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August 4, 2023

Kathleen Jackson, Interim Chair Will McAdams, Commissioner Lori Cobos, Commissioner Jimmy Glotfelty, Commissioner Public Utility Commission of Texas ATTN: Central Records 1701 N. Congress Avenue, Room 8-100 Austin, Texas 78711-3326

Re: Docket No. 54553, Compliance Filing for Docket No. 53529 (Application of the City of Lubbock, acting by & Through Lubbock Power & Light, for Authority to Connect the Remaining Portion of its Load with the Electric Reliability Council of Texas & for Approval of an Agreement)

Update concerning City of Lubbock's, acting by and through Lubbock Power & Light, integration of load

Dear Interim Chair and Commissioners:

Consistent with the Commission's order in Docket No. 53529,¹ Electric Reliability Council of Texas, Inc. (ERCOT) and the City of Lubbock, acting by and through Lubbock Power & Light (LP&L), file this letter to jointly update the Commission regarding the integration of LP&L's remaining load into ERCOT.

As discussed in the Commission's order, integration of the remaining load is contingent on Federal Energy Regulatory Commission (FERC) approval of the May 27, 2021 agreement between LP&L and Southwestern Public Service Company (SPS).² SPS submitted the agreement for approval in FERC Docket No. ER23-1144, and FERC issued an order on April 21, 2023, accepting and suspending SPS's request and establishing hearing and settlement judge procedures to address positions advanced by intervenors in the proceeding.³

The parties to the FERC proceeding have been participating in settlement discussions under the direction of the FERC settlement judge. Those discussions have been productive, and the most

² Docket No. 53529, Ordering Paragraph No. 9,

¹ Application of The City of Lubbock, acting by and Through Lubbock Power & Light, for Authority to Connect the Remaining Portion of its Load with the Electric Reliability Council of Texas and for Approval of an Agreement, Docket No. 53529, Ordering Paragraph No. 11 (Mar. 22, 2023).

³ See Southwestern Public Service Company, 183 FERC ¶ 61,051 (2023).

recently scheduled settlement conference was cancelled to allow the parties to attempt to finalize proposed terms that are being negotiated. If this work continues to be productive, the resulting settlement would be submitted to the settlement judge and subsequently presented to the FERC Commissioners for consideration and approval by the end of the calendar year. In anticipation of that outcome, LP&L has continued its work with ERCOT and Market Participants to prepare for the integration of the remaining load into ERCOT and the subsequent transition to retail competition. LP&L anticipates that the integration and transition can occur in the first quarter of 2024 if a settlement is reached and all required regulatory approvals are obtained by the end of the calendar year.

LP&L and ERCOT appreciate the opportunity to provide the Commission the foregoing update. LP&L and ERCOT will continue to provide updates regarding the integration of the remaining load consistent with the Commission's order in Docket No. 53529,⁴ or as otherwise directed by the Commission.

Sincerely,

/s/ Kennedy R. Meier Kennedy R. Meier Regulatory Counsel Texas State Bar No. 24092819 ERCOT 8000 Metropolis Drive, Bldg. E, Suite 100 Austin, Texas 78744 (512) 275-7613 (Phone) (512) 225-7079 (Fax) kennedy.meier@ercot.com

cc: All parties of record

<u>/s/ Carolyn E. Shellman</u> Carolyn E. Shellman Interim General Counsel Texas State Bar No. 18196200 City of Lubbock, acting by and through Lubbock Power & Light 1314 Avenue K, 5th Floor Lubbock, Texas 79401 (806) 775-2231 (Office) (512) 413-3941 (Cell) CShellman@mylubbock.us

⁴ Docket No. 53529, Ordering Paragraph No. 11.