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

**OFFICE OF PUBLIC UTILITY COUNSEL'S  
POST-HEARING INITIAL BRIEF ON  
PRELIMINARY ORDER ISSUES NOS. 68 AND 69**

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**January 13, 2023**

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Charging Demand Adjustment (“TECDA”) rider is designed to provide targeted demand charge relief and reduce electric bill uncertainty exclusively for non-residential customers installing electric vehicle charging infrastructure and taking new separately metered electric service under Rate Schedule GS.<sup>4</sup>

ETI asserts that non-participating customers will not bear costs associated with the TECI-1 rider<sup>5</sup> and that “application of the TECDA Rider would not materially impact non-participating ETI customers.”<sup>6</sup> However, ETI did not provide an estimate of the potential range of impacts the TECI and TECDA Rider could have on non-participating customers within the General Service rate class, nor did it limit the time period in which the TECDA Rider would be available. As a result, the impact could continue indefinitely, with new participants added after the term limit for old participants is reached or the initial participants cease operations.<sup>7</sup> OPUC is concerned that non-participating customers from all customer classes will bear additional costs and that the riders could limit the competitive offering of similar equipment and services in the competitive market.

**II. Preliminary Order Issue No. 68. Is it appropriate for an electric utility in a vertically integrated area to own vehicle-charging facilities or other transportation electrification and charging infrastructure, or should the ownership of such facilities be left to competitive providers?**

No. It is not appropriate for an electric utility in a vertically integrated area to own vehicle-charging facilities or other transportation electrification infrastructure. The ownership of such facilities should be left to the competitive market. “The fundamental basis for the authorization of

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<sup>4</sup> *Id.* at 8.

<sup>5</sup> Direct Testimony of Samantha F. Hill at 16:1-6.

<sup>6</sup> *Id.* at 37:14-18.

<sup>7</sup> Direct Testimony of Evan D. Evans at 35:12-16.





depreciation expense and other costs associated with the TECI program and promotion of that program for consideration in ETI's next base rate case.

#### **A. Transportation Electrification and Charging Infrastructure (“TECI”) Rider**

OPUC believes that ETI's proposed TECI Rider is unreasonably preferential and discriminatory, is inequitable, and should be rejected as it is not just and reasonable. As proposed, the TECI Rider could create competition concerns in the competitive market and would likely result in harm to other ratepayers in addition to the potential shifting of costs to other customers if the TECI costs and revenues do not reasonably match up.<sup>15</sup> ETI asserts in Ms. Samantha Hill's testimony that “the charges assessed under the TECI-1 Rider will only be charged to those customers who voluntarily enroll in the TECI-1 Rider, and no costs associated with the administration of the rider will be imposed on any customers who have not elected to participate.”<sup>16</sup> However, there is no discussion or evidence to show what safeguards are in place for non-participating customers when a participating customer defaults. OPUC further recommends that the riders should not contain a separate and distinct extension policy from the Extension Policy contained in ETI's approved Rules and Regulations, Sheet No. 18 – Electric Extension Policy. To safeguard non-participating customers and ratepayers, TECI 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 two years' anticipated annual base revenues, instead of ETI's proposal of four years' anticipated annual base revenues.<sup>17</sup>

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<sup>15</sup> Direct Testimony of William Abbott at 9:13-16.

<sup>16</sup> Direct Testimony of Samantha Hill 16:3-6.

<sup>17</sup> Direct Testimony of Evan D. Evans (Errata) at 30:11 – 34:8.



## **B. Transportation Electrification and Charging Demand Adjustment (“TECDA”) Rider**

OPUC’s position is that the TECDA Rider is unreasonably preferential and discriminatory, is inequitable, and grants an unreasonable preference concerning rates to certain customers in a classification if the unrecovered participant demand charges are shifted to non-participating customers. PURA § 36.007(d) states, “Notwithstanding any other provision of the title, the commission shall ensure that the electric utility’s allocable costs of serving customers paying discounted rates under this section are not borne by the utility’s other customers.” Accordingly, the under-recovered demand revenues that result from the application of the billing demand cap in the TECDA Rider should not be borne by other customers. If the TECDA Rider is approved by the Commission, the rider should expire when new rates are approved in ETI’s next base rate case, unless the rider is ratified in that base rate case. Additionally, if the TECDA Rider is approved, the proposed load factor-based billing demand cap should be considered a discounted rate pursuant to PURA § 36.007(a). No other customers within the General Service, Large General Service, or Industrial Power Service rate classes are provided similar demand caps and the intent of this demand cap is to promote expansion of EV infrastructure. ETI will benefit from the expansion by increased sales. OPUC maintains that the under-recovered demand revenues that result from the application of the billing demand cap in the TECDA Rider should not be borne by other customers pursuant to PURA § 36.007(d).

Finally, it is OPUC’s position that all rate case expenses relative to the TECI and TECDA riders should be recorded separately and not be recovered from Residential Service or other non-participating customer classes. And, in the interest of efficiency and productivity, consideration of the TE issues and associated Riders should be addressed in a separate docket so as to enable greater

participatory engagement from all four vertically-integrated, non-ERCOT investor-owned electric utilities.

#### **IV. Conclusion**

For the reasons stated herein and discussed in the Direct Testimony and Cross-Rebuttal Testimony of OPUC witness Mr. Evan Evans, OPUC respectfully requests that the State Office of Administrative Hearings Administrative Law Judges adopt and incorporate OPUC's recommendations into the Proposal for Decision in this proceeding. OPUC further requests to be granted any other relief to which it may be entitled.

Respectfully submitted,

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**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 13<sup>th</sup> day of January, 2023, by facsimile, electronic mail, and/or first class, U.S. Mail.



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Renee Wiersema