



Control Number: 29526



Item Number: 146

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PUC DOCKET NO. 29526

APPLICATION OF CENTERPOINT  
ENERGY HOUSTON ELECTRIC, LLC,  
RELIANT ENERGY RETAIL SERVICES,  
LLC AND TEXAS GENCO, LP TO  
DETERMINE STRANDED COSTS AND  
OTHER TRUE-UP BALANCES  
PURSUANT TO PURA §39.262

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2004 APR 12 AM 11:40  
BEFORE THE PUBLIC UTILITY COMMISSION  
FILING CLERK

PUBLIC UTILITY COMMISSION

OF TEXAS

**GULF COAST COALITION OF CITIES' COMMENTS**  
**ON THE PROPOSED NOTICE**

TO THE HONORABLE ADMINISTRATIVE LAW JUDGE MONTELONGO:

COMES NOW, the Gulf Coast Coalition of Cities consisting of the cities of Friendswood, Lake Jackson, La Marque, League City, and Spring Valley ("Cities" or "GCCC") and files these Comments on the Proposed Notice.

At the prehearing in the above referenced proceeding held April 8, 2004, the Administrative Law Judge ("ALJ") provided parties with the opportunity to file comments on the proposed notice by April 12, 2004. Consistent with the ALJ's directives, GCCC offers two comments on the proposed notice:

**Remove Language Indicating that Price to Beat Customers Could Receive a Rate Decrease.**

GCCC supports the comments of TIEC and other intervenors made at the April 8, 2004 prehearing recommending that the notice be modified so that it does not suggest that price to beat customers could receive a decrease as a result of this application. As the ALJ is aware, counsel for Reliant Energy Resources, LLC confirmed that price to beat customers would not be receiving a rate decrease as a result of this case.

Because the proposed language is inaccurate and misleading, GCCC urges the ALJ to direct the Applicant to remove the language suggesting that price to beat customers could be receiving a rate decrease as a result of this proceeding.

### **Retain Bill Impact Language**

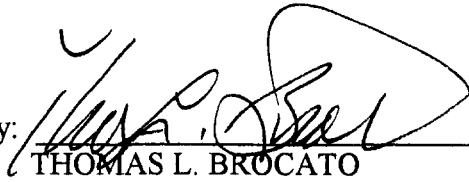
GCCC supports retaining the language in the notice that provides information about the monthly impact this application will have on customers. At the prehearing, there was discussion whether the notice should include bill impact information. Specifically, it was questioned whether such information is necessary given the fact that the cost allocation and rate design associated with the Applicant's true-up balance will not occur until the proceeding immediately following this docket. Notwithstanding the fact that this docket is for the purpose of quantifying the Applicant's stranded cost amount, information related to the impact that this case will have on customers' bills is a necessary part of the notice to be provided in this case.

There are at least two reasons that support leaving this language in the notice. First, most customers understand the impact of a particular application in terms of the potential impact that the application will have on their monthly bill. The total amount requested by the Applicant has less significance to most customers than seeing how that request translates to their bill. Although GCCC believes that the Applicant has understated the impact this case could have, the proposed notice still serves to provide customers with some practical information about the magnitude of the Applicant's request and the impact it will have on them. A second reason for including bill impact information is that if it were not included until the cost allocation proceeding following this case, it would be too late for customers to have an opportunity to question the Applicant's requested stranded costs amount. The case following this case is similar to a rate design phase in a typical rate case. As a result, customers should be notified now of the impact that the Applicant's request will have, if granted. Otherwise, they would be precluded from ever challenging the total amount of stranded costs requested by the Applicant.

WHEREFORE, PREMISES CONSIDERED, GCCC respectfully prays that the ALJ adopt GCCC's comments on the proposed notice in this docket.

Respectfully submitted,

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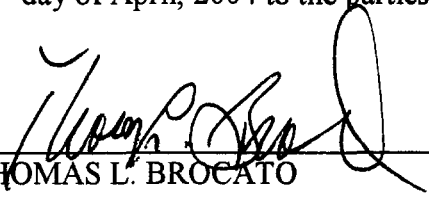
By:   
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THOMAS L. BROCATO  
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ATTORNEYS FOR CITIES

### **CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of the foregoing document was transmitted by fax and/or regular, first class mail on this 12<sup>th</sup> day of April, 2004 to the parties of record:

  
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THOMAS L. BROCATO