

**REPORT FORM**  
**for**  
**ANNUAL REPORT OF AFFILIATE ACTIVITIES**  
**FOR ELECTRIC UTILITIES**

(Required by P.U.C. SUBST. R. 25.84, relating to  
Annual Reporting of Affiliate Transactions for Electric Utilities)

**PURPOSE**

This consolidated *Annual Report of Affiliate Activities* reporting format is designed to streamline the process of reporting affiliate activities pursuant to P.U.C. SUBST. R. 25.84, *Annual Reporting of Affiliate Transactions for Electric Utilities*.

**WHO MUST FILE**

All utilities<sup>1</sup> operating in the State of Texas shall file an *Annual Report of Affiliate Activities* by June 1 of each year summarizing activities with affiliates<sup>2</sup> during the immediately preceding calendar year (January 1 through December 31). Provision of the information outlined below satisfies the reporting requirements of P.U.C. SUBST. R. 25.84(d). File this report in the Commission's Central Records Division under the control number designated each year for filings pursuant to P.U.C. SUBST. R. 25.84. Do *not* combine this report in the same filing with the report due pursuant to P.U.C. SUBST. R. 25.77 or any other report.

**GENERAL INSTRUCTIONS**

Organize the utility's report according to the *REPORT OUTLINE* below and include all applicable information.

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<sup>1</sup> For purposes of this form, "utility" means an "electric utility" or a "transmission or distribution utility," as defined in the Public Utility Regulatory Act TEX. UTIL. CODE ANN. § 31.002(2) & (19) (Vernon 1998 & Supp. 2000) (PURA).

<sup>2</sup> See PURA § 11.003(2) for the definition of affiliate.

**REPORT OUTLINE:**

**Annual Report of Affiliate Activities**

**For** \_\_\_\_\_ *(name of utility)*.

**I. ORGANIZATION CHART**

- A. Provide an organization chart showing the parent company, all affiliated companies, and the percentage of ownership of each company.
- B. To ensure legibility, use additional charts and extra sheets of paper as necessary to detail the organizational.

**II. ORGANIZATION OWNERSHIP AND SCOPE OF BUSINESS**

For all affiliates that have had transactions with the regulated utility during the reporting period, provide the following information:

- A. A list of directors and/or officers common to the utility and each affiliate;
- B. Changes in successive ownership between the utility and the affiliate;
- C. A description of the nature of the business activity of each affiliate with which the utility does business;
- D. A narrative description of the types of products and services provided to the utility by the affiliate and by the utility to the affiliate;
- E. For each billing allocation formula utilized in transactions between the utility and its affiliates (either direction), list a title/function description (*e.g.*, payroll) for the formula, the basis for the formula (*e.g.*, number of employees), the percentages allocated by the formula to each applicable entity, and how often the formula inputs are updated (*e.g.*, monthly, annually).<sup>3</sup>

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<sup>3</sup> It is not necessary to include weighting amounts or mathematical terms to fulfill this requirement. Rather, a description of the work product(s) accomplished by the formula and the subject(s) driving the formula will suffice for the formula description and basis requirements. When the formula inputs (*e.g.*, number of employees) are updated more often than annually (*e.g.*, monthly), fulfill the requirement for percentages allocated to each applicable entity on the basis of the formula in use at the end of the reporting period for the last available interval (*e.g.*, December). The percentage allocation requirement, as it concerns each direction of transaction, is further delineated in E(2) and E(3).

**PUCT FORM:** Annual Report of Affiliate Activities for Electric Utilities (§ 25.84)

- 1) This requirement is applicable when one task is conducted by one entity on behalf of more than one entity and expenses for the task are therefore allocated among the recipient entities rather than billed directly to each.
- 2) *For transactions from the utility to each affiliate:* provide the percentage the formula allocates to each affiliate. These transactions “from the utility to each affiliate” include transactions to affiliates of the utility from any sections of the utility conducting unregulated activities.
- 3) *For transactions from each affiliate to the utility:* provide the percentage the formula allocates to the utility. These transactions “from each affiliate to the utility” include transactions from the affiliate of the utility to any sections of the utility conducting unregulated activities.

**III. FINANCIAL SUMMARIES OF UTILITY – AFFILIATE TRANSACTIONS**

Provide the data required in parts III. A and B to the extent such transactions are conducted by the utility.

