



Office of Public Utility Counsel

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Update for the Senate Committee on Business and Commerce January 14, 2014

Electric, Telecommunications & Water Proceedings

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 and granted a rehearing on the Order in December and set Jan 23, 2014 as a date for further consideration on a limited issue concerning construction costs associated with SWEPCO's recently completed coal plant.
- Entergy Texas, Inc. (ETI) Rate Case (*Docket No. 41791*). OPUC filed its direct case in January 2014. The parties are currently engaged in settlement discussions. A hearing on the merits is scheduled for February 2014.
- Oncor Advanced Meter System Reconciliation for Costs incurred in 2011 and 2012 (*Docket No. 41814*). OPUC successfully collaborated with the other parties to resolve all of the issues of the case which involves the reconciliation of deployment costs of advanced meters. The PUC issued its Final Order in December 2013.
- Entergy Texas, Inc. (ETI), ITC Holdings Corp., Midsouth Transco LLC, Transmission Company of Texas LLC, and ITC Midsouth LLC Application for Approval of Change of Ownership & Control of Transmission Business, Transfer of Certification Rights, and Related Relief (*Docket No. 41850*). OPUC participated in the November hearing on the merits and filed post-hearing briefs and reply briefs in December. The applicants filed a motion to withdraw and the Commission granted the motion to dismiss the case without prejudice on December 20, 2013.
- AT&T Texas, Application to Increase Rates for Residential Local Exchange Service in Regulated Exchanges (*Docket No. 42026*). OPUC analyzed the application and filed comments in December 2012. The PUC issued a Notice of Approval on December 10, 2013.

- Application of 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. OPUC is working with the other parties to schedule a technical conference as well as mediation prior to setting the case for hearing.

Electric & Telecommunications 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:

- Lifeline and Link-Up Rulemaking (*Project No. 41024*). OPUC participated in an initial workshop in June. The workshop focused on conforming the PUC rules to the 2012 FCC Lifeline and Link-Up Reform Order. The PUC filed its Proposal for Publication in August 2013. OPUC engaged in discussions with the PUC as well as interested stakeholders on suggested language changes. The PUC adopted its Final Order in November 2013.
- 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 anticipates filing comments in February 2014.
- Rulemaking to Amend Substantive Rules Related to Telecommunications to Conform to 2013 Legislation (*Project No. 41609*). This rulemaking implements telecommunications legislation enacted during the 83rd Regular Legislative Session and revises the PUC rules to conform the appropriate tariff filing requirements to the legislation. OPUC filed comments on the proposal for publication in December 2013. The PUC is expected to approve the amended rules early this year.
- 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 anticipates filing comments in February 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.

Implementation of House Bill (HB) 1600 and Senate Bill (SB) 567

HB 1600 and SB 567 authorized the Office of Public Utility Counsel (OPUC) to represent the residential and small business customer classes in water and sewer utility proceedings. The agency hired two attorneys with water and wastewater ratemaking experience and an economist to carry out these new duties. The first of several cases filed at Texas Commission on Environmental Quality (TCEQ), Aqua Texas, was referred to the State Office of Administrative Hearings (SOAH) and OPUC has intervened on behalf of residential and small commercial ratepayers. The agency is continuing to monitor additional cases that have been filed at TCEQ but not yet referred to SOAH.

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 conducted its statutorily-required annual meeting in Coppell, Texas in December 2013.
- OPUC facilitated a meeting in December 2013 with representatives from ERCOT and other state agencies (PUC, State Energy Conservation Office, Texas Department of Housing and Community Affairs, Railroad Commission, TCEQ, General Land Office) to continue the collaboration OPUC began in December 2010 regarding energy efficiency news and issues.
- 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 made a presentation before the Texas Military Preparedness Commission in November 2013 and participated in a National Guard Yellow Ribbon event in January 2014.