Entergy Texas, Inc.
Affiliate Billings - Proforma Summary - by Witness, Class and Proforma
For the Twelve Months Ended March 31, 2013
Amounts in Dollars

Exhibit MFM - D
2013 TX Rate Case

Witness Name	Class	Billing Entity	Account	Account Desc	Proforma Number	Proforma Description	Supporting Witness	Proforma
			561600	Transmission Service Studies				0
			562000	Station Expenses				0
			566000	Misc. Transmission Expenses				-2
			568000	Maint. Supervision & Engineer				-2
			569000	Maintenance Of Structures				0
			569100	Maint Transm Computer&Telecom				0
			575201	DayAhead and RealTm Mkts WPP				0
			580000	Operation Supervision&Enginee				0
			590000	Maint. Supervision & Engineer				0
			592000	Maint. Of Station Equipment				0
			593000	Maintenance Of Overhead Lines				0
			920000	Adm & General Salaries				0
			928000	Regulatory Commission Expense				-3
		Total						0
McCulla, Mark F	Transmission Operations	**ESI**						
		ESI	500000	Oper Supervision & Engineerin	AJ22D	Adjustment to reflect changes in O&M payroll	Considine, Michael P	-19
			556000	System Control & Load Disp.				0
			560000	Oper Super & Engineering				0
			561200	Load Dispatch- transm system				-1
			561500	Syst plan & standards devlpmnt				0
			562000	Station Expenses				0
			566000	Misc. Transmission Expenses				0
			568000	Maint. Supervision & Engineer				0
			569000	Maintenance Of Structures				0
			569100	Maint Transm Computer&Telecom				0
			575201	DayAhead and RealTm Mkts WPP				0
			580000	Operation Supervision&Enginee				0
			582000	Station Expenses				0
			590000	Maint. Supervision & Engineer				0
			592000	Maint. Of Station Equipment				0
			920000	Adm & General Salaries				0
			928000	Regulatory Commission Expense				0
		Total						-1
McCulla, Mark F	Transmission Operations	**ESI**						0
		ESI	500000	Oper Supervision & Engineerin	AJ22E	Adjustment to reflect changes in O&M payroll	Considine, Michael P	-3
			556000	System Control & Load Disp.				0
			560000	Oper Super & Engineering				0
			561100	Load dispatch - reliability				51
			561200	Load Dispatch- transm system				13
			561300	Load disptch-transm serv & sch				61
			561500	Syst plan & standards devlpmnt				27
			561600	Transmission Service Studies				15
			562000	Station Expenses				2
			566000	Misc. Transmission Expenses				1
			568000	Maint. Supervision & Engineer				13
			569000	Maintenance Of Structures				9
			569100	Maint Transm Computer&Telecom				1
			575201	DayAhead and RealTm Mkts WPP				0
			580000	Operation Supervision&Enginee				3
			582000	Station Expenses				7
								0

Amounts may not add or tie to other schedules due to rounding.

Entergy Texas, Inc.
Affiliate Billings - Proforma Summary - by Witness, Class and Proforma
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Witness Name	Class	Billing Entity	Account	Account Desc	Proforma Number	Proforma Description	Supporting Witness	Proforma
			590000	Maint. Supervision & Engineer				2
			592000	Maint. Of Station Equipment				3
			593000	Maintenance Of Overhead Lines				0
			920000	Adm & General Salaries				31
			928000	Regulatory Commission Expense				1
		Total						
McCulla, Mark F	Transmission Operations	**ESI**						
		ESI	500000	Oper Supervision & Engineerin	AJ24	Remove financially based incentive compensation	Considine, Michael P	**240**
			556000	System Control & Load Disp.				-357
			560000	Oper Super & Engineering				-95
			561000	Load Dispatching				-13,602
			561100	Load dispatch - reliability				0
			561200	Load Dispatch- transm system				-3,119
			561300	Load disptch-transm serv & sch				-14,031
			561500	Syst plan & standards devlpmnt				-6,376
			561600	Transmission Service Studies				-3,560
			562000	Station Expenses				-460
			566000	Misc. Transmission Expenses				-280
			568000	Maint. Supervision & Engineer				-2,634
			569000	Maintenance Of Structures				-2,430
			569100	Maint Transm Computer&Telecom				-270
			580000	Operation Supervision&Enginee				0
			582000	Station Expenses				-1,830
			590000	Maint. Supervision & Engineer				-1
			592000	Maint. Of Station Equipment				-471
			593000	Maintenance Of Overhead Lines				-702
			920000	Adm & General Salaries				-53
		Total						64
		ESI						
McCulla, Mark F	Transmission Operations	ESI	575201	DayAhead and RealTm Mkts WPP	AJ24A	Remove financially based incentive compensation	Considine, Michael P	**-50,207**
			920000	Adm & General Salaries				-724
			928000	Regulatory Commission Expense				-3,595
		Total						-203
		ESI						
McCulla, Mark F	Transmission Operations	ESI	101000	Plant In Service	AJ24C	Remove financially based incentive compensation	Considine, Michael P	**-4,522**
		Total						-125,872
		ESI						
McCulla, Mark F	Transmission Operations	ESI	560000	Oper Super & Engineering	AJ28	MISO Adjustment	Considine, Michael P	**-125,872**
		Total						-2,767,538
		ESI						
	Total							**-2,767,538**
	Transmission Operations							
Total For Witness McCulla, Mark F								**-4,538,820**
								-4,538,820

Amounts may not add or tie to other schedules due to rounding.

DOCKET NO. 41791

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

DIRECT TESTIMONY

OF

STEVEN C. McNEAL

ON BEHALF OF

ENTERGY TEXAS, INC.

SEPTEMBER 2013

ENTERGY TEXAS, INC.
DIRECT TESTIMONY OF STEVEN C. McNEAL
2013 RATE CASE

TABLE OF CONTENTS

EXHIBITS

I. INTRODUCTION, QUALIFICATIONS AND RESPONSIBILITIES

Q1. PLEASE STATE YOUR NAME, BUSINESS ADDRESS, AND OCCUPATION.

A. My name is Steven C. McNeal. My business address is 639 Loyola Avenue, New Orleans, Louisiana 70113. I am Vice President and Treasurer of Entergy Corporation ("Entergy Corp."), Entergy Texas, Inc. ("ETI" or "Company"), and various other Entergy affiliates, including Entergy Services, Inc. ("ESI").

Q2. ON WHOSE BEHALF ARE YOU TESTIFYING IN THIS PROCEEDING?

A. I am testifying on behalf of ETI.

Q3. PLEASE DESCRIBE YOUR EDUCATIONAL BACKGROUND AND PROFESSIONAL EXPERIENCE.

A. I received a Bachelor of Science degree in Business and History from Trinity University in San Antonio, Texas in 1979. I received an MBA from Tulane University in 1981.

I began my employment with ESI in January 1982, holding positions in Financial Planning, Property & Casualty Risk Management, Corporate Finance, Market and Credit Risk, and Treasury. I was named Vice President and Treasurer in 1998.[1]

[1] In the remainder of this testimony I will use the term "Entergy Companies" to mean Entergy Corp. and its subsidiaries, including ETI, ESI, and the other Entergy Operating Companies. Each of these subsidiaries is a separate legal entity.

Q4. WHAT ARE YOUR CURRENT RESPONSIBILITIES?

A. In my present position, I am responsible for Treasury Operations, including: executing financial strategies, arranging financings, performing financial analysis, managing rating agency relations, managing investment activities, overseeing cash management, managing bank relations, performing commodity and credit risk analysis, and managing property and casualty risk.

II. PURPOSE OF TESTIMONY

Q5. WHAT IS THE PURPOSE OF THE TESTIMONY THAT YOU ARE SPONSORING IN THIS PROCEEDING?

A. My direct testimony addresses affiliate charges within the Treasury Operations Class and ETI direct insurance costs that are outside of the Treasury Operations Class:

Affiliate Charges	$866,688
ETI Direct Insurance Cost	$4,867,394
Total Sponsored Cost	$5,734,082

The purpose of my direct testimony is to demonstrate that the $866,688 affiliate charges represented by the Treasury Operations Class that I sponsor were necessary and reasonable during the test year of April 1, 2012 to March 31, 2013 (the "Test Year"); that the price charged to ETI for these affiliate services is not higher than the prices charged by ESI

for the same item or class of items to other affiliates or non-affiliates; and that these costs represent the actual cost of these charges. My testimony also demonstrates that the $4,867,394 of insurance premiums paid directly by ETI for property and casualty insurance coverage during the Test Year is necessary and reasonable.

Q6. HOW IS YOUR TESTIMONY ORGANIZED TO ADDRESS THESE CHARGES?

