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APPLICATION OF ONCOR §
ELECTRIC DELIVERY COMPANY §
LLC FOR INTERIM UPDATE OF §
WHOLESALE TRANSMISSION RATES §
PURSUANT TO 16 TEX. ADMIN. CODE §
§ 25.192(h)(1) §

JOINT PROPOSED NOTICE OF APPROVAL AND JOINT MOTION TO ADMIT EVIDENCE

Oncor Electric Delivery Company LLC (“Oncor”) files this Joint Proposed Notice of Approval and Joint Motion to Admit Evidence of Oncor’s application for interim update of wholesale transmission rates pursuant to 16 Tex. Admin. Code § 25.192(h)(1) (“TAC”) (“Application”). The Proposed Notice of Approval includes proposed findings of fact, conclusions of law, and ordering paragraphs, in compliance with Order No. 1 (Jul. 29, 2019). Public Utility Commission of Texas (“Commission”) Staff (“Commission Staff”) has reviewed and agreed to the Joint Proposed Notice of Approval attached hereto as Exhibit A. This Joint Proposed Notice of Approval is timely filed on or before September 6, 2019.

I. JOINT MOTION TO ADMIT EVIDENCE

Oncor and Commission Staff jointly request to admit the following evidence into the record of this proceeding: (a) Oncor’s Application and all attachments thereto, filed July 25, 2019; (b) Oncor’s Affidavit Attesting to the Provision of Notice, filed August 6, 2019; (c) Commission Staff’s Recommendation of Sufficiency, filed August 13, 2019; and (d) Commission Staff’s Final Recommendation, filed August 29, 2019.

II. PROPOSED NOTICE OF APPROVAL

The Proposed Notice of Approval would grant Oncor’s petition for administrative approval of its interim update of wholesale transmission rates pursuant to the requirements of 16 TAC § 25.192(h)(1), which provides that each transmission service provider (“TSP”) in the Electric Reliability Council of Texas region “...may apply to update its transmission rates on an interim basis not more than twice per calendar year to reflect changes in its invested capital.” The rule further provides that “[a]n update of transmission rates under paragraph (1) of this subsection shall be subject to reconciliation at the next complete review of the TSP’s transmission cost of service,

at which time the commission shall review the costs of the interim transmission plant additions to determine if they were reasonable and necessary.”

The docket was processed in accordance with applicable statutes and Commission rules. Notice of the Application was provided to interested parties.

III. CONCLUSION

Commission Staff has reviewed the Application and recommends its approval. Oncor, therefore, respectfully requests that the Commission adopt the attached findings of fact and conclusions of law as well as grant the admittance of the specified pieces of evidence.

Respectfully submitted,

Oncor Electric Delivery Company LLC

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**ATTORNEYS FOR ONCOR ELECTRIC
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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing has been hand delivered, or sent via overnight delivery, or first-class United States mail, postage prepaid, to the parties to this docket on this the 5th day of September, 2019.

Jay R. Wente

EXHIBIT A
JOINT PROPOSED NOTICE OF APPROVAL

DOCKET NO. 49793

APPLICATION OF ONCOR	§	PUBLIC UTILITY COMMISSION
ELECTRIC DELIVERY COMPANY	§	
LLC FOR INTERIM UPDATE OF	§	OF TEXAS
WHOLESALE TRANSMISSION RATES	§	
PURSUANT TO 16 TEX. ADMIN. CODE	§	
§ 25.192(h)(1)	§	

NOTICE OF APPROVAL

This Notice of Approval addresses the application of Oncor Electric Delivery Company LLC (Oncor) for an interim update of wholesale transmission rates. The Commission adjusts Oncor’s wholesale transmission rate on an interim basis to \$13,943.880032 per megawatt.

I. Findings of Fact

The Commission makes the following findings of fact.

Applicant

1. Oncor provides transmission and distribution electric service in the Electric Reliability Council of Texas (ERCOT) region under certificate of convenience and necessity numbers 30043, 30152, 30158, and 30160.

Application

2. On July 25, 2019, Oncor filed an application for interim update of wholesale transmission rates.
3. In the application, Oncor requested an increase in total rate base of \$232,062,394, with a total revenue requirement increase of \$33,451,074 above the incremental amounts approved in Docket No. 49160, Oncor’s most recent interim update to its transmission cost of service.¹ Oncor further requested that the Commission approve an interim update to its network transmission service rate to \$13,943.880032 per megawatt, effective August 29, 2019.
4. No party filed a motion to find the application materially deficient.

¹ *Application of Oncor Electric Delivery Company LLC for Interim Update of Wholesale Transmission Rates*, Docket No. 49160, Notice of Approval (Apr. 26, 2019).

Notice of Application

5. On July 25, 2019, Oncor provided direct written notice of the application to all parties in Docket No. 46957,² Oncor's most recent case completely reviewing Oncor's transmission cost of service, and to every distribution service provider listed in the matrix established by the Commission in Docket No. 48928.³
6. On August 6, 2019, Oncor filed an affidavit attesting to the provision of notice.

Evidentiary Record

7. On September 5, 2019, Oncor and Commission Staff filed a joint proposed notice of approval and joint motion to admit evidence.
8. In Order No. 2, issued _____, 2019, the administrative law judge admitted the following evidence in the record: (a) Oncor's application and all attachments filed July 25, 2019; (b) Oncor's proof of notice filed on August 6, 2019; (c) Commission Staff's application sufficiency recommendation filed on August 13, 2019; and (d) Commission Staff's recommendation and all attachments filed on August 29, 2019.

