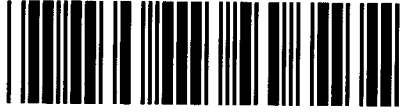




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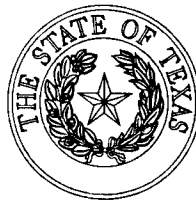
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**Donna L. Nelson**  
Chairman

**Kenneth W. Anderson, Jr.**  
Commissioner

**Brandy Marty Marquez**  
Commissioner

**Brian H. Lloyd**  
Executive Director



**Greg Abbott**  
Governor

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PUBLIC UTILITY COMMISSION  
FILING CLERK

**Public Utility Commission of Texas**

**TO:** Donna L. Nelson, Chairman  
Kenneth W. Anderson, Jr., Commissioner  
Brandy Marty Marquez, Commissioner

All Parties of Record

**FROM:** Irene Montelongo *IM*  
Director, Docket Management

**RE:** **Open Meeting of October 8, 2015**  
Docket No. 44995 - *Non-Standard True-Up Filing of Entergy Texas, Inc. Pursuant to the Financing Order in Docket No. 37247 Concerning Schedule SCO (Storm Cost Offset)*

**DATE:** September 16, 2015

Enclosed is a copy of the Proposed Order in the above-referenced docket. The Commission is currently scheduled to consider this docket at an open meeting set to begin at 9:30 a.m. on Thursday, October 8, 2015, at the Commission's offices, 1701 North Congress Avenue, Austin, Texas. The parties shall file corrections or exceptions to the Proposed Order on or before Wednesday, September 30, 2015.

**If there are no corrections or exceptions, no response is necessary.**

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**DOCKET NO. 44995**

<b>NON-STANDARD TRUE-UP FILING</b>	<b>§</b>	<b>PUBLIC UTILITY COMMISSION</b>
<b>OF ENERGY TEXAS, INC.</b>	<b>§</b>	
<b>PURSUANT TO THE FINANCING</b>	<b>§</b>	<b>OF TEXAS</b>
<b>ORDER IN DOCKET NO. 37247</b>	<b>§</b>	
<b>CONCERNING SCHEDULE SCO</b>	<b>§</b>	

**PROPOSED ORDER**

This Order addresses Entergy Texas, Inc.’s (ETI or the Company) Petition for Non-Standard True-Up (Petition) pursuant to the Financing Order in Docket No. 37247.<sup>1</sup> ETI’s Petition is approved.

The Public Utility Commission of Texas (Commission) adopts the following findings of fact and conclusions of law:

**I. Findings of Fact**

**Background, Procedural History, and Notice**

1. On September 11, 2009, the Commission approved a Financing Order in Docket No. 37247 (Financing Order), which authorized ETI to issue Transition Bonds to implement a credit through Schedule SCO (Storm Cost Offset) approved in Docket No. 36931.<sup>2</sup>
2. ETI issued Transition Bonds pursuant to the Financing Order on November 6, 2009, and began billing System Restoration Costs (SRC) Charges on November 30, 2009.
3. The Financing Order further required the implementation of a separate credit, called the “ADFIT Credit,” that functions as a negative charge to provide customers subject to SRC Charges an amount equal to the return on the remaining balance of accumulated deferred federal income taxes related to the SRCs being securitized. The ADFIT Credit became effective November 30, 2009 as Schedule SCO, or “Storm Cost Offset.”

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<sup>1</sup> *Application of Entergy Texas, Inc. for a Financing Order, Docket No. 37247, Financing Order (Sept 11, 2009).*

<sup>2</sup> *Application of Entergy Texas, Inc. for Determination of 2008 System Restoration Costs, Docket No. 36931, Order (Aug. 18, 2009).*

4. The Financing Order requires that Schedule SCO be adjusted and trued up annually using the same process, allocation factors and billing determinants as the annual standard or non-standard Schedule SRC true-up, although filed as a separate docket.<sup>3</sup>
5. Finding of Fact No. 88 in the Financing Order provides a non-standard true-up procedure to address certain changes to the billing units used to bill SRC Charges and requires ETI to make the non-standard true-up filing at least 90 days before the proposed true-up adjustment is to take effect.
6. On July 31, 2015, ETI filed separate Petitions proposing non-standard Schedule SRC and Schedule SCO true-up adjustments effective for bills rendered beginning on October 29, 2015, the date upon which bills for the first cycle for the month of November 2015 will be rendered.
7. On September 8, 2015, ETI filed an affidavit of completion of notice. ETI provided notice of the Petition to each party that participated in Docket No. 37247.
8. Commission Staff also participated in this docket.
9. No party opposed the adjusted Schedule SCO rates proposed in ETI's Petition.

**Schedule SCO**

10. The non-standard true-up procedure addressed in Finding of Fact Nos. 86-88 of the Financing Order in Docket No. 37247 requires adjustment of Schedule SRC if the forecasted billing units for any one of the classes for an upcoming period decrease by more than 10% compared to the threshold billing determinants established for the annual period ending December 31, 2008.
11. As addressed in the testimony and accompanying exhibits of Ms. Dedra D. Knighten, the forecasted billing units for the Experimental Economic As-Available Power Service (EAPS) rate class are projected to be more than 10% below the billing determinants for that class for the year ending December 31, 2008. Accordingly, a non-standard true-up for both Schedule SRC and Schedule SCO is required.

