RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION

OIL AND GAS DOCKET NO. 09-0322222

APPLICATION OF TEP BARNETT USA, LLC PURSUANT TO THE MINERAL INTEREST POOLING ACT FOR THE FORMATION OF A POOLED UNIT FOR THE AC360 MIPA WELL NO. 1H, NEWARK, EAST (BARNETT SHALE) FIELD, TARRANT COUNTY, TEXAS

OIL AND GAS DOCKET NO. 09-0322237

APPLICATION OF TEP BARNETT USA, LLC PURSUANT TO THE MINERAL INTEREST POOLING ACT FOR THE FORMATION OF A POOLED UNIT FOR THE AC360 MIPA WELL NO. 3H, NEWARK, EAST (BARNETT SHALE) FIELD, TARRANT COUNTY, TEXAS

OIL AND GAS DOCKET NO. 09-0322238

APPLICATION OF TEP BARNETT USA, LLC PURSUANT TO THE MINERAL INTEREST POOLING ACT FOR THE FORMATION OF A POOLED UNIT FOR THE AC360-ARKANSAS MIPA WELL NO. 2H, NEWARK, EAST (BARNETT SHALE) FIELD, TARRANT AND DALLAS COUNTIES, TEXAS

EXAMINERS' REPORT AND RECOMMENDATION

HEARD BY: Kristi M. Reeve, Administrative Law Judge
John L. Moore, Technical Examiner

PROCEDURAL HISTORY:

Applications Filed -	August 2, 2019
Notice of Hearing -	September 23, 2019
Hearing Date -	October 29, 2019
Transcript Received -	November 22, 2019
Record Closed -	January 24, 2020
Conference -	February 11, 2020

APPEARANCES:
For Applicant TEP Barnett USA, LLC
John Hicks, *Scott Douglass McConnico* - Counsel for Applicant
Ross Sutherland, *Scott Douglass McConnico* - Counsel for Applicant
Rick Johnston, P.E. – Consulting Petroleum Engineer
Brett Austin – Vice President
Jeff Scoggins – Land Manager
Jeremiah Johnson – Landman

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I. Statement of the Case

The three docketed cases are presented together in this Examiners' Report and Recommendation ("Report") because they have common facts, parties and legal issues.

Applicant TEP Barnett USA, LLC ("Applicant" or "TEP") filed three applications ("Applications") under the Mineral Interest Pooling Act ("MIPA").[1] The Applications ask the Railroad Commission of Texas ("Commission") to form three MIPA units in the Newark, East (Barnett Shale) Field in Tarrant and Dallas Counties, Texas. These units are proposed as the AC360 1H MIPA Unit (approximately 128 acres), the AC360 3H MIPA Unit (approximately 110 acres), and the AC360-Arkansas 2H MIPA Unit (approximately 139 acres). If the Applications are approved, TEP intend to drill and complete at least one well in each MIPA unit. The Applications were heard together. TEP asserts that a compulsory pooling order under MIPA is necessary to prevent waste and protect correlative rights. The Applications are unprotested.

The Administrative Law Judge and Technical Examiner ("Examiners"), respectfully submit this Report and recommend that the Commission grant the Applications.

II. Jurisdiction and Notice

Sections 81.051 and 81.052 of the Texas Natural Resources Code provide the Commission with jurisdiction over all persons owning or engaged in drilling or operating oil or gas wells in Texas and the authority to adopt all necessary rules for governing and regulating persons and their operations under the jurisdiction of the Commission. The MIPA grants the Commission authority to pool mineral interests into a unit under certain conditions.[2]

On September 23, 2019, the Hearings Division of the Commission sent a Notice of Hearing for each of the Applications via first-class mail to all interested parties.[3] TEP published each Notice of Hearing four times in the Commercial Recorder, a newspaper of general circulation in Tarrant County, on September 23, 30 and October 7, 15, 2019.[4] There were no unknown owners—or owners whose whereabouts were unknown—of the affected tracts within Dallas County,[5] so publication in Dallas County was not needed.[6] The mailed and published notices included the specific requests in TEP's applications regarding the proposed size of the units, method of allocation, charge for risk, and designation of operator.[7] The notice contained: (1) a statement of the time, place and nature of the hearing; (2) a statement of the legal authority and jurisdiction under which the hearing is to be held; (3) a reference to the particular sections of the statutes and

