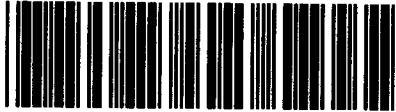


Control Number: 37744



Item Number: 348

Addendum StartPage: 0

SOAH DOCKET NO. 473-10-1962
DOCKET NO. 37744

| | | |
|--|------------------|---|
| APPLICATION OF ENTERGY TEXAS, INC. FOR AUTHORITY TO CHANGE RATES AND RECONCILE FUEL COSTS | § § § § | BEFORE THE PUBLIC UTILITY COMMISSION OF TEXAS |
|--|------------------|---|

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**RESPONSE OF ENTERGY TEXAS, INC.
TO OFFICE OF PUBLIC UTILITY COUNSEL'S THIRD REQUEST FOR
INFORMATION: OPUC 3: 2, 6, 7, 8, 9, 11, 12 AND 15**

Now comes, Entergy Texas, Inc. ("Entergy Texas" or "the Company") and files its Response to Office of Public Utility Counsel ("OPUC") Third Request for Information. The response to such request is attached hereto and is numbered as in the request. An additional copy is available for inspection at the Company's office in Austin, Texas.

Entergy Texas believes the foregoing response is correct and complete as of the time of the response, but the Company will supplement, correct or complete the response if it becomes aware that the response is no longer true and complete, and the circumstance is such that failure to amend the answer is in substance misleading. The parties may treat this response as if it were filed under oath.

Respectfully submitted,

Steve Neinast

Steve Neinast

Entergy Services, Inc.

919 Congress Avenue, Suite 701

Austin, Texas 78701

(512) 487-3957 telephone

(512) 487-3958 facsimile



Attachments: OPUC 3: 2, 6, 7, 8, 9, 11, 12 AND 15

CERTIFICATE OF SERVICE

I certify that a copy of the foregoing Response of Entergy Texas, Inc. to OPUC's Third Request for Information has been sent by either hand delivery, facsimile, overnight delivery, or U.S. Mail to all parties in this docket on this the 16th day March, 2010.

Steve Neinast
Steve Neinast

A handwritten signature in black ink, appearing to be 'SN' or similar, written over the printed name.

ENTERGY TEXAS, INC.
PUBLIC UTILITY COMMISSION OF TEXAS
Docket No. 37744 - 2009 ETI Rate Case

Response of: Entergy Texas, Inc.
to the Third Set of Data Requests
of Requesting Party: Office of Public Utility
Counsel

Prepared By: Lee Barnett/Kathy Parham
Sponsoring Witness: Stephanie Neyland
Beginning Sequence No. TH2416
Ending Sequence No. TH2417

Question No.: OPUC 3-2

Part No.:

Addendum:

Question:

- a. Please explain why there is no billing method associated with Project PCCC.
 - b. Please provide all documentation that the project costs have provided benefits to ETI Texas ratepayers during the test year.
 - c. Please explain why these project costs cannot be directly charged to the operating companies utilizing the services.
 - d. What percentage of total project PCCC costs were allocated (or charged) to ETI during the test year?
 - e. Provide documentation supporting your response to (d) above.
-

Response:

- a. Billings in connection with Project Code PCCC were billed to the Company using the loaned resource billing process. The loaned resource billing process bills affiliates directly and does not distribute costs based on an allocation factor or billing method. The loaned resource billings can include a Project Code, but do not flow through the project billing process. Instead, the Business Unit identity of the department receiving the services determines the Business Unit billed. For further information on the loaned resource billing process, please refer to Exhibit SBN-15, Affiliate Billing Process Discussion, in the direct testimony of Stephanie B. Neyland. Please specifically refer to the Loaned Resource Billings section of this exhibit.
- b. Please refer to Exhibit SBN-E, Project Summaries, in the direct testimony of Stephanie B. Neyland. The project summary for Project Code PCCC provides detailed information for this project code, including a Scope of Work statement with documentation of the statement of purpose, primary

activities, and primary products or deliverables, all of which document that the costs incurred in connection with this Project Code have provided benefits to ETI Texas ratepayers during the test year.

