

1 (d) 2017 EECRF proceeding costs of \$71,660. The cost components for the 2019
2 EECRF are shown in Exhibit JCL-3.

3 First, Table 6 of Mr. Carson's Exhibit JKC-1 first shows the projected
4 costs the Company expects to incur to achieve the savings goals required for
5 2019. The forecast is for \$7,613,074 in 2019. This total is comprised of
6 \$6,710,687 for incentive costs, \$797,985 for administrative costs (including
7 R&D), and \$104,402 for EM&V costs.

8 Second, 16 Texas Administrative Code ("TAC") § 25.181 allows ETI to
9 collect a performance bonus for efficiently and effectively managing its energy
10 efficiency programs during 2017. The requirements for collecting a performance
11 bonus are set forth in 16 TAC § 25.181(h). The requested bonus is calculated to
12 be \$2,033,799 as presented in Table 11 of Exhibit JKC-1.

13 Third, the Company's costs recoverable through the 2017 EECRF were
14 \$8,563,508. ETI's 2017 EECRF revenues totaled \$8,469,800. Exhibit JCL-4
15 shows the Company's monthly revenues recorded under the 2017 EECRF rates.
16 The difference in actual EECRF revenues and actual costs resulted in an under-
17 recovery of \$93,708. This calculation is also shown in Exhibit JCL-3.

18 Fourth, the Company is seeking to recover \$71,660 in rate case expenses
19 related to last year's EECRF proceeding, Docket No. 47115. These costs include
20 \$58,729 for ETI's costs and \$12,931 for the Cities' costs as shown in Table 10 of
21 Exhibit JKC-1 and Exhibit JCL-3.

1 III. RIDER EECRF CALCULATION

2 Q11. WHAT IS THE PURPOSE OF RIDER EECRF AND WHEN WILL IT TAKE
3 EFFECT?

4 A. The purpose of Rider EECRF is to recover the costs associated with energy
5 efficiency programs from the customer classes that receive services under these
6 programs. The revised rates are recommended to be effective on and after the
7 first billing cycle of January 2019.

8
9 Q12. PLEASE DESCRIBE THE CALCULATION OF THE REDETERMINED
10 RIDER EECRF RATES.

11 A. ETI Exhibit JCL-1 contains the calculation of the new rates for Rider EECRF.
12 The new rates are based on the following:

- 13 • the projected energy efficiency costs by rate class that the Company
14 expects to incur during the twelve-month period beginning January 1,
15 2019 through December 31, 2019;
- 16 • the Company's 2017 Energy Efficiency Performance Bonus
17 ("Performance Bonus") by rate class recoverable under 16 TAC § 25.181;
- 18 • a true-up adjustment by rate class for over/under recovery of energy
19 efficiency costs for 2017; and
- 20 • the forecasted billing determinants for each rate class, excluding Large
21 Industrial Power Service ("LIPS") industrial transmission level customers

1 and opt-out industrial distribution level customers,² for the twelve-month
2 period beginning January 2019 through December 2019.

3 Company witness John K. Carson explains in his direct testimony the derivation
4 of the cost components of the new rates.

5

6 Q13. PLEASE EXPLAIN HOW THE COMPANY'S PROJECTED ENERGY
7 EFFICIENCY COSTS FOR 2019 ARE ALLOCATED TO THE RATE
8 CLASSES.

9 A. Mr. Carson provided the projected energy efficiency costs for 2019 by rate class,
10 as shown in his Exhibit JKC-7 and my Exhibit JCL-1, page 2 of 6.

11

12 Q14. HOW WAS THE COMPANY'S 2017 PERFORMANCE BONUS ALLOCATED
13 TO THE RATE CLASSES?

14 A. In light of 16 TAC § 25.181(h)(6), the Performance Bonus amount provided by
15 Mr. Carson was allocated to each rate class in proportion to the program costs
16 directly assigned to each rate class, which excludes the LIPS transmission level
17 and Lighting rate classes. Please refer to my Exhibit JCL-1, page 3 for this
18 allocation.

² See 16 TAC § 25.181(w).

1 Q15. WHAT METHODOLOGY WAS USED TO ALLOCATE THE TRUE-UP
2 ADJUSTMENT TO THE RATE CLASSES?

3 A. The actual 2017 energy efficiency program costs were allocated to the appropriate
4 rate class based on Table 10 in Exhibit JKC-1 (the 2018 Energy Efficiency Plan
5 and Report) and Exhibit JKC-5. As Mr. Carson explains in his direct testimony,
6 the program costs were directly assigned to each rate class to the maximum extent
7 reasonably possible. Those costs that could not be directly assigned to rate
8 classes were allocated in proportion to the program costs directly assigned to the
9 rate classes receiving services from the programs, which excludes the LIPS
10 industrial transmission level and Lighting rate classes. The 2015 performance
11 bonus included in the 2017 billed EECRF revenues was allocated in proportion to
12 the program costs allocated to each rate class.

13 The 2015 performance bonus and the 2015 true-up adjustment were then
14 removed from the 2017 EECRF revenues. The actual 2017 program costs as well
15 as the 2015 proceeding costs, both separated by rate class, were then compared to
16 the adjusted revenues recovered from each rate class through the Company's 2017
17 Rider EECRF in order to calculate the over/under recovery of the 2017 program
18 costs. ETI Exhibit JCL-1, page 4 shows the calculation of the true-up adjustment.

19

20 Q16. HOW WERE THE RIDER EECRF RATES FOR 2019 CALCULATED?

21 A. ETI Exhibit JCL-1, page 1 shows the calculation of the Rider EECRF rates for
22 2019. The 2019 projected energy efficiency costs, the 2017 performance bonus,
23 and the true-up adjustment previously discussed were added together to obtain the

1 total energy efficiency costs by rate class to be collected in 2019. The costs by
2 rate class were then divided by the forecasted billing determinants for each rate
3 class excluding LIPS industrial transmission level and opt-out customers for the
4 twelve-month period beginning January 2019 through December 2019 to
5 determine the EECRF by rate class.

6

7 Q17. HOW WERE THE RIDER EECRF RATES FOR 2019 CALCULATED FOR
8 COMPARISON TO THE COST CAP?

9 A. The total energy efficiency costs by rate class were adjusted to exclude the
10 EM&V costs and the municipal EECRF proceeding costs to determine the
11 EECRF costs subject to the caps defined in 16 TAC § 25.181(f)(7). ETI Exhibit
12 JCL-1, page 1 shows the EECRF costs subject to the caps.

13

14 Q18. DO THE RIDER EECRF RATES FOR 2019 MEET THE COST CAP
15 REQUIREMENTS PER THE COMMISSION RULES?

16 A. Yes, the Company's proposed rates are under the established cost cap
17 requirements as reflected in Exhibit JCL-1, page 1.

18

19 Q19. HOW WERE THE COMPANY'S FORECASTED BILLING DETERMINANTS
20 DEVELOPED FOR 2019?

21 A. The forecast billing determinants were produced by the Company's forecast
22 model at the rate class level. The forecasted billing determinants exclude LIPS

1 industrial transmission level and opt-out customers. ETI Exhibit JCL-1, page 6,
2 provides the forecasted billing determinants.

3

4 Q20. WERE ANY CALCULATIONS OR ESTIMATES OF SYSTEM LOSSES AND
5 LINE LOSSES USED TO CALCULATE THE EECRF RATES?

6 A. No. The forecasted 2019 billing determinants were “at the meter” billing
7 determinants; therefore, no line loss calculations are needed.