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<sup>3</sup> Financing Order at Finding of Fact 9(c), Ordering Paragraph 3; Schedule SCO.

12. In conducting the non-standard true-up the servicer will:
- (a) allocate the upcoming period's Periodic Billing Requirement (PBR) based on the PBRAFs approved in Docket No. 36931;
  - (b) calculate under collections or over collections, including without limitation any caused by REP defaults, if applicable, from the preceding period in each class by subtracting the previous period's transition charge revenues collected from each class from the PBR determined for that class for the same period;
  - (c) sum the amounts allocated to each customer class in steps (a) and (b) to determine an adjusted PBR for each transition charge customer class;
  - (d) divide the PBR for each customer class by the maximum of the forecasted billing units or the threshold billing units for that class, to determine the "threshold rate;"
  - (e) multiply the threshold rate by the forecasted billing units for each class to determine the expected collections under the threshold rate;
  - (f) allocate the difference in the adjusted PBR and the expected collections calculated in step (e) among the transition charge customer classes using the PBRAFs approved in the Docket No. 36931;
  - (g) add the amount allocated to each class in step (f) above to the expected collection amount by class calculated in step (e) above to determine the final PBR for each class; and
  - (h) divide the final PBR for each class by the forecasted billing units to determine the transition charge rate by class for the upcoming period.<sup>4</sup>
13. The testimony of Ms. Knighten, further detailed in Exhibit DDK-1, demonstrates ETI's compliance with the eight-step procedure described in Finding of Fact No. 87 of the Financing Order in Docket No. 37247.

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<sup>4</sup> While Finding of Fact 87 refers to "transition charges" and the "PBR," these procedures are equally applicable to Schedule SCO. *See n.2, supra*

14. The SCO rates set out in Schedule SCO - Attachment A, proposed by Ms. Knighten in Exhibit DDK-3, properly reflect the credits resulting from the application of the eight-step process.
15. The calculation of the SCO rates set out in Schedule SCO - Attachment A, as supported by Ms. Knighten in Exhibit DDK-1, complies with the requirements of the Financing Order in Docket No. 37247.

## II. Conclusions of Law

1. ETI is an electric utility, as that term is defined in § 31.002(6) of the Public Utility Regulatory Act, Tex. Util. Code Ann. (West 2007 & Supp. 2014) (PURA).
2. ETI's application was processed in accordance with the requirements of PURA and the Administrative Procedure Act, Tex. Gov't. Code Ann. § 2001.001 - .902 (West 2008 & Supp. 2014) (APA).
3. The Commission has jurisdiction over this matter pursuant to PURA §§ 14.001, 36.401-36.403, and 39.301-313 and the Financing Order in Docket No. 37247.
4. ETI provided adequate notice of this proceeding consistent with 16 Tex. Admin. Code § 22.55 (TAC).
5. The requirements for informal disposition under 16 TAC § 22.35 have been met in this proceeding.

## III. Ordering Paragraphs

In accordance with these findings of fact and conclusions of law, the Commission issues the following Order:

1. ETI's Petition for Non-Standard True-Up concerning Schedule SCO is approved.
2. The SCO rates set out in Schedule SCO (Attachment A to this Order) are hereby approved effective beginning with bills rendered on or after October 29, 2015.

3. Within 10 days of this Order, ETI shall file a clean record copy of Schedule SCO-Attachment A to be stamped "Approved" by Central Records and retained for future reference.
4. All other motions, requests for entry of specific findings of fact and conclusions of law, and any other requests for general or specific relief, if not expressly granted herein, are hereby denied.

**SIGNED AT AUSTIN, TEXAS the \_\_\_\_\_ day of OCTOBER 2015.**

**PUBLIC UTILITY COMMISSION OF TEXAS**

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**DONNA L. NELSON, CHAIRMAN**

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**KENNETH W. ANDERSON, JR., COMMISSIONER**

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**BRANDY MARTY MARQUEZ, COMMISSIONER**

**ENTERGY TEXAS, INC.**

**SCHEDULE SCO - ATTACHMENT A**

**INITIAL OR ADJUSTED STORM COST OFFSET RATES**

**I. NET MONTHLY RATE**

The SCO rates to be applied beginning on the effective date of this schedule are set out below. SCO rates to be applied in subsequent periods will be determined in the Standard True-Up or Non-Standard True-Up process.

<b>SCO Rate Class</b>	<b>Initial or Adjusted SCO Rates</b>	
Residential	(\$0.00084)	per kWh
Small General Service	(\$0.00097)	per kWh
General Service	(\$0.00052)	per kWh
Large General Service	(\$0.00034)	per kWh
Large Industrial Power Service	(\$0.02379)	per kW
Experimental Economic As-Available Power Service	(\$0.00000)	per kWh
Standby and Maintenance Service	(\$0.00345)	per kW
Street and Outdoor Lighting	(\$0.00347)	per kWh

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The Initial or Adjusted SCO Rates are multiplied by the kWh or kW as applicable, read, estimated or determined during the billing month and will be applied to bills rendered on and after the effective date.