



Control Number: 49057



Item Number: 257

Addendum StartPage: 0

SOAH DOCKET NO. 473-19-2621

PUC DOCKET NO. 49057

RECEIVED

APR 17 PM 2:45

APPLICATION OF ENTERGY TEXAS,  
INC. TO SET A TRANSMISSION COST  
RECOVERY FACTOR

§  
§  
§

PUBLIC BEFORE THE STATE OFFICE  
FILING CLERK OF  
ADMINISTRATIVE HEARINGS

**TEXAS INDUSTRIAL ENERGY CONSUMERS' INITIAL BRIEF**

Texas Industrial Energy Consumers (TIEC) files this initial brief with respect to Entergy Texas, Inc.'s (ETI) application for a Transmission Cost Recovery Factor (TCRF), and respectfully shows as follows:

**I. Introduction**

The TCRF is a piecemeal ratemaking mechanism that allows utilities to charge customers for increases in transmission costs between rate cases, but only to the extent that the costs are not already being recovered by the utility.<sup>1</sup> In its application, ETI seeks to charge ratepayers for an increase in its transmission costs as measured by comparing the test year in its last rate case (which is the period used to derive the TCRF baseline) to the test year used in this case. From this comparison, ETI calculates its requested TCRF revenue requirement of \$2,698,741.<sup>2</sup> However, ETI's calculation does not make any attempt to account for the amount of these costs that are already being recovered in ETI's base rates. Critically, ETI has experienced an increase in billing determinants (or "load growth") since its last rate case, which caused ETI to recover \$2,807,860 in additional transmission costs above the baseline amounts during the TCRF test year.<sup>3</sup> Consequently, ETI's proposed TCRF would recover a substantial amount of transmission costs that are already being recovered in ETI's base rates. Indeed, given that ETI's transmission revenues grew by more than its transmission costs did during the relevant time period, no rate increase is appropriate.

---

<sup>1</sup> Tex. Util. Code (PURA) § 36.209; 16 T.A.C. § 25.239.

<sup>2</sup> ETI Ex. 3, Direct Testimony of Richard E. Lain at Ex. RL-3.

<sup>3</sup> TIEC Ex. 1, Direct Testimony of Jeffry C. Pollock at 3-5 & Ex. JP-1 (Pollock Dir.); Staff Ex. 1, Direct Testimony of Adrian Narvaez at 9-10 (Narvaez Dir.).

The Commission recognized in ETI's prior litigated TCRF case that load growth causes a utility to recover additional transmission-related revenues.<sup>4</sup> However, the Commission declined to make a load-growth adjustment in that case, concluding that the Commission's TCRF rule does not include such an adjustment.<sup>5</sup> The Commission directed that a rulemaking be opened to address issues in the TCRF rule,<sup>6</sup> but that rulemaking has yet to move forward. And PURA's mandate that a TCRF may only recover eligible costs and charges to "the extent that the costs or charges have not otherwise been recovered"<sup>7</sup> remains. TIEC submits that the TCRF rule does not preclude the load-growth adjustment proposed in this case, and that PURA § 36.209 unambiguously requires it. The Commission should therefore revisit its prior decisions declining to make a load-growth adjustment in TCRF cases.

For these reasons and those discussed in greater detail below, the Commission should adopt the adjustment proposed by TIEC witness Jeffry Pollock and Commission Staff witness Adrian Narvaez to account for the transmission costs that are already being recovered in ETI's base rates, which results in a reduction of \$2,807,860. Because the adjustment is larger than ETI's claimed revenue deficiency, ETI's application should be denied.

