PUBLIC UTILITY COMMISSION OF TEXAS

EARNINGS REPORT

FOR

INVESTOR-OWNED TRANSMISSION & DISTRIBUTION SERVICE PROVIDERS (IOU TDSPs) IN THE ELECTRIC RELIABILITY COUNCIL OF TEXAS

General Instructions

April 28, 2006
Revised January 25, 2007 (Project No. 33085)

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(IOU Transmission & Distribution Service Providers)

GENERAL INSTRUCTIONS

1. This report form is prescribed pursuant to Commission Substantive Rule 25.73(b) for the use of all IOU transmission & distribution service providers in the Electric Reliability Council of Texas (ERCOT). The objective of this report is to provide information needed to monitor the earnings and financial condition of all IOU TDSPs. Each TDSP subject hereto will submit its Earnings Report to the Commission in the form and manner herein prescribed.

   The reported information should be for the twelve-month period ending December 31. **The Earnings Report shall be filed not later than May 15 of the following year,** as specified in Substantive Rule §25.71(f)(4). Utilities who cannot meet this filing deadline should contact the PUC's Director of Financial Review with as much advance notice as possible. The law allows penalties to be imposed in the event that the rules supported by PURA are not followed.

2. Each IOU TDSP shall file with the Filing Clerk of Central Records at the Commission offices in Austin, Texas, three (3) copies of the printed Earnings Report (less instructions) and any attachments. *Of these three printed copies, two copies shall be bound, and one shall be unbound.* The unbound copy will be used for electronic scanning purposes**. Additionally, IOU TDSPs shall file an electronic version of the information contained in the required schedules and general questions. Please note**: To satisfy the requirement to file an electronic version of the Earnings Report, utilities may submit their report over the Internet using the Commission's FILER program *or* they may submit to the Commission a ***floppy diskette*** containing the Excel file containing the completed Earnings Report schedules. For utilities choosing to submit their report electronically through the Internet, please visit the PUC web site at http://www.puc.state.tx.us/interchange/filerindex.cfm for instructions. For utilities choosing to submit their report on a floppy diskette, note that before the Excel file is submitted to the Commission on diskette, **utilities should process the file with the Commission's FILER program to prepare the Earnings Report schedules for input into the PUC's Interchange filing system.**

3. Each Collecting Utility, as defined by Commission Substantive Rule 25.303(c)(3), as part of its annual earnings report, shall report the amounts and dates of its deposits into the Nuclear Decommissioning Trust Funds; the amounts and dates of its payments to the Transferee Company; and the revenues received from customers for the time intervals corresponding to each deposit or each payment (even if any of the above amounts are $0.00). Each Collecting Utility shall file this information annually regardless of the status of any rate case at the Commission to which it is a party. Except as otherwise provided in this paragraph, an IOU TDSP with a rate proceeding pending before the Commission on the due date of the annual Earnings Report or who had a final order issued in such a proceeding within the last twelve months is exempt from filing the report.

4. Unless otherwise indicated, the information required in this report form will be taken from the accounts and other records prescribed in the Federal Energy Regulatory Commission chart of accounts. The definitions and instructions contained therein will also apply to this report wherever applicable. However, a query or response in this report regarding a practice or transaction is not to be construed as necessarily indicating conformity to accounting or other pertinent regulations.

5. If FERC Form 1 reports are available for the reporting period, they shall be relied upon for purposes of preparing this report.

6. In preparing the report, all instructions should be followed and each question should be answered fully and accurately. The expression "none" or "not applicable" will be given as the answer to any particular inquiry only where the expression truly and completely states the fact. Where a numeric response is required, insert the numeric value "0" as appropriate. All dollar amounts provided in response to questions or schedules should be rounded to the nearest dollar.

7. References to reports of previous periods or to other reports will not be accepted in lieu of information requested in this report. This report does not replace any other report required by the Commission unless substitution is specifically allowed by the Substantive Rules.

8. In accordance with Substantive Rule §25.71(d), all reports submitted to the Commission shall be attested to by an officer or manager of the TDSP under whose direction the report is prepared, or if under trust or receivership, by the receiver or a duly authorized person, or if not incorporated, by the proprietor, manager, superintendent, or other official in responsible charge of the TDSP's operation.

