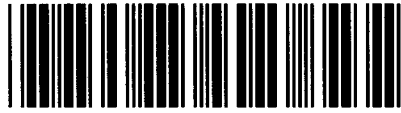




Control Number: 45084



Item Number: 37

Addendum StartPage: 0

2015 OCT 29 AM 11:04

PUBLIC UTILITY COMMISSION  
FILING CLERK

## OPEN MEETING COVER SHEET

**MEETING DATE:** November 5, 2015

**DATE DELIVERED:** October 29, 2015

**AGENDA ITEM NO.:** 2

**CAPTION:** Docket No. 45084; SOAH Docket No. 473--16-0581 -  
Application of Entergy Texas, Inc. for  
Approval of a Transmission Cost Recovery  
Factor

**ACTION REQUESTED:** Discussion and possible action with respect  
to Draft Preliminary Order.

**Distribution List:**

Commissioners' Office (8)  
Lloyd, Brian  
Whittington, Pam  
Gleeson, Thomas  
Phillips, Michael  
Central Records  
Rogas, Keith (2)  
Pemberton, Margaret (5)  
Journey, Stephen  
Burch, Chris  
Tietjen, Darryl (2)  
Long, Mick (2)  
Smyth, Scott (2)  
Benter, Tammy (3)  
Gonzales, Adriana (if rulemaking)  
Carrasco, Carlos

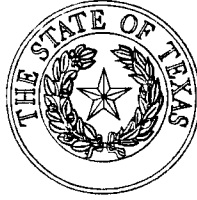
37

**Donna L. Nelson**  
Chairman

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

**Brandy Marty Marquez**  
Commissioner

**Brian H. Lloyd**  
Executive Director



**Greg Abbott**  
Governor

2015 OCT 29 AM 11:04

PUBLIC UTILITY COMMISSION  
FILING CLERK

## *Public Utility Commission of Texas*

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

All Parties of Record

FROM: Carlos Carrasco, Commission Advising

RE: November 5, 2015, Open Meeting Agenda Item No. 2  
Draft Preliminary Order, PUC Docket No. 45084, SOAH Docket No. 473-16-0581 – *Application of Entergy Texas, Inc. for Approval of a Transmission Cost Recovery Factor*

DATE: October 29, 2015

Please find enclosed the draft preliminary order filed by Commission Advising in the above-referenced docket. The Commission will consider this draft preliminary order at the November 5, 2015 open meeting. Parties shall not file responses or comments addressing this draft preliminary order.

Any modifications to the draft preliminary order that are proposed by one or more Commissioners will be filed simultaneously prior to the consideration of the matter at the November 5, 2015 open meeting.

Q:\CADM\ORDERS\PRELIM\45000\45084 dpo memo.docx



**SOAH DOCKET NO. 473-16-0581  
PUC DOCKET NO. 45084**

<b>APPLICATION OF ENTERGY TEXAS, INC. FOR APPROVAL OF A TRANSMISSION COST RECOVERY FACTOR</b>	§ § § §	<b>PUBLIC UTILITY COMMISSION  OF TEXAS</b>
---	------------------	--

**DRAFT PRELIMINARY ORDER**

On September 11, 2015, Entergy Texas, Inc. (ETI) filed an application to implement a transmission cost-recovery factor (TCRF) pursuant to Public Utility Regulatory Act (PURA) § 36.209<sup>1</sup> and 16 Texas Administrative Code (TAC) § 25.239. ETI seeks to recover its reasonable and necessary costs for transmission infrastructure improvements and changes in wholesale transmission charges under a federal tariff. If the TCRF is approved as requested, ETI's Texas retail rates will increase by \$13,058,941 on an annual basis, which amounts to a 1.62% increase in ETI's annualized non-fuel revenue and a 0.95% increase in ETI's overall annualized revenue as approved in Docket No. 41791, ETI's most recent base-rate case.<sup>2</sup>

ETI also requested that its existing TCRF be set as a temporary rate effective 120 days from the filing of its application, subject to refund or surcharge.<sup>3</sup> In addition, ETI also requested that, for future TCRF cases, ETI be allowed to provide notice by providing a copy of the application to all parties in ETI's latest base-rate case and TCRF proceedings instead of the full base-rate case notice provisions of 16 TAC § 22.51(a).<sup>4</sup>

This docket was referred to the State Office of Administrative Hearings (SOAH) on October 6, 2015. ETI and Commission Staff timely filed lists of issues on October 20, 2015.

