LIST OF REQUIRED TESTIMONY

Provide an index of all testimony submitted in the application. Testimony on the following subjects is required. Supporting testimony should be provided for each schedule submitted. Additional testimony may be submitted as the utility deems necessary to meet the requirements of 39.301 and 39.303 or to explain the transaction.

1. Executive Summary. Overview of the application.

2. Transaction structure and cost. Testimony on transaction details including, but not limited to: legal and financial structure, reasonableness of all requested qualified costs timing of issuance(s), role of third party servicers, underwriters, etc. A diagram of the transaction would be helpful. Testimony must explain how "the structuring and pricing of the transition bonds will result in the lowest transition bond charges consistent with market conditions and terms of the financing order." (39.301) The reporting of actual qualified costs (excluding the regulatory assets) at the time of the issuance of each bond series shall also be discussed. (Schedules 11 and 12, Attachment 3 and 4)

3. Allocation testimony The testimony shall address in detail the following topics:
   a) Functional Allocation to Production Function of each asset
   b) Jurisdictional Allocation to Texas Retail of each asset
   c) Class allocation used in calculation of initial transition charge per major rate class

   The company shall provide supporting work papers.

4. Cost/benefit analysis. Testimony explaining the applicant's cost benefit analysis provided in Schedule 13.

5. Securitization Cap. Testimony supporting the securitization cap analysis provided in Schedule 14.

6. Use of Proceeds. The utility's plan for the use of the bond proceeds, including the amounts allocated for retiring existing debt and equity, and the anticipated schedule of retirement. The periodic filing of status reports on the use of proceeds shall also be addressed. (Schedule 15)

7. Accounting and Taxes. Testimony explaining accounting and tax issues. (Schedule 17, Supplemental Schedule 1, and Attachment 5)

8. Implementation. Testimony discussing implementation issues including, but not limited to, the proposed methodology for calculating the transition charges, the non-bypassability provisions, true-up mechanism, contingency plan for servicer default, compliance filings for transition charge tariffs, etc. (Schedule 16 and Attachment 2)

9. Financial implications. Testimony on the financial qualifications of third party servicers and the financial impact of the transaction on the utility's financial integrity, balance sheet, bond rating, etc. (Schedule 15)

LIST OF REQUIRED SCHEDULES

Provide an index of all schedules submitted and the sponsoring witness(es). Schedules should be numbered and labeled as indicated below. Additional schedules may be submitted following the required schedules as the applicant deems necessary to meet the requirements of 39.301, 39.303, or to explain the transaction.

1. Asset Specific Information. These schedules provides information about the individual assets the Company is requesting to be securitized.

2. Cost of Service Schedules. These schedules produce cost of service (COS) present value calculations for up to 10 regulatory assets and one SFAS 109 regulatory asset assuming the existing regulated recovery methodology and assuming securitization as follows:

Schedule 109A – Schedule 109F	These schedules are for the SFAS 109 asset
Schedule 1A – 10A	Total Company Regulated COS
Schedule 1B – 10B	Total Company Regulated COS – Production Related
Schedule 1C – 10C	Texas Retail Regulated COS – Production Related
Schedule 1D – 10D	Total Company Securitized COS
Schedule 1E – 10E	Total Company Securitized COS – Production Related
Schedule 1F – 10F	Texas Retail Securitized COS – Production Related

3. Schedule 11 – Projected Qualified Costs. This schedule shall detail the projected qualified costs (excluding the regulatory assets) which the applicant wants to be included in the financing order, including projected transaction costs to issue, support, and service the securitized bonds, and any costs of retiring and refunding the utility's existing debt and equity securities in connection with the transition bonds.

