- 1 improvement in its CSI. Table 3 below illustrates ETI's overall Business
- 2 Customer CSI for the past five years:

Table No. 3Business Customer Satisfaction StudyComparison 2009 - 2013

Year	2009	2010	2011	2012	2013
Business	584	662	666	672	687

Source: J.D. Power & Associates

3 Q12. HAS ETI SEEN ANY IMPROVEMENTS IN THE BUSINESS CUSTOMER

4 SUB-CATEGORIES EVALUATED BY J.D. POWER AND ASSOCIATES?

Yes. ETI has improved in business customer perception for all six sub-5 Α. categories for each year when comparing 2009 through 2013. ETI 6 showed an improvement of 109 index points, or 17.7% increase, for power 7 guality and reliability; 111 index points, or 20.8% increase, for price; 103 8 index points, or 19.3% increase, for billing and payment; 89 index points, 9 or 16.1% increase, for corporate citizenship; 107 index points, or 20.1% 10 increase, for communications; and 109 index points, or 17.4% increase, 11 for customer service. Table 4 below illustrates the improvement in each 12 business customer sub-category when comparing ETI from 2009 through 13 2013: 14

Table No. 4
Sub-Category Business Customer Satisfaction Study
Comparison 2009 - 2013

Year	2009	2010	2011	2012	2013
Power Quality & Reliability	613	717	693	705	722
Price	533	609	631	631	644
Billing & Payment	632	705	713	715	735
Corporate Citizenship	550	621	640	635	639
Communications	530	571	607	606	637
Customer Service	626	733	712	722	735

Source: J.D. Power & Associates

Q13. OVERALL, HOW WOULD YOU DESCRIBE ETI'S BUSINESS
 CUSTOMER OVERALL CUSTOMER SATISFACTION INDEX
 COMPARISON FROM 2009 THROUGH 2013?

As noted in the previous explanations, ETI has made significant progress 4 Α. in its business customer perception and improvement in overall customer 5 satisfaction with ETI's services. ETI was ranked the highest (1st) in the 6 south midsize utility segment and received the Highest Customer 7 Satisfaction Award from J. D. Power and Associates. ETI was noted for 8 its improved performance related to price reasonableness, ability to 9 restore power in a timely manner, providing quality power, providing 10 accurate information about an outage, involvement in local charities and 11 12 civic organizations, efforts to develop energy supply plans for the future, providing a variety of energy conservation programs, and taking action to 13 take care of the environment. 14

1 Q14. HOW ARE THE LARGE C&I CUSTOMERS SURVEYED?

- A. ETI's large C&I customers are benchmarked through a different company,
 TQS Research, Inc. ETI is surveyed on the customer's overall satisfaction
 with the Company. The survey ratings are benchmarked among other
 utilities in the nation. The percentage rating is based on a scale of 1 to 10,
 with 1 being the lowest score and 10 being the highest rating.
 A percentage factor is calculated noting the percent of customers that rate
 ETI's overall satisfaction with a survey rating of 8, 9 or 10.
- 9

10 Q15. WHAT ARE THE RESULTS OF THE LARGE C&I CUSTOMER 11 BENCHMARK STUDIES?

- 12 A. The results of the large C&I studies show that ETI improved its overall 13 satisfaction rating from 65% in 2009 to 81% in 2013, a 24.6% increase in
- 14 its overall satisfaction ratings. Table 5 below illustrates the improvement
- 15 in each large C&I customer survey from 2009 through 2013:

Table No. 5Large C&I Customer Satisfaction StudyComparison 2009 - 2013

Year	2009	2010	2011	2012	2013
Large C&I Customer	65%	79%	80%	82%	81%

Source: TQS Research

RESULTS?

- A. 81% of customers are very satisfied with ETI's overall services it provides.
 Based on the benchmark studies provided by TQS Research, Inc., C&I
 customers view ETI as a very favorable company in its provision of electric
 service.
- 7

1

2

8 Q17. CAN YOU IDENTIFY ANY REASON FOR THE IMPROVEMENT FOR9 CUSTOMER SATISFACTION RATINGS?

- A. Yes. ETI's large C&I customers view ETI as having improved in its
 reliability of service, providing quality of service, providing information on
 energy efficiency measures, and reasonableness of price.
- 13

14 Q18. DOES ETI'S CUSTOMER SERVICE DEPARTMENT USE THESE TYPES

15 OF STUDIES IN THE NORMAL COURSE OF ITS BUSINESS?

A. Yes, this type of third-party analysis is useful in gauging how successful
the Company's customer service activities are from the standpoint of our
customers. Such comparison provides a utility manager an indication of
what the customer's perception is of the Company and the services it
provides the customer.

Page 10 of 61

1	Q19.	WHAT CAN YOU CONCLUDE FROM THE CUSTOMER SATISFACTION
2		PERFORMANCE STUDY?
3	Α.	ETI continues to provide quality service to its customers. Based on the
4		customer satisfaction performance studies conducted by J.D. Power and

Associates and TQS Research, Inc., the Company has received favorable
customer satisfaction ratings for the services it provides.

7

8

IV. LOW-INCOME PROGRAMS

9 Q20. PLEASE DESCRIBE THE ETI ORGANIZATION THAT CURRENTLY
 10 ADMINISTERS LOW-INCOME PROGRAMS.

A. ETI's Customer Operations Support Department currently administers
 ETI's low-income programs. ETI Customer Operations Support is a
 functional department within the Customer Service Department of ETI.

14

15 Q21. WHAT LOW-INCOME PROGRAMS ARE ADMINISTERED BY ETI?

A. The ETI Customer Operations Support Department administers or is
involved with the following low-income programs: The Power to Care, Beat
the Heat, and the Public Benefit Fund ("PBF") program. The Customer
Operations Support Department also networks with social agencies on
low-income assistance issues.

Page 12 of 61

1 Q22. PLEASE DESCRIBE THE POWER TO CARE PROGRAM.

2 Α. The Power to Care is a low-income program administered in Texas by 3 Project CARE of Texas, Inc., a 501(c)(3), non-profit corporation, chartered 4 in the State of Texas. The purpose of The Power to Care is to provide 5 financial assistance for energy-related expenses to eligible ETI customers 6 who have demonstrated a need for assistance. This program is funded by 7 voluntary contributions from employees and customers. Entergy 8 Corporation, the parent company of the six Entergy Operating Companies 9 (including ETI), matches the voluntary contributions from its various 10 regulatory jurisdictions in Texas, Louisiana, Mississippi and Arkansas, 11 dollar for dollar, up to \$500,000 annually. The Power to Care uses various 12 nonprofit organizations to validate customer eligibility to receive pledges 13 for emergency payments toward customer utility bills. During the test year, The Power to Care allocated over \$494,000 to partner agencies for 14 15 ETI customers' assistance.

16

17 Q23. PLEASE DESCRIBE THE BEAT THE HEAT PROGRAM.

A. The Power to Care and ETI partner with local nonprofit organizations to
distribute oscillating fans to elderly, disabled, and low-income customers
to lessen the impact of the summer heat on these customers. The Beat
the Heat program is funded by The Power to Care and the Entergy
Companies' shareholders. Thirteen hundred oscillating fans were
distributed in 2013 to ETI customers.

1	Q24.	DOES ETI PROPOSE TO INCLUDE COSTS ASSOCIATED WITH THE
2		POWER TO CARE OR BEAT THE HEAT PROGRAMS IN BASE RATES?
3	A.	No. The Power to Care and Beat the Heat costs are paid for by
4		contributions from ETI customers and employees and the Entergy
5		Companies' shareholders.
6		
7	Q25.	PLEASE DESCRIBE THE PBF PROGRAM.
8	A.	Through ETI's PBF program, eligible low-income customers see a credit
9		on their bills, the size of which is determined by the funding level
10		authorized for the PBF program, the number of customers enrolled in the
11		PBF program, and the average kWh usage of the PBF customers.
12		
13	Q26.	PLEASE DESCRIBE YOUR CURRENT JOB RESPONSIBILITIES AS
14		THEY CONCERN THE PBF PROGRAM.
15	A.	I am responsible for customer service activities related to administration of
16		ETI's PBF program. In particular, my department oversees the enrollment
17		process and calculation of the billing factor to ensure the accurate
18		distribution of funds, and serves as the point of contact for the Staff of the
19		Public Utility Commission of Texas ("PUCT") and Solix, Inc. ("Solix") for
20		issues related to PBF program administration. I will discuss below the
21		efforts of Solix as it relates to the PBF program.

