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Public Utility Commission of Texas

7800 Shoal Creek Boulevard - Suite 400N
Austin, Texas 78757 - 512 458-0100

DOCKET NUMBER
PROD. & UTIL. FAC.

50-445A

Maria Grevolt
Chairman
USNRC
Jo Campbell
Commissioner
Bill Calkins
Commissioner

90 FEB -1 1989

January 11, 1989

TO: All parties of record

RE: Docket No. 8283--Application of Cap Rock Electric Cooperative, Inc. for Authority to Change Rates

Ladies and Gentlemen:

Enclosed please find a copy of my Examiner's Report and Proposed Order in this docket. The Commission will consider this case at an open meeting scheduled to begin at 9:00 a.m. on Tuesday, February 7, 1989, at its offices at 7800 Shoal Creek Boulevard, Austin, Texas. You are welcome to attend the meeting but are not required to do so. A copy of the signed Final Order will be sent to you shortly thereafter.

Exceptions, if any, to the Examiner's Report must be filed in writing no later than 4:00 p.m. on Tuesday, January 24, 1989. Replies to exceptions must be filed in writing no later than 4:00 p.m. on Wednesday, February 1, 1989. Concerning both exceptions and replies to exceptions, an original and ten copies must be filed.

Cap Rock Electric Cooperative, Inc. (Cap Rock) requests the Commission's approval of proposed changes to Cap Rock general service rates. Cap Rock asserts that the sole justification for the proposed changes is the need to set rates that are more competitive with the rates of Texas Utilities Electric Company (TUEC). Ninety percent of Cap Rock's customers live in dually certificated areas that are served by TUEC.

The sole intervenor in the case, Office of Public Utility Counsel, and the Commission's general counsel both oppose the application. The examiner recommends that the Commission deny the application because the proposed rates are not necessary to maintain a competitive position. Further, the proposed rates are not just and reasonable.

Sincerely,

Richard S. O'Connell
Hearings Examiner

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DOCKET NO. 8283

APPLICATION OF CAP ROCK ELECTRIC
COOPERATIVE, INC. FOR AUTHORITY
TO CHANGE RATES

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PUBLIC UTILITY COMMISSION
OF TEXAS

EXAMINER'S REPORT

I. Procedural History

On July 29, 1988, Cap Rock Electric Cooperative, Inc. (Cap Rock or the applicant) filed an application requesting Commission approval of two proposed amended tariff sheets. The new tariff sheets would change general service rates.

Cap Rock successfully completed notice in this case. The examiner admitted into evidence at the October 20, 1988, prehearing conference and at the November 14, 1988, hearing on the merits, affidavits that establish that direct notice to Cap Rock members, and published notice had been completed. The examiner admitted into evidence at the October 20, 1988, prehearing conference evidence that established that the commissioner's court of each affected county had received notice.

The effective date of the proposed rate change is 35 days after the applicant files its application with the Commission, in this case September 2, 1988. Public Utility Regulatory Act (PURA), Tex. Rev. Civ. Stat. Ann. art. 1446c, Section 43(a) (Vernon Supp. 1988). The examiner in his Order No. 1 suspended implementation of the proposed schedules for 150 days, until January 31, 1989. Section 43(d) of the PURA.

The applicant is, of course, required to complete notice prior to the effective date. Section 43(a) of the PURA. Cap Rock's Exhibit No. 1 at the hearing on the merits shows, however, that published notice was not completed in four counties (Howard, Borden, Glascock, and Martin) in the applicant's service area before the September 2, 1988, effective date. Notice was not completed until October 7, 1988. The examiner therefore issued his Order No. 7

which redesignates October 7, 1988, as the effective date. The Order also suspended the implementation of the proposed schedules for 150 days beyond the effective date, until March 6, 1989.

Three prehearing conferences were held. The Office of Public Utility Counsel (OPC) was granted intervenor status at the first prehearing conference.

At the second prehearing conference the parties discussed and offered evidence concerning whether the applicant should prepare a full rate-filing package. P.U.C. PROC. R. 21.69(a). Each party asserted that good cause existed to waive the rate-filing package requirement. P.U.C. PROC. R. 21.69(d). Based upon the testimony taken and Commission precedent, the examiner in his Order No. 3 waived the rate-filing package requirement. Application of General Telephone Company of the Southwest, Docket No. 6387 (March 5, 1987).

