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DOCKET NO. 52710

COMPLIANCE FILING FOR DOCKET	§	PUBLIC UTILITY COMMISSION
NO. 52322 (APPLICATION OF	§	
ELECTRIC RELIABILITY COUNCIL	§	OF TEXAS
OF TEXAS INC. FOR A DEBT	§	
OBLIGATION ORDER PURSUANT TO	§	
CHAPTER 39, SUBCHAPTER N, OF	§	
THE PUBLIC UTILITY	§	
REGULATORY ACT)	§	

COMMISSION STAFF'S RESPONSE TO ORDER NO. 8

On October 13, 2021, the Public Utility Commission of Texas issued a debt obligation order (Debt Obligation Order)¹ pursuant to Chapter 39, Subchapter M, of the Public Utility Regulatory Act (PURA).² In accordance with the Debt Obligation Order, the Electric Reliability Council of Texas (ERCOT) was ordered to make certain filings in this docket. On September 14, 2023, ERCOT filed a true-up filing, report of recoveries, and notice of uplift charge adjustment (True-Up Filing) that detailed ERCOT's compliance with the true-up provisions of the Debt Obligation Order.³

On September 15, 2023, the administrative law judge filed Order No. 8, directing Commission Staff to make recommendations as to the sufficiency and completeness of ERCOT's Compliance Filing by September 20, 2023. Commission Staff was further ordered to offer its opinion as to whether the true-up filing, report of recoveries, and uplift charge adjustment made by ERCOT comply with PURA and the Debt Obligation Order. Therefore, this pleading is timely filed.

Commission Staff has reviewed ERCOT's True-Up Filing, and, as explained in the memorandum of Darryl Tietjen, Division Director, Rate Regulation Division, Commission Staff recommends that ERCOT's True-Up Filing be found to be sufficient and complete. Commission Staff further recommends that ERCOT's True-Up filing be found to be in compliance with PURA and the relevant provisions of the Debt Obligation Order.⁴

¹ *Application of the Electric Reliability Council of Texas, Inc. for a Debt Obligation Order Pursuant to Chapter 39, Subchapter N, of the Public Utility Regulatory Act*, Docket No. 52322 (Oct. 13, 2021).

² Public Utility Regulatory Act, Tex. Util. Code §§ 11.001-66.016.

³ Debt Obligation Order, Findings of Fact Nos. 194-200 and Ordering Paragraph Nos. 66 and 97.

⁴ *Id.*

Dated: September 20, 2023

Respectfully Submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION**

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/s/ Andy Aus
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CERTIFICATE OF SERVICE

I certify that unless otherwise ordered by the presiding officer, notice of the filing of this document was provided to all parties of record via electronic mail on September 20, 2023, in accordance with the Second Order Suspending Rules, issued in Project No. 50664.

/s/ Andy Aus
Andy Aus

Public Utility Commission of Texas

Memorandum

TO: Floyd Walker, Market Analysis
Andy Aus, Legal Division

FROM: Darryl Tietjen, Rate Regulation

DATE: September 20, 2023

RE: Docket No. 52710 – *Compliance Filing for Docket No. 52322 (Application of Electric Reliability Council of Texas Inc. for a Debt Obligation Order Pursuant to Chapter 39, Subchapter N, of the Public Utility Regulatory Act)*

Introduction

On September 15, 2023, the Commission’s Office of Policy and Docket Management issued *Order No. 8, Requiring Commission Staff Recommendations and Establishing Objections Deadline* in this docket. The order requires Commission Staff to “make recommendations as to the sufficiency and completeness of ERCOT’s September 14, 2023 compliance filing. In its recommendation, Commission Staff must offer its opinion as to whether the true-up filing and uplift charge adjustment comply with PURA and the Debt Obligation Order.”

Discussion

On September 14, 2023, the Electric Reliability Council of Texas, Inc. (ERCOT), in its role as servicer (Servicer) of the bonds issued under Subchapter N of Chapter 39 of the Public Utility Regulatory Act, submitted its quarterly true-up filing and notice of uplift charge adjustment as required by the provisions of the Debt Obligation Order adopted by the Commission in Docket No. 52322.¹

Finding of Fact Nos. 194-200 of the Debt Obligation Order set forth the procedures related to mandatory quarterly true-up calculations and true-up adjustments. Finding of Fact No. 197 and Ordering Paragraph 33 of the Debt Obligation Order require the Servicer to provide a quarterly true-up calculation (the Quarterly Calculation) each quarter following the closing of the securitized bond transaction. ERCOT’s filing provides details of the Quarterly Calculation and shows a proposed adjustment in the daily uplift charges from \$384,107 to \$383,475, or a decrease of \$632.

The Debt Obligation Order also requires the Servicer to file notice regarding quarterly true-up adjustments with the Commission not less than 45 days prior to the first billing cycle of the month in which the revised uplift charges come into effect. As Servicer, ERCOT proposes an effective date of the revised uplift charges for the November 2023 billing period. In accordance with Finding of Fact No. 205 of the Debt Obligation Order, the Commission has 15 days after the date

¹ *Application of the Electric Reliability Council of Texas, Inc. for a Debt Obligation Order Pursuant to Chapter 39, Subchapter N, of the Public Utility Regulatory Act*, Docket No. 52322, Final Debt Obligation Order, Finding of Fact Nos. 194-200 and Ordering Paragraph No. 33 (Oct. 13, 2021).

of ERCOT's filing to confirm that the true-up adjustment complies with PURA and the Debt Obligation Order. Any true-up adjustment filed with the Commission is effective on its proposed effective date, which will not be less than 15 days after filing. The Debt Obligation Order also provides that any necessary corrections to the adjusted uplift charge resulting from mathematical errors in the calculation of the uplift charge will be made in future true-up adjustments.

Recommendation

I have reviewed ERCOT's September 14, 2023 filing and related information and recommend that the Commission find that the filing is sufficient and complete. Further, it is my opinion that ERCOT's true-up filing and proposed uplift charge adjustment comply with PURA and the requirements of the Debt Obligation Order. Accordingly, I recommend that the Commission approve the adjustment and proposals included in ERCOT's filing.