



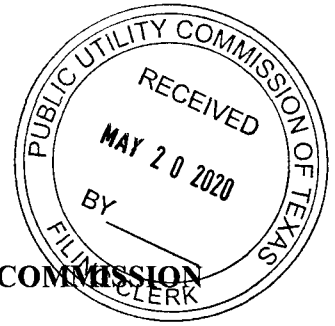
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**PUC DOCKET NO. 50790**



**JOINT REPORT AND APPLICATION OF  
ENTERGY TEXAS, INC. AND EAST TEXAS  
ELECTRIC COOPERATIVE, INC. FOR  
REGULATORY APPROVALS RELATED TO  
TRANSFERS OF THE HARDIN COUNTY  
PEAKING FACILITY AND A PARTIAL  
INTEREST IN THE MONTGOMERY  
COUNTY POWER STATION**

**PUBLIC UTILITY COMMISSION  
OF TEXAS**

**JOINT LIST OF ISSUES**

Entergy Texas, Inc. ("ETI") files the following Joint List of Issues on behalf ETI and East Texas Electric Cooperative, Inc. ("ETEC").

**I. Acquisition of the Hardin Facility by ETI**

**Background Issues**

1. Is ETI's application to amend its Certificate of Convenience and Necessity (CCN) sufficient?
2. What is the total acquisition cost of the Hardin Facility?
3. What is the proposed date for the closing of the transactions?

**Notice**

4. Was notice provided in accordance with 16 TAC §§ 22.52 and 22.55, including all affidavits required to be submitted to the Commission?

**Public Interest Issues**

5. Does ETI's proposal to acquire the Hardin Facility constitute a transaction to "sell, acquire, or lease a plant as an operating unit or system in this state for a total consideration of more than \$10 million" under PURA § 14.101(a)?
  - a. If PURA § 14.101(a) applies, has ETI complied with the reporting requirements under PURA § 14.101 and 16 Texas Administrative Code § 25.74?
6. Who currently owns the Hardin Facility?
7. What is the total estimated cost for acquisition of the Hardin Facility?

- a. Is the estimated acquisition cost reasonable for purposes of consideration under PURA § 14.101?
  - b. Does the total estimated cost for the acquisition exceed the total facilities in service minus accumulated depreciation of the acquired facilities? If so, by what amount?
8. What is the total estimated cost, if any, for additional facilities, such as transmission facilities, necessary to ensure that the Hardin Facility will serve ETI's customers cost-effectively?
9. Is ETI's proposal to acquire the Hardin Facility consistent with the public interest under PURA § 14.101(b)? In addressing this issue, please address the following factors:
  - a. What is the reasonable value of the property, facilities, or securities to be acquired, disposed of, merged, transferred, or consolidated, including any additional facilities-such as, but not limited to, transmission facilities-necessary to serve ETI's customers?
  - b. Will the transaction adversely affect the health or safety of customers or employees?
  - c. Will the transaction result in the transfer of jobs of Texas citizens to workers domiciled outside of the state?
  - d. Will the transaction result in the decline of service?
  - e. Will the public utility receive consideration equal to the reasonable value of the assets when it sells, leases, or transfers assets?
  - f. Is the transaction consistent with the public interest such that the Commission should approve it for closing?
    - i. What are the benefits of the transaction to ETI and its customers?
    - ii. What costs of the transaction will be borne by ratepayers?
    - iii. Do the benefits of the transaction outweigh its costs to ratepayers?
    - iv. How would the transaction improve the reliability of ETI's service? Is the transaction a reasonable alternative for ETI to achieve this improvement in

reliability?

- v. What are the benefits of the transaction to ETEC and the customers of its members?
- vi. What would be the impact to customers of ETI and ETEC's members if the transaction is approved?
- vii. Will the transaction result in improvements in service to Texas ratepayers?

**General Certificate of Convenience and Necessity Issue**

- 10. Is this amendment of ETI's certificate of convenience and necessity necessary for the service, accommodation, convenience, or safety of the public under PURA<sup>1</sup> § 37.056? In answering this issue, please address the issues below.

**Adequacy of existing service**

- 11. Is ETI currently providing adequate service?

**Need for additional service**

- 12. What existing generating facilities does ETI plan to deactivate in the next ten years, and what is the anticipated timeline for those deactivations? How do those deactivations affect ETI's need for additional service?
- 13. Has ETI demonstrated a need for the additional capacity?
  - a. If so, is the proposed acquisition of the Hardin Facility a prudent alternative to meet that need for additional capacity?
  - b. How much additional capacity does ETI need to serve its customers, and when is that need anticipated?

**Effect of granting the CCN on ETI and other electric utilities**

- 14. What is the effect on any affected utility in the Midcontinent Independent System Operator (MISO) if the proposed acquisition of the Hardin Facility is approved?

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<sup>1</sup> Public Utility Regulatory Act, Tex. Util. Code §§ 11.013-66.017 (PURA).

**Effect on customers, the community, and the environment**

15. Will granting the request to amend the CCN improve service or lower the cost of service to customers in the area?
16. In addition to the factors listed above, please address any other relevant factors, including the following:
  - a. Community values;
  - b. Recreational and park areas;
  - c. Historical and aesthetic values; and
  - d. Environmental integrity.
    - i. Will acquisition of the Hardin Facility change ETI's plans for deactivating or modifying any other generation facilities in a manner that affects environmental integrity?

**Renewable Energy**

17. To the extent applicable, what is the effect of granting the CCN amendment on the ability of this state to meet PURA's goal of adding renewable energy resources established by PURA § 39.904(a)?

**Reliability**

18. Does the proposed acquisition of the Hardin Facility satisfy identified reliability needs of ETI as required by PURA § 39.452(j)? Would the acquisition of the Hardin Facility improve the reliability of ETI's service? If so, how would reliability be improved and is the Hardin Facility the most cost-effective alternative for ETI to meet reliability needs?
19. What is the effect on reliability in the MISO transmission system or the costs of MISO to operate its system if the acquisition of the Hardin Facility is approved?

**Other Regulatory Approvals**

20. From what other regulatory authorities must ETI or an ETI-affiliated company seek approval for the transaction? When were any such applications filed? Which regulatory authorities have approved the transaction? When are any approvals anticipated?

21. If any other regulatory authorities, including the Federal Energy Regulatory Commission, do not approve the transaction, should ETI's acquisition of the Hardin Facility proceed? In that event, what are ETI's alternative requests, and should the Commission approve them?
22. Has ETI made any commitments related to the proposed transaction to any other regulatory authority? If so, what are those commitments, and would it be appropriate to condition any approvals in this docket on similar commitments?

**Purchase of existing facility requirements pursuant to PURA § 37.058(c)**

23. What is ETI's recoverable invested capital for the Hardin Facility to be included in rates?

**II. Transfer of Partial Interest of Montgomery County Power Station**

24. Should the Commission approve the transfer of a portion of ETI's certificate of convenience and necessity rights related to the MCPS generating facility from ETI to East Texas Electric Cooperative, Inc. (ETEC) as contemplated by PURA § 37.154?
25. Will ETEC be able to continue to provide adequate service following ETI's transfer of the partial interest in MCPS to ETEC?

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**ATTORNEYS FOR  
ENTERGY TEXAS, INC.**

By:   
George G. Hoyt

**CERTIFICATE OF SERVICE**

I certify that a true and correct copy of the foregoing document was served by e-mail on all parties of record in this proceeding on this 20<sup>th</sup> day of May 2020.

  
George G. Hoyt