Austin as an instructor, teaching two sections of undergraduate corporate finance. Prior to attending graduate school, I was employed by a commercial bank, where I was principally involved in investment activities and internal and external financial reporting.

I am a Certified Public Accountant (CPA) licensed in the state of Texas and a member of the Texas Society of Certified Public Accountants (TSCPA). I have twice served as chairman of the annual TSCPA-sponsored Energy Conference, for which I have been a committee member for approximately 19 years.

I also hold the designation of Chartered Financial Analyst (CFA), which is awarded by the CFA Institute after successful completion of its three-part examination process over a minimum three-year period. The curriculum for the CFA charter covers a defined body of knowledge fundamental to the practice of investment management, and includes the areas of finance, accounting, economics, statistics, and ethical and professional conduct.

**Q. Have you previously testified before this Commission?**

A. Yes. Attachment DT-1 provides a summary of the dockets in which I have filed direct or other testimony.

**Q. What is the purpose of your testimony in this case, Docket No. 49308, *Application of AEP Texas, Inc. for a Financing Order*?**

A. The purpose of my testimony is to support the Stipulation and Agreement (Stipulation) that AEP Texas, Inc. (AEP) and the Commission Staff (Staff) (jointly, the Signatories) have reached in this proceeding. In particular, my testimony in this case discusses how the proposed securitization transaction complies with certain standards required by the Public Utility Regulatory Act (PURA). I specifically address:

1. the “total revenues” test set forth in PURA § 39.303(a), as referenced by PURA § 36.401(b)(1);
2. the “tangible and quantifiable benefits” test set forth in PURA § 36.401(b)(2);
3. the “present value” test set forth in PURA § 39.301, as referenced by PURA § 36.401(b)(1);
4. the “proceeds test” required by PURA § 36.401(a); and
5. the “structuring and pricing” test set forth in PURA § 39.301, as referenced by PURA § 36.401(b)(1).

1 I also address AEP's proposed credit rider that reflects the benefits of accumulated  
2 deferred federal income taxes (ADFIT), and I support the reasonableness of AEP's  
3 estimated securitization transaction costs as reflected in the Stipulation and the  
4 proposed financing order.  
5

6 **Q. Please describe the key elements of AEP's request in this proceeding.**

7 A. On August 7, 2018, AEP filed an application in Docket No. 48577<sup>1</sup> for a determination  
8 of the amount of its reasonable and necessary system restoration costs associated with  
9 Hurricane Harvey, as well as other weather-related events occurring after December  
10 2008. Parties reached a settlement agreement in that proceeding, and on February 28,  
11 2019, the Commission issued a final order determining and approving recovery of cost  
12 amounts consistent with the settlement. Per the terms of the settlement, AEP's  
13 distribution-related system restoration costs subject to securitization total  
14 approximately \$225 million.  
15

16 **Q. Please briefly describe "securitization" financing and the history of Texas**  
17 **legislation authorizing its use by the state's electric utility companies for recovery**  
18 **of certain types of costs.**

19 A. In general, securitization financing is a method of financing in which an entity issues  
20 bonds backed by a specific pool of assets or stream of cash flows. Cash flows related  
21 to many different kinds of assets can be securitized—auto loans, student loans,  
22 mortgages, and credit card receivables are all examples of assets that can be used to  
23 collateralize securitized bonds. The key requirement is that the assets provide generally  
24 stable cash flows that can be used to pay the securitized bonds' principal and interest  
25 charges.

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<sup>1</sup> *Application of AEP Texas, Inc. for Determination of System Restoration Costs*, Docket No. 48577 (Feb. 28, 2019).

