





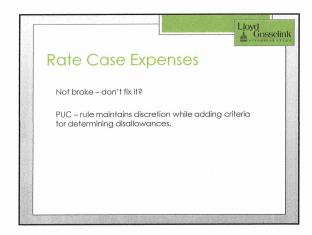
Undergrounding Electric Lines Electric Undergrounding Distribution lines Tomball, Pearland Transmission lines Corpus Christi, Frisco

Undergrounding Electric Lines Application of CenterPoint Energy Houston Electric, LLC from an Ordinance of the City of Tomball, Docket No. 42281 Application of Oncor Electric Delivery Company, LLC for Authority to Change Rates, Docket No. 35717 Application of Electric Transmission Texas, LLC to Amend its Certificates of Convenience and Necessity for the Proposed Energy Davis to Naval Base 138-KV Single-Circuit Transmission Line in Nucces County, Docket No. 24267 Application of Brazos Berlicis Power Cooperative, Inc. to Amend a Certificate of Convenience and Necessity for a 138-KV Transmission Line in Dention County, Docket No. 44060 Application of Brazos Berlicis Power Cooperative, Inc. to Amend a Certificate of Convenience and Necessity for a 138-KV Transmission Line in Dention County, Docket No. 44080 Application of Brazos Berlicis Power Cooperative, Inc. to Amend a Certificate of Convenience and No. 44453 City of University Park vs. Public Utility Commission of Texas, Cause No. 03.08.06992. CV (Appeal of Appeal of TAU Delivery Company from an Ordinance 06/185 of the City of University Park and Request for Inferim Relief, Docket No. 33742) City of Allein and Cectific of Cities vs. Public Utility Commission of Texas Oncor Electric Delivery Company, LLC; and CenterPoint Finergy, Inc., Cause No. 03.04-05092-CV (Appeal of Appeal of Concor from an Ordinance of the City of Allein and Request for Intertim Relef., Docket No. 25429)

Franchise Issues Original Jurisdiction Relocations Franchise Fees Right of Way Management Permits

Rate Case Expenses Recent Happenings at PUC Project No. 41622 (rulemaking) Proposed rules published Feb. 2014 Final rules adopted July 2014 Establish criteria for review of utilities' and municipalities' requests for reimbursement / recovery of RCE.

Rate Case Expenses Recent Happenings at PUC Project No. 41622 Reasonableness standard – discretion of PUC to determine. Disallowance for litigating well-settled issues? Disallowance for taking frivolous positions? Disallowance for flawed analyses? Disallowance for over-lawyering? Other policy considerations.



Project No. 41622 Processes and Procedures If evidence insufficient to justify level, formulaic disallowances if RCE with specific issues aren't identified or identifiable. If expenses as a whole were excessive – Results Oriented Method applied.

Project No. 41622

Question posed:

 Should RCE be allocated other than systemwide? (i.e., city expenses recovered only from ratepayers residing in participating cities?).

Answer

- · No. Assess on case-by-case basis.
- No mandate for specific treatment for revenue requirement- or allocation-related expenses.

Lloyd Gosselink

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RCE - Docket No. 42370

SWEPCO RCE docket

- Covered expenses from several prior rate cases.
- · PUC Staff position:
 - With few exceptions, no municipal RCE were unreasonable – all should be reimbursed by utility.
 - BUT expense should be recovered only from ratepayers within participating cities.

No prior notice to cities of \$1aff's position until testimony filed in December 2014 (underlying rate cases were tried in 2010-2012). Rationale [sic]: . Consistent with cost-causation; . More equilable than system-wide; . Promotes efficiency.

Docket No. 42370 - Cities had support of OPUC - Proposal for Decision (May 8, 2015): - Direct allocation not warranted in this case. - PUC rejected Staff position in rulemaking. - Cost causation: SWEPCO caused RCE, not cities. - Equity: Costs should follow benefits. - Efficiency: Cities efficient; ex post facto.

PUC – Transmission Routing Criteria PUC Subst. R. 25.101(b)(3)(B)(ii) – used to identify natural gas or other pipelines as compatible with transmission lines. April 10, 2015 – rule revised to remove mention of pipelines. Preference removed.

PUC – Transmission Routing Criteria Issue: • On approved routes, what is the extent of allowed deviations to accommodate engineering constraints? CCN orders • Allowed minor deviations with consent of landowner. Project No. 42740 • Attempted definition of "engineering constraint" – any physical condition related to construction of a transmission facility that, consistent with good utility practice, would be impossible, unsafe, or cost-prohibitive to overcome."

PUC – Transmission Routing Criteria Draft amendment to 25.101: • Utility must take reasonable efforts to contact landowner, negotiate agreed route for deviation. • If no consent, deviation still allowed but only to minimum extent necessary to avoid constraint. • If new land affected, utility must obtain landowner permission. • Amendment not adopted.

Water/Wastewater at PUC PUC Rules • Procedural and Substantive Rules now adopted. • Minor changes, except for IOUs. • Large IOUs now regulated similar to electric utilities in terms of filing requirements for rates and reports.

Water/Wastewater at PUC Decertification – expedited and otherwise Crystal Clear WSC v. TxGLO GLO's 25+ acres – decertified under §13.254(a-5). Issue: "provision of service." TCEQ – no service, therefore decertified. Dist. Ct. – service being provided. Ct. App. – no service: no lines or facilities committed to providing water to the particular tract; nothing supplied to the particular tract. SCt. - ??

Water/Wastewater at PUC Tyler Blue Ridge (Docket No. 44507) Application for decertification under §13,254(a-5) for less than 25 acres. TBR owned 143 acres; only 23 acres in Tall Timbers' CCN. Meets criteria? May 28 PUC order: Yes – is part of tract of at least 25 acres, not receiving service. No matter that acreage being removed is less than 25.