4. Schedule 12 - Amortization Schedule. Projected amortization schedule for the transition bonds.

5. Schedule 13 – Cost/Benefit Analyses. Must include analyses of "expected" and "worst-case" scenarios of costs and benefits. Impact of the transaction on the capital structure and risk profile of the company must be quantified and included as a potential cost in the worst-case scenario. Analysis must be provided that supports a finding that "the total amount of revenues collected under the financing order is less than the revenue requirement that would be recovered over the remaining life of the stranded costs using conventional [utility] financing methods."(39.303(a)) Additionally, analysis must demonstrate "that securitization provides tangible and quantifiable benefits to ratepayers, greater than would have been achieved absent the issuance of the of transition bonds." (39.301)

6. Schedule 14 – Securitization Cap Analysis. This schedule shall demonstrate that the "amount to be securitized does not exceed the present value of the revenue requirement over the life of the proposed transition bond associated with the regulatory assets sought to be securitized. The present value calculation shall use a discount rate equal to the proposed interest rate on the transition bonds." (39.301)

7. Schedule 15 - Pro-Forma Capital Structure. Proposed pro-forma capital structure after completion of the transaction and the retirement of existing debt and equity.

8. Schedule 16 - Transition Charge. Pro-forma calculation of initial transition charge per major rate class and illustrative calculation of annual true-up.

9. Schedule 17 - Accounting Entries. Schedule of anticipated accounting entries (initial, monthly, annual true-up, and retirement).

10. Supplemental Schedule 1 – Regulatory Asset Reconciliation. Reconciliation of the beginning regulatory asset balances on the cost of service schedules with the 1998 annual report on SEC Form 10-K.

11. Supplemental Schedule 2 – Regulatory Assets. Additional information on regulatory assets that are not currently in rates.

12. Supplemental Schedule 3 – Rate of Return. Provides the individual components of the rate or return used in the COS schedules A through F. (Supplemental Schedule 3a—Rate of Return Adjusted for Securitization of Losses on Reacquired Debt should also be completed by companies seeking to securitize losses on reacquired debt.)

13. Supplemental Schedule 4 – SFAS 109 Regulatory Assets and Related Assets. Additional information about the assets that generated the SFAS 109 regulatory asset(s).

14. Supplemental Schedule 5 – SFAS 109 Information. Additional information about the requested SFAS regulatory asset(s).

15. Supplemental Schedule 6 – Summary of Requested Revenue-Related Tax Rates. Information on the Company's revenue-related tax rates provided on a total-company basis and a Texas-retail basis.

LIST OF ATTACHMENTS

1. Relevant portions of the 1998 annual report to the SEC Form 10-K detailing regulatory assets and liabilities.
2. Proposed tariff for initial transition charge per major rate class and illustrative projections of future transition charges and illustrative proposed tariff for first annual true-up.
3. Draft servicing agreements, and other supporting bond issuance documentation including draft prospectus.
4. Preliminary draft of summary of terms.
5. IRS ruling request (draft, or final if available).
6. Proposed financing order (consistent with any Commission-approved generic order or recently approved financing orders)

GENERAL INSTRUCTIONS FOR COMPLETING THE APPLICATION

1. Protective Order: The information provided pursuant to this application shall be subject to a Protective Order to be issued by the Commission.

2. Protected Forms. The Title Page and Asset-Specific Information forms are protected documents created in Microsoft Word for Windows version 97. Enter the information requested in the “fields” which are shaded (if your paragraph mark icon is turned on, it will also contain several small circles). To move from one field to another, use the TAB key. The fields expand as needed for long responses, such as multi-line addresses.

3. Protected Schedules. Schedule forms have been provided for most of the required schedules using Microsoft Excel version 97; these schedules are protected except for necessary data input fields. Refer to the individual schedule instructions for the location of the input cell locations.

4. Delivery of Application to Parties. A copy of the application must be served to the Office of Public Utility Counsel and the parties from the applicant’s last rate case on the same day it is filed at the Commission.

5. Electronic Schedules. All schedules (required and optional) must be provided to all parties on diskette at the same time as the application.

6. Workpapers. Supporting workpapers must be provided concurrently with the application. Workpapers shall contain all assumptions, calculations, sources and data supporting the schedules. Inadequate workpapers could result in the application being declared deficient. Workpapers should be consecutively numbered and labeled “WP/[schedule reference]/[workpaper page number]” such as WP/Sch 13/ p. 1 of 2.

7. Deficient Applications. Applications that are determined to be materially deficient will be deemed filed when the application deficiency has been satisfactorily remedied. The 90-day period the Commission has to issue a financing order shall begin when a complete application has been filed.