8

9 Q21. ARE YOU SPONSORING AN UPDATED RIDER EECRF?

10 A. Yes. The updated Rider EECRF tariff is attached to this testimony as ETI Exhibit
11 JCL-2.

12

13 Q22. HAVE YOU MADE A DETERMINATION OF THE IMPACT OF THE
14 REQUESTED EECRF RATES ON RESIDENTIAL CUSTOMERS?

15 A. Yes. I have determined the impact for a residential customer, assuming a monthly
16 usage of 1,000 kWh. The requested EECRF rates as calculated in Exhibit JCL-1
17 would result in a \$0.05 per month decrease to a residential customer’s bill. This
18 would be a 0.04% decrease from such customer’s bill based on EECRF charges
19 currently approved by the Commission.

1 IV. AFFILIATE ENERGY EFFICIENCY EXPENSES

2 Q23. WHAT DOES THIS PORTION OF YOUR TESTIMONY ADDRESS?

3 A. This portion of my testimony addresses costs charged to ETI from ESI under
4 Project Codes F3PPEECRF3 and F3PCR56902 (the “Affiliate Energy Efficiency
5 Expenses”).
6

7 Q24. WHAT ARE THE AFFILIATE ENERGY EFFICIENCY EXPENSES PER
8 PROJECT CODE FOR WHICH ETI SEEKS RECOVERY?

9 A. The affiliate charges per project code for which ETI seeks recovery are the
10 following:

11 F3PPEECRF3: \$20,609

12 F3PCR56902: (\$61)
13

14 Q25. PLEASE DESCRIBE PROJECT CODE F3PPEECRF3.

15 A. The overall purpose of this project is to capture and manage costs associated with
16 services provided in the preparation, production and litigation of the EECRF
17 filing. The primary activities associated with this project code are preparation of
18 the ETI application and testimony; preparation of all legal pleadings required as
19 part of the litigation of the case; review of opposing party filings; development of
20 ETI strategy; management and oversight of consultants and attorneys; and
21 responses to data requests. Personnel charging to this project code include
22 internal attorneys and other personnel who help prepare the exhibits and rate
23 schedules necessary for the EECRF application.

1 Q26. HOW WERE THE PROJECT CODE F3PPEECRF3 COSTS ALLOCATED
2 AMONG THE VARIOUS ENTERGY OPERATING COMPANIES?

3 A. The costs are driven by the activities necessary for the preparation, production
4 and litigation of ETI's EECRF filing. All services charged to this project code
5 relate to and are caused exclusively by ETI, and therefore, are appropriately
6 charged 100% to ETI, under billing method DIRECTTX.

7

8 Q27. WHAT WAS THE TOTAL LEVEL OF COSTS ESI CHARGED TO ETI IN
9 2017 FOR PROJECT CODE F3PPEECRF3?

10 A. The total amount charged by ESI to ETI for calendar year 2017 was \$24,534.
11 After exclusions and adjustments (such as for depreciation and financially based
12 incentive compensation), the remaining charges total \$20,609. The total charges
13 to ETI by FERC Account and by affiliate class of charges are shown in my
14 Exhibit JCL-5.

15

16 Q28. WHAT AMOUNT DOES THE COMPANY PROPOSE BE FOUND
17 REASONABLE AND RECOVERABLE FOR ITS 2017 PROJECT CODE
18 F3PPEECRF3 AFFILIATE COSTS IN THIS CASE?

19 A. The Company proposes that the adjusted charges of \$20,609 be found reasonable
20 and recoverable through the 2019 EECRF.

1 Q29. IS THE COMPANY PRESENTING INFORMATION CONSISTENT WITH
2 THE FACTORS LISTED IN 16 TAC § 25.245(B) TO SUPPORT ITS RATE
3 CASE EXPENSES FOR LAST YEAR'S EECRF PROCEEDING?

4 A. Yes. ETI is providing information consistent with the factors listed in 16 TAC
5 § 25.245(b) to the extent available. The affidavit of Company attorney Wajiha
6 Rizvi details much of this information, including a discussion of the scope and
7 complexity of the case, which is applicable to the affiliate rate case expenses as
8 well. Similar to the activities her affidavit describes, the work done by ESI
9 personnel included preparing the testimony and exhibits, responding to discovery
10 as well as providing subject matter expertise on the issues addressed in the case.

11 Additionally, ESI personnel charged no lodging, meals, beverages, or
12 transportation to ETI for last year's EECRF proceeding. For ESI costs, ETI
13 estimates that the charges per issue were as follows: preparation of the Energy
14 Efficiency Plan & Report (\$4,840); preparation of the EECRF application and
15 direct testimony (\$5,564); rate case expense issues (\$2,129); revisions to tables
16 and exhibits, including reallocation of R&D costs requested by Staff (\$368);
17 responding to discovery (\$1,625); analysis of EECRF cost recovery issues related
18 to solar PV programs (\$401); analysis of procedural schedule and effective date
19 issues (\$1,252); miscellaneous matters and expenses such as work on list of
20 issues, prehearing conferences, and case status discussions (\$2,465); and
21 settlement-related activities (\$1,966). As noted above, after exclusions and
22 adjustments (for depreciation and financially based incentive compensation), the

1 remaining charges total \$20,609. The use of external and ESI employees was
2 monitored to ensure there was no duplication of services.

3

4 Q30. PLEASE DESCRIBE PROJECT CODE F3PCR56902.

5 A. This expense project is set up to capture the costs of the energy efficiency
6 programs for ETI. The overall purpose of this project is to capture and manage
7 administrative, general, and program costs (including vendors, contractors, etc.)
8 associated with the implementation and operation of the ETI energy efficiency
9 programs. The primary activities associated with this project code are payroll and
10 expenses of a general nature incurred by the ETI energy efficiency programs. The
11 primary products or deliverables of this project code are for the implementation
12 and operation of the ETI energy efficiency programs. In 2017, there were no ESI
13 charges and one credit applied to this code associated with a payroll accrual
14 reversal in January 2017.

15

16 Q31. HOW WAS THE PROJECT CODE F3PCR56902 CREDIT ALLOCATED
17 AMONG THE VARIOUS ENTERGY OPERATING COMPANIES?

18 A. The costs and credits charged to this code are driven by ETI's energy efficiency
19 program. Therefore, the credit is appropriately directed 100% to ETI through
20 billing method DIRECTTX.

1 Q32. WHAT WAS THE TOTAL LEVEL OF ESI CHARGES TO ETI IN 2017 FOR
2 PROJECT CODE F3PCR56902?

3 A. The total amount credited to ETI for calendar year 2017 was \$61. The total
4 charges to ETI by FERC Account and by affiliate class of charges are shown in
5 my Exhibit JCL-5.
6

7 Q33. WHAT AMOUNT DOES THE COMPANY PROPOSE BE FOUND
8 REASONABLE AND RETURNED FOR PROJECT CODE F3PCR56902 IN
9 THIS CASE?

10 A. The Company proposes that the credit of \$61 be found reasonable and returned
11 through the 2019 EECRF.
12

13 Q34. HAVE YOU REVIEWED THE REQUESTED AFFILIATE ENERGY
14 EFFICIENCY EXPENSES TO DETERMINE WHETHER SUCH EXPENSES
15 ARE REASONABLE AND NECESSARY?

16 A. Yes.
17

18 Q35. HOW DID YOU DETERMINE WHETHER THE AFFILIATE ENERGY
19 EFFICIENCY EXPENSES PRESENTED WERE REASONABLE AND
20 NECESSARY?

