



## **Filing Receipt**

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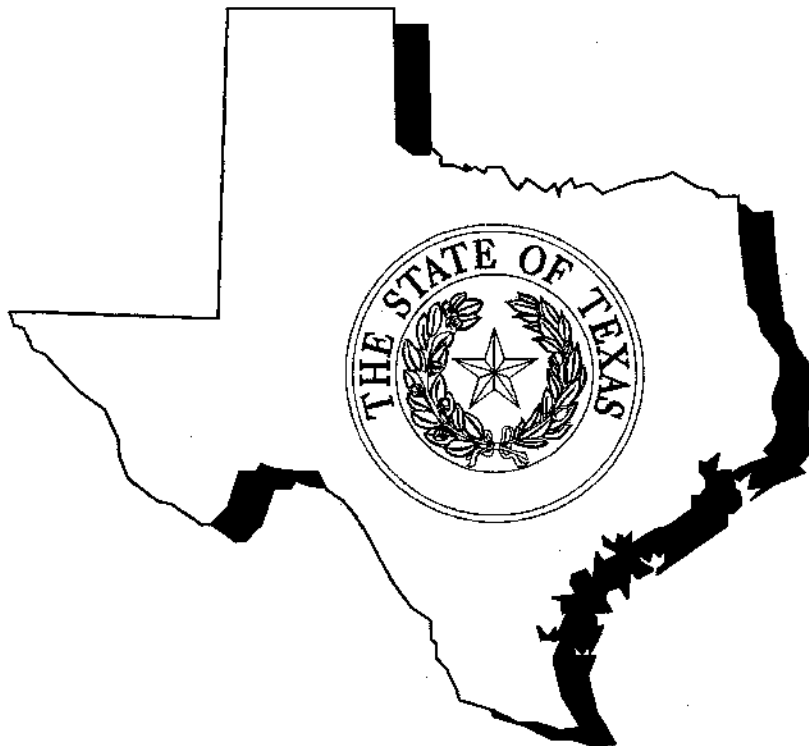
**Item Number - 113**

**SOAH DOCKET NO. 473-25-10411  
PUC DOCKET NO. 57467**

**APPLICATION OF CROSS TEXAS  
TRANSMISSION, LLC FOR AUTHORITY  
TO CHANGE RATES AND TARIFFS**

§  
§  
§

**BEFORE THE STATE OFFICE  
OF  
ADMINISTRATIVE HEARINGS**



**DIRECT TESTIMONY OF  
  
DAVID GAGE HOLT  
  
RATE REGULATION DIVISION  
  
PUBLIC UTILITY COMMISSION OF TEXAS  
  
APRIL 11, 2025**

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<b>Attachment DGH-1</b>	Curriculum Vitae
<b>Attachment DGH-2</b>	Wholesale Transmission Service rates

**I. PROFESSIONAL QUALIFICATIONS**

**Q. Please state your name and business address.**

A. David Gage Holt, 1701 N. Congress Avenue, Austin, Texas 78701.

**Q. By whom are you employed and in what capacity?**

A. I am employed by the Public Utility Commission of Texas (Commission) as a Rate Analyst in the Tariff and Rate Analysis Section of the Rate Regulation Division.

**Q. What are your principal responsibilities at the Commission?**

A. My principal area of responsibility involves performing analyses of issues such as utility cost allocation and rate design. My responsibilities include analyzing utility industry regulatory policy, reviewing tariffs to determine compliance with Commission requirements, and preparing and presenting testimony as an expert witness on cost allocation and rate design in docketed proceedings before the Commission and State Office of Administrative Hearings.

**Q. Please state your educational background and professional experience.**

A. I earned a Bachelor of Arts degree in Economics from the University of Texas at Austin in December 2022. After graduation, I was employed as a Data Analyst with Gray Forensic Accounting and Litigation Support, before joining the Commission in 2024 as a Rate Analyst. I have provided a summary of my educational background and professional regulatory experience in Attachment DGH-1.