Page 14 of 61

1 Q27. WHAT IS THE OBJECTIVE OF ETI'S PBF PROGRAM?

2	Α.	Retail Electric Providers ("REPs") that provide service in the Electric
3		Reliability Council of Texas ("ERCOT") deregulated service area must
4		provide funding for credits to be applied to customer bills. This program
5		within ERCOT is known as LITE-UP Texas. ETI, which is not in ERCOT,
6		nevertheless administers an internal public benefit fund to provide relief in
7		the form of credits to its low-income customers similar to, although not
8		exactly like, the LITE-UP Texas program offered within ERCOT.

9

10 Q28. WHAT IS THE CURRENT LEVEL OF FUNDING FOR THE PBF 11 PROGRAM?

12 A. ETI currently funds the PBF program at \$2.5 million annually.

13

14 Q29. WHAT AMOUNT IS ETI PROPOSING TO RECOVER ANNUALLY
 15 THROUGH BASE RATES FOR ITS PBF PROGRAM AND WHY?

A. ETI requests an annual recovery of \$2.5 million through base rates for the
PBF program. In 2010, the funding level for PBF was increased from
\$2.0 million to \$2.5 million. ETI recognized a 25% increase in enrollment
to 42,000 participants in its PBF program in 2010. In 2011, ETI
recognized the same enrollment of 42,000 participants and 41,000 in
2012. Because of the stable enrollment figure, the Company recommends
the funding level remain at \$2.5 million.

Page 15 of 61

Q30. PLEASE DESCRIBE HOW ETI PROPOSES TO ADMINISTER THE PBF PROGRAM ON A GOING-FORWARD BASIS.

At the end of each month, new qualifying customers will be enrolled in the 3 Α. PBF program, and those customers that no longer qualify will be removed 4 from the program. In April each year, ETI will estimate the May through 5 September kWh usage for those customers actually enrolled, based on 6 historical usage. Then, during the months of May through September, 7 enrolled PBF customers will receive a credit based on their actual monthly 8 kWh usage times a factor which is determined by the total kWh usage of 9 enrolled PBF customers during those months and the annual level of PBF 10 funding included in ETI's rates. In an effort to distribute the amount of 11 PBF funding authorized for each program year by September, the factor 12 will be adjusted monthly to account for changes in enrollment and any 13 over/under distribution of funds in the prior months. Any over/under 14 distribution of PBF funds at the end of each program year will carry over 15 as an adjustment to the level of funds to be distributed in the next 16 17 program year.

18

19 Q31. DOES THIS PROPOSAL DIFFER FROM THE MANNER IN WHICH ETI20 CURRENTLY ADMINISTERS THE PROGRAM?

A. No. ETI administers PBF credits to enrolled PBF customers during this
 five-month period of May through September. Administering PBF credits
 over five months concentrates the available assistance to eligible

Entergy Texas, Inc. Direct Testimony of H. Vernon Pierce 2013 Rate Case

1		customers during the summer months when it is needed the most. This
2		also aligns ETI's PBF program more closely with the LITE-UP Texas
3		program under which eligible ERCOT customers receive bill credits during
4		the same five-month period.
5		
6	Q32.	WHAT CRITERIA ARE USED TO DETERMINE CUSTOMER
7		ELIGIBILITY FOR THE PBF PROGRAM?
8	A.	To be eligible to receive a credit under ETI's PBF program, a customer
9		must have a household income that is not more than 125 percent of the
10		federal poverty guidelines or receive assistance under the SNAP (food
11		stamp), Medicaid, or Temporary Assistance to Needy Families ("TANF")
12		programs administered by the Texas Health and Human Services
13		Commission ("HHSC"). These eligibility requirements are consistent with
14		the eligibility requirements for the ERCOT LITE-UP Texas program,

- benefits from the TANF program. 16
- 17

15

Q33. IS THERE ANOTHER ENTITY THAT IS INVOLVED IN ADMINISTERING 18

except that ETI's PBF program is also available to customers who receive

ETI'S PBF PROGRAM AND, IF SO, WHAT IS THAT ENTITY'S ROLE? 19

Yes. Solix assists both the State of Texas, with LITE-UP Texas, and ETI, 20 Α. with the administration of its PBF program. With regard to ETI's PBF 21 program, Solix provides an automatic enrollment process to match ETI 22 customer accounts with Texas HHSC program enrollment data and 23

1		provides ETI with a file of accounts eligible for its PBF program. The self-
2		enrollment and verification process used by LITE-UP Texas is also
3		available to assist ETI customers with enrollment in ETI's PBF program.
4		Because some customers might qualify by virtue of their household
5		income level, Solix mails self-enrollment information to those customers
6		that did, but no longer, qualify for the PBF program based on HHSC
7		assistance. Solix provides a web page and a toll-free number to its phone
8		center for additional information to facilitate the self-enrollment process.
9		
10	Q34.	HOW MANY CUSTOMERS ARE CURRENTLY ENROLLED IN ETI'S PBF
11		PROGRAM?
12	A.	There are approximately 41,000 customers currently enrolled in the
13		Company's PBF program.
14		
15	Q35.	HAVE YOU DETERMINED WHAT THE ESTIMATED PBF CREDIT
	Q35.	HAVE YOU DETERMINED WHAT THE ESTIMATED PBF CREDIT WOULD BE TO CUSTOMERS UNDER THE PBF PROGRAM?
15	Q35. A.	
15 16		WOULD BE TO CUSTOMERS UNDER THE PBF PROGRAM?
15 16 17		WOULD BE TO CUSTOMERS UNDER THE PBF PROGRAM? Yes. Based on the total actual kWh usage for customers receiving PBF
15 16 17 18		WOULD BE TO CUSTOMERS UNDER THE PBF PROGRAM? Yes. Based on the total actual kWh usage for customers receiving PBF credits from May through September 2012 and the \$2.5 million funding
15 16 17 18 19		WOULD BE TO CUSTOMERS UNDER THE PBF PROGRAM? Yes. Based on the total actual kWh usage for customers receiving PBF credits from May through September 2012 and the \$2.5 million funding level, the estimated PBF credit was \$0.00850 per kWh. Based on actual

1 Q36. WHAT RESPONSIBILITIES DOES ETI HAVE WITH REGARD TO

- 2 ADMINISTERING THE PBF PROGRAM?
- 3 A. ETI Customer Operations Support Department has the following
 administrative responsibilities with respect to the PBF program:
 - (A) serve as contact point for PUCT Staff and Solix for issues related to PBF program administration;
- 8 (B) provide Solix with residential customer data for its monthly HHSC 9 cross-reference enrollment process;
- 11 (C) receive monthly matched customers file from Solix and update 12 identified accounts and enrollment;
- 14 (D) provide a manual self-enrollment process for those customers who 15 qualify but are not receiving HHSC benefits; and
- 17 (E) maintain PBF disbursement data for periodic reports and to support 18 monthly factor calculations. Current monthly reporting includes the 19 monthly credit factor, number of enrolled customers, monthly kWh 20 usage and monthly dollars disbursed.
- 21

5

6 7

10

13

16

22 Q37. WHAT ADMINISTRATIVE COSTS ARE ANTICIPATED IN ASSOCIATION

- 23 WITH THE PBF PROGRAM?
- A. Administrative costs associated with ETI's PBF program include:
 advertising; promotional events; media coverage to inform eligible
 customers of the PBF program; and IT programming associated with
 program administration, preparing and maintaining customer information,
 preparing periodic reports, and modifying existing accounting systems.
 Historically, ETI's PBF program administrative costs have been minimal
 and have not reduced the credits to enrolled PBF customers.