8. Affidavit. The application shall be filed under oath using the affidavit provided in the application.

9. As with all Commission filings, you must follow the Commission’s filing procedures pursuant to the Commission’s Procedural Rules 22.71 and 22.72.

SCHEDULE INSTRUCTIONS

<u>INSTRUCTIONS FOR SFAS 109 AND COST OF SERVICE SCHEDULES 1 – 10</u>

General Information

A Microsoft Excel spreadsheet named “SECURITIZEDASSETS(a).xls” has been provided as a part of this rate filing package. This file contains eleven sheets: a SFAS 109 sheet, and ten other regulatory asset sheets.

Each of these sheets is pre-formatted to calculate various cost of service amounts based on company specific inputs. This file is sealed and may not be altered or modified in **any** manner, other than that allowed in the unprotected areas of the spreadsheets, by the Company.

If it chooses, the Company may provide any additional schedules and analyses it feels is appropriate to meet the necessary requirements for securitization of its regulatory assets. However, the Company will complete the appropriate sheets in SECURITIZEDASSETS(a).xls for each of the regulatory assets for which it is requesting securitization consistent with the instructions contained in this filing. The Company is required to file an **unaltered** electronic copy of this completed spreadsheet at the same time it files its securitization application with the PUC.

Layout of SECURITIZEDASSETS(a).xls

As previously stated, this file contains eleven separate sheets. The first sheet contains schedules that will be used if the Company is requesting securitization of a regulatory asset(s) related to Statement of Financial Accounting Standards (SFAS) No. 109. The remaining ten sheets, labeled Asset 1 – 10, are to be used for up to 10 categories of assets, other than the SFAS 109 regulatory asset, for which the Company is requesting securitization.

General Layout of Each Sheet

It is critical to note that these schedules have been formulated to calculate the cost of service of an asset that is being recovered on a straight-line basis. While the schedules provide some flexibility with regards to the annual amortization expense these schedules may not function properly if the Company is requesting securitization of an asset that is currently being recovered by a method other than straight-line, e.g. mortgage type amortization. If such is the case, the Company shall provide the information required in these schedules, in a similar format, for each asset that is not currently being recovered on a straight-line basis.

The SFAS 109 sheet and each of the 10 asset sheets contain six schedules. These schedules are labeled as Schedule A through F and contain the following information:

Schedule A	Total Company Regulated Cost of Service
Schedule B	Total Company Regulated Cost of Service - Production Related
Schedule C	Texas Retail Regulated Cost of Service - Production Related
Schedule D	Total Company Securitized Cost of Service
Schedule E	Total Company Securitized Cost of Service - Production Related
Schedule F	Texas Retail Production Securitized Cost of Service

The schedules are entitled Schedule 1A through 1F on sheet *Asset 1*, Schedule 2A through 2F on sheet *Asset 2*, and so forth for each additional asset sheet. The schedules on the SFAS 109 sheet are entitled SFAS 109A through 109F.

Schedule A reflects the total company annual cost of service that is currently reflected in the Company’s rates for the remaining life of the asset.[1] The Company will use functional allocation factors to restate the information contained in Schedule A to total company **production only** information in Schedule B. Finally,

[1] If the asset is not currently in rates, the schedule will reflect the regulatory treatment being requested.

the Company will use jurisdictional allocation factors to restate the information contained in Schedule B to a Texas retail basis.

The information contained in Schedules A through C is necessary in order to ensure that securitization provides tangible and quantifiable benefits to ratepayers as required by Section 39.301 of the Public Utilities Code.

Schedules D through F provide essentially the same information as Schedules A through C. However, the information provided in Schedules D through F relate specifically to the annual cost of service that will result as a consequence of securitization, i.e., as a result of the refinancing transaction.

Schedule D reflects the total company annual cost of service after securitization. The Company will use functional allocation factors to restate the annual cost of service in Schedule D to reflect a production only total company cost of service that is detailed in Schedule E. Finally, the Company will use jurisdictional allocations to restate Schedule E into the Texas retail production information shown on Schedule F.

The information on Schedules D through F is necessary in order to calculate the appropriate amount available for securitization as required by Section 39.301 of the Public Utilities Code.