**III. A. Chart – Charges by Utility to Affiliate**

For each affiliate with which the utility has had transactions, provide financial summaries of the transactions (*not* each transaction individually) in which the utility charges the affiliate and chart them as follows (construct Chart A for each affiliate with which the utility has had activity in reporting period):

<b>CHARGES BY THE UTILITY TO AN AFFILIATE</b>			
Name of Affiliate Company: _____			
(one row per applicable FERC/type account; insert more rows as needed)			
	FERC Account or type of service	Total Company	Total Texas
#	Acct. Name or Type of Service	(Dollars transacted)	(Dollars transacted)
<b>Totals across accounts for this Affiliate:</b>			

### III. B. Chart -- Charges by Affiliate to Utility

For each affiliate with which the electric utility has had transactions, provide financial summaries of the transactions (*not* each transaction individually) in which the affiliate charges the utility and chart them as follows (construct Chart B for each affiliate with which utility has had activity in reporting period):

<b>CHARGES BY AN AFFILIATE TO THE UTILITY</b>			
Name of Affiliate Company: _____			
(one row per applicable FERC/type account; insert more rows as needed)			
FERC Account or type of service		Total Company	Total Texas
#	Acct. Name or Type of Service	(Dollars transacted)	(Dollars transacted)
<b>Totals across accounts for this Affiliate:</b>			

### IV. – CONTRACTS AND SERVICE AGREEMENTS

File with the Commission, as attachments to this report, copies of all contracts and service agreements between the utility and each affiliate pursuant to P.U.C. SUBST. R. 25.84(e). If no significant changes have been made to a contract or agreement filed in an earlier annual report, an amendment sheet may be filed in lieu of refileing the entire contract or agreement. If no changes have been made to a previously filed contract or agreement that continues in effect, a list of such contracts and agreements may be attached in lieu of refileing the entire contract or agreement; include the year in which each continuing and unchanged contract or agreement was filed.

### V. – MIGRATION OF EMPLOYEES

Report the movement between the utility and its competitive affiliates of all employees engaged in transmission or distribution system operations, including persons employed by a service company affiliated with the utility who are engaged in transmission or distribution system operations on a day-to-day basis or who have knowledge of transmission or distribution system operations. Use an identification code for each migrating employee to list the effective dates of the migration and the titles held by the employee at each indicated entity. Indicate whether the employee movement is from the utility to a competitive affiliate or from a competitive affiliate to the utility.

## **VI. – INFORMAL COMPLAINT RESOLUTION**

Report the nature and status of the informal complaints handled in accordance with the utility's procedures developed pursuant to § 25.272(i)(4), relating to the *Code of Conduct for Electric Utilities and Their Affiliates*, during the reporting period. For each complaint, list the following:

- (1) Name of the complainant
- (2) Summary report of the complaint, including:
  - (a) All relevant dates,
  - (b) Companies involved,
  - (c) Employees involved,
  - (d) The specific claim, and
  - (e) Actions taken to address the complaint.
- (3) Status of the complaint as resolved, pending, or other (if "other," briefly describe the status).

## **VII. – DEVIATIONS FROM CODE OF CONDUCT**

When deviations from the code of conduct are necessary to ensure public safety and system reliability pursuant to § 25.272(d)(4), a utility is required to make a full report to the commission within 30 days of the occurrence. In this annual report, provide a summary list (details may be briefer than in the occurrence reports) of all deviations from the Code of Conduct that occurred in the reporting period, including:

- (1) Effective date(s) of the deviation;
- (2) Type of circumstances requiring deviation (*e.g.*, recovery after storm);
- (3) Type of action taken by the utility that comprised deviation (*e.g.*, quantity and type of resource shared);
- (4) Names of key parties involved in deviation (*e.g.*, affiliate names).

## **VIII. – COMPLIANCE PLAN UPDATES**

Utilities are required to file initial plans for compliance with P.U.C. SUBST. R. § 25.272 (relating to *Code of Conduct for Electric Utilities and Their Affiliates*) when filing an unbundling plan pursuant to PURA § 39.051, relating to *Unbundling*. In this annual report, all information supplied should reflect the most current approved compliance plan, including any changes resulting from the creation of new affiliates. In addition, provide a summary list of all of the changes to the utility's compliance plan that have been approved in the reporting year.

## **IX. AUDITS OF AFFILIATE TRANSACTIONS**

Provide a list of any audits of the utility's transactions with affiliates conducted in the reporting year, whether by internal or external auditors. This is *not* a request to file the results of the audits. Report the occurrence of such audits, including date, with sufficient description (in title or narrative) to indicate subject and scope of the audit.