Q38. ARE THERE ANY CONCERNS REGARDING THE ADMINISTRATION
OF THE PBF PROGRAM IN THE FUTURE?

Due to recent legislation (in reference to Sec. 39.9039. 3 Α. Yes. ELIMINATION OF SYSTEM BENEFIT FUND BALANCE), ETI is 4 concerned about administering its current PBF program. As noted above, 5 ETI relies upon Solix to assist in the administration of the Company's PBF 6 program. If, due to the elimination of the System Benefit Fund Balance, 7 Solix no longer administers the State of Texas' Lite Up Program and 8 declines to continue such service for ETI, ETI's ability to administer the 9 PBF program would become very difficult. The Company relies heavily 10 upon Solix's ability to match customers who qualify for the Lone Star Card 11 program to ETI's customer records in order to qualify customers for its 12 13 PBF program.

14

Q39. IS ETI'S PBF PROGRAM CONTINGENT UPON HAVING IN PLACE AN
 ADMINISTRATOR WHO CAN READILY ASSIST IN IDENTIFYING
 ELIGIBLE CUSTOMERS?

A. Yes. ETI would not offer this program without the assistance of a qualified
administrator to help identify eligible customers.

1		V. <u>TARIFF REVISIONS</u>
2	Q40.	PLEASE EXPLAIN WHICH TARIFF REVISIONS YOU ARE
3		SUPPORTING?
4	A.	I am supporting revisions to a number of schedules and sections within
5		ETI's tariff. In particular, I support the revisions to the following that are
6		more substantive in nature:
7		 Portions of Miscellaneous Electric Service Charges (Schedule
8		MES)
9		Residential (Schedules RS and RS-TOD)
10		 General Service (Schedule GS and GS-TOD)
11		 Large General Service (Schedule LGS and LGS-TOD)
12		 Large Industrial Power Service (Schedule LIPS and LIPS-TOD)
13		Area Lighting Service (Schedule ALS)
14		Street and Highway Lighting (Schedule SHL)
15		 Street and Highway Lighting-LED (Schedule SHL-LED) (NEW)
16		 Portions of Terms and Conditions Applicable for Electric Service
17		Electric Extension Policy
18		
19	Q41.	CAN YOU GENERALLY DESCRIBE THE REVISIONS YOU ARE
20		SUPPORTING?
21	A.	Yes. The majority of the revisions submitted on the schedules, terms and
22		conditions, and policies I am supporting are related to:

Entergy Texas, Inc. Direct Testimony of H. Vernon Pierce 2013 Rate Case

1		 policy changes or wording changes contained within the rate
2		schedules to update or clarify the language used in the
3		schedule based on current practices utilized by ETI;
4		 changes to Terms and Conditions to coincide with changes to
5		rates, riders and PUCT Substantive Rules or to clarify customer
6		and Company obligations;
7		 a new line item charge identified in ETI's Miscellaneous Electric
8		Service (Schedule MES); and
9		a new rate schedule (Schedule SHL-LED).
10		
11	Q42.	DO YOU CO-SPONSOR ANY RATE SCHEDULES?
12	Α.	Yes. I co-sponsor with Company witness Shawn B. Corkran changes to
13		the MES (Miscellaneous Electric Service) Rate Schedule, which is
14		included as Rate Filing Package Schedule Q-3. ETI has included a
15		summary of the fees included in that rate schedule in the testimony of
16		Company witness Corkran. I also sponsor the Terms and Conditions to
17		the Company's provision of electric service. The schedules that I sponsor
18		as set forth above are included in Schedules Q-3 and Q-8.8 of the
19		Company's Rate Filing Package.
20		
21	Q43.	PLEASE DESCRIBE RATE SCHEDULE MES.
22	A.	Rate Schedule MES captures fees associated with service provided
23		beyond the normal requirements of providing electric service. These fees

- are charged to those customers who cause the Company to incur these
 costs.
- 3
- 4 Q44. PLEASE DESCRIBE THE TYPE OF SERVICES THAT ARE 5 REPRESENTED IN THE REVISED RATE SCHEDULE MES.
- 6 A. There are currently nine services represented in Schedule MES:
- Connection A charge associated with connecting a new point
 of delivery to ETI's system.
- Trip Fee A charge associated with responding to a customer's
 request to dispatch an employee to the customer's location
 when, due to no fault of the Company, the work could not be
 performed.
- Non-Sufficient Funds ("NSF") Charge A charge associated
 with processing accounts when a customer's bill payment is
 rejected from a customer's financial institution.
- Disconnect/Reconnect A charge associated with reconnecting 16 an existing account that has been disconnected from ETI's 17 system in circumstances such as where service has been 18 terminated or suspended as a result of failure to pay bills, failure 19 of the customer to comply with the terms and conditions for 20 service, to prevent fraud or abuse, or a reconnection of a 21 seasonal home or camp that was disconnected at the request of 22 the customer. 23

1		 Temporary Metered Service Connection – A charge for a
2		temporary service connection requested by a customer for a
3		special need (<i>e.g.</i> , construction power for a new building).
4		 Payment by Draw Draft and Levelized/Equal Payment – This is
5		a credit on a customer's bill for participation in both Company
6		programs.
7		• Remote Meter Installation – A charge for the installation of a
8		non-demand type Off-site Meter Reading ("OMR") meter when
9		there is a threat of violence against one of ETI's
10		employees/contractors or when there is a refusal to grant
11		access to the Company's meter at the customer's premise or at
12		the customer's request.
13		• Tampering Deterrent – A charge on every documented
14		occurrence of meter tampering. The charge would be applied
15		on each occurrence and serves as a deterrent to meter
16		tampering and unauthorized use of service.
17		Pulse Meter Installation/Interval Data Recorder Installation – A
18		charge for customer-requested installation of the Company's
19		pulse meter/interval data recorder equipment.
20		
21	Q45.	WHAT ARE THE REASONS FOR THESE FEES?
22	A.	The Company is offering its customers service options and, therefore,
23		charging fees based upon the costs of providing those services. The

1		Company's proposed changes in several of these fees will more closely
2		align the fees with the costs of providing the service and thus will allow the
3		customers who use a particular service to pay the associated costs for
4		such services.
5		
6	Q46.	WHAT FEES IN THE MES TARIFF IS THE COMPANY PROPOSING TO
7		CHANGE.
8	A.	The Company is proposing to change fees for the following services: the
9		trip fee, disconnect/reconnect fee for after hour service and the temporary
10		metered service connection fee.
11		
12	Q47.	DID THE COMPANY CONDUCT A COST STUDY FOR THE PROPOSED
13		CHANGES TO THE MES TARIFF?
14	Α.	Yes, the changes are based on the cost study shown in the testimony of
15		Company witness Corkran, Exhibits SBC-6A-6F. This cost study also
16		supports those fees for which the Company is not seeking any changes.
17		
18	Q48.	PLEASE DESCRIBE THE CHANGES TO THE CURRENT TRIP FEE.
19	Α.	The current trip fee is proposed to increase from \$13 per occurrence to
20		\$14 per occurrence, and is based on the cost study shown in the
21		testimony of Company witness Corkran, Exhibit SBC-6B.

Q49. PLEASE DISCUSS THE SEPARATE DISCONNECT/RECONNECT FEE FOR AFTER-HOURS SERVICE.

The after-hours reconnection service fee applies when a customer 3 Α. requests service to be reconnected after normal business hours. The 4 after-hours time period is 4:30 p.m. to 7:00 p.m. Monday through Friday 5 and 8:00 a.m. to 3:00 p.m. Saturday. The disconnect/reconnect fee for 6 after-hours is proposed to be changed from \$29 per occurrence to \$30 per 7 occurrence and is based on the cost study shown in the testimony of 8 Company witness Corkran, Exhibit SBC-6C. The reconnection of service 9 after 7:00 p.m. (Monday through Friday, after 3:00 p.m. Saturday or 10 Sunday) would only occur in Company-determined extreme emergency 11 cases. The after-hours fee may be applied to emergency reconnects on a 12 13 case-by-case basis.

