

Control Number: 50245



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**DOCKET NO. 50245**

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

RECEIVED  
PUBLIC UTILITY COMMISSION  
OCT 27 2019

**COMMISSION STAFF’S FINAL RECOMMENDATION**

**COMES NOW** the Staff of the Public Utility Commission of Texas (Staff), representing the public interest, and files this Commission Staff’s Final Recommendation. Staff recommends that the application be approved. In support, Staff shows the following:

**I. BACKGROUND**

On November 15, 2019, CenterPoint Energy Houston Electric, LLC (CenterPoint) filed for a standard true-up of its Schedule TC5 - Transition Charges (Schedule TC5). The Financing Order in Docket No. 39809, which securitized stranded costs associated with the deregulation of certain assets, requires CenterPoint to file a standard true-up as described in Schedule TC5. The purpose of CenterPoint's standard true-up is to correct for any over or under-collections and to ensure sufficient billings of transition charges to enable scheduled payments of principal, interest, and other amounts related to its transition bonds.<sup>1</sup>

On November 19, 2019, the administrative law judge (ALJ) issued Order No. 1, which established a deadline of December 9, 2019 for Staff to file a recommendation or propose a procedural schedule, if necessary. Therefore, this pleading is timely filed.

**II. RECOMMENDATION**

Based on the attached memorandum of Nancy Palma of the Commission’s Rate Regulation Division, Staff recommends that CenterPoint's proposed Tariff Rate Schedule 6.1.1.2.5 Schedule TC5 - Transition Charges, Revision Number 9, be approved as filed on November 15, 2019, with an effective date of December 15, 2019. Staff also recommends that CenterPoint be required to file a clean copy of Tariff Rate Schedule 6.1.1.2.5 Schedule TC5-Transition Charges, Revision

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<sup>1</sup> *Application of CenterPoint Energy Houston Electric, LLC for Financing Order*, Docket No. 39809, Financing Order at Finding of Fact No. 83 (Oct 27, 2011).

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Number 9, to be stamped "Approved" by the Commission's Central Records Division and retained for future reference.

**III. CONCLUSION**

For the reasons stated above, Staff respectfully requests the entry of an order consistent with the above recommendations.

Dated: December 9, 2019

Respectfully submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS  
LEGAL DIVISION**

Thomas S. Hunter  
Division Director

Rachelle Nicolette Robles  
Managing Attorney

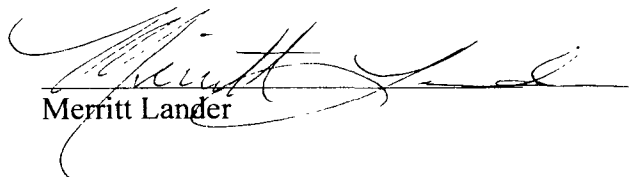


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**CERTIFICATE OF SERVICE**

I certify that a copy of this document will be served on all parties of record on December 9, 2019 in accordance with 16 TAC § 22.74.



Merritt Lander

**Public Utility Commission of Texas**

**Memorandum**

**TO:** Merritt Lander, Attorney, Legal Division

**FROM:** Nancy Palma, Tariff & Rate Analysis, Rate Regulation Division

**RE:** **Tariff Control No. 50245 - Compliance Filing of CenterPoint Energy Houston Electric, LLC for a Standard True-up of Transition Charges Under Schedule TC5**

**DATE:** Monday, December 9, 2019

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On November 15, 2019, CenterPoint Energy Houston Electric, LLC (CenterPoint) filed for a standard true-up of its Schedule TC5 - Transition Charges (Schedule TC5). The Financing Order in Docket No. 39809, which securitized stranded costs associated with the deregulation of certain assets, requires CenterPoint to file a standard true-up as described in Schedule TC5. The purpose of CenterPoint's standard true-up is to correct for any over or under-collections and to ensure sufficient billings of transition charges to enable scheduled payments of principal, interest, and other amounts related to its transition bonds.<sup>1</sup> CenterPoint is requesting that the effective date for the proposed rates be December 15, 2019.

CenterPoint states that it needs to collect \$143,694,578 to provide adequate coverage of the principal, interest, and other associated charges relating to the transition bonds for the period covering December 15, 2019 through December 14, 2020. CenterPoint also states that no additional adjustments to the Periodic Billing Requirement Allocation Factors are required under Section 6, Parts, A, B, C, and D of the Schedule TC5 – Transition Charges tariff.

I have reviewed CenterPoint's filing and determined that the updated Transition Charges, as shown in Attachment D to the filing, proposed Tariff Rate Schedule 6.1.1.2.5 Schedule TC5 - Transition Charges, are appropriate to collect for CenterPoint's scheduled transition bond payments. I therefore recommend that CenterPoint's proposed Tariff Rate Schedule 6.1.1.2.5 Schedule TC5 - Transition Charges, Revision Number 9, be approved as filed on November 15, 2019, with an effective date of December 15, 2019. I also recommend that CenterPoint be required to file a clean copy of Tariff Rate Schedule 6.1.1.2.5 Schedule TC5 - Transition Charges, Revision Number 9, to be stamped "Approved" by the Commission's Central Records Division and retained for future reference.

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<sup>1</sup> *Application of CenterPoint Energy Houston Electric, LLC for Financing Order*, Docket No. 39809, Financing Order at Finding of Fact No. 83 (Oct 27, 2011).