

DOCKET NO. 35785

APPLICATION OF THE ELECTRIC § PUBLIC UTILITY COMMISSION
RELIABILITY COUNCIL OF TEXAS §
FOR APPROVAL OF THE ERCOT § OF TEXAS
SYSTEM ADMINISTRATION FEE §

NOTICE

On June 17, 2008, the Electric Reliability Council of Texas ("ERCOT") filed with the Public Utility Commission of Texas ("Commission") its Application for Approval of the ERCOT System Administration Fee pursuant to P.U.C. Subst. R. § 25.363(b). The existing and proposed System Administration is as follows:

Table with 3 columns: Amount of Existing Fee, Amount of Proposed Increase, Amount of Proposed Fee. Values: \$0.4171/MWh, \$0.1527/MWh, \$0.5698/MWh

ERCOT also proposes to change the fee it charges for "Security Screening Studies." These studies are conducted by ERCOT at the request of entities proposing generation projects that would connect to the ERCOT system. The current fee schedule for Security Screening Studies includes the following charges:

- \$1,000 for proposed projects of 10MW to 74MW
\$2,000 for proposed projects of 75MW to 149 MW
\$3,000 for proposed projects of 150MW to 249MW
\$4,000 for proposed projects of 250MW to 499MW
\$5,000 for proposed projects of 500MW and above

The revised fee schedule proposed by ERCOT would charge the following for Security Screening Studies:

- \$10,000 for proposed projects of 1 MW to 149 MW
\$15,000 for proposed projects 150 MW and above
\$5,000 charge for each additional voltage level

ERCOT also proposes to eliminate the Non-ERCOT Load Serving Entity ("LSE") Fee.

The proposed change in the ERCOT System Administration Fee will affect all Qualified Scheduling Entities ("QSEs"). The proposed change in the ERCOT Security Screening Study fee will affect parties seeking approval of generation projects that would connect to the ERCOT system. The elimination of the Non-ERCOT LSE Fee will affect LSEs that operate in Texas outside the ERCOT region.

ERCOT needs the additional revenues that will be generated from the increased System Administration Fee to implement the 2009 ERCOT Budget which was approved by the ERCOT Board on May 20, 2008. Due to increases in its responsibilities and the expenses associated with meeting them, the current System Administration Fee will not recover ERCOT's reasonable costs of performing the functions required of ERCOT under PURA § 39.151, the mandates included in Senate Bill 7 and other state legislation, Commission orders and Rules, the ERCOT Protocols, and federal reliability standards. ERCOT requests approval of a System Administration Fee of \$0.5698 per Megawatt hour ("MWh"), effective January 1, 2009.

The deadline for intervention in the proceeding is August 4, 2008.

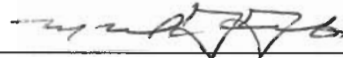
Persons who wish to intervene in or comment in this proceeding should notify the Commission within 30 days of the date of this notice. A request to intervene or for further information should be mailed to the Public Utility Commission of Texas, P.O. Box 13326, Austin, Texas 78711-3326. A request to intervene shall include a statement of position containing a concise statement of the requestor's position on the application, a concise statement of each question of fact, law, or policy that the requestor considers at issue and a concise statement of the requestor's position on each issue identified.

ERCOT has posted this notice and a copy of its fee and rate application on its web site at http://www.ercot.com/about/governance/legal_notices. Interested parties may also access ERCOT's 2008 Fee Filing Package through the Public Utility Commission's web site at <http://www.puc.state.tx.us> under Docket No. 35785 *Application of the Electric Reliability Council of Texas for Approval of the ERCOT System Administration Fee*.

Respectfully submitted,


Mike Grable
Vice President and General Counsel
Electric Reliability Council of Texas, Inc.
7620 Metro Center Drive
Austin, Texas 78744
(512) 225-7076 (telephone)
(512) 225-7079 (facsimile)
mgrable@ercot.com

Bill Magness
Robin A. Casey
Casey, Gentz & Magness, LLP
98 San Jacinto Blvd., Suite 1400
Austin, TX 78701
(512) 480-9900 (telephone)
(512) 480-9200 (facsimile)
bmagness@cgmllp.com
rcasey@cgmllp.com

By: 
Mike Grable
State Bar No. 24002165

ATTORNEYS FOR THE ELECTRIC
RELIABILITY COUNCIL OF TEXAS

Susan Vincent
Director, Legal Affairs
Texas Regional Entity Division of
Electric Reliability Council of Texas, Inc.
7620 Metro Center Drive
Austin, Texas 78744
(512) 225-7078 (telephone)
(512) 225-7165 (facsimile)
susan.vincent@texasre.org

By: 
Susan Vincent
State Bar No. 13417250

ATTORNEY FOR TEXAS REGIONAL ENTITY
A DIVISION OF ELECTRIC RELIABILITY
COUNCIL OF TEXAS, INC.

CERTIFICATE OF SERVICE

I hereby certify that a copy of ERCOT's Application for Approval of ERCOT System Administration Fee was filed with the Commission and was served on all necessary parties on July 16, 2008 by hand delivery or first class U.S. mail.



Mike Grable
ERCOT