A. Section III of my testimony explains the Treasury Operations affiliate class and shows why the costs in this class are necessary. Section IV explains why these affiliate costs are reasonable, why they meet the "not higher than" standard, and why they represent the actual cost of providing these services. Section V addresses ETI insurance premium costs paid directly by ETI. The insurance premium costs paid directly by ETI are addressed separately because these insurance premium costs are paid directly by ETI, while the Treasury Operations Class of charges are initially paid by ESI and then billed by ESI to ETI. (The entire Treasury Operations Class charges, which exclude ETI direct insurance premium costs, were affiliate charges to ETI.)

Q7. DO YOU SPONSOR ANY EXHIBITS AND SCHEDULES?

A. Yes. I sponsor the exhibits listed in the Table of Contents to this testimony.

III. THE TREASURY OPERATIONS AFFILIATE CLASS AND WHY THE COSTS IN THIS CLASS ARE NECESSARY

Q8. PLEASE DESCRIBE THE TREASURY OPERATIONS CLASS PORTION OF THE CHARGES DURING THE TEST YEAR THAT YOU ARE SPONSORING.

A. The Treasury Operations Class is part of the Finance Function of the Corporate Support Family as depicted on Exhibit SCM-1. The Treasury Operations Class includes the following services and expenses:

- Treasury Operations' services, which include Finance, Cash Management, Investment Management, Credit/Market Risk Management, and Property & Casualty Risk Management;
- ESI interest expense; and
- ESI insurance premium expense.

Q9. WHAT ARE THE TOTAL ETI ADJUSTED TEST YEAR CHARGES FOR THE TREASURY OPERATIONS CLASS THAT YOU SPONSOR?

A. The total affiliate charges for the Treasury Operations Class I sponsor are shown in Table 1: Total ETI Affiliate Charges for the Treasury Operations Class for April 1, 2012 - March 31, 2013. The table shows the following information:

Total Billings	Dollar amount of total Test Year billings from ESI to all Entergy Companies, plus the dollar amount of all other affiliate charges that originated from any Entergy Company. This is the amount from Column (C) of the cost exhibits SCM-A, SCM-B, and SCM-C.

Total ETI Adjusted Amount	ETI's adjusted amount for electric cost of service after pro forma adjustments and exclusions.
% Direct Billed	The percentage of the ETI adjusted test year amount that was billed 100% to ETI.
% Allocated	The percentage of the ETI adjusted test year amount that was allocated to ETI.

Table 1: Total ETI Affiliate Charges for the Treasury Operations Class for April 1, 2012 – March 31, 2013

		Total ETI Adjusted		
Class	Total Billings	Amount	% Direct Billed	% Allocated
Treasury Operations Class	$9,829,797	$866,688	33%	67%

Q10. WHAT ARE THE MAJOR COST COMPONENTS OF THE ETI AFFILIATE CHARGES FOR THE TREASURY OPERATIONS CLASS?

A. The major cost components are reflected in Table 2:

Table 2: Major Components of ETI Affiliate Charges for the Treasury Operations Class for April 1, 2012 – March 31, 2013

Cost Component	Total ETI Adjusted	% of Total
Payroll & Employee Costs	$415,290	48%
Other	$319,713	37%
Service Company Recipient	$53,896	6%
Outside Services	$52,753	6%
Office and Employee Expenses	$25,036	3%
Total	**$866,688**	**100%**

Q11. WHAT IS THE PURPOSE OF TABLE 2 AND ITS COST CATEGORIES?

A. I directly sponsor the costs shown in this table because they comprise the Total ETI Adjusted affiliate charges amount for the Treasury Operations Class. This breakout of costs provides an additional "view" of the components of this class. Other witnesses in this case also provide indirect support for these costs because they address the corporate structures and practices that underlie these costs. For example, the table demonstrates that 48% of the costs in my class are labor-related costs (Payroll and Employee Costs). Company witness Jennifer A. Raeder discusses ESI's overall payroll and benefits-related structure and practices. The cost for "Service Company Recipient," which are services that ESI provides to itself, are in turn spread to all affiliates that receive ESI services. Company witness Stephanie B. Tumminello explains this service company recipient process. "Office and Employee Expenses" primarily covers the costs of employee travel and training expenses, and office supplies. Company witness Thomas C. Plauché discusses these types of expenses in more detail in his testimony. "Outside Services" reflect the services provided by non-Entergy Company employees and firms, such as rating agency fees. The "Other" cost component includes $174,871 of bank fees, $84,584 of ESI interest expense, and $60,194 of ESI insurance expense that was allocated to ETI. My testimony addresses the necessity and reasonableness of the amounts for these costs.

Q12. PLEASE DESCRIBE THE EXHIBITS THAT SUPPORT THE INFORMATION INCLUDED IN TABLE 1.

A. Attached to my Direct Testimony are exhibits showing the calculation of the Total ETI Adjusted amount for the Treasury Operations Class. In Exhibit SCM-A, the information is shown broken down by the departments comprising the class. Exhibit SCM-B shows the same information broken down by project code and by the billing method assigned to each project code. Exhibit SCM-C shows the information by class, department and project code. For each exhibit, the amounts in the columns represent the following information:

Column (A) – Support	Dollar amount of total Test Year billings and charges from ESI to all Entergy Business Units, plus the dollar amount of all other affiliate charges to ETI that originated from any Entergy Business Unit.
Column (B) – Service Company Recipient	Dollar amount that was included in the service company recipient allocation. Service company recipient charges are the cost of services that ESI provides to itself, which in turn are charged to affiliates that receive those services. The service company recipient allocation process is described in the testimony of Company witness Tumminello.
Column (C) – Total	Represents the sum of Columns (A) and (B).
Column (D) – All Other Business Units	That portion of Column (C) that was billed and charged to Business Units other than ETI.
Column (E) – ETI Per Books	Represents the difference between Columns (C) and (D).

Column (F) – Exclusions	Represents amounts that are excluded from ETI electric cost of service. The exclusions are described in the testimony of Company witness Tumminello.
Column (G) – Pro Forma Amount	Pro Forma Amounts include adjustments for known and measurable changes, and corrections.
Column (H) – Total ETI Adjusted	ETI adjusted amount requested for recovery in this case for this class (Column (E) plus Columns (F) and (G)).

In her testimony, Company witness Tumminello describes the calculations that take the dollars of support services in Column A to the Total ETI Adjusted numbers shown on Column H.

Q13. ARE THERE ANY PRO FORMA ADJUSTMENTS TO THE TREASURY OPERATIONS CLASS?

A. Yes. The pro forma adjustments for the Treasury Operations Class are shown on Exhibit SCM-D, which also indicates the Company witnesses who sponsor those pro forma adjustments.

Q14. PLEASE DESCRIBE THE TYPES OF SERVICES THAT ARE PROVIDED BY THE TREASURY OPERATIONS CLASS.

A. Generally, there are three types of services provided by Treasury Operations:

- Finance, Cash Management, and Investment Management;
- Credit/Market Risk Management; and

- Property & Casualty Risk Management.

The Treasury Operations Class also includes costs related to:

- ESI interest expense, and
- ESI insurance premium expense.

Q15. PLEASE ADDRESS THE FINANCE, CASH MANAGEMENT, AND INVESTMENT MANAGEMENT ACTIVITIES SERVICE.

A. The Finance services include costs associated with managing the Entergy Companies' capital structures; issuing securities; guiding relationships with rating agencies, banks, and other lenders; and managing outstanding securities and bank lines of credit. Cash Management services include the costs associated with activities necessary to manage the daily liquidity/working capital needs of the Entergy Companies. Investment management activities include costs associated with overseeing investment management and providing fiduciary oversight of external trust funds.

Q16. ARE THE FINANCING ACTIVITIES NECESSARY?

A. Yes. The financing activities were, and continue to be, necessary to obtain funding for ETI's business needs and to optimally manage ETI's and the Entergy Companies' financial liabilities, while maintaining the highest possible credit ratings for ETI and the other Entergy Companies' debt obligations. Assuring capital market access on the best possible

terms supports ETI's ability to serve its customers. Higher ratings afford ETI the opportunity to fund its capital requirements at lower rates and at more desirable terms.

Q17. ARE THE CASH MANAGEMENT SERVICES NECESSARY?

A. Yes. The cash management services activities are necessary to maintain an adequate liquidity level to meet the Company's financial obligations, and to ensure that adequate, effective controls are in place to prevent theft or fraudulent use of the Company's funds.

Q18. ARE THE INVESTMENT MANAGEMENT ACTIVITIES NECESSARY?