Each of the schedules has been designed to minimize the number of inputs required to calculate the related annual cost of service amounts. Additionally, each schedule contains several navigation and printing buttons. These buttons are located at the top of each sheet beginning in cell C3. Proper use of these buttons will aid the user in the preparation of the required schedules. The specific inputs required for each of these schedules are discussed below.

Input Instructions

<u>Sheets: Asset 1 - 10</u>

<u>Schedule A</u>

Schedules A through C are interrelated. Each of these sheets reflects the annual cost of service currently reflected in the Company's rates for each specific asset.[2] As previously discussed, the only difference in these schedules is that Schedule A reflects total company information, Schedule B reflects total company production related information, and Schedule C reflects Texas retail production related information. Therefore, most of the inputs for all three of these schedules are located in cells F31 through F38 in Schedule A.

Please note that the Company should enter its name in cell D26 and the name of the requested regulatory asset in cell D28. All five other schedules on that sheet will automatically be updated to reflect the appropriate names entered in cells D26 and D28.

The description of each required input and its cell reference are summarized below:

Unrecovered Balance @ 12/31/98	Cell F31
Amortization Period	Cell F32
Rate of Return	Cell F33
Weighted Cost of Equity	Cell F34
ADFIT Ratio	Cell F35
Revenue Related Tax Rate	Cell F36
Discount Rate	Cell F37
Allowed a Return on Asset? (Yes/No)	Cell F38
Other FIT Adjustments	Column (g)

[2] If the requested asset is not currently included in rates, the amortization period should reflect the expected time period it would have been recovered in a regulated environment.

The information required for each of the above items is summarized below:

Unrecovered Balance @ 12/31/98

The spreadsheet presumes that the company will request securitization of the unrecovered asset balance as of December 31, 1998. However, if the company chooses to request securitization of the unrecovered balance at a date other than December 31, 1998 it can manually input the correct date in cell C31.

Amortization Period

The input for this item is the requested asset's remaining life, in years.[3] For example, if the company is requesting recovery of the December 31, 1998 unrecovered balance of an asset that is currently being amortized through December 31, 2013, the appropriate input for this item is 15.

Schedules A through C have been designed to accommodate a remaining life of up to 40 years, however, the actual remaining life should be entered for this item.

While the Annual Amortization, Column (j), has been designed to be automatically calculated based on the input in Cell F32 it is possible to manually enter the annual amortization directly into Column (j) if the company so desires. Of course, this action will negate the formulas currently reflected in Column (j) of Schedule A. Once the information is entered in Schedule A it will automatically be reflected in Schedules B and C. The company should fully detail and explain any manual entries to Column (j) in its workpapers.

Rate of Return

This input is the rate of return calculated on Supplemental Schedule 3.

Weighted Cost of Equity

This item is the weighted cost of equity component included in the rate of return entered in cell F35.

ADFIT Ratio

This item is a ratio of the ADFIT as of the requested unrecovered balance date, associated with the requested asset, divided by the unrecovered asset balance as of the same date.

Revenue Related Tax Rate

The input for this item is the **total** requested revenue related tax rate detailed on Supplemental Schedule 6. It should be noted that the Company will have to input the appropriate revenue related tax rate in Schedules A, C, D, and F.

Discount Rate

The company should input the discount rate that it feels is appropriate to determine the economic value of the traditionally financed revenue requirement in this field.

[3] If the requested asset is not currently included in rates, the amortization period should reflect the expected time period it would have been recovered in a regulated environment. Please provide all supporting rationale, Commission precedent, etc. that supports the amortization period selected for each asset.

Allowed a Return on Asset? (Yes/No)

The input for this item is simply “yes” or “no.” The company should enter yes in this field if the related asset was allowed to earn a rate of return in its last rate proceeding. If the asset has never been included in rates the company should enter yes in this field if the Commission has traditionally allowed a rate of return on this type of asset. If the Commission did not allow, or has not traditionally allowed, a rate of return on this asset then the company should enter no in this field.

Other FIT Adjustments – Column (g)

There is no single input for column (g). If the Company has adjustments to FIT other than the depreciation add back, it will have to enter the amount of the adjustment for each year. These adjustments will be automatically reflected in Schedules B and C.

The company should fully detail and explain any adjustment entered in this column in work papers.