14

15 Q50. PLEASE DESCRIBE THE CHANGES TO THE TEMPORARY METERED
 16 SERVICE CONNECTION FEE.

A. ETI currently provides two services to temporarily metered customerpremises.

19 The first temporary meter service is for connection when additional 20 Company facilities are not required, and the second service is for all other 21 temporary meter services. The price for a temporary meter service 22 connection where distribution lines are readily available and the 23 installation of additional poles and lines are not necessary is currently

1		\$118 for residential construction, and it is proposed to increase to \$124
2		based on the cost study shown in the testimony of Company witness
3		Corkran, Exhibit SBC-6D. For other temporary service, the cost is
4		currently \$118, and it is proposed to increase to \$124. Tariff and other
5		general service costs may also apply in addition to these fees.
6		
7	Q51.	IS THE COMPANY ADDING ANY NEW CHARGES TO SCHEDULE
8		MES?
9	Α.	Yes. ETI is adding one additional charge to Schedule MES related to field
10		meter tests.
11		
12	Q52.	WHAT IS THE BASIS FOR ADDING THE CHARGE RELATED TO FIELD
13		METER TESTS?
14	Α.	ETI historically has maintained the provision related to charging a
15		customer for a subsequent customer-requested field meter test in its
16		Terms and Conditions, Section 12.1. For organizational clarity, the
17		Company is moving the language pertinent to that charge to
18		Schedule MES.
19		
20	Q53.	CAN YOU PLEASE EXPLAIN WHAT IS MEANT BY SUBSEQUENT
21		REQUESTED FIELD METER TEST?
22	Α.	Yes. Per Section 12.1.1 of the Company's Terms and Conditions and
23		support from the PUCT Substantive Rule: "Company shall, upon request

.

Page 27 of 61

Entergy Texas, Inc. Direct Testimony of H. Vernon Pierce 2013 Rate Case

1		of a Customer, test the accuracy of Customer's meter at no charge to
2		Customer." Pursuant to Section 12.1.2: "If the meter has been tested by
3		Company, or by its authorized agency, at the Customer's request, and
4		within a period of four years the Customer requests a new test, Company
5		shall make the test. However, if the subsequent test finds the meter is
6		within the accuracy standards established by ANSI, Company may charge
7		the Customer a fee which represents the cost to test the meter, but this
8		charge shall in no event be more than \$15.00 for a residential Customer."
9		
10	Q54.	PLEASE DESCRIBE WHAT ETI PROPOSES TO ADD TO SCHEDULE
11		MES.
12	A.	Although the Company does not plan to change its practice and continue
13		to follow the same guidelines noted above, ETI does propose to add a
14		new line item charge for subsequent customer-requested field meter tests
15		as described in its Terms and Conditions, Section 12.1.2.
16		
17	Q55.	DOES ETI PROPOSE TO CHANGE THE FEE FOR A SUBSEQUENT
18		CUSTOMER REQUESTED FIELD METER TEST?
19	A.	Yes. The Company proposes to charge a subsequent customer
20		requested meter test at a rate of \$30.00 for each subsequent meter test as
21		long as the meter test results are within the accuracy standards
22		established by ANSI. The analysis for this fee is based on the cost study
23		shown in the testimony of Company witness Corkran, Exhibit SBC-6F.

- 1 Q56. DOES THAT CONCLUDE THE CHANGES TO SCHEDULE MES?
- 2 A. Yes, it does.
- 3
- 4 Q57. DOES THE COMPANY RECOMMEND ANY CHANGES TO SCHEDULE
 5 RS AND RS-TOD?
- A. Yes. The Company is adding language to clarify a charge to a customer
 with a second service delivery point on his residential property. For
 example, a customer may add a metered barn, large shop, or additional
 facility to his residential property that is metered separately from his
 primary residence. Language has been added to Schedules RS and RSTOD to clarify that a customer with appurtenant domestic purposes will be
- 12 charged at a residential rate and each meter will be billed separately.
- 13
- 14 Q58. IS THE LANGUAGE ADDED TO BOTH SCHEDULE RS and RS-TOD the15 SAME?
- 16 A. Yes. The language is the same for both rate schedules.
- 17

18 Q59. DOES ETI PROPOSE ANY CHANGES TO SCHEDULES GS, GS-TOD,

- 19 LGS, LGS-TOD, LIPS AND LIPS-TOD?
- A. Yes. The Company will address these schedules individually. ETI
 proposes to make minor changes in Section II *"Net Monthly Bill"* of each
 schedule solely for the purpose of maintaining a consistent format across

- schedules. There will be no impact on billing or bill presentation for each
 of these schedules.
- 3

4 Q60. DOES THE COMPANY RECOMMEND CHANGES TO SCHEDULE ALS?

5 A. Yes. The Company proposes: (1) adding language in Section III "Net 6 Monthly Bill" to clarify the Company's definition of a standard pole for area 7 lighting; (2) adding language in Section IV "General Provision" to clarify 8 that the term "replacement costs" refers to a functioning light, not an 9 existing light, facilities included in a standard light installation, and address 10 payment as a result of vandalism; 3) adding twelve additional rate codes 11 to Section III of Schedule ALS for new light and pole rental offerings.

12

Q61. PLEASE IDENTIFY THE CHANGE IN SCHEDULE ALS, SECTION III "NET MONTHLY BILL" REGARDING THE DEFINITION OF A STANDARD POLE.

A. In Section III, when there is not an existing pole, the Company offers
customers the option of leasing a pole rather than purchasing a pole. The
Company proposes clarifying language of a "Standard Wooden Pole" in
this section to be a 35 foot, Class 5 pole. The pole is described according
to ANSI Standards as a wooden pole 20' - 50' long with a minimum
horizontal load of 1900 lbs. and a minimum tip circumference of 19".

2013 ETI Rate Case

- Also, if the pole is not accessible by truck, then the customer may
 be charged for additional costs such as additional labor and material not
 included in the normal job.
- 4

5 Q62. PLEASE ADDRESS THE CHANGES NOTED IN SECTION IV "GENERAL 6 PROVISION."

7 Α. In Section IV, the Company is proposing language to address the inclusion of facilities of a standard light installation for area lighting service. 8 The standard installation is an overhead service on an existing wood pole 9 10 and one overhead span of secondary service. The second revision in 11 Section IV includes a clarification of the replacement fee that applies to a 12 functioning light which is a light that exists in the field and is fully operational. The third change in Section IV is the addition of language to 13 14 address the performance of maintenance to an area light that is 15 repeatedly damaged or vandalized by a third party. The Company 16 proposes language that states: "Company may remove a light which has been repeatedly damaged or vandalized by a third party. Four repair 17 18 requests within a three month period are to be considered repeatedly. In 19 lieu of removal, Customer may pay, in advance, the cost to repair or 20 replace the street light."

