



Control Number: 41791



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SOAH DOCKET NO. 473-14-0366

DOCKET NO. 41791

2013 DEC 17 PM 1:06

APPLICATION OF ENTERGY TEXAS,
INC. FOR AUTHORITY TO CHANGE
RATES AND RECONCILE FUEL
COSTS

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STATE OFFICE OF
FILING CLERK

ADMINISTRATIVE HEARINGS

**COMMISSION STAFF'S TWENTY-SIXTH REQUEST FOR INFORMATION
TO ENTERGY TEXAS, INC.**

QUESTION NOS. STAFF 26-1 THROUGH STAFF 26-17

The Commission Staff of the Public Utility Commission of Texas (Staff) requests that Entergy Texas, Inc. (ETI) provide the following information and answer the following question(s) under oath. The question(s) shall be answered in sufficient detail to fully present all of the relevant facts, within the time limit provided by the Presiding Officer or within 20 days, if the Presiding Officer has not provided a time limit. Please copy the question immediately above the answer to each question. These question(s) are continuing in nature, and if there is a relevant change in circumstances, submit an amended answer, under oath, as a supplement to your original answer. State the name of the witness in this cause who will sponsor the answer to the question and can vouch for the truth of the answer.

Provide an original and three copies of your answers to the questions to the Filing Clerk, Public Utility Commission of Texas, 1701 N. Congress Avenue, P.O. Box 13326, Austin, Texas 78711-3326.

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DATED: December 17, 2013

Respectfully Submitted,

Joseph P. Younger
Division Director-Legal Division

Karen S. Hubbard
Managing Attorney-Legal Division



Katherine Lengieza Gross
Attorney-Legal Division
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(512) 936 7268 (facsimile)
Public Utility Commission of Texas
1701 North Congress Avenue
P.O. Box 13326
Austin, Texas, 78711-3326

CERTIFICATE OF SERVICE

I certify that a copy of this document will be served on all parties of record on December 17, 2013 in accordance with Public Utility Commission of Texas Procedural Rule 22.74.



Katherine Lengieza Gross

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**COMMISSION STAFF'S TWENTY-SIXTH REQUEST FOR INFORMATION
TO ENTERGY TEXAS, INC.
QUESTION NOS. STAFF 26-1 THROUGH STAFF 26-17**

DEFINITIONS AND INSTRUCTIONS

“Applicant,” “ETI” and “you,” refers to Entergy Texas, Inc., its affiliates and any person acting or purporting to act on its behalf including without limitation: subsidiaries, attorneys, agents, advisors, investigators, representatives, employees or other persons.

The terms **“document”** or **“documents”** are used in their broadest sense to include, by way of illustration and not limitation, all written or graphic matter of every kind and description whether printed, produced or reproduced by any process whether visually, magnetically, mechanically, electronically or by hand, whether final or draft, original or reproduction, whether or not claimed to be privileged or otherwise excludable from discovery, and whether or not in your actual or constructive possession, custody, or control. The terms including writings, correspondence, telegrams, memoranda, studies, reports, surveys, statistical compilations, notes, calendars, tapes, computer disks, electronic storage of any type, data on computer drives, e-mails, cards, recordings, contracts, agreements, invoices, licenses, diaries, journals, accounts, pamphlets, books, ledgers, publications, microfilm, microfiche and any other data compilations from which information can be obtained and translated, by you if necessary, into reasonably usable form. **“Document”** or **“documents”** shall also include every copy of a document where the copy contains any commentary or notation of any kind that does not appear on the original or any other copy.

Pursuant to Rule 196.4 of the Texas Rules of Civil Procedure, Staff specifically requests that any electronic or magnetic data (which is included in the definition of **“document”**) that is responsive to a request herein be produced on CD-ROM in a format that is compatible with Microsoft Office software and be produced with your response to these requests.

The terms **“and”** and **“or”** shall be construed as either disjunctive or conjunctive as necessary to make the request inclusive rather than exclusive.

“Each” shall be construed to include the word **“every”** and **“every”** shall be construed to include the word **“each.”**

“Any” shall be construed to include **“all”** and **“all”** shall be construed to include **“any.”**

The term **“concerning”** includes the following meanings: relating to; pertaining to; regarding; discussing; mentioning; containing; reflecting; evidencing; describing; showing; identifying; providing; disproving; consisting of; supporting; contradicting; in any way legally, logically, or factually connected with the matter to which the term refers; or having a tendency to prove or disprove the matter to which the term refers.

The term **“including”** means and refers to **“including but not limited to.”**

Words used in the plural shall also be taken to mean and include the singular. Words used in the singular shall also be taken to mean and include the plural.

The present tense shall be construed to include the past tense, and the past tense shall be construed to include the present tense.

If any document is withheld under any claim of privilege, please furnish a list identifying each document for which a privilege is claimed, together with the following information: date, sender, recipients of copies, subject matter of the document, and the basis upon which such privilege is claimed.

Pursuant to P.U.C. Proc. R. 22.144(h)(4), if the response to any request is voluminous, please provide a detailed index of the voluminous material.

If the information requested is included in previously furnished exhibits, workpapers, responses to other discovery inquiries or otherwise, in hard copy or electronic format, please furnish specific references thereto, including Bates Stamp page citations and detailed cross-references.