21 A. I examined the affiliate costs in light of the information presented by ETI in its
22 recent rate cases to ensure that such costs are reasonable and necessary. In
23 particular, the process through which project code charges are billed to affiliates

1 was explained in Company witness Stephanie B. Tumminello's direct testimony
2 in Docket Nos. 39896 and 41791. In addition, the Company's affiliate class
3 witnesses from Docket Nos. 39896 and 41791, including those who address the
4 ETI direct charges, explained how the budgeting and cost control processes work
5 within their business units. For example, timesheet and expense reports are
6 reviewed by supervisors to ensure accuracy. Also, Company witnesses Kevin G.
7 Gardner (in Docket No. 39896) and Jennifer A. Raeder (in Docket No. 41791)
8 supported the reasonableness and necessity of the compensation and benefits paid
9 to ESI employees.

10 In Docket Nos. 39896 and 41791, Company witnesses presented direct
11 testimony regarding the various classes of affiliate costs that ETI received from
12 ESI, and Exhibit JCL-5 shows the ESI project code charges to ETI by affiliate
13 class. For example, a portion of the costs in Project Code F3PPEECRF3 was
14 incurred by the Legal Services class of affiliate costs. Company witnesses
15 Robert D. Sloan (in Docket No. 39896) and Marcus V. Brown (in Docket No.
16 41791) presented testimony supporting the reasonableness and necessity of the
17 charges to ETI from the Legal Services class. The processes and practices
18 described in the Company's direct testimony in Docket Nos. 39896 and 41791
19 regarding billing, budgeting, cost control, compensation, and benefits remain in
20 effect today. These processes and practices help to ensure that the requested
21 Project Code expenses are necessary and reasonable, represent the actual costs of
22 the services, do not include prohibited expenses, do not include charges for
23 duplicative services or expenses, and are no higher than the prices charged to

1 other affiliates, or to non-affiliates, for the same or similar classes of item.

2 Moreover, these processes and practices were used in prior ETI EECRF cases to
3 support similar expenses.³

4

5 Q36. WHAT DO YOU CONCLUDE WITH RESPECT TO THE
6 REASONABLENESS AND NECESSITY OF THE AFFILIATE ENERGY
7 EFFICIENCY EXPENSES?

8 A. Based on my review and analysis, as described above, the Company's Affiliate
9 Energy Efficiency Expenses are reasonable and necessary, represent the actual
10 costs of the services, do not include prohibited expenses, do not include charges
11 for duplicative services or expenses, and are no higher than the prices charged to
12 other affiliates, or to non-affiliates, for the same or similar classes of item.

13

14 Q37. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?

15 A. Yes.

³ *Application of Entergy Texas, Inc. for Authority to Determine Rates for Energy Efficiency Cost Recovery Factor*, Docket No. 47115, Final Order (Sept. 29, 2017); Docket No. 45915, *Application of Entergy Texas Inc. for Authority to Redetermine Rates for the Energy Efficiency Cost Recovery Factor*, Final Order (Sept. 28, 2016); Docket No. 44696, *Application of Entergy Texas Inc. for Authority to Redetermine Rates for the Energy Efficiency Cost Recovery Factor*, Final Order (Sept. 25, 2015); and Docket No. 42485 *Application of Entergy Texas, Inc. for Authority to Redetermine Rates for Energy Efficiency Cost Recovery Factor*, Final Order (Nov. 21, 2014).

ENTERGY TEXAS, INC.
ENERGY EFFICIENCY COST RECOVERY FACTOR RIDER
2018 RATE REDETERMINATION FOR RATES TO BE BILLED IN 2019

Line No.	Variable Name	Variable Description	Rate Class						
			Residential	SGS	GS	LGS	LIPS	Lighting	Total Co.
1	PEEC _k	Projected Energy Efficiency Cost (1)	\$ 4,185,942	\$ 171,356	\$ 2,225,186	\$ 619,333	\$ 411,256	\$ -	\$ 7,613,074
2	TUA _k	True-Up Adjustment (2)	\$ 160,924	\$ (116,597)	\$ 227,760	\$ (36,942)	\$ (70,005)	\$ 227	\$ 165,368
3	EERR _k	Energy Efficiency Cost (L1 + L2)	\$ 4,346,866	\$ 54,760	\$ 2,452,946	\$ 582,392	\$ 341,251	\$ 227	\$ 7,778,441
4	BD _k	Projected Billing Determinants (BD) (3)	6,018,430,108	335,123,018	3,460,129,655	1,440,753,784	7,511,036,355	97,241,926	18,862,714,847
5		Less Projected LIPS Industrial Transmission and Opt out customers BD (3)				12,695,214	7,063,894,085		7,076,589,299
6	BD _k	Projected Adjusted Billing Determinants	6,018,430,108	335,123,018	3,460,129,655	1,428,058,570	447,142,270	97,241,926	11,786,125,547
7	EECRF _k	Energy Efficiency Cost Recovery Factor (LN 3/LN 6)	\$ 0 000722 per kWh	\$ 0 000163 per kWh	\$ 0 000709 per kWh	\$ 0 000408 per kWh	\$ 0 000763 per kWh	\$ 0 000002 per kWh	N/A
8	EEPB _k	Energy Efficiency Performance Bonus (4)	\$ 1,139,519	\$ -	\$ 480,813	\$ 350,432	\$ 63,035	\$ -	\$ 2,033,799
9	BD _k	Projected Adjusted Billing Determinants	6,018,430,108	335,123,018	3,460,129,655	1,428,058,570	447,142,270	97,241,926	11,786,125,547
10	EECRF _k	Energy Efficiency Cost Recovery Factor (LN 8/ LN 9)	\$ 0 000189 per kWh	\$ - per kWh	\$ 0 000139 per kWh	\$ 0 000245 per kWh	\$ 0 000141 per kWh	\$ - per kWh	N/A
11		Energy Efficiency Cost Recovery Factor for all customers except LIPS Industrial Transmission (6) (LN7 + LN10)	\$ 0.000911	\$ 0.000163	\$ 0.000848	\$ 0.000653	\$ 0.000904	\$ 0.000002	
12		Energy Efficiency Cost Recovery Factor for LIPS Industrial Transmission Customers					\$ -		
13		Cost Cap Rate (5)	\$ 0 001303	\$ 0 000815	\$ 0 000815	\$ 0 000815	\$ 0 000815		
14		Total Energy Efficiency Costs (LN 3 + LN 8)	\$ 5,486,385	\$ 54,760	\$ 2,933,759	\$ 932,824	\$ 404,286	\$ 227	\$ 9,812,240
15		Total Energy Efficiency Costs Subject to Cost Cap (5)	\$ 5,423,723	\$ 52,311	\$ 2,901,596	\$ 919,007	\$ 398,044	\$ 227	\$ 9,694,907
16		Maximum Energy Efficiency Cost per Cost Cap (LN 9 * LN 13)	\$ 7,842,014	\$ 273,125	\$ 2,820,006	\$ 1,163,868	\$ 364,421		\$ 12,463,434
17		Amount Over/(Under) Cost Cap (5) (LN 15 - LN 16)	\$ (2,418,291)	\$ (220,814)	\$ 81,590	\$ (244,861)	\$ 33,623		
18		Aggregate Amount Over/(Under) Cost Cap for Non-Residential Classes (6)						\$ (350,463)	

Notes:

- (1) See Exhibit JCL-1, Page 2
- (2) See Exhibit JCL-1, Page 4
- (3) See Exhibit JCL-1, Page 6
- (4) See Exhibit JCL-1, Page 3
- (5) Per 16 Texas Admin Code (TAC) § excluding costs for Evaluation, Measurement, and Verification (EM&V) Costs per JCL-1, Page 2 and municipal EECRF proceeding expenses per JCL-1, Page 5
- (6) The Company's proposed rates are under the established cost cap requirements as reflected on lines 13 - 18

Amounts may not add or agree with other schedules due to rounding

ENTERGY TEXAS, INC.
ENERGY EFFICIENCY COST RECOVERY (EECR) FACTOR RIDER
2019 PROJECTED ENERGY EFFICIENCY COSTS

Rate Class		Incentives (1)	Admin (1)	R&D (1)	EM&V Costs (1)	Total Projected Energy Efficiency Costs
RES	Residential	\$ 3,683,708	\$ 434,741	\$ 12,076	\$ 55,417	\$ 4,185,942
SGS	Small Gen. Service	151,349	\$ 17,062	\$ 496	2,449	\$ 171,356
GS	General Service	1,967,536	\$ 221,809	\$ 6,450	29,391	\$ 2,225,186
LGS	Large General Service	544,856	\$ 61,424	\$ 1,786	11,267	\$ 619,333
LIPS	Large Ind. Power Service excluding Industrial Transmission	363,237	\$ 40,949	\$ 1,191	5,878	\$ 411,256
LGT	Lighting	-	\$ -	\$ -	-	\$ -
Total Applicable Retail		\$ 6,710,687	\$ 775,985	\$ 22,000	\$ 104,402	\$ 7,613,074

Notes:

(1) Per Exhibit JKC-7.

Amounts may not add or agree with other schedules due to rounding.

ENTERGY TEXAS, INC.
ENERGY EFFICIENCY COST RECOVERY FACTOR RIDER
2017 ENERGY EFFICIENCY PERFORMANCE BONUS (EEPB)

Rate Class		Allocation (2)	EEPB by Rate Class (3)
RES	Residential	56.029%	\$ 1,139,519
SGS	Small Gen. Service	0.000%	-
GS	General Service	23.641%	480,813
LGS	Large General Service	17.230%	350,432
LIPS	Large Ind. Power Service Industrial Transmission	0.000%	-
LIPS	Large Ind. Power Service - Non-Industrial Transmission	3.099%	63,035
LGT	Lighting	0.000%	-
Total Applicable Retail		100.000%	\$ 2,033,799

Notes:

- (1) Per Exhibit JKC-1, ETI's 2018 Energy Efficiency Plan and Report and Exhibit JKC-8.
- (2) Per Exhibit JCL-1, page 5 of 6 allocation percentages based upon the directly assigned incentive costs per Exhibit JKC-5.
- (3) EEPB X Applicable Rate Class Allocation.

Amounts may not add or agree with other schedules due to rounding.

ENTERGY TEXAS, INC.
ENERGY EFFICIENCY COST RECOVERY FACTOR RIDER
TRUE-UP OF 2017 ENERGY EFFICIENCY COSTS

Rate Class		Actual 2017 EECR Costs by Rate Class (1)	2016 & 2017 EM&V Costs For Review of 2016 Program (5)	Actual 2015 Performance Bonus Collected in 2017 Rates (2)	Actual 2015 Proceeding Costs Collected in 2017 Rates (3)	2015 True-Up Adj. Collected in 2017 Rates (3)	Actual 2017 EECR Revenues by Rate Class (4)	2017 EECR Costs True-Up (Over)/Under Recovery (6)
RES	Residential	\$ 3,870,081	43,887	\$ 1,040,549	\$ 54,749	\$ 48,706	\$ 4,897,047	\$ 160,924
SGS	Small Gen Service	\$ -	-	33,166	1,702	98,409	249,874	\$ (116,597)
GS	General Service	\$ 1,739,838	23,238	488,874	25,084	(543,601)	1,505,674	\$ 227,760
LGS	Large General Service	\$ 1,143,525	32,320	152,610	11,401	(103,914)	1,272,884	\$ (36,942)
LIPS	Large Ind Power Service - excluding Industrial Transmission	\$ 218,632	3,046	82,993	1,676	167,706	544,059	\$ (70,005)
LGT	Lighting	\$ -	-	-	-	489	262	\$ 227
Total Company		\$ 6,972,076	\$ 102,491	\$ 1,798,192	\$ 94,613	\$ (332,205)	\$ 8,469,800	\$ 165,368

Notes:

- (1) Based on Exhibit JKC-1, ETI's 2018 Energy Efficiency Plan and Report, Table 10 and JCL-1, page 5 of 6 This amount includes 2017 proceeding costs but excludes EM&V Costs
- (2) Per Docket No 45915 Final EECRF Compliance Tariff Filing, the 2015 performance bonus was allocated in proportion to the program costs allocated to each rate class
- (3) As per Docket No 45915 Final Order and Final EECRF Compliance Tariff Filing
- (4) Per Exhibit JCL-4 and W/P JCL-1
- (5) Based on Exhibit JKC-1, ETI's 2018 Energy Efficiency Plan and Report, Table 10 and JCL-1, page 5 of 6
- (6) This True-Up amount includes 2017 proceeding costs

Amounts may not add or agree with other schedules due to rounding

ENTERGY TEXAS, INC.
ENERGY EFFICIENCY COST RECOVERY FACTOR RIDER
2017 ACTUAL ENERGY EFFICIENCY COSTS

Rate Class		% of Directly Assigned Incentive Costs (2)	Directly Assigned Incentive Costs (3)	Directly Assigned Admin Costs (3)	Residential & Hard-to-Reach (1)				Commercial Solutions MTP + SCORE (1)					Load Management MTP (1)					Total Actual 2017 Cost Allocation
					Allocation EM&V Costs	Allocation R&D Costs	Allocation Utility Proceeding Costs	Allocation Cities Proceeding Costs	Allocation (2)	Allocation EM&V Costs	Allocation R&D Costs	Allocation Utility Proceeding Costs	Allocation Cities Proceeding Costs	Allocation (2)	Allocation EM&V Costs	Allocation R&D Costs	Allocation Utility Proceeding Costs	Allocation Cities Proceeding Costs	
RES	Residential	56.029%	\$ 3,553,786	\$ 260,456	\$ 43,887	\$ 15,689	\$ 32,905	\$ 7,245											\$ 3,913,967
SGS	Small Gen. Service	0.000%	-	-					0.000%	\$ -	\$ -	\$ -	\$ -						-
GS	General Service	23.641%	1,499,498	218,972					23.641%	23,238	6,004	12,592	2,773						1,763,076
LGS	Large General Service	17.230%	1,092,882	30,991					17.230%	16,936	4,376	9,178	2,021	17.230%	15,384	\$ 1,146	\$ 2,403	\$ 529	1,175,845
LIPS	LIPS - excluding Industrial Transmission	3.099%	196,585	19,246					3.099%	3,046	787	1,651	363						221,679
LGT	Lighting	0.000%	-	-															-
Total Company		100.000%	\$ 6,342,751	\$ 529,665	\$ 43,887	\$ 15,689	\$ 32,905	\$ 7,245	43.971%	\$ 43,221	\$ 11,167	\$ 23,421	\$ 5,157	17.230%	\$ 15,384	\$ 1,146	\$ 2,403	\$ 529	\$ 7,074,568

Notes:

- (1) Represents total 2017 actual costs per Exhibit JKC-1, Table 10, less directly assigned incentive and administrative costs from Exhibit JKC-5
- (2) Those costs that could not be directly assigned by rate class in Exhibit JKC-5 were allocated in proportion to the program costs directly assigned by rate class. For those programs providing services to only certain rate classes, the allocation of costs was only between those rate classes.
- (3) Per Exhibit JKC-5

Amounts may not add or agree with other schedules due to rounding

ENTERGY TEXAS, INC.
ENERGY EFFICIENCY COST RECOVERY FACTOR RIDER
BILLING DETERMINANTS BY RATE CLASS
(kWH)

Billing Determinants by Class

Residential	6,018,430,108
Small General Service	335,123,018
General Service	3,460,129,655
Large General Service	1,440,753,784
Large Industrial Power Service	7,511,036,355
Lighting	97,241,926
Total	<u>18,862,714,847</u>

Large Industrial Power Service Industrial Transmission Voltage Levels

230 KV	2,776,969,467
69/138 KV	<u>4,286,924,618</u>
Total	<u>7,063,894,085</u>

Large General Service Opt out customers

69/138 KV	<u>12,695,214</u>
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Amounts may not add or agree with other schedules due to rounding.