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[1] Tex. Nat. Res. Code §§ 102.001-102.112.
[2] *See* Tex. Nat. Res. Code § 102.011.
[3] Applicant's Ex. 3.
[4] Applicant's Ex. 4.
[5] Tr. 49:20-24.
[6] Tex. Nat. Res. Code § 102.016.
[7] Applicant's Ex. 3 and Ex. 4.

rules involved; and (4) a short and plain statement of the matters asserted.[8] The hearing was held on October 29, 2019, as noticed. Consequently, all parties received more than 30 days' notice.[9] Applicant appeared at the hearing on October 29, 2019 and presented evidence and argument. No one appeared in protest.

III. Applicable Legal Authority

Pertinent sections of the MIPA at issue in this case are as follows:

> Sec. 102.003 APPLICATIONS TO CERTAIN RESERVOIRS. The provisions of this chapter do not apply to any reservoir discovered and produced before March 8, 1961.
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> Sec. 102.011. AUTHORITY OF COMMISSION. When two or more separately owned tracts of land are embraced in a common reservoir of oil or gas for which the commission has established the size and shape of proration units, whether by temporary or permanent field rules, and where there are separately owned interests in oil and gas within an existing or proposed proration unit in the common reservoir and the owners have not agreed to pool their interests, and where at least one of the owners of the right to drill has drilled or has proposed to drill a well on the existing or proposed proration unit to the common reservoir, the commission, on the application of an owner specified in Section 102.012 of this code and for the purpose of avoiding the drilling of unnecessary wells, protecting correlative rights, or preventing waste, shall establish a unit and pool all of the interests in the unit within an area containing the approximate acreage of the proration unit, which unit shall in no event exceed 160 acres for an oil well or 640 acres for a gas well plus 10 percent tolerance.
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> Sec. 102.012. OWNERS AUTHORIZED TO APPLY FOR POOLING. The following interested owners may apply to the commission for the pooling of mineral interests:
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> (1) the owner of any interest in oil and gas in an existing proration unit or with respect to a proposed unit;
> (2) the owner of any working interest; or
> (3) any owner of an unleased tract other than a royalty owner.
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> Sec. 102.013. REQUIRED VOLUNTARY POOLING OFFER. The applicant shall set forth in detail the nature of voluntary pooling offers made to the owners of the other interests in the proposed unit.

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[8] Applicant's Ex. 3 and Ex. 4. *See* Tex. Gov. Code §§ 2001.051, 2001.052; 16 Tex. Admin. Code §§ 1.41, 1.42, 1.45.
[9] Tex. Nat. Res. Code§ 102.016.

(a) The commission shall dismiss the application if it finds that a fair and reasonable offer to pool voluntarily has not been made by the applicant.

(b) An offer by an owner of a royalty or any other interest in oil or gas within an existing proration unit to share on the same yardstick basis as the other owners within the existing proration unit are then sharing shall be considered a fair and reasonable offer.[10]

According to the MIPA, for an applicant to prevail, the following must be established:

1. There are two or more separately owned tracts of land;
2. They are embraced in a common reservoir of oil or gas;
3. The commission has established the size and shape of proration units for the reservoir;
4. There are separately owned interests in oil and gas within an existing or proposed proration unit in the common reservoir;
5. The reservoir was not discovered and produced before March 8, 1961;
6. The owners have not agreed to pool their interests;
7. At least one of the owners of the right to drill has drilled or has proposed to drill a well on the existing or proposed proration unit to the common reservoir;
8. An application for the Commission to pool has been made by one of the following:
   (1) the owner of any interest in oil and gas in an existing proration unit or with respect to a proposed unit;
   (2) the owner of any working interest; or
   (3) any owner of an unleased tract other than a royalty owner;
9. Applicant made a fair and reasonable offer to pool voluntarily; and
10. A pooled unit will avoid the drilling of unnecessary wells, protect correlative rights, or prevent waste.

If these criteria are met, the Commission must establish a unit and pool all of the interests in the unit within an area containing the approximate acreage of the proration unit.

IV. Discussion of Evidence

A. The Applications

In each Application, TEP asks the Commission to form a pooled unit pursuant to MIPA. These MIPA units are proposed as the AC360 1H MIPA Unit (approximately 128 acres), the AC360 3H MIPA Unit (approximately 110 acres), and the AC360-Arkansas 2H MIPA Unit (approximately 139 acres).[11]

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[10] Tex. Nat. Res. Code §§ 102.003, 102.011, 102.012, 102.013.
[11] Applicant's Exs. 2A-2C.