- c. Please see the Company's response to a. above.
- d. Please see the Company's response to a. above.
- e. Please see Exhibit SBN-15, Affiliate Billing Process Discussion, in the direct testimony of Stephanie B. Neyland and the Company's response to a. above.

ENTERGY TEXAS, INC.
PUBLIC UTILITY COMMISSION OF TEXAS
Docket No. 37744 - 2009 ETI Rate Case

Response of: Entergy Texas, Inc.
to the Third Set of Data Requests
of Requesting Party: Office of Public Utility
Counsel

Prepared By: Eddie Peebles
Sponsoring Witness: Robert D. Sloan
Beginning Sequence No. *TH 2418*

Ending Sequence No. *TH 2418*

Question No.: OPUC 3-6

Part No.:

Addendum:

Question:

- a. Please explain the term "corporate development" as used in project description F3PCCDV DAT.
 - b. Please explain how "corporate development" expenses benefit ETI ratepayers.
-

Response:

- a. The term "corporate development" as used in the Project Code F3PCCDV DAT refers to the Corporate Development organization within Entergy Services, Inc. ("ESI"). As part of Entergy's business continuity efforts following Hurricane Katrina, Corporate Development initiated a safe, secure and reliable means for maintaining and updating corporate documents and records and allowing access to such records from remote locations. The ESI Legal Services Department is responsible for maintaining and updating the data storage system.
- b. The expenses associated with this project code are substantially represented by labor and related overhead loadings for an individual(s) to update and maintain corporate records in a safe, secure, and reliable electronic medium. This cost is a prudent expenditure that benefits customers.

ENTERGY TEXAS, INC.
PUBLIC UTILITY COMMISSION OF TEXAS
Docket No. 37744 - 2009 ETI Rate Case

Response of: Entergy Texas, Inc.
to the Third Set of Data Requests
of Requesting Party: Office of Public Utility
Counsel

Prepared By: Eddie Peebles
Sponsoring Witness: Donna S. Doucet
Beginning Sequence No. *TH2419*

Ending Sequence No. *TH2419*

Question No.: OPUC 3-7

Part No.:

Addendum:

Question:

Please provide a list of all strategic merger and acquisition activities/analyses undertaken by ESI during the test year (F3PCCDVETR).

Response:

None. Project Code F3PCCDVETR is used for billing costs for general and administrative activities of the Corporate Development group within Entergy Services, Inc.

ENTERGY TEXAS, INC.
PUBLIC UTILITY COMMISSION OF TEXAS
Docket No. 37744 - 2009 ETI Rate Case

Response of: Entergy Texas, Inc.
to the Third Set of Data Requests
of Requesting Party: Office of Public Utility
Counsel

Prepared By: Keith J. Boos/Ashley
Chaisson
Sponsoring Witness: Julie F. Brown
Beginning Sequence No. *TH 2420*
Ending Sequence No. *TH2420*

Question No.: OPUC 3-8

Part No.:

Addendum:

Question:

Please explain in detail why the costs incurred for project F3PCD10006 cannot be directly charged to the EGS subsidiary incurring the customer cost.

Response:

The activities associated with this project code consist of small applications enhancements, ad hoc queries, and small consulting engagements by the IT staff to assist with assessing opportunities to improve distribution operations. These activities are for the benefit of all Entergy jurisdictions and are not focused on a specific subsidiary.

ENTERGY TEXAS, INC.
PUBLIC UTILITY COMMISSION OF TEXAS
Docket No. 37744 - 2009 ETI Rate Case

Response of: Entergy Texas, Inc.

Prepared By: Ashley Chaisson/Keith J.
Boos

to the Third Set of Data Requests
of Requesting Party: Office of Public Utility
Counsel

Sponsoring Witness: Julie F. Brown
Beginning Sequence No. *TH 2421*

Ending Sequence No. *TH 2421*

Question No.: OPUC 3-9

Part No.:

Addendum:

Question:

- a. Please explain in detail the purpose of System Solutions Services (project F3PCD10038).
 - b. Please explain how ETI customers have benefitted from these project expenditures during the test year.
-

Response:

- a. This project captures the cost to manage the Customer Systems organization. This is the organization responsible for support of the various applications that provide customer service support, such as the applications used for customer billing, for service initiation and work order tracking, for responding to customer inquiries, etc. These costs are not specific to any one of those applications as they encompass all of them.
- b. ETI customers benefit through the services supported by the individual applications.