**Q. Have you filed testimony before the Commission before?**

A. No. Attachment DGH-1 includes a list of my previously filed memoranda, in lieu of testimony.

**II. PURPOSE AND SCOPE OF TESTIMONY**

**Q. What is the purpose of your testimony in this proceeding?**

A. My direct testimony regarding the application of Cross Texas Transmission, LLC (Cross Texas) will provide the calculation of the Wholesale Transmission Service (WTS) rates associated with Staff's recommendations.

**Q. What documents and data did you review to arrive at your recommendations?**

A. In preparing my testimony, I reviewed portions of Cross Texas's application and direct testimony, certain responses to requests for information, and certain Commission rules and orders.

**III. SUMMARY OF RECOMMENDATIONS**

**Q. Please summarize your recommendations.**

A. I have calculated the appropriate export revenues and WTS rates associated with Staff's recommendations. I recommend that Staff's proposed WTS rates—as shown in Attachment DGH-2—be approved.

**IV. REVENUE REQUIREMENT: EXPORT REVENUES**

**Q. Are transmission service providers (TSPs) required to assess a transmission charge to all exporting transmission service customers for the delivery of power to be exported from the Electric Reliability Council of Texas (ERCOT) region pursuant to 16 Texas Administrative Code (TAC) § 25.192(e)?**

A. Yes. TSPs are required to charge exporting entities for the use of the ERCOT transmission system in exporting power from ERCOT, as stated in 16 TAC § 25.192(e).

1 **Q. Are TSPs required to credit all transmission service customers for revenues collected**  
2 **pursuant to 16 TAC § 25.192(e)?**

3 A. Yes. TSPs are explicitly required to credit to transmission service customers the revenues  
4 relating to the export of power from ERCOT, as stated in 16 TAC § 25.192(f):

5 Revenue from the transmission of electric energy out of the ERCOT  
6 region over the DC ties that is recovered under subsection (e) of this  
7 section shall be credited to all transmission service customers as a  
8 reduction in the transmission cost of service for TSPs that receive  
9 the revenue.

10 This subsection, along with 16 TAC § 25.192(e), implements PURA 35.004(c), which  
11 requires that:

12 When an electric utility, electric cooperative, or transmission and  
13 distribution utility provides wholesale transmission service within  
14 ERCOT at the request of a third party, the commission shall ensure  
15 that the utility recovers the utility's reasonable costs in providing  
16 wholesale transmission services necessary for the transaction from  
17 the entity for which the transmission is provided so that the utility's  
18 other customers do not bear the costs of the service.

19 **Q. How did you calculate export revenues?**

20 A. Transmission export revenues were calculated using Staff's recommended export rate and  
21 then incorporated into Staff's cost of service model. Microsoft Excel subsequently runs  
22 iterations until it converges upon the transmission export revenue amount consistent with  
23 Staff's recommended WTS rate.

24 **Q. How does this affect the revenue requirement?**

25 A. By using energy exports from the ERCOT region in the test year ending September 30,  
26 2024, I calculated energy export revenues to be \$152,143, which is \$17,102 less than the

export revenues calculated by Cross Texas.<sup>1</sup> Attachment DGH-2 presents the calculation for Staff's recommended export revenues. In the event that the final rates approved are different from those proposed by Staff, the value of export revenues will need to be adjusted to reflect the final decisions on the various issues addressed in this proceeding.

**V. WHOLESALE TRANSMISSION SERVICE RATES**

**Q. How did you calculate Staff's proposed WTS rates?**

A. I began with Staff's Cost of Service of \$73,183,734 (as recommended by other Staff witnesses).<sup>2</sup> From this amount, I applied an adjustment to the export revenues, as described above, and subtracted other revenues, specifically the export revenues as well as rent from property. The reductions total \$1,596,930, resulting in a revenue requirement of \$71,586,804, which is \$4,919,390 lower than Cross Texas's request of \$76,506,194.<sup>3</sup>

**Q. What are Cross Texas's WTS rates, consistent with Staff recommendations?**

A. As shown, Cross Texas's Staff-adjusted WTS rates are:

Annual WTS rate (\$/kW)	\$ 0.883323
Hourly Export Rate (\$/kW)	\$ 0.000101

<sup>1</sup> Petition and Statement of Intent to Change Rates and Tariffs of Cross Texas Transmission, LLC at Schedules II-E-5 and III-E-5 (Jan. 14, 2025) (Petition).

