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May 6, 2020

Ana Trevino
Public Utility Commission of Texas
1701 N. Congress Avenue
P.O. Box 13326
Austin Texas 78711-3326



Re: *Docket No. 49916 - Application of Entergy Texas, Inc. (ETI) for Approval to Reconcile Fuel and Purchased Power Costs – Errata No. 2*

Dear Ms. Trevino:

Please see the attached Errata No. 2, which corrects a portion of ETI witness Mr. Scott M. Celino's rebuttal testimony. Mr. Celino's rebuttal testimony contained an error in that it referenced a Rough Production Cost Equalization ("RPCE") adjustment in Docket No. 43998 as an example of an RPCE adjustment amount being allocated based on usage during the month in which the adjustment was booked to eligible fuel expense. Instead, this adjustment was allocated among classes based on usage during the 2005 historical test period. The errata strikes the portion of Mr. Celino's rebuttal testimony related to this citation.

Thank you for your assistance in this matter. If you have any questions, please contact me at (512) 487-3945.

Sincerely,

George Hoyt
ATTORNEY FOR
ENTERGY TEXAS, INC.

SOAH DOCKET NO. 473-20-0259
PUC DOCKET NO. 49916

APPLICATION OF ENTERGY	§	BEFORE THE STATE OFFICE
TEXAS, INC. FOR AUTHORITY TO	§	OF
RECONCILE FUEL AND PURCHASED	§	ADMINISTRATIVE HEARINGS
POWER COSTS	§	

REBUTTAL TESTIMONY

OF

SCOTT M. CELINO

ON BEHALF OF

ENTERGY TEXAS, INC.

APRIL 2020

ENTERGY TEXAS, INC.
REBUTTAL TESTIMONY OF SCOTT M CELINO
SOAH DOCKET NO. 473-20-0259
PUC DOCKET NO. 49916

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1 I. INTRODUCTION AND PURPOSE

2 Q1. PLEASE STATE YOUR NAME, BUSINESS ADDRESS, AND OCCUPATION.

3 A. My name is Scott M. Celino. My business address is 639 Loyola Avenue, New
4 Orleans, Louisiana 70113. I am employed by Entergy Services, LLC (“ESL”), the
5 service company affiliate of Entergy Texas, Inc. (“ETI” or the “Company”), as
6 Manager in the Fuel & Special Riders Department.

7

8 Q2. ARE YOU THE SAME SCOTT M. CELINO WHO SUBMITTED DIRECT
9 TESTIMONY IN THIS DOCKET?

10 A. Yes, I am.

11

12 Q3. WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY?

13 A. The purpose of my rebuttal testimony is to respond to Mr. Norwood’s
14 recommendation that the Commission order ETI to address in a future proceeding
15 the allocation of a \$33.2 million FERC-ordered refund that was credited to eligible
16 fuel expense in December 2018.

17

18 II. RESPONSE TO MR. NORWOOD

19 Q4. WHAT IS THE FERC-ORDERED REFUND CREDIT REFERRED TO BY
20 MR. NORWOOD?

21 A. ETI received a refund from Entergy Arkansas, LLC in the amount of \$33.2 million
22 pursuant to FERC’s Order in Docket No. EL09-61. The Company booked this

1 refund as a credit to eligible fuel expense in the month of December 2018, the
2 month it was received.

3
4 Q5. DO YOU AGREE WITH MR. NORWOOD'S RECOMMENDATION TO
5 ADDRESS THE ALLOCATION OF THAT CREDIT TO CUSTOMER
6 CLASSES IN A FUTURE PROCEEDING?

7 A. No, I do not.

8
9 Q6. PLEASE EXPLAIN.

10 A. It appears that Mr. Norwood agrees it was appropriate to credit the refund amount
11 to fuel expense because he recommends the allocation of that credit to customers
12 occur in a future fuel proceeding. However, I disagree with Mr. Norwood's claim
13 that the allocation of the credit among rate classes should be on a basis other than
14 usage during the month in which the credit was booked to eligible fuel expense.

15 [REDACTED]
16 [REDACTED]
17 [REDACTED]
18 [REDACTED]
19 [REDACTED]
20 [REDACTED]

[REDACTED]

1 [REDACTED]
2 [REDACTED]
3 [REDACTED]

4
5 Q7. WHAT IS YOUR [REDACTED] BASIS OF DISAGREEMENT WITH
6 MR. NORWOOD?

7 A. I disagree that an attempt to address any inherent intergenerational inequities in the
8 timing of the refund payment will be productive. While Mr. Norwood makes no
9 specific recommendation regarding how the FERC-ordered refund should be
10 allocated to customer classes, he notes that the refund pertains to the period 2000 –
11 2009 and states “it will be important for the credit to be allocated to Texas retail
12 rate classes in a manner that equitably reflects the actual overcharges that led to the
13 refund, not simply their usage in December of 2018.”² That testimony suggests to
14 me that Mr. Norwood is looking to allocate the credit in some manner that takes
15 into consideration usage over the period 2000 – 2009. Beyond the fact that
16 developing such an allocation would be administratively burdensome, such an
17 approach would do no better in addressing intergenerational inequities than the
18 Company’s proposal because customers who existed on ETI’s system for a decade
19 that is more than 10 years past are not the same as those existing today, and vice
20 versa. There is simply no perfect solution to that issue. Accordingly, my view is
21 that it is unnecessary to expend the resources of the Commission, its Staff, and

² Direct Testimony of Scott Norwood at p. 23.

1 parties in a future proceeding to try and develop a different approach [REDACTED]
2 [REDACTED] with RPCE Bandwidth true-up credits. Moreover, such
3 a future proceeding could create even greater intergenerational inequities, as it will
4 be even further removed from the 2000-2009 time period at issue.

5

6 III. CONCLUSION

7 Q8. DOES THIS CONCLUDE YOUR REBUTTAL TESTIMONY?

8 A. Yes.