ENTERGY TEXAS, INC.
PUBLIC UTILITY COMMISSION OF TEXAS
Docket No. 37744 - 2009 ETI Rate Case

Response of: Entergy Texas, Inc.
to the Third Set of Data Requests
of Requesting Party: Office of Public Utility
Counsel

Prepared By: David N. Beekman
Sponsoring Witness: Robert D. Sloan
Beginning Sequence No. *TH 2422*

Ending Sequence No. *TH 2424*

Question No.: OPUC 3-11

Part No.:

Addendum:

Question:

Please provide the docket number, date of filing, and the title of all FERC proceedings included under F3PCE01591 for the test year.

Response:

Attached is a listing of FERC dockets associated with Project Code F3PCE01591 that had activity during the test year.

Entergy Texas, Inc.
Response to Office of Public Utility Counsel's
3rd Request for Information
Question 3-11

| Docket Number and Caption | Date Filed |
|--|------------|
| RM94-14 Notice of Proposed Rulemaking - Nuclear Plant Decommissioning Trust Fund Guidelines | 05/25/94 |
| RM01-5 Notice of Proposed Rulemaking -- Electronic Tariff Filings | 03/14/01 |
| RM02-14 Notice of Proposed Rulemaking -- Regulation of Cash Management Practices | 08/01/02 |
| RM04-7 Notice of Initiation of Rulemaking Proceeding on Market-Based Rates | 04/14/04 |
| HC06-2 Entergy Arkansas, Inc. -- Submission of Orders of the Securities and Exchange Commission Pursuant to the Public Utility Holding Company Act of 1935 | 09/25/06 |
| AD07-7 Conference on Competition in Wholesale Electric Markets | 01/09/07 |
| AD07-13 Conference on Enforcement Policy | 07/11/07 |
| EC07-66 Entergy Services, Inc., Entergy Gulf States, Inc., Entergy Gulf States Louisiana, LLC and Entergy Texas, Inc. -- Application for Authority to Implement Jurisdictional Separation Plan EL07-45 ESI, EGSI, EGSL and ETI -- Petition for Declaratory Order ES07-26 ESI, EGSI, EGSL and ETI -- Application for Authority to Issue Securities and Assume Liabilities | 03/13/07 |
| EC07-70 Entergy Services, Inc. and Calcasieu Power, LLC -- Application for Authority to Acquire and Dispose Jurisdictional Facilities ER00-2132 ESI -- Interconnection and Operating Agreement with Calcasieu Power ER00-1049 Calcasieu Power -- Application for Market-Based Rate Authority ER00-3292 Calcasieu Power -- Emergency Redispatch Service to ESI ER07-636 Calcasieu Power -- Notice of Termination of Rate Schedule ER07-637 Calcasieu Power -- Notice of Termination of Rate Schedule | 03/15/07 |
| ES07-36 Entergy Texas, Inc. -- Application for Authority to Sell and Issue Securities | 04/30/07 |
| RM07-21 Notice of Proposed Rulemaking -- Blanket Authorization Under FPA Section 203 | 07/20/07 |
| AC08-173 Entergy Gulf States Louisiana, LLC -- Proposed Accounting Entries | 10/16/08 |
| EL08-84 Arkansas Electric Energy Consumers v. Entergy Corporation | 08/22/08 |
| ER08-1484 Entergy Services, Inc. -- Request for Two Limited Deviations from Service Schedule MSS-4 | 09/02/08 |
| ES08-29 Entergy Services, Inc. -- Joint Application for Authority to Issue Securities | 01/31/08 |
| ES08-30 Entergy Louisiana, LLC -- Application for Authority to Issue Securities | 01/31/08 |
| AC09-22 Entergy Gulf States, Inc. -- Final Accounting Entries | 12/19/08 |
| AC09-52 Entergy Services, Inc. -- Proposed Accounting Entries Related to the Purchase of the Quachita Facility | 03/13/09 |
| AC09-81 Entergy Services, Inc. -- Request for Extension of Time to File FERC Form 1 | 04/20/09 |