1           In 1999, the passage by the Texas Legislature of Senate Bill 7 authorized the  
2           use of securitization financing by utility companies for the recovery of “stranded costs”  
3           resulting from the restructuring of the Texas electricity market.<sup>2</sup> The legislation’s  
4           intent was to use securitization as a means by which utilities could receive full and  
5           immediate cash recovery for stranded-cost amounts authorized by the PUC. Later, in  
6           2005, House Bill 163 authorized the use of securitization financing for the recovery of  
7           costs specifically related to Hurricane Rita, and in 2009, Senate Bill 769 authorized the  
8           use of securitization financing for recovery of weather-related and natural disaster costs  
9           defined more broadly as “system restoration costs.” PURA § 36.401(a) from the 2009  
10          legislation states in part that:

11                   The purpose of this subchapter is to enable an electric utility to obtain timely  
12                   recovery of system restoration costs and to use securitization financing to  
13                   recover these costs, because that type of debt will lower the carrying costs  
14                   associated with the recovery of these costs, relative to the costs that would  
15                   be incurred using conventional financing methods.  
16

17  
18          The 2005 and 2009 legislative bills incorporated the same procedures, standards, and  
19          economic tests that the 1999 legislation applied to securitized recovery of stranded  
20          costs. PURA § 36.401(b)(1) states that:

21                   It is the intent of the legislature that securitization of system restoration  
22                   costs will be accomplished using the same procedures, standards, and  
23                   protections for securitization authorized under Subchapter G, Chapter 39,  
24                   as in effect on the effective date of this section...  
25  
26

27          Because of the various statutory protections and regulatory mechanisms that are part of  
28          the securitization legislation in Texas, all securitization bonds issued by Texas utility  
29          companies have received AAA credit ratings. These ratings (the highest available)  
30          translate to lower interest rates and reduced ratepayer costs in comparison to traditional  
31          utility financing.

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<sup>2</sup> In the context of regulated utility companies, “stranded costs” arise when the value of a utility’s assets in a competitive marketplace is lower than the assets’ value on the utility’s regulatory accounting books.

1 **Q. Have you participated in previous Commission proceedings that addressed**  
2 **requests by utility companies for financing orders authorizing the issuance of**  
3 **securitized bonds?**

4 A. Yes, I have participated in every such Commission proceeding. Since 2000, Texas  
5 electric utility companies have completed 12 securitized bond transactions,<sup>3</sup> and in each  
6 of the Commission proceedings authorizing those transactions, I was involved in some  
7 capacity in Staff's analysis of the filing—including six cases in which I filed written  
8 testimony—as well as in various aspects of the subsequent underwriting process and  
9 pricing of the securitized bonds.  
10

11 **Q. Does the Stipulation provide for an acceptable resolution of AEP's request in this**  
12 **proceeding?**

13 A. Yes. The Stipulation reflects an appropriate and reasonable balancing of the interests  
14 of AEP, its customers, and other participants in the Texas electricity market. The final  
15 terms constitute a negotiated compromise to which the Signatories agreed after detailed  
16 discussions, and any changes to the Stipulation could undermine its purpose, result in  
17 the withdrawal from the Stipulation by Signatories negatively affected by the changes,  
18 and create additional litigation and costs.  
19

20 **Q. Do any parties oppose the Stipulation?**

21 A. No. The Alliance for Retail Markets is not a Signatory, but does not oppose the  
22 Stipulation. It is my understanding that Mr. Tom Joseph does not take a position on  
23 the Stipulation.  
24  
25  
26  
27

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<sup>3</sup> Of the 12 previous securitized bond issuances, nine were for recovery of stranded costs, and three were for recovery of hurricane-related costs.



**II. STATUTORY FINANCIAL TESTS: TOTAL REVENUES TEST, TANGIBLE AND QUANTIFIABLE BENEFITS TEST, AND PRESENT VALUE TEST**

**Total Revenues Test**

**Q. Please describe the test for total revenues.**

A. PURA § 36.401(b)(1) incorporates by reference the requirements of § 39.303(a), which states:

The commission shall adopt a financing order...on making a finding that the total amount of revenues to be collected under the financing order is less than the revenue requirement that would be recovered...using conventional financing methods and that the financing order is consistent with the standards in Section 39.301.