A third prehearing conference was held on October 20, 1988, for the purpose of taking evidence on Cap Rock's motion seeking interim rate approval. All three parties introduced evidence. After the prehearing conference the parties submitted closing statements; OPC and general counsel both opposed granting the rate changes on an interim or permanent basis.

The applicant's motion for interim rates was denied in Examiner's Order No. 5. The implied urgent need to immediately put into effect the proposed rates was not supported by the evidence introduced at the prehearing conference. The proposed rate changes are revenue neutral; Cap Rock did not have a financial need for interim rate approval. The proposed rate changes would cause some members' electric bills to go up; this application does not create a situation where "everybody wins" as soon as the Commission approves the proposed rate

changes. Further, an expedited procedural schedule was set in this case in response to Cap Rock's request. No evidence was introduced to show that the expedited schedule will not adequately protect the interests of Cap Rock and its members.

During the prehearing conference to consider the motion for interim rate approval the parties raised all issues pertinent to the merits of the application. The parties were therefore required to file a notice by a certain deadline if they wanted to retain their right to a hearing on the merits. If no party filed a notice then the examiner's evaluation of the merits of the application would be based on the pleadings and evidence already in the record. No party filed notice. The hearing on the merits was, however, convened on November 14, 1988, but only for purposes of taking evidence concerning whether Cap Rock had completed notice.

The Sterling County Commissioner's Court filed a protest statement on October 25, 1988, that stated its opposition to the proposed rate changes.

11. Description of Utility and Proposed Rate Changes

Cap Rock purchases all of its electric power from Texas Utilities Electric Company (TUEC) and distributes the power to Cap Rock's members located in a 13 county area in west Texas. More than half of Cap Rock's service area is dually-certificated to TUEC. Applicant's Exhibit No. 1 at 3. (All exhibit cites refer to the evidence taken at the October 20, 1988, prehearing conference.) Ninety per cent of Cap Rock's customers who are served under the general service rates live in the dually-certificated areas. Applicant's Exhibit No. 2 at 3.

Cap Rock's rates were last reviewed by the Commission in Docket No. 6778. On September 2, 1986, the Commission signed a Final Order that adopted a settlement prepared by Cap Rock and the Commission staff. Cap Rock's

application requested a 5.2 percent increase in revenues. The settlement, however, reduced Cap Rock's total revenue requirement by \$150,730 or .5 percent, compared to test year revenues. The test year ended June 30, 1985.

Cap Rock's tariff has four rate schedules: general service, irrigation, commercial service, and industrial service. The application proposes changes only to the general service schedule. The proposed changes are as follows:

	<u>Current Rate</u>	<u>Proposed Rate</u>
Customer Charge	\$8.50	\$8.50
Energy Charge		
Summer	\$0.070237	\$0.071000
Winter (November-April)		
up to 600 kwh	\$0.055500	\$0.071000
above 600 kwh	\$0.055500	\$0.044000

The principal change concerns the winter rate: the existing rate is \$0.0555 for each kilowatt hour (kwh) used, but the application proposes a higher rate for the first 600 kwh used in a month and a lower rate for kwh used in excess of 600 kwh.

Mr. David Pruitt, the general manager of Cap Rock, testified that the "sole purpose" of the application was to "parallel the design of [TUEC's] rate[s]." Applicant's Exhibit 2 at 7. Cap Rock asserts that the proposed changes are necessary so that Cap Rock can compete with TUEC.

Cap Rock intended that the proposed rates should be revenue neutral. Cap Rock submitted schedules showing that the proposed rates, if applied to the twelve month period ending April 30, 1988, would cause a small reduction in revenues of \$9,338. As explained below, there will, however, be changes in billing at different monthly kwh usage levels. Generally, customers who use smaller amounts of energy would pay more and customers who use larger amounts of energy would pay less. Applicant's Exhibit No. 9 at 3.

III. Examiner's Recommendations

A. Introduction

As previously noted, a full rate filing package was not submitted in this case. The proposed rates were not evaluated on the basis of the cost of service to the various customers, or other factors typically considered in a major rate case. Cap Rock asserted that the sole justification for the proposed rates was the need to maintain rates that are competitive with TUEC's. The examiner, however, concludes that the proposed rates are not necessary to maintain a competitive position. Further, the proposed rates are not just and reasonable.

