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APPLICATION OF CENTERPOINT § BEFORE THE STATE OFFICE
ENERGY HOUSTON ELECTRIC, LLC § OF
FOR AUTHORITY TO CHANGE RATES § ADMINISTRATIVE HEARINGS

Texas Energy Association for Marketers' (TEAM's)
Initial Post-Hearing Brief

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**APPLICATION OF CENTERPOINT § BEFORE THE STATE OFFICE
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**TEXAS ENERGY ASSOCIATION FOR MARKETERS
INITIAL POST-HEARING BRIEF**

Texas Energy Association for Marketers (TEAM) files this Initial Brief following the hearing on the merits in the above-captioned docket. TEAM participated in the hearing on the merits and files this brief on issues unique to the position of retail electric providers with regard to the Application filed by CenterPoint Energy Houston Electric, LLC (CenterPoint). Particularly because of the length of time that has passed since CenterPoint's last rate review, TEAM appreciates the efforts of all parties to ensure a review of the Application.

I. Introduction/Summary [Preliminary Order (PO) Issues 1, 2, 3]

Rather than reiterate or duplicate discussions of evidence or argument that will be put forth by other parties to this proceeding, TEAM's brief will be limited to issues that are specific to retail electric providers (REPs) providing retail electric service to their customers in the CenterPoint TDU service area.

TEAM is concerned with the timing of the rate changes approved in this proceeding. Consistent with Commission precedent and other Commission rules, TEAM requests that the REPs be afforded at least 45 days prior notice of the final rates that will be approved before they become effective. This will allow REPs to formulate product offerings and to prepare the necessary materials to inform customers as these rates change.

II. Rate Base
a. Regulatory Assets and Liabilities
i. REP Bad Debt

CenterPoint's Application includes a request to the Commission for recovery of a regulatory asset of \$1,569,545.02 that they claim as associated with REP "Bad Debt." It is important to realize that \$1,058,255.07 is associated with CenterPoint's attempt to reverse a credit that was reflected in base rates set in its last rate case.¹ CenterPoint's attempt to essentially perform retroactive ratemaking by attempting to reverse this O&M adjustment and reclaim it in a regulatory asset is not consistent with the Commission's rules or sound ratesetting accounting principles. In the 8 years since its last rate case, CenterPoint has experienced uncollectibles associated with amounts left unrecovered from 3 REPs totaling \$511,289.95. This amount is contrary to Mr. Hudson's testimony that REP Bad Debt experienced by CenterPoint was "significant." CenterPoint's lack of precision when it comes to treatment of REP Bad Debt is further exhibited in the fact that the Company filed its case with knowingly inaccurate allocation of this cost.²

III. Revenue Distribution and Rate Design

Several of the riders proposed by various intervenors and by CenterPoint are problematic. In general, such riders tend to create customer confusion – particularly when the rate rider is new and is unique to the utility at issue. Each of these riders creates the possibility of customer confusion. Further, each REP is put in the position of attempting to explain these separate charges to individual customers in Texas.

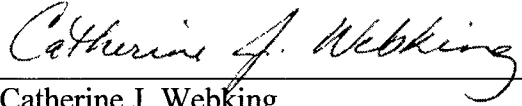
IV. Conclusion

TEAM appreciates the opportunity to participate in this proceeding. TEAM members are among the REPs who will directly pay the rates that are ultimately approved in this proceeding. TEAM requests that these rates be structured in a manner that does not include additional riders and rate elements. TEAM also requests that sufficient notice be provided after the determination of final rates in this proceeding prior to the effective date of those rates.

¹ TEAM Ex. 1 at 9.

²² TEAM Ex.1 at 6,

Respectfully submitted,



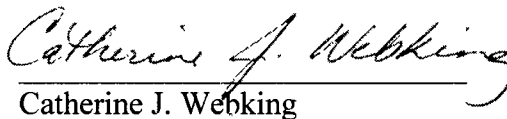
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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing instrument has been served in accordance with the governing procedural orders to all parties of record in this proceeding on this 9th day of July, 2019.



Catherine J. Webking