This statutory provision essentially requires that the amount of total revenues—expressed on a *nominal-dollars* basis as opposed to a present-value basis—necessary to recover securitized costs is less under a securitized revenue requirement than under a conventional-financing revenue requirement. In contrast to a conventional-financing revenue requirement, securitization financing reflects a lower-cost debt rate and no equity return (and thus no tax component in the revenue requirement). As a result, the savings from securitization can be especially significant when stated in total revenues expressed on a nominal basis.

**Q. Have you reviewed AEP's assumptions with regard to whether the proposed transaction meets the statutory test for total revenues?**

A. Yes. In his direct testimony,<sup>4</sup> AEP witness Randall W. Hamlett provides a discussion of the assumptions underlying the total-revenues test, and the table on page 13 of his testimony indicates estimated total-revenue savings of \$62.9 million under the "Expected Case" scenario, and savings of \$26.8 million under the "Sensitivity Case" scenario. Note that these figures differ slightly from the adjusted corresponding amounts of \$63.2 million and \$27.1 million that are included in the proposed order filed

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<sup>4</sup> Direct Testimony of Randall W. Hamlett, pages 12 - 14.

1 in this docket on May 9<sup>th</sup>, 2019. These adjusted amounts reflect the effects of the  
2 \$175,000 negotiated reduction in upfront qualified costs (discussed on pages 13-14 of  
3 my testimony). All these figures are based on assumptions that the securitized bonds  
4 have a ten-year final maturity and a weighted-average interest cost of 3.48% and 6%,  
5 respectively, for the expected scenario and the sensitivity scenario. These assumed  
6 interest rates for cost recovery via securitized bonds reflect a significant cost reduction  
7 relative to AEP Texas Central's current Commission-authorized pretax weighted-  
8 average cost of capital of 8.5582%.

9  
10 **Q. Do you believe AEP's assumptions are reasonable?**

11 A. Yes. AEP's calculation methodologies and assumptions are consistent with those made  
12 in previous financing-order proceedings, and the results pass the statutory test for total  
13 revenues.  
14

15 **Tangible and Quantifiable Benefits Test**

16 **Q. Please describe the test for tangible and quantifiable benefits.**

17 A. PURA § 36.401(b)(2) states:

18 the commission will ensure that securitization of system restoration costs  
19 provides greater tangible and quantifiable benefits to ratepayers than would  
20 have been achieved without the issuance of transition bonds.  
21  
22

23 This statutory provision essentially requires that the amount of total revenues—  
24 expressed on a *present-value* basis—necessary to recover system restoration costs is  
25 less under a securitized revenue requirement than under a conventional-financing  
26 revenue requirement. This test, because it reflects the time value of money, is generally  
27 considered to be a more accurate indicator of the actual economic benefit of  
28 securitization (hence the name, “tangible and quantifiable benefits”). Because the  
29 calculations for this test reflect in present-value terms the difference between the  
30 securitized revenue requirement and the conventional revenue requirement, the

1 estimated savings amounts are lower than the amounts indicated by the total-revenues  
2 test, which is based on the amount of nominal dollars.  
3

4 **Q. Have you reviewed AEP's assumptions with regard to whether the proposed**  
5 **transaction meets the statutory test for tangible and quantifiable benefits?**

6 A. Yes. AEP performed the test for tangible and quantifiable benefits with the same basic  
7 assumptions used in the total-revenues test (as discussed above). The calculations  
8 determine the savings on a present-value basis with a discount rate based on the  
9 estimated weighted-average interest rate of the securitized bonds.  
10

11 **Q. What did AEP estimate for the amount of tangible and quantifiable benefits?**