A. Yes. These activities are necessary to ensure that the several types of external trust fund investments managed by Treasury Operations, including pension, savings plan, post-retirement benefit (other than pension) and nuclear decommissioning trust assets, and their related investments, are managed for the benefit of the beneficiaries and in a manner consistent with the various regulatory rules governing such investments and trust operations. Regulatory compliance enhances employee and retiree benefit security, and it reduces the risk of potential non-compliance costs.

Q19. PLEASE DESCRIBE THE CREDIT/MARKET RISK MANAGEMENT SERVICES PERFORMED BY TREASURY OPERATIONS.

A. The Treasury Operations' Credit/Market Risk Management group facilitates the process to manage the risks inherent in commodity and credit risk exposure within the Entergy Companies. This effort includes the following services:

- Participating in the evaluation of activities that could pose significant risks, including major fuel purchases, power supply purchases, major revenue contracts, major capital expenditures, and business strategies;
- Designing commodity and counterparty credit risk policies, procedures, and controls;
- Developing and communicating commodity and credit risk management standards; and
- Identifying, analyzing, and articulating key exposures.

In addition, Credit/Market Risk Management responds to requests for information from regulatory agencies, credit rating agencies, and the external investment community with respect to addressing commodity and credit risks.

Q20. ARE THERE OTHER CREDIT/MARKET RISK-RELATED SERVICES PROVIDED BY TREASURY OPERATIONS?

A. Yes. The Credit/Market Risk group provides insight and oversight into managing electricity, gas, and other fuel price risks by assisting in the negotiation of new purchase and sales contracts, providing ongoing credit support through counterparty credit analysis, and dealing with day-to-day risk issues as they arise.

Q21. ARE THE CREDIT/MARKET RISK SERVICES NECESSARY?

A. Yes. These services enable management to appropriately weigh the benefits or consequences of business decisions and ongoing business risks, averting adverse results that could negatively impact operational performance and limit access to the financial markets, potentially damaging the financial health of ETI to the detriment of its customers.

Q22. PLEASE DESCRIBE THE PROPERTY & CASUALTY RISK MANAGEMENT SERVICES PERFORMED BY TREASURY OPERATIONS, AND EXPLAIN WHY THESE SERVICES ARE NECESSARY.

A. Property & Casualty Risk Management services provided by Treasury Operations include, among other things, property and casualty risk identification, risk assessment, risk mitigation, and risk finance (*e.g.*, determining the best mechanisms to transfer risk, often through insurance).

Risk of loss can take the form of potential damage to ETI's physical property, such as a fire at a fossil plant. Other risks of loss relate to "casualty" (liability) losses that may occur as a result of ETI's operations, *i.e.*, third-party bodily injury and/or property damage, such as a member of the public coming into contact with an ETI electric distribution line, and employee injuries sustained while performing job duties. Property & Casualty Risk Management's services, which are not duplicated within ETI, include:

- Procuring insurance coverage with appropriate deductibles and limits when it is possible and economically advantageous to transfer risk to insurance carriers;
- Developing and negotiating property and casualty risk allocation/transfer in contractual agreements;
- Performing property risk evaluations for fire protection and machinery breakdown mitigation for the Entergy Companies' generating plants;
- Distributing insurance certificates that evidence insurance coverage to appropriate parties, *e.g.*, leaseholders and other contractual parties;
- Performing damage assessment and root cause determinations for fire, boiler machinery, and storm-related property losses;
- Coordinating claims-related activities associated with losses resulting from fire, machinery breakdown, and storm-related losses;
- Administering the Owner Provided Insurance Program; and

- Administering STARS (claims/loss database).

Property and casualty risk services to mitigate and transfer risk of loss are a necessary part of any business. Loss mitigation, including risk evaluations and proactive claims management, reduces loss and insurance costs. Economical risk transfer through insurance protects ETI from unexpected loss costs.

Q23. PLEASE DESCRIBE ESI INTEREST EXPENSE INCLUDED WITHIN THE AFFILIATE CHARGES OF THE TREASURY OPERATIONS CLASS, AND EXPLAIN WHY THIS EXPENSE IS A NECESSARY AFFILIATE COST.

A. To finance its ongoing operations, ESI incurs interest expense as a result of its short-term borrowings through the Money Pool and from Entergy Corp. ESI has a need to borrow working capital in order to satisfy obligations arising from ongoing operations so that ESI may continue to support Entergy Corp. and its affiliates' operations. ESI currently satisfies its working capital requirements through two alternative internal credit facilities. The first alternative is to borrow from the Money Pool, but ESI can only borrow from the Money Pool after the participating utilities and System Energy's liquidity needs have been satisfied. If available Money Pool cash is insufficient to meet ESI's short-term borrowing requirements, the second alternative is to borrow on a short-term basis from Entergy Corp. under a loan agreement. During the Test Year, ESI satisfied its interim credit requirements entirely through borrowings from the Money Pool and from

Entergy Corp. Because ESI supports numerous Entergy Companies, including ETI, a portion of its interest costs are allocated to ETI. During the Test Year, ESI allocated $84,584 in ESI interest.

Q24. PLEASE DESCRIBE THE ESI INSURANCE PREMIUM CHARGES INCLUDED WITHIN THE TREASURY OPERATIONS CLASS, AND EXPLAIN WHY THOSE COSTS ARE NECESSARY.

A. ESI's total insurance expense totaled $632,818 during the Test Year. Of this total, $60,194 was billed to ETI. ESI insurance expense comprises ESI property and liability insurance premium expenses. Exhibit SCM-2 provides a description of ESI insurance coverages. ESI insurance coverage is procured to protect ESI against the risk of catastrophic property and liability loss costs. Should ESI suffer a catastrophic loss, the loss cost would be allocated back to the affiliates, including ETI, as a cost of ESI operations. Insurance premium costs are normal business expenses incurred as a result of ESI operations in providing services to the affiliates. It is a generally accepted principle and a prudent risk management practice to protect a business's physical assets and financial viability from the risk of catastrophic loss through the purchase of insurance products.

IV. REASONABLENESS OF TREASURY OPERATIONS AFFILIATE CHARGES FOR THE SERVICES PERFORMED ON BEHALF OF ETI

Q25. WHAT WERE THE ACTUAL TOTAL AFFILIATE CHARGES TO ETI FOR SERVICES PROVIDED BY THE TREASURY OPERATIONS CLASS FOR THE LAST THREE YEARS AND THE TEST YEAR?

A. Total affiliate O&M charges to ETI for each of the past three calendar years and the Test Year for this class of services are shown in the table below. These charges have been adjusted to remove the MISO and ITC-related affiliate costs that the Company is removing from the requested cost of service (as explained by Company witness Considine), as well as the nuclear and gas department codes (as explained by Company witness Tumminello).

Affiliate Charges for Treasury Operations Services Provided to ETI			
Calendar Year			
2010	**2011**	**2012**	**Test Year**
$846,717	$830,715	$817,291	$878,382

Q26. PLEASE EXPLAIN THE COST TRENDS FROM 2010 THROUGH THE TEST YEAR.

A. The cost trend in this class has remained fairly level.

Q27. PLEASE DESCRIBE THE STAFFING LEVELS FOR TREASURY OPERATIONS OVER THE PERIOD OF 2010 THROUGH THE TEST YEAR.

A. The number of Treasury Operations employees remained relatively steady from 2010 through the Test Year. As shown in the following table, headcount increased by one full-time person in 2012.

Headcount[2]	2010	2011	2012	Test Year
Treasury Operations Class	37	37	38	38

Q28. HAS TREASURY OPERATIONS PERFORMED ANY BENCHMARKING TO SUPPORT THE REASONABLENESS OF ITS COSTS?

A. No. I am unaware of comparable Treasury Operations-type data from other electric utilities that we could use to prepare a specific benchmarking comparison for my Treasury Operations Class. However, Company witness Tumminello discusses benchmarking results at an overall service company level. Company witness Michelle P. Bourg supports benchmarking of ETI's administrative and general ("A&G") costs. These results show that ESI and ETI, as a whole, compare favorably to their peer groups with regard to costs and cost controls, particularly with regard to A&G costs, where significant levels of affiliate support costs are booked.

[2] The 2010, 2011, and 2012 figures are year-end (December 31) headcounts. The Test Year figure is the headcount as of March 31, 2013.

Q29. DOES TREASURY OPERATIONS HAVE IN PLACE A BUDGETING PROCESS TO CONTROL COSTS?