Entergy Texas, Inc.
Response to Office of Public Utility Counsel's
3rd Request for Information
Question 3-11

| Docket Number and Caption | Date Filed |
|---|------------|
| EC09-77 Entergy Arkansas, Inc. and Entergy Gulf States Louisiana, LLC -- Application for Authorization for Acquisition and Disposition of Jurisdictional Facilities | 04/30/09 |
| ER09-46 Quachita Power, LLC -- Notice of Cancellation of FERC Electric Tariff, Revised Volume | 10/08/08 |
| ER09-129 Entergy Services, Inc. -- Notice of Termination of: (1) First Revised Rate Schedule 164 with the City of Caldwell, Texas, (2) First Revised Rate Schedule 165 with the City of Kirbyville, Texas, and (3) First Revised Rate Schedule 166 with the City of Newton, Texas | 10/24/08 |
| ER09-183 Entergy Services, Inc. -- 2009 Bridge Agreements between Entergy Arkansas, Inc. and Entergy Gulf States Louisiana, LLC, between EAI and Entergy Texas, Inc. and between EAI and Entergy Mississippi, Inc. | 10/31/08 |
| ER09-184 Entergy Services, Inc. -- Cost-Based Partial Requirements Power Sales Agreement between Entergy Mississippi, Inc. and the Municipal Energy Agency of Mississippi | 10/31/08 |
| ER09-327 Entergy Services, Inc. -- Order No. 614-Conformed Versions of Tariffs Filed on 04/22/0 | 11/21/08 |
| ER09-612 Entergy Services, Inc. -- Notice of Termination of EAI Rate Schedules FERC Nos. 129 and 150 with Union Electric Company d/b/a AmerenUE | 01/30/09 |
| ER09-782 Entergy Services, Inc. -- Cost-Based Power Sales Agreement between Entergy Gulf States Louisiana, LLC and the City of Jasper, Texas | 02/27/09 |
| ER09-933 Entergy Services, Inc. -- Third Revised Rate Schedule FERC No. 435 | 04/01/09 |
| ER09-1067 Entergy Services, Inc. -- Cost-Based, Full Requirements, Power Sales Agreement between Entergy Texas, Inc. and Brazos Electric Power Cooperative, Inc. | 04/29/09 |
| ER09-1311 Entergy Arkansas, Inc. -- Notice of Termination of Service Agreement No. 38 with Union Electric Company d/b/a AmerenUE | 06/16/09 |
| ES09-28 Entergy Mississippi, Inc. -- Application for Authority to Issue Securities | 04/28/09 |
| ES09-29 Entergy Louisiana, LLC -- Application for Authority to Issue Securities | 04/29/09 |
| ES09-30 Entergy Gulf States Louisiana, LLC -- Application for Authority to Issue Securities | 04/29/09 |
| ES09-31 Entergy Texas, Inc. -- Application for Authority to Issue Securities | 04/30/09 |
| ES09-32 System Energy Resources, Inc. -- Application for Authority to Issue Securities | 04/28/09 |
| FA09-9 FERC -- Notice of Audit | 11/13/08 |

ENTERGY TEXAS, INC.
PUBLIC UTILITY COMMISSION OF TEXAS
Docket No. 37744 - 2009 ETI Rate Case

Response of: Entergy Texas, Inc.
to the Third Set of Data Requests
of Requesting Party: Office of Public Utility
Counsel

Prepared By: David N. Beekman
Sponsoring Witness: Robert D. Sloan
Beginning Sequence No. *TH 2425*

Ending Sequence No. *TH 2429*

Question No.: OPUC 3-12

Part No.:

Addendum:

Question:

Please provide the docket number, date of filing, and the title of all FERC proceedings included under F3PCE01601 for the test year.

Response:

Attached is a listing of FERC dockets associated with Project Code F3PCE01601 that had activity during the test year.