12 A. The table on page 15 of Mr. Hamlett's direct testimony shows AEP's estimated tangible  
13 and quantifiable benefits of \$52.4 million for the expected case, and a savings amount  
14 of \$19.7 million for the sensitivity case. Adjusting these figures to reflect the \$175,000  
15 negotiated reduction in upfront qualified costs produces revised amounts of \$52.6  
16 million and \$19.9 million, respectively, which are the amounts included in the proposed  
17 order. These figures reflect the dollar-amount benefits of securitization financing on a  
18 present-value basis.  
19

20 **Q. Do you believe AEP's assumptions are reasonable?**

21 A. Yes. AEP's calculation methodologies and assumptions are consistent with those used  
22 in previous financing-order proceedings, and the results pass the test for tangible and  
23 quantifiable benefits as required by PURA § 36.401(b)(2).  
24

25 **Present-Value Test**

26 **Q. What is the present-value test for the amount to be securitized?**

27 A. PURA § 39.401(b)(1) incorporates by reference the requirements of § 39.301, which  
28 states in relevant part:  
29

1           The amount securitized may not exceed the present value of the revenue  
2           requirement over the life of the proposed transition bond associated with the  
3           regulatory assets or other amounts sought to be securitized.  
4

5           This test is essentially a variation of the tangible and quantifiable benefits test, and in  
6           fact it uses the same present-value calculations.  
7

8   **Q.   Does AEP's request pass the present-value test?**

9   A.   Yes. AEP's requested amount of approximately \$229 million does not exceed the  
10       present value of the revenue requirement related to the securitized bonds. Thus, the  
11       proposed financing meets the requirements of PURA § 39.301.  
12

13       **III. OTHER STATUTORY TESTS**

14   **Q.   What other statutory tests must a utility satisfy to receive authorization to**  
15       **securitize system restoration costs?**

16   A.   In addition to the three tests described above, PURA includes two other tests: the  
17       proceeds test, and the structuring and pricing test.  
18

19   **Q.   Does the proposed transaction meet the proceeds test?**

20   A.   Yes. The proposed transaction meets the proceeds test required by PURA § 36.401(a),  
21       which states in relevant part that:

22                   The proceeds of the transition bonds may be used only for the purposes of  
23                   reducing the amount of recoverable system restoration costs, as determined  
24                   by the commission in accordance with this subchapter, including the  
25                   refinancing or retirement of utility debt or equity.  
26  
27

28       The Stipulation provides for the use of the bond proceeds as payment for the  
29       distribution-related portion of recoverable system restoration costs, debt, and capital  
30       expenditures.  
31  
32

1 **Q. Does the proposed transaction meet the structuring and pricing test?**

2 A. As contemplated, the transaction will meet the structuring and pricing test, which is  
3 included in PURA § 39.301 and which PURA § 36.401(b)(1) incorporates by reference.

4 Section 39.301 states in relevant part that:

5  
6 The commission shall ensure that the structuring and pricing of the  
7 transition bonds result in the lowest transition bond charges consistent with  
8 market conditions and the terms of the financing order.  
9

10 **Q. When will the Commission make the final determination on whether the**  
11 **transaction meets the structuring and pricing test?**

12 A. Shortly before the issuance of the securitized bonds, the Commission will make a final  
13 assessment of compliance with the structuring and pricing test. This assessment will  
14 be based on information relating to then-prevailing market conditions that will be  
15 communicated to the Commission by its designated representative for the transaction,  
16 and that information will reflect the terms of the transaction as developed through the  
17 underwriting process and the work of the underwriting investment banks, AEP, and the  
18 Commission's financial advisor. At that point in time, if the Commission determines  
19 that the transaction does not meet the structuring and pricing test, the Commission will  
20 stop the process and the transaction will not take place.  
21

22 **IV. TREATMENT OF ADFIT BENEFITS**

23 **Q. Please describe how the transaction will reflect the effects of accumulated deferred**  
24 **federal income taxes associated with the securitized costs.**

25 A. The effects of ADFIT benefits related to the system restoration costs will be passed  
26 along to customers through a rate-credit rider. This treatment is consistent with recent  
27 securitizations in Texas—for example, the financing order for CenterPoint Energy  
28 Houston Electric in Docket No. 37200<sup>5</sup> provides for a credit rider related to ADFIT.