1	Q63.	PLEASE DESCRIBE THE ADDITIONAL RATE CODE CHANGES TO
2		SCHEDULE ALS, SECTION III.
3	A.	The Company is proposing to offer customers in ETI's service territory
4		twelve additional rate codes with nine codes specific to new light offerings
5		and three codes for pole lease rental charges related to decorative
6		lighting.
7		
8	Q64.	PLEASE PROVIDE IN DETAIL WHAT TYPE OF ADDITIONAL LIGHT
9		AND POLE RENTAL OFFERINGS THE COMPANY IS PROPOSING IN
10		SCHEDULE ALS.
11	A.	ETI is proposing to offer nine different types of lights and three pole rental
12		options:
13		1) Security Light:
14		320W Metal Halide ("MH") Open Bottom Security
15		2) "Shoebox" Decorative Lights:
16		400W High Pressure Sodium ("HPS") Decorative Light
17		1000W HPS Decorative Light
18		320W MH Decorative Light
19		1000W MH Decorative Light.
20		3) Residential Decorative Lights:
21		150W HPS Acorn
22		150W MH Acorn
23		150W HPS Colonial

1		250W HPS Colonial
2		4) Pole Rentals:
3		Steel Bronze Anchor Based 30' pole ("Shoebox" installation)
4		Steel Bronze Anchor Based 39" pole ("Shoebox" installation)
5		Fiberglass 18" pole (Residential Decorative Light installation)
6		
7	Q65.	PLEASE EXPLAIN IN GENERAL THE NEW LIGHT AND POLE RENTAL
8		OFFERINGS FOR SCHEDULE ALS.
9	A.	ETI is proposing to add new light and pole rental offerings to Schedule
10		ALS, Section III Net Monthly Bill, "Security Lights," as an additional option
11		for customers for leasing private area lights.
12		The Company is proposing to offer three different styles of
13		decorative lighting: Shoebox, Acorn and Colonial style lights. Shoebox
14		lights serve a market segment that ETI's current fixtures cannot
15		accommodate. Shoebox fixtures provide a combination of functionality
16		and aesthetics required by, for example, certain customers in connection
17		with private roadways, car dealerships, parking lots and perimeter lighting.
18		The Shoebox lights will be mounted at varying heights using steel poles.
19		(ETI proposes two types of anchor-based steel poles: the 30 foot square
20		metal pole, or the 39 foot round tapered metal pole.)
21		The Acorn fixture provides a lighting alternative in a decorative

22 fixture to complement estates, parks, motels and residential

developments. The Acorn fixture will be available with a 150W HPS or
 150 W MH and utilize the 18 foot fiberglass pole.

The Colonial fixture captures an old-fashioned look, while utilizing the latest technology, customer market segment is same as Acorn fixture, and provides a lower cost alternative to the Acorn fixture. The Colonial fixture will utilize the 150W or 250W HPS lamp and also utilize the 18 foot fiberglass pole.

8

9 Q66. PLEASE DESCRIBE ETI'S PROPOSED CHANGES TO THE STREET
10 AND HIGHWAY LIGHTING TARIFF (SCHEDULE SHL).

11 Α. Rate Group D and E are both energy-only rates. Rate Group E applies 12 only to customer owned and maintained incidental lighting (e.g., 13 underpass lighting, high mast lighting, etc.), while Rate Group D applies to 14 all other types of lighting owned and maintained by the customer. 15 Customers in both Rate Groups are charged at a rate of \$0.03707 per 16 kWh. Accordingly, the Company is recommending that Rate Groups D 17 and E be combined in order to eliminate duplication and render the rate 18 schedule easier to understand and use. There are currently a total of four 19 customers in Rate Group E. These customers will be added to Rate 20 Group D and will not recognize any impact to their service or cost increase 21 as a result of the consolidation.

Q67. PLEASE EXPLAIN ETI'S PROPOSED CHANGES TO SCHEDULE SHL, SECTION IV "SERVICE CONDITIONS."

There are three proposed changes to Section IV. First, ETI recommends 3 Α. language specifying that the Company's standard light 4 adding replacement for mercury vapor ("MV") and failed HPS lights will be an 5 equivalent HPS light type fixture. Because MV fixtures are no longer 6 being manufactured, the HPS light fixture will be the preferred 7 replacement light type unless the Company is directed in writing by the 8 customer to use a different type light fixture. Second, the Company has 9 added language to Section IV to protect the Company from claims related 10 to street light failures due to conditions not controlled by the Company 11 such as fire, riot, explosion, flood, etc. The purpose for this addition is to 12 make the rate schedule consistent with the language contained in the 13 PUCT approved Agreement for Street Lighting Service. This language 14 has been approved by the PUCT since 1978. Third, ETI proposes 15 language to address the Company performing repeated maintenance to 16 street lights damaged or vandalized by a third party. The Company 17 proposes language that states: "Company may remove a light which has 18 been repeatedly damaged or vandalized by a third party. Four repair 19 requests within a three-month period are to be considered repeatedly. In 20 lieu of removal, Customer may pay, in advance, the cost to repair or 21 22 replace the street light."

1	Q68.	DOES THE COMPANY PROPOSE ANY NEW SCHEDULES RELATED
2		TO STREET AND HIGHWAY LIGHTING?

- A. Yes. The Company proposes to add a new Street and Highway Lighting
 schedule specific for Light Emitting Diode ("LED") technology, which ETI
 proposes to name Schedule SHL-LED.
- . 6

7 Q69. WHAT DOES THE COMPANY PROPOSE AS AN LED OFFERING IN

- 8 SCHEDULE SHL-LED?
- 9 A. As described in Section VI, "LED Feasibility Study," of my direct testimony
 below, the Company proposes to offer one type of LED light (cobra head)
 with four different wattages that are equivalent to the 100w, 150w, 250w
 and 400w HPS-type lights currently used by ETI under Schedule SHL.
 The benefits and discussion of utilizing the new LED technology can be
 found in Section VI of my direct testimony.
- 15

16 Q70. IS THE LANGUAGE USED IN SCHEDULE SHL-LED DIFFERENT FROM

- 17 THE LANGUAGE IN SCHEDULE SHL?
- 18 A. The language in both schedules is substantially the same except for the19 type of light offered by the Company.
- 20

21 Q71. DO YOU SUPPORT THE PRICING FOR SCHEDULE SHL-LED?

A. No, I do not. The prices for Schedule SHL-LED are supported by
Company witness Myra L. Talkington.

1	Q72.	ARE THERE ANY CHANGES TO THE COMPANY'S TERMS AND
2		CONDITIONS APPLICABLE TO ELECTRIC SERVICE?
3	A.	Yes, I will cover substantive changes to Sections 6.8, 8.2, 12.1, and 12.2.
4		The changes that I describe below coincide with changes to rates, riders
5		and PUCT Substantive Rules or clarify customer and Company
6		obligations.
7		
8	Q73.	PLEASE STATE THE CHANGES PROPOSED BY ETI FOR TERMS AND
9		CONDITIONS, SECTION 6.8 "AMOUNT OF DEPOSIT AND INTEREST
10		FOR PERMANENT RESIDENTIAL, COMMERCIAL, AND INDUSTRIAL
11		SERVICE AND EXEMPTION FROM DEPOSIT."
12	Α.	In Section 6.8.2 "Failure to Remit Deposit" of its Terms and Conditions,
13		the Company proposes to add language, consistent with Substantive Rule
14		25.24(c)(2), specifying that at the time of connection, a customer can elect
15		to not be charged an initial deposit and instead pay the total amount due
16		on the customer's current bill, provided the customer has not exercised
17		this option previously in the past twelve months.
18		
19	Q74.	PLEASE IDENTIFY THE PROPOSED CHANGE TO SECTION 8.2
20		"DISCONNECTION WITH NOTICE" OF THE COMPANY'S TERMS AND
21		CONDITIONS.
22	A.	ETI proposes to add new language to be referenced as Section 8.2.5 of
23		the Company's Terms and Conditions, to coincide with Substantive

1		Rule 25.51(c)(4). Pursuant to such language, customers who fail to
2		remedy harmonics problems within the timeframe specified by the
3		Company and refuse to allow the Company to remedy the problem may
4		be disconnected five working days after receiving written notice of the
5		Company's intent to disconnect.
6		
7	Q75.	PLEASE DESCRIBE THE PROPOSED CHANGES TO SECTION 12.1,
8		"METER TESTS," OF THE COMPANY'S TERMS AND CONDITIONS.
9	A.	In Section 12.1.2, "Additional Meter Testing Requests," of its Terms and
10		Conditions, ETI proposes to identify the fee to be assessed customers
11		who request an additional meter test within a four-year period and the
12		meter is within ANSI accuracy standards. The Company proposes to
13		identify such fees in its Schedule MES (Miscellaneous Electric Services)
14		rate tariff.
15		
16	Q76.	HAS ETI PERFORMED A COST STUDY FOR THE SUBSEQUENT
17		METER TEST IDENTIFIED IN ITS TERMS AND CONDITIONS?
18	A.	Yes. As described above, the Company has identified that the actual cost
19		to test a meter is \$30. Such fees will be included as a line item in
20		Schedule MES. The analysis for this fee is based on the cost study
21		shown in the testimony of Company witness Corkran, Exhibit SBC-6F.

