

designated areas for three defined customer classes: residential customers, small non-residential customers—those with a peak demand of one megawatt or less, and large non-residential customers—those with a peak demand above one megawatt. The RFP identified twelve designated service areas, each named for the affiliated transmission and distribution utility (TDU) currently serving the area. The twelve service areas are: CPL-Gulf Coast, CPL-Valley, Entergy, Reliant-North, Reliant-South, SPS, SWEPCO, TNMP, TXU-West, TXU-West DFW, TXU-East DFW, and WTU.

Based on the Staff Report and Recommendation regarding the outcome of the bidding process filed in this project and other information submitted to the Commission in this matter, the Commission finds that the bid process was successful for the residential customer class in the CPL-Gulf Coast, CPL-Valley, Reliant-North, Reliant-South, TNMP, and WTU service areas because staff has been able to negotiate a reasonable rate and reasonable terms of service in those areas with TXU Energy Services.

The Commission further finds that the bid process failed for POLR service to the residential customer class in the Entergy, SPS, SWEPCO, TXU-West, TXU-West DFW, and TXU-East DFW service areas because reasonable bids were not received from qualified bidders. Furthermore, the Commission finds that the bid process failed in all service areas for small non-residential and large non-residential customers because reasonable bids were not received from qualified bidders.

The Commission finds that it is not practical to issue a modified RFP for POLR service for residential customers in areas of service not covered by the TXU Energy Services agreement or for small and large non-residential customers in all service areas given the statutory requirement that the POLR be designated by June 1, 2001. Accordingly, the Commission finds that it is reasonable to appoint the certified retail electric providers not affiliated with the respective areas' TDU to provide POLR service for all customer classes in all service areas as shown in Exhibit A to this order.

II. Ordering Paragraphs

For the reasons discussed in this Order:

1. The Commission selects TXU Energy Services to provide POLR service to residential customers in the CPL-Gulf Coast, CPL-Valley, Reliant-North, Reliant-South, TNMP, and WTU service areas.
2. The Commission orders staff to continue its negotiations with TXU Energy Services to finalize contract details for POLR service to residential customers in the areas in which TXU Energy Service submitted a bid.
3. The Commission delegates authority to the Executive Director to execute a contract with TXU Energy Services for POLR service to residential customers as negotiated by staff.
4. The Commission directs that, until a contract covering all customer classes in every service areas is signed, the results of the successful bid and negotiation process with TXU Energy Services be maintained as confidential to allow staff to maintain its competitive position for future negotiations.
5. The Commission appoints the certified retail electric providers not affiliated with the respective areas' TDU, and not selected through the bidding process, to provide POLR service for all customer classes in all service areas as shown in Exhibit A to this order.
6. The Commission delegates authority to staff to negotiate a POLR rate and terms of service with each appointee in the classes and service areas indicated in Exhibit A, for a term of one year of POLR service, except as otherwise negotiated with TXU Energy Services as a result of the bid process.

7. If by May 15, 2001, staff has reached agreements with the POLR appointees that staff determines it can recommend to the Commission as reasonable, staff shall return with a recommendation to the Commission based on the negotiated terms.

8. If by May 15, 2001, staff is unable to reach agreements with the POLR designees that staff can recommend to the Commission as reasonable, staff shall return to the Commission with a recommendation for appointment of a POLR service provider in each customer class in each service area in which terms have not been reached.

SIGNED AT AUSTIN, TEXAS the 9th day of May 2001.

PUBLIC UTILITY COMMISSION OF TEXAS

PAT WOOD, III, CHAIRMAN

BRETT A. PERLMAN, COMMISSIONER

EXHIBIT A**Provider of Last Resort Designations**

Area	Residential	Small Non-Residential	Large Non-Residential
TXU West:	Reliant	Reliant	TXU Services
TXU West DFW:	First Choice (TNMP)	First Choice	TXU Services
TXU East DFW:	AEP	AEP	TXU Services
Reliant North	TXU Services	TXU Services	Reliant
Reliant South	TXU Services	TXU Services	Reliant
CPL Gulf Coast	TXU Services	TXU Services	AEP
CPL Valley	TXU Services	TXU Services	AEP
TNMP	TXU Services	TXU Services	First Choice
WTU	TXU Services	TXU Services	AEP
Entergy	AEP	AEP	Entergy
SWEPSCO	Entergy	Entergy	AEP