Entergy Texas, Inc.
Response to Office of Public Utility Counsel's
3rd Request for Information
Question 3-12

| Docket Number and Caption | | Date Filed |
|---------------------------|--|------------|
| ER91-569 | Entergy Services, Inc. -- Open Access Transmission Tariff | 08/02/91 |
| ER02-2001 | Electric Quarterly Reports | 07/31/02 |
| EL03-230 | ExxonMobil v. Entergy Services, Inc | 04/02/92 |
| ER05-1065 | Entergy Services, Inc. -- OATT Revisions to Establish an Independent Coordinator of Transmission | 05/27/05 |
| ER05-1432 | Entergy Services, Inc. -- Revisions to Schedule 2 (Reactive Support and Voltage Control from Generation Sources Service) | 09/02/05 |
| EL06-2 | FERC Investigation of Pass-Through Rate | |
| RM05-5 | Notice of Proposed Rulemaking - Standards of Business Practices for Public Utilities | 01/18/05 |
| RM05-17 | NOI -- Information Requirements for Available Transfer Capability | 05/25/05 |
| RM05-25 | NOI -- Preventing Undue Discrimination in Transmission Services | 09/16/05 |
| RM06-16 | Notice of Proposed Rulemaking -- Mandatory Reliability Standards for the Bulk Power System | 04/04/06 |
| ER07-927 | Entergy Services, Inc. -- 2007 OATT Rate Update | 05/22/07 |
| OA07-32 | Entergy Services, Inc. -- Order No. 890 Compliance Filing | 07/13/07 |
| RM07-1 | Notice of Proposed Rulemaking -- Standards of Conduct for Transmission Providers | 01/18/07 |
| AD08-13 | Transmission Barriers to Entry | 09/24/08 |
| RM08-7 | Notice of Proposed Rulemaking re: Modification of Interchange and Transmission Loading Relief Reliability Standards; and Electric Reliability Organization Interpretation of Specific Requirements of Four Reliability Standards | 04/21/08 |
| RM08-11 | Notice of Proposed Rulemaking - Version Two Facilities Design, Connections and Maintenance Reliability Standards | 10/16/08 |
| RM08-13 | North American Electric Reliability Corporation -- Petition for Approval of Mandatory Reliability Standard PRC-023-1 | 07/30/08 |
| RM08-19 | North American Electric Reliability Corporation -- Petition for Approval of Mandatory Reliability Standard MOD-030-2 | 03/06/09 |
| EL08-59 | ConocoPhillips Company v. Entergy Services, Inc. -- Complaint Requesting Fast Track Processing | 04/23/08 |
| EL08-72 | NRG Companies v. Entergy Services, Inc. | 06/27/08 |

Entergy Texas, Inc.
Response to Office of Public Utility Counsel's
3rd Request for Information
Question 3-12

| Docket Number and Caption | Date Filed |
|---|------------|
| EL08-91 Arkansas Electric Cooperative Corporation, Mississippi Delta Energy Agency and South Mississippi Electric Power Association -- Complaint and Motion to Consolidate | 09/26/08 |
| ER08-513 Entergy Services, Inc. -- Proposed Revisions to Attachment V of Entergy's Open Access Transmission Tariff | 01/31/08 |
| ER08-572 Entergy Services, Inc. -- Amendment to the Independent Coordinator of Transmission Agreement | 02/15/08 |
| ER08-844 Entergy Mississippi, Inc. -- Notice of Termination of Interconnection and Operating Agreement with GenPower McAdams, LLC | 04/18/08 |
| ER08-1006 Entergy Mississippi, Inc. -- Amendments to the Amended and Restated Interconnection and Operating Agreement with Southaven Power, LLC | 05/23/08 |
| ER08-1041 Entergy Services, Inc. -- Dynamic Transfer Operating Agreements with the City of North Little Rock, AR and the Cities of Benton, AR, Conway, AR, Ruston, LA and West Memphis., AR | 05/30/08 |
| ER08-1057 Entergy Services, Inc. -- 2008 OATT Rate Redetermination | 05/30/08 |
| ER08-1078 Entergy Services, Inc. -- Amended Interconnection and Operating Agreement between RCS Cogen, LLC and Entergy Gulf States Louisiana, LLC | 06/06/08 |
| ER08-1079 Entergy Services, Inc. -- Amended Interconnection and Operating Agreement between LSP Energy Limited Partnership and Entergy Mississippi, Inc | 06/06/08 |
| EY08-13 Entergy Services, Inc. -- Notification of Emergency Deviations from the Standard of Conduct | 08/30/08 |
| OA08-59 Entergy Services, Inc. -- Order No. 890 Attachment K | 12/07/07 |
| OA08-75 Entergy Services, Inc. -- Order No. 890-A Compliance Filing | 03/17/08 |
| OA08-92 Entergy Services, Inc. -- Motion for Limited Waiver of Order No. 890-A Compliance Requirements | 03/17/08 |
| OA08-149 Entergy Services, Inc. -- Compliance Filing to Order Nos. 890-B and 676-C | 09/08/08 |
| PA08-31 FERC Department of Enforcement -- Notice of Audit of Entergy' Open Access Same-time Information System | 06/19/08 |
| RM08-16 Notice of Proposed Rulemaking -- Electric Reliability Organization Interpretations of Specific Requirements of Frequency Response and Bias and Voltage and Reactive Control Reliability Standard | 11/20/08 |
| AD09-2 Credit and Capital Issues Affecting the Electric Power Industry | 11/20/08 |
| EL09-35 Cottonwood Energy Company, LP v. Entergy Gulf States, Inc. | 02/06/09 |
| ER09-55 Entergy Services, Inc. -- Amended Interconnection and Operating Agreement with BASF Fina Petrochemical Limited Partnership | 10/09/08 |
| ER09-57 Entergy Services, Inc. -- Amended Interconnection and Operating Agreement with Chevron Oronite Company, LLC | 10/09/08 |