9. Any TDSP filing supplemental attachments to its Earnings Report shall place those items after the schedules and attestation page. The General Instructions to this Earnings Report are not to be submitted for filing. Each copy of the Earnings Report should be organized in the following order: (1) cover sheet; (2) general questions; (3) required schedules (including required supplemental schedules); (4) signature page; and (5) supplemental attachments (if any).

10. Schedules for the printed copies of the report and responses to the general questions should be printed using the Excel spreadsheet file. The Excel files containing the Earnings Report schedules contain print macros to simplify the printing process.

11. If it is necessary to revise any schedule after the initial filing of the report, a new diskette containing all schedules and three (3) printed copies of the report shall be provided. The diskette and all printed copies should be labeled "revised" and include the date of revision. General Question No. 10 shall be completed for all revised reports.

INSTRUCTIONS FOR GENERAL QUESTIONS AND SCHEDULES

General Questions

Please provide the requested information.

Schedule I: Summary of Revenues and Expenses

Note: In addition to completing this schedule in accordance with the instructions below, companies may, at their option, provide a second version of this schedule (and any other affected schedules) that shows the effects of direct assignment of costs for certain line-items. If the option to provide such alternative schedules is used, the company should change in such schedules only those line-items for which costs have been directly assigned. Alternative versions of any schedules should be clearly identified, and all line-items containing directly assigned costs (or the effects related thereto) should be clearly indicated on the schedules and, as necessary, also explained on Supplementary Schedule IV (or other additional workpapers).

Column 1 of this schedule should reflect information as reported on the IOU TDSP's financial statements and/or FERC Form 1, as applicable.

All interest expenses other than interest on customer deposits are to be excluded from Schedule I.

The revenue portion (lines 1 through 6) of this schedule should reflect all revenue received by the company, including revenue for any charges that are recovered "separately" (i.e., through a separate rider) by the company. Such revenues may include, but are not limited to, revenue received for nuclear decommissioning expenses, transmission cost recovery factors (TCRF), competition transition charges (CTC), municipal franchise fees, and the system benefit fund. Additionally, if applicable, the amount of reported revenues should reflect the negative impact of any excess mitigation credits. Additional explanatory information on any company-specific reporting treatments should be provided on Supplemental Schedule IV or additional workpapers.

For Schedules I through IV, the allocation percentage in column 4 (column 2 in Schedule IV) is calculated by dividing each Texas Jurisdictional item by the corresponding total electric item. This calculation is performed automatically by the spreadsheet.

Columns 1-8 for operations and maintenance expenses (line 11) are carried forward from Schedule II.

For **column 6**, in the "Total Revenues" section (the upper portion), no percentage inputs are required. Rather, companies should report revenue receipts for wholesale transmission in **column 7**, in the "Total Revenues" section (the upper portion), by directly inputting the appropriate dollar-amounts. For these inputs in the revenue portion of **column 7**, companies should include the payments received from others for wholesale transmission service per the commission's wholesale transmission matrix (include any incremental amounts approved by the commission after the matrix was finalized). The remaining expense (bottom) portion of **column 7** is automatically calculated by the spreadsheet (based on the percentage inputs to the bottom portion of column 6 as described below).

For **column 6**, in the "Expenses" section (the lower portion), companies should reflect the "wholesale transmission allocator" as calculated using information from the utility's most recent rate case. This allocator should be calculated using the total revenue requirement, by function, from the company's rate case information as follows: Using the generic business functions—Trans, Dist, Met, TBill, ABill, and TDCS (individual utilities should adjust the generic business functions if needed to match the functions used in the most recent rate case)—from Docket No. 22344, first determine the sum of the six generic business functions' revenue requirement (Total Revenue Requirement). The wholesale transmission allocator would then be derived by dividing the Transmission function revenue requirement by the Total Revenue Requirement, with the resulting percentage being the percentage allocated to wholesale transmission. This percentage is the input to the “Expenses” portion of **Column 6** of Schedule I.

Column 8 is automatically calculated by the spreadsheet, and should reflect retail T&D revenues and expenses.

Column 8 of line 2 should correspond to Schedule XI.1a, line 13, column 7.

