



## Filing Receipt

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**SOAH DOCKET NO. 473-22-04394  
PUC DOCKET NO. 53719**

**APPLICATION OF ENTERGY § BEFORE THE STATE OFFICE  
TEXAS, INC. FOR AUTHORITY § OF  
TO CHANGE RATES § ADMINISTRATIVE HEARINGS**

**COMMISSION STAFF'S RESPONSE  
TO ENTERGY TEXAS, INC.  
FIRST REQUEST FOR INFORMATION  
QUESTION NOS. ETI 1-1 THROUGH ETI 1-17**

The Staff (Staff) of the Public Utility Commission of Texas (Commission) stipulates that the following responses to requests for information may be treated by all parties as if the answers were filed under oath.

Dated: November 10, 2022

Respectfully submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS  
LEGAL DIVISION**

Keith Rogas  
Division Director

Sneha Patel  
Managing Attorney

/s/ Margaux Fox  
State Bar No. 24120829  
Scott Miles  
State Bar No. 24098103  
Mildred Anaele  
State Bar No. 24100119  
1701 N. Congress Avenue  
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**CERTIFICATE OF SERVICE**

I certify that unless otherwise ordered by the presiding officer, notice of the filing of this document was provided to all parties of record via electronic mail on November 10, 2022 in accordance with the Second Order Suspending Rules, filed in Project No. 50664.

/s/ Margaux Fox  
Margaux Fox

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**COMMISSION STAFF'S RESPONSE  
TO ENTERGY TEXAS, INC.  
FIRST REQUEST FOR INFORMATION  
QUESTION NOS. ETI 1-1 THROUGH 1-17**

**ETI 1-1** Please provide a full explanation of Ms. Stark's experience in hiring outside lawyers and consultants for base rate proceedings before the Public Utility Commission of Texas. For any attorneys or consultants hired by Ms. Stark, please provide: (1) the dates of the engagement; (2) the regulated entity involved; (3) the docket number of the base rate proceeding; (4) the attorneys and consultants hired; and (5) the rates charged by the attorneys and consultants hired.

**Response:** None.

Prepared by: Ruth Stark  
Sponsored by: Ruth Stark

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**COMMISSION STAFF'S RESPONSE  
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FIRST REQUEST FOR INFORMATION  
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**ETI 1-2** Please provide a full explanation of Ms. Stark's experience in hiring outside lawyers and consultants for base rate proceedings before any regulatory authority other than the Public Utility Commission of Texas. For any attorneys or consultants hired by Ms. Stark, please provide: (1) the dates of the engagement; (2) the regulated entity involved; (3) the docket number of the base rate proceeding; (4) the attorneys and consultants hired; and (5) the rates charged by the attorneys and consultants hired.

**Response:** None.

Prepared by: Ruth Stark  
Sponsored by: Ruth Stark

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**ETI 1-3** Please provide a full explanation of Ms. Stark's experience in hiring outside lawyers and consultants for purposes of any litigated proceeding before a federal or state court. For any attorneys or consultants hired by Ms. Stark, please provide: (1) the dates of the engagement; (2) the party or parties involved; (3) the docket number of the base rate proceeding; (4) the attorneys and consultants hired; and (5) the rates charged by the attorneys and consultants hired.

**Response:** None.

Prepared by: Ruth Stark  
Sponsored by: Ruth Stark

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**ETI 1-4** Does Ms. Stark agree that settled cases before the Commission have no precedential value? To the extent Ms. Stark disagrees in whole or in part, provide all support for her position.

**Response:** Yes.

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**ETI 1-5** Does Ms. Stark agree that under the Office of Attorney General's memorandum dated July 3, 2019 (provided in Attachment RS-3), the hourly rates for attorneys at \$525 per hour could be exceeded with express approval by the First Assistant Attorney General? To the extent Ms. Stark disagrees in whole or in part, provide all support for her position.

**Response:** Yes.

Prepared by: Ruth Stark  
Sponsored by: Ruth Stark



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- ETI 1-6** Is Ms. Stark aware of whether the First Assistant Attorney General has ever approved an hourly rate above \$525 per hour?
- a. If the response is yes, please specify how many instances Ms. Stark is aware of.
  - b. If the response is no, please explain whether Ms. Stark has made any effort to determine whether such approvals have been provided.

**Response:** a. No.  
b. No.

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**ETI 1-7** Does Ms. Stark agree that under the Office of Attorney General's memorandum dated July 3, 2019 (provided in Attachment RS-3), some services may be billed on a fixed fee per project basis? To the extent Ms. Stark disagrees in whole or in part, provide all support for her position.