A. Yes. Treasury Operations conducts a thorough, comprehensive annual budgeting process, and it also reviews incurred and anticipated expenses versus budget on at least a quarterly basis. These annual budget process steps include:

- The Treasury Operations Budget Coordinator collects projected expense input from Treasury Operations management and staff.
- Treasury Operations management reviews the budget for appropriateness and relevance to ongoing operations.
- The Treasury Operations Vice President & Treasurer reviews the projected budget compared with prior year historical costs, including detailed justification explanations for increases/decreases from the prior year.
- The ESI Corporate Services Finance Director also reviews the budget against prior year costs and ensures that the budget adheres to the company-wide guidelines issued annually by ESI Finance Operations Center.
- Once all reviews are complete, the budget is submitted to the Chief Financial Officer for approval.

Q30. IS COMPLIANCE WITH THE BUDGET MONITORED?

A. Yes. Treasury Operations management continually monitors incurred expense against budget, and frequently approves expenses prior to expenses being incurred. For example, the Treasury Operations management must pre-approve employee training (*e.g.*, seminars, travel) prior to an employee's registration for such training. Likewise, most employee business travel is also discussed and approved by Treasury Operations management prior to travel costs being incurred. Additionally, the Treasury Operations Budget Coordinator prepares a monthly report detailing cost variances against the budget that is reviewed with the Treasury Operations Vice President & Treasurer to explain variances and expectations. The Treasury Operations Budget Coordinator also provides cost variance information to the ESI Corporate Services Finance Director, who performs an independent review of incurred cost versus budget.

Q31. ARE TREASURY OPERATIONS EMPLOYEES HELD ACCOUNTABLE FOR DEVIATIONS FROM BUDGET?

A. Yes. Most employee expenses are pre-approved by the respective Treasury Operations management. Any significant unbudgeted cost must be pre-approved by me. Controlling costs and adherence to budget is a priority for all Treasury Operations staff.

Q32. DOES TREASURY OPERATIONS UNDERTAKE OTHER MEASURES OR INITIATIVES TO ENSURE THAT ITS COSTS ARE REASONABLE?

A. Yes. The Owner-Provided Insurance Program is a good example of a cost savings measure implemented by the Property & Casualty Risk Management staff that has reduced ETI's operating expenses.

Q33. PLEASE DESCRIBE THE OWNER-PROVIDED INSURANCE PROGRAM.

A. Under the Owner-Provided Insurance Program, ESI's Treasury Operations staff procures the required insurance coverages for contractors working at ETI's Sabine and Lewis Creek plants, as well as other Entergy Companies' plants, in exchange for a reduction in the compensation paid to the contractors. The Entergy Companies leverage buying power to obtain the required coverages at a lower price than the individual contractors could individually obtain. The program has generated ETI generation plant contract-related cost savings of approximately $400,000 for the period December 31, 2007 through December 31, 2012.

Q34. WHAT OTHER MEASURES HAS TREASURY OPERATIONS TAKEN TO CONTROL COSTS TO ENSURE ITS COSTS ARE REASONABLE?

A. Other examples of Treasury Operations' cost control efforts include maintaining strong banking relationships to optimize liquidity and access

to working capital, and managing counterparty credit risk to assure that vendors are able to meet their commitments to ETI.

Q35. ARE THE ESI COSTS ASSOCIATED WITH THE $84,584 IN INTEREST EXPENSE THAT YOU SPONSOR REASONABLE?

A. Yes. The cost of borrowing through the Money Pool is more favorable than the cost of borrowing through external bank facilities. ESI's Money Pool participation is particularly cost-effective because any external short-term borrowing program for ESI would likely require additional costs for credit support and/or bank fees. The rate on Entergy Corp. borrowings reflect Entergy Corp.'s actual borrowing costs, and Entergy Corp. has stronger credit than ESI, so Entergy Corp.'s borrowing costs are lower than ESI's hypothetical external borrowing costs. Therefore, the internal costs associated with ESI interest expense are reasonable.

Q36. ARE THE COSTS ASSOCIATED WITH THE ESI INSURANCE PREMIUM EXPENSE CHARGES BILLED TO ETI REASONABLE?

A. Yes. The ESI cost of insurance billed to ETI over the past three years is shown in the following chart.

2010	2011	2012	Test Year
$44,981	$59,225	$63,909	$60,194

The majority of the increase since 2010 is due to the addition of Data Security/Cyber Liability coverage in 2011 for ESI, ETI, and other Entergy-affiliated companies.

The appropriate amount of insurance premium is allocated from ESI to ETI because Property & Casualty Risk Management uses separate and distinct project codes to accurately reflect these ESI business costs and their allocation to the affiliates. Property & Casualty Insurance management and the Treasury Budget Coordinator review the costs that are billed to affiliates to ensure that they are accurate. In addition, the insurance premium allocation methods are reviewed at least annually by Property & Casualty Insurance management and staff to ensure that they remain appropriate and accurate. Insurance costs are largely market-driven. ESI's Property & Casualty Risk Management group continually monitors the insurance market and strives to procure the most cost-effective insurance with financially strong carriers. In addition, where possible, the group transfers risks to third-parties through contract indemnification.

Q37. HOW ARE TREASURY OPERATIONS' COSTS BILLED TO ETI?

A. Please refer to Exhibits SCM-B and SCM-C. These exhibits show all the costs included in the Treasury Operations Class by project code and reflect the ESI billing method assigned to each project code.

The affiliate billing process is explained by Company witness Tumminello. Where appropriate, costs are billed directly to ETI and other affiliates. Costs that are billed directly to ETI reflect the fact that certain Treasury Operations Class activities are for the specific benefit of ETI. Only when incurred costs benefit more than one of the Entergy Companies are such costs billed through an allocation. With respect to the Treasury Operations Class, some costs are billed to ETI through an allocation, which reflects the fact that more than one of the Entergy Companies benefited from the services delivered. Therefore, ESI costs are billed to ETI both directly and through various allocation methods.

Q38. ON WHAT BASIS ARE COSTS OF THESE TREASURY OPERATIONS SERVICES BILLED?

A. Each ESI affiliate class of service, including the Treasury Operations Class, is comprised of numerous project codes. As Company witness Tumminello explains, only one billing method is assigned to each project code. Several organizations may bill to a single project code. However, the billing method for each project code remains the same, regardless of which organization charges to that project code. A billing method is selected based on cost causation. This procedure ensures that the price charged to ETI for the services is no higher than the price charged to other affiliates for the same or similar services, and represents the actual cost of the services.

Q39. PLEASE DISTINGUISH BETWEEN COSTS THAT ARE "DIRECT" BILLED VERSUS COSTS THAT ARE "ALLOCATED" TO THE ENTERGY COMPANIES.

A. Whenever appropriate, costs are direct-billed to ETI and other affiliates. This means the services provided (and associated costs) are caused by, and benefiting, only ETI or whatever entity is the sole cause of the services, and associated costs, provided. Only when costs are incurred that are caused by ETI and one or more of the other Entergy Companies are such costs billed by ESI to ETI using an allocation method.

Of the total Treasury Operations Class' $866,688 Total ETI Adjusted amount, approximately 33% was direct-billed using billing method "DIRECTTX." For example, Project F3PPF30140 (Cash Management) captures costs for opening and closing bank accounts, performing bank account maintenance and analysis, maintaining banking relationships, cash forecasts, short-term investing, and debt service on behalf of ETI. Because services under the project were driven solely by ETI, it was appropriate to use billing method DIRECTTX, which bills 100% of the associated costs for the services to ETI.

Q40. WHAT WERE THE PREDOMINANT BILLING METHODS USED FOR THE TREASURY OPERATIONS CLASS OF SERVICES?

The predominant billing methods were DIRECTTX, LVLSVCAL, INSPREAL, TRSBLNOP, PLLOSSAL, ASSTSALL, APTRNALL, and

CUSEOPCO. For the Test Year, these billing methods were used for 91% of the total ETI Adjusted costs associated with the Treasury Operations class:

- DIRECTTX – Direct Texas (33%);
- LVLSVCAL – ESI Service Level (21%);
- INSPREAL – Insurance Premiums (13%);
- TRSBLNOP – Transmission Line Miles/Substation (10%);
- PLLOSSAL – Property & Liability Paid Losses (6%);
- ASSTSALL – Total Assets (3%);
- APTRNALL – Accounts Payable Transactions (3%); and
- CUSEOPCO – Electric and Gas Customers (2%).

Q41. PLEASE PROVIDE EXAMPLES OF WHY THE ABOVE-LISTED BILLING METHODS ARE APPROPRIATE TO USE FOR THE PROJECTS TO WHICH THEY ARE ASSIGNED?

A. I discussed billing method DIRECTTX earlier. Billing method LVLSVCAL is assigned to several project codes. An example is Project Code F3PCF26022, which relates to activities that are applicable to all of the Entergy Companies (including ETI), such as developing and analyzing financial policies and investigating and evaluating general financing options. Because no one company drives these costs more than another, these project codes utilize billing method LVLSVCAL, which is based on

total ESI billings, or Level of Service, to the Operating Companies and System Energy, excluding corporate overhead.

