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APPLICATION OF ENERTRADE
ELECTRIC, LLC TO AMEND A
RETAIL ELECTRIC PROVIDER
CERTIFICATE

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PUBLIC UTILITY COMMISSION

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OF TEXAS

PUBLIC UTILITY COMMISSION
FILING CLERK

**CENTERPOINT ENERGY HOUSTON ELECTRIC MOTION TO
INTERVENE AND FOR DISBURSEMENT OF LETTER OF CREDIT PROCEEDS**

CenterPoint Energy Houston Electric, LLC (“CenterPoint Energy”) moves to intervene in this proceeding pursuant to 16 Tex. Admin. Code (“TAC”) §§ 22.103 and .104 and for disbursement of proceeds from Applicant’s letter of credit pursuant to 16 TAC § 25.107(f)(6)(A)(v). In support of its motions, CenterPoint Energy, respectfully shows the following:

MOTION TO INTERVENE

On January 17, 2019, Enertrade Electric, LLC (“Applicant”) filed an application to relinquish its Retail Electric Provider (“REP”) certificate. CenterPoint Energy is a transmission and distribution utility (“TDU”) and provides delivery service to Applicant under CenterPoint Energy’s Tariff for Retail Delivery Service (the “Tariff”). Applicant is in default to CenterPoint Energy for the payment of delivery services provided under the Tariff. Because of Applicant’s default, CenterPoint Energy has a justiciable interest that may be adversely affected by the outcome of this proceeding and has standing to intervene. CenterPoint Energy, therefore, moves to intervene in this proceeding.

MOTION FOR DISBURSEMENT OF LETTER OF CREDIT PROCEEDS

The letter by Mr. Alex Rodriguez attached as Attachment E2 to Applicant’s application states, “At the time of this filing, we are not in default with any of the respective TDSP’s [sic].” That statement is false. On January 17, 2019, the date of Applicant’s filing, Applicant was in

default to CenterPoint Energy for delivery service charges in the amount of \$27,892.11. CenterPoint Energy had notified Applicant of its default balance on December 31, 2018.

As of February 4, 2019, the total outstanding balance owed by Applicant to CenterPoint Energy for delivery service under the Tariff is \$41,472.04 (the “Outstanding Balance”). The Outstanding Balance includes a total delinquent balance of \$41,472.04 (the “Delinquent Balance”), and the Delinquent Balance includes a total default balance of \$40,555.26 (the “Default Balance”), as of that date. The overdue payments comprising the Delinquent Balance are delinquent under Section 4.4.6 of the Tariff, and the overdue payments comprising the Default Balance are in default under Sections 4.4.6 and 4.6.1 of the Tariff. If no payments are received from Applicant, the entire Delinquent Balance will be in default on February 14, 2019. While CenterPoint Energy holds security in the form of a letter of credit from Applicant for purposes of securing Applicant’s REP obligation to bill and collect transition charges pursuant to CenterPoint Energy’s transition charge rate schedules,¹ CenterPoint Energy holds no cash deposits or any other security from Applicant related to non-transition delivery service charges owed by Applicant. Attached to this Motion as Exhibit A is the affidavit of John R. Hudson, CenterPoint Energy’s Director of Market Operations, attesting to the Outstanding Balance, the Delinquent Balance and the Default Balance owed by Applicant to CenterPoint Energy for delivery services under the Tariff.

Applicant’s REP certificate was granted on February 19, 2014 in Docket No. 42116,² in which Applicant chose “option B” to meet the financial requirements for certification contained in 16 TAC § 25.107(f)(1)(B), requiring Applicant to “provide and maintain an irrevocable stand-by

¹ \$4,880.50 of the Outstanding Balance is for unpaid transition charges, for which the letter of credit held by CenterPoint Energy is intended to cover.

