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BEFORE THE STATE OFFICE OF ADMINISTRATIVE HEARINGS

APPLICATION OF ENTERGY TEXAS, INC. FOR AUTHORITY TO CHANGE RATES

SOAH ORDER NO. 1 FILING DESCRIPTION; JURISDICTION AND SUSPENSION OF EFFECTIVE DATE; SUFFICIENCY OF APPLICATION AND NOTICE; ADOPTING PROTECTIVE ORDER; SETTING PREHEARING CONFERENCE; AND PROCEDURES

I. FILING DESCRIPTION

On July 1, 2022, Entergy Texas, Inc. (ETI) filed an application with the Public Utility Commission of Texas (Commission) requesting authority to change its base rates (Application). ETI seeks approval of a total non-fuel retail amount of approximately \$1.2 billion per year, an increase of \$131.4 million, or 11.2% on average across all customer classes. Including fuel, ETI's request represents a

6.95% increase. The Application is based on a 12-month test year ending December 31, 2021 (the Test Year).

ETI requests inclusion in rate base of capital additions closed to plant in the period of January 1, 2018 through the end of the Test Year and approval of new depreciation rates. ETI proposes to update the depreciation lives of three of its generating units as well as the Spindletop natural gas storage facility to reflect the current expected lifespan of those facilities. ETI also requests approval of its proposed rate riders and rate schedules and that it be granted any applicable good-cause exceptions to the Commission's rules.

If approved, the Application will affect ETI's Texas retail customers across all rate classes and rate schedules.

II. JURISDICTION AND SUSPENSION OF EFFECTIVE DATE

The Commission has jurisdiction and authority over this proceeding pursuant to Texas Utilities Code §§ 14.001, 31.002(6), 32.001, 32.102, 36.001-.112, and 36.201-.212.¹ The Commission has exclusive original jurisdiction over this Application for service provided to ETI's environs customers and to customers within the corporate limits of those cities that have ceded their regulatory jurisdiction to the Commission.

The Commission referred this case to the State Office of Administrative Hearings (SOAH) on July 6, 2021, requesting the assignment of an Administrative

¹ Public Utility Regulatory Act, Tex. Util. Code §§ 11.001-66.016 (PURA).

Law Judge (ALJ) to conduct a hearing and issue a proposal for decision, if necessary. SOAH has jurisdiction over matters relating to the conduct of the hearing in this proceeding pursuant to Texas Government Code § 2003.049.

ETI requests that the final rates set in this proceeding be made effective 35 days after the filing of its Statement of Intent and Application, which is August 5, 2022. Pursuant to 16 Texas Administrative Code (Commission rule) § 22.32(c) and 25.241(i), the ALJs hereby suspend ETI's proposed effective date for 150 days to allow sufficient time for a final determination of the Application. Accordingly, the effective date for ETI's requested rates is January 2, 2023.

III. SUFFICIENCY OF APPLICATION AND NOTICE

By July 15, 2022, Commission staff (Staff) shall provide a recommendation on the sufficiency of ETI's proposed notice of its Application, and any party may file an objection regarding ETI's proposed notice by that same deadline.² Any objection to the sufficiency of ETI's Application shall be filed no later than July 22, 2022. ETI shall respond to any such motion within five working days.³

IV. ADOPTING **PROTECTIVE ORDER**

ETI requested entry of the Commission's standard protective order to govern and protect information that consists of proprietary or commercially sensitive material or confidential or highly sensitive data and information that <u>unaffiliated third-parties</u> have provided to ETI under agreements restricting ² ETI's proposed notice is provided as Attachment B to its Application.

³ 16 Tex. Admin. Code § 22.75(c)(1).

disclosure and dissemination. The Commission's standard protective order is **ADOPTED** and shall govern this proceeding unless otherwise ordered. Any objections to the form of the adopted protective order must be filed no later than five working days from the date of this order.