Billing method INSPREAL is assigned to Project Code F3PCF24001. Treasury Operations uses this project code for activities associated with the Entergy Companies' (including ETI) property and casualty insurance coverage renewals, *e.g.*, working with insurance underwriters, completing underwriting applications, and analyzing risk finance alternatives to secure the most economical risk finance options. The cost driver for these activities is the amount and degree of property and casualty risk that the staff must manage on behalf of each affiliate, which correlates with each affiliate's premium level, which is the basis for billing method INSPREAL. The greater the amount and degree of risk that a company possesses, the larger the amount of premium, which, in turn, correlates to the administrative support required to oversee that company's risk.

Billing method TRSBLNOP is assigned to various project codes. An example is Project Code F3PPF30211, which captures the costs of the reclassification of ESI interest payments related to the ESI Transmission building. Billing method TRSBLNOP is allocated based on miles of transmission lines and number of transmission substations, which should provide a good approximation of the relative benefit derived by each of the operating companies related to the cost of owning and operating the

Transmission Building that supports Transmission operations for all of the operating companies.

Billing method PLLOSSAL is assigned to Project Code F3PCRMSTAR, which relates to the STARS database. STARS is a claims database utilized by various organizations (*e.g.*, Casualty Risk Management, Claims Management, Legal, and Safety) to track and trend casualty loss data, which enhances loss mitigation activities (catastrophic storm losses generally are not tracked through this database). The primary costs associated with the project code using the PLLOSSAL allocation method are labor costs associated with administering the STARS system to produce insurance underwriting information, produce loss reports for ETI, as well as other Entergy Companies, analyze loss data, and database maintenance and enhancement. The allocation method, which is based on each affiliate's level of historical paid casualty losses (excluding storm-related losses), correlates with the amount and degree of time and activity required to administer the system.

For project codes assigned to billing method ASSTSALL, costs are allocated based on total assets. For example, Project Code F3PPF30270, which is primarily related to activities associated with enterprise-wide risk management direction and oversight, including designing risk policies, procedures and controls, developing and communicating risk management standards, developing strategies for effectively managing risk exposure within predetermined limits, and managing the Corporate

Risk Committee process. Billing method ASSTSALL is appropriate because it reflects the cause of the costs incurred, in that, services provided relate to the stewardship of all the corporation's assets.

Billing method APTRNALL is used by, among others, Project Code F3PCF23425, which represents ESI's cost of bank services related to disbursement of payables by ESI on behalf of the Entergy Companies. Because the costs are driven by the number of accounts payable transactions processed for each legal entity, the use of this allocation method reflects appropriate cost causation principles.

An example of a Project Code that utilizes billing method CUSEOPCO is Project Code F3PCR53291, which relates to ESI's costs of bank services related to collecting utility customers' payments and posting payments to customers' account. This billing method allocates costs based on the number of electric customers. Because the costs captured in this project code are driven by the number of electric customers, the use of this allocation method reflects appropriate cost causation principles.

Q42. YOU HAVE ADDRESSED 91% OF THE TOTAL ETI ADJUSTED COSTS ASSOCIATED WITH THIS CLASS. PLEASE ADDRESS THE REMAINING 9%.

A. A number of other project codes and different billing methods were used for the remaining 9% of such costs. The remaining billing methods are set forth in my Exhibit SCM-B and SCM-C.

Q43. HAVE YOU DETERMINED THAT THE APPROPRIATE PROJECT CODES AND BILLING METHODS HAVE BEEN USED FOR THE REMAINING 9% OF TOTAL ETI ADJUSTED COSTS ASSOCIATED WITH THIS CLASS?

A. Yes. I have reviewed each of the project codes and associated billing methods used for the remaining 9% of Total ETI Adjusted costs associated with this class and they are reasonable. The costs associated with the remaining billing methods are consistent with and reflect the services captured in each respective project code. The unit cost to ETI as a result of the application of these billing methods is no higher than the unit cost to other affiliates for the same or similar service and represents the actual cost of the services.

V. ETI INSURANCE PREMIUM COSTS PAID DIRECTLY BY ETI

Q44. ARE YOU SPONSORING ANY NON-AFFILIATE EXPENSES?

A. Yes. In this section of my testimony, I sponsor ETI's direct insurance premium costs that are paid directly by ETI. Exhibit SCM-3 provides a description of ETI's direct insurance coverages.

Q45. WHAT IS THE AMOUNT OF DIRECT INSURANCE PREMIUM EXPENSE THAT ETI IS REQUESTING IN THIS DOCKET?

A. As shown in Exhibit SCM-4, ETI insurance premium expense paid directly by ETI was $4,867,394 during the Test Year.

Q46. IS THIS EXPENSE NECESSARY?

A. Yes. Insurance coverage is a necessary business expense. ETI insurance is necessary to protect ETI's physical assets and operations so that ETI may continue to provide electric service to its customers. In addition, certain of these ETI insurance coverages are required by leases and contracts with non-affiliated parties.

Q47. IS ETI'S INSURANCE COST REASONABLE?

A. Yes. As shown in the following chart, total ETI insurance premiums have increased approximately $2.8 million for the Test Year compared to 2010.

ETI Direct Insurance Cost Comparison				
	Calendar Year			
($ in 000s)	2010	2011	2012	Test Year
Casualty	924,701	1,308,672	868,594	794,560
Property	1,093,629	1,043,949	3,165,679	4,072,834
TOTAL	**2,018,330**	**2,352,621**	**4,034,273**	**4,867,394**

ETI's property insurance premium expense increased approximately $3.0 million for the Test Year compared to 2010, primarily due to catastrophic losses (*e.g.*, wildfires, tornadoes, storms, and hurricanes) sustained by property insurance underwriters over the past few years, which have increased property insurance premiums.

The most significant change in ETI's casualty insurance premiums is the approximate $413,000 decrease for the Test Year compared to

2011, which was due to a 2011 accounting correction of accrued asbestos insurance premium costs from the years 2005 and 2006 that resulted in a $400,000 expense in 2011.

Q48. ETI SECURITIZED OVER $500 MILLION RELATED TO HURRICANES IKE AND GUSTAV STORM RESTORATION COSTS. IN YOUR OPINION, WOULD THE COMPANY BE ABLE TO SECURITIZE ANY LEVEL OF STORM RESTORATION COSTS WITH REGARD TO FUTURE STORMS?

A. Under certain circumstances, ETI should be able to securitize future storm costs in a manner similar to the way it has in the past. The costs would need to be large enough to generate savings that would offset the costs of effecting the securitization. Based on my experience, I would expect that the minimum amount that could be securitized, at least for electric utility purposes, would be in the range of $100 million.

VI. CONCLUSION

Q49. DOES THIS CONCLUDE YOUR TESTIMONY?