Both the general counsel and the Office of Public Utility Counsel in their post-hearing briefs argued that the application should be denied because Cap Rock did not assert nor establish a cost-of-service basis for the proposed rates. The applicant's July 29, 1988, pleading, however, clearly stated "that the justification is based solely on competitive considerations." Prior to the hearing, general counsel and OPC never asserted that competitive considerations was an insufficient basis to change rates. At the second prehearing conference general counsel and OPC agreed that a rate-filing package, which would contain cost of service information, was not needed. They did not suggest that some other form of cost of service information should be prepared by Cap Rock. The examiner therefore concludes that it would constitute an unfair surprise to weigh against the application the fact that the proposed rates are not justified on a cost-of-service basis.

B. Competitive Considerations

Examiner's Attachments A through D compare the general service winter and summer rates of TUEC and Cap Rock. (The Attachments are schedules found in Applicant's Exhibit No. 9.)

A comparison of the existing summer rates shows that Cap Rock's rates are 8 to 30 percent higher than TUEC's, depending upon the monthly kwh consumed. The highest monthly kwh usage per month category, 5,000 kwh, has the smallest disparity between rates, 8.45 percent. Cap Rock customers who use progressively less kwh per month pay progressively more, compared to TUEC customers.

The proposed summer rate for Cap Rock would cause the disparity between Cap Rock's rate and the lower TUEC rate to actually increase.

Turning to the winter rates (November through April), a comparison of Cap Rock's and TUEC's existing rates shows that for customers who use 1,000 kwh per month or less, Cap Rock's rates are comparable or even less expensive. But Cap Rock customers who consume 2,000 to 5,000 kwh per month pay 18 to 31 percent more.

The proposed winter rates would cause Cap Rock customers who use less than 1,000 kwh per month to pay higher total monthly bills that would be 11 to 29 percent higher than TUEC's. The Cap Rock customers who use from 2,000 to 5,000 kwh per month would benefit from the rate change. They would pay only 11 to 12 percent more than TUEC customers.

Obviously, Cap Rock's general service rates are higher than TUEC's, both according to the existing and the proposed rates. The proposed rates are more "competitive" only if the focus is on winter rates and the highest monthly kwh categories. The proposed rates otherwise actually increase the disparity between Cap Rock's rates and the lower TUEC rates.

Cap Rock, of course, does focus on the winter rates for the highest monthly kwh categories. Cap Rock asserts that the average monthly consumption for customers under the general service rate is 2,000 kwh; if the monthly bill of these customers is not adjusted downward to be more competitive with TUEC, then the customers will switch over to TUEC. Applicant's Closing Statement at 1.

The record does not support Cap Rock's fear that it will lose its customer base. Cap Rock has not lost one existing customer to TUEC since January 1986. There is no information in the record concerning customer switch-overs prior to January 1986. The greatest growth in the potential customer base is in the dually-certificated areas. In those areas approximately 30 percent of the new connects have gone to Cap Rock. Applicant's Exhibit No. 2 at 2.

Cap Rock's tariff includes a \$196.37 switch-over fee. A Cap Rock customer who uses 2,000 kwh per month in the winter months is currently paying \$18 per month more than if he were served by TUEC. He could switch-over to service with TUEC and recover his switch-over fee in about 10 months. Under the proposed rates, the customer would be paying only \$12 more per month; it would take 16 months to recover the switch-over fee if he chose to switch to service with TUEC. General Counsel's Exhibit No. 1 at 6.

The examiner finds that Cap Rock's assertion that the proposed rates are necessary to maintain its competitive position is unjustified. The proposed Cap Rock rates would cause the disparity with TUEC rates to increase for some customers and to decrease for others. The average customer, one who uses 2000 kwh per month, would still pay \$12 more per month. If the average customer elected to switch to service with TUEC, the fees incurred because of the switch-over could be recovered in a period a few months longer than under the existing rates. Finally, Cap Rock has not produced sufficient evidence that its customer base is actually deteriorating.

C. Discrimination Between Members of General Service Class

The proposed rates raise the question of unreasonably discriminatory rates. PURA Section 45. The record, however, shows that the question of who the burden of proof lies with on the issue was neither adequately pleaded nor discussed in the record. The examiner concludes that it is not necessary to

reach the issue because, as discussed below, the proposed rates are not just and and reasonable.