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<sup>5</sup> *Application of CenterPoint Energy Houston Electric, LLC for a Financing Order*, Docket No. 37200 (Aug. 27, 2009).

1 **Q. Does AEP's current "net operating loss" tax status affect the treatment of ADFIT?**

2 A. Yes. As explained by AEP witness Kurt Mars on page 4 of his direct testimony, AEP  
3 in 2017 had a substantial net operating loss (NOL) that temporarily prevented it from  
4 realizing the tax benefits of its deductible system restoration costs. AEP is currently  
5 forecasting sufficient taxable income in 2018 and 2019 to fully use its entire NOL  
6 carryforward, including the portion of the NOL attributable to the system restoration  
7 costs. As a result, AEP projects that in late 2019 it will be able to realize the benefits  
8 of the cost-free capital provided by deferred taxes associated with the system  
9 restoration costs.  
10

11 **Q. Do you believe that the Stipulation's treatment of ADFIT-related issues is**  
12 **reasonable?**

13 A. Yes. Presently, because of AEP's NOL status, the timing of the availability of ADFIT  
14 benefits that will be flowed through to ratepayers in the form of a credit rider is not  
15 known with exact certainty; however, the relevant tax information will be updated at  
16 the time the securitized bonds are issued and, if further necessary, as part of the periodic  
17 true-up filings for the system restoration charges.  
18

19 **V. QUALIFIED COSTS**

20 **Q. Please describe the two basic categories of qualified costs.**

21 A. PURA § 39.302 includes in the definition of "qualified costs" (i.e., those costs eligible  
22 for securitization) the "costs of issuing, supporting, and servicing transition bonds,"  
23 and the provisions of PURA § 36.403(d) similarly incorporate that definition in the  
24 context of the securitization of system restoration costs. Thus, qualified costs include  
25 various types of transaction-related costs, with the two basic categories consisting of  
26 annual ongoing costs (costs that continue through the term of the securitized financing),

1 and upfront costs (one-time costs incurred as part of the issuance of the securitized  
2 bonds).

3  
4 **Q. Are the amounts of qualified costs reflected in the Stipulation a reasonable**  
5 **resolution of this issue?**

6 A. In my opinion, yes. The estimated amount of ongoing annual costs is \$504,469,<sup>6</sup> a  
7 figure that is appreciably less than the comparable ongoing costs in AEP's last  
8 securitization proceeding (Docket No. 39931,<sup>7</sup> which was also the most recent  
9 securitization transaction by a Texas utility). Similarly, as further discussed below, the  
10 amount of upfront costs is generally comparable to the upfront costs in Docket No.  
11 39931.

12  
13 **Q. How do AEP's annual ongoing costs compare to the corresponding amounts in**  
14 **Docket No. 39931?**

15 A. The Issuance Advice Letter<sup>8</sup> filed in Docket No. 39931 included annual ongoing costs  
16 of \$647,500; in comparison, the \$504,469 amount in this proceeding is about 22%  
17 lower.

18  
19 **Q. With regard to upfront costs, did AEP agree to any reductions in the amount it**  
20 **initially proposed for this transaction?**

21 A. Yes. As a result of negotiations with Staff, AEP agreed to reduce its requested amount  
22 of upfront qualified costs by \$175,000, resulting in an estimated figure of \$3,650,241  
23 for the capped portion of upfront costs. In comparison, excluding the amount related

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<sup>6</sup> Note that this figure reflects servicing costs if, as in its past securitizations, AEP is the servicer of the bonds. The use of a third-party servicer would increase the servicing costs substantially.

<sup>7</sup> *Application of AEP Texas Central Company for a Financing Order*, Docket No. 39931 (Jan. 12, 2012).