Q77. PLEASE DESCRIBE THE CHANGES PROPOSED TO SECTION 12.2,
 "BILL ADJUSTMENT DUE TO METER ERROR," OF THE COMPANY'S
 TERMS AND CONDITIONS.

In Section 12.2, "Bill Adjustment due to Meter Error," of its Terms and 4 Α. Conditions, the Company proposes to add language clarifying the 5 Company's method for calculating a back-billing to a customer found to 6 have tampered, bypassed or diverted its electrical usage through the 7 meter. The Company will calculate the back-billing based upon the daily 8 average usage per month for the last twelve months prior to the meter not 9 registering usage. If the prior 12 months' usage is not available, the 10 Company may estimate the billing based upon available usage information 11 at that service location or average use for comparably sized service 12 locations used in similar manner during a similar time of year. 13

14

15 Q78. PLEASE DESCRIBE THE CHANGES TO THE ELECTRIC EXTENSION16 POLICY.

A. ETI is proposing changes to Section I, "New Load of Less Than 2500KW",
of its Electric Extension Policy for the primary purposes of treating all
customers, irrespective of the amount of new load greater or less than
2500kW, in a more consistent manner with a structured philosophy of
calculating its revenue justification of new load and providing the benefit to
its customers.

Q79. CAN YOU PROVIDE ADDITIONAL DETAIL REGARDING THE
 PROPOSED CHANGES TO THE ELECTRIC EXTENSION POLICY?
 A. Yes. Section I of the Electric Extension Policy has been re-written to
 compliment the language written in Section II, and clarify the process for
 calculating the four-year revenue justification amount associated with new
 and additional load.

7 Under the proposed language, the four-year justification remains 8 the same, but the Company may elect to secure new and additional load 9 via a contract, may require a minimum bill contract, revenue justify the 10 new load based on base revenues and, at Company's discretion, require 11 the Customer to provide and maintain financial security until all applicable 12 revenues are equal to the cost of construction of the revenue justified new 13 electric service facility.

ETI also proposes that if the customer's reimbursement amount (based on an estimate of the cost of the new electric service facility) is equal to or greater than \$100,000 or the Company elects to apply a trueup option, the Company will true-up to actual costs within 60 days of notice of the trued-up amount to the customer.

19 The Company will project its investment in the new electric service 20 facility, including, but not limited to, material, labor, labor adders, cost of 21 third party vendors and consultants, costs associated with procurement of 22 real property rights and necessary approvals, taxes, capital suspense 23 charges, overheads and associated tax gross-up charges.

1	Q80.	ARE THE PROPOSED TARIFF REVISIONS THAT YOU HAVE
2		ADDRESSED REASONABLE AND NECESSARY?
3	Α.	Yes. These changes are reasonable and necessary to incorporate
4		changes in the Commission's Substantive Rules that are not reflected in
5		ETI's current tariffs, to reflect better the costs to serve ETI's customers,
6		and to incorporate changes in schedules that I have referenced in my
7		testimony.
8		
9		VI. LED TECHNOLOGY FEASIBILITY STUDY
10	Q81.	WHAT IS THE "LED TECHNOLOGY FEASIBILITY STUDY"?
11	A.	In ETI's last rate case, Docket No. 39896, Finding of Facts No. 187 in the
12		Commission's Final Order states: "It is appropriate to require ETI to
13		prepare and file, as part of its next base rate case, a study regarding the
14		feasibility of instituting LED-based rates and, if the study shows that such
15		rates are feasible, ETI should file proposals for LED-based lighting and
16		traffic signal rates in its next rate case."
17		
18	Q82.	HAS ETI MET THIS REQUIREMENT?
19	Α.	Yes. ETI has conducted the feasibility study as directed and submits the
20		study for PUCT review.

Page 41 of 61

Entergy Texas, Inc. Direct Testimony of H. Vernon Pierce 2013 Rate Case

1 Q83. WHAT ARE THE CONTENTS OF THE FEASIBILITY STUDY?

2	Α.	The study was conducted to determine: 1) if ETI's current rate tariffs can
3		accommodate use of LED technology for street lighting and traffic signals;
4		2) the feasibility of the Company offering Company owned LED
5		technology for street and highway lighting based on the research of case
6		studies; 3) the type of LED light fixtures that are available in the market
7		and appropriate to serve customers in ETI's service territory; and 4) ETI's
8		final recommendation to the PUCT.
9		
10	094	

10 Q84. HAS ETI DOCUMENTED THE RESULTS OF ITS FEASIBILITY STUDY?

11 A. Yes. The feasibility study is my Exhibit HVP-1.

12

13

A. <u>Current Schedules</u>

14 Q85. CAN LED TECHNOLOGY BE USED UNDER ETI'S CURRENT RATE15 SCHEDULES?

A. Yes. LED technology can be used under ETI's Street and Highway
Lighting (Schedule SHL) and Traffic Signal Service (Schedule TSS)
schedules but as an energy-only type service for customer-owned
facilities.

Q86. PLEASE DESCRIBE THE USE OF LED TECHNOLOGY IN SCHEDULE 1 SHL. 2 ETI's Schedule SHL, Section III under Rate Group D permits customers to 3 Α. own, maintain and repair street and highway lighting fixtures and states 4 that the Company will provide the energy and bill the customer for energy 5 use only on a per kWh basis. This feature is available for all types of 6 7 lights, including LED. 8 Q87. PLEASE DESCRIBE THE USE OF LED TECHNOLOGY SERVED 9 UNDER SCHEDULE TSS. 10 TSS also contains an energy-only rate similar to the provisions described 11 Α. above for Schedule SHL that is applicable to the use of LED bulbs in 12 13 traffic signals. 14 Q88. DOES THE CUSTOMER HAVE ANY RESPONSIBILITY FOR THE 15 INVENTORY OF EQUIPMENT WHEN USING AN ENERGY-ONLY 16 **PROVISION IN SCHEDULE SHL OR TSS?** 17 Yes. The customer is responsible for providing the Company an inventory 18 Α. of light fixtures or bulbs and reporting such equipment inventory to ETI by 19 type of light or bulb, wattage, and location of such equipment. The 20 customer will own and be responsible for the repair and maintenance of 21 these lights. This will allow the Company to accurately calculate the 22 customer's monthly billing. 23
- 1 Q89. DOES EITHER OF THESE RATE SCHEDULES PRESENT AN 2 OPPORTUNITY FOR ETI CUSTOMERS TO ADVANCE THE LED 3 TECHNOLOGY?
- 4 A. Yes. A customer can currently use existing Schedules SHL and TSS for
 5 LED lights which it owns, repairs and maintains.
- 6

7 Q90. PLEASE DESCRIBE IF ETI HAS LED STREET LIGHT TECHNOLOGY
8 SPECIFICATIONS.

ETI reviewed its Distribution Standards and Engineering group to 9 Α. determine if there was an existing specification for street and highway 10 LED technology equipment for ETI or other Entergy Operating 11 Companies. At the beginning of ETI's feasibility study, the Company had 12 no specific rates, specifications, or plans to offer LED leased street lighting 13 rates in Texas. Since there were no specifications written for LED lighting 14 fixtures, ETI found there were no LED street light fixtures currently 15 available to be tested or installed as a "demonstration project." 16

With no LED specifications, ETI requested its Distribution Standards and Engineering group to research and write a proposed specification for LED lighting equipment that could be used throughout the Entergy system. Because of the relative newness of LED street lighting technology and the continuing evolution of this technology, ETI worked with its lighting vendors in order to take advantage of their research,

knowledge and expertise in LED street lighting. Their knowledge and
technical expertise was used to make a decision on the wattage and type
of LED street lighting fixture that could be used as an "equivalent"
replacement for its current inventory of HPS and MV street lights that are
currently in the field.

