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DOCKET NO. 50110

**APPLICATION OF DENTON
MUNICIPAL ELECTRIC UTILITY
FOR INTERIM UPDATE OF
WHOLESALE TRANSMISSION
RATES**

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**PUBLIC UTILITY COMMISSION
OF TEXAS**



**COMMISSION STAFF'S RECOMMENDATION ON SUFFICIENCY OF THE
APPLICATION AND PROPOSED NOTICE**

COMES NOW the Staff (Staff) of the Public Utility Commission of Texas (Commission), representing the public interest, and in response to Order No. 6, files this Commission Staff's Recommendation on Sufficiency of the Application and Proposed Notice. Staff recommends that the application be deemed sufficient for further review and, in support thereof, would show the following:

I. BACKGROUND

On December 10, 2019, Denton Municipal Electric Utility (Denton) filed an application for an interim update of wholesale transmission service rates (Application). Denton filed amended applications on January 31, 2020, and on April 16, 2020.

On April 22, 2020, the Administrative Law Judge issued Order No. 6, setting a deadline of May 6, 2020 for Staff to file a recommendation on the sufficiency of the application and proposed notice and propose a procedural schedule for processing. Therefore, this pleading is timely filed.

II. ADMINISTRATIVE COMPLETENESS

The second amended application filed by Denton on April 16, 2020 addressed the deficiencies identified in Alicia Maloy's memorandum filed on January 10, 2020. Staff has reviewed the second amended application and recommends that it be found sufficient for further review. Staff expresses no opinion at this time regarding the merits of Denton's application.

III. NOTICE SUFFICIENCY

On December 11, 2019, Denton filed the affidavit of Lambeth Townsend, which stated

that notice was mailed via first class mail to all parties in the last complete review of Denton's transmission cost of service, , Docket No. 30358,¹ and all of the distribution service providers (DSPs) listed in Docket No. 48928² in addition to the parties in that docket.. Pursuant to 16 Texas Administrative Code (TAC) § 22.55, Staff has determined that such notice is reasonable and recommends that it be found sufficient.

IV. DENTON'S REQUEST FOR A GOOD CAUSE EXCEPTION

As part of Denton's second amended application, filed on April 16, 2020, Denton requested a good cause exception to the requirements of 16 TAC § 25.192(h) that would allow for recovery of certain "catch up" depreciation expenses from previous years. This request concerns the calculation of depreciation expenses, and therefore, Staff believes this issue relates to the merits of the application , rather than the sufficiency; therefore, Staff is proceeding with a sufficiency recommendation. However, Staff would like additional time to consider this request and has included a deadline in its proposed procedural schedule below to comment on Denton's good cause exception.

V. PROCEDURAL SCHEDULE

In accordance with Staff's sufficiency recommendation, Staff proposes the following procedural schedule:

Event	Date
Intervention deadline ³	January 1, 2020
Staff's deadline to respond to Denton's good cause exception	May 18, 2020
Staff's deadline to request a hearing or file a final recommendation	May 27, 2020
Denton's deadline to request a hearing or respond to Staff's final recommendation; or if no disputed issues exist, deadline for parties to file joint proposed findings of fact, conclusions of law, and ordering paragraphs.	June 9, 2020
60-day administrative approval deadline	July 5, 2020

¹ *Application of Denton Municipal Electric for Update of Wholesale Transmission Rates*, Docket No. 30358 (Jun. 16, 2005).

² *Commission Staff's Application to Set 2019 Wholesale Transmission Service Charges for the Electric Reliability Council of Texas*, Docket No. 48928 (Apr. 4, 2019).

³ Under 16 TAC § 25.192(h)(4)(A), the intervention deadline is 21 days from the date service of notice is completed.

VI. CONCLUSION

For the reasons stated above, Staff respectfully recommends that Denton's application and notice be found sufficient and that the procedural schedule proposed above be adopted.

DATED: May 6, 2020

Respectfully submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION**

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/s/ John Harrison

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CERTIFICATE OF SERVICE

I certify that, unless otherwise ordered by the presiding officer, notice of the filing of this document was provided to all parties of record via electronic mail on May 6, 2020, in accordance with the Order Suspending Rules, issued in Project No. 50664.

/s/ John Harrison

John Harrison