**II. The Commission should adopt the adjustment proposed by TIEC and Staff to account for the transmission costs that are being recovered through ETI's base rates.**

**A. ETI's proposed TCRF revenue requirement would allow it to recover costs that ETI is already recovering through its base rates.**

ETI's proposed TCRF revenue requirement in this case is based on a comparison between its transmission costs during the TCRF test year and transmission costs reflected in its TCRF baseline.<sup>8</sup> A utility's TCRF baseline represents the amount of TCRF-eligible costs that were being recovered in the utility's base rates as of its last rate case.<sup>9</sup> In this case, ETI calculated that its

---

<sup>4</sup> *Application of Entergy Texas, Inc. for Approval of a Transmission Cost Recovery Factor*, Docket No. 45084, Order on Rehearing at FoFs 101-04 (Oct. 7, 2016).

<sup>5</sup> *Id.* at FoFs 105-07.

<sup>6</sup> *Id.* at Ordering Paragraph 4.

<sup>7</sup> PURA § 36.209(b).

<sup>8</sup> Tr. at 17:13-17 (Lain Cr.) (Apr. 9, 2019); TIEC Ex. 2.

<sup>9</sup> TIEC Ex. 1, Pollock Dir. at 2.

TCRF-eligible transmission costs increased by approximately \$2.7 million between the Docket No. 48371 test year, which ended December 31, 2017, and the TCRF test year, which ended on September 30, 2018.<sup>10</sup> However, ETI made no attempt to determine the extent to which its transmission recovery has increased during this time period.

ETI's approach ignores the fact that utilities recover transmission costs, like all costs, through billing determinants. As Mr. Pollock explained, "[e]very kilowatt-hour (kWh) and kilowatt (kW) billed to customers recovers a certain amount of baseline transmission costs."<sup>11</sup> Consequently, when a utility experiences an increase in billing determinants (or, "load growth"), it recovers more transmission costs without any changes in its rates.<sup>12</sup> Mr. Pollock presented the following hypothetical to illustrate the point:

For example, if the utility establishes its rates based on \$1,000 of transmission costs and 10,000 units of sales, it will charge an average rate of 10¢. Should sales increase from 10,000 to 12,000 units, the utility will now recover \$1,200 in transmission costs without any change in its rate. Thus, higher sales allow the utility to recover additional transmission costs. Said another way, a utility that has had a 20% increase in its transmission related revenues (through load growth) and an identical 20% increase in its annual transmission costs is already fully recovering its transmission costs. In those circumstances, no TCRF is appropriate because the *per-unit* cost has not changed.<sup>13</sup>

At the hearing, ETI witness Richard Lain acknowledged that utilities recover their costs through the rates that they charge their customers,<sup>14</sup> and that load growth allows a utility to recover more costs without any change in rates.<sup>15</sup> Nevertheless, he also confirmed that ETI's TCRF calculation does not account for changes in ETI's transmission-cost recovery since the baselines were set.<sup>16</sup> Instead, ETI's calculation simply assumes that ETI's base rates only recover the

---

<sup>10</sup> Tr. at 18:5-21 (Lain Cr.) (Apr. 9, 2019).

<sup>11</sup> TIEC Ex. 1, Pollock Dir. at 3.

<sup>12</sup> *Id.* at 3-4.

<sup>13</sup> TIEC Ex. 1, Pollock Dir. at 4.

<sup>14</sup> Tr. at 16:23-17:1 (Lain Cr.) (Apr. 9, 2019).

<sup>15</sup> *Id.* at 17:5-12 ("Q: And all else equal, load growth, or a growth in the number of billing determinants sold, causes a utility to recover more cost even without a change in rates? A: When billing determinants increase, that – that increases the – the revenues associated with those rates, and so, yes, the – the utility is able to recover more costs.").

<sup>16</sup> *Id.* at 19:4-14.

amount of transmission costs reflected in the baseline, which was based on calendar year 2017.<sup>17</sup> The evidence contradicts that assumption.