Other than the size of each proposed unit, the Applications are substantively identical. For each, TEP proposes to drill one or more horizontal wells in the Newark, East (Barnett Shale) Field and to allocate production on a surface-acreage basis between the unleased tracts and the voluntary unit or units with acreage within each MIPA unit. TEP presented evidence that all of the acreage within the proposed MIPA units lies within the productive limits of the Field,[12] and that allocation of production on a surface-acreage basis would allocate to each tract its fair share of production.[13] TEP also asks Commission to provide a charge for risk of 100% and to designate TEP as the operator of the MIPA unit.[14]

B. The Voluntary Pooling Offer

On or about September 23, 2019, TEP sent a voluntary pooling offer to all mineral owners of unleased tracts within the boundaries of the proposed units. TEP offered these unleased mineral owners four options for inclusion of their interests in the respective proposed units: two lease options, a working-interest participation option, and a farm-out option. The first lease option included a 20% royalty with a lease bonus of $1,000 per net mineral acre, and a primary term of three years. The oil, gas and mineral lease attached to the offer letter provided that TEP was authorized to pool the tract owners' mineral interest into a pooled unit. The second lease option was based on the same lease form, but with an 18.75% royalty and a lease bonus of $1,500 per net mineral acre. The participation option provided each unleased owner an opportunity to participate as a working interest owner in the respective proposed unit. By electing this option, the owner would be responsible for a proportionate share of the costs of drilling and completing the well or wells in the unit and would share proportionately in the production from the well. Each offer letter had as an attachment an AFE (Authorization for Expenditure) indicating the estimated cost to complete and drill the relevant well and confirmed that the operating agreement would not contain any of the provisions prohibited by Section 102.015 of MIPA. The farm-out option proposed to each unleased owner that he or she convey to TEP an 80% net revenue interest attributable to his or her mineral interest and retain an overriding royalty interest equal to 20% of 8/8ths, proportionately reduced to the extent that each owner's mineral interest bears to all of the mineral interests in the unit, until payout of all well costs. At payout, the electing owner would have the option to convert the retained override to a 25% working interest, proportionately reduced.[15]

TEP's expert landman, Jeremiah Johnson, testified that lease bonuses have varied in the Barnett Shale area based on gas prices. Mr. Johnson also testified that the lease offers TEP made in the voluntary pooling offers in this case matched the terms that TEP was then offering to all prospective lessors in the area, and also that these terms were superior to other operator's lease offers that he was familiar with.[16]

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[12] Tr. 73:18-22; 74:2-5.
[13] Tr. 68:12-19.
[14] Applicant's Exs. 2A-2C.
[15] Applicant's Exs. 11A-11C.
[16] Tr. 35:7-36:1.

C. Field, Discovery Date, and State of Texas Ownership

The MIPA does not apply in fields discovered and produced before March 8, 1961, and it does not apply to land in which the State of Texas has an interest unless the State has given consent.[17] These exceptions to MIPA do not apply in this case—the proposed MIPA units include multiple tracts of land that embrace the common reservoir designated by the Commission as the Newark, East (Barnett Shale) Field (the "Field"). The discovery date for the Field was October 15, 1981, and special field rules establishing proration units have been established for the Field.[18] There are no lands in which the State of Texas has an interest that is affected by the Applications.[19]

D. Need for MIPA

TEP has obtained leases on a significant majority of the acreage within the proposed MIPA units. At the time the applications were filed, TEP had leases on 96% of the acreage within the proposed AC360 1H MIPA Unit, 76% of the acreage within the proposed AC360 3H MIPA Unit, and 88% of the acreage within the proposed AC360-Arkansas 2H MIPA Unit.[20]

TEP's plats showed that, in spite of the high percentage of acreage under lease, there was no path for its planned wellbores that would not encounter some unleased, unpooled interest.[21] TEP contends that, absent MIPA approval of the proposed wells, the wells could not be drilled and the underlying remaining recoverable reserves would be wasted, while approval of the MIPA applications would protect correlative rights and prevent waste.[22]