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TO ENTERGY TEXAS, INC.
QUESTION NOS. STAFF 26-1 THROUGH STAFF 26-17**

- Staff 26-1** Please provide updated P schedules and Q schedules reflecting the Company's updates to its requested relief to date, including the 45-day update and errata filings.
- Staff 26-2** Please provide an update of the Company's responses to Staff's first request for information based on the Company's updates to its requested relief to date, including the 45-day update and errata filings.
- Staff 26-3** Please itemize all requested changes in allocation bases relative to the Commission-adopted CCROSS in Docket No. 39896. Please include those that are already reflected in Schedule P-13 and those that are not already reflected in Schedule P-13.
- Staff 26-4** Please provide a comprehensive narrative description of the methodology followed by the Company to value interruptible service. Please also identify the requested dollar value of interruptibility, cite the schedule where the amount can be found, and describe the Company's requested treatments of interruptible service and associated credits in the cost of service study and in rate design.
- Staff 26-5** Please refer to Conclusion of Law No. 40 in Docket No. 16705, which states, "Interruptible service must meet a clearly defined resource need and be based on a market-based assessment of the value of the interruptible service in comparison to the extent of the difference between the interruptible rate and the firm rates." Please (a) provide all documentation that defines the resource need that ETI's interruptible service is designed to address, and (b) provide all market-based assessments of the value of the interruptible service.
- Staff 26-6** Please provide a cost-benefit analysis of the Company's interruptible service offerings that shows that the value of the benefits received by ratepayers exceeds the value of the costs to ratepayers to provide the service. Please also reconcile the empirical evidence from the Company's last ten years of load curtailment with the assumptions in the cost-benefit analysis.
- Staff 26-7** Please provide an itemized chronology of each instance in which the Company has curtailed the load of an interruptible load customer during the last ten years. For each instance, please identify the reason for the curtailment. Please clearly

indicate any instance in which the Company curtailed the load of an interruptible customer for the purpose of enhancing system economics.

Staff 26-8 Please provide a narrative explanation of the methodology that ETI follows to curtail loads when necessary, including which steps are taken and in which order. Please provide a description of the Company's load curtailment policies, including which types of loads get called first, second, etc. when curtailment is necessary.

Staff 26-9 Please provide a copy of all documents that show the impact that the Company's interruptible service has on the Company's near-term and long-term capacity needs.

Staff 26-10 For each rate class with customers that take interruptible service, please provide a comparison of the value of the Company's requested interruptible credits per kW against the value per kW of costs assigned to the production demand function for that rate class in the Company's cost of service analysis.

Staff 26-11 Please provide a narrative explanation of the methodology that the Company follows to reflect interruptible load and/or energy sales in its capacity planning, including how the load and/or sales affects the size and type of asset that will be needed.

Staff 26-12 Please refer to Ordering Paragraph No. 37 from the Order on Re-Hearing from Docket No. 16705, which states, "The current tariff-based Interruptible Service shall be eliminated on the third anniversary of the effective date of this Order." Please provide a comprehensive narrative description of the actions ETI took to implement this Order.

Staff 26-13 Please refer to the Order on Re-Hearing from Docket No. 16705, at page 36, which states, "In summary, as in the Central Power and Light IRP proceeding, EGS' interruptible service will not actually be discontinued, but will be reformed as a supply resource sized and priced in accordance with the IRP policies." Please provide a comprehensive narrative explanation of the actions the Company undertook to conform its valuation and pricing of interruptibility to the requirements of the IRP process.

Staff 26-14 Please refer to the Order on Re-Hearing from Docket No. 16705, at Finding of Fact No. 256, which states, "Firm customers benefit from interruptible service with the deferral or avoidance of additional capacity, and because the revenues received from interruptible customers reduce the revenue requirements of firm customers." Please provide a comprehensive narrative explanation addressing

whether the Company values interruptible service as avoidance or deferral of additional capacity investments, and the rationale supporting that treatment.

Staff 26-15 Please refer to the Order on Re-Hearing from Docket No. 16705, at Finding of Fact No. 261, which states, “EGS’ actual interruption policy limits the alleged benefit of interruptible power, so that interruptible service is equivalent to firm service.” Please provide a comprehensive narrative explanation of the steps ETI took to re-design its interruptible service offerings to address that Finding of Fact.

Staff 26-16 Please refer to the Order on Re-Hearing from Docket No. 16705, at Finding of Fact No. 267B, which states, “The appropriate size and price of the interruptible resource beginning three years after the effective date of this order are matters that shall be determined as part of EGS’ IRP process. The recommendation of the ALJ with respect to pricing interruptible service (reduce the discount by \$4.5 million) is a reasonable approximation in this regard, but may be updated as appropriate. EGS shall propose a method for sizing and pricing interruptible resources in its preliminary integrated resource plan filing in September 1998.” Please provide a copy of all integrated resource plans the Company prepared in response to the Commission’s decisions in Docket No. 16705.

Staff 26-17 Please refer to the Order on Re-Hearing from Docket No. 16705, at Finding of Fact No. 267A, which states, “To avoid imputation of ‘excess’ credits to shareholders, and to avoid requiring firm customers to absorb the excess credits, it is appropriate to freeze the IS demand and energy charges at the levels in effect on the date before this Order becomes effective. This treatment will also ensure that IS customers pay their share of transmission and, where applicable, distribution costs.” Please provide the dates, dockets, and amounts of all updates to the total amount of the interruptible credits since the IS credit rate freeze adopted by the Commission in Docket No. 16705. For each update, please provide a narrative explanation of the basis for the update, and a citation to the documentation that supported the update. Please also provide the billing units used to set the rates in each update.