As Mr. Pollock and Mr. Narvaez both testified, ETI has experienced load growth since 2017, which has resulted in ETI recovering additional transmission costs over what is reflected in the TCRF baseline.<sup>18</sup> Specifically, the baseline transmission-cost recovery set in Docket No. 48371 was \$93,749,446.<sup>19</sup> ETI recovered \$96,557,306 in transmission costs through base rates during the TCRF test year, which is \$2,807,860 higher than the amount reflected in the TCRF baseline.<sup>20</sup> Stated differently, unless adjusted to account for these increased transmission revenues, ETI's proposed TCRF would allow it to recover \$2,807,860 in transmission costs that are already being recovered in ETI's base rates.<sup>21</sup>

**B. Under PURA and the Commission's rules, a TCRF may not recover costs that are already being recovered.**

In adopting the TCRF statute, the Legislature mandated that a TCRF may recover eligible costs only *to the extent that those costs are not already being recovered by the utility*. The Legislature also explicitly directed that the Commission may not allow a utility to over-recover costs through a TCRF. Specifically, PURA § 36.209 provides:

The commission, after notice and hearing, may allow an electric utility to recover on an annual basis its reasonable and necessary expenditures for transmission infrastructure improvement costs and changes in wholesale transmission charges to the electric utility under a tariff approved by a federal regulatory *to the extent that the costs or charges have not otherwise been recovered*. The commission may allow the electric utility to recover only the costs allocable to retail customers in the state and *may not allow the electric utility to over-recover costs*.<sup>22</sup>

---

<sup>17</sup> *Id.* at 18:8-15.

<sup>18</sup> TIEC Ex. 1, Pollock Dir. at 3-5; Staff Ex. 1, Narvaez Dir. at 9-10.

<sup>19</sup> ETI Ex. 2, Direct Testimony of Kristine T. Jackson at Ex. KTJ-1 (Jackson Dir.).

<sup>20</sup> TIEC Ex. 1, Pollock Dir. at Ex. JP-1; Staff Ex. 1, Narvaez Dir. at 9-10 & Attachment AN-2.

<sup>21</sup> TIEC Ex. 1, Pollock Dir. at 4-5; Staff Ex. 1, Narvaez Dir. at 10.

<sup>22</sup> PURA § 36.209 (emphases added).

The Commission's TCRF rule also prohibits the recovery of costs that are already being recovered. In authorizing TCRF recovery, the rule provides as follows:

The commission, after notice and hearing, may allow an electric utility to recover its reasonable and necessary costs for transmission infrastructure improvement and changes in wholesale transmission charges to the electric utility under a tariff approved by a federal regulatory authority *to the extent that the costs or charges have not otherwise been recovered* and are incurred after December 31, 2005.<sup>23</sup>

The plain language of both PURA and the Commission's TCRF rule thus make clear that a TCRF must be limited to costs that are not already being recovered through the utility's rates. Accordingly, in evaluating ETI's requested TCRF rate increase, the Commission must determine not only how much ETI's transmission costs have increased compared to the baseline costs, but also the extent to which ETI is already recovering any increases in costs. The Preliminary Order issued in this case recognizes this requirement, and sets out as an issue to be addressed:

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?<sup>24</sup>

Mr. Lain testified that ETI's application does not even attempt to answer the question posed by this issue.<sup>25</sup> And, as set forth above, the answer is that the amount of TCRF-eligible costs that ETI is otherwise recovering is \$96,557,306, or \$2,807,860 over the amount reflected in the TCRF baseline. To avoid a prohibited double recovery of transmission costs, ETI's proposed revenue requirement must be reduced by the additional \$2,807,860 that ETI is already recovering through its base rates.<sup>26</sup>

---

<sup>23</sup> 16 T.A.C. § 25.239(c) (emphasis added).

<sup>24</sup> Preliminary Order at Issue No. 2 (Mar. 13, 2019).

<sup>25</sup> Tr. at 22:22-25 (Lain Cr.) (Apr. 9, 2019).