Once the above inputs have been entered, the calculation of the annual cost of service, and its components, detailed on Schedule A will be performed automatically. Once Schedule A’s inputs have been entered the Company will have to enter several other inputs related to Schedules B and C.

Schedule B

Schedule B restates the information contained in Schedule A to reflect only production related costs. Therefore, the only inputs that are necessary for the completion of Schedule B are functional allocation factors. The allocation factors that must be entered for Schedule B are found in cells D103, E103, J103, and M103. These allocation factors relate to the unrecovered asset balance, the associated ADFIT, other FIT adjustments, and annual amortization.

The functional allocators shall be based on the unbundled cost of service study for the test year ending December 31, 1998 or, if available, the test year ending September 30, 1999, or the last approved cost of service study if performed within 5 years of the securitization application. The only categories required shall be Production and Non-production. The derivation of functional allocators shall be based on the principles outlined in the Rate Filing Package for Investor Owned Utilities, which will be part of the Cost Unbundling and Business Separation Rule under P-21083. (As proposed for publication, or if available, as adopted). The company shall provide its cost of service study in supporting work papers and shall provide testimony to support its functional allocation.

Please note that all allocation factors have been pre-set to zero, therefore, it is necessary for the Company to enter the appropriate allocation factor for each of the above items.

Schedule C

Schedule C restates the information reflected in Schedule B to a Texas retail basis. The allocation factors that must be entered for Schedule C are found in cells D165, E165, J165, and M165. These allocation factors are also related to the unrecovered asset balance, the associated ADFIT, other FIT adjustments, and annual amortization.

It is also necessary to enter a specific Texas retail related revenue related tax rate. The cell reference for this input is E162. This Texas retail revenue related tax rate should be the same as that detailed on Supplemental Schedule 6.

The jurisdictional allocation shall be based on the specific numeric allocation factors such as 45.24% in the Company’s last approved jurisdictional cost of service study used to allocate the underlying assets. Supporting documentation should be provided in workpapers.

Please note that all allocation factors, and the revenue related tax rate, have been pre-set to zero, therefore, it is necessary for the Company to enter the appropriate allocation factor for each of the above items.

Schedule D

Schedules D through F are interrelated. Each of these sheets reflects the annual cost of service resulting from the proposed refinancing, i.e. securitization. Schedule D reflects total company information, Schedule E reflects total company production related information, and Schedule F reflects Texas retail production related information. Most of the inputs for these schedules are located in cells F226 through F230 in Schedule D.

The description of each required input and their cell reference are summarized below:

Unrecovered Balance @ 12/31/98	Cell F224
Amortization Period	Cell F225
Debt Rate of Securitized Bond	Cell F226
ADFIT Ratio	Cell F227
Revenue Related Tax Rate	Cell F228
Discount Rate	Cell F229
Allowed a Return on Asset? (Yes/No)	Cell F230

The information required for each of the above items is summarized below:

Unrecovered Balance @ 12/31/98

It is assumed that the amount reflected in this field is the same as that reflected in Schedule A, cell F33. Therefore, this input will be automatically carried forward from cell F33. However, if the company is requesting securitization of an amount different from that reflected in cell F33 it can enter the appropriate amount in cell F224.

As was discussed in Schedule A, the spreadsheet presumes that the company will request securitization of the unrecovered balance as of December 31, 1998. Additionally, it is assumed that the unrecovered balance date will be the same for both Schedule A and Schedule D purposes. If either of these assumptions is incorrect the company can manually enter the correct amount in cell F224 and the correct date in cell C224.

Amortization Period

The input for this item is the length, in years, of the requested securitized bond, up to fifteen years. For example, if the Company requests a ten-year securitized bond then the appropriate input for this line item is 10.

While the Annual Amortization, Column (j), has been designed to be automatically calculated based on the input in Cell F225, it is possible to manually enter the annual amortization directly into Column (j) if the company so desires. Of course, this action will negate the formulas currently reflect in Column (j) of Schedule C. Once the information is entered in Schedule C it will automatically be reflected in Schedule D and E. The company should fully detail and explain any manual entries to Column (j) in its workpapers.

Debt Rate of Securitized Bond

The expected interest rate on the securitized bonds.