Amortization expense (line 12) is the sum of all items entered on Supplemental Schedule I-1 "Amortization Expense."

Nonbypassable (NBP) charges are carried automatically from Schedule Ia, line 18, and reflect only the amount of NBP charges included in the utility’s “base” T&D revenue requirement (i.e., they are not recovered through a separate rider).

Columns 3-5 for federal income taxes (line 17) are carried forward from Schedule IV. Column 1, line 17 must be manually input on Schedule I. It should be the amount reported on the TDSP's Financial Statements.

Deferred expenses (line 18) are the total deferred expenses associated with a deferred accounting order and/or a rate moderation plan approved by a regulatory authority. <u>Deferred expenses recognized during the monitoring period, but associated with prior periods, should be excluded</u>. Please identify any excluded deferred expenses on a separate attachment.

Other expenses (line 20) is the sum of all items entered on Supplemental Schedule I-2 "Other Expenses."

<u>Schedule Ia: Summary of Other Nonbypassable Charges and Excess Mitigation Credits</u>

Provide the requested information regarding the utility’s nonbypassable charges.

Lines 15 through 18 should include any amounts of nonbypassable charges recovered as part of the utility’s “base” T&D revenue requirement (i.e., not recovered through a separate rider). The amount of line 18 will be carried automatically to Schedule I, line 19.

Lines 21 through 27 should contain information related to the company’s excess mitigation credits during the monitoring period.

<u>Schedule II: Operations and Maintenance Expense</u>

This schedule further details operations and maintenance expense shown on Schedule I. Note that line 8 should reflect wholesale transmission matrix payments made to other transmission providers.

Column 1 of this schedule should reflect information as reported on the TDSP's financial statements.

Column 6 should use the same inputs calculated per the above instructions for Schedule I for the “Expenses” portion of that schedule’s column 6.

Columns 7 and 8 are automatically calculated by the spreadsheet.

<u>Schedule III: Invested Capital at End of Reporting Period</u>

This schedule details the invested capital as of the end of the reporting period.

Column 1 of this schedule should reflect information as reported on the TDSP's financial statements.

Please enter reductions to invested capital as negative amounts on this schedule and the related supplemental schedules.

No items which have been specifically disallowed by the Commission should be included in columns 3 or 5 of this schedule.

Column 6 should use the same inputs calculated per the above instructions for Schedule I for the "Expenses" portion of that schedule's column 6.

Columns 7 and 8 are automatically calculated by the spreadsheet.

Working cash allowance (line 7) should be the amount of working cash allowance granted in the TDSP's last rate case as of the end of the reporting period. If the TDSP has not had a final order issued in a rate case within the last five years, please enter negative one-eighth (1/8) of total operations and maintenance expenses (line 11) from Schedule II in the appropriate columns of this line item.

Other invested capital additions (line 10) is the sum of all items entered on Supplemental Schedule IIIb-1 "Other Invested Capital Additions."

Other invested capital deductions (line 17) is the sum of all items entered on Supplemental Schedule IIIb-2 "Other Invested Capital Deductions."

The rate of return measure (line 28) expresses return from Schedule I as a percentage of total ending invested capital (excluding CWIP not allowed in rate base and accruing AFUDC). Ending balances for CWIP in rate base and accruing AFUDC are to be input manually on this schedule.

The Earned Return on Equity measure calculates automatically using data from Schedules I, II, III, and V.

Schedule IV: Federal Income Taxes

This schedule calculates federal income taxes (FIT) using Tax Method 2. The resulting FIT reflects current tax effects (at 35%) of book transactions adjusted for timing differences and permanent differences, and reflects deferred taxes (at 35%). Additionally the FIT reflects the effects of timing differences previously flowed through (at 35%), amortization of investment tax credits, and amortization of excess deferred taxes using the average rate assumption method (ARAM). The resulting FIT is not intended to tie to the FIT amount per the books of the TDSP.

Schedule IV should not reflect the effects of any disallowed or nonregulated plant, or any nonregulated operations. Schedule IV should not reflect the effects of any net operating loss carryforward or carryback.

Schedule IV should not reflect the operations of any affiliates or subsidiaries. It is to reflect only TDSP operations.

Please note that lines 1 - 11 are automatically taken from Schedule I on the spreadsheet.