<sup>26</sup> Notably, the TCRF rule's requirement to use billing determinants from the most recent calendar year in designing rates does not account for the additional transmission revenues that a utility recovers through base rates during the TCRF test year due to load growth. As Mr. Pollock testified, the use of more recent billing determinants is simply a means to design rates in a manner that more accurately recovers the TCRF revenue requirement. TIEC Ex. 1, Pollock Dir. at 10. Failing to account for load growth can inflate the revenue requirement in the first place. Similarly, the TCRF true-up merely ensures that the utility does not over-recover its revenue requirement, and does not address whether the revenue requirement was set too high in the case in which it was established. *Application of Southwestern Electric Power Company for Approval to Amend Transmission Cost Recovery Factor*, Docket No. 45691, PFD at 38-39 (Aug. 11, 2016), *adopted by* Final Order (Sept. 23, 2016).

**C. ETI's proposed TCRF would not only violate PURA and the Commission's rules, it also runs counter to sound ratemaking policy.**

As Mr. Pollock testified, the Commission consistently employs a ratemaking policy called the "Matching Principle" in setting rates.<sup>27</sup> The Matching Principle requires that all rate-setting parameters (e.g., rate base, expenses, and sales) be based on the same time period.<sup>28</sup> This principle ensures that a utility's costs are matched with the corresponding revenues generated in the same period.<sup>29</sup> For example, in base rate cases, the revenue requirement is determined by taking the utility's cost of service during the test year and comparing that amount with the utility's revenues during that same test year.<sup>30</sup> As noted above, ETI calculated its eligible transmission costs based on the TCRF test year, which ended September 30, 2018.<sup>31</sup> However, ETI compares those eligible transmission costs against the baseline transmission revenues as of Docket No. 48371, which was based on a test year ended December 31, 2017.<sup>32</sup> Because ETI's TCRF revenue requirement calculation is based on costs and revenues from different time periods, it does not accurately reflect the amount of additional revenues that is required for ETI to fully recover its transmission costs. Since transmission revenues have grown from the Docket No. 48371 test year to the TCRF test year,<sup>33</sup> ETI's mismatching of time periods overstates the TCRF revenue requirement.<sup>34</sup>

**D. The Commission's TCRF rule and Commission precedent do not preclude the load-growth adjustment proposed by TIEC and Staff.**

TIEC acknowledges that the Commission has declined to make its proposed load-growth adjustment in two prior TCRF cases based on a determination that the TCRF rule does not include

---

<sup>27</sup> TIEC Ex. 1, Pollock Dir. at 11.

<sup>28</sup> *Id.*

<sup>29</sup> *Id.*

<sup>30</sup> *Id.*

<sup>31</sup> Tr. at 18:5-7 (Lain Cr.) (Apr. 9, 2019).

<sup>32</sup> *Id.* at 18:8-11.

<sup>33</sup> TIEC Ex. 1, Pollock Dir. at 3-4.

<sup>34</sup> Mr. Lain erroneously contends that TIEC and Staff's adjustment does not follow the Matching Principle because it does not make any adjustments to TCRF-eligible costs incurred during the TCRF test year. ETI Ex. 6, Rebuttal Testimony of Richard E. Lain at 18-19 (Lain Reb.). This argument is a red herring. The fact that the Commission prohibits pro-forma and post-test-year adjustments to costs incurred during the TCRF test year does not affect the time period employed in setting the TCRF-eligible costs. TCRF-eligible costs are still based on the TCRF test year, just as the transmission-related revenues in TIEC and Staff's proposal are based on the TCRF test year.

such an adjustment. However, TIEC submits that the TCRF rule does not preclude the proposed adjustment, and that under the facts of this case, the adjustment is required to prevent a double-recovery that is flatly prohibited by PURA. The Commission should therefore revisit its prior decisions on this issue.

