

CHAPTER 25. SUBSTANTIVE RULES APPLICABLE TO ELECTRIC SERVICE PROVIDERS.

Subchapter J. COSTS, RATES, AND TARIFFS.

DIVISION 1. RETAIL RATES.

§25.247. Rate Review Schedule.

- (a) **Application.** This section applies to investor-owned electric utilities and non-investor-owned transmission service providers operating inside the Electric Reliability Council of Texas (ERCOT).
- (b) **Filing requirements for investor-owned electric utilities.**
- (1) Each investor-owned electric utility in the ERCOT region must file for a comprehensive rate review within 48 months of the order setting rates in its most recent comprehensive rate proceeding or other proceeding in which the commission approved a settlement agreement reflecting a rate modification that allowed the electric utility to avoid the filing of such a rate case. For an investor-owned transmission and distribution utility, the filing must include information necessary for the review of both transmission and distribution rates.
 - (2) On a year-to-year basis, the commission shall issue an order extending the filing requirements under paragraph (1) of this subsection by one year if the following conditions are met:
 - (A) for an investor-owned electric utility providing transmission-only service, the utility's most recent earnings monitoring report, as of 180 days before its scheduled filing date established by this section, filed in compliance with commission rules and instructions or as adjusted by the commission to conform with the rules and instructions, shows that it is earning, on a weather-normalized basis using weather data for the most recent ten calendar years, less than 50 basis points above the average of the most recent commission-approved rate of return on equity for each investor-owned transmission-only utility operating in ERCOT; or
 - (B) for an investor-owned transmission and distribution utility, the utility's most recent earnings monitoring report, as of 180 days before its scheduled filing date established by this section, filed in compliance with commission rules and instructions or as adjusted by the commission to conform with the rules and instructions, shows that it is earning, on a weather-normalized basis using weather data for the most recent ten calendar years, less than 50 basis points above the average of the most recent commission-approved rate of return on equity for each investor-owned transmission and distribution utility operating in ERCOT with at least 175,000 metered customers.
 - (3) The commission may extend the scheduled filing deadline under paragraphs (1) and (2) of this subsection for good cause shown or because of resource constraints of the commission.
 - (4) An investor-owned electric utility qualifying for an extension under paragraph (2) of this subsection shall submit notice in the same project as the filing of its most recent earnings monitoring report at least 180 days before the fourth anniversary of the order in its most recent comprehensive rate proceeding or other proceeding in which the commission approved a settlement agreement reflecting a rate modification that allowed the electric utility to avoid the filing of such a rate case.
 - (5) Nothing in this section limits the commission's authority to initiate a rate proceeding at any time under this title on the basis of other criteria that the commission determines are in the public interest, including but not limited to the information provided in an investor-owned electric utility's earnings monitoring report.
- (c) **Transition issues for investor-owned electric utilities.**
- (1) If an investor-owned electric utility has a comprehensive rate proceeding pending on the effective date of this rule, the electric utility is required to file, after the commission's final order in that pending proceeding, a comprehensive rate proceeding in accordance with

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subsection (b) of this section. If the pending proceeding is withdrawn, dismissed, or otherwise resolved without a final order, the investor-owned electric utility shall be subject to the transition timelines in paragraph (2) of this subsection unless the commission orders otherwise.

- (2) All investor-owned electric utilities shall make their initial filings under subsection (b) of this section on or before the later of:
- (A) 48 months from the order in the investor-owned electric utility’s last comprehensive rate proceeding or other proceeding in which the commission approved a settlement agreement reflecting a rate modification that allowed the electric utility to avoid the filing of such a rate case; or
 - (B) the following dates:

Texas-New Mexico Power Company	August 31, 2018
AEP Texas, Inc.	May 1, 2019
CenterPoint Energy Houston Electric, LLC	July 1, 2019
Wind Energy Transmission Texas, LLC	October 1, 2019
Cross Texas Transmission, LLC	February 3, 2020
Sharyland Utilities, LP and Sharyland Distribution & Transmission Services, LLC	July 1, 2020
Lone Star Transmission, LLC	September 1, 2020
Electric Transmission Texas, LLC	February 1, 2021
Oncor Electric Delivery Company, LLC	October 1, 2021

(d) **Filing requirements for non-investor-owned transmission service providers.**

- (1) After complying with applicable provisions under subsection (e) of this section, and on an ongoing basis thereafter, each non-investor-owned transmission service provider is required to submit a complete application for either a comprehensive transmission cost of service review under §25.192(g) of this title (relating to Transmission Service Rates) or an interim update under §25.192(h) of this title within:
- (a) 48 months of the date of the provider’s order for its most recently approved change in transmission service rates under §25.192 of this title if the provider’s approved wholesale transmission service revenue requirement is equal to or greater than one percent of the amount of the total ERCOT wholesale transmission charges determined by the commission in the most recent annual update, as of the date of the provider’s order, of the ERCOT four coincident peak (4CP) demand in accordance with §25.192(b) of this title; or

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- (b) 96 months of the date of the provider’s order for its most recently approved change in transmission service rates under §25.192 of this title if the provider’s approved wholesale transmission service revenue requirement is less than one percent of the amount of the total ERCOT wholesale transmission charges determined by the commission in the most recent annual update, as of the date of the provider’s order, of the ERCOT four coincident peak (4CP) demand in accordance with §25.192(b) of this title.
- (2) Nothing in this section limits the commission’s authority to initiate a rate proceeding at any time under this title on the basis of other criteria that the commission determines are in the public interest, including but not limited to the information provided in a non-investor-owned transmission service provider’s earnings monitoring report.
- (e) **Transition period for filings by non-investor-owned transmission service providers.** As of the effective date of this subsection, for a non-investor-owned transmission service provider that has not since January 1, 2017, had a commission-approved change to its transmission service rates under §25.192 of this title or does not have a rate proceeding pending under §25.192 of this title, the following deadlines apply for submitting a complete application for either a comprehensive transmission cost of service review under §25.192(g) of this title or a complete application for an interim update under §25.192(h) of this title:

Date of Commission Order in Non-Investor-Owned Transmission Service Provider’s Last Rate Change under §25.192	Filing Deadline for Rate Proceeding under §25.192
Prior to January 1, 2009	One year after effective date of this rule
January 1, 2009 to January 1, 2017	Two years after effective date of this rule