Interest included in return (line 12) is calculated using the formula: weighted cost of debt * total electric invested capital on Schedule III (line 20).

The depreciation addback - permanent differences on Line 14 should be the same adjustment that is made to return in Tax Method 1 for permanent differences. This adjustment is not to reflect normalized or non-normalized timing differences.

The tax effect of non-normalized timing differences (at 35%) should be reflected on Line 32, and is the same adjustment that is made to return in Tax Method 1 for timing differences previously flowed through, but here the adjustment is multiplied by the tax rate of 35%.

The additional tax depreciation on Line 20 is timing differences related to depreciation, or the excess of tax depreciation over the book depreciation claimed on Schedule I for all plant reflected in Schedule III. This amount should be adjusted to remove the effects of the permanent differences on Line 14.

All normalized timing differences other than those related to depreciation should be reflected on Line 21. For purposes of this schedule, all non-normalized timing differences should be reported with permanent differences on Line 19.

The current provision for deferred taxes on Line 31 is calculated automatically using the formula: (additional tax depreciation [Line 19] + other timing differences [Line 20]) * 35%.

Reflect the amortization of excess deferred taxes using the amount booked during the monitoring period.

Schedule IVa: Consolidated Tax Savings

For item A, all regulated entities which are a part of the consolidated group should be listed by name. For purposes of this schedule, the term "regulated" applies to companies whose services or products provided to its customers are established by or are subject to approval by an independent, third-party regulator. All non-regulated affiliate companies with net taxable income shall be aggregated for reporting purposes, and all non-regulated affiliate companies with net taxable losses shall be aggregated as well.

Only numerical responses are to be included in the "Net Taxable Income or Loss" and "AMTI" column. Narrative answers such as "GAIN or "LOSS" are not acceptable.

For item B - E, provide the requested information on the bottom portion of the schedule. If additional space is required, please attach additional sheets detailing the appropriate responses.

The amounts reported on Schedule IVa should reflect the effect of intercompany eliminations, but should not reflect the effect of any allocations between affiliates of tax effects of consolidation.

Schedule IVb: Consolidated Tax Savings - Continued

This schedule should only be filled out by those utilities requiring additional space on Schedule IVa.

Schedule V: Weighted Average Cost of Capital

Please provide the capital structure and weighted average cost of capital of the TDSP as of the end of the monitoring period. It is not necessary to estimate the current cost of equity; for purposes of this filing you may use the TDSP's current allowed return on equity in Texas. The costs and balances of preferred stock, long-term debt, short-term debt (if included in the company's WACC), and preferred trust securities should correspond with those provided in response to Schedule Nos. VIa, VIIa, VIII and IXa.

Schedule VI: Weighted Average Cost of Preferred Stock

Please provide the weighted average cost of preferred stock capital based upon the following data for each class and series of preferred stock outstanding according to the balance sheet as of the end of the monitoring period. For each issue, please include:

a. Description.

b. Date of Issuance.

c. Redemption Status (indicate whether or not mandatory redemptions are required).

d. Annual Dividend Rate (in percent).

e. Par Value at Issuance.

f. Premium or (Discount) at Issuance.

g. Underwriting Fees and Issuance Expenses.

h. Gain or (Loss) on Redeemed Stock at Issuance.

i. Original Net Proceeds [column (e) + column (f) - column (g) + column (h)].

j. Net Proceeds as a Percent of Par Value [column (i) / column (e)].

k. Par Value Currently Outstanding.

l. Current Net Proceeds [column (k) x column (j)].

m. Issue as a Percent of Total Net Proceeds. Each issue should be weighted by the current net proceeds to derive the weighted cost of preferred stock.

n. Cost of Money (this will equal the stated dividend rate only if there were no issuance expenses or underwriting costs, discounts or premiums, or gains or losses on redeemed stock):

   Dividend rate divided by net proceeds as a percent of par value [column (d) / column (j)].

   For fixed-rate issues with mandatory redemption, the cost of money may be calculated using the yield-to-maturity method.

o. Weighted Cost of Preferred Stock [column (m) x column (n)]. The Weighted Average Cost of Preferred Stock is calculated by summing the data in column (o) for each issue.

