



Filing Receipt

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**YEAR-END 2023 ELECTRIC UTILITY § PUBLIC UTILITY COMMISSION
EARNINGS REPORTS IN §
ACCORDANCE WITH 16 TAC § 25.73 § OF TEXAS**

**LONE STAR TRANSMISSION, LLC’S NOTICE OF EXTENSION OF FILING
REQUIREMENTS UNDER 16 TEX. ADMIN. CODE § 25.247(b)(2)(A)**

Lone Star Transmission, LLC (“Lone Star”) submits this notice of extension of filing requirements pursuant to 16 Texas Administrative Code (“TAC”) § 25.247(b)(2)(A) (the “Notice”). This Notice is timely filed.

Lone Star is providing notice of the extension of the filing requirements for Lone Star’s next comprehensive rate proceeding pursuant to 16 TAC § 25.247(b)(2)(A). An investor-owned transmission-only utility, like Lone Star, invokes a one-year extension of its scheduled rate review of the utility’s most recent earnings monitoring report, as of 180 days before its scheduled filing date, shows that it is earning, on a weather-normalized basis using weather data for the most recent ten calendar years, less than 50 basis points above the average of the most recent commission-approved rate of return on equity (“ROE”) for each investor-owned transmission-only utility operating in Electric Reliability Council of Texas (“ERCOT”). Lone Star meets these conditions.

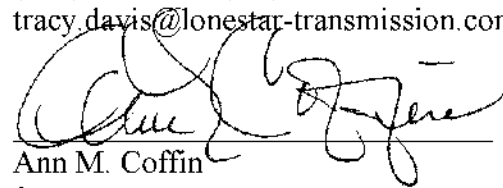
On May 10, 2024, Lone Star submitted its annual Earnings Monitoring Report (“EMR”) for calendar year 2023 in Project No. 55977, consistent with the Public Utility Commission of Texas’s (“Commission”) annual EMR filing requirements. Lone Star’s EMR shows that Lone Star is earning, on a weather-normalized basis using weather data for the most recent ten calendar years, a 9.41 percent ROE. This is less than Lone Star’s last-approved ROE of 9.6 percent,¹ and it is also less than the average of the most recent Commission-approved ROEs for each investor-

¹ *Application of Lone Star Transmission, LLC for Authority to Change Rates*, Docket No. 42469, Order at Finding of Fact (“FoF”) No. 9 No. 25 (Sept. 11, 2014).

owned transmission-only utility in the ERCOT, which is also 9.6 percent.² Applying 50 basis points above the average transmission-only utility ROE is 10.1 percent. Therefore, Lone Star's earned 2023 ROE of 9.41 percent reflected in its 2023 EMR is less than 50 basis points above the average ROE for all investor-owned transmission-only utilities operating in ERCOT and lower than its current, Commission-approved ROE. Accordingly, Lone Star is providing notice that it is contemporaneously filing a separate request for approval of a one-year extension of its next comprehensive rate review from February 9, 2025 to February 9, 2026.³

Respectfully submitted,

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² *Application of Wind Energy Transmission Texas, LLC for Authority to Change Rates and Tariffs*, Docket No. 44746, Final Order at FoF No. 20 (Sept. 25, 2015); *Application of Cross Texas Transmission, LLC for Authority to Change Rates and Tariffs*, Docket No. 43950, Final Order at FoF No. 17 (May 1, 2015); *Application of Electric Transmission Texas, LLC for Good Cause Extension of Rate Case Filing under 16 TAC § 25.247 and Adoption of Rate Settlement*, Docket No. 54502, Order at FoF No. 16 (Feb. 16, 2023).

³ *Application of Lone Star Transmission, LLC's for an Extension of Rate Filing Requirement under 16 TAC § 25.247*, Docket No. 56752, Lone Star's Request for Extension of the Filing Requirements under PURA § 36.157(c)(2) and 16 TAC § 25.247(b)(2)(A) (Jun. 24, 2024).