² *Application of Enertrade Electric, LLC for Retail Electric Provider Certificate*, Docket No. 42116 (Feb. 19, 2014).

letter of credit payable to the commission with a face value of \$500,000 for the purpose of maintaining certification.” Pursuant to 16 TAC § 25.107(f)(6)(A)(v), the proceeds from the stand-by letter of credit “may be used to satisfy the following obligations of the REP . . . for services provided by a TDU.” CenterPoint Energy, therefore, moves for disbursement of the stand-by letter of credit proceeds in the order set out in 16 TAC § 25.107(f)(6)(A). In the alternative, CenterPoint Energy moves for an order from the Commission requiring all future remittances from Applicant’s retail customers be paid directly into a dedicated account controlled by CenterPoint Energy, pursuant to Section 4.6.2.1(5)(A) of the Tariff, up to the Outstanding Balance.³

AUTHORIZED REPRESENTATIVES

CenterPoint Energy’s designated legal and business representatives for purposes of this proceeding are:

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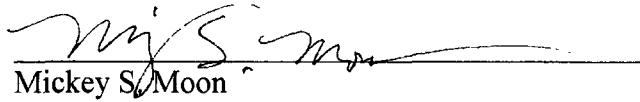
CenterPoint Energy requests that all documents in this proceeding be served upon its authorized representatives listed above.

CONCLUSION

CenterPoint Energy respectfully requests that the above motions to intervene and for disbursement of letter of credit proceeds be granted and such other relief to which it may be entitled.

³ As stated in Attachments E2 and E4 to the application filed in this Docket on January 17, 2019, Applicant has purportedly mailed final invoices to its retail customers and is still in the process of collecting payments, and Applicant further states that “[a]ll of these funds are going towards covering monies owed to respective market participants . . . in the first quarter of 2019.”

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Mickey S. Moon", is written over a horizontal line.

Mickey S. Moon

Senior Counsel

State Bar No. 00791291

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ATTORNEY FOR CENTERPOINT ENERGY
HOUSTON ELECTRIC, LLC

DOCKET NO. 49109

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CERTIFICATE

§ PUBLIC UTILITY COMMISSION
§
§ OF TEXAS
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AFFIDAVIT OF JOHN R. HUDSON

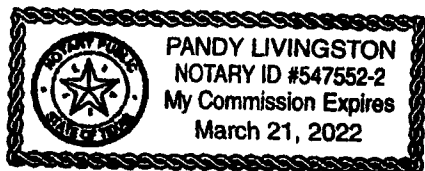
STATE OF TEXAS §
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COUNTY OF HARRIS §

Before me, the undersigned authority, on this day personally appeared John R. Hudson, who, having been placed under oath by me, did depose as follows:


1. My name is John R. Hudson. I am over the age of 18 and fully competent to make this affidavit.
2. I am Director of Market Operations for CenterPoint Energy Houston Electric, LLC ("CenterPoint Energy"). My duties include oversight of retail electric provider accounts receivables for services provided by CenterPoint Energy. I have personal knowledge regarding the current accounts receivable balance of Enertrade Electric, LLC ("Enertrade").
3. As of February 4, 2019, the total outstanding balance owed by Enertrade to CenterPoint Energy for delivery service under the Tariff is \$41,472.04 (the "Outstanding Balance").
4. The Outstanding Balance includes a total delinquent balance of \$41,472.04 (the "Delinquent Balance") as of February 4, 2019.
5. The Delinquent Balance includes a total default balance of \$40,555.26 (the "Default Balance") as of February 4, 2019.
6. The Default Balance on January 17, 2018 (the date that Enertrade stated in their application that it was not in default with respect to any TDU) was \$27,892.11. CenterPoint Energy initially notified Enertrade of the Default Balance on December 31, 2018.
7. CenterPoint Energy does not hold a cash deposit from Enertrade.

Further affiant sayeth not.


John R. Hudson

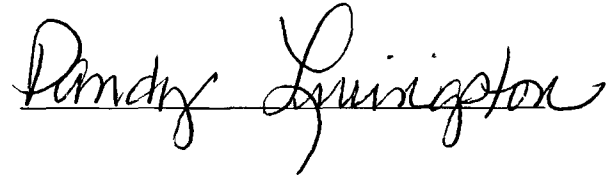


SUBSCRIBED AND SWORN TO BEFORE ME by John R. Hudson on the 7th day of February 2019.


Notary Public, State of Texas

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing document was served on all parties of record in this proceeding by facsimile transmission, hand delivery, electronic mail, overnight delivery or United States first class mail on the 7th day of February 2019.

A handwritten signature in cursive script, reading "Randy L. Livingston", written over a horizontal line.