Schedule VIa: Adjusted Cost of Preferred Stock

This schedule adjusts the weighted average cost of preferred stock (from Schedule VI) in order to reflect the amortization of gains or losses on redeemed stock which was not associated with a specific refunding issue of preferred stock. Data input is required on lines 3, 10, and 12 for any company reporting an unamortized balance of gains or losses on redeemed stock (reference line 1 of Schedule VIa). If such gains or losses are not amortized, or if all of the gains or losses on redeemed stock are already accounted for in column (h) of Schedule VI, then the value to be input on line 3 should equal the value appearing on line 1, and the value "zero" should be input on lines 10 and 12. The adjusted cost of preferred stock calculated on line 32 should then be carried forward to Schedule V for purposes of calculating the weighted average cost of capital.

Schedule VII: Weighted Average Cost of Long-Term Debt

Please provide the weighted average cost of long-term debt capital based on the following data for each class and series of long-term debt outstanding according to the balance sheet as of the end of the monitoring period. For capital lease obligations, the cost and balance of debt should be determined in accordance with generally accepted accounting principles. For each debt issue, please include:

a. Description

b. Date of Issuance

c. Maturity Date

d. Interest Rate (Effective interest rate should be used for issues supported by letters of credit.)

e. Principal Amount at Issuance

f. Premium or (Discount) at Issuance

g. Underwriting Fees and Issuance Expenses

h. Gain or (Loss) on Reacquired Debt at Issuance

i. Original Net Proceeds [column (e) + column (f) - column (g) + column (h)]

j. Net Proceeds as a Percent of Par Value [column (i) / column (e)]

k. Principal Currently Outstanding (including current maturities)

l. Current Net Proceeds [column (k) x column (j)]

m. Issue as a Percent of Total Net Proceeds. Each issue should be weighted by current net proceeds to derive the weighted cost of debt.

n. Cost of Debt (this will equal the stated interest rate only if there were no issuance expenses or underwriting costs, discounts or premiums, or gains or losses on reacquired debt):

   For variable rate issues, the cost of debt shall reflect the interest rate divided by net proceeds as a percent of par value [column (d)/column (j)].

   For fixed-rate issues, the cost of debt should reflect the yield-to-maturity based on the interest rate, net proceeds, issuance date and maturity schedule, determined by reference to any generally accepted table of bond yields, or a calculator with appropriate capability.

o. Weighted Cost of Long-Term Debt [column (m) x column (n)]. The Weighted Average Cost of Long-Term Debt is calculated by summing the data in column (o) for each issue.

Schedule VIIa: Adjusted Cost of Long-Term Debt

This schedule adjusts the weighted average cost of long-term debt (from Schedule VII) in order to reflect the amortization of gains or losses on reacquired debt which was not associated with a specific refunding issue of debt. Data input is required on lines 3, 10, and 12 for any company reporting an unamortized balance of gains or losses on reacquired debt (reference line 1 of Schedule VIIa). If such gains or losses are not amortized, or if all of the gains or losses on reacquired debt are already accounted for in column (h) of Schedule VII, then the value to be input on line 3 should equal the value appearing on line 1, and the value "zero" should be input on lines 10 and 12. The adjusted cost of long-term debt calculated on line 32 should then be carried forward to Schedule V for purposes of calculating the weighted average cost of capital.

Schedule VIII: Weighted Average Cost of Short-Term Debt

Please provide the historical balances, as available, of short-term debt and a calculation of the weighted average cost of short-term debt as of the end of the monitoring period. The balance and weighted average cost of short-term debt may be carried forward to Schedule V for purposes of calculating the weighted average cost of capital if the TDSP believes it is appropriate. This schedule should not include current maturities of long-term debt.

Schedule IX: Weighted Average Cost of Preferred Trust Securities; and **Schedule IXa: Adjusted Cost of Preferred Trust Securities**

Complete these schedules in accordance with the previous instructions for Schedule VI, Weighted Average Cost of Preferred Stock, and Schedule VIa, Adjusted Cost of Preferred Stock.

Schedule X: Historical Financial Statistics

Please provide a schedule with the following ratios for the monitoring period and the four preceding fiscal years calculated on a total company basis. The data used to calculate these ratios should be taken from the Company's audited financial statements, if available for the periods requested.

