PUBLIC UTILITY COMMISSION OF TEXAS

Filing Receipt

Received - 2022-11-29 03:09:56 PM
Control Number - 53719
ItemNumber - 392

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

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

OFFICE OF PUBLIC UTILITY COUNSEL'S
ERRATA TO THE DIRECT TESTIMONY OF EVAN D. EVANS

The Office of Public Utility Counsel ("OPUC") submits this Errata to the Direct Testimony of Evan D. Evans that was filed on October 26, 2022. This Errata makes the changes below to Mr. Evan's Direct Testimony. A corrected Attachment EDE-9 and a red-lined version of the affected pages of Mr. Evan's Direct Testimony are attached to this Errata.

Page 10, Line 22-23: Replace "one year's" with two years'"
Page 30, Line 19: Replace "0.29" with "1.45"
Page 34, Line 1: Replace "one year's" with "two years'"
Page 38, Line 19: Replace: "one year's" with "two years'"

Date: November 29, 2022

Respectfully submitted,

Chris Ekoh
Interim Chief Executive and Public Counsel
State Bar No. 06507015

Renee Wiersema
Assistant Public Counsel
State Bar No. 24094361
Justin Swearingen
Assistant Public Counsel
State Bar No. 24096794
1701 N. Congress Avenue, Suite 9-180
P.O. Box 12397
Austin, Texas 78711-2397
512-936-7500 (Telephone)
512-936-7525 (Facsimile)
justin.swearingen@opuc.texas.gov (Service)
renee.wiersema@opuc.texas.gov (Service)
opuc_eservice@opuc.texas.gov (Service)

ATTORNEYS FOR THE
OFFICE OF PUBLIC UTILITY COUNSEL

CERTIFICATE OF SERVICE
SOAH DOCKET NO. 473-22-04394
PUC DOCKET NO. 53719

I hereby certify that a copy of the foregoing document was served on all parties of record in this proceeding on this 29th day of November, 2022 by facsimile, electronic mail, and/or first class, U.S. Mail.

Renee Wiersema

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

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

DIRECT TESTIMONY

AND

WORKPAPERS

OF

EVAN D. EVANS

ON BEHALF OF THE

OFFICE OF PUBLIC UTILITY COUNSEL

October 26, 2022
(Revised November 29, 2022)

- The class cost of service should be modified to only use the Maximum Diversified Demands ("MDD") and Non-Coincident Peaks ("NCP") for allocating ETI's distribution demand-related costs;

- In the alternative, the demand allocators for distribution line transformers and secondary lines should be modified to exclude NCPs for the month of February due to the unprecedented impact of Winter Storm Uri on customers' demands;

- The following directives should be followed in the final revenue distribution approved in this case:
  - Revenue increases should be assigned such that all classes are moved as close to unity as possible, without violating the other directives;
  - The proposed revenues for all classes should produce at least 0.95 times the system average rate of return ("ROR") and no class produces greater than 1.05; and
  - If possible, consistent with ETI's proposed revenue increase distribution, the increase for all classes should range from a minimum of 0.5 times the system average to a maximum of 1.5 times the system average.

- The customer charges for Residential Service and Small General Service appear to require considerable increases to recover full customer component costs. The increases to the customer charges should be moderated and should not be increased by more than 1.5 times the average increase energy charges approved for each of these classes;

- TECI-1 Rider customers should be required to reimburse the Company for the cost of construction and installation of New Facilities necessary to extend electric service to the Transportation Electrification ("TE") charging infrastructure in excess of ~~one year'~~two years' anticipated annual base revenues, instead of ETI's proposal of four years' anticipated annual base revenues;

- ETI should be required to maintain separate accounting for all investment, depreciation expense and other costs associated with the TECI-1 program and promotion of that program for consideration in ETI's next base rate case;

contract is required), or projected Revenues for the first four years after electric service to the TE and charging infrastructure is expected to commence (if no contract is required) is equal to or exceeds the Company's projected investment to construct and install the TE and charging infrastructure and any related infrastructure necessary to serve the TE and charging infrastructure new load."

In addition, in response to OPUC's RFI No. 8-9, which is attached as Attachment EDE-8, ETI stated the provision is intended to "extend new or upgraded service to customers without reimbursement for the costs when the projected revenue for the first four years of service for new or additional load is equal to or exceeds the Company's projected infrastructure investment."

Q. WILL THE PROVISION CONCERNING THE EXTENSION OR UPGRADE OF ETI'S FACILITIES TO SERVE NEW TE CHARGING INFRASTRUCTURE OR EXPANSION OF TE CHARGING INFRASTRUCTURE IMPACT OTHER CUSTOMERS?

