

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 only to an electric utility, other than a river authority, that operates solely inside the Electric Reliability Council of Texas (ERCOT).
- (b) **Filing requirements.**
- (1) Each 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 a 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 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 transmission-only utility operating in ERCOT; or
 - (B) for a 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 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 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 electric utility's earnings monitoring report.
- (c) **Transition issues for electric utilities.**
- (1) If an electric utility subject to subsection (a) of this section 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 subsection (b) of this section. If the pending proceeding is withdrawn, dismissed, or otherwise resolved without a final order, the electric utility shall be subject to

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the transition timelines in paragraph (2) of this subsection unless the commission orders otherwise.

(2) All electric utilities subject to subsection (a) of this section shall make their initial filings under this section on or before the later of:

- (A) 48 months from the order in the 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