



Control Number: 50715



Item Number: 13

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May 15, 2020

Legal Services



Ms. Ana Trevino
Filing Clerk
Public Utility Commission of Texas
1701 N. Congress Avenue
Austin, Texas 78701


Re: Docket No. 50715, *Application of Entergy Texas, Inc. for a Non-Standard True-Up Under the Financing Order in Docket No. 33586* – **Unopposed Proposed Order**

Dear Ms. Trevino:

Pursuant to Order No. 3, the parties are required to file a Proposed Order by May 15, 2020, if no hearing was requested by May 8, 2020. No party to this proceeding has requested a hearing. Accordingly, ETI filed the attached Proposed Order, which has been coordinated with the parties to this proceeding.

Thank you for your attention to this matter.

Sincerely,


Miguel Suazo
Senior Counsel

Attachments

cc: Parties of Record

DOCKET NO. 50715

APPLICATION OF ENTERGY TEXAS, INC. FOR A NON-STANDARD TRUE- UP UNDER THE FINANCING ORDER IN DOCKET NO. 33586	§ § § §	PUBLIC UTILITY COMMISSION OF TEXAS
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PROPOSED ORDER

This Order addresses Entergy Texas, Inc.'s (ETI) application for a non-standard true-up filed in accordance with the Financing Order in Docket No. 33586.¹ The Commission approves ETI's revised Schedule HRC—Attachment A, Initial or Adjusted Hurricane Reconstruction Rates.

I. Findings of Fact

The Commission makes the following findings of fact.

Applicant

1. ETI is a domestic limited liability corporation and registered with the Texas secretary of state under file number 800911623.
2. ETI is an investor owned utility that provides electric generation, transmission, and distribution services in Texas under certificate of convenience and necessity number 30076.

Application

3. On April 2, 2007, the Commission approved a Financing Order in Docket No. 33586, which authorized ETI to issue Transition Bonds in an amount not to exceed \$321,359,480 and to recover costs associated with such bonds.
4. ETI issued Transition Bonds in accordance with the Financing Order on June 29, 2007, and began billing Hurricane Reconstruction Costs (HRC) charges on June 29, 2007.
5. The non-standard true-up procedure addressed in Findings of Fact Nos. 86-88 of the Financing Order in Docket No. 33586 requires an adjustment to Schedule HRC if the forecasted billing units for any one of the classes for an upcoming period decrease by more

¹ *Application of Entergy Gulf States, Inc. for a Financing Order*, Docket No. 33586, Financing Order (Apr. 2, 2007, as corrected on Apr. 23, 2007).

than 10% compared to the threshold billing determinants established for the annual period ending December 31, 2004.

6. On March 31, 2020, ETI filed a petition proposing a true-up adjustment of HRC rates effective for bills rendered on or after June 30, 2020, the date bills for the first cycle in July 2020 will be rendered.
7. ETI stated that the billing units for the Period 14 billing period (July 2020-June 2021) for the Experimental Economic As-Available Power Service rate class are forecasted to decrease by more than 10% compared to the billing units established for the annual period ending December 31, 2004.
8. ETI filed the application 90 days before the proposed effective date of June 30, 2020.
9. The Financing Order in Docket No. 33586 requires the servicer to take the following action in conducting a non-standard true-up:
 - a) allocate the upcoming period's Periodic Billing Requirement (PBR) based on the PBR Allocation Factors approved in Docket No. 32907;²
 - b) calculate under-collections or over-collections, including without limitation any caused by retail electric provider defaults, if applicable, from the preceding period in each class by subtracting the previous period's transition charge revenues collected from each class from the PBR determined for that class for the same period;
 - c) sum the amounts allocated to each customer class in steps (a) and (b) to determine an adjusted PBR for each transition charge customer class;
 - d) divide the PBR for each customer class by the maximum of the forecasted billing units or the threshold billing units for that class to determine the "threshold rate;"
 - e) multiply the threshold rate by the forecasted billing units for each class to determine the expected collections under the threshold rate;

² *Application of Entergy Gulf States, Inc. for Determination of Hurricane Reconstruction Costs* Docket No. 32907 (Dec. 1, 2006).

- f) allocate the difference in the adjusted PBR and the expected collections calculated in step (e) among the transition charge customer classes using the PBR Allocation Factors approved in Docket No. 32907;
 - g) add the amount allocated to each class in step (f) above to the expected collection amount by class calculated in step (e) above to determine the final PBR for each class; and
 - h) divide the final PBR for each class by the forecasted billing units to determine the transition charge rate by class for the upcoming period.
- 10. Schedule HRC properly reflects the charges resulting from the application of the eight-step process.
 - 11. ETI has complied with the eight-step process described in Finding of Fact No. 88 of the Financing Order in Docket No. 33586.
 - 12. The calculation of the HRC rates complies with the requirements of the Financing Order in Docket No. 33586.