**Response:** The Office of Attorney General's memorandum dated July 3, 2019 provides that some services may be billed on a fixed fee per project bases and requires that a subcontractor providing legal services at a fixed fee must provide a statement to the OAG certifying that the time spent on the flat fee work was, at a minimum, comparable to what would have been spent had the firm been billing at the maximum hourly rate allowed under Addendum B of the Outside Counsel Contract which, for the memorandum dated July 3, 2019, is \$525 per hour.

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**ETI 1-8** Does Ms. Stark agree that law firm hourly rates typically escalate over time? To the extent Ms. Stark disagrees in whole or in part, provide all support for her position.

**Response:** Ms. Stark has observed that law firm hourly rates requested as rate-case expenses in proceedings before the Commission have increased over the approximately 32 years she has been employed by the Commission.

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**ETI 1-9** Has Ms. Stark performed any studies or analyses on increases in law firm payroll expense, overhead, and direct expenses over the last five years? If so, please provide such studies or analyses.

**Response:** No.

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QUESTION NOS. ETI 1-1 THROUGH ETI 1-17**

**ETI 1-10** Has Ms. Stark performed any studies or analyses on increases in consulting firm payroll expense, overhead, and direct expenses over the last five years? If so, please provide such studies or analyses.

**Response:** No.

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QUESTION NOS. ETI 1-1 THROUGH ETI 1-17**

**ETI 1-11** Does Ms. Stark agree that consultant hourly rates typically escalate over time? To the extent Ms. Stark disagrees in whole or in part, provide all support for her position.

**Response:** Ms. Stark has observed that consulting hourly rates requested as rate-case expenses in proceedings before the Commission have increased over the approximately 32 years she has been employed by the Commission.

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**ETI 1-12** Referring to the adjustment for the two attorneys at Jackson Walker, did Ms. Stark perform a study of the hourly rates charged by outside consultants providing rate case expense testimony for utilities? If so, provide the study. If not, provide all support for removing the amount of hourly fees that exceed \$550 per hour.

**Response:** No.

The support for removing the Jackson Walker hourly fees exceeding \$550 per hour is the Commission's Order in Docket No. 51415. In that proceeding, a portion of the disallowed hourly attorney billing rates in excess of \$550 per hour was for the consulting work of a tax attorney employed by Eversheds Sutherland who testified on a tax normalization issue on behalf of SWEPCO.

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**ETI 1-13** In the past five years, has Commission Staff hired an attorney, consultant, or service provider on an hourly basis? If so, please provide the details of the engagement, including the engagement letter, the hourly rates by timekeeper, a description of the service provided, and the total amount paid to the consultant or service provider.

**Response:** No, Commission Staff has not made such hirings.

Prepared by: Margaux Fox

Sponsored by: Margaux Fox



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**ETI 1-14** In the past five years, has Commission Staff hired an attorney, consultant, or service provider on a flat fee or fixed fee basis? If so, please provide the details of the engagement, including the engagement letter, a description of the service provided, the total amount paid to the attorney, consultant or service provider, and the invoices from the attorney, consultant, or service provider.

**Response:** No, Commission Staff has not made such hirings.

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Sponsored by: Margaux Fox

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**ETI 1-15** Referring to page 22 regarding Deloitte, is it Ms. Stark's position that all consultants, even those providing services for a discrete issue or set of issues, are required to provide detailed task narratives by timekeeper? If so, provide all support for her position.

**Response:** Ms. Stark's position that all consultants that by definition are "professionals" as that term is used in the Commission's rate-case expense rule must comply with 16 TAC § 25.245(b)(2) and (c)(1).

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Sponsored by: Ruth Stark

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**ETI 1-16** Referring to page 22, other than the invoice, in Ms. Stark's opinion what type of third-party documentation for Deloitte is ETI required to provide to show that such expenses are reasonable and necessary?

**Response:** As explained at page 22 of Ms. Stark's testimony, it is her opinion that ETI should have structured its agreement with Deloitte in a manner that would require the submission of documentation that complies with the requirements of 16 TAC § 25.245.

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Sponsored by: Ruth Stark

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**ETI 1-17** Has Ms. Stark performed a study of the costs to utilities for audit services in connection with the review of affiliate costs? If so, provide the study.

**Response:** No.

Prepared by: Ruth Stark

Sponsored by: Ruth Stark