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PUC DOCKET NO. 38339
SOAH DOCKET NO. 473-10-5001

APPLICATION OF CENTERPOINT § PUBLIC UTILITY COMMISSION
ENERGY HOUSTON ELECTRIC, LLC §
FOR AUTHORITY TO CHANGE § OF TEXAS
RATES §

STATE AGENCIES' RESPONSE TO CENTERPOINT'S APPEAL OF ORDER NO. 6

The State of Texas' agencies and institutions of higher education ("State Agencies") served by CenterPoint Energy Houston Electric, LLC ("CenterPoint") file this limited Response to CenterPoint's Appeal from the Denial of its Motion to Align and Consolidate Intervenor Cities (August 6, 2010). Pursuant to PUC PROC. R. § 22.123(a)(4), this Response is timely filed.

State Agencies are not directly affected by the relief CenterPoint requests, and therefore do not address CenterPoint's legal arguments even though we find them to be without merit. We address only CenterPoint's argument that consolidation is justified by the utility's desire to protect the interest of *ratepayers*, and that having three city coalitions employ lawyers and consultants "impede[s] the public interest." CenterPoint Appeal at 8. CenterPoint's claim is, at best, disingenuous. No ratepayer has asked to consolidate intervenor cities, nor has the Staff.

As ratepayers themselves, State Agencies find that on balance we benefit from the vigorous participation of all municipal intervenors and do not object to paying their reasonable and necessary litigation expenses. Based upon long experience working both with and against cities and city coalitions on various issues, State Agencies have seen that they generally avoid duplication of effort and provide good value for their expenditure of resources. Of course, the Commission should continue to carefully vet cities' rate case expenses, just as it should scrutinize CenterPoint's own use of multiple lawyers and consultants.

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State Agencies pray that CenterPoint's Appeal be DENIED, and for such other and further relief to which they may be entitled.

Dated: August 13, 2010

Respectfully submitted,

GREG ABBOTT
Attorney General of Texas

DANIEL T. HODGE
First Assistant Attorney General

WILLIAM J. COBB III
Deputy Attorney General for Civil Litigation

PAUL D. CARMONA
Chief, Consumer Protection and Public Health Division

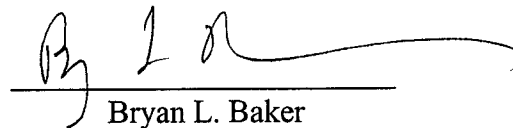
MARION TAYLOR DREW
Public Agency Representation Section Chief



Bryan L. Baker
State Bar No. 00790256
Susan M. Kelley
State Bar No. 11205700
Assistant Attorneys General
Office of the Attorney General
P.O. Box 12548
Austin, Texas 78711
Voice: (512) 475-4237
Fax: (512) 322-9114
E-mail: bryan.baker@oag.state.tx.us
susan.kelley@oag.state.tx.us

Certificate of Service

I hereby certify that a true and correct copy of **State Agencies' Response to CenterPoint's Appeal of Order No. 6** has been served upon all parties of record by hand delivery, e-mail, or facsimile, and by First Class U.S. Mail on or before August 13, 2010.



Bryan L. Baker