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OPEN MEETING COVER SHEET

MEETING DATE: June 28, 2012
DATE DELIVERED: June 27, 2012
AGENDA ITEM NO.: 12
CAPTION: **Project No. 37897**
PUC Proceeding Relating to Resource and Reserve Adequacy and Shortage Pricing
ACTION REQUESTED: Discussion and possible action with respect to **Proposal for Adoption**

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To: Chairman Donna L. Nelson
Commissioner Kenneth W. Anderson, Jr.
Commissioner Rolando Pablos

From: Jason Haas, Legal Division
Shawnee Claiborn-Pinto, Competitive Markets

Re: Item 12, Project No. 37897, *PUC Proceeding Relating to Resource and Reserve Adequacy and Shortage Pricing*

Date: June 27, 2012

This memo is to inform you of corrections to the draft Proposal for Adoption (PFA). First, the draft PFA does not summarize two sets of comments, one from Texas Christian University, and the other from Stream Energy and Ambit Energy. Staff proposes to make the following amendments to address these comments:

Page 1, line 19:
and Wendy Davis, Representatives Sylvester Turner and Rafael Anchia, Ambit Energy and of Stream Energy (Ambit and Stream), and Texas Christian University (TCU), Blue & Silver Energy

Page 2, line 8:
Sierra Club, William Leek, Public Citizen, TCU, MidAmerican Energy Group, OPUC, Pro-Star, the

Page 3, line 4:
Services (ERS). TCU requested that the commission postpone or completely reconsider the increase in the price cap until a study is completed on the impact of the increase on consumers and the Texas economy, and then compare that impact against the known and measurable benefits the increase will bring. TCU also requested that the increased price caps be compared to other alternatives that would create the incentives for the development of new electricity generation in Texas.

Page 10, line 14:
ConEd, Austin Energy, Mid-American, OPUC, City of Houston, TIEC, Ambit and Stream, Oncor Cities, Texas

Page 10, line 18:
MidAmerican, OPUC, City of Houston, TIEC, Ambit and Stream, Oncor Cities, Austin Energy, and TEAM do not

Page 12, line 3:

MidAmerican Energy Company and Ambit and Stream expressed similar concerns.

Page 13, line 15:

of ConEd, Austin Energy, Mid-American, OPUC, City of Houston, Ambit and Stream, Oncor Cities, Texas

Page 19, line 2:

appropriate to determine the answer to this question as a “yes” or “no.” Ambit and Stream indicated that there is an inadequate understanding of how retailers will measure, plan, and pass through to term customers the incremental costs related to changes in the SWOC and PBPC.

Finally, the draft Proposal for Adoption incorrectly states that the per MWH load weighted price increase under the back-cast evaluation is approximately 15%. This figure should be 25%.

Please contact Jason Haas or Shawnee Claiborn-Pinto if you have any questions.