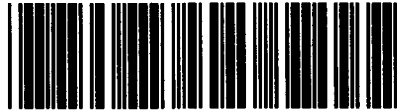


Control Number: 37744



Item Number: 379

Addendum StartPage: 0

**SOAH DOCKET NO. 473-10-1962**  
**DOCKET NO. 37744**

|  |                            |  |
|--|----------------------------|--|
| <b>APPLICATION OF ENTERGY<br/>TEXAS, INC. FOR AUTHORITY TO<br/>CHANGE RATES AND RECONCILE<br/>FUEL COSTS</b> | <b>§<br/>§<br/>§<br/>§</b> | <b>BEFORE THE<br/>PUBLIC UTILITY COMMISSION<br/>OF TEXAS</b> |
|--|----------------------------|--|

**RESPONSE OF ENTERGY TEXAS, INC.  
TO OFFICE OF PUBLIC UTILITY COUNSEL'S FIFTH REQUEST FOR  
INFORMATION: OPUC 5: 2, 3, 4, 5, 11, 12, 13, 14, 15 and 16**

Now comes, Entergy Texas, Inc. ("Entergy Texas" or "the Company") and files its Response to Office of Public Utility Counsel ("OPUC") Fifth Request for Information. The response to such request is attached hereto and is numbered as in the request. An additional copy is available for inspection at the Company's office in Austin, Texas.

Entergy Texas believes the foregoing response is correct and complete as of the time of the response, but the Company will supplement, correct or complete the response if it becomes aware that the response is no longer true and complete, and the circumstance is such that failure to amend the answer is in substance misleading. The parties may treat this response as if it were filed under oath.

Respectfully submitted,

**Steve Neinast** / *100*

Steve Neinast

Entergy Services, Inc.

919 Congress Avenue, Suite 701

Austin, Texas 78701

(512) 487-3957 telephone

(512) 487-3958 facsimile

**Attachments: OPUC 5: 2, 3, 4, 5, 11, 12, 13, 14, 15 and 16**

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CERTIFICATE OF SERVICE

I certify that a copy of the foregoing Response of Entergy Texas, Inc. to OPUC's Fifth Request for Information has been sent by either hand delivery, facsimile, overnight delivery, or U.S. Mail to all parties in this docket on this the 19<sup>th</sup> day of March, 2010.

Steve Neinast  
Steve Neinast

1/10/10

ENTERGY TEXAS, INC.  
PUBLIC UTILITY COMMISSION OF TEXAS  
Docket No. 37744 - 2009 ETI Rate Case

Response of: Entergy Texas, Inc.  
to the Fifth Set of Data Requests  
of Requesting Party: Office of Public Utility  
Counsel

Prepared By: John P. Hurstell  
Sponsoring Witness: John P. Hurstell  
Beginning Sequence No. **SS 5489**  
Ending Sequence No. **SS 6489**

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Question No.: OPUC 5-2

Part No.:

Addendum:

Question:

Please provide all data, studies, and analyses which support the statement at line  
6 – 8 of p. 44, Hurtsell.

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Response:

The data relied upon for the statement is listed below:

During the period from Oct 2007 – Sept 2009

|  |   |                |
|--|---|----------------|
| Number of QF facilities that put energy to ETI | - | 12             |
| Total QF Put                                   | - | 6,200,000 MWh  |
| Maximum Hourly QF Put                          | - | 1,007 MW       |
| Potential Additional QF Put                    | - | 14,000,000 MWh |
| Average Price of QF Put                        | - | \$50/MWh       |

ENTERGY TEXAS, INC.  
PUBLIC UTILITY COMMISSION OF TEXAS  
Docket No. 37744 - 2009 ETI Rate Case

Response of: Entergy Texas, Inc.  
to the Fifth Set of Data Requests  
of Requesting Party: Office of Public Utility  
Counsel

Prepared By: John P. Hurstell/Dennis  
Roach  
Sponsoring Witness: John P.  
Hurstell/Phillip R. May  
Beginning Sequence No. **SS5490**  
Ending Sequence No. **SS5491**

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Question No.: OPUC 5-3

Part No.:

Addendum:

Question:

- a. To the extent that QF puts are non-firm, is it correct that the "unserved energy" supplied by EGS is a mechanism for "firming" the supply? If the unserved energy service is providing firm backup power, why aren't CGS customers charged a demand or capacity charge?
  - b. Why does EGS choose to allocate no embedded non-fuel production costs to CGS customers based on the amount of unserved energy which is supplied to CGS customers during peak hours? What other retail customers are guaranteed firm generation service by EGS but are not allocated any embedded production costs?
  - c. Please compare the rates/costs for QF standby customers with the rates/costs of unserved energy service for CGS customers.
  - d. Why didn't EGS place a limit on the quantity of unserved energy which will be supplied to a CGS customer? How can the general body of EGS customers be protected from unreasonable impacts if CGS customers have unlimited access to unserved energy service?
- 