D. Proposed Rates and the Just and Reasonable Standard

The examiner reviewed the record to determine whether the effect of the proposed rates on customers at various kwh per month categories would be just and reasonable. PURA Sections 38, 40.

Concerning the winter rates, the reader may wish to immediately review Examiner's Attachment E. (Applicant's Exhibit No. 9 at Schedule E-2.0.) The schedule illustrates the effect of the proposed rates on the various monthly kwh usage per month categories. It shows, for example, that if the proposed rates were put into effect customers who use 2,000 kwh per month would receive a 5.81 percent decrease to their monthly bill, and customers who use 1,000 kwh per month would receive a 4.70 percent increase to their monthly bill.

Cut Jock provided the following information concerning the distribution of the number of meters in the various monthly kwh usage per month categories:

<u>Monthly kwh Usage</u>	<u>Number of Meters</u>
25-75	216
76-150	117
151-300	223
302-500	231
501-700	544
701-900	621
901-1500	1,181
1501-2500	1,983

2501-4000	1,957
4001-above	723

Applicant's Exhibit No. 2 at 1. This was the "best information" that the applicant could provide. The information, of course, makes it difficult to evaluate the effects of the proposed rates on a particular kwh category and the number of customers that are in the category. The evaluation would have been much simpler if Cap Rock had prepared the above information according to the kwh categories listed in Examiner's Attachment E, which is a copy of a document prepared by Cap Rock. Further, the above information does not necessarily pertain to the winter months. The chart presumably lists the annual average number of meters within each category. Mr. Pruitt asserted that the distribution of meters at various usage levels "does not change significantly from season to season." Applicant's Exhibit No. 2 at 1.

Notwithstanding the difficulties of evaluating the information, some clarifying observations can be made. First, referring to Examiner's Attachment E, the point where the monthly kwh consumed indicates that a customer's monthly bill would remain the same if the proposed rates are put into effect, lies somewhere between 1,000 kwh and 2,000 kwh. Because no better information was submitted, the examiner concludes on this basis that the mid-point of these numbers, 1,500 kwh, separates the customers whose monthly bills would increase from those whose monthly bills would decrease if the proposed rates were put into effect. Referring to the above chart, this means that 3,133 meters, or 40 percent of the meters charged on the general service rate would suffer an increase in their monthly bill if the proposed rates were put into effect. This 40 percent refers, of course, to the meters that consume 1,500 kwh per month or less.

Cap Rock understands the proposed rates appear unfair, but asserts they would be fair in practice. The applicant asserts that 80 percent of the residences served under the general service rate do not have gas hook-ups, or

in other words, are "all-electric homes;" these homes average 3,500 kwh per month in the winter months. Applicant's Exhibit No. 1 at 6. The meters who would suffer an increase in their monthly bill would therefore be other, non-residential, users of electricity. According to Mr. Pruitt, "virtually all of the low usage meters are for service to water wells, fence chargers, and barns. Many times the large usage total electric home residential customers [who would receive the benefits of the proposed rates] are also the same customers with very small usage at other meters such as water wells for their homes or orchards." Applicant's Exhibit No. 2 at 2.

Mr. Pruitt's statement does not offer any information about the remaining 20 percent of residences that are not all-electric. There is nothing in the record to indicate how many residences this represents and the effect of the proposed rates on them. Further, as the reader may have noticed, the above information refers to "meters" served under the general service rates. There is little evidence to support Mr. Pruitt's assertion that the customers who would benefit from the proposed rates are the same customers whose meters for their water wells would suffer the rate increases. Mr. Carl N. Stover, a consultant for Cap Rock, admitted that, based on customer names, Cap Rock could have reviewed its records to determine the number of low usage meters that are associated with high usage meters, but did not do so. October 20, 1988, prehearing conference transcript tape 3 at 1495.

Commission staff member Ms. Christina Vanderhoof admitted in her testimony that Cap Rock's customers could be harmed if Cap Rock did not remain competitive. It is true that if Cap Rock does not remain competitive it will lose customers. The remaining customers would then pay higher rates to cover the fixed costs incurred by Cap Rock. But, as previously discussed, there is little evidence that Cap Rock's customer base is eroding. On the contrary, the evidence indicates that 30 percent of the new customers in the dually-certificated areas obtain service from Cap Rock.