As an initial matter, there is nothing in the Commission's TCRF rule that precludes the Commission from accounting for the transmission costs that ETI is already recovering in evaluating ETI's application in this case. To the contrary, subsection (c) of the rule, which is the portion of the rule that authorizes TCRF recovery, is explicit that TCRF-eligible costs and charges may only be recovered "to the extent that the costs or charges have not otherwise been recovered."<sup>35</sup> With respect to calculating the revenue requirement, the rule is silent as to whether load growth should be considered in determining baseline recovery.<sup>36</sup> In fact, the rule does not provide any guidance as to how baseline recovery should be determined. Thus, the rule does not prohibit updating TCRF baselines established in a rate case to account for additional transmission revenues that a utility is recovering in base rates due to load growth.

TIEC disagrees with ETI's contention that the Commission rejected in the TCRF rulemaking docket the same adjustment proposed by TIEC and Staff in this case. In the rulemaking docket, the Commission rejected the concept of making an adjustment that accounts "for growth in overall revenue" in setting a TCRF, specifically noting that such "an approach would not recognize that non-transmission costs could be growing faster than the increased revenues."<sup>37</sup> On the other hand, the adjustment proposed by TIEC and Staff accounts solely for increases in transmission-related revenues.<sup>38</sup> As a result, TIEC and Staff's adjustment does not implicate the issues that caused the Commission to reject the load-growth adjustment proposed during the TCRF rulemaking.

The TCRF rule thus accommodates the load-growth adjustment proposed by TIEC and Staff in this case. ETI's primary argument to the contrary is that the Commission has rejected the

---

<sup>35</sup> 16 T.A.C. § 25.239(c).

<sup>36</sup> 16 T.A.C. § 25.239.

<sup>37</sup> *Rulemaking Relating to Transmission Cost-Recovery Factor for Non-ERCOT Utilities*, Proj. No. 33253, Order Adopting New § 25.239 as Approved at the December 7, 2007 Open Meeting at 14 (Dec. 14, 2007).

<sup>38</sup> TIEC Ex. 1, Pollock Dir. at 13-14; Staff Ex. 1, Narvaez Dir. at 11.



proposed adjustment in prior cases, including ETI's last litigated TCRF case, Docket No. 45084. A closer look at the Commission's findings of fact in that case, however, serves only to confirm that load growth must be accounted for in setting a TCRF in order to comply with PURA's requirements.

In Docket No. 45084, ETI calculated its TCRF revenue requirement in the same manner that it did in this case,<sup>39</sup> and TIEC and Commission Staff supported the same load-growth adjustment that they propose here.<sup>40</sup> Specifically, TIEC and Staff submitted testimony that load growth had caused ETI to recover approximately \$3.4 million more in transmission revenues through base rates during the Docket No. 45084 TCRF test year than were reflected in the TCRF baseline used in that case.<sup>41</sup> The Commission agreed with this factual bases for this testimony, and entered the following findings of fact:

101. ETI calculated the TCRF requested in the application by subtracting the TCRF baseline approved in Docket No. 41791 from the TCRF-test-period transmission costs, adjusted for interest synchronization.
102. ETI's requested TCRF is based on increases in eligible transmission costs since the TCRF baseline was set in Docket No. 41791
103. ETI's methodology for calculating the TCRF does not account for transmission costs being recovered in base rates that exceed the TCRF baseline.
104. ETI is recovering \$3,443,825 more in transmission-related revenues through its base rates than it was at the time the TCRF baseline was set, due to an increase in billing determinants since the last base rate case.<sup>42</sup>

The Commission thus found ETI's TCRF revenue requirement calculation (which is based on the same methodology ETI uses in this case) ignores the additional transmission costs ETI recovers through base rates when it experiences an increase in billing determinants. Nevertheless, the Commission declined to make a load-growth adjustment in Docket No. 45084, relying primarily on its determination that the rule does not include such an adjustment.<sup>43</sup> However, the Commission

---

<sup>39</sup> Tr. at 18:22-19:3 (Lain Cr.) (Apr. 9, 2019).