2017 Rider EECRF Revenues

Res	\$	4,897,047
SGS	\$	249,874
GS	\$	1,505,674
LGS	\$	1,272,884
LIPS	\$	544,059
Lgt	\$	262
Total	\$	8,469,800

Source Revenue Accounting

Revenue Class	Rate Class	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Total
R	Residential	\$406,047.13	\$327,076.95	\$305,437.41	\$309,330.55	\$334,450.39	\$446,750.60	\$545,790.50	\$567,253.41	\$463,730.60	\$492,745.76	\$351,628.28	\$346,805.84	\$4,897,047.42
	Residential Total	\$406,047.13	\$327,076.95	\$305,437.41	\$309,330.55	\$334,450.39	\$446,750.60	\$545,790.50	\$567,253.41	\$463,730.60	\$492,745.76	\$351,628.28	\$346,805.84	\$4,897,047.42
C	Small General Service	\$17,397.00	\$14,838.16	\$15,244.78	\$15,322.43	\$16,094.36	\$19,743.68	\$22,527.18	\$23,845.42	\$20,023.39	\$22,196.91	\$18,840.12	\$18,009.09	\$224,082.52
G	Small General Service	\$734.69	\$516.92	\$655.91	\$634.18	\$612.33	\$642.55	\$656.69	\$723.36	\$744.07	\$810.61	\$694.39	\$685.07	\$8,110.77
I	Small General Service	\$1,494.48	\$1,699.58	\$873.12	\$1,212.48	\$1,139.66	\$1,666.16	\$1,767.99	\$1,825.19	\$1,692.53	\$1,525.77	\$1,401.63	\$1,381.99	\$17,680.58
	Small General Service Total	\$19,626.17	\$17,054.66	\$16,773.81	\$17,169.09	\$17,846.35	\$22,052.39	\$24,951.86	\$26,393.97	\$22,459.99	\$24,533.29	\$20,936.14	\$20,076.15	\$249,873.87
C	General Service	\$101,286.29	\$90,779.84	\$99,489.96	\$99,327.70	\$103,695.94	\$117,920.68	\$126,824.36	\$130,027.43	\$113,573.50	\$126,220.96	\$107,752.89	\$100,071.89	\$1,316,971.44
G	General Service	\$4,432.72	\$2,822.66	\$4,173.02	\$4,061.80	\$4,163.89	\$4,407.40	\$4,682.93	\$4,809.08	\$4,422.96	\$4,678.34	\$4,476.29	\$4,239.27	\$51,370.36
I	General Service	\$11,510.82	\$10,219.33	\$11,571.00	\$11,087.70	\$11,033.69	\$12,414.97	\$12,351.38	\$12,560.66	\$10,422.61	\$11,881.21	\$11,173.38	\$11,105.28	\$137,332.03
	General Service Total	\$117,229.83	\$103,821.83	\$115,233.98	\$114,477.20	\$118,893.52	\$134,743.05	\$143,858.67	\$147,397.17	\$128,419.07	\$142,780.51	\$123,402.56	\$115,416.44	\$1,505,673.83
C	Large General Service	\$71,693.20	\$63,549.33	\$70,655.43	\$68,607.25	\$71,369.73	\$78,432.19	\$83,848.74	\$85,860.72	\$79,846.20	\$82,970.62	\$77,115.36	\$70,655.28	\$904,604.05
G	Large General Service	\$4,569.09	\$3,638.40	\$4,539.74	\$4,456.78	\$4,229.65	\$4,613.89	\$4,985.95	\$4,577.82	\$3,753.74	\$3,200.53	\$3,462.30	\$4,056.62	\$50,084.51
I	Large General Service	\$27,279.07	\$27,581.57	\$27,891.59	\$27,771.45	\$27,359.92	\$28,393.79	\$28,205.37	\$26,430.04	\$24,779.87	\$23,775.59	\$24,032.32	\$24,694.61	\$318,195.19
	Large General Service Total	\$103,541.36	\$94,769.30	\$103,086.76	\$100,835.48	\$102,959.30	\$111,439.87	\$117,040.06	\$116,868.58	\$108,379.81	\$109,946.74	\$104,609.98	\$99,406.51	\$1,272,883.75
C	Large Industrial Power Service	\$13,457.97	\$11,161.44	\$14,110.29	\$15,790.71	\$15,009.03	\$15,615.46	\$17,000.34	\$17,991.34	\$18,860.00	\$17,225.74	\$17,137.54	\$15,409.10	\$188,768.96
G	Large Industrial Power Service	\$3,767.67	\$2,467.99	\$3,877.94	\$3,798.76	\$4,218.69	\$4,015.77	\$4,348.90	\$4,426.31	\$3,623.98	\$4,285.56	\$4,131.30	\$3,893.19	\$46,856.06
I	Large Industrial Power Service	\$21,047.96	\$18,626.95	\$25,508.46	\$26,277.62	\$26,201.69	\$26,504.91	\$27,484.82	\$27,887.98	\$24,547.39	\$27,834.29	\$28,348.18	\$28,163.53	\$308,433.78
	Large Industrial Power Service Total	\$38,273.60	\$32,256.38	\$43,496.69	\$45,867.09	\$45,429.41	\$46,136.14	\$48,834.06	\$50,305.63	\$47,031.37	\$49,345.59	\$49,617.02	\$47,465.82	\$544,058.80
C	Lighting	\$7.46	\$8.19	\$8.59	\$8.57	\$8.65	\$8.71	\$8.71	\$8.70	\$8.68	\$8.73	\$8.73	\$8.73	\$102.45
G	Lighting	\$12.81	\$9.03	\$13.29	\$12.86	\$12.89	\$13.07	\$12.96	\$13.01	\$12.97	\$12.99	\$12.98	\$12.98	\$151.84
I	Lighting	\$0.42	\$0.45	\$0.41	\$0.41	\$0.43	\$0.43	\$0.43	\$0.43	\$0.42	\$0.49	\$0.46	\$0.45	\$5.23
R	Lighting	\$0.10	\$0.12	\$0.14	\$0.13	\$0.13	\$0.13	\$0.12	\$0.12	\$1.57	\$0.11	\$0.12	\$0.12	\$2.91
	Lighting Total	\$20.79	\$17.79	\$22.43	\$21.97	\$22.10	\$22.34	\$22.22	\$22.26	\$23.64	\$22.32	\$22.29	\$22.28	\$262.43
	Grand Total	\$684,738.88	\$574,996.91	\$584,051.08	\$587,701.38	\$619,601.07	\$761,144.39	\$880,497.37	\$908,241.02	\$770,044.48	\$819,374.21	\$650,216.27	\$629,193.04	\$8,469,800.10

ENTERGY TEXAS, INC.
ENERGY EFFICIENCY COST RATES
RIDER SCHEDULE EECRF

Applicable through December 2019 Billing Month

T

Net Monthly Rate

The following Energy Efficiency Cost Recovery Factor will be added to the rates set out in the Net Monthly Bill for electric service billed under all retail rate schedules * on file with the Public Utility Commission of Texas. The Energy Efficiency Cost Recovery Factor shall be effective for bills rendered on and after the first billing cycle of January 2019. Amounts billed pursuant to this Rider EECRF are not subject to the IHE but are subject to State and local sales taxes.