Eligibility for Interim Update

9. Oncor's last interim increase to transmission rates was approved April 26, 2019, in Docket No. 49160, which was Oncor's first requested interim increase in 2019.
10. This application is Oncor's second requested interim increase in 2019.

Interim Transmission Rate

11. Oncor's application compares the company's actual June 30, 2019 transmission net-plant balances against the incremental amounts approved in Docket No. 49160, Oncor's most recent interim update to its transmission cost of service. The difference provides the increase in the rate base for Oncor in the application.
12. The interim transmission rates in this filing reflect an increase in total rate base of \$232,062,394, with a total revenue requirement increase of \$33,451,074, for an interim transmission cost of service revenue requirement of \$967,272,505.

² *Application of Oncor Electric Delivery Company, LLC for Authority to Change Rates*, Docket No. 46957, Order (Oct. 13, 2017).

³ *Commission Staff's Petition to Set 2019 Wholesale Transmission Service Charges for the Electric Reliability Council of Texas*, Docket No. 48928, Order (Apr. 4, 2019).

13. The requested increase in the wholesale transmission rates to \$13,943.880032 per megawatt accurately reflects additions and retirements of Oncor's transmission facilities as well as changes to return on rate base, depreciation and amortization, taxes other than income taxes, and federal income taxes associated with the additional rate base.

Interim Revenue Requirement

14. Oncor's request reflects a total interim wholesale transmission revenue requirement of \$967,272,505.
15. Oncor's request uses a rate of return for transmission cost of service investment of 7.44% set in Docket No. 46957.
16. The interim revenue requirement reflects operations and maintenance of \$148,102,424; depreciation and amortization of \$271,079,753; taxes other than income taxes of \$102,924,523, federal income taxes of \$36,278,840; a return on rate base of \$431,348,977; and other revenues of (\$22,462,012).

Informal Disposition

17. More than 15 days have passed since the completion of notice provided in this docket.
18. No person filed a protest or motion to intervene.
19. Commission Staff and Oncor are the only parties to this proceeding.
20. No party requested a hearing, and no hearing is necessary.
21. Commission Staff recommended that the Commission approve the application, subject to a comprehensive analysis and reconciliation at the next complete review of Oncor's transmission cost of service.
22. This decision is not adverse to any party.

II. Conclusions of Law

The Commission makes the following conclusions of law.

1. Oncor is a public utility as defined in PURA⁴ § 11.004 and an electric utility as defined in PURA § 31.002(6).

⁴ Public Utility Regulatory Act, Tex. Util. Code Ann. §§ 11.001–66.016.

2. Oncor is a transmission service provider as defined in 16 Texas Admin. Code (TAC) § 25.5(140).
3. The Commission has jurisdiction over this application under PURA §§ 32.001 and 35.004.
4. The Commission processed the application in accordance with the requirements of PURA and the Commission's rules.
5. Oncor provided notice of the application in compliance with 16 TAC § 25.192(h)(4)(A).
6. A transmission service provider in the ERCOT region may update its transmission rates to reflect changes in invested capital under 16 TAC § 25.192(h)(1).
7. Whether the costs of transmission plant additions addressed in this Notice of Approval are reasonable and necessary must be determined at the next complete review of Oncor's transmission cost of service under 16 TAC § 25.192(h)(2).
8. Oncor's application complies with the requirements of 16 TAC § 25.192(h)(1).
9. This application does not constitute a major rate proceeding as defined in 16 TAC § 22.2(27).
10. The interim rates established in this Notice of Approval are just and reasonable under PURA § 36.003(a).
11. The interim rates established in this Notice of Approval are not unreasonably preferential, prejudicial, or discriminatory as required by PURA § 36.003(b).
12. In accordance with PURA § 36.003(b), the interim rates set in this Notice of Approval are sufficient, equitable, and consistent in application to each class of customer.
13. The interim revenue requirement set in this Notice of Approval meets the requirements of PURA § 36.051.
14. The requirements for informal disposition in 16 TAC § 22.35 have been met in this proceeding.

III. Ordering Paragraphs

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

1. The application is approved.
2. The Commission adjusts Oncor's wholesale transmission rates on an interim basis to \$13,943.880032 per megawatt, effective the date of this Notice of Approval.
3. Oncor may begin billing the updated wholesale transmission rate on services rendered on or after the date of this Notice of Approval. The updated transmission rate supersedes any inconsistent rate.
4. The interim rates set in this Notice of Approval must be reconciled as provided in 16 TAC § 25.192(h)(2).
5. This Notice of Approval does not address or determine whether the costs underlying the rates established by the Notice of Approval are reasonable and necessary.
6. The Commission establishes, subject to ordering paragraph 5, Oncor's annual revenue requirement on an interim basis to \$967,272,505.
7. Within 10 days of the date of this Notice of Approval, Oncor must file a clean record copy of the new *Rate NTS – Network Transmission Service* tariff, with the proper effective date, in central records to stamp and mark *Approved* and keep in the Commission's tariff book.
8. The Commission denies all other motions and any other requests for general or specific relief that have not been expressly granted.

Signed at Austin, Texas the _____ day of September 2019.

PUBLIC UTILITY COMMISSION OF TEXAS

MAYSON PEARSON
ADMINISTRATIVE LAW JUDGE