The examiner concludes that the proposed rates are not just and reasonable. The proposed rates are revenue neutral. But this "neutrality" is obtained by charging small power consumers more so that large power consumers can enjoy a rate decrease. There is no convincing evidence that the rates are in practice equitable or that the rates are necessary to maintain Cap Rock's competitive position. The examiner therefore recommends that the Commission deny Cap Rock's application.

IV. Findings of Fact and Conclusions of Law

The examiner recommends that the Commission adopt the following findings of fact and conclusions of law:

A. Findings of Fact

1. Cap Rock is an electric cooperative utility operating under certificate of convenience and necessity No. 30026.
2. Cap Rock filed an application to change rates on July 29, 1988. The application seeks approval of two amended tariff sheets pertaining to the general service rates.
3. Cap Rock gave direct notice of this proceeding to its members and published notice for four consecutive weeks. Notice was given to the commissioner's court of each affected county. Notice was completed on October 7, 1988.
4. The examiner suspended the operation of the proposed rates 150 days beyond the October 7, 1988, effective date, until March 6, 1989.
5. Although the Commission requires an applicant seeking to change its rates to submit a rate filing package, good cause existed in this instance to waive the requirement. The financial costs of preparing the rate filing package would have far exceeded its usefulness.

6. The request for interim approval of the proposed rates was denied. The request was opposed by the other parties. There was no urgent financial need for interim approval because the proposed rates are revenue neutral.

7. A third prehearing conference was held on October 20, 1988. Each party introduced evidence concerning the merits of both the interim request for approval of rates and the final approval of the application. After the prehearing conference the parties waived their right to a hearing on the merits.

8. The hearing on the merits was convened on November 14, 1988, but only for purposes of taking evidence concerning whether Cap Rock had completed notice. The examiner's evaluation of the merits of the application is based upon the evidence received at the third prehearing conference and at the hearing on the merits.

9. The sole intervenor in this case, the Office of Public Utility Counsel, and the Commission's general counsel both oppose the application. The Sterling County Commissioner's Court filed a protest statement that opposed the proposed rate changes.

10. Cap Rock purchases all of its electric power from TUEC and distributes it in a 13 county area in west Texas. More than 90 percent of Cap Rock's customers under the general service rate live in dually-certificated areas served by TUEC.

11. The proposed rate changes pertain only to the general service rate. Cap Rock proposes a higher summer rate per kwh. The existing rate is \$0.070237 per kwh. The proposed rate is \$0.071000 per kwh.

12. The existing winter rate (November-April) is \$0.055500 per kwh. The application proposes a higher rate (\$0.071000) for the first 600 kwh used in a month, and a lower rate (\$0.044000) for kwh used in excess of 600 kwh.

13. Cap Rock asserted that the sole purpose behind the proposed rates was the implementation of rates that are more competitive with TUEC's.

14. Concerning winter rates for customers who consume less than 1,500 kwh per month, and the summer rates, the proposed rates would increase the disparity between Cap Rock's rates and the lower TUEC rates.

15. Concerning winter rates, Cap Rock customers who use from 1500 kwh to 5000 kwh per month would benefit from the approval of the proposed rates. The disparity between Cap Rock's rates and the lower TUEC rates would decrease.

16. Cap Rock has not lost one existing customer to TUEC since January 1986. In the dually-certificated areas, 30 percent of the new connects have gone to Cap Rock.

17. Compared to TUEC's rates, Cap Rock's proposed rates are not necessary to maintain a competitive position. The proposed rates would increase the monthly bills of some Cap Rock customers and decrease the bills of others. Cap Rock's rates would still be higher than TUEC's if the proposed rates were adopted. Cap Rock's customer base is not actually deteriorating.

18. Concerning the proposed winter rates, 40 percent of the meters served under the general service rate would suffer an increase in their monthly bill. This 40 percent consists of the meters that consume 1,500 kwh per month or less.

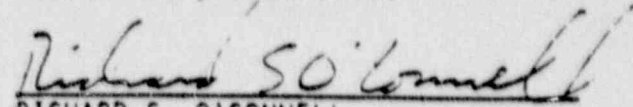
19. The record does not include sufficient information to make conclusions concerning the nature of Cap Rock's customers that consume less than 1,500 kwh per month in the winter months. Such customers may only include non-residential uses, for example, water wells, fence chargers, and barns. But the record is not clear on this question. Cap Rock could have submitted evidence on this question.