---

<sup>1</sup> Public Utility Regulatory Act, Tex. Util. Code Ann. § 36.209 (West 2007 & Supp. 2014) (PURA).

<sup>2</sup> *Application of Entergy Texas, Inc. for Authority to Change Rates and Reconcile Fuel Costs*, Docket No. 41791, Final Order (May 16, 2014).

<sup>3</sup> Application at 5.

<sup>4</sup> *Id.* at 8-9.

### I. Issues to be Addressed

The Commission must provide to the ALJ a list of issues or areas to be addressed in any proceeding referred to the SOAH.<sup>5</sup> After reviewing the pleadings submitted by the parties, the Commission identifies the following issues that must be addressed in this docket:

1. Is ETI seeking to recover only reasonable and necessary costs for transmission infrastructure improvement and changes in wholesale transmission charges to ETI under a tariff approved by a federal regulatory authority that have not otherwise been recovered? 16 TAC § 25.239(c).
2. Has ETI accurately identified the amount of its transmission invested costs?
3. Is ETI's determination of its transmission invested costs consistent with 16 TAC § 25.239(b)(2)?
4. Do all of the transmission invested costs identified by ETI constitute improvement of the infrastructure as required by PURA § 36.209?
5. Has ETI accurately identified the amount of its approved transmission charges?
6. Is ETI's determination of its approved transmission charges consistent with 16 TAC § 25.239(b)(1)?
7. What amount of transmission infrastructure costs and wholesale transmission charges to ETI under a tariff approved by a federal regulatory authority are otherwise being recovered by ETI outside of the TCRF that ETI seeks to implement in this proceeding?
8. Has ETI calculated its revenue requirement in accordance with 16 TAC § 25.239(e)?
9. Has ETI correctly allocated its transmission revenue requirement to its Texas retail customers?

---

<sup>5</sup> Tex. Gov't Code Ann. § 2003.049(e) (West 2008 & Supp. 2014).

10. Has ETI used the correct baseline costs established in ETI's most recent base-rate case to calculate the TCRF?
11. Has ETI used the correct class allocation factors established in the transmission revenue requirement in ETI's most recent base-rate case?
12. Has ETI used the customer-class billing determinants for the previous calendar year?
13. Has ETI calculated its proposed TCRF in compliance with 16 TAC § 25.239(d) and (e)?
14. Would granting ETI's application for approval of its requested TCRF allow ETI to over-recover its costs as described in PURA § 36.209 and 16 TAC § 25.239(f)?
15. Should the Commission approve the rates in ETI's proposed TCRF tariff?
16. Should ETI's request to establish its existing TCRF as a temporary rate be approved?
17. If temporary rates are approved and a refund is necessary, how should ETI implement the refund?
18. Should the Commission approve ETI's request for a good cause exception to 16 TAC § 22.51 or should such action be considered in a rulemaking?

This list of issues is not intended to be exhaustive. The parties and the ALJ are free to raise and address any issues relevant in this docket that they deem necessary, subject to any limitations imposed by the ALJ, or by the Commission in future orders issued in this docket. The Commission reserves the right to identify and provide to the ALJ in the future any additional issues or areas that must be addressed, as permitted under Texas Government Code § 2003.049(e).

## **II. Effect of Preliminary Order**

This Order is preliminary in nature and is entered without prejudice to any party expressing views contrary to this Order before the SOAH ALJ at hearing. The SOAH ALJ, upon his or her own motion or upon the motion of any party, may deviate from this Order when circumstances dictate that it is reasonable to do so. Any ruling by the SOAH ALJ that deviates

from this Order may be appealed to the Commission. The Commission will not address whether this Order should be modified except upon its own motion or the appeal of a SOAH ALJ's order. Furthermore, this Order is not subject to motions for rehearing or reconsideration.

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

**PUBLIC UTILITY COMMISSION OF TEXAS**

---

**DONNA L. NELSON, CHAIRMAN**

---

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

---

**BRANDY MARTY MARQUEZ, COMMISSIONER**