<sup>8</sup> The "Issuance Advice Letter" is a filing that AEP will make shortly after the pricing of the system restoration bonds and will reflect the bonds' final terms and conditions, including the amounts of annual ongoing costs and upfront costs.

1 to the underwriters' fee (which is directly tied to the size of the bond issuance), AEP's  
2 request<sup>9</sup> in Docket No. 39931 for the comparable cost items was \$60,000 lower. Given  
3 that that proceeding occurred over six years ago, I believe the agreed-upon reduction  
4 of \$175,000 is a reasonable resolution for the amount of capped upfront costs.  
5

6 **Q. Will AEP's total upfront qualified costs be subject to a final accounting?**

7 A. Yes. As described in Finding of Fact No. 24 of the proposed order, AEP will, within  
8 60 days of issuance of the securitized bonds, submit to the Commission a final  
9 accounting of the upfront qualified costs. If necessary, AEP will adjust (with interest)  
10 any deviations from the estimated amount either in its first annual true-up adjustment  
11 or in a future rate proceeding.  
12

13 **Q. Please summarize your recommendations in this docket.**

14 A. With respect to the tests for total revenues, tangible and quantifiable benefits, present  
15 value of securitized costs, use of proceeds, and structuring and pricing, I conclude that  
16 AEP's request for a financing order meets the statutory requirements. I also conclude  
17 that AEP's proposal for the use of a credit rider to flow through to ratepayers the  
18 benefits of ADFIT is reasonable and consistent with previous securitization  
19 transactions completed by Texas utility companies. Finally, I believe that the amounts  
20 of upfront costs and annual ongoing costs as set forth in the Stipulation are reasonable  
21 and consistent with comparable amounts from AEP's last securitization transaction.  
22  
23  
24  
25  
26

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<sup>9</sup> In Docket No. 39931, parties reached a settlement agreement in which the negotiated securitized balance included the amount of upfront costs.



1           **IV. RECOMMENDATION**

2       **Q.     What is your recommendation in this proceeding?**

3       A.     In my opinion, the Stipulation results in an acceptable resolution to this proceeding that is  
4             consistent with the public interest. I recommend that the Commission adopt the Stipulation  
5             in its entirety.

6  
7       **Q.     Does this conclude your testimony?**

8       A.     Yes.

**LIST OF TESTIMONIES  
BY DARRYL TIETJEN**

| <u>P.U.C. Docket</u> | <u>Company</u>                       | <u>Subject</u>                               |
|----------------------|--------------------------------------|--|
| 10060                | Brazos River Authority               | Rate of Return                               |
| 10462                | Tex-La Electric Cooperative          | Interim Rates/ROR                            |
| 10325                | Central Texas Electric Cooperative   | Rate of Return                               |
| 10744                | Rayburn Country Electric Cooperative | Sale, Transfer, Merger                       |
| 10820                | Magic Valley Electric Cooperative    | Rate of Return                               |
| 11347                | Johnson County Electric Cooperative  | Rate of Return                               |
| 11571                | Fayette Electric Cooperative         | Rate of Return                               |
| 11520                | Southwestern Public Service Company  | Rate of Return                               |
| 12065                | Houston Lighting & Power Company     | Decomm. Exp.                                 |
| 12700                | El Paso Electric Company             | Rate Moderation/<br>Mirror CWIP              |
| 12815                | Pedernales Electric Cooperative      | Rate of Return                               |
| 12820                | Central Power and Light Company      | Decomm. Exp.                                 |
| 12852                | Gulf States Utilities Company        | Decomm. Expense/<br>Contra-AFUDC             |
| 13827                | Southwestern Public Service          | Notice of Intent                             |
| 14965                | Central Power and Light Company      | ROR/ Decomm. Exp.                            |
| 15638                | Texas Utilities Electric Company     | Transmission COS                             |
| 16585                | T&H Communications                   | SPCOA  |
| 16705                | Entergy Gulf States                  | Rate of Return                               |
| 16705                | Entergy Gulf States                  | ROR on ECOM                                  |
| 18290                | Entergy Gulf States                  | Int. on Tax Remand                           |
| 18845                | Central and South West Companies     | Financial Condition<br>of Resource Providers |
| 21527                | TXU Electric Company                 | Securitization                               |
| 21528                | Central Power and Light Company      | Securitization                               |
| 22344                | Generic Unbundled Docket             | Return on Equity                             |
| 22355                | Reliant Energy                       | ECOM Estimate                                |
| 22352                | Central Power and Light Company      | Cost of Debt                                 |
| 22354                | West Texas Utilities Company         | Refinancing Costs                            |
| 22350                | TXU Electric Company                 | ECOM Estimate                                |
| 26942                | Texas-New Mexico Power Company       | Reg Asset Treatment                          |
| 29206                | Texas-New Mexico Power Company       | Stranded Costs &<br>True-up Issues           |
| 29206                | Texas-New Mexico Power Company       | Int on Stranded Costs                        |
| 29526                | CenterPoint Energy Houston Electric  | Stranded Costs &<br>True-up Issues           |
| 29526                | CenterPoint Energy Houston Electric  | Int. on Stranded Costs                       |
| 30485                | CenterPoint Energy Houston Electric  | Financing Order                              |