<sup>2</sup> Minor differences in amount due to rounding.

<sup>3</sup> Petition at Schedule I-A-1.

**VI. CONCLUSION**

**Q. Are there any additional adjustments to Cross Texas's filed case that may be reasonable?**

A. Yes. The recommendations above are based on my review of Cross Texas's application and the recommended adjustments of other Staff witnesses provided to me as of this date. I do not intend to imply that additional adjustments to Cross Texas's filed case are not appropriate and should not be made.

**Q. Does this conclude your direct testimony?**

A. Yes.



**David Gage Holt**  
Public Utility Commission of Texas  
1701 North Congress Avenue  
Austin, TX 78701

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**REGULATORY EXPERIENCE:**

Public Utility Commission of Texas, Rate Regulation Division

Financial Analyst, Tariff and Rate Analysis Section

Employed: May 2024 to present.

Duties: Perform analysis of tariff filings, cost allocation, and rate design. Review tariffs of regulated utilities to determine compliance with Commission requirements. Analyze cost allocation studies and rate design issues for regulated electric and water utilities. Analyze policy issues associated with the regulation of the utility industry. Work on contested cases, reports, the development of market rules, and financial review for certifications to regulated water and telecommunication utilities as well as deregulated retail electric providers. Prepare and present testimony as an expert witness on rate and related issues in docketed proceedings before the Commission and the State Office of Administrative Hearings.

**EDUCATION:**

2022      **University of Texas at Austin**  
            *Bachelor of Arts: Economics*  
            *Minor in Government*

**List of Memorandum Filed in Lieu of Testimony at the Public Utility Commission of Texas**

**Docket No. 57500**, *Application of Pedernales Electric Cooperative, Inc. for Interim Update of Wholesale Transmission Rates* – February 7, 2025

**Docket No. 57304**, *Application of CenterPoint Energy Houston Electric, LLC for Interim Update of Wholesale Transmission Rates* – January 3, 2025

**Docket No. 57313**, *Application of ICRA Transmission Services Corporation for Interim Update of Wholesale Transmission Rates* – December 27, 2024

**Docket No. 57359**, *Petition of CenterPoint Energy Houston Electric, LLC to Update its Transmission Cost Recovery Factor* – December 30, 2024

**Docket No. 57356**, *Petition of AEP Texas, Inc. to Update its Transmission Cost Recovery Factor* – December 30, 2024

**Docket No. 57121**, *Application of Entergy Texas, Inc. For a Distribution Cost Recovery Factor* – October 24, 2024

**Docket No. 56781**, *Application of Southwestern Public Service Company for Authority to Implement a Net Surcharge Associated with Docket No. 54634* – October 11, 2024

**Docket No. 56952**, *Interim True-Up Compliance Filing for Entergy Texas, Inc. Concerning Schedule SRC-2* – September 16, 2024

**Docket No. 56876**, *Annual Standard True-Up Compliance Filing for AEP Texas Inc. Concerning Rider SRC System Restoration Charge Factors and Rider ADITT* – September 9, 2024

**Docket No. 56777**, *Application of Southwestern Electric Power Company for Approval of Consulting Fee Rider* August 30, 2024

**Docket No. 56761**, *Application of Texas New-Mexico Power Company to Amend its Distribution Cost Recovery Factor* – August 21, 2024

**Docket No. 56680**, *Petition of CenterPoint Energy Houston Electric, LLC to Update its Transmission Cost Recovery Factor* – July 2, 2024

The following files are not convertible:

57467 Attachment DGH-2 to the Direct  
Testimony of David Gage Holt.xlsx

Please see the ZIP file for this Filing on the PUC Interchange in order to  
access these files.

Contact [centralrecords@puc.texas.gov](mailto:centralrecords@puc.texas.gov) if you have any questions.