



Control Number: 49816



Item Number: 9

Addendum StartPage: 0

**DeAnn T. Walker**  
Chairman

**Arthur C. D'Andrea**  
Commissioner

**Shelly Botkin**  
Commissioner

**John Paul Urban**  
Executive Director



**Greg Abbott**

## *Public Utility Commission of Texas*

2019 SEP 20 PM 1:17  
PUBLIC UTILITY COMMISSION  
FILING CLERK

**TO:** DeAnn T. Walker, Chairman  
Arthur C. D'Andrea, Commissioner  
Shelly Botkin, Commissioner  
  
All Parties of Record

**FROM:** Mayson Pearson **MP**  
Administrative Law Judge

**RE:** **Open Meeting of October 11, 2019**  
Docket No. 49816 – *Non-Standard True-Up Filing of Entergy Texas, Inc. in Accordance with the Financing Order in Docket No. 37247 Concerning Schedule SRC*

**DATE:** September 20, 2019

Enclosed is a copy of the Proposed Order in the above-referenced docket. The Commission is currently scheduled to consider this docket at an open meeting to begin at 9:30 a.m. on Friday, October 11, 2019, at the Commission's offices, 1701 North Congress Avenue, Austin, Texas. The parties may file corrections or exceptions to the Proposed Order on or before Thursday, October 3, 2019.

**If there are no corrections or exceptions, no response is necessary.**

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**DOCKET NO. 49816**

<b>NON-STANDARD TRUE-UP FILING OF</b>	<b>§</b>	<b>PUBLIC UTILITY COMMISSION</b>
<b>ENTERGY TEXAS, INC. PURSUANT</b>	<b>§</b>	
<b>TO THE FINANCING ORDER IN</b>	<b>§</b>	<b>OF TEXAS</b>
<b>DOCKET NO. 37247 CONCERNING</b>	<b>§</b>	
<b>SCHEDULE SRC</b>	<b>§</b>	

**PROPOSED ORDER**

This Proposed Order addresses Entergy Texas, Inc.'s application for a non-standard true-up filed in accordance with the financing order in Docket No. 37247.<sup>1</sup> The Commission approves ETI's revised Schedule SRC-Attachment A, Initial or Adjusted System Restoration Costs Rates.

**I. Findings of Fact**

The Commission makes the following findings of fact.

**Applicant**

1. ETI is a domestic for-profit corporation and is registered with the Texas secretary of state under file number 800911623.
2. ETI is an investor owned utility that provides electric generation, transmission, and distribution services in Texas under certificate of convenience and necessity number 30076.

**Application**

3. On September 11, 2009, the Commission approved a financing order in Docket No. 37247, which authorized ETI to issue transition bonds in an aggregate principal amount of \$539,881,826 to recover hurricane related costs.
4. ETI issued transition bonds on November 6, 2009 and began billing System Restoration Costs (SRC) charges on November 30, 2009.

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<sup>1</sup> *Application of Entergy Texas, Inc. for a Financing Order*, Docket No. 37247, Financing Order (Sept. 11, 2009).

5. The non-standard true-up procedure addressed in Findings of Fact numbers 86 through 88 of the financing order in Docket No. 37247 allows for adjustment of Schedule SRC if the forecasted billing units for any one of the classes for an upcoming period decrease by more than 10% compared to the threshold billing determinants established for the annual period ending December 31, 2008.
6. The forecasted billing determinants for the Year 11 billing period (November 2019 through October 2020) for the Experimental Economic As-Available Power Service rate class are projected to be more than 10% below the billing determinants established in Docket No. 37247 for that class for the year ending December 31, 2008 of 44,325,698 kilowatt hour (kWh).
7. On August 1, 2019, ETI filed a petition to initiate a non-standard true-up and adjustment of Schedule SRC.
8. ETI's petition included the testimony and exhibits of Meghan DeRoche, senior lead regulatory analyst.
9. ETI filed the application 90 days before the proposed effective date of October 30, 2019.
10. The financing order requires the servicer to take the following action in conducting the non-standard true-up:
  - (a) allocate the upcoming period's Periodic Billing Requirement (PBR) based on the PBR Allocation Factors (PBRAF) approved in Docket No. 36931;<sup>2</sup>
  - (b) calculate under-collections or over-collections, including without limitation any caused by retail electric provider defaults, if applicable, from the preceding period in each class by subtracting the previous period's transition charge revenues collected from each class from the PBR determined for that class for the same period;
  - (c) sum the amounts allocated to each customer class in steps (a) and (b) to determine an adjusted PBR for each transition charge customer class;

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<sup>2</sup> *Application of Entergy Texas, Inc. for Determination of 2008 System Restoration Costs*, Docket No. 36931, Order (Aug. 18, 2009).

- (d) divide the PBR for each customer class by the maximum of the forecasted billing units or the threshold billing units for that class, to determine the “threshold rate;”
  - (e) multiply the threshold rate by the forecasted billing units for each class to determine the expected collections under the threshold rate;
  - (f) allocate the difference in the adjusted PBR and the expected collections calculated in step (e) among the transition charge customer classes using the PBRAFs approved in the Docket No. 36931;
  - (g) add the amount allocated to each class in step (f) above to the expected collection amount by class calculated in step (e) above to determine the final PBR for each class; and
  - (h) divide the final PBR for each class by the forecasted billing units to determine the transition charge rate by class for the upcoming period.
- 11. Schedule SRC properly reflects the charges resulting from the application of the eight-step process.
  - 12. ETI complied with the eight-step procedure described in Finding of Fact number 87 of the financing order in Docket No. 37247.
  - 13. The calculation of the SRC rates complies with the requirements of the financing order in Docket No. 37247.