V. SETTING PREHEARING CONFERENCE

The undersigned ALJs will convene a **prehearing conference at 10:00 a.m. on July 22, 2022**, via the Zoom videoconferencing application. The ALJs will make an audio recording of the prehearing conference, which will be the official record of the proceeding, unless the parties retain a court reporter. You may access the prehearing conference by going to <u>https://soah-texas.zoomgov.com/</u> or the Zoom application on your mobile device, selecting "Join a Meeting," and entering the following information when prompted:

Meeting ID:	161 595 8628
Passcode:	PUC4394

If you do not have access to a device that would allow videoconferencing capabilities, you may join by telephone by calling the number below and entering the following Meeting ID and passcode when prompted:

(669) 254-5252

Meeting ID:	161 595 8628
Passcode:	1643332

The following matters will be discussed at the prehearing conference:

- 1. All pending motions filed by 1:00 p.m. on July 19, 2022;
- 2. A procedural schedule, including a date for the hearing on the merits that will enable the Commission to make a final decision by January 2, 2022, or, in the alternative, a subsequent date should ETI agree to a further extension of the statutory deadline; and
- 3. Any other matter that may assist in the disposition of this case in a fair and efficient manner.

In developing a proposed procedural schedule, the parties must anticipate a record close date that ensures the ALJs have 60 days to issue the PFD. Additionally, the parties must first endeavor to provide the Commission with enough time for two dates for open meetings to discuss the PFD, and seven calendar days after the last open meeting to issue an order. This can usually be achieved by allowing the Commission five weeks before the effective date to issue an order.

VI. PROCEDURES

4

A. FILING

In response to COVID-19, the Commission has issued an order suspending certain rules and requiring email service and online filings.⁴ The parties should review the Commission's website for the latest information on how COVID-19 is impacting the Commission's procedural requirements. Except as modified by the Commission or SOAH in response to COVID-19, the Commission's procedural

rules will govern the conduct of this case, and the parties are expected to comply with those rules.

All pleadings must contain both the SOAH and Commission docket numbers to allow for efficient processing.

All filings in this case are available for viewing and downloading from the Commission's website (www.puc.texas.gov). Once there, click on "Filings"" at the top of the page; then click on "Filings Search" and type in the control number (Commission Docket Number) 53719 and press "enter." You may access any of the listed documents by clicking on the item number in the first column. You may also access the Commission's procedural rules from that website.

B. E-MAIL SERVICE

When a party filed a document with the Commission, that party is also required to serve (i.e., provide a copy of that document to) every other party in the proceeding. At this time, dur to COVID-19, service must be accomplished by e-mail. Andy party to this proceeding who has not previously provided an e-mail address SHALL, no later than seven days after the date of this order, file a notice informing the parties of the e-mail address to be used for service.

SOAH's orders must also be provided to, or served on, the parties. Parties will be served with SOAH's orders electronically at the e-mail address they provide.

Only one address per party will be included on the official service list maintained by SOAH, pursuant to Commission rule § 22.74(b). Notice of required corrections to SOAH's service list should be filed with the Commission as soon as possible.

C. MOTIONS AND RESPONSES TO MOTIONS AND OTHER PLEADINGS

Unless otherwise specified, responses to any motion or other pleasing shall be filed within **five working days** from receipt of the pleading to which the response is made. Such responsive pleadings shall state the date of receipt of the pleading to which a response is made. Failure to file a timely response will be considered acquiescence to the relief requested. **All motions should include a certificate of conference.**

D. DISCOVERY

Discovery may begin immediately pursuant to Subchapter H of the Commission's procedural rules. All discovery requests and responses shall be filed with the Commission.

E. IN CAMERA REVIEW

If a party seeks *in camera* review of documents in accordance with Commission rule § 22.144(g), it will submit the documents to the ALJs at SOAH. Documents submitted for review should not be filed with the Commission filing clerk. If they are filed with the Commission filing clerk, even inadvertently, the documents may not be physically removed from the Commission. Further, any claim to privilege or exemption may be waived by the filing.

At the time the documents are submitted for *in camera* review, the objecting party will file affidavits that list the facts necessary to support the explanation and the privilege or exemption that is claimed. The affidavits will be public documents and will be filed with the Commission filing clerk and served upon the propounding party.

Answers to Requests For Information (RFI) that are submitted for *in camera* review will be grouped and separated from other answers by envelope, folder, box, or other appropriate containers; materials that constitute an answer to more than one RFI will be clearly cross-referenced. RFI answers submitted for *in camera* review will not be accessible to the other parties unless the ALJs order otherwise.

SIGNED JULY 11, 2022

ALJ Signatures:

Ross Henderson, Administrative Law Judge

/s/ Vasu Behara

Vasu Behara, Administrative Law Judge