A. Yes, at this time.

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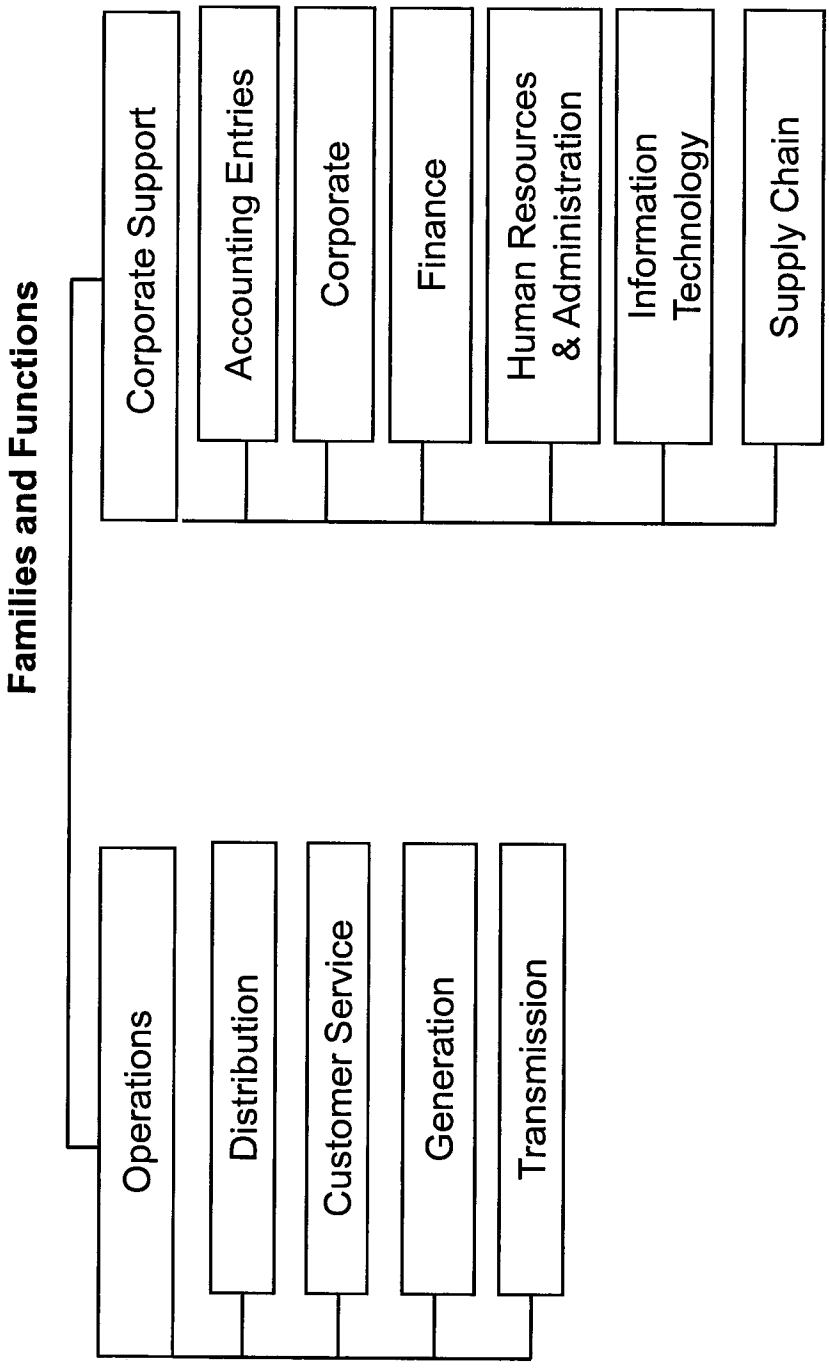
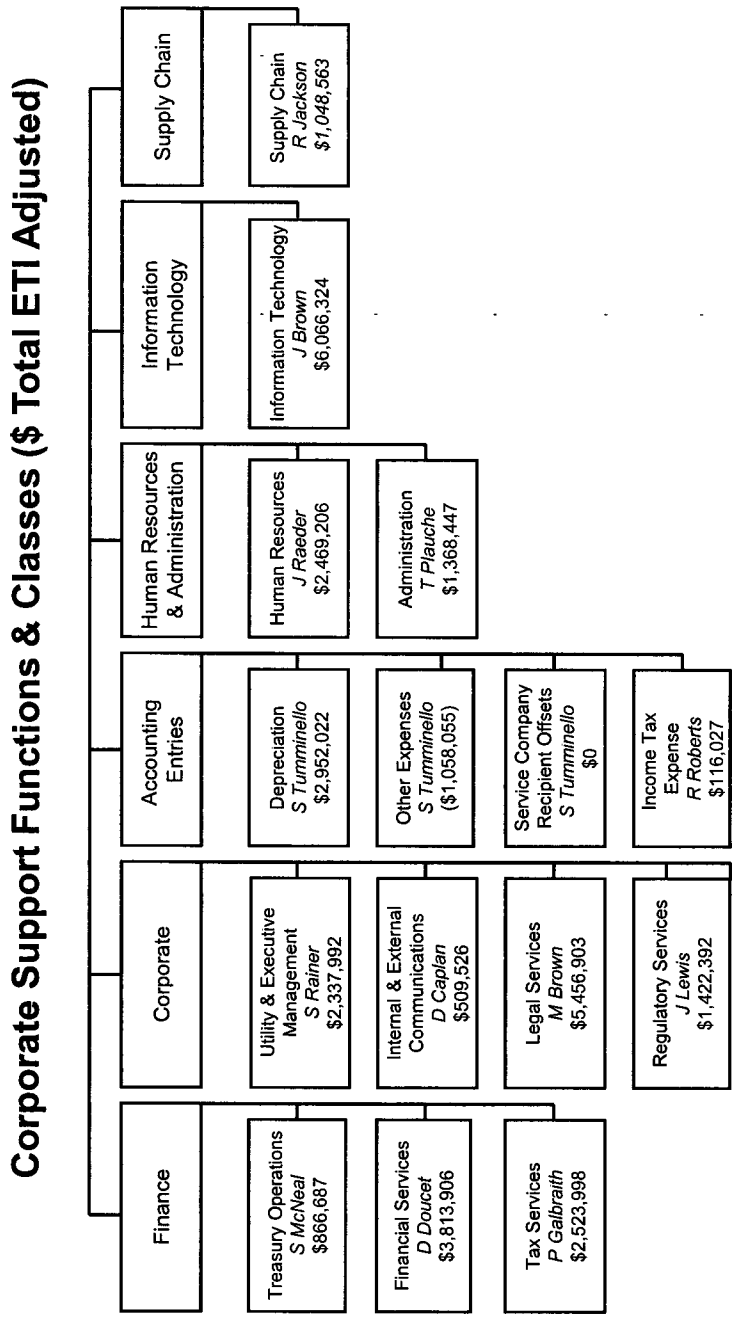

Families and Functions
Corporate Support
Accounting Entries
Corporate
Finance
Human Resources & Administration
Information Technology
Supply Chain
Operations
Distribution
Customer Service
Generation
Transmission


Corporate Support Functions & Classes ($ Total ETI Adjusted)
Finance
Corporate
Accounting Entries
Human Resources & Administration
Information Technology
Supply Chain
Treasury Operations S McNeal $866,687
Utility & Executive Management S Rainer $2,337,992
Depreciation S Tumminello $2,952,022
Human Resources J Raeder $2,469,206
Information Technology J Brown $6,066,324
Supply Chain R Jackson $1,048,563
Financial Services D Doucet $3,813,906
Internal & External Communications D Caplan $509,526
Other Expenses S Tumminello ($1,058,055)
Administration T Plauche $1,368,447
Tax Services P Galbraith $2,523,998
Legal Services M Brown $5,456,903
Service Company Recipient Offsets S Tumminello $0
Regulatory Services J Lewis $1,422,392
Income Tax Expense R Roberts $116,027

Operations Functions & Classes ($ Total ETI Adjusted)

Domestic Regulated Utility Operations Group

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ESI Insurance Coverage Descriptions

Project Code	Insurance Coverage	Description
Property		
F5PCZZI06P	Casualty & Surety Bonds	Surety bonds required by law or contract.
Casualty		
F5PCZZI07	Directors & Officers Liability	Protects directors & officers against loss associated with claims of wrongful acts while acting in their capacity as a director or officer.
F5PCZZI13P	Excess Indemnity	Protects against loss associated with third party property damage and/or bodily injury.
F5PCZZI15P	Crime	Protects against loss associated with employee theft.
F5PCZZI16P	Fiduciary	Protects against loss associated with breach of fiduciary duties related to employee benefit plans.
F5PCZZI37P	Excess Workers' Compensation	Protects against loss associated with employee injuries.
F5PCZZI60P	Employment Practices Liability	Protects against loss associated with alleged unfair employment practices (hiring, firing, demotion).
F5PCZZI51P	Workers' Compensation TX	Protects against loss associated with ESI Texas-based employees' injuries.
F5PCZZIRFL; F5PCZZIRFP	Risk Advisory Fees	Fees paid to Entergy's non-nuclear insurance broker.
F3PPZZI65P	Data Security	Primarily protects against breach of customer and/or employee personal information.

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ETI Insurance Coverage Descriptions

Project Code	Insurance Coverage	Description
Property		
F5PCZZI31P, F5PCZZI32P	Non-Nuclear Property	Protects against loss to ETI property (physical assets, e.g., plants, boiler & machinery).
Casualty		
F5PCZZI07P	Directors & Officers Liability	Protects ETI directors & officers against loss associated with claims of alleged wrongful acts, while acting in their capacity as a director or officer.
F5PCZZI12P	Excess Indemnity	Protects against damages associated with third-party (public) property damage and/or bodily injury arising out of the course of ETI operations.
F5PCZZI16P	Fiduciary	Protects ETI against loss associated with and breach of fiduciary duties related to employee benefit plans.
F5PCZZI51P	Workers' Compensation TX	Protects against loss associated with employee injuries.
F5PCZZI60P	Employment Practices Liability	Protects against loss associated with alleged unfair employment practices (e.g., hiring, firing, demotion).
F5PCZZIRFL, F5PCZZIRFP	Risk Advisory Fees	Fees paid to Entergy's non-nuclear insurance broker.
F5PCZNOPIP, F5PCZW1021	Owner Provided Insurance Program	Pays for on-site fossil contractors' general liability and workers' compensation insurance.
F3PPZZI65P	Data Security	Primarily protects against breach of customer and/or employee personal information.