(1) Total Debt as a Percent of Total Capital

Numerator:		Notes Payable
	+	Long-Term Debt (Incl. Current Maturities & Capital Lease Oblig.)
Denominator:		Notes Payable
	+	Long-Term Debt (Incl. Current Maturities & Capital Lease Oblig.)
	+	Preferred Stock
	+	Preferred Trust Securities
	+	Common Equity

(2) Total CWIP as a Percent of Net Plant

Numerator:		Total Construction Work In Progress
Denominator:		Total TDSP Plant
	-	Accumulated Depreciation and Amortization

(3) Construction Expenditures as a Percent of Average Total Capital

Numerator:		Cash Construction Expenditures [See Note 5]
Denominator:		Average of Beginning and Ending Balance of Total Capital (See Definition of Total Capital Provided for Ratio No.1)

(4) Pre-Tax Interest Coverage

Numerator:		Income from Continuing Operations
	+/-	Nonrecurring Items (Before Tax)
	-	Equity AFUDC
	+	Income Taxes
	+	Interest Incurred (See Note 1 below)
Denominator:		Interest Incurred

(5) Funds From Operations / Total Debt

Numerator:		Cash Flow from Operations (Before Working Capital Changes) [See Note 4 below]
	-	AFUDC (both debt and equity portions)
	-	
Denominator:		Notes Payable
	+	Long-Term Debt (Incl. Current Maturities & Capital Lease Oblig.)

(6) Fixed Charge Coverage

Numerator:		Same as (4)
	+	1/3 of Rental Expenses

Denominator:		Interest Incurred
	+	1/3 of Rental Expenses

(7) Fixed Charge Coverage Ratio (Including Distributions on Preferred Trust Securities)

Numerator:		Same as (4)
	+	1/3 of Rental Expenses
	+	Distributions related to Preferred Trust Securities
Denominator:		Interest Incurred
	+	1/3 of Rental Expenses
	+	Distributions related to Preferred Trust Securities

(8) Funds From Operations Interest Coverage

Numerator:		Same as (5)
	+	Cash Interest Paid
Denominator:		Interest Incurred

(9) Net Cash Flow/Capital Outlays

Numerator:		Same as (5)
	-	Preferred Dividends
	-	Common Dividends
Denominator:		Cash Construction Expenditures [See Note 5 below]

(10) Cash Coverage of Common Dividends

Numerator:		Same as (5)
	-	Preferred Dividends
Denominator:		Common Dividends

(11) AFUDC as a Percentage of Net Income for Common Shareholders

Numerator:		Total AFUDC [See Note 2 below]
	+	Deferred Carrying Costs [See Note 3 below]
Denominator:		Net Income after Preferred Dividends

(12) Return on Average Common Equity

Numerator:		Net Income After Preferred Dividends
Denominator:		Average of Beginning and Ending Common Equity

NOTES

(1) "Interest Incurred" includes all Interest Charges, and excludes any recognition of ABFUDC, Deferred Borrowing Costs, Capitalized Interest, and Distributions related to Preferred Trust Securities.

(2) "Total AFUDC" includes both the Allowance For Borrowed Funds Used During Construction (ABFUDC) and the Allowance For Equity Funds Used During Construction (AEFUDC). Actual reported AFUDC should not be adjusted for related tax effects.

(3) "Deferred Carrying Costs" include any borrowing costs or equity return deferred under an accounting order or qualified phase-in plan.

(4) "Cash Flow from Operations" should reflect the amount reported in the Statement of Cash Flows, less ABFUDC and Capitalized Interest (if not already subtracted from Net Income in the Statement of Cash Flows), and should also reflect distributions related to Preferred Trust Securities.

(5) "Cash Construction Expenditures" should not include any AFUDC or Capitalized Interest.

Schedule XI: Revenue, Sales, and Customer Data

Complete the whole schedule even if you make no adjustment to revenue. Revenue and sales adjustments should be made on an as-needed basis to reflect significant changes in sales due to abnormal weather.

If you have no adjustment to revenue to account for weather abnormalities, carry over the unadjusted values in Schedules XI.1a and XI.2a to Schedules XI.1b and XI.2b (so that the adjustment figures in XI.1c and XI.2c result in zeroes). Then, in Schedule XI.5, explain *why* you have not made any weather-adjustment (i.e., why your adjustments are zeroes).