ADFIT Ratio

This item is a ratio of the ADFIT as of the requested unrecovered balance date, associated with the requested asset, divided by the unrecovered asset balance as of the same date. Please fully explain any differences between this ratio and the ratio input in cell F37.

Revenue Related Tax Rate

The input for this item is the **total** requested revenue related tax rate detailed on Supplemental Schedule 6.

Discount Rate

The company should enter the expected interest rate on the securitized bonds in this field.

Allowed a Return on Asset? (Yes/No)

The input for this item is simply “yes” or “no.” The company should enter yes in this field if the related asset was allowed to earn a rate of return in its last rate proceeding. If the asset has never been included in rates the company should enter yes in this field if the Commission has traditionally allowed a rate of return on this type of asset. If the Commission did not allow, or has not traditionally allowed, a rate of return on this asset then the company should enter no in this field.

Other FIT Adjustments – Column (g)

There is no single input for column (g). If the Company has adjustments to FIT other than the depreciation add back, it will have to enter the amount of the adjustment for each year. These adjustments will automatically be reflected in Schedule E and F.

The company should fully detail and explain any adjustment entered in this column in work papers.

It should be noted that the year column in Schedules D, E, and F assumes that the refinancing will take place in 1999. If the Company believes that the refinancing will occur in a year other than 1999 it should enter the appropriate year in cell C238 and all three schedules (Schedules D, E, and F) will be updated to reflect the corrected years of the refinancing.

Once the above inputs have been entered, the calculation of the annual cost of service and its components detailed on Schedule D will be complete. Once Schedule D’s inputs have been entered, the Company will have to enter several other inputs for Schedules E and F.

Schedule E

Schedule E restates the information contained in Schedule D to production only related costs. Therefore, the only inputs that are necessary for the completion of Schedule E are functional allocation factors. The allocation factors that must be entered for Schedule E are found in cells D268, E268, J268, and M268. These allocation factors relate to the unrecovered asset balance, the associated ADFIT, other FIT adjustments, and annual amortization.

The functional allocators shall be based on the unbundled cost of service study for the test year ending December 31, 1998 or, if available, the test year ending September 30, 1999, or the last approved cost of service study if performed within 5 years of the securitization application. The only categories required shall be Production and Non-production. The derivation of functional allocators shall be based on the principles outlined in the Rate Filing Package for Investor Owned Utilities, which will be part of the Cost Unbundling and Business Separation Rule under P-21083. (As proposed for publication, or if available, as adopted). The company shall provide its cost of service study in supporting work papers and shall provide testimony to support its functional allocation.

Please note that all allocation factors have been pre-set to zero, therefore, it is necessary for the Company to enter the appropriate allocation factor for each of the above items.

Schedule F

Schedule F restates the information reflected in Schedule E to a Texas retail basis. The allocation factors that must be entered for Schedule F are found in cells D304, E304, J304, and M304. These allocation factors are also related to the unrecovered asset balance, the associated ADFIT, other FIT adjustments, and annual amortization.

It is also necessary to enter a specific Texas retail related revenue related tax rate. The cell reference for this input is E302. This Texas retail revenue related tax rate should be the same as that detailed on Supplemental Schedule 6.

The jurisdictional allocation shall be based on the specific numeric allocation factors such as 45.24% in the Company's last approved jurisdictional cost of service study used to allocate the underlying assets. Supporting documentation should be provided in workpapers.

Please note that all allocation factors, and the revenue related tax rate, have been pre-set to zero, therefore, it is necessary for the Company to enter the appropriate allocation factor for each of the above items.

Sheet: SFAS 109

The general layout of Sheet SFAS 109 is the same as those found in the Assets 1 – 10 sheets. That is, Sheet SFAS 109 consists of Schedules A through F and requires the same inputs as discussed above. However, the resulting cost of service that is calculated as a result of the inputs is different for SFAS 109 than the other sheets.

The annual cost of service for the SFAS 109 sheet will reflect the historical treatment afforded this asset. Specifically, the ADFIT will equal the unrecovered balance of the SFAS 109 asset. Consequently, rate base, and thus return, will be zero. The recovery of the SFAS 109 will be reflected in the annual amortization column, Column (j). We recognize that the SFAS 109 related regulatory asset has historically been recovered through the FIT calculation but this presentation difference has no impact on the associated total cost of service.