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ENTERGY TEXAS, INC.
NON-AFFILIATE CHARGES TO ACCOUNTS 924 & 025 BY ACCOUNT & PROJECT
FROM 4/1/12-3/31/13

GL Business Unit	Affiliate Indicator	Affiliate Label	Account	Project	Project Desc	Monetary Amount
TX000	N	Non-Affiliate	925000	F5PCZZI06P	CASUALTY AND SURITY BONDS	$71
TX000	N	Non-Affiliate	924000	F5PCZZI31P	PROPERTY PROGRAM, PRIMARY	$3,256,775
TX000	N	Non-Affiliate	924000	F5PCZZI32P	PROPERTY PROGRAM, EXCESS	$789,428
TX000	N	Non-Affiliate	924000	F5PCZZIRFP	RISK ADVISORY FEES - PROPERTY	$26,560
Property Total						$4,072,834
TX000	N	Non-Affiliate	925000	F3PPZZI65P	Data Security	$26,583
TX000	N	Non-Affiliate	925000	F5PCZW1021	OWNER PROVIDED INSURANCE PROGRAM	$44,136
TX000	N	Non-Affiliate	925000	F5PCZZI07P	DIRECTORS & OFFICERS	$119,343
TX000	N	Non-Affiliate	925000	F5PCZZI12P	EXCESS INDEMNITY	$567,017
TX000	N	Non-Affiliate	925000	F5PCZZI16P	EXECUTIVE RISK - Fiduciary	$25,347
TX000	N	Non-Affiliate	925000	F5PCZZI51P	WORKERS' COMPENSATION	$125,141
TX000	N	Non-Affiliate	925000	F5PCZZI60P	EMPLOYMENT PRACTICES LIABILITY INSU	$10,289
TX000	N	Non-Affiliate	925000	F5PCZZI63P	ASBESTOS LIABILITY	($83,847)
TX000	N	Non-Affiliate	925000	F5PCZZIRFL	RISK ADVISORY FEES - LIABILITY	$36,476
TX000	N	Non-Affiliate	925000	F5PPZZ114A	EIM Distribution - XS Indem	($75,023)
TX000	N	Non-Affiliate	925000	F5PPZZI66P	Excess Liability Insurance	($902)
Total Casualty (Liability)						$794,560
Summary						**$4,867,394**

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Entergy Texas, Inc.
Affiliate Billings - by Witness, Class, and Department
For the Twelve Months Ended March 31, 2013
Amounts in Dollars

Exhibit SCM - A
2013 TX Rate Case

Class	Billing Entity	Dept	(A) Total Billings Support	(B) Total Billings Service Company Recipient	(C) Total Billings Total	(D) All Other BU's	(E) ETI Per Books	(F) Exclusions	(G) Proforma Amount	(H) Total ETI Adjusted
Treasury Operations	ESI		415,063	0	415,063	353,652	61,411	-61,411	0	0
Treasury Operations	ESI	CP026	160,266	0	160,266	144,912	15,354	-15,354	84,584	84,584
Treasury Operations	ESI	FN2R1	766,590	97,870	864,461	800,317	64,143	-2,456	-4,066	57,622
Treasury Operations	ESI	FN300	4,585,386	408,905	4,994,291	4,529,785	464,506	-1,570	-8,650	454,287
Treasury Operations	ESI	FN301	85,000	0	85,000	85,000	0	0	0	0
Treasury Operations	ESI	RA22C	193,068	0	193,068	177,940	15,128	0	0	15,128
Treasury Operations	ESI	RA22I	476,694	0	476,694	431,628	45,066	0	0	45,066
Treasury Operations	ESI	RA245	2,417,423	226,142	2,643,565	2,430,979	212,586	0	-2,584	210,002
Treasury Operations	ESI	TPHT8	-2,611	0	-2,611	-2,301	-309	309	0	0
	Total ESI		**9,096,880**	**732,917**	**9,829,797**	**8,951,912**	**877,885**	**-80,482**	**69,284**	**866,688**
Total Treasury Operations			**9,096,880**	**732,917**	**9,829,797**	**8,951,912**	**877,885**	**-80,482**	**69,284**	**866,688**
Total For Witness McNeal, Steven C			**9,096,880**	**732,917**	**9,829,797**	**8,951,912**	**877,885**	**-80,482**	**69,284**	**866,688**

Amounts may not add or tie to other schedules due to rounding.

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Entergy Texas, Inc.
Affiliate Billings - by Witness, Class, and Project
For the Twelve Months Ended March 31, 2013
Amounts in Dollars

Class	Billing Entity	Activity/ Project Code	Activity/ Project Description	ESI Billing Method	(A) Total Billings Support	(B) Total Billings Service Company Recipient	(C) Total Billings Total	(D) All Other BU's	(E) ETI Per Books	(F) Exclusions	(G) Proforma Amount	(H) Total ETI Adjusted
Treasury Operations	ESI	ACPR	Accrue Payroll	N/A	0	0	0	0	0	0	0	0
Treasury Operations	ESI	ATTR	Attend Training	N/A	0	0	0	0	0	0	0	0
Treasury Operations	ESI	C1PPFF2153	Sharepoint for Finance	EMPLOYAL	1,733	256	1,989	1,899	90	-90	-1	-1
Treasury Operations	ESI	C1PPFI2134	Debt Accounting Automation	N/A	0	576	576	576	0	0	0	0
Treasury Operations	ESI	C1PPFII042	Smartzone Radio Sys Repl Oversight	RADIOALL	521	97	618	571	47	-47	0	0
Treasury Operations	ESI	C1PPHBA942	Construct New TOC in Little Rock	N/A	0	28	28	28	0	0	0	0
Treasury Operations	ESI	C1PPHBM096	JAX - Transmision Operation Center	N/A	0	28	28	28	0	0	0	0
Treasury Operations	ESI	C1PPTD3002	2008 NERC Cyber Security Compliance	TRSBLNOP	0	0	0	0	0	0	0	0
Treasury Operations	ESI	C1PPUO021A	SAP Upgrade Software	CUSEGXTX	581	84	665	665	0	0	0	0
Treasury Operations	ESI	C1PPW0251H	TMS Hardware Infrastructure	N/A	0	9	9	9	0	0	0	0
Treasury Operations	ESI	C1PPW0251S	TMS Software	LOADOPCO	94	9	103	85	18	-18	0	0
Treasury Operations	ESI	C1PPW0252H	DMS Hardware Infrastructure	N/A	0	9	9	9	0	0	0	0
Treasury Operations	ESI	C1PPW0252S	DMS Software	CUSEOPCO	94	9	103	88	15	-15	0	0
Treasury Operations	ESI	C2PP4C477D	License Renewal - Emergent Scope	DIRECT72	263	40	303	303	0	0	0	0
Treasury Operations	ESI	C2PP4C477E	License Renewal: Federal Suit vs VT	DIRECT72	263	40	303	303	0	0	0	0
Treasury Operations	ESI	C2PP6C294A	Install Dry Fuel Storage Facility	DIRECT77	567	86	654	654	0	0	0	0
Treasury Operations	ESI	C2PPTC210B	NFPA 805 Implementation	DIRECTNA	237	33	270	270	0	0	0	0
Treasury Operations	ESI	C5PP449606	Gas Serv Storm Rebuild Replace HKat	DIRCTENO	1,457	232	1,689	1,689	0	0	0	0
Treasury Operations	ESI	C6PCN32144	GRAND GULF EXTENDED POWER UPRATE -	DIRCTSER	1,332	188	1,520	1,520	0	0	0	0
Treasury Operations	ESI	C6PCN66229	LIFE EXTENSION - STUDY PHASE	DIRCTWF3	93	15	107	107	0	0	0	0
Treasury Operations	ESI	C6PCN70752	UPGRD MAIN TURBINE EHC CONTROL SYST	DIRCTRBS	460	45	505	505	0	0	0	0
Treasury Operations	ESI	C6PPN60391	GGNS Cyber Security	DIRCTSER	68	10	78	78	0	0	0	0
Treasury Operations	ESI	C6PPN60392	RBS Cyber Security	DIRCTRBS	68	10	78	78	0	0	0	0
Treasury Operations	ESI	C6PPN67017	NFPA 805 PHASE 3	DIRCTWF3	658	68	726	726	0	0	0	0
Treasury Operations	ESI	C6PPN87464	ANO1 Main Generator Stator Rewind	DIRCANOC	1,070	137	1,207	1,207	0	0	0	0
Treasury Operations	ESI	C6PPN88247	ANO2 Phase II - NFPA 805 Transition	DIRCANOC	631	91	722	722	0	0	0	0
Treasury Operations	ESI	C6PPN88316	ANOC Construct Cask Transfer Facili	DIRCANOC	722	106	828	828	0	0	0	0
Treasury Operations	ESI	C6PPSP0012	SPO Project Gator Transact/Transitn	DIRCTELI	109	11	120	120	0	0	0	0
Treasury Operations	ESI	C6PPSP0038	SPOHotSpringTransactn/TransitnCosts	DIRCTEAI	6,999	859	7,858	7,858	0	0	0	0
Treasury Operations	ESI	C6PPSP0046	SPO Hinds Transaction/Transitn Cost	DIRCTEMI	6,336	779	7,115	7,115	0	0	0	0
Treasury Operations	ESI	C6PPTL4493	Church Rd-Getwell Build New Line	DIRCTEMI	297	48	345	345	0	0	0	0
Treasury Operations	ESI	C6PPTL4587	Cypress - Jacinto:New Line-EGSI-TX	DIRECTTX	0	0	0	0	0	0	19	19
Treasury Operations	ESI	C6PPTLA161	Hamlet to Holland Bottoms 161 Line	DIRCTEAI	247	29	276	276	0	0	0	0
Treasury Operations	ESI	C6PPTLA209	Benton N. to Woodlawn - New Line	DIRCTEAI	308	43	351	351	0	0	0	0
Treasury Operations	ESI	C6PPTLD002	Driver Sub 500kV Cutin	DIRCTEAI	718	109	827	827	0	0	0	0
Treasury Operations	ESI	C6PPTLL003	Oakridge - Dunn 230kV Line	DIRCTELI	488	61	549	549	0	0	0	0
Treasury Operations	ESI	C6PPTLU964	NERC Alert LIDAR - Arkansas	DIRCTEAI	383	62	445	445	0	0	0	0
Treasury Operations	ESI	C6PPTLU965	NERC Alert LIDAR - ENOI	DIRCTENO	48	8	56	56	0	0	0	0