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* Excluded Schedules: EAPS, LQF, SMS and SQF.

<u>Rate Class</u>	<u>Rate Schedules</u>	<u>Energy Efficiency Cost Recovery Factor</u>	
Residential	RS, RS-TOD	\$0.000911 per kWh	R
Small General Service	SGS, UMS, TSS	\$0.000163 per kWh	R
General Service	GS, GS-TOD	\$0.000848 per kWh	R
Large General Service	LGS, LGS-TOD	\$0.000653 per kWh	I
Large Industrial Power Service –			
Industrial Transmission Customers Only	LIPS, LIPS-TOD	\$0.000000 per kWh	
Other than Industrial Transmission Customers	LIPS, LIPS-TOD	\$0.000904 per kWh	R
Lighting	SHL, LS-E, ALS, RLU	\$0.000002 per kWh	I

Exhibit JCL-3

2019 Energy Efficiency Projected Program Costs	\$ 7,613,074
2017 Performance Bonus	\$ 2,033,799
2017 (Over)/Under-recovery of EECRF Costs	\$ 93,708
2017 EECR Proceeding costs	\$ 71,660
Requested Amount for 2019 EECRF	\$ 9,812,241

Amount Expended for Energy Efficiency Programs in 2017*	\$ 6,900,417
Amount of 2015 Performance Bonus in 2017 Rates	\$ 1,798,192
2015 True-Up in 2017 Rates	\$ (332,204)
2015 Proceeding costs in 2017 Rates	\$ 94,613
2016 and 2017 EM&V Costs for Review of 2016 Program	\$ 102,491
Total Costs for 2017	\$ 8,563,508
Revenue Billed in 2017	\$ (8,469,800)
Revenue (Over)/Under Collected in 2017	\$ 93,708

*This amount does not include 2017 proceeding costs or EM&V costs

Exhibit JCL - 4
Entergy Texas, Inc.
2017 Energy Efficiency Program Revenue

Jan-17	684,738.88
Feb-17	574,996.91
Mar-17	584,051.08
Apr-17	587,701.38
May-17	619,601.07
Jun-17	761,144.39
Jul-17	880,497.37
Aug-17	908,241.02
Sep-17	770,044.48
Oct-17	819,374.21
Nov-17	650,216.27
Dec-17	629,193.04
TOTAL	<hr/> 8,469,800.10

Exhibit JCL-5

Affiliate Costs in Project F3PPEECRF3 by Account and Class

Class	FERC Account	Acct Desc	Payroll Indicator	Amount
Human Resources	926000	Employee Pension & Benefits	NON-PAYROLL	\$ 4,098.78
Human Resources Total				\$ 4,098.78
Legal Services	408110	Employment Taxes	NON-PAYROLL	\$ 518.14
	920000	Adm & General Salaries	NON-PAYROLL	\$ 3,264.98
	920000	Adm & General Salaries	PAYROLL	\$ 6,359.86
	923000	Outside Services Employed	NON-PAYROLL	\$ 95.50
Legal Services Total				\$ 10,238.48
Regulatory Services	408110	Employment Taxes	NON-PAYROLL	\$ 296.14
	920000	Adm & General Salaries	NON-PAYROLL	\$ 1,937.35
	920000	Adm & General Salaries	PAYROLL	\$ 3,530.60
Regulatory Services Total				\$ 5,764.09
Other Expenses	4031AM	Deprec Exp billed from Serv Co	NON-PAYROLL	\$ 1,954.40
	408110	Employment Taxes	NON-PAYROLL	\$ 124.97
	920000	Adm & General Salaries	NON-PAYROLL	\$ 707.76
	920000	Adm & General Salaries	PAYROLL	\$ 1,645.28
Other Expenses Total				\$ 4,432.41
Total affiliate costs in F3PPEECRF3				\$ 24,533.76

Affiliate Costs in Project F3PPEECRF3 by Account and Class
Excluding Incentive Compensation and Depreciation

Class	FERC Account	Acct Desc	Payroll Indicator	Amount
Human Resources	926000	Employee Pension & Benefits	NON-PAYROLL	\$ 3,934.24
Human Resources Total				\$ 3,934.24
Legal Services	408110	Employment Taxes	NON-PAYROLL	\$ 518.14
	920000	Adm & General Salaries	NON-PAYROLL	\$ 2,264.07
	920000	Adm & General Salaries	PAYROLL	\$ 6,359.86
	923000	Outside Services Employed	NON-PAYROLL	\$ 95.50
Legal Services Total				\$ 9,237.57
Regulatory Services	408110	Employment Taxes	NON-PAYROLL	\$ 296.14
	920000	Adm & General Salaries	NON-PAYROLL	\$ 1,246.86
	920000	Adm & General Salaries	PAYROLL	\$ 3,530.60
Regulatory Services Total				\$ 5,073.60
Other Expenses	4031AM	Deprec Exp billed from Serv Co	NON-PAYROLL	\$ -
	408110	Employment Taxes	NON-PAYROLL	\$ 124.97
	920000	Adm & General Salaries	NON-PAYROLL	\$ 593.53
	920000	Adm & General Salaries	PAYROLL	\$ 1,645.28
Other Expenses Total				\$ 2,363.78
Total Affiliate costs requested in EECRF				\$ 20,609.19

Exhibit JCL-5

Affiliate Costs in Project F3PCR56902 by Account and Class

Class	FERC Account	Acct Desc	Payroll Indicator	Amount
Other Expenses	408110	Employment Taxes	NON-PAYROLL	\$ (4.25)
	908000	Customer Assistance Expenses	PAYROLL	\$ (56.62)
Other Expenses Total				\$ (60.87)
Total affiliate charges in F3PCR56902				\$ (60.87)

**Affiliate Costs in Project F3PCR56902 by Account and Class
Excluding Incentive Compensation**

Class	FERC Account	Acct Desc	Payroll Indicator	Amount
Other Expenses	408110	Employment Taxes	NON-PAYROLL	\$ (4.25)
	908000	Customer Assistance Expenses	PAYROLL	\$ (56.62)
Other Expenses Total				\$ (60.87)
Total Affiliate costs requested in EECRF				\$ (60.87)

AFFIDAVIT OF WAJIHA RIZVI

STATE OF TEXAS

§

§

COUNTY OF TRAVIS

§

BEFORE ME, the undersigned authority, on this day personally appeared WAJIHA RIZVI, who being by me first duly sworn, on oath, deposed and said the following:

