



Office of Public Utility Counsel

P.O. Box 12397

Austin, Texas 78711-2397

Tel: (512) 936-7500 Fax: (512) 936-7525

Toll Free: (877) 839-0363

Tonya Baer
Public Counsel

Update for the Senate Committee on Business and Commerce April 15, 2014

Contested Cases

The Office of Public Utility Counsel (OPUC) provides legal representation for its clients, residential and small business utility customers, through the filing of motions, initiating and responding to discovery requests, attending hearings, filing expert testimony, cross-examining witnesses, advocating orally, and filing briefs, exceptions, and replies. The following are some of the more significant proceedings:

- Southwestern Electric Power Company (SWEPCO) Rate Case (*Docket No. 40443*). OPUC participated in the February 2013 hearing on the merits, filed March post-hearing briefs and reply briefs, and filed exceptions and replies to exceptions to the Proposal for Decision (PFD) in June. The PUC issued its Final Order in October. After Motions for Rehearing were filed by the parties, the Commission issued its Order on Rehearing on March 6, 2014. OPUC filed its Second Motion for Rehearing on March 26, 2014. On April 9, 2014, the PUC declined to consider additional Motions for Rehearing.
- Entergy Texas, Inc. (ETI) Rate Case (*Docket No. 41791*). OPUC filed its direct case in January 2014. OPUC and the other parties successfully reached a settlement of all of the issues in the case and filed a Stipulation and Settlement Agreement on April 4, 2014. On April 11, 2014, the State Office of Administrative Hearings (SOAH) remanded the case back to the PUC for disposition.
- Southwestern Public Service Company (SPS) Rate Case (*Docket No. 42004*). SPS filed its application to change rates on January 7, 2014. OPUC intervened later that month and began to review and send discovery. In February 2014, OPUC participated in a technical conference. The parties are currently in settlement discussions in order to resolve some or all of the issues set for hearing on June 25, 2014.
- Application of Aqua Texas, Inc. and Aqua Utilities, Inc., dba Aqua Texas, for Water and Sewer Rate/Tariff Changes for Gray Water and Sewer Systems in Chambers, Jefferson, and Liberty Counties, CCN Nos. 11157, 13203, 20453 and 21065 (*TCEQ Docket No. 2013-2007-UCR, SOAH Docket No. 582-14-1051*). OPUC's motion to intervene was granted at the preliminary hearing that was held on January 8, 2014. On January 27, 2014, OPUC participated in a technical conference. OPUC and the other parties participated in mediation throughout February. OPUC filed a motion for interim rates on March 21, 2014 and will present oral argument in favor of the motion on April 29, 2014. OPUC is preparing its direct case to be filed in June. The hearing in this case is set for August 11, 2014.

- Application of Suburban Utility Company for a Water Rate/Tariff Change for CCN No. 10835 in Harris County; Application No. 37711 (*TCEQ Docket No. 2014-0013-UCR, SOAH Docket No. 582-14-2307*). OPUC filed a motion to intervene on February 28, 2014. OPUC attended a regional preliminary hearing in Houston on March 27, 2014. At that preliminary hearing, OPUC's motion to intervene was granted. Additionally, OPUC and the other parties participated in oral argument regarding the imposition of interim rates. The Administrative Law Judge granted the motion for interim rates on April 4, 2014.

Projects/Rulemakings

OPUC represents its clients in the following projects and rulemakings by analyzing issues, making recommendations, filing comments and reply comments, and attending workshops and public hearings. The following are some of the more significant projects/rulemakings:

- Rulemaking to Amend §25.214 and Pro-Forma Retail Delivery Tariff (*Project No. 41121*). OPUC filed its notice of intent to participate in August 2013. This rulemaking focuses on clarifying changes related to the terms and conditions that govern the interactions between transmission distribution utilities and retail electric providers. The PUC approved a proposal for publication in December 2013. OPUC filed reply comments March 21, 2014.
- Rulemaking to Amend §25.272, Code of Conduct (*Project No. 41616*). This rulemaking amends the PUC rules that safeguard the interactions between electric utilities and their affiliates. The PUC approved a proposal for publication in December 2013. OPUC filed comments on February 3, 2014.
- Rulemaking Regarding New §25.245, Rate Case Expenses (*Project No. 41622*). This rulemaking will designate the appropriate methodology for reviewing and recovering the expenses associated with utility rate case proceedings. OPUC filed comments and reply comments and also participated at a workshop in September 2013. The Commission discussed the rule and considered a proposal for publication at its December 2013 and January 2014 open meetings. OPUC filed comments on March 10, 2014 and reply comments on March 24, 2014.
- Rulemaking to Implement PURA §39.107(k) (*Project No. 42029*). This rulemaking implements a new provision added in the PUC Sunset bill (HB 1600) passed during the 83rd Regular Session to safeguard electric customer smart meter data from sale, disclosure or sharing with third parties without the customer's approval. OPUC filed a Notice of Intent to Participate on January 23, 2014. OPUC filed comments on the proposed rules on February 4, 2014 and attended a public hearing at the PUC on February 10, 2014. A Proposal for Adoption is scheduled for consideration at the PUC Open Meeting on April 17, 2014.
- Rulemaking to amend Telecommunications Substantive Rules to Conform to PURA §56.023 (*Project No. 41608*). This rulemaking focuses on the determination of financial need to establish continued Universal Service Fund support. OPUC filed a Notice of Intent to Participate on September 13, 2013. OPUC attended a workshop on February 14, 2014. During the first quarter of 2014, the parties have been meeting to offer suggestions on rule language.

- Rulemaking to Migrate Rules Related to Water Utilities from the TCEQ (Chapter 291) to the PUC (New Chapter 24) (*Project No. 42190*); Rulemaking to Amend PUC Procedural Rules Related to the Migration of Water Utilities from the TCEQ to the PUC (*Project No. 42191*); and Rulemaking to Migrate Forms Related to Water Utilities from the TCEQ to the PUC (*Project No. 42192*). These rulemakings begin implementing the transition of water and sewer rate regulation from the TCEQ to the PUC, scheduled to take effect on September 1, 2014, by creating a new Chapter 24 in the PUC Rules that comprises current TCEQ rules for water/sewer rate regulation, amending PUC procedural rules to include water, and adopting relevant TCEQ Forms related to water/sewer rate regulation. OPUC filed a Notice of Intent to Participate in each of these projects on February 4, 2014 and participated in a workshop held at the PUC on February 26, 2014. OPUC continues to meet with the PUC staff and stakeholders on the implementation of HB 1600 and SB 567 enacted by the 83rd Legislature which transferred water and sewer rate regulation to the PUC and authorized OPUC to represent residential and small commercial ratepayer classes in water/sewer rate proceedings and projects.

Other OPUC Activities

OPUC continues to collaborate with the PUC, ERCOT, Texas Reliability Entity Inc. (Texas RE), other state agencies, the military community, legislative offices, and pertinent stakeholders to examine relevant energy issues. Following are activities of interest since the committee's last meeting:

- OPUC continues to actively participate at ERCOT with the Public Counsel serving on the Board of Directors. OPUC Staff and residential appointee actively participate in the monthly Technical Advisory Committee (TAC) meetings, Retail Market Subcommittee (RMS) meetings and the Sharyland Transition Task Force which has been overseeing the unbundling of Sharyland Utilities as they move their service territory into the competitive market.
- OPUC participated in a quarterly Energy Efficiency Collaborative Meeting on April 11, 2014 with representatives from ERCOT and other state agencies (PUC, State Energy Conservation Office, Texas Department of Housing and Community Affairs, Railroad Commission, TCEQ, and Texas A&M).
- OPUC continues its partnership with military communities around the state to provide information to service members and their families. Pursuant to passage of SB 1892 and SB 1200 during the 83rd Regular Legislative Session, OPUC is working with the Texas Military Preparedness Commission to provide information to the Commander's Council and military communities. OPUC participated in a meeting of the Texas Coordinating Council on Veterans Services on January 15, 2014 and will participate in the next meeting scheduled for April 16, 2014.