<sup>40</sup> ETI Ex. 6, Lain Reb. at 5; Docket No. 45084, PFD at 37-39 (Feb. 25, 2016).

<sup>41</sup> Docket No. 45084, PFD at 37-39.

<sup>42</sup> Docket No. 45084, Order on Rehearing at FoFs 101-04.

<sup>43</sup> *Id.* at FoFs 105-06. The Commission also relied on its decision in Docket No. 42448, in which it rejected the proposed load-growth adjustment for the same reasons. *Id.* at FoFs 108-10. However, that case involved a *de minimis* load-growth adjustment that would have reduced SWEPCO's TCRF revenue requirement by only 1%. TIEC

also directed Staff to initiate a rulemaking to address issues in the TCRF rule,<sup>44</sup> and Commissioner Anderson specifically noted the load-growth adjustment as one of the issues that should be addressed through that rulemaking.<sup>45</sup> That rulemaking has not been undertaken, however, and the Commission's rejection of the load-growth adjustment in Docket No. 45084 cannot be squared with PURA's explicit requirement that a TCRF may only recover costs that are not already being recovered.

In sum, the Commission's TCRF rule does not prohibit the adjustment proposed by TIEC and Commission Staff to account for the transmission costs that ETI is already recovering in its base rates. Even if it did, the rule must yield to the statute. The Commission should therefore reduce ETI's proposed TCRF revenue requirement by \$2,807,860.

**E. The load-growth adjustment proposed by TIEC and Staff is appropriate because it takes into account ETI's actual transmission revenues during the TCRF test year.**

Mr. Pollock and Mr. Narvaez calculated their load-growth adjustments by using ETI's actual billing determinants from the TCRF test year.<sup>46</sup> This calculation is the same as the one that was used by Mr. Pollock and Mr. Abbott in Docket No. 45084, and which was adopted by the Commission in finding that ETI was recovering additional transmission revenues through base rates.<sup>47</sup> Nevertheless, ETI witness Mr. Lain argues that TIEC and Staff's proposed load-growth adjustments are overstated because they do not include the weather and customer-count adjustment set forth in the distribution cost recovery factor (DCRF) rule.<sup>48</sup> Mr. Lain's contention misses the mark.

---

Ex. 1, Pollock Dir. at 14 (citing *Application of Southwestern Electric Power Company for Approval of a Transmission Cost Recovery Factor*, Docket No. 42448, PFD at 1 and 19 (Oct. 10, 2014)). On the other hand, the load-growth adjustment at issue in this proceeding would completely eliminate the requested TCRF. *Id.* at 6. In any event, the Commission should revisit its decision in Docket No. 42448 on this issue for the same reasons that it should revisit its decision in Docket No. 45084.

<sup>44</sup> *Id.* at Ordering Paragraph 4. Moreover, the Commission specifically found that Docket No. 45084 was non-precedential because the TCRF rule at the time did not apply to ETI. *Id.* at FoF 11A.

<sup>45</sup> Docket No. 45084, Memorandum from Commissioner Anderson (May 3, 2016).

<sup>46</sup> TIEC Ex. 1, Pollock Dir. at 4 & Ex. JP-1; Staff Ex. 1, Narvaez Dir. at 9-10.

<sup>47</sup> ETI Ex. 6, Lain Reb. at 5.

<sup>48</sup> *Id.* at 8-10.

The load-growth adjustment set forth by TIEC and Staff uses the actual billing determinants that ETI charged customers during the TCRF test year, and therefore tracks the amount of transmission revenues that ETI actually recovered during that period.<sup>49</sup> This is consistent with the TCRF statute, which is concerned with whether the transmission costs recovered through a TCRF “*have [] otherwise **been recovered.***”<sup>50</sup> Further, the Commission has held that making pro-forma and post-test-year adjustments is not permissible in setting a TCRF.<sup>51</sup> Indeed, there is no component of a TCRF—including the billing determinants that are used to design rates—that is adjusted for weather or customer-count.<sup>52</sup> On the other hand, the weather and customer-count adjustment is explicitly provided for in the DCRF rule,<sup>53</sup> and, in fact, is required by the DCRF statute.<sup>54</sup> Thus, the fact that the DCRF rule provides for such an adjustment does not mean that it is appropriate to use in a TCRF.