In Schedule XI.3, use a 65° base following the National Oceanic and Atmospheric Administration's definition of Cooling Degree Day (CDD) and Heating Degree Day (HDD). If your CDDs and HDDs are collected from more than one weather station, provide weighted average figures for the whole Texas service area. Then, if the weather measures that you have used for weather-adjustment are different from what you have provided in Schedule XI.3, incorporate those in Schedule XI.5 where you explain your weather adjustment method.

Schedule XII: Adjustments (Optional)

If the TDSP believes that material adjustments to any of the information provided in the report would be appropriate, please provide the details, including an explanation. Adjustments to Schedules I-IV should be presented on a total electric and a jurisdictional basis. Adjustments to Schedules V-X should be provided only on a total company basis. With the exception of Schedule XI relating to weather adjustments, the schedules included in the report should not include the proposed adjustments. Please do not include any adjusted schedules on the diskette submitted to the Commission. Printed schedules reflecting the proposed adjustments may be included as a supplemental attachment to the Earnings Report.

Schedule XIII: Extraordinary and Nonrecurring Items

This schedule details all extraordinary and nonrecurring items included in the numbers reported on other schedules of the earnings monitoring report that equal or exceed one percent (1%) of total expenses as reported on line 21 of Schedule I. For purposes of this schedule, extraordinary and nonrecurring items are those items that are not incurred in the regular course of the TDSP's business, or items that would have an abnormal effect on the revenues and/or expenses of the reporting period. Section A should detail all such items for the reporting period. Section B should detail all such items and/or events that the TDSP is aware of that will have an impact on the twelve months immediately following the reporting period.

Schedule XIV: Status of Nuclear Decommissioning Funds

Utilities or non-utilities owning or having a leasehold interest in a nuclear-fueled generating unit, or serving as a Collecting Utility pursuant to Substantive Rule § 25.303, should provide this schedule for calendar year reporting periods.

1. The currently allowed decommissioning expense in each jurisdiction responsible for funding decommissioning.

2. The collections and late charges from customers for nuclear decommissioning.

3. The amounts of remittances to the trust by the Collecting Utility.

4. The percentage of remitted funds to the trust to the currently allowed decommissioning expense.

Supplemental Schedule I-1: Amortization Expense

Enter the Total Company, the Total Electric, and the Texas Jurisdictional amount for all items being amortized on Schedule I, Line 12.

Please list each item individually.

Include pre-September 1999 long-term debt and preferred stock transaction costs if they are being amortized as a cost-of-service item per the final order in the company's unbundled cost-of-service docket. The reported amount should also include any allowed return granted in the company's unbundled cost-of-service docket and not included as an addition to rate base. Post-September 1999 long-term debt and preferred stock transaction costs should be included in Schedule VIa and VIIa.

Please do not include interest expense on long-term debt on this schedule.

Supplemental Schedule I-2: Other Expenses

Enter the Total Company, the Total Electric, and the Texas Jurisdictional amount for all other expense items not otherwise provided for on Schedule I.

Please list each item individually.

Please do not include interest expense on long-term debt on this schedule.

Supplemental Schedule II-1: Summary of Substantive Rules 25.77 Expenditures

Please provide a summary of the information required under Substantive Rules 25.77 for the monitoring period.

Supplemental Schedule III-1: Other Invested Capital Additions

Enter the Total Company, the Total Electric, and the Texas Jurisdictional amount for all other additions to invested capital not provided for elsewhere on Schedule III.

Please list each item individually.

Supplemental Schedule III-2: Other Invested Capital Deductions

Enter the Total Company, the Total Electric, and the Texas Jurisdictional amount for all other deductions to invested capital not provided for elsewhere on Schedule III.

Please list each item individually.

Supplemental Schedule IV: Comments/Footnotes

This schedule is to be used for providing comments or footnotes pertaining to other schedules in the report. Please provide the first page of this schedule even if there are no comments or footnotes. (Mark n/a if not completing this schedule).

Supplemental Schedule V: Discounted Rate Classes

This schedule provides detail on customers paying rates at discounted levels. Please see the instructions included on the schedule.