



Office of Public Utility Counsel

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Quarterly Update for the Senate Committee on Business and Commerce June 26, 2012

As requested, below is a summary of activities for the Office of Public Utility Counsel (OPUC) for the second quarter of 2012. Please note that OPUC's web address has changed to www.opuc.texas.gov.

Contested Cases and Projects/Rulemakings

- OPUC's representation of customers in cases during the second quarter of 2012 involved a variety of electric and telecommunications ratemaking and policy proceedings:
 - The electric caseload focused primarily on major rate cases, including LCRA (*Docket No. 39891*), Entergy (*Docket No. 39896*), Lone Star Transmission (*Docket No. 40020*), and El Paso Electric (*Docket No. 40094*). In the LCRA rate case, the parties were able to negotiate a \$5 million reduction from the request. In the El Paso rate case, the PUC approved a settlement which resulted in a \$15 million dollar rate reduction. During the second quarter of 2012, the remaining rate cases were in various stages of litigation.
 - In addition to rate cases, OPUC represented customers in a variety of other contested electric cases, addressing issues such as appropriate energy efficiency charges, fuel factors, reactive power requirements for wind energy, and access to competitive generation.
 - The telecommunications caseload focused on four rate cases involving the largest providers: AT&T (*Docket No. 39909*), Verizon (*Docket No. 39930*), Century Link (Century Telephone) (*Docket No. 39956*) and Century Link (United Telephone) (*Docket No. 39957*). OPUC participated to ensure that rate rebalancing requests were consistent with Public Utility Commission (PUC) precedent established in Docket No. 34723 and to ensure that any rate changes were offset by an additional 25% of the approved increase in rates by additional Lifeline Discount amounts for eligible low income customers.
- OPUC has been an active participant in the following ongoing electric and telecommunications projects and rulemakings for the second quarter of 2012:
 - The rulemaking (*Project No. 39829*) to implement 2011 electric utility legislation for mitigating the demand ratchet on small businesses (HB 1064) was finalized by the PUC in May 2012. OPUC monitored the rulemaking to ensure appropriate compliance with the legislation, and the PUC ultimately approved a 25% load factor for the waiver as an appropriate reasonable balance between relief for low load factor

customers and the utility's ability to reasonably recover the costs of providing distribution service.

- The rulemaking (*Project No. 39674*) for implementing 2011 legislative changes to the PUC's energy efficiency rules (SB 1125) is ongoing. OPUC filed comments and reply comments in the proposed rulemaking, and the PUC is expected to finalize the rule in late summer or early fall 2012.
- OPUC filed comments in the rulemaking (*Project No. 39585*) to conform the PUC's telecommunications rules to changes made by the 82nd Legislature (SB 773, SB 980, SB 983, HB 2295, and HB 2680), and the PUC finalized the rule in late March 2012. The conforming changes eliminate outdated and unnecessary filing requirements to better match the PUC's rules with the current state of the telecommunications industry.
- OPUC has also been active in three other ongoing PUC rulemakings (*Project Nos. 39937, 39938, and 39717*) to implement 2011 telecommunications legislation. These rulemakings relate to the review and evaluation of the Universal Service Fund (USF) pursuant to SB 980 and the possibility of extending USF assessments to Voice Over Internet Protocol (VoIP) providers.
- OPUC continues to collaborate with the PUC, ERCOT, Texas Reliability Entity, other state agencies, and pertinent stakeholders to examine issues and related PUC projects and rulemakings related to resource adequacy, energy efficiency, energy conservation messaging, advanced meter implementation, weather events and their impacts, and federal regulations affecting Texas utility consumers.

Communication, Information, and Assistance for OPUC Clients

- In the second quarter of 2012, OPUC participated in twelve meetings to provide information to and communicate with the customer classes it represents, residential and small business utility customers.
- In conjunction with state legislators, OPUC participated in electric town hall meetings in Corpus Christi and Waxahachie and will be participating in additional town hall meetings for other legislative offices for late summer and early fall.
- OPUC provided information on the agency's functions, the competitive retail electric market, statewide and local utility assistance, energy efficiency and conservation to state agencies (i.e., PUC, State Energy Conservation Office, Texas Workforce Commission and Texas Veterans Commission), Texas Silver-Haired Legislature, AARP, rotary clubs, and other service organizations during the second quarter.
- OPUC continued and expanded its military communication and assistance during the second quarter by participating in the following informational meetings with military personnel: Fort Hood Army Base (Killeen, Texas); the Naval Air Station Corpus Christi, Dyess Air Force Base (San Angelo, Texas); Army Reserve and Army National Guard through Camp Mabry (Austin, Texas); the Association of United States Army's (AUSA's) Inaugural Military Housing Summit at Houston's Reliant Stadium; and the Texas Veteran's Commission. OPUC staff tailored its communication to the needs of military personnel related to the Texas utility environment and provided information and assistance to help address those needs.

- OPUC launched a new section on the agency's website to provide a central repository for agency-created military resources. The tab, linked from the agency's home page, has information on the background of OPUC's military involvement, base-specific e-newsletters, REP contact information and comparison worksheets, local and statewide utility assistance information, and other pertinent utility information to assist military personnel and their families. The page is available at http://www.opuc.texas.gov/military_resources.html.