Notice of Application

- 13. On March 31, 2020, ETI served notice of the application by facsimile, email, regular first-class mail, or hand delivery to all parties of record in Docket No. 33586.
- 14. In Order No. 3, issued May 4, 2020, the administrative law judge (ALJ) found the notice sufficient.

Intervenors

- 15. On April 3, 2020, Texas Industrial Energy Consumers (TIEC) filed a motion to intervene.
- 16. In Order No. 2, issued May 4, 2020, the ALJ granted TIEC's motion to intervene.

Informal Disposition

- 17. More than 15 days have passed since the completion of notice provided in this docket.
- 18. No person filed a protest.
- 19. ETI, Commission Staff, and TIEC are the only parties to this proceeding.
- 20. No party requested a hearing and no hearing is needed.

21. Commission Staff recommended approval of the application.
22. The decision is not adverse to any party.

II. Conclusions of Law

The Commission makes the following conclusions of law.

1. ETI is an electric utility as that term is defined in PURA § 31.002(6).³
2. The Commission has jurisdiction over this matter under PURA §§ 14.001, 39.301 through 39.313, and 39.458 through 39.460, and the financing order in Docket No. 33586.
3. The Commission processed the application in accordance with applicable statutes and Commission rules.
4. ETI provided adequate notice of this proceeding in accordance with 16 Texas Administrative Code (TAC) § 22.55.
5. The calculation of the HRC rates set out in Schedule HRC–Attachment A complies with the requirements of Schedule HRC as required by the Financing Order in Docket No. 33586.
6. The requirements for informal disposition in 16 TAC § 22.35 have been met in this proceeding.

III. Ordering Paragraphs

In accordance with these findings of fact and conclusions of law, the Commission issues the following orders.

1. The Commission approves the application.
2. The Commission approves Schedule HRC–Attachment A, Initial or Adjusted Hurricane Reconstruction Rates (Exhibit 1 to this Order), beginning with bills rendered on or after June 30, 2020.
3. Within 10 days of this Order, ETI must file a clean record copy of Schedule HRC for Central Records to stamp “Approved” and retain for future reference.

³ Public Utility Regulatory Act, Tex. Util. Code §§ 11.001-66.016 (PURA).

4. The Commission denies all other motions, requests for entry of specific findings of fact and conclusions of law, and any other requests for general or specific relief, if not expressly granted.

Signed at Austin, Texas the _____ day of June 2020.

PUBLIC UTILITY COMMISSION OF TEXAS

DEANN T. WALKER, CHAIRMAN

ARTHUR C. D'ANDREA, COMMISSIONER

SHELLY BOTKIN, COMMISSIONER

ENTERGY GULF STATES, INC.

SCHEDULE HRC - ATTACHMENT A

INITIAL OR ADJUSTED HURRICANE RECONSTRUCTION COSTS RATES

I. **RATE CLASSES**

For purposes of determining and billing Initial or Adjusted Hurricane Reconstruction Costs Rates, each end-use customer will be designated as a customer belonging to one of nine classes as identified and defined in § V of Rate Schedule HRC.

II. **NET MONTHLY RATE**

The Initial or Adjusted HRC Rates shall be determined in accordance with and are subject to the provisions set forth in Rate Schedule HRC. Not less than 15 days prior to the first billing cycle for the Company's July 2008 billing month and no less frequently than annually thereafter, the Company or successor Servicer will file a Revision to Schedule HRC, Attachment A setting forth the Adjusted HRC Rates to be effective for the upcoming period. If made as a result of the standard true-up adjustment in Rate Schedule HRC, the Adjusted HRC Rates will become effective on the first billing cycle of the Company's July billing month. If an interim true-up adjustment is made pursuant to Rate Schedule HRC, the Adjusted HRC Rates will be become effective on the first billing cycle of the Company's billing month that is not less than 15 days following the making of the interim true-up adjustment filing. If a Non-Standard True-Up filing pursuant to Rate Schedule HRC is made to revise the Initial or Adjusted HRC Rates, the filing will be made at least 90 days prior to the first billing cycle for the Company's July billing month. Amounts billed pursuant to this schedule are not subject to Rider IHE or State and local sales tax.

HRC Rate Class	Initial or Adjusted HRC Rates		
Residential	\$0.00357	per kWh	I
Small General Service	\$0.00421	per kWh	I
General Service	\$0.00269	per kWh	I
Large General Service	\$0.00165	per kWh	I
Large Industrial Power Service	\$0.08693	per kW	R
Interruptible Service	\$0.03108	per kW	I
Experimental Economic As-Available Power Service	\$0.00000	per kWh	
Standby and Maintenance Service	\$0.01426	per kW	R
Street and Outdoor Lighting	\$0.01539	per kWh	I

The Initial or Adjusted HRC Rates are multiplied by the kWh or kW as applicable, read, estimated or determined during the billing month and will be applied to bills rendered on and after the effective date.