

Control Number: 49689



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OPEN MEETING COVER SHEET

COMMISSIONER MEMORANDUM

MEETING DATE: January 16, 2020
DATE DELIVERED: January 15, 2020
AGENDA ITEM NO.: 16
CAPTION: Docket No. 49689 – Application of Sharyland Utilities, L.L.C. for a Limited Code of Conduct Waiver
DESCRIPTION: Chairman Walker Memorandum

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Public Utility Commission of Texas

TO: Chairman DeAnn T. Walker
Commissioner Arthur C. D'Andrea
Commissioner Shelly Botkin

All Parties of Record (*via electronic transmission*)

FROM: Lorenzo Z Garcia
Commission Advising

A handwritten signature in black ink, appearing to read "L. Garcia", written over the printed name and title.

RE: *Application of Sharyland Utilities, L.L.C. for a Limited Code of Conduct Waiver*,
Docket No. 49689, Commissioner Memo, January 16, 2020 Open Meeting, Item
No. 16.

DATE: January 15, 2020

Please find enclosed a memorandum by Chairman Walker regarding the above-referenced docket. No other commissioner will file a memorandum in this docket.

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Public Utility Commission of Texas

Memorandum

TO: Commissioner Arthur C. D'Andrea
Commissioner Shelly Botkin

FROM: Chairman DeAnn T. Walker 

DATE: January 15, 2020

RE: Open Meeting of January 16, 2020 – Agenda Item No. 16
Docket No. 49689 – *Application of Sharyland Utilities, L.L.C. for a Limited Code of Conduct Waiver*

I recommend that the Commission make the following changes to the order in this proceeding. The below changes are to the proposed order including the corrections set forth in the filing by the administrative law judge on November 13, 2019. The proposed changes include those filed by Sharyland Utilities, L.L.C. on November 26, 2019 as well as other modifications.

Finding of fact 7 should be modified for brevity, accuracy, and to provide information that supports the order.

7. Consistent with Sharyland's code of conduct, ~~HCI and~~ HUS currently provides all certain corporate support services to Sharyland and relies on HCI for certain corporate support services as the term is defined in PURA § 39.157(i)(2) and 16 Texas Administrative Code (TAC) § 25.272(c)(4) and Sharyland's competitive and non-competitive affiliates, which may include the areas of human resources, procurement, information technology, regulatory services, administrative services, real estate services, legal services, accounting, environmental services, research and development unrelated to marketing activity and business development for the competitive affiliates regarding its services and products, internal audit, community relations, corporate communications, financial services, financial planning and management support, corporate services, corporate secretary, lobbying, and corporate planning.

Two additional findings of fact should be added after finding of fact 7 to more fully describe the services provided by each entity. Subsequent findings of fact should be renumbered accordingly.

8. HUS also provides corporate support services in the areas of transmission and distribution operations, engineering, marketing and business development, and purchasing of electric transmission facilities and service to Sharyland. HCI does not provide these services to Sharyland.

9. HUS does not currently provide services in the areas of transmission and distribution operations, engineering, marketing and business development, and purchasing of electric transmission facilities and service to any Sharyland affiliates, whether noncompetitive or competitive.

The current finding of fact 8 should be modified to provide a more accurate definition of “non-competitive affiliate.”

810. For the purposes of this proceeding, Sharyland used the term "Non-competitive affiliates" are Sharyland to refer to affiliates who are not "competitive affiliates" as that term is defined under PURA § 39.157(i) and 16 Texas Administrative Code (TAC) § 25.272(e) because they do not provide services or sell products in a competitive energy-related market in Texas.

The current findings of fact 9 and 10 should be modified for clarity and accuracy.

911. Sharyland is seeking a waiver to permit HUS to provide services, ~~which currently provides corporate support services to Sharyland~~ in the areas of transmission and distribution operations, engineering, marketing, and business development, and purchasing of electric transmission facilities and service, to Sharyland's non-competitive affiliates.

120. By allowing HUS to provide those same corporate support services to Sharyland's non-competitive affiliates, the costs of such services for Texas ratepayers will may be reduced because Sharyland will be charged for only the share of the services that Hunt Services performs for Sharyland ~~its share of services.~~

Conclusion of law 5 should be modified for accuracy.

5. Under PURA § 39.157(i)(1) and 16 TAC § ~~4~~25.272(c)(2), a competitive affiliate is defined as an affiliate of a utility that provides services or sells products in a competitive energy-related market in the state of Texas; to the extent those services are energy-related.

In addition, I propose delegating to the Office of Policy and Docket Management staff the authority to modify the order to conform to the *Citation and Style Guide for the Public Utility Commission of Texas* and to make other non-substantive changes to the order for such matters as capitalization, spelling, grammar, punctuation, style, correction of numbering, and readability.

I look forward to discussing this matter with you at the open meeting.