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OPEN MEETING COVER SHEET

COMMISSIONER MEMORANDUM

MEETING DATE: November 14, 2019

DATE DELIVERED: November 13, 2019

AGENDA ITEM NO.: 13

CAPTION: **Docket No. 49493; SOAH No. 473-19-4420**
Application of Entergy Texas, Inc. to Adjust
its Energy Efficiency Cost Recovery Factor

DESCRIPTION: Commissioner Memoranda

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Public Utility Commission of Texas

TO: Chairman DeAnn T. Walker
Commissioner Arthur C. D'Andrea
Commissioner Shelly Botkin

All Parties of Record (*via electronic transmission*)

FROM: Corey Pemberton *CJP*
Commission Advising

RE: *Application of Entergy Texas, Inc. to Adjust its Energy Efficiency Cost Recovery Factor*, Docket No. 49493, SOAH Docket No. 473-19-4420, November 14, 2019 Open Meeting, Item No. 13.

DATE: November 13, 2019

Please find enclosed a memorandum by Chairman Walker regarding the above-referenced docket. No other commissioner will file a memorandum in this docket.

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Public Utility Commission of Texas

Memorandum

TO: Commissioner Arthur C. D'Andrea
Commissioner Shelly Botkin

FROM: Chairman DeAnn T. Walker 

DATE: November 13, 2019

RE: Open Meeting of November 14, 2019 – Agenda Item No. 13
Docket No. 49493 – *Application of Entergy Texas, Inc. to Adjust its Energy Efficiency Cost Recovery Factor*

I recommend that the Commission make the following changes to the proposed order.

Footnotes 1 and 2 should be removed because they do not conform to the Commission's order-writing format. All remaining footnotes should be renumbered.

Findings of fact 39 and 43 should be modified for accuracy and clarity.

39. To calculate its 2020 cost caps, ETI applied a 2.224000% consumer-price-index adjustment to the base cap of \$0.001303 per kWh for the residential class and \$0.000815 per kWh for commercial classes in accordance with 16 TAC § 25.182(d)(7). ETI calculated its EECRF cost caps for the 2020 program year to be \$0.001332 per kWh for the residential class and \$0.000833 per kWh for commercial customers.

43. ETI filed the affidavit of Wajih Rizvi, Senior Counsel for Entergy Services. Ms. Rizvi relied upon the factors required by 16 TAC § 25.245 in reaching her opinion that ETI's non-affiliate rate-case expenses incurred in ETI's 2018 EECRF proceeding, Docket No. 48333, were reasonable. Those expenses consisted of, external legal counsel's fees of \$61,408.14, and United Parcel Service delivery charges of \$142.142 incurred in ETI's 2018 EECRF proceeding, Docket No. 48333, were reasonable.

Finding of fact 57 should be rewritten to reflect ETI's net past-cost recovery, in accordance with the Commission's treatment of this finding in other EECRF proceedings.

57. ETI's net past-cost recovery of \$9,768,890~~\$502,113~~—which consists of ETI's (i) actual 2018 program costs; (ii) true-up amounts in the 2018 rates; projected EM&V expenses to be recovered in 2020, ETI's net over-recovery of program year 2018 energy-efficiency costs plus interest, (iii) its 2016 ETI's performance bonus earned in 2018, and (iv) the 2016 EECRF proceeding costs rate-case expenses from Docket No. 48333—is a reasonable amount. The costs incurred and recovered by ETI

~~through its EECRF for program year 2018 were reasonable and necessary to reduce energy and demand costs and are reconciled for program year 2018.~~

Conclusion of law 24 should also be modified to specify that the amount is ETI's net past-cost recovery.

24. ETI's net past-cost recovery of \$502,113—which consists of ETI's (i) projected EM&V expenses to be incurred in 2020; (ii) refund of its net over-recovery, including interest, of program year 2018 energy-efficiency costs; (iii) ETI's performance bonus earned in 2018; (iv) rate-case expenses incurred in Docket No. 48333; and (v) Cities' rate-case expenses incurred in Docket No. 48333—complies with PURA § 39.905 and 16 TAC § 25.182(d).

Finally, I propose delegating to the Office of Policy and Docket Management staff the authority to modify the order to conform to the *Citation and Style Guide for the Public Utility Commission of Texas* and to make other non-substantive changes to the order for such matters as capitalization, spelling, grammar, punctuation, style, correction of numbering, and readability.

I look forward to discussing this matter with you at the open meeting.