APPLICATION FOR FINANCING ORDER TO SECURITIZE REGULATORY ASSETS BY ELECTRIC UTILITIES

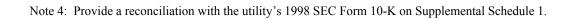
DOCKET NUMBER:		
NAME OF APPLICANT:		
ADDRESS OF APPLICANT:		
Representative to contact about this application:		
NAME		
ADDRESS		
TELEPHONE		_
FAX		

This application form shall be used by electric utilities seeking a financing order to securitize regulatory assets pursuant to Public Utility Regulatory Act (PURA) Subchapter G. The utility may submit additional information it deems necessary to meet the requirements in PURA Sec. 39.301 and 39.303.

ASSET-SPECIFIC INFORMATION

Provide the following information for each	regulatory asset for which the utility seeks securitization.
Name of asset (note 1):	
Number of asset (Per COS Schedules A through F):	
Description of asset:	
Date asset originated:	
Original asset balance recorded on utility's books:	
Original balance of associated ADFIT: (Accumulated deferred federal income taxes)	
Original balance of associated ITCs (investment tax credits):	
Docket number in which Commission allowed recovery (note 2):	
Description of regulatory treatment allowed (or being requested) including amortization period, methodology and whether a return was allowed: (note 3)	
Annual amortization of asset on financial books:	
Annual amortization of asset on regulatory books:	
Unamortized balance of asset on 12/31/98 (Note 4):	
Unamortized balance of ADFIT as of 12/31/98:	
Unamortized balance of ITC as of 12/31/98:	
Any other asset-specific information that th	e applicant deems pertinent:

- Note 1: If the asset name is not listed on the utility's 1998 SEC Form 10-K, explain why.
- Note 2: If asset has not previously been reviewed for recovery, state "not previously reviewed" and complete Supplemental Schedule 2.
- Note 3: Example: Straight line amortization over 12 years with no return.



Statement of Financial Accounting Standards (SFAS) 109 Questions

Responses to the following questions should be submitted as part of the application as an attachment **ONLY IF** the Company is requesting a return on its SFAS 109 regulatory asset(s). The responses should be provided under oath by an authorized representative of the company.

- 1.Does the Company agree that the positive amounts in rate base *generally* represent the investor-supplied plant facilities and other investments required in supplying utility service to consumers? If not, please explain the logic/rationale.
- 2.a) In the Company's opinion, do Statement of Financial Accounting Standards (SFAS) 109 assets represent "investor-supplied" funds/assets?
- b) If no, please explain why SFAS 109 assets are entitled to earn a return.
- c) If yes, please explain when and how the shareholder provided these funds.
- 3.If the Company's request for return on SFAS 109 assets is based on prior Commission rulings, please provide all documents that specifically chart the request, litigation and resolution of this issue (i.e. copies of Company or other testimony, ALJ Reports and Commission Orders).
- 4.Is the SFAS 109 asset related to a future obligation to pay the IRS? If no, please explain.
- 5.Do SFAS 109 assets represent historical costs incurred by the Company that required some form of cash outlay as did plant in service, accounting order deferrals, etc? If yes, please fully explain the answer.
- 6.a) Does the Company agree that *generally* return on equity compensates investors for the deferred recovery of costs for which they had a historical cash outlay? If not, please fully explain your answer.
- b) Please discuss *all* instances, to the Company's knowledge, where an asset was included in rate base, but had no historical cost to the investors. In the answer, do not assume that some assets are funded solely by debt-financing.
- 7. What percentage of the Company's SFAS 109 asset relates to Allowance for Equity Funds Used During Construction (AEFUDC) historically included in plant in service? Please provide the calculation.
- 8. What percentage of the Company's SFAS 109 deferred tax liability relates to AEFUDC historically included in plant in service? Please provide the calculation.
- 9.Are the SFAS 109 net asset/liability and the SFAS 109 accumulated deferred tax liability equal amounts? If yes, please provide the net asset/liability amount. If no, please provide the net asset/liability amount as well as the accumulated deferred tax liability amount and explain why the amounts are not equal.

- 10.Is the AEFUDC portion of plant in service part of the "deferred debit" per PURA Section 39.251 (7) that will remain regulated? If no, please explain.
- 11.If the AEFUDC portion of plant in service will be collected on the regulated side (via stranded costs) and the AEFUDC portion of the SFAS 109 net asset/liability will also be collected on the regulated side (via securitization), what will happen to the SFAS 109 accumulated deferred tax liability related to AEFUDC? Please explain the logic and equity of this answer.
- 12.Before the implementation of SFAS 109, did the future obligation to pay the IRS taxes related to permanent differences exist? If no, why not?
- 13.a) Before SFAS 109 was implemented, did the Company earn a return on the tax effects of the permanent differences that are currently reflected in the SFAS 109 asset? b) If yes, please explain how.
- c) If no, please explain how the implementation of Generally Accepted Accounting Principles (GAAP), specifically SFAS 109, can create a shareholder right to earn return on an asset.
- 14.Does the Company believe that GAAP (i.e. SFAS 109) as promulgated by the Financial Accounting Standards Board created economic value? If yes, please provide all literature and logic to support this position.

AFFIDAVIT

The State of	§
County of	§
	§
	SWORN STATEMENT OF
My name is	
. I am an authorized repr	sentative of
Securitize Regulatory As or affirm that all of the se	am sponsoring in this application for a Financing Order to ets, and that I am competent to testify to them. I further sweatements and representations made in those parts of this gorder to Securitize Regulatory Assets that I am sponsoring
ORN TO AND SUBSCE	BED before me on the day of,
	Notary Public in and for the State of Texas