20. The proposed rates are not just and reasonable. Small power consumers are charged more so that large power consumers can enjoy a rate decrease. There is no convincing evidence that the rates are in practice equitable or that the rates are necessary to maintain Cap Rock's competitive position.

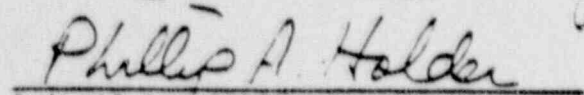
B. Conclusions of Law

1. Cap Rock is a public utility as defined in Section 3(c)(1) of the PURA.
2. The Commission has jurisdiction over the matters raised herein pursuant to Sections 16(a), 17(e), and 37 of the PURA.
3. For good cause, Cap Rock was not required to file a rate filing package. P.U.C. PROC. R. 21.69(d).
4. The operation of the proposed rates was suspended in accordance with Sections 43(a) and 43(d) of the PURA.
5. Proper notice was given to all affected persons in compliance with Section 43(a) of the PURA.
6. Cap Rock has not met its burden of proof to show that the proposed rates are just and reasonable. Section 40 of PURA.

Respectfully submitted,


RICHARD S. O'CONNELL
HEARINGS EXAMINER

APPROVED on this the 11th day of January 1989.


PHILLIP A. HOLDER
DIRECTOR OF HEARINGS

TUEC RESIDENTIAL SUMMER

First***** kWh/Month @ \$.041500/kWh
 Minimum \$ 6.00. Includes .00 kWh
 Customer Charge \$ 6.00

CAP ROCK EXISTING GEN SERVICE SUMMER

First***** kWh/Month @ \$.070237/kWh
 Minimum \$ 8.50. Includes .00 kWh
 Customer Charge \$ 8.50

COMPARISON OF RATE SCHEDULES

kWh USAGE	COMPARISON OF RATE SCHEDULES		INCREASE	
	TUEC \$	CAP ROCK \$	\$	%
50	9.27	12.02	2.75	29.67
100	12.53	15.54	3.01	24.02
200	19.06	22.59	3.53	18.52
400	32.12	36.66	4.54	14.13
600	45.18	50.75	5.57	12.33
800	58.24	64.83	6.59	11.32
1000	71.30	78.92	7.62	10.69
2000	136.60	149.33	12.73	9.32
3000	201.90	219.75	17.85	8.84
5000	332.50	360.58	28.08	8.45

Fuel/PCA .0238000 .0001790 \$/kWh

TUEC RESIDENTIAL WINTER

First 600 kWh/Month @ \$.041500/kWh
 Over 600 kWh/Month @ \$.014300/kWh
 Minimums 6.00, Includes .00 kWh
 Customer Charge \$ 6.00

CAP ROCK EXISTING GEN SERVICE WINTER

First***** kWh/Month @ \$.055500/kWh
 Minimums 8.50, Includes .00 kWh
 Customer Charge \$ 8.50

COMPARISON OF RATE SCHEDULES

kWh USAGE	COMPARISON OF RATE SCHEDULES		INCREASE	
	TUEC \$	CAP ROCK \$	\$	%
50	9.27	11.23	1.96	21.14
100	12.53	13.93	1.40	11.17
200	19.06	19.36	0.30	1.57
400	32.12	30.20	-1.92	-5.98
600	45.18	41.05	-4.13	-9.14
800	52.80	51.90	-0.90	-1.70
1000	60.42	62.75	2.33	3.86
2000	98.52	116.98	18.46	18.74
3000	136.62	171.22	34.60	25.33
5000	212.82	279.69	66.87	31.42
Fuel/PCA	0238000	-.0012635 \$/kWh		