**LIST OF TESTIMONIES  
BY DARRYL TIETJEN (cont.)**

|       |  |   |
|-------|--|---|
| 30706 | CenterPoint Energy Houston Electric  | Comp. Transition Charge   |
| 31056 | AEP Texas Central Company  | Stranded Costs & True-up Issues                                 |
| 31994 | Texas-New Mexico Power Company   | Comp. Transition Charge   |
| 32475 | AEP Texas Central  | Financing Order   |
| 32907 | Entergy Gulf States, Inc.  | Interest on Storm Costs   |
| 33106 | Texas-New Mexico Power Company   | Interest Rate on CTC Financing Order                            |
| 33586 | Entergy Gulf States, Inc.  | Interest Amount   |
| 32795 | \$5 Billion Stranded-Cost Threshold  | Financing Order   |
| 34448 | CenterPoint Energy Houston Electric  | Support of Stipulation  |
| 34077 | Oncor Electric Delivery and Texas Energy Future Holdings Limited Partnership |   |
| 35038 | Texas-New Mexico Power Company   | Tariff Filing   |
| 33891 | Southwestern Electric Power Co.  | CCN Application   |
| 36918 | CenterPoint Energy Houston Electric  | Restoration Costs   |
| 36931 | Entergy Texas  | Restoration Costs   |
| 39504 | CenterPoint Energy Houston Electric  | Remanded True-up Costs  |
| 39722 | AEP Texas Central Company  | Remanded True-up Costs  |
| 40627 | Austin Energy  | Rate Issues   |
| 45188 | Oncor Electric Delivery Company, et al.                                      | Federal Inc. Taxes; Cost of Capital                             |
| 46238 | NextEra, Oncor   | Federal Income Taxes  |
| 45414 | Sharyland Utilities, et al.  | Federal Income Taxes  |
| 46936 | Southwestern Public Service Co.  | Wind Facilities—Rate Treatment                                  |
| 46936 | Southwestern Public Service Co.  | Testimony in Support of Stipulation                             |
| 46957 | Oncor Electric Delivery Company  | Testimony in Support of Stipulation (included in AIS item #420) |
| 47527 | Southwestern Public Service Company  | Testimony in Support of Stipulation                             |
| 48401 | Texas-New Mexico Power Company   | Testimony in Support of Stipulation                             |

**LIST OF TESTIMONIES  
BY DARRYL TIETJEN (cont.)**

|       |   |  |
|-------|---|--|
| 48929 | Oncor Electric Delivery Company,<br>Sharyland Utilities, LP, et al. | Testimony in Support<br>of Stipulation |
|-------|---|--|