Entergy Texas, Inc.
Response to Office of Public Utility Counsel's
3rd Request for Information
Question 3-12

| Docket Number and Caption | Date Filed |
|--|------------|
| ER09-58 Entergy Services, Inc. -- Amended Interconnection and Operating Agreement with Shell Oil Company | 10/09/08 |
| ER09-76 Entergy Services, Inc. -- Amended Interconnection and Operating Agreement with Bayou Cove Peaking Power, LLC | 10/15/08 |
| ER09-77 Entergy Services, Inc. -- Amended Interconnection and Operating Agreement with Hot Spring Power Company, LL | 10/15/08 |
| ER09-78 Entergy Services, Inc. -- Amended Interconnection and Operating Agreement with Acadia Power Partners, LL | 10/15/08 |
| ER09-283 Entergy Services, Inc. -- Eighth Revised Network Integration Transmission Service Agreement with East Texas Electric Cooperative, Sam Rayburn G&T Electric Cooperative, Inc. and Tex-La Electric Cooperative of Texas, Inc. | 11/12/08 |
| ER09-372 Entergy Services, Inc. -- Amended Power Coordination and Interchange Agreements with the Cities of Conway and West Memphis, AR | 12/04/08 |
| ER09-435 Entergy Services, Inc. -- Revisions to the Network Integration Transmission Service Agreement and the Network Operating Agreement with the City of Prescott, Arkansas | 12/19/08 |
| ER09-448 Entergy Services, Inc. -- Dynamic Transfer Operating Agreement between Entergy's Transmission Business Unit, Entergy's System Planning and Operations Unit and Union Power Partners, LP | 12/22/08 |
| ER09-449 Entergy Services, Inc. -- Revised Dynamic Transfer Operating Agreement between ESI, Louisiana Generating, LLC and Union Power Partners, LP | 12/22/08 |
| ER09-509 Entergy Services, Inc. -- Affected System Study Funding Agreement between the Tennessee Valley Authority and Entergy Mississippi, Inc | 01/06/09 |
| ER09-532 Entergy Services, Inc. -- Executed Network Integration Transmission Service Agreement and Executed Network Operating Agreement with American Electric Power Service Corporation | 01/09/09 |
| ER09-555 Entergy Services, Inc. -- Revisions to OATT Attachment V | 01/16/09 |
| ER09-659 Southwest Power Pool, Inc. -- Executed Letter Agreement Regarding Inter-Regional Planning with Entergy Services, Inc | 02/06/09 |
| ER09-682 Entergy Services, Inc. -- Executed Agreement for Transmission Work between Entergy Arkansas, Inc. and Oklahoma Gas & Electric Company | 02/10/09 |
| ER09-771 Entergy Services, Inc. -- Executed Transmission Service Agreement with Kansas City Power & Light Company -- Greater Missouri Operations Company | 02/26/09 |
| ER09-925 Entergy Services, Inc. -- Dynamic Transfer Operating Agreement with Cottonwood Energy Company, L | 03/31/09 |
| ER09-929 Entergy Services, Inc. -- Fourth Revised Network Integration Transmission Service Agreement with Louisiana Generating, LLC | 03/31/09 |