TUEC RESIDENTIAL SUMMER

First***** kWh/Month @ \$.041500/kWh

Minimums 6.00, Includes .00 kWh
Customer Charge \$ 6.00

CAP ROCK PROPOSED GEN SERVICE SUMMER

First***** kWh/Month @ \$.071000/kWh

Minimums 8.50, Includes .00 kWh
Customer Charge \$ 8.50

kWh USAGE	COMPARISON OF RATE SCHEDULES			
	TUEC \$	CAP ROCK \$	\$	INCREASE %
50	9.27	12.06	2.79	30.10
100	12.53	15.62	3.09	24.66
200	19.06	22.74	3.68	19.31
400	32.12	36.97	4.85	15.10
600	45.18	51.21	6.03	13.35
800	58.24	65.44	7.20	12.36
1000	71.30	79.68	8.38	11.75
2000	136.60	150.86	14.26	10.44
3000	201.90	222.04	20.14	9.98
5000	332.50	364.40	31.90	9.59
Fuel/PCA	0238000	.0001750	\$/kWh	

TUEC RESIDENTIAL WINTER

First 600 kWh/Month @ \$.041500/kWh
 Over 600 kWh/Month @ \$.014300/kWh
 Minimum \$ 6.00, Includes .00 kWh
 Customer Charge \$ 6.00

CAP ROCK PROPOSED GEN SERVICE WINTER

First 600 kWh/Month @ \$.071000/kWh
 Over 600 kWh/Month @ \$.044000/kWh
 Minimum \$ 8.50, Includes .00 kWh
 Customer Charge \$ 8.50

kWh USAGE	COMPARISON OF RATE SCHEDULES			
	TUEC \$	CAP ROCK \$	INCREASE \$	INCREASE %
50	9.27	12.00	2.73	29.45
100	12.53	15.48	2.95	23.54
200	19.06	22.46	3.40	17.84
400	32.12	36.40	4.28	13.33
600	45.18	50.35	5.17	11.44
800	52.80	58.90	6.10	11.55
1000	60.42	67.45	7.03	11.64
1500	98.52	110.18	11.66	11.84
3000	136.62	152.92	16.30	11.93
5000	212.82	238.39	25.57	12.01
Fuel/PCA	.0238000	-.0012635 \$/kWh		

CAP ROCK EXISTING GEN SERVICE WINTER

First..... kWh/Month @ \$.055500/kWh
 Minimums \$ 8.50, Includes .00 kWh
 Customer Charge \$ 8.50

CAP ROCK PROPOSED GEN SERVICE WINTER

First 600 kWh/Month @ \$.071000/kWh
 Over 600 kWh/Month @ \$.044000/kWh
 Minimums \$ 8.50, Includes .00 kWh
 Customer Charge \$ 8.50

kWh USAGE	COMPARISON OF RATE SCHEDULES			
	EXISTING \$	CAP ROCK \$	INCREASE \$	%
50	11.23	12.00	0.77	6.86
100	13.93	15.48	1.55	11.13
200	19.36	22.46	3.10	16.01
400	30.20	36.40	6.20	20.53
600	41.05	50.35	9.30	22.66
800	51.90	58.90	7.00	13.49
1000	62.75	67.45	4.70	7.49
2000	116.98	110.19	-6.80	-5.81
3000	171.22	152.92	-18.30	-10.69
5000	277.69	238.39	-41.30	-14.77
Fuel/PCA	-.0012635	-.0012635		\$/kWh

DOCKET NO. 8283

APPLICATION OF CAP ROCK ELECTRIC
COOPERATIVE, INC. FOR AUTHORITY
TO CHANGE RATES

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PUBLIC UTILITY COMMISSION
OF TEXAS

PROPOSED
ORDER

In public meeting at its offices in Austin, Texas, the Public Utility Commission of Texas finds that the application in this case was processed by a hearings examiner in accordance with Commission rules and applicable statutes. An Examiner's Report containing Findings of Fact and Conclusions of Law was submitted, which report is hereby ADOPTED and made a part hereof. The Commission further issues the following Order:

1. The application of Cap Rock Electric Cooperative, Inc. seeking approval of two revised tariff sheets concerning general service rates, is DENIED.
2. All motions, applications, and requests for entry of specific Findings of Fact and Conclusions of Law and any other requests for relief, general or specific, if not expressly granted herein are DENIED for want of merit.

SIGNED AT AUSTIN, TEXAS on the _____ day of _____ 1989.

PUBLIC UTILITY COMMISSION OF TEXAS

SIGNED: _____
MARTA GREYTOK

SIGNED: _____
JO CAMPBELL

SIGNED: _____
WILLIAM B. CASSIN

ATTEST

PHILLIP A. HOLDER
SECRETARY OF THE COMMISSION