Further, the weather adjustment presented by Mr. Lain is itself inconsistent with the DCRF-style weather adjustment because it uses two different weather-normalization periods for the TCRF test year. As Mr. Lain acknowledged at the hearing, his weather-normalization adjustment assumes a 20-year normalization period for October 1, 2017 through December 31, 2017, and a 10-year normalization period for January 1, 2018 through September 30, 2018.<sup>55</sup> However, the DCRF rule specifically requires that the weather adjustment be done using weather data for the most recent ten calendar years.<sup>56</sup> Thus, Mr. Lain’s purported DCRF-style weather adjustment does not comply with the requirements of the DCRF rule and is unsupported. The load-growth adjustment presented by Mr. Pollock and Mr. Narvaez, which relies on ETI’s actual billing determinants during the TCRF test year, should be adopted.

---

<sup>49</sup> TIEC Ex. 1, Pollock Dir. at 3-4.

<sup>50</sup> PURA 36.209(b) (emphasis added).

<sup>51</sup> Docket No. 42448, Final Order at CoL 7 (Nov. 24, 2014).

<sup>52</sup> 16 T.A.C. § 25.239.

<sup>53</sup> 16 T.A.C. § 25.243(d) (definition of “BD<sub>C-CLASS</sub>”).

<sup>54</sup> PURA § 36.210(a)(2); Tr. at 30:22-25 (Lain Cr.) (Apr. 9, 2019); Staff Ex. 10.

<sup>55</sup> Tr. at 32:4-11 (Lain Cr.) (Apr. 9, 2019); TIEC Ex. 6.

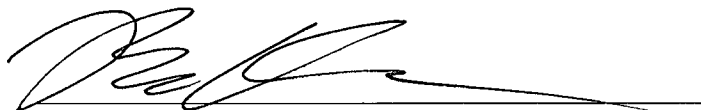
<sup>56</sup> 16 T.A.C. § 25.243(b)(5).

### **III. Conclusion**

The Commission should adopt the load-growth adjustment presented in the direct testimonies of Mr. Pollock and Mr. Narvaez and reduce ETI's requested TCRF revenue requirement by \$2,807,860. Because this amount is greater than ETI's requested TCRF revenue requirement of \$2,698,741, ETI's application for a TCRF should be denied. TIEC requests all other relief to which it is entitled.

Respectfully submitted,

THOMPSON & KNIGHT LLP

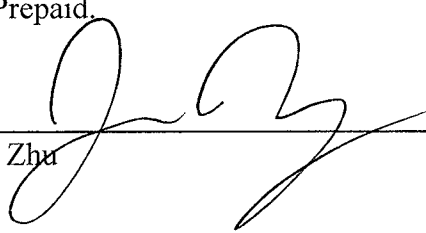


Rex D. VanMiddlesworth  
State Bar No. 20449400  
Benjamin B. Hallmark  
State Bar No. 24069865  
James Z. Zhu  
State Bar No. 24102683  
98 San Jacinto Blvd., Suite 1900  
Austin, Texas 78701  
(512) 469.6100  
(512) 469.6180 (fax)

**ATTORNEYS FOR TEXAS INDUSTRIAL  
ENERGY CONSUMERS**

### **CERTIFICATE OF SERVICE**

I, James Zhu, Attorney for TIEC, hereby certify that a copy of the foregoing document was served on all parties of record in this proceeding on this 17<sup>th</sup> day of April, 2019 by facsimile, electronic mail and/or first Class, U.S. Mail, Postage Prepaid.



James Z. Zhu