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Chairman Thomas Gleeson Commissioner Lori Cobos Commissioner Jimmy Glotfelty Commissioner Kathleen Jackson Commissioner Courtney Hjaltman Public Utility Commission of Texas 1701 N. Congress Ave. Austin, TX 78701

Re: Environmental Defense Fund's Reply to Joint Response, PUC Docket No. 56211

Dear Honorable Chairman and Commissioners,

Pursuant to SOAH Order No. 13 in the above-captioned proceeding, Environmental Defense Fund (EDF) hereby files this Reply to Gulf Coast Coalition of Cities' Joint Response to CenterPoint Houston Electric's Notice of Withdrawal.

EDF opposes CenterPoint's request to withdraw its rate case application. Allowing such a withdrawal under these circumstances risks setting a poor precedent that could impede fair and efficient resolution of future Commission proceedings.

Gulf Coast Coalition of Cities argues, *inter alia*, that "dismissal would prevent ratepayers from receiving the benefit of a significant rate decrease" EDF does not take a position on this argument, but even setting it aside, EDF believes that ample cause exists to require this case to proceed.

First, allowing CenterPoint's withdrawal at this late stage would chill intervenor participation in future rate cases. Parties invest significant resources to participate in Commission proceedings, especially base rate case proceedings, under the reasonable expectation that their time and effort will help lead to a just and reasonable decision by the Commission. This burden is particularly acute for parties with limited budgets, such as not-for-profits and individual customers. Allowing CenterPoint to withdraw at this late date when parties had already prepared for a hearing on the



merits with filed testimony would waste the time and resources parties have invested in this rate case over the past several months. This signal would deter interested parties from participating in future cases, which among other consequences, may impede the development of robust factual records on which Commission decisions rely.

Second, allowing withdrawal would impair efficient settlement of future cases. Settlement only works because the alternative is litigation: each party's settlement position is informed by their assessment of the potential litigated outcomes. This incents parties to compromise. Dismissing this case, on the other hand, would undermine this incentive by providing utilities with the option of unilaterally choosing the status quo over litigation at any point prior to hearing. This would make the status quo the settlement "floor" in any proceeding, thereby reducing all parties' incentives to engage in settlement negotiations and driving more cases to full litigation.

In the alternative, if the Commission finds good cause to dismiss this proceeding, EDF agrees with TIEC that the Commission should set clear parameters in its decision that make it clear that such withdrawal is generally not permissible.

Thank you for considering our reply.

Respectfully Submitted,

Michael Zimmerman

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