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APPLICATION OF CENTERPOINT \$ BEFORE THE STATE OFFICE ENERGY HOUSTON ELECTRIC, LLC \$ PUBLIC UTILITY COPPLISSION FOR AUTHORITY TO CHANGE RATES \$ ADMINISTRATIVE HEARINGS

<u>Texas Energy Association for Marketers' (TEAM's)</u> Post-Hearing Reply Brief

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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 POST-HEARING REPLY BRIEF

Texas Energy Association for Marketers (TEAM) files this Reply 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]

As with our Initial Brief, 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.

II. Rate Base

a. Regulatory Assets and Liabilities

i. REP Bad Debt

CenterPoint's Initial Brief cites the most recent Oncor case that was resolved by settlement as support for CenterPoint's proposal to include \$1,058,255.07 in a regulatory asset which is associated with CenterPoint's attempt to reverse an O&M credit that was reflected in base rates set in its last rate case.¹ The cited Oncor case does not support CenterPoint's requested reversal of this O&M credit that was previously used to set base rates. The schedule from the Oncor case reflecting bad debt was introduced into the record evidence here as TEAM Exhibit No. 6. While this schedule reflects a regulatory asset associated with REP bad debt, it

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¹ CenterPoint Initial Brief at 48 fn. 309.

does not support a reversal of a credit used to set prior base rates as proposed by CenterPoint. TEAM agrees with OPUC's discussion of the applicable law regarding CenterPoint's calculations of the regulatory asset.²

III. Revenue Distribution and Rate Design

As noted in our initial brief the multitude of riders proposed in this proceeding have a potential to create significant 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. TEAM supports statements in Staff's Initial Brief. Further, to the extent the Commission approves cost recovery of multiple regulatory assets through riders, TEAM supports CenterPoint's suggestion that rather than instituting multiple riders, a single rider be calculated and applied.³

TEAM also supports the positions of Alliance for Retail Markets (ARM) and OPUC in opposing CenterPoint's proposal to recover lost revenues through the proposed Energy Efficiency Program Adjustment.

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.

Respectfully submitted,

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² OPUC Initial Brief at 31-34.

³ CenterPoint Initial Brief at 31.

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ATTORNEYS FOR TEAM

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 16th day of July, 2019.

Catherine J. Webking

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