As previously stated, the inputs required for Sheet SFAS 109 are the same as those required for Sheets Asset 1 – 10. However, some of the cell locations for the required inputs is slightly different on Sheet SFAS 109 then on Sheets Asset 1 – 10. The cell reference for the inputs on Sheet SFAS 109 are summarized below:[4]

Schedule A		
	Unrecovered Balance @ 12/31/98	Cell F32
	Amortization Period	Cell F33
	Rate of Return	Cell F34
	Weighted Cost of Equity	Cell F35
	ADFIT Ratio[5]	Cell F36
	Revenue Related Tax Rate	Cell F37
	Discount Rate	Cell F38
	Other FIT Adjustments	Not Included On This Sheet
Schedule B		
	Functional Allocation Factors:	
		Cell D103
		Cell E103
		Cell I103
Schedule C		
	Texas Retail Revenue Related Tax Rate	Cell E164
	Texas Retail Allocation Factors:	
		Cell D167
		Cell E167
		Cell I167
Schedule D		
	Unrecovered Balance @ 12/31/98	Cell F229
	Amortization Period	Cell F230
	Debt Rate of Securitized Bond	Cell F231
	ADFIT Ratio[6]	Cell F232

[4] The description of each of these inputs is the same as those discussed in the previous section.

[5] This ADFIT ratio has been pre-set to 100% for SFAS 109 and requires no calculation by the Company.

	Revenue Related Tax Rate	Cell F233
	Discount Rate	Cell F234
Schedule E		
	Functional Allocation Factors:	
		Cell D274
		Cell E274
		Cell I274
Schedule F		
	Texas Retail Revenue Related Tax Rate	Cell E310
	Texas Retail Allocation Factors:	
		Cell D312
		Cell E312
		Cell I312

INSTRUCTIONS FOR OTHER SCHEDULES

SCHEDULE 11 - PROJECTED QUALIFIED COSTS

This schedule should include a description of each qualified cost (excluding the regulatory assets) being requested in the application, the amount of each projected qualified cost, and the total of all projected qualified costs.

SCHEDULE 12 – AMORTIZATION SCHEDULE

This schedule should have the following column headings: YEAR, PRINCIPAL, INTEREST, TOTAL PAYMENT.

SCHEDULE 15 – PRO-FORMA CAPITAL STRUCTURE

This schedule should include, but is not limited to, pro-forma percentages for the following types of capital: Securitized bonds, Long Term Debt, and Common Equity

SCHEDULE 16 – TRANSITION CHARGE

The class allocation used in calculating the transition charge shall be based on the methodology described in Section 39.051 of PURA as amended by SB7. The Commission will make a policy interpretation of this section on the Open Meeting on August 5, 1999.

[6] This ADFIT ratio has been pre-set to 100% for SFAS 109 and requires no calculation by the Company.

SUPPLEMENTAL SCHEDULE INSTRUCTIONS

SUPPLEMENTAL SCHEDULE 1 - REGULATORY ASSET RECONCILIATION

The purpose of this schedule is to reconcile the Company's regulatory asset balances to the 12/31/98 10-K.

Column (A) should reflect the asset's name.
Column (B) should provide the asset number per COS schedules A through F.
Column (C) should reflect the asset's beginning balance on the COS schedules A through F (filename: securitized asset, cell F33)
Column (D) should reflect the asset balance per the 12/31/98 10-K.
Column (E) should explain all differences between (C) and (D).

SUPPLEMENTAL SCHEDULE 2 -REGULATORY ASSETS NOT IN RATES

The purpose of this schedule is to gather information on those requested regulatory assets that are not currently included in rates per the Asset Specific Information Form.

Column (A) should reflect the asset's name.
Column (B) should provide the asset's number per COS Schedules A-F.
Column (C) should reflect the date the asset became a "regulatory asset". If this date differs from the date included in (E), please explain why.
Column (D) should reflect the asset balance at the date per Column (C).
Column (E) should reflect the date amortization began per the financial statements.
Column (F) should reflect the annual amortization per the financial statements.
Column (G) should reflect the asset's beginning balance in the COS schedules A through F (filename: securitizedassets(a), cell F33).

