

RECEIVED

2019 JUN 27 PM 9:49

APPLICATION OF ENTERGY TEXAS, §
INC. FOR A NON-STANDARD TRUE- §
UP UNDER THE FINANCING ORDER §
IN DOCKET NO. 33586 §

PUBLIC UTILITY COMMISSION
PUBLIC UTILITY COMMISSION
FILING CLERK
OF TEXAS

ORDER

This Order addresses Entergy Texas, Inc.'s (ETI) application for a non-standard true-up filed in accordance with the Financing Order in Docket No. 33586.¹ The Commission approves ETI's revised Schedule HRC-Attachment A, Initial or Adjusted Hurricane Reconstruction Rates.

I. Findings of Fact

The Commission makes the following findings of fact.

Applicant

1. ETI is a domestic limited liability corporation and registered with the Texas secretary of state under file number 800911623.
2. ETI is an investor owned utility that provides electric generation, transmission, and distribution services in Texas under certificate of convenience and necessity number 30076.

Application

3. On April 2, 2007, the Commission approved a Financing Order in Docket No. 33586, which authorized ETI to issue Transition Bonds in an amount not to exceed \$321,359,480 and to recover costs associated with such bonds.
4. ETI issued Transition Bonds in accordance with the Financing Order on June 29, 2007, and began billing Hurricane Reconstruction Costs (HRC) charges on June 29, 2007.
5. The non-standard true-up procedure addressed in Findings of Fact Nos. 86-88 of the Financing Order in Docket No. 33586 requires an adjustment to Schedule HRC if the forecasted billing units for any one of the classes for an upcoming period decrease by more

¹ *Application of Entergy Gulf States, Inc for a Financing Order*, Docket No. 33586, Financing Order (Apr. 2, 2007, as corrected on Apr. 23, 2007).

17

than 10% compared to the threshold billing determinants established for the annual period ending December 31, 2004.

6. On April 1, 2019, ETI filed a petition proposing a true-up adjustment of HRC rates effective for bills rendered on or after July 1, 2019, the date bills for the first cycle in July, 2019 will be rendered.
7. ETI stated that the billing units for the Period 13 billing period (July 2019-June 2020) for the Experimental Economic As-Available Power Service rate class are forecasted to decrease by more than 10% compared to the billing units established for the annual period ending December 31, 2004.
8. ETI filed the application 90 days before the proposed effective date of July 1, 2019.
9. The Financing Order in Docket No. 33586 requires the servicer to take the following action in conducting a non-standard true-up:
 - a) allocate the upcoming period's Periodic Billing Requirement (PBR) based on the PBR Allocation Factors approved in Docket No. 32907;²
 - b) calculate under-collections or over-collections, including without limitation any caused by retail electric provider defaults, if applicable, from the preceding period in each class by subtracting the previous period's transition charge revenues collected from each class from the PBR determined for that class for the same period;
 - c) sum the amounts allocated to each customer class in steps (a) and (b) to determine an adjusted PBR for each transition charge customer class;
 - d) divide the PBR for each customer class by the maximum of the forecasted billing units or the threshold billing units for that class, to determine the "threshold rate;"
 - e) multiply the threshold rate by the forecasted billing units for each class to determine the expected collections under the threshold rate;

² *Application of Entergy Gulf States, Inc. for Determination of Hurricane Reconstruction Costs* Docket No. 32907 (Dec. 1, 2006).

- f) allocate the difference in the adjusted PBR and the expected collections calculated in step (e) among the transition charge customer classes using the PBR Allocation Factors approved in Docket No. 32907;
 - g) add the amount allocated to each class in step (f) above to the expected collection amount by class calculated in step (e) above to determine the final PBR for each class; and
 - h) divide the final PBR for each class by the forecasted billing units to determine the transition charge rate by class for the upcoming period.
10. Schedule HRC properly reflects the charges resulting from the application of the eight-step process.
 11. ETI has complied with the eight-step process described in Finding of Fact No. 88 of the Financing Order in Docket No. 33586.
 12. The calculation of the HRC rates complies with the requirements of the Financing Order in Docket No. 33586.

Notice of Application

13. On April 1, 2019, ETI served notice of the application by facsimile, email, regular first-class mail, or hand delivery to all parties of record in Docket No. 33586.
14. In Order No. 4 issued April 23, 2019, the administrative law judge (ALJ) found the notice sufficient.

Intervenors

15. On April 3, 2019, Texas Industrial Energy Consumers (TIEC) filed a motion to intervene.
16. On April 12, 2019, Office of Public Utility Counsel (OPUC) filed a motion to intervene.
17. In Order No. 2 issued April 12, 2019, the ALJ granted TIEC's motion to intervene.
18. In Order No. 3 issued April 17, 2019, the ALJ granted OPUC's motion to intervene.

Informal Disposition

19. More than 15 days have passed since the completion of notice provided in this docket.
20. No person filed a protest.

21. ETI, Commission Staff, TIEC, and OPUC are the only parties to this proceeding.
22. No party requested a hearing and no hearing is needed.
23. Commission Staff recommended approval of the application.
24. The decision is not adverse to any party.

II. Conclusions of Law

The Commission makes the following conclusions of law.

1. ETI is an electric utility as that term is defined in PURA § 31.002(6).³
2. The Commission has jurisdiction over this matter under PURA §§ 14.001, 39.301 through 39.313 and 39.458 through 39.460, and the financing order in Docket No. 33586.
3. The Commission processed the application in accordance with applicable statutes and Commission rules.
4. ETI provided adequate notice of this proceeding in accordance with 16 Texas Administrative Code (TAC) § 22.55.
5. The calculation of the HRC rates set out in Schedule HRC–Attachment A, complies with the requirements of Schedule HRC as required by the Financing Order in Docket No. 33586.
6. The requirements for informal disposition in 16 TAC § 22.35 have been met in this proceeding.

III. Ordering Paragraphs

In accordance with these findings of fact and conclusions of law, the Commission issues the following orders.

1. The Commission approves the application.
2. The Commission approves Schedule HRC–Attachment A, Initial or Adjusted Hurricane Reconstruction Rates (Exhibit 1 to this Order) beginning with bills rendered on or after July 1, 2019.

³ Public Utility Regulatory Act, Tex. Util. Code §§ 11.001-66.016.

- 3. Within 10 days of this Order, ETI must file a clean record copy of Schedule HRC for Central Records to stamp "Approved" and retain for future reference.
- 4. The Commission denies all other motions, requests for entry of specific findings of fact and conclusions of law, and any other requests for general or specific relief, if not expressly granted.

Signed at Austin, Texas the 21st day of June 2019.

PUBLIC UTILITY COMMISSION OF TEXAS



DEANN T. WALKER, CHAIRMAN



ARTHUR C. D'ANDREA, COMMISSIONER



SHELLY BOTKIN, COMMISSIONER

W2013
q:\cadm\orders\final\49000\49405 fo.docx