TEP's expert witness in petroleum engineering, Rick Johnston, prepared a model to predict incremental recovery per additional foot of perforated drainhole from Barnett Shale wells in the area of the MIPA units.[23] For every well within a five-mile radius with sufficient data (203 wells), Mr. Johnston plotted the production over time to determine the well's estimated ultimate oil recovery ('EUR') by decline-curve analysis.[24] Mr. Johnston calculated the estimated perforated drainhole length of each well in the study area, based on the completion reports filed at the Commission for each well,[25] and then plotted each well on a scatter plot with EUR on the y-axis and the estimated drainhole length on the x-axis.[26] A computer-generated least-squares regression of the plotted data points resulted in a line through the points with a positive slope of 0.7342.[27] The inference of this resulting equation is that, on average, a well within the five-mile radius will recover incrementally

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[17] Tex. Nat. Res. Code §§ 102.003, 102.004.
[18] Applicant's Exs. 15, 16.
[19] Tr. 18:5-11.
[20] Applicant's Exs. 2A=2C.
[21] Applicant's Exs. 9A-9C.
[22] Tr. 73:3-12.
[23] Tr. 54:19-61:15; Applicant's Exs. 17-20.
[24] Tr. 59:19-60:7; Applicant's Ex. 20.
[25] Tr. 56:14-17.
[26] Tr. 59:19-22; Applicant's Ex. 20.
[27] Tr. 60:4-11; Applicant's Ex. 20.

734 mcf of gas for each additional foot of drainhole length.[28] Based on his model, Mr. Johnston estimates the reserves for each of TEP's planned wells, which cannot be drilled without MIPA approval, to be in the range of 4.58 Bcf to 5.8 Bcf of gas.[29]

E. Charge for Risk

TEP's Applications requested that the Commission's MIPA pooling order include a 100% charge for risk attached to the working-interest component, as authorized under Section 102.052 of MIPA.[30] The mailed and published Notices of Hearing gave notice that TEP was seeking a 100% charge for risk.[31]

TEP presented the non-consent provisions from existing operating agreements covering the lands at issue and nearby lands and established that the risk factor in those private operating agreements is 400% of the non-consenting party's share of drilling and completion costs.[32] The EURs of nearby wells in the Field exhibit significant variance from the average, showing risk associated with the actual performance of any individual well.[33] Mr. Johnston testified that the majority of the Barnett Shale wells within a 5-mile radius of the proposed MIPA units would not pay out under current conditions, showing significant economic risk.[34] Mr. Johnston, who is also an expert in petroleum evaluation engineering, testified that the reserve adjustment factors reported by the Society of Petroleum Evaluation Engineers are used to apply uncertainty and risk to different categories of reserves.[35] Mr. Johnston testified that the reserves underlying the proposed MIPA units are considered proved undeveloped unconventional reserves, to which industry typically applies a reserve adjustment factor of 50%, which also aligns with a 100% charge for risk under MIPA.[36]

The Commission's most recent MIPA orders, both in the Barnett Shale and in West Texas, have provided for a 100% charge for risk, based on similar leasing, drilling, and economic challenges faced by TEP in this case.[37]

F. The Applications are Unprotested

No one has protested the Applications or the proposed charge for risk.

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[28] Tr. 60:11-15.
[29] Tr. 64:8-13; Applicant's Ex. 22.
[30] Applicant's Exs. 2A-2C.
[31] Applicant's Exs. 3, 4.
[32] Tr. 39:15-43:8; Applicant's Exs. 12, 13.
[33] Tr. 62:4-13; Applicant's Ex. 20.
[34] Tr. 64:19-65:23; Applicant's Ex. 23.
[35] Tr. 68:22-69:2; Applicant's Ex. 24.
[36] Tr. 68:19-70:6. 22.
[37] *See* TEP Barnett USA LLC's MIPA applications approved March 26, 2019 (Oil & Gas Docket Nos. 09-0315627 and 09-0315626), and Sinclair Oil & Gas Company MIPA applications, approved October 30, 2018 (Oil & Gas Docket Nos. 08-0319997, 08-0310001, 08-0310003, 08-0310004, 08-0310005). *See also*, TEP Barnett USA LLC's MIPA applications approved August 21, 2018 (Oil & Gas Docket Nos. 09-0310406, 09-0310407, 09-0310408, 09-0310409, 09-0310410, 09-0310411, 09-0310413, 09-0310414); and Colgate Operating LLC MIPA applications approved August 1, 2017 (Oil & Gas Docket Nos. 08-0304960, 08-0304985, 08-0305025, 08-0305026)).