SUPPLEMENTAL SCHEDULE 3 – RATE OF RETURN

The purpose of this schedule is to provide support for the rate of return and the weighted cost of equity that are used as inputs to the asset sheets.

The total weighted-average rate of return in the schedule should equal the cost of capital approved in the electric utility's most recent rate-case proceeding before the Commission in which the cost of capital was specifically adopted, or, in the case of a range, the midpoint of the range, if the final rate order for the proceeding was issued on or after January 1, 1992. The balances and costs of the individual capital-structure components in the schedule should correspond to those that were used in the rate proceeding to arrive at the overall cost of capital. In the case of a rate proceeding in which the individual costs and components of the capital structure were not specified in the final rate order, the schedule should include the balances and costs of preferred stock, preferred trust securities, and long-term debt that provided the underlying support for the cost of capital ordered in the proceeding, with the cost of equity determined as a "fall-out" value. Supporting documentation for the underlying components should be provided. It the underlying costs and components cannot be supported, use the costs and components in the Company's PUCT earnings report for the year ended 1998.

If the last cost of capital specifically adopted for the Company by the Commission was set in a proceeding prior to January 1, 1992, then a cost of capital of 9.6 percent should be used in the schedule. In this case, the schedule should include the balances and costs of preferred stock, preferred trust securities, and long-term debt as contained in the Company's PUCT earnings report for the year ended 1998, with the cost of equity determined as a "fall-out" value based upon the 9.6 percent cost of capital.

SUPPLEMENTAL SCHEDULE 3a – RATE OF RETURN ADJUSTED FOR LOSSES ON REACQUIRED DEBT

This schedule should only be completed be companies seeking to securitize losses on reacquired debt. The purpose of the schedule is to show the rate of return as adjusted for the securitization of such regulatory assets.

To complete this schedule, start with the balances and costs of capital contained in Supplemental Schedule 3, and then show in Column 2 the adjustments to the balance and cost of Long-term Debt that reflect the amount of losses on reacquired debt that the company intends to securitize. Such adjustments should be limited to only the amount of losses on reacquired debt that were incorporated into the company's cost of capital shown on Supplemental Schedule 3. For example, if the company intends to securitize a 12/31/98 balance of $100 million of losses on reacquired debt, but the capital structure and the cost of capital shown on Supplemental Schedule 3 are from a rate-case proceeding in, say, 1996, and reflect the inclusion of only $60 million of losses on reacquired debt, then the appropriate adjustment to the balance of Long-term Debt in this schedule should not be greater than $60 million (with the appropriate corresponding adjustment to the cost of Long-term Debt). Supporting workpapers that detail the adjustment amounts should be provided.

SUPPLEMENTAL SCHEDULE 4 - SFAS 109 REGULATORY ASSETS AND RELATED ASSETS

The purpose of this schedule is to gather information about the assets that generated the SFAS 109 Regulatory Assets.

Column (A) should present the name of the asset related to/associated with the SFAS 109 Regulatory Asset (for example, Accounting Order Deferrals or Plant in Service).
Column (B) should present the 12/31/98 asset balance for the asset named in (A).
Column (C) should reflect the 12/31/98 SFAS 109 Regulatory Asset associated with the asset named in (A).
Column (D) should reflect the remaining life of the asset named in (A) at 12/31/98.

SUPPLEMENTAL SCHEDULE 5 - SFAS 109 INFORMATION

The purpose of this schedule is to gather information on the Company's requested SFAS 109 Regulatory Asset(s).

The schedule should begin with the total SFAS 109 Regulatory Asset balance at 12/31/98. From this amount, remove all SFAS 109 amounts considered in the asset-by-asset analyses presented in COS Schedules A-F. The difference should represent the remaining SFAS 109 asset being requested for securitization. Please specify the types of assets included in the remaining balance as well as the related amounts.

SUPPLEMENTAL SCHEDULE 6 - SUMMARY OF REQUESTED REVENUE-RELATED TAX RATES

The purpose of this schedule is to gather information on the Company's revenue-related tax rates. Please detail each revenue-related item on this schedule. The name of the item should be entered in the description column and the Total Company and Texas Retail rate should each be entered separately.