Response:

- a. No. The "unserved energy" is a pricing mechanism, not a "firming" mechanism.
- b. The assumption in the first portion of the question is incorrect. ETI allocates embedded non-fuel production costs to all classes of customers including the LIPS class who can select CGS service. For those LIPS customers selecting CGS service, the Company's generation supply is

replaced by QF power from a third party for which the customer will pay the Company avoided generation cost. Therefore, the Company has no embedded generation for CGS service. Rider CGSUSC then provides that, should any unserved energy occur, the CGS customer will be charged a market price for the unserved energy. See also the response to part (d) below. There are no customers guaranteed firm generation service by ETI but are not allocated any embedded production costs.

- c. The Company has performed no such analysis.
- d. A CGS customer contracts for CGS service, therefore if the customer's QF does not supply the contracted level of CGS service the only source for the remaining load is unserved energy. There is a limit; a CGS customer may take no more unserved energy than it takes CGS service. The charge for unserved energy included in Rider CGSUSC is designed to encourage the CGS customer not to rely on unserved energy for an extended period. It is the Company's attempt to limit the exposure on the Company and other customers

ENTERGY TEXAS, INC.  
PUBLIC UTILITY COMMISSION OF TEXAS  
Docket No. 37744 - 2009 ETI Rate Case

Response of: Entergy Texas, Inc.  
to the Fifth Set of Data Requests  
of Requesting Party: Office of Public Utility  
Counsel

Prepared By: John P. Hurstell  
Sponsoring Witness: John P. Hurstell  
Beginning Sequence No. SS 5492  
Ending Sequence No. SS 5492

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Question No.: OPUC 5-4

Part No.:

Addendum:

Question:

Provide all evaluations, studies, or production cost simulations which estimate the impact on system incremental energy cost of unserved energy sales to CGS customers.

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Response:

No such studies were performed.

ENTERGY TEXAS, INC.  
PUBLIC UTILITY COMMISSION OF TEXAS  
Docket No. 37744 - 2009 ETI Rate Case

Response of: Entergy Texas, Inc.  
to the Fifth Set of Data Requests  
of Requesting Party: Office of Public Utility  
Counsel

Prepared By: Harrell Wise  
Sponsoring Witness: John P. Hurstell  
Beginning Sequence No. **SS 5493**  
Ending Sequence No. **SS 5493**

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Question No.: OPUC 5-5

Part No.:

Addendum:

Question:

Please provide all studies, data, or other information which justify the 13,000 and 10,000 heat rate pricing criteria (Hurtzell, page 45, line3) for unserved energy service.

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Response:

See the Company's response to TIEC 1-8 subpart b.



ENTERGY TEXAS, INC.  
PUBLIC UTILITY COMMISSION OF TEXAS  
Docket No. 37744 - 2009 ETI Rate Case

Response of: Entergy Texas, Inc.  
to the Fifth Set of Data Requests  
of Requesting Party: Office of Public Utility  
Counsel

Prepared By: Vance Blackwell  
Sponsoring Witness: Corey A. Pettett  
Beginning Sequence No. SS 5494

Ending Sequence No. SS 5494

Question No.: OPUC 5-11

Part No.:

Addendum:

Question:

Please explain the relationship of the MVER program to the existing interruptible program. Does ETI intend to promote movement of existing IS customers to MVER? Will the opening of the IS tariff to new customers reduce the viability of the MVER tariff?

Response:

Both MVER and Interruptible Service (IS) rates are examples of interruptible rate options that can be used to potentially reduce the Company's total production costs. MVER allows the Company to acquire interruptible load at market rates and provides customers with the flexibility to participate in the program on their own terms. The IS program offers interruptible credit amounts at fixed rates.

The Company does not intend on promoting one rate over the other. The Company will explain the attributes of each program and let the customer decide which one has the greater benefit.

The Company has not conducted a study of what effect(s) may occur on the viability of the MVER tariff as a result of opening the IS tariff.

ENTERGY TEXAS, INC.  
PUBLIC UTILITY COMMISSION OF TEXAS  
Docket No. 37744 - 2009 ETI Rate Case

Response of: Entergy Texas, Inc.  
to the Fifth Set of Data Requests  
of Requesting Party: Office of Public Utility  
Counsel

Prepared By: Dennis Roach  
Sponsoring Witness: Phillip R. May  
Beginning Sequence No. **SS 5495**  
Ending Sequence No. **SS 5495**

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Question No.: OPUC 5-12

Part No.:

Addendum:

Question:

Please explain why ETI does not allow customers on any rate schedule other than LIPS to be eligible for CGS.