#### **Notice**

- 14. On August 1, 2019, ETI served notice of the application by facsimile, email, regular first-class mail, or hand delivery to all parties of record in Docket No. 37247.
- 15. In Order No. 3 issued September 4, 2019, the administrative law judge (ALJ) found the notice sufficient.

#### **Interventions**

- 16. On August 6, 2019, Texas Industrial Energy Consumers (TIEC) filed a motion to intervene.
- 17. In Order No. 2 issued on August 14, 2019, the ALJ granted TIEC’s motion to intervene.

**Informal Disposition**

18. More than 15 days have passed since the completion of notice in this docket.
19. No person filed a protest.
20. ETI, Commission Staff, and TIEC are the only parties to this proceeding.
21. No party requested a hearing and no hearing is needed.
22. Commission Staff recommended approval of the application.
23. This decision is not adverse to any party.

**II. Conclusions of Law**

The Commission makes the following conclusions of law.

1. ETI is an electric utility as that term is defined in PURA<sup>3</sup> § 31.002(6).
2. The Commission has jurisdiction over this matter under PURA §§ 14.001, 39.303 and 39.307, and the financing order in Docket No. 37247.
3. The Commission processed the application in accordance with applicable statutes and Commission rules.
4. ETI provided adequate notice of this proceeding in accordance with 16 Texas Administrative Code (TAC) § 22.55.
5. The calculation of the SRC rates set out in Schedule SRC—Attachment A, complies with the requirements of Schedule SRC as required by the Financing Order in Docket No. 37247.
6. The requirements for informal disposition in 16 TAC § 22.35 have been met in this proceeding.

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<sup>3</sup> Public Utility Regulatory Act, Tex. Util. Code §§ 11.001-66.016.

### III. Ordering Paragraphs

In accordance with these findings of fact and conclusions of law, the Commission issues the following orders:

1. The Commission approves the application.
2. The Commission approves Schedule SRC-Attachment A, Initial or Adjusted System Restoration Costs Rates (Exhibit 1 to this Order) beginning with bills rendered on or after October 30, 2019.
3. Within ten days of this Order, ETI must file a clean record copy of Schedule SRC for Central Records to stamp *Approved* and retain for future reference.
4. The Commission denies all other motions, requests for entry of specific findings of fact and conclusions of law, and any other requests for general or specific relief, if not expressly granted.

Signed at Austin, Texas the \_\_\_\_\_ day of \_\_\_\_\_ 2019.

**PUBLIC UTILITY COMMISSION OF TEXAS**

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**DEANN T. WALKER, CHAIRMAN**

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**ARTHUR C. D'ANDREA, COMMISSIONER**

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**SHELLY BOTKIN, COMMISSIONER**

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**ENTERGY TEXAS, INC.**

**SCHEDULE SRC - ATTACHMENT A**

**INITIAL OR ADJUSTED SYSTEM RESTORATION COSTS RATES**

**I. RATE CLASSES**

For purposes of determining and billing Initial or Adjusted System Restoration Costs Rates, each end-use customer will be designated as a customer belonging to one of eight classes as identified and defined in § V of Rate Schedule SRC.

**II. NET MONTHLY RATE**

The Initial or Adjusted SRC Rates shall be determined in accordance with and are subject to the provisions set forth in Rate Schedule SRC. Not less than 15 days prior to the first billing cycle for the Company's November 2010 billing month and no less frequently than annually thereafter, the Company or successor Servicer will file a revision to Schedule SRC, Attachment A setting forth the Adjusted SRC Rates to be effective for the upcoming period. If made as a result of the standard true-up adjustment in Rate Schedule SRC, the Adjusted SRC Rates will become effective on the first billing cycle of the Company's November billing month. If an interim true-up adjustment is made pursuant to Rate Schedule SRC, the Adjusted SRC Rates will become effective on the first billing cycle of the Company's billing month that is not less than 15 days following the making of the interim true-up adjustment filing. If a non-standard true-up filing pursuant to Rate Schedule SRC is made to revise the Initial or Adjusted SRC Rates, the filing will be made at least 90 days prior to the first billing cycle for the Company's November billing month. Amounts billed pursuant to this schedule are not subject to Rider IHE or State and local sales tax.

<b><u>SRC Rate Class</u></b>	<b><u>Initial or Adjusted SRC Rates</u></b>	
Residential	\$0.00524	per kWh
Small General Service	\$0.00403	per kWh
General Service	\$0.00409	per kWh
Large General Service	\$0.00225	per kWh
Large Industrial Power Service	\$0.15493	per kW
Experimental Economic As-Available Power Service	\$0.00000	per kWh
Standby and Maintenance Service	\$0.02118	per kW
Street and Outdoor Lighting	\$0.02180	per kWh

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The Initial or Adjusted SRC Rates are multiplied by the kWh or kW as applicable, read, estimated or determined during the billing month and will be applied to bills rendered on and after the effective date.