V. Examiners' Analysis

The Examiners recommend the Commission find that TEP has met the requirements in the MIPA for forced pooling and grant the Applications with a 100% charge for risk.

A. Applicant meets the general criteria for pooling set out in the MIPA.

The MIPA requires there be two or more separately owned tracts of land embraced in a common reservoir of oil or gas for which the Commission has established the size and shape of proration units for the reservoir. Applicant provided evidence of multiple different interest owners of tracts of land to be drilled in the Newark, East (Barnett Shale) Field. The Commission has established the proration units for the field.

The MIPA requires that at least one of the owners of the right to drill has drilled or has proposed to drill a well on the existing or proposed proration unit to the common reservoir. In this case, Applicant has the right to drill and proposes to drill a well in each of the proposed MIPA units.

The MIPA requires that the owners have not agreed to pool their interests. While Applicant has made offers to pool, it has not been able to secure 100% agreement to pool.

The MIPA requires that an application for the Commission to pool has been made by one of the following:

(1) the owner of any interest in oil and gas in an existing proration unit or with respect to a proposed unit;
(2) the owner of any working interest; or
(3) any owner of an unleased tract other than a royalty owner.

Applicant is an owner of mineral interests in each of the proposed MIPA units.

The field was discovered on October 15, 1981. The reservoir at issue meets the requirement in the MIPA to be discovered after March 8. 1961.

B. Applicant meets the requirement of making a fair and reasonable offer to pool voluntarily.

The Examiners find that TEP's voluntary pooling offers were fair and reasonable. Its offers followed the framework-providing lease, participation, and farm-out options that the Commission has determined to be fair and reasonable in recently approved MIPA applications.

C. The proposed units are necessary to protect correlative rights and prevent waste.

Under MIPA, the Commission may order compulsory pooling when it is necessary to avoid the drilling of unnecessary wells, protect correlative rights, or prevent waste. The evidence in this proceeding demonstrates that compulsory pooling is necessary to prevent waste and to protect correlative rights. Unless compulsory pooling is ordered, TEP cannot drill the wells it has planned for these units due to the impracticality of drilling around the unleased tracts. Therefore, in the absence of compulsory pooling, these wells would not be drilled resulting the waste of the hydrocarbons underlying the MIPA units.

D. The Examiners recommend a 100% charge for risk.

TEP's unprotested Applications requested a 100% charge for risk be applied only to the working-interest portion of an owner who elects not to pay his proportionate share of the drilling and completion costs in advance. The Examiners concur in light of the economic and mechanical uncertainty and the risk that a well in this area of the Field will not reach payout, as well as the urban leasing and drilling challenges faced by TEP that a 100% charge for risk is reasonable.

For these reasons, the Examiners recommend that the Commission grant the Applications. Appendix 1 attached to each of the proposed Final Orders accompanying this Examiners' Report and Recommendation is the plat for the respective MIPA Unit, and it shows the proposed MIPA well and the unleased tracts and partially-leased tracts within the proposed MIPA Unit.[38] Appendix 2 attached to each of the proposed Final Orders accompanying this Report is the legal description of the respective MIPA Unit. [39]

VI. Recommendation, Proposed Findings of Fact and Proposed Conclusions of Law

Based on the record in this case, the Examiners recommend the Commission grant the Applications and adopt the following findings of fact and conclusions of law.

Findings of Fact

1. Applicant TEP Barnett USA, LLC ("TEP") has filed three applications ("Applications") under the Mineral Interest Pooling Act ("MIPA") asking the Railroad Commission ("Commission") to establish the AC360 1H MIPA Unit, the AC360 3H MIPA Unit, and the AC360-Arkansas 2H MIPA Unit, and to pool all of the interests in each unit for the purpose of drilling horizontal gas wells in the Newark, East (Barnett Shale) Field, Tarrant and Dallas Counties, Texas.

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[38] Applicant's Exs. 9A-9C.
[39] Applicant's Exs. 10A-10C.