1. “My name is WAJIHA RIZVI, and I am an attorney licensed by the State Bar of Texas and have practiced in the area of utility law since 2011. I am employed by Entergy Services, Inc. (“ESI”) as Senior Counsel. I am filing this affidavit on behalf of Entergy Texas, Inc. (“ETI” or “the Company”). I am over the age of 18 years and of sound mind. My statements in this affidavit are based upon personal knowledge and are true and correct.
2. ETI is requesting recovery of 2017 EECRF proceeding expenses incurred by itself and the Cities.¹ The 2017 EECRF proceeding, Docket No. 47115, was filed by ETI on May 1, 2017 and was the proceeding in which ETI’s Energy Efficiency Cost Recovery Factor (“EECRF”) for 2018 was established. A final order was issued in Docket No. 47115 on September 29, 2017.
3. I support the rate case expenses incurred by ETI for external legal counsel, copying and production services, and courier service. Company witness Jessica Landry supports the rate case expenses incurred by ETI for affiliate legal counsel support from Entergy Services, Inc. The Affidavit of Mr. Dan Lawton supports the reasonableness of the Cities’ expenses.
4. Provided on CD as my Attachment 1 to this affidavit are invoices and supporting documentation for the rate case expenses I support. Included in these expenses are \$36,561.99 for ETI’s outside counsel expense, including \$35,177.99 from Duggins Wren Mann & Romero, LLP (DWMR) and \$1,384.00 from Sutherland Asbill & Brennan, LLP (Sutherland) (together “External Counsel”). Also included are expenses in the amount of \$1,136.58 for Inservio (copying and production service) and \$95.50 for Magic Couriers.

¹ The Cities include the cities of Anahuac, Beaumont, Bridge City, Cleveland, Conroe, Dayton, Groves, Houston, Huntsville, Liberty, Montgomery, Navasota, Nederland, Oak Ridge North, Orange, Pine Forest, Pinehurst, Port Arthur, Port Neches, Rose City, Shenandoah, Silsbee, Sour Lake, Splendora, Vidor, and West Orange.

5. The requested total 2017 EECRF proceeding expenses (including affiliate charges) of \$71,659.60 reflect that the parties were able to reach a settlement earlier than in prior years. ETI's approved rate case expenses totaled \$78,442 for Docket No. 45915 (as approved in Docket No. 47115); \$86,379 for Docket No. 44696 (as approved in Docket No. 45915); \$162,327 for Docket No. 42485 (as approved in Docket No. 44696); and \$118,688 for Docket No. 41444 (as approved in Docket No. 42485).
6. I have reviewed the rate case expenses incurred by ETI in Docket No. 47115, and I affirm that they are reasonable and necessary. In my review and analysis, per 16 TAC § 25.245(b), I considered:
 - a. the nature, extent, and difficulty of the work done by the attorney or other professional in the rate case;
 - b. the time and labor required and expended by the attorney or other professional;
 - c. the fees or other consideration paid to the attorney or other professional for the services rendered;
 - d. the expenses incurred for lodging, meals and beverages, transportation, or other services or materials;
 - e. the nature and scope of the rate case, including:
 - i. the size of the utility and number and type of consumers served;
 - ii. the amount of money or value of property or interest at stake;
 - iii. the novelty or complexity of the issues addressed;
 - iv. the amount and complexity of discovery;
 - v. the occurrence and length of a hearing; and
 - f. the specific issue or issues in the rate case and the amount of rate-case expenses reasonably associated with each issue.
7. I also considered the factors that, under 16 TAC § 25.245(c), the presiding officer is directed to address; namely, whether and the extent to which the evidence shows that:
 - a. the fees paid to, tasks performed by, or time spent on a task by an attorney or other professional were extreme or excessive;
 - b. the expenses incurred for lodging, meals and beverages, transportation, or other services or materials were extreme or excessive;
 - c. there was duplication of services or testimony;
 - d. the utility's or municipality's proposal on an issue in the rate case had no reasonable basis in law, policy, or fact and was not warranted by any reasonable argument for the extension, modification, or reversal of commission precedent;
 - e. rate-case expenses as a whole were disproportionate, excessive, or unwarranted in relation to the nature and scope of the rate case addressed by the evidence pursuant to subsection (b)(5) of this section; or
 - f. the utility or municipality failed to comply with the requirements for providing sufficient information pursuant to subsection (b) of this section.

8. ETI provides service to approximately 444,000 retail customers in 68 cities and 27 counties across 15,320 square miles throughout southeast Texas. ETI owns approximately 2,747 miles of transmission lines, 13,194 miles of distribution lines, and multiple generating plants. In addition, ETI obtains a significant amount of services from Entergy Services, Inc., its service company affiliate. ETI's last approved non-fuel revenue requirement was \$808,007,539. Accordingly, ETI is a substantial and complex utility.
9. ETI's application in Docket No. 47115 requested that the EECRF for 2018 should collect a total of \$9,768,890. Ultimately, the Commission approved a unanimous stipulation approving recovery of 100% that amount. Given the amount at risk, it was reasonable for ETI to engage outside counsel with the necessary experience and capacity to prosecute Docket No. 47115.
10. DWMR assumed extensive responsibilities related to nearly all aspects of Docket No. 47115. The expenses charged by DWMR were reasonable and necessary to assist ETI in preparing and prosecuting Docket No. 47115, including the initial filing, direct testimony, responding to discovery, assisting with case strategy and prosecution, and assisting with documenting the eventual settlement of the case. The energy efficiency-related issues addressed in that proceeding required extensive subject matter expertise not possessed by many attorneys.
11. Sutherland provided legal services in connection with Docket No. 47115 related to narrow procedural issues.
12. External Counsel had the experience and subject matter expertise required to efficiently prepare and prosecute Docket No. 47115.
13. The time required to prepare and prosecute an EECRF proceeding at the PUCT depends on the particular facts and circumstances of the case, including the extent to which parties contest specific issues. Evidence of the time and labor required and expended in connection with Docket No. 47115 case is contained in the External Counsel invoices included in my Attachment 1.
14. Compensation to outside counsel is based on the hourly rates of the attorneys and paralegals and out-of-pocket expenses reimbursed without mark-up. The attorney fees charged were billed at \$315-395/hour. The vast majority of the charges incurred by ETI

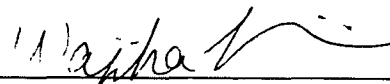
for Docket No. 47115 were for the services of DWMR attorney Mr. Everett Britt at a rate of \$335/hour. Additionally, two DWMR paralegals provided services in connection with Docket No. 47115 at \$135 and \$190 per hour, respectively. I compared these hourly billing rates to the hourly billing rates submitted by utilities and municipalities in Project No. 41622 (related to the Commission's Rate Case Expense Rule, 16 TAC § 25.245), reviewed past cases filed with the PUC for fees and tasks of outside counsel and consultants, and reviewed survey information regarding the hourly rates of Texas lawyers attached in my workpapers. Based on this review, I conclude that the hourly rates charged by External Counsel are well within the reasonable range of rates charged by other firms.