Amounts may not add or tie to other schedules due to rounding.

Entergy Texas, Inc.
Affiliate Billings - by Witness, Class, and Project
For the Twelve Months Ended March 31, 2013
Amounts in Dollars

Class	Billing Entity	Activity/ Project Code	Activity/ Project Description	ESI Billing Method	(A) Total Billings Support	(B) Total Billings Service Company Recipient	(C) Total Billings Total	(D) All Other BU's	(E) ETI Per Books	(F) Exclusions	(G) Proforma Amount	(H) Total ETI Adjusted
Treasury Operations	ESI	C6PPTLU966	NERC Alert LIDAR - EGSL	DIRECTLG	168	27	195	195	0	0	0	0
Treasury Operations	ESI	C6PPTLU967	NERC Alert LIDAR - ELL-N	DIRCTELI	120	19	139	139	0	0	0	0
Treasury Operations	ESI	C6PPTLU968	NERC Alert LIDAR - ELL-S	DIRCTELI	110	18	128	128	0	0	0	0
Treasury Operations	ESI	C6PPTLU969	NERC Alert LIDAR - Texas	DIRECTTX	144	23	167	0	167	-167	-1	-1
Treasury Operations	ESI	C6PPTLU970	NERC Alert LIDAR - Mississippi	DIRCTEMI	230	37	267	267	0	0	0	0
Treasury Operations	ESI	C6PPTLV991	Hot Springs Milton-Carpenter Dam	DIRCTEAI	230	35	265	265	0	0	0	0
Treasury Operations	ESI	C6PPTLV992	LK VLLG BGBY-MCN LK: New 230kV	DIRCTEAI	841	123	964	964	0	0	0	0
Treasury Operations	ESI	C6PPTLZ026	Carlyss-Sabine:Mudlake Cut-in	DIRECTLG	2,742	417	3,159	3,159	0	0	0	0
Treasury Operations	ESI	C6PPTSA382	Grandview: Build New Sub	DIRCTEAI	479	68	548	548	0	0	0	0
Treasury Operations	ESI	C6PPTSD010	Driver Build New 500/230kV Sub	DIRCTEAI	718	109	827	827	0	0	0	0
Treasury Operations	ESI	C6PPTSF899	Grimes: Add 345/230kv auto trans	DIRECTTX	1,221	169	1,390	0	1,390	-1,390	-13	-13
Treasury Operations	ESI	C6PPTSK034	Midtown - Add Transformer	DIRCTENO	1,978	291	2,269	2,269	0	0	0	0
Treasury Operations	ESI	C6PPTSY005	Brittany Switching Station and Scop	DIRECTLG	973	99	1,072	1,072	0	0	0	0
Treasury Operations	ESI	C6PPW01008	CIP-ED Phase II Sec Programs EAI	DIRCTEAI	89	10	100	100	0	0	0	0
Treasury Operations	ESI	C6PPW02008	CIP-ED Phase II Sec Programs EGSL	DIRECTLG	89	10	100	100	0	0	0	0
Treasury Operations	ESI	C6PPW03008	CIP-ED Phase II Sec Programs ELL	DIRCTELI	89	10	100	100	0	0	0	0
Treasury Operations	ESI	C6PPW04008	CIP-ED Phase II Sec Programs EMI	DIRCTEMI	89	10	100	100	0	0	0	0
Treasury Operations	ESI	C6PPW04900	CIP4 Scoping - Cypress	DIRECTTX	565	65	629	0	629	-629	-5	-5
Treasury Operations	ESI	C6PPW05008	CIP-ED Phase II Sec Programs ETI	DIRECTTX	89	10	100	0	100	-100	-2	-2
Treasury Operations	ESI	C6PPWAE455	IN1 MATS Compliance - Capital	DIRCTEAI	17	2	20	20	0	0	0	0
Treasury Operations	ESI	C6PPWAE456	IN2 MATS Compliance - Capital	DIRCTEAI	17	2	20	20	0	0	0	0
Treasury Operations	ESI	C6PPWAR580	WB1 MATS Compliance - Capital	DIRCTEAI	17	2	20	20	0	0	0	0
Treasury Operations	ESI	C6PPWAR581	WB2 MATS Compliance - Capital	DIRCTEAI	17	2	19	19	0	0	0	0
Treasury Operations	ESI	C6PPWGA233	LW2 Air Preheater Shaft/Rotor Repl	DIRECTTX	0	0	0	0	0	0	-5	-5
Treasury Operations	ESI	C6PPWGA239	LW2 Turbine Inner Module Uprate	DIRECTTX	0	0	0	0	0	0	-2	-2
Treasury Operations	ESI	C6PPWGM709	NL6 MATS Compliance - Capital	DIRECTLG	17	2	20	20	0	0	0	0
Treasury Operations	ESI	C6PPWLA007	APC Gas Pipeline Install	DIRCTELI	65	7	72	72	0	0	0	0
Treasury Operations	ESI	C6PPWS0779	SPO Project Seminole	DIRCTELI	0	-1	-1	-1	0	0	0	0
Treasury Operations	ESI	C6PPWS0783	Ninemile 6: Build New Unit 6	DIRCTELI	32,279	3,744	36,023	36,023	0	0	0	0
Treasury Operations	ESI	C7PPSJ1292	H.Isaac Capital Distr EAI 8/28/12	DIRCTEAI	953	167	1,120	1,120	0	0	0	0
Treasury Operations	ESI	C7PPSJ1299	SNOW STORM DL EAI DIST 12/25/12	DIRCTEAI	934	160	1,093	1,093	0	0	0	0
Treasury Operations	ESI	C7PPSJ2509	HURRICANE ISAAC OPS ELL 8/28/12	DIRCTELI	14,298	2,889	17,188	17,188	0	0	0	0
Treasury Operations	ESI	C7PPSJ2512	STORM DMG LA DIST OPS ELL ISS 12/26	DIRCTELI	14	2	16	16	0	0	0	0
Treasury Operations	ESI	C7PPSJ3227	H.Isaac Capital Distr EMI 8/28/12	DIRCTEMI	436	77	513	513	0	0	0	0
Treasury Operations	ESI	C7PPSJ4091	HURRICANE ISAAC DIST ENOI 8/28/12	DIRCTENO	1,445	259	1,704	1,704	0	0	0	0
Treasury Operations	ESI	C7PPSJ7281	Storm Dmg Dist ETI 12/25/12	DIRECTTX	97	17	114	0	114	-114	0	0
Treasury Operations	ESI	C7PPSJ8411	HURRICANE ISAAC DIST EGSL 8-28-12	DIRECTLG	1,292	229	1,521	1,521	0	0	0	0
Treasury Operations	ESI	C7PPSJ8443	STORM DMG LA DIST OPS EGS ISS 12/26	DIRECTLG	14	2	16	16	0	0	0	0

Amounts may not add or tie to other schedules due to rounding.