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APPLICATION OF ONCOR ELECTRIC § PUBLIC UTILITY COMMISSION
DELIVERY COMPANY LLC FOR §
INTERIM UPDATE OF WHOLESALE § OF TEXAS
TRANSMISSION RATES

NOTICE OF APPROVAL

This Notice of Approval addresses the application of Oncor Electric Delivery Company LLC for an interim update of its wholesale transmission rate. 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 electric service in the Electric Reliability Council of Texas (ERCOT) region under certificate of convenience and necessity (CCN) numbers 30043, 30152, 30158, and 30160.
2. Oncor is a foreign limited liability company registered with the Texas secretary of state under file number 800880712.

Application

3. On July 25, 2019, Oncor filed an application for an interim update of its wholesale transmission rate.
4. 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.

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

5. No party filed a motion to find the application materially deficient.

Notice

6. 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
7. On August 6, 2019, Oncor filed an affidavit attesting to the provision of notice.

Evidentiary Record

8. On September 5, 2019, the parties filed a joint motion to admit evidence.
9. In Order No. 2 issued on September 26, 2019, the administrative law judge admitted the following evidence in the record: (a) Oncor's application and all attachments, filed on July 25, 2019; (b) Oncor's proof of notice, filed on August 6, 2019; (c) Commission Staff's recommendation on material sufficiency, filed on August 13, 2019; and (d) Commission Staff's recommendation on final disposition, filed on August 29, 2019.

Eligibility for Interim Update

10. 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.
11. This application is Oncor's second requested interim increase in 2019.

Interim Transmission Rate

12. 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.

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 interim transmission rate in this filing reflects 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.
14. The requested interim wholesale transmission rate for Oncor is \$13,943.880032 per megawatt.
15. The requested interim increase in the transmission rate is calculated by dividing the updated revenue requirement of \$967,272,505 by the 2018 ERCOT four-month coincident peak average load of 69,368.9635 megawatts.
16. The requested interim increase in the wholesale transmission rate accurately reflects the addition and retirement of transmission facilities and includes appropriate depreciation, federal income tax and other associated taxes, and the commission-allowed rate of return on such facilities, as well as changes in loads.

Interim Revenue Requirement

17. Oncor's request reflects a total interim wholesale transmission revenue requirement of \$967,272,505.
18. Oncor's request uses a rate of return for transmission cost of service investment of 7.44% set in Docket No. 46957.
19. 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

20. More than 15 days have passed since the completion of notice provided in this docket.
21. No person filed a protest or motion to intervene.
22. Commission Staff and Oncor are the only parties to this proceeding.
23. No party requested a hearing and no hearing is necessary.

24. Commission Staff recommended approval of the application, subject to a more comprehensive analysis and reconciliation at the next complete review of Oncor's transmission cost of service.
25. 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).
2. Oncor is a transmission service provider in the ERCOT region as defined in 16 Texas Administrative Code (TAC) § 25.5(140).
3. The Commission has jurisdiction over this application under PURA §§ 32.001 and 35.004.
4. The application was processed in accordance with PURA and Commission 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 its 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).

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

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.

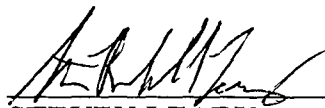
III. Ordering Paragraphs

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

1. The 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.
2. 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.
3. The interim rates set in this Notice of Approval must be reconciled as provided in 16 TAC § 25.192(h)(2).
4. 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.
5. The Commission establishes, subject to ordering paragraph 3, Oncor's annual revenue requirement on an interim basis to \$967,272,505.
6. 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.
7. 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 27th day of September 2019.

PUBLIC UTILITY COMMISSION OF TEXAS



STEVEN LEARY
ADMINISTRATIVE LAW JUDGE

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