15. Based on the reasonableness of External Counsel's hourly rates, the necessity and quality of the services provided, and the lack of duplication of such services with those provided by other counsel, the resulting total level of fees paid to External Counsel in connection with Docket No. 47115 – \$36,561.99 – is also reasonable. Considering the EECRF revenue requirement amount requested, at stake, and ultimately approved (roughly \$9.8 million), I do not consider the total amount of fees paid to External Counsel to be extreme or excessive.
16. No lodging, transportation, or meals expenses were incurred by outside counsel for Docket No. 47115.
17. The level of fees paid to External Counsel is consistent with the novelty and complexity of the specific issues raised and contested in prior EECRF cases as well as Docket No. 47115.
18. The level of fees paid to External Counsel is also in line with the amount and complexity of discovery received from Staff in Docket No. 47115. In addition to responding to formal discovery, the Company also addressed issues raised informally by Staff.
19. The level of fees paid to External Counsel is consistent with ETI's need to be prepared to fully prosecute the case through hearing if needed as well as the fact that Docket No. 47115 settled prior to a hearing.
20. External Counsel costs associated with work on ETI's 2017 EECRF proceeding are itemized as follows: preparation of the Energy Efficiency Plan and Report (\$8,743.50), preparation of the EECRF application and direct testimony (\$10,050.00), rate case

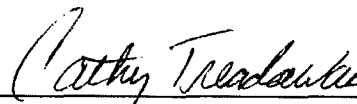
expense issues (\$3,846.00), revisions to tables and exhibits, including re-allocation of R&D costs requested by Staff (\$644.00); responding to discovery (\$2,935.00); analysis of EECRF cost recovery issues related to solar PV programs (\$724.50); analysis of procedural schedule and effective date issues (\$2,262.00); miscellaneous matters and expenses such as list of issues, prehearing conferences, case status discussions, and courier expenses (\$4,452.29); and settlement-related activities including settlement discussions, settlement documents preparation, and activities related to seeking approval of the settlement and final order by the Commission (\$3,551.00). Subtracted from these costs were DWMR courtesy discounts totaling \$666.30.

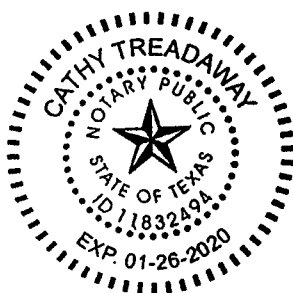
21. The provision of services in connection with Docket No. 47115 would have limited External Counsel's ability to accept and perform other work. Docket No. 47115 included numerous hard filing deadlines and required many hours of attorney time that could not be committed to other work.
22. DWMR brought value to Docket No. 47115 owing to the fact that the attorneys in the firm have represented the Company for many years and in numerous rate cases and other proceedings before the PUC. These attorneys' long-term relationship and knowledge of the Company's business and regulatory requirements enabled DWMR to capably and efficiently represent ETI in this matter. In particular, Mr. Britt has represented ETI in prior EECRF proceedings and is familiar with the Company's energy efficiency programs, goals, and revenue requirements.
23. External Counsel has extensive experience representing utilities before the PUC and other regulatory agencies. The firms enjoy excellent reputations in the area of utility regulation. Their lawyers have represented numerous utilities before the Commission for decades. I am personally familiar with the work and reputations of External Counsel and the particular attorneys and paralegals that provided services for Docket No. 47115. I am also personally familiar with the work and reputation of DWMR regarding its trial and appellate court practice involving appeals of administrative agency orders. Both firms have an excellent reputation in the area of administrative and utility practice as well.
24. The number of attorneys assigned to Docket No. 47115 was reasonable. ETI monitored the activities and charges of External Counsel and its own attorneys and staff to ensure no duplication of effort.

25. Ultimately, in Docket No. 47115, the Commission approved recovery of \$9,768,890 through the Company's 2018 EECRF, which was 100% of the amount requested. Thus, ETI derived significant value from the services rendered by its outside counsel and expert witness.
26. In my opinion, it was reasonable for ETI to engage External Counsel described above to assist in the preparation and presentation of Docket No. 47115. Moreover, the rates of External Counsel are very reasonable given the work performed, and the attorney's training, education, and experience. For the reasons explained above, it should be determined that the fees paid to, tasks performed by, and time expended by External Counsel were not extreme or excessive. As noted above, there were no charges for lodging, meals and beverages, or transportation or any evidence of duplication of effort. While ETI has broken out its expenses by issue or activity type, in an effort to comply with Rule 25.245(b)(6), the Company did not take any positions lacking a reasonable basis in law, policy, or fact. Finally, as ETI's total rate case expenses comprise less than 1% of the EECRF amounts requested and approved, I conclude that such expenses were not disproportionate, excessive, or extreme in relation to the nature or scope of Docket No. 47115.
27. In light of all the preceding factors, I conclude the Company's requested level of rate case expenses for Docket No. 47115 is reasonable."


 Wajiha Rizvi

Subscribed and sworn to before me today, April 25, 2018.


 Notary Public, in and for the State of Texas



PUCT DOCKET NO. _____

APPLICATION OF ENTERGY	§	
TEXAS, INC. FOR AUTHORITY	§	BEFORE THE
TO REDETERMINE RATES FOR	§	PUBLIC UTILITY COMMISSION OF
ENERGY EFFICIENCY COST	§	TEXAS
RECOVERY FACTOR	§	

AFFIDAVIT OF DANIEL J. LAWTON

I, Daniel Lawton, state the following facts upon my oath.

1. My name is Daniel Lawton. I am over eighteen years of age and am not disqualified from making this affidavit.
2. I am giving this affidavit to support the reasonableness of Cities' rate case expenses in *Application of Entergy Texas, Inc. For Authority to Redetermine Rates for the Energy Efficiency Cost Recovery Factor* (Entergy Texas, Inc.'s 2017 EECRF Proceeding), Docket No. 47115, filed with the Public Utility Commission of Texas in May of 2017.
3. I am an attorney with the Lawton Law Firm, P.C. ("Lawton Law Firm"), 12600 Hill Country Blvd., Suite R-275, Austin, Texas 78738. The Lawton Law Firm was retained by Cities to represent the interests of customers located within certain Cities served by Entergy Texas, Inc. ("ETI" or "Company") in *ETI's 2017 EECRF Proceeding*.¹
4. I address the reasonableness of actual fee related charges of the Lawton Law Firm, P.C. through August 2017 in Docket No. 47115 *ETI's 2017 EECRF Proceeding*. Cities' rate case expenses legal fees total \$12,931.00. Attached, as Exhibit 1 is a true and correct copy of the Lawton Law Firm's itemized invoices for rate case legal expenses incurred in Docket No. 47115. The invoices set out the time spent working on the case along with a description of the services performed.


¹ Cities of Anahuac, Beaumont, Bridge City, Cleveland, Conroe, Dayton, Groves, Houston, Huntsville, Liberty, Montgomery, Navasota, Nederland, Oak Ridge North, Orange, Pine Forest, Pinehurst, Port Arthur, Port Neches, Rose City, Shenandoah, Silsbee, Sour Lake, Splendora, Vidor, and West Orange ("Cities").

5. My billing rate is \$295 per hour. Ms. Molly Mayhall Vandervoort billing rate is \$200 per hour. These are our normal billing rates charged for services. These rates are reasonable for attorney providing these types of services before utility regulatory agencies in Texas. Part of the basis for my opinion is a review of the hourly rates charged by other attorneys to perform similar services.
6. The legal services hourly rates listed above are inclusive of ordinary out-of-pocket expenses. The Lawton Law Firm does not charge extra for normal copying, fax, deliveries (Federal Express), telephone and courier expenses. The Lawton Law Firm does charge for extraordinary expenses such as deposition transcripts, hearing transcripts, large copy jobs, and multiple copy requests such as the direct testimony of the experts, to be filed in this proceeding, that are sent out for copying.
7. The total rate case expense incurred by the Lawton Law Firm in Docket No. 47115 is \$12,931.00. The rate case expenses are provided in more detail in the table below.

Lawton Law Firm Expenses May 2018 Through August 2018 Docket No.			
Attorney	Hours Billed	Hourly Rate	Total
Daniel Lawton	33.8 Hours	\$295	\$9,971.00
Molly Vandervoort	14.8 Hours	\$200	\$2,960.