6 As a result of this request, a specification was written by the 7 Distribution Standards and Engineering group and approved in January 8 2013. The specification was supplied to Entergy's lighting equipment 9 vendors to establish the availability, type of LED lighting equipment and 10 equipment pricing.

11

12 Q91. HAS ETI IDENTIFIED WHICH VENDORS WILL PROVIDE THE LED13 STREET LIGHT TECHNOLOGY?

A. Yes. The Distribution Standards and Engineering group has selected two
vendors (Acuity and Cooper Lighting Companies) to provide the leased
LED lights. These vendors were selected because they offer the
appropriate equipment and their ability to meet or exceed Entergy
standards and specifications.

1		B. <u>Case Studies</u>
2	Q92.	PLEASE DESCRIBE THE ACTIVITY AND RESULTS OF THE CASE
3		STUDIES REVIEWED AS PART OF THE FEASIBILITY STUDY.
4	A.	ETI reviewed four case studies as part of its evaluation process. They
5		included studies performed in 1) Knoxville, Tennessee, 2) Benton County,
6		Tennessee, 3) Asheville, North Carolina, and 4) Baytown, Texas.
7		
8	Q93.	PLEASE DESCRIBE THE ATTRIBUTES OF THE KNOXVILLE CASE
9		STUDY.
10	A.	The Knoxville case study was an assessment performed in 2008 by EPRI,
11		Tennessee Valley authority ("TVA"), and Knoxville Utilities Board. The
12		research in the study involved replacing ten 250-watt HPS cobra head
13		type lights with ten 99-watt LED cobra head fixtures. The case study
14		evaluated a 24-month period.
15		
16	Q94.	WHAT WERE THE RESULTS OF THE KNOXVILLE STUDY?
17	A.	In this 24-month test, in addition to energy savings, it was found that the
18		main advantage of LED fixtures were the fixtures' capacity to send a more
19		visually pleasing light only where it is needed, making them an ideal
20		candidate to replace conventional outdoor lighting. However, the study
21		also identified increased cost and maintenance issues associated with
22		LED fixtures.

Page 46 of 61

Entergy Texas, Inc. Direct Testimony of H. Vernon Pierce 2013 Rate Case

1 This study found "one of the most productive advantages of LED 2 lighting and a characteristic not accounted for with traditional assessment methods is the light shines where you want it to and little is wasted. 3 4 Conventional lamps for street and area lighting radiate light in nearly all 5 directions, resulting in 30% of the light traveling skyward or trespassing 6 into unintended places. Early reports from the field readily confirmed a 7 superior overall efficiency and uniformity of coverage provided by LED 8 fixtures." Another finding was that "the whiter, almost blue color emitted 9 from the LED gives the appearance of more light, although the LED fixture 10 actually produces less light when measured using traditional techniques. 11 In addition to appearing whiter, the light output from the LED fixtures 12 appears more even on the ground." These observations were verified by the photometric design received from the manufacturer along with 13 14 measurements taken on site. However, the study noted that the significant advantage of LED technology of only putting light where it is 15 16 needed was lost when utilizing decorative fixtures.

17 It was also found during the 24-month test period that the "LED
18 fixtures consumed more power during the winter than during the summer
19 months, but the light output also increased in cold temperatures.
20 Temperature does not affect the power consumption of fixtures such as
21 metal halide or high pressure sodium."

Page 47 of 61

Entergy Texas, Inc. Direct Testimony of H. Vernon Pierce 2013 Rate Case

1 Q95. WHAT IS THE FINAL CONCLUSION OF THE KNOXVILLE STUDY?

2 Α. The Knoxville study concluded that "in some applications, LED street light 3 fixtures provide acceptable illumination and energy savings. However, 4 saving energy is not necessarily the same as saving money." In addition 5 to higher fixture costs, the total costs over time must be taken into 6 account. The study noted that replacement drivers for the fixtures can 7 cost between \$120 and \$300 and potential increased labor costs due to 8 variations in fixture design and the need to remove the fixture for repair in 9 some instances. From a performance aspect, LED technologies are 10 capable of replacing conventional lighting and saving a significant amount 11 of energy. "However like many new technologies, the cost of retrofitting 12 existing light fixtures, at least for now remains a challenge."

13

14 Q96. PLEASE DESCRIBE THE ATTRIBUTES OF THE BENTON COUNTY15 CASE STUDY.

16 Α. Another case study performed by EPRI in 2008 was done in conjunction 17 with the Tennessee Valley Authority ("TVA") and Benton County Electric 18 System. Their study was conducted for 28 months and included 19 replacement of seven 150-watt HPS cobra head lights with 100-watt LED 20 cobra head lights in a residential street located in Camden, TN. The 21 study's purpose was to evaluate the energy consumption of LED street 22 light fixtures, photometric data, and light levels measured in foot candles 23 for both LED and HPS fixtures.

1 Q97. WHAT WERE THE RESULTS OF THE BENTON COUNTY CASE 2 STUDY?

A. The study found through its measurements of light levels that the HPS
fixtures provided intense lighting directly below the fixture, with intensity
falling sharply with distance from the area directly below the fixture.
Although the average light output of the LED street lights was less than
the HPS fixtures, they provided a more even distribution of light over the
whole measured area.

As a result of studying LED street light fixtures in the lab and in the 9 field, this study found several disadvantages of LED street lighting 10 including lower efficiency values than traditional lamps, unexpected driver 11 failures, sensitivity to power quality issues, less flexibility in replacing the 12 light source, and high initial installation costs. Additionally, this study 13 discovered that the lights interfered with the operation of HAM radio sites. 14 This issue was resolved by the addition of a specifically tuned ferrite bead 15 on the input power lead. 16

17

18 Q98. WHAT IS THE FINAL CONCLUSION OF THE BENTON COUNTY CASE19 STUDY?

A. The Benton County Study concluded that in some applications, LED street light fixtures provide acceptable illumination and energy savings. The study also states in its conclusions that "there are many factors that influence a decision to accept or reject LED street lighting technologies

Page 49 of 61

Entergy Texas, Inc. Direct Testimony of H. Vernon Pierce 2013 Rate Case

- and authorities are neither vocal nor unified in their guidance. Standards
 for LEDs are evolving but a consensus does not yet exist on the proper
 application of LED lighting."
- 4
- 5 Q99. PLEASE DESCRIBE THE ATTRIBUTES OF THE CITY OF ASHEVILLE6 CASE STUDY.
- The City of Asheville, NC study was performed by Progress Energy 7 Α. Carolinas ("PEC"), in conjunction with the City of Asheville. In 2010, the 8 City Council of Asheville adopted a goal of reducing its carbon footprint by 9 20% over a five-year period. To meet this goal, the City explored 10 replacing over 8,000 MV and high intensity discharge (HPS and metal 11 halide) street light fixtures with LED street light fixtures. Asheville's 12 electric utility, PEC, evaluated the financial aspects of utilizing LED street 13 14 lighting.
- 15

16 Q100. WHAT WERE THE RESULTS OF THE CITY OF ASHEVILLE CASE

17 STUDY?

A. PEC determined that, although an LED street light would use less energy
than the light it would replace, the monthly lease rate for that LED street
light including the energy, was higher due to the higher fixture price. This
would result in the City paying higher rates for its street lights. PEC
explored the City's interest in purchasing the fixtures themselves in
exchange for a lower rate. As a result, PEC developed (with utility

Page 50 of 61

Entergy Texas, Inc. Direct Testimony of H. Vernon Pierce 2013 Rate Case

commission approval), a new rate labeled "Customer owned LED street 1 light rate." The rate was designed such that PEC would own the poles but 2 the City would purchase the LED fixtures, which PEC would install and 3 The City would be responsible for supplying replacement maintain. 4 fixtures if any existing LED street light fixture failed for any reason. In 5 return, the City would pay an energy charge plus a monthly light 6 maintenance fee. This rate would allow the City to take advantage of its 7 ability to borrow money at a lower rate than PEC. PEC also developed an 8 LED-based street lighting rate for lights that it would own, install and 9 maintain. 10

11

12 Q101. WHAT IS THE FINAL CONCLUSION FOR THE CITY OF ASHEVILLE 13 CASE STUDY?

A. Asheville chose to take service under the rate permitting it to purchase
and supply the fixtures in return for a lower rate. To purchase the LED
street light fixtures, Asheville utilized a \$272,000 grant from the Federal
Energy Efficiency Community Block Grant and borrowed an additional
\$3,800,000 financed by three 10-year bonds. This program will help the
City of Asheville meet its goal of reducing its carbon footprint by 20% by
2015 in addition to reducing its street light expense by approximately 50%.

- Q102. PLEASE DESCRIBE THE ATTRIBUTES OF THE BAYTOWN CASE
 STUDY.
- A. The City of Baytown, TX (population 73,000) conducted a pilot project that
 involved replacing street lights on Interstate 10 and Loop 330, within city
 limits.
- 6

7 Q103. WHAT WERE THE RESULTS OF THE BAYTOWN CASE STUDY?

- A. The City of Baytown, because of its population, is now responsible for
 maintaining and paying the electric bill for over 370 lights. These lights
 were conventional 400-watt HPS cobra head fixtures originally installed
 and maintained by the Texas Department of Transportation ("TxDot").
- 12 The City initially considered LED street lighting technology based 13 on the potential for reduced maintenance. The City did not have a "street 14 light crew" to do the maintenance and had to hire a contractor each time 15 light maintenance was needed. They initiated a three-month pilot in order 16 to demonstrate to TxDot officials that LED street lights were a viable 17 option. At the end of the pilot, TxDot agreed with the City of Baytown and 18 gave them permission to replace the lights.

19 The City replaced its current street lights with a 250-watt LED street 20 light and found LED lights reduced maintenance issues, and are 21 recognizing an approximate 50% savings in its electric bill. These lights 22 are metered, which captures all consumption including the bulb and 23 ballast. Two years into the program, the City of Baytown was satisfied

- with the installation of the LED lights, found that the failure rate has been
 less than 1%, and that the lights are saving electricity.
- 3

4	Q104. WHAT IS WAS	THE FINAL CONCLUSION OF	THE BAYTOWN STUDY?
---	-------------------	-------------------------	--------------------

- 5 A. The vendor for the City of Baytown projected initially in 2010 that the 6 fixture cost would be approximately \$1,200. After the pilot program was 7 completed, the City of Baytown placed an order and the fixture cost was 8 reduced to approximately \$800 per fixture. The City of Baytown is looking 9 at additional re-lighting opportunities.
- 10

11 Q105. IN SUMMARY, WHAT HAS ETI CONCLUDED FROM THE FOUR CASE

12 STUDIES?

13 A. ETI's conclusion of the four case studies is summarized below:

- 14 <u>Positive Results</u>:
- LED street lighting is efficient;
- LED street lighting, specifically cobra head type fixtures direct more
 light to the road surface, less back light and less light to the sky, which
 results in the same level of light, measured in foot candles on the
 surface as other types of light it replaces;
- LED street lighting offers a better light spectrum;
- LED street lighting offers better color rendition as compared to HPS
 street lights;
- LED street lights come on instantly;

1	 LED street lights appear to offer the potential for maintenance savings;
2	LED fixtures and the light emitting diodes offer a longer life span than
3	conventional lighting types. Manufacturers' claims vary from 50,000 to
4	100,000 hours;
5	 LED street lights do not contain mercury;
6	 LED street lighting technology continues to improve;
7	 LED street lighting efficacy or its light conversion efficiency, measured
8	in lumens/watt, continues to improve.
9	Negative Results:
10	While LEDs have been in use in various applications for decades, their
11	application as street lighting is relatively new concept and, in the field,
12	claims regarding maintenance and longevity remain unproven;
13	 LED lighting produces less lumens and additional poles or
14	infrastructure may be needed to satisfy both existing standards and
15	customer expectations;
16	LED lighting can be displeasing to viewers because of perceived glare
17	from the fixture;
18	• LED lighting equipment is more expensive than its equivalent HPS or
19	MH fixtures at this time;
20	 LED street light fixtures produce less "back light" and therefore
21	illumination on sidewalks may be reduced.

Page 54 of 61

Entergy Texas, Inc. Direct Testimony of H. Vernon Pierce 2013 Rate Case

1		All of the reports discussed above contend that the technology and the life
2		expectancy of the street light fixtures and its components will improve, and
3		the maintenance savings will be verified. Additionally, these reports are
4		optimistic that the efficiency of LED street lighting will improve, including
5		the design of the various styles of fixtures. The reports also contend that,
6		as LED street lights gain a larger share of the existing street lighting
7		market, prices will continue to decline.
8		
9	Q106	DID ETI IDENTIFY ANY CITIES CURRENTLY USING LED STREET
10		LIGHTS?
11	Α.	Yes. Several articles regarding actual installation of LED street lighting in
12		San Antonio, Texas and Fort Fairfield, Maine were reviewed.
13		
14	Q107	PLEASE DESCRIBE THE CITY OF SAN ANTONIO'S USE OF LED
15		STREET LIGHTS.
16	A.	In late 2012, CPS Energy, the municipally owned electric utility serving the
17		City of San Antonio, began a project to convert 25,000 city-owned street
18		lights to LED fixtures. San Antonio sought the conversion due to the
19		fixtures being an energy-efficient low-maintenance product that provided a

Page 55 of 61

Entergy Texas, Inc. Direct Testimony of H. Vernon Pierce 2013 Rate Case

1 Q108. WHAT WERE THE RESULTS OF THIS CONVERSION?

Shortly after the first group of LED fixtures was installed, a problem 2 Α. developed with the fixtures failing, which resulted in CPS Energy 3 discontinuing the installation. Upon further investigation, it was 4 determined that a design defect allowed moisture to enter the fixture 5 resulting in its failure. The 2,000 LED street lights already installed had to 6 be removed and the 25,000 lights received from the manufacture had to 7 be returned for a modification. Also, CPS Energy requested that the 8 manufacturer redesign the light's sensor due to an unidentified issue 9 10 experienced with the installed lights.

11

12 Q109. DID CPS ENERGY RESUME THE INSTALLATION OF LED STREET

13 LIGHTS?

14 A. Yes. Despite these issues, CPS Energy has continued with this project.

15

16 Q110. PLEASE DESCRIBE FORT FAIRFIELD USE OF LED STREET LIGHTS.

A. In September 2010, the town of Fort Fairfield completed a project to
replace 175 HPS street lights with LED street lights. The purpose of the
installation was to reduce the town's electrical energy consumption and
save money.

1 Q111. WHAT ARE THE RESULTS OF THIS PROJECT?

A. Two years after the completion of the project, Fort Fairfield had
experienced premature failures of approximately half of the LED street
lights. The manufacturer of the LED fixtures, Sylvania, was consulted and
investigated the failures of the LED fixtures and determined that there was
an error in the manufacturing process that caused the lights to fail
prematurely.

8 Because the lights were under warranty, they were replaced by the 9 manufacturer. The Sylvania representative stated, "LED lighting is still a 10 new technology. As we learn more, the amount of errors in manufacturing 11 has decreased."

12

Q112. IN SUMMARY, WHAT HAS ETI CONCLUDED FROM THE REVIEW OF
SAN ANTONIO'S AND FORT FAIRFIELD'S USE OF LED STREET
LIGHTING?

A. These real life applications of LED street lighting highlights the fact that LED street lighting is a new technology and there will be growing pains until the design and manufacturing of the lights matures. Therefore it is important that anyone, whether utility, city, or state, use manufacturers that can meet required specifications, have the experience in street light manufacturing, and have the financial and technological wherewithal to correct issues which are likely to occur.