2. On September 23, 2019, the Hearings Division of the Commission sent a Notice of Hearing for the Applications via first-class mail to all interested parties, setting a hearing date of October 29, 2019. The notice contained (1) a statement of the time, place and nature of the hearing; (2) a statement of the legal authority and jurisdiction under which the hearing is to be held; (3) a reference to the particular sections of the statutes and rules involved; and (4) a short and plain statement of the matters asserted. The hearing was held on October 29, 2019, as noticed. Accordingly, all parties received more than 30 days' notice.

3. TEP published the Notice of Hearing for the Applications four times in the Commercial Records, a newspaper of general circulation in Tarrant County, on September 23, 30 and October 7, 15, 2019. The mailed and published notices included the specific requests in TEP's Applications regarding the proposed size of the units, method of allocation, charge for risk, and designation of operator.

4. The hearing was held on October 29, 2019, as noticed.

5. TEP appeared at the hearing and presented evidence and argument.

6. No one appeared at the hearing in opposition to TEP's Applications.

7. For the proposed MIPA units, there are two or more separately owned tracts of land embraced within a common reservoir of oil or gas.

8. The tracts within each proposed MIPA unit are within a common reservoir—the Newark, East (Barnett Shale) Field—which was discovered on October 15, 1981, and for which the Commission has established the size and shape of proration units.

9. The proposed units reasonably appear to lie within the productive limits of the reservoir.

10. On or about September 23, 2019, TEP sent a voluntary pooling offer to all mineral owners of unleased tracts within the boundaries of the proposed MIPA units. The unleased mineral owners were offered four options for inclusion of their interests in the proposed units: two lease options, a working-interest participation option, and a farm-out option. The basic terms outlined in the voluntary pooling offer made by TEP have been found to be fair and reasonable in other cases.

11. TEP's pooling agreement and offer to pool does not contain any of the following provisions:

    a. Preferential right of the operator to purchase mineral interests in the unit;
    b. A call on or option to purchase production from the unit;
    c. Operating charges that include any part of district or central office expense other than reasonable overhead charges; or
    d. A prohibition against nonoperators questioning the operation of the unit.

12. Not all owners agreed to pool their interests.

13. TEP's voluntary pooling offer was fair and reasonable.

14. TEP has the right to drill and has proposed to drill on the proposed MIPA units.

15. TEP is the owner of an interest in oil and gas in the proposed MIPA units.

16. The reservoirs within the proposed MIPA units were not discovered and produced prior to March 8, 1961.

17. Without compulsory pooling, TEP will not be able to drill its proposed wells to continue the development of the Newark, East (Barnett Shale) Field, TEP and its lessees will not have a reasonable opportunity to recover their fair share of hydrocarbons from the reservoir, and the underlying hydrocarbons will be left unrecovered, resulting in waste.

18. TEP presented evidence supporting a charge for risk of 100 percent of the drilling and completion costs of the proposed wells.

19. At the hearing, the applicant agreed on the record that a non-adverse Final Order in this case is to be final and effective when the Master Order is signed.

Conclusions of Law

1. Notice was provided to all parties entitled to notice. *See* Tex. Nat. Res. Code § 102.016.

2. The Commission has jurisdiction in this case. *See* Tex. Nat. Res. Code § 102.011.

3. TEP made fair and reasonable offers to pool voluntarily, as required by Texas Natural Resources Code§ 102.013, as to each of the proposed MIPA Units.

4. Compulsory pooling of the owners of the unleased tracts within each of the proposed MIPA units as owners of a 20% royalty and 80% working interest, proportionately reduced; with these owners' share of expenses subject to a charge for risk of 100%, all such charges for risk payable only from the owners' working-interest component; and subject to a no-surface-use restriction, is fair and reasonable within the meaning of Texas Natural Resources Code § 102.017.

5. Compulsory pooling of the mineral interests in all tracts within the boundaries of the proposed MIPA Units will serve the purpose of protecting correlative rights and preventing waste.

6. The terms and conditions of the Commission's Final Orders in these proceedings are fair and reasonable and will afford the owner of each tract or interest in each respective unit the opportunity to produce or receive his or her fair share of the hydrocarbons in question.

7. Pursuant to § 2001.144(a)(4)(A) of the Texas Government Code and the agreement of TEP, this Final Order can be final and effective when a Master Order relating to this Final Order is signed.

Recommendation

The Examiners recommend that TEP's Applications be approved with the conditions set forth in the Final Orders.

Respectfully,

Kristi M. Reeve
Administrative Law Judge

John L. Moore
Technical Examiner