A. Yes. Although ETI contends that this provision is consistent with its line extension policy, this level of unreimbursed extension of facilities would not be supported by ETI's proposed rates. Attachment EDE-9 contains an analysis of the amount of distribution rate base that is supported by ETI's proposed rates. The analysis clearly shows that ETI's proposed General Service rates only support a distribution rate base equal to ~~0.29~~1.45 years of ETI's base revenues, which is significantly less than the four years anticipated base rate revenues that would be provided without charge pursuant to the TECI-1 Rider or ETI's current Extension Policy.[31]

[31] Schedule Q-8.8, pages 238 – 240.

to the TE charging infrastructure in excess of ~~one year's~~ two years' anticipated annual base revenues. That will strike a balance between ETI's proposal and the amount that is cost-justified. Also, ETI should be required to maintain separate accounting for all investment, depreciation expense and other costs associated with the TECI-1 program and promotion of that program for consideration in ETI's next base rate case. I also recommend that all rate case expenses relative to the TECI-1 Rider and the TECDA-1 Rider be separated and not allocated to Residential Service and other customer classes for which these riders are not applicable.

Q. PLEASE DESCRIBE ETI'S PROPOSED TECDA-1 RIDER.

A. The TECDA-1 Rider is designed to promote investment in the development and expansion of transportation electric charging infrastructure and shore power connections within ETI's service territory. This rider is applicable to customers who take service under ETI's General Service rate and who install separately metered charging equipment, whether the customer participates in ETI's proposed TEC-1 Rider or not.[35]

The primary component of the TECDA-1 rider is a provision that limits the amount of demand billed under Rate Schedule GS to a qualifying customer during any billing period in which the actual calculated load factor is less than 15%, so that the customer will not be billed for any demands that exceed the amount.[36] Therefore, for an average month, ETI will reduce the billing demand charges for customers who have high demands relative

[35] Direct Testimony of Samantha F. Hill at 27:5 – 9.

[36] *Id.* at 27:2 – 17.

- In the alternative, the demand allocators for distribution line transformers and secondary lines should be modified to not include NCPs for the month of February due to the unprecedented impact of Winter Storm Uri on customers' demands;
- The following directives should be followed in the final revenue distribution approved in this case:
    - Revenue increases should be assigned such that all classes are moved as close to unity as possible, without violating the other directives;
    - The proposed revenues for all classes should produce at least 0.95 times the system average rate of return ("ROR"), with no class producing greater than 1.05; and
    - If possible, consistent with ETI's proposed revenue increase distribution, the increase for all classes should range from a minimum of 0.5 times the system average to a maximum of 1.5 times the system average;
- The customer charges for Residential Service and Small General Service appear to require considerable increases to recover full customer component costs. The increases to the customer charges should be moderated and should not be increased by more than 1.5 times the average increase in energy charges approved for each of these classes;
- TECI-1 Rider customers should be required to reimburse the Company for the cost of construction and installation of New Facilities necessary to extend electric service to the TE charging infrastructure in excess of ~~one year's~~two years' anticipated annual base revenues, instead of ETI's proposal of four years' anticipated annual base revenues;
- ETI should be required to maintain separate accounting for all investment, depreciation expense and other costs associated with the TECI-1 program and promotion of that program for consideration in ETI's next base rate case;
- All rate case expenses relative to the TECI-1 and TECDA-1 riders should be recorded separately and should not be recovered from Residential Service or other non-participating customer classes;

OFFICE OF PUBLIC UTILITY COUNSEL
Analysis of
Distribution Rate Base Supported by Proposed Base Rates by Customer Class

Description	Total Company Adjusted	Residential Service	Small General Service	General Service	Large General Service	Large Industrial Power	Lighting
Distribution Substations Rate Base	281,622,646	170,011,895	11,544,592	69,480,425	20,236,812	8,040,509	2,308,412
Distribution Primary Lines Rate Base	584,673,705	353,006,611	23,964,925	144,218,321	42,004,527	16,687,366	4,791,954
Distribution Secondary Lines Rate Base	127,467,914	90,229,019	5,364,877	25,660,041	5,466,294	747,684	-
Total Distribution Lines Rate Base	712,141,619	443,235,630	29,329,802	169,878,362	47,470,821	17,435,050	4,791,954
Distribution Line Transformers	382,968,866	271,053,205	16,121,638	77,118,633	16,428,587	2,246,803	-
Total Distribution Rate Base	1,376,733,131	884,300,730	56,996,032	316,477,420	84,136,220	27,722,363	7,100,366
Year-End Number of Customers		422,815	38,207	20,085	390	124	2,744
Dist Rate Base per Customer		$ 2,091	$ 1,492	**$ 15,757**	$ 215,734	$ 223,567	$ 2,588
Average Monthly Billing kW				922,426	245,218	1,375,568	
Dist Rate Base per Billing kW				**$ 343.09**	$ 343.11	$ 20.15	
ETI Proposed Rate Schedule Base Rate Revenues, Excluding Riders	$1,219,024,749	$654,138,090	$46,387,907	$218,555,806	$64,724,779	$219,104,966	$16,113,201
Distribution Rate Base Supported by $1 of Annual Base Rate Revenues	$ 1.13	$ 1.35	$ 1.23	**$ 1.45**	$ 1.30	$ 0.13	$ 0.44

Sources of Data:
1) Rate Base values by class and in total from ETI filed Scheduled P-5.7 through P-5.11.
2) Number of customers and billing demand (kW) values from Schedule P-6.1.1
3) Proposed Base Rate Revenues, Excluding Rider Revenues from Schedule Q-7