Entergy Texas, Inc.
Response to Office of Public Utility Counsel's
3rd Request for Information
Question 3-12

| Docket Number and Caption | Date Filed |
|---|------------|
| ER09-1150 Entergy Services, Inc. -- Unexecuted Network Integration transmission Service Agreement and Unexecuted Network Operating Agreement with Missouri Joint Municipal Electric Utility Commission | 05/15/09 |
| ER09-1180 Entergy Services, Inc. -- Currently-Effective Version of OATT Attachment C | 05/05/09 |
| ER09-1214 Entergy Services, Inc. -- 2009 OATT Rate Update EL09-78 Joint Complainants -- Complaint re: 2009 OATT Rate Update | 05/15/09 |
| OA09-27 Entergy Services, Inc. -- Currently-Effective Version of OATT Attachment C | 05/05/09 |
| PL09-4 Smart Grid Policy | 03/19/09 |
| RM09-5 Notice of Proposed Rulemaking -- Mandatory Reliability Standards for the Calculation of Available Transfer Capability, Capacity Benefit Margins, Transmission Reliability Margins, Total Transfer Capability, and Existing Transmission Commitments and Mandatory Reliability Standards for the Bulk-Power System | 03/19/09 |
| RM09-8 Notice of Proposed Rulemaking -- Revised Mandatory Reliability Standards for Interchange Scheduling and Coordination | 02/05/09 |

ENTERGY TEXAS, INC.
PUBLIC UTILITY COMMISSION OF TEXAS
Docket No. 37744 - 2009 ETI Rate Case

Response of: Entergy Texas, Inc.
to the Third Set of Data Requests

Prepared By: Sherrill Santos/Kim Rivero
Sponsoring Witness: Rory L. Roberts/
Patricia A. Galbraith

of Requesting Party: Office of Public Utility
Counsel

Beginning Sequence No. *TH 2430*

Ending Sequence No. *TH 2431*

Question No.: OPUC 3-15

Part No.:

Addendum:

Question:

- a. Please explain in detail why ETI is being charged \$779,574 for Entergy's consolidated tax costs (project F3PCF10445) as well as costs associated with federal income taxes under F3PCF10448. What is the difference between the two projects?
 - b. Do the Entergy subsidies pay federal income taxes based on their total assets? Explain your response.
 - c. Do the Entergy operating companies pay federal and state taxes based on their customer counts? Explain your response.
 - d. If your response to (b) and (c) is no, please explain why the company utilizes an asset or customer number allocator to allocate these two projects costs to the subsidiaries.
 - e. Are the income and expenses of the Entergy non-regulated subsidiaries included in the corporation's consolidated tax filing? Explain your response.
 - f. Are the income and expenses of the Entergy non-regulated subsidiaries included in any of the corporation's state/local tax filing? Explain your response.
-

Response:

- a. Project Code F3PCF10445 and Project Code F3PCF10448 both capture costs associated with providing tax services and not costs associated with actual taxes. Both project codes use allocated billing methods. The difference between the two project codes is the companies that are charged when each is used. F3PCF10445 is used when tax services provided benefit all legal entities. The billing method for this project code is

ASSTSALL which directs costs based on the total assets at period end. F3PCF10448 is used when the tax services provided benefit only the six operating companies. The most appropriate billing method that allocates charges to the six operating companies is CUSTEGOP.

- b. No, the Entergy subsidiaries do not pay federal income taxes based on their total assets. The federal income tax is based on taxable income.
- c. No, the Entergy operating companies do not pay federal and state taxes based on their customer counts. The federal and state income tax is based on taxable income.
- d. Project Code F3PCF10445 and Project Code F3PCF10448 do not capture costs of federal or state income tax expense. Both capture costs associated with providing tax services.
- e. The income and expenses of non-regulated Entergy subsidiaries are included in the consolidated federal tax return.
- f. The income and expenses of the non-regulated Entergy subsidiaries are included in state income tax filings. The filings may be on a separate company basis, combined basis, or unitary basis depending on the state.