

**DOCKET NO. 36851**

**ERCOT APPLICATION FOR § PUBLIC UTILITY COMMISSION  
APPROVAL OF A REVISED NODAL §  
MARKET IMPLEMENTATION § OF TEXAS  
SURCHARGE §**

**NOTICE**

On March 31, 2009, Electric Reliability Council of Texas, Inc. (“ERCOT”) filed with the Public Utility Commission of Texas (“Commission”) its Application for Approval of a Revised Nodal Market Implementation Surcharge (“Nodal Surcharge”). The purpose of the Nodal Surcharge is to fund the personnel, software, equipment, training and services necessary to develop and implement the Nodal Market called for in the ERCOT Nodal Protocols approved by the Commission. In May 2008, in Docket No. 35428, the Commission approved a Nodal Surcharge in the amount of \$0.169 per megawatt hour (“MWh”), to be charged to Qualified Scheduling Entities (“QSEs”) representing generation resources. The Nodal Surcharge is calculated by multiplying the surcharge factor of \$0.169/MWh by the total net metered generation aggregated to the QSE level. ERCOT requests that it be authorized to increase the Nodal Surcharge, effective no later than January 1, 2010. ERCOT requests that the Commission increase the Nodal Surcharge so that ERCOT may recover additional costs of the Nodal Program not included in the estimates available when the \$0.169/MWh Nodal Surcharge was approved in Docket No. 35428. ERCOT does not propose that the entities affected by the revised Nodal Surcharge will be any different from those affected by the existing Nodal Surcharge. The impact on the entities that pay the Nodal Surcharge will vary depending on the amount of the increase in the surcharge approved by the Commission. ERCOT requests that the Commission: (1) adopt the interim surcharge of \$0.226 per Megawatt hour (“MWh”) included in the pending settlement of PUC Docket No. 36412, *ERCOT Application For Approval of a Revised Nodal Surcharge and Request For Interim Relief*, for the remainder of calendar year 2009; and (2) approve a revised Nodal surcharge, effective January 1, 2010, with the surcharge rate dependent upon the implementation date for the interim surcharge, as set forth in Table 1 below.

ERCOT requests that the revised rate be effective January 1, 2010, and remain in effect until all Nodal Program costs are recovered, currently expected to be in 2014. Alternatively, if the Commission rejects the interim surcharge settlement and leaves the Nodal surcharge at its current level of \$0.169 per MWh for the remainder of 2009, ERCOT requests that the Commission approve a revised Nodal surcharge of \$0.375 per MWh, also effective January 1, 2010.

Table 1: Impact of interim rate implementation date on level of revised Nodal surcharge effective Jan. 1, 2010.

Implementation date of interim rate increase from \$0.169 to \$0.226 per MWh	Rate needed January 1, 2010 to ensure 40% revenue contribution during development
June 1, 2009	\$0.335
July 1, 2009	\$0.341
August 1, 2009	\$0.347
September 1, 2009	\$0.353
No increase in \$0.169 rate until Jan. 1, 2010	\$0.375

The ERCOT Board of Directors approved ERCOT's filing for a revised Nodal Surcharge at its March 17, 2009 meeting. ERCOT expects that approval of the revised Nodal Surcharge will enable ERCOT to increase its revenues sufficiently to pay the costs of the Nodal Program in a financially prudent manner. ERCOT estimates that the total costs recoverable from the Nodal Surcharge will be \$604.1 million.

**The deadline for intervention in the proceeding is May 1, 2009.**

Persons who wish to intervene in or comment in this proceeding should notify the Public Utility Commission of Texas by the intervention deadline. 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 will post this notice and a copy of its Nodal Surcharge Application on its web site at:

[http://www.ercot.com/about/governance/legal\\_notices.html](http://www.ercot.com/about/governance/legal_notices.html).

Interested parties may also access ERCOT's Application for Approval of a Revised Nodal Market Implementation Surcharge through the Public Utility Commission's web site at <http://www.puc.state.tx.us> under Docket No. **36851**, *ERCOT Application for Approval of a Revised Nodal Market Implementation Surcharge*.

Respectfully submitted,

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ATTORNEYS FOR ELECTRIC  
RELIABILITY COUNCIL OF TEXAS, INC.

**Certificate of Service**

I hereby certify that a copy of ERCOT's Application for Approval of Revised Nodal Market Implementation Surcharge was filed with the Commission and was served on all parties of record to Docket Nos. 31824, 32686, 35428, and 36412 on March 31, 2009 by hand delivery, electronic mail, or first class U.S. mail.