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Response:

See the Direct Testimony of Phillip R. May at page 10, line 1 through page 11, line 17.

ENTERGY TEXAS, INC.  
PUBLIC UTILITY COMMISSION OF TEXAS  
Docket No. 37744 - 2009 ETI Rate Case

Response of: Entergy Texas, Inc.  
to the Fifth Set of Data Requests  
of Requesting Party: Office of Public Utility  
Counsel

Prepared By: Dennis Roach  
Sponsoring Witness: Phillip R. May  
Beginning Sequence No. **SS 5496**  
Ending Sequence No. **SS 5496**

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Question No.: OPUC 5-13

Part No.:

Addendum:

Question:

Please specify the portions of the CGS statute cited by Mr. May at page 7 which permit, or even imply, that only LIPS customers are eligible for the CGS rate.

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Response:

Please refer to PURA § 39.452(b), which states in part: "An electric utility subject to this subchapter shall propose a competitive generation tariff to allow eligible customers the ability to contract for competitive generation." (Emphasis added.)

Also see the Direct Testimony of Phillip R. May at page 10, line 1 through page 11, line 17.

ENTERGY TEXAS, INC.  
PUBLIC UTILITY COMMISSION OF TEXAS  
Docket No. 37744 - 2009 ETI Rate Case

Response of: Entergy Texas, Inc.  
to the Fifth Set of Data Requests  
of Requesting Party: Office of Public Utility  
Counsel

Prepared By: Dennis Roach/Terry  
Roberts  
Sponsoring Witness: Phillip R. May  
Beginning Sequence No. **SS 5497**  
Ending Sequence No. **SS 5497**

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Question No.: OPUC 5-14

Part No.:

Addendum:

Question:

Please explain why ETI does not permit retail loads to be aggregated for participation in the CGS program.

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Response:

The CGS program was designed for customers with larger loads and the ability and desire to actively manage those loads. The program is not designed to be Retail Open Access (ROA). ETI is not subject to ROA, and aggregation of retail load is unique to ROA. Moreover, opening the CGS program to a wider offering of customers and aggregators moves the support requirements much closer to a set of systems and processes required for ROA, which have been estimated over \$100 million and have been discussed at length in the Company's transition to competition proceedings. In addition, the CGS program requires more sophisticated metering (Interval Data Recorder – IDR) than is in place for residential customers, as well as a back-up meter at each meter location.

ENTERGY TEXAS, INC.  
PUBLIC UTILITY COMMISSION OF TEXAS  
Docket No. 37744 - 2009 ETI Rate Case

Response of: Entergy Texas, Inc.  
to the Fifth Set of Data Requests  
of Requesting Party: Office of Public Utility  
Counsel

Prepared By: Dennis Roach  
Sponsoring Witness: Phillip R. May  
Beginning Sequence No. SS 5498  
Ending Sequence No. SS 5498

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Question No.: OPUC 5-15

Part No.:

Addendum:

Question:

Please provide ETI's planning view for the number of LIPS customers and amount of LIPS load (peak Kw and Mwh) which is expected to be transferred to the CGS tariff for each of the next five years. Estimate the non-fuel revenue loss for each year.

---

Response:

See the Company's response to Rose City 15-44. The Company cannot make a reasoned estimate of participation for the next five years and, therefore, cannot estimate the non-fuel revenue loss for each year.

ENTERGY TEXAS, INC.  
PUBLIC UTILITY COMMISSION OF TEXAS  
Docket No. 37744 - 2009 ETI Rate Case

Response of: Entergy Texas, Inc.  
to the Fifth Set of Data Requests  
of Requesting Party: Office of Public Utility  
Counsel

Prepared By: Dennis Roach  
Sponsoring Witness: Phillip R. May  
Beginning Sequence No. SS 5499  
Ending Sequence No. SS 5499

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Question No.: OPUC 5-16

Part No.:

Addendum:

Question:

Please explain why participating CGS customers are not charged a share of the unrecovered cost rider. As part of this answer, identify any provision of the law which would prevent those customers from being allocated a share of the unrecovered costs.

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Response:

A participating CGS customer will be charged the CGSUSC Rider for any portion of their load not served by CGS and served by LIPS or LIPS-TOD. It is ETI's proposal to allow CGS load to avoid fuel, embedded generation and purchased capacity costs, with those unrecovered costs being allocated to and collected from non-CGS load. ETI is not aware of any provision of law that would prevent CGS load from being allocated a share of those unrecovered costs. However, if that were to occur, PURA § 39.452(b) does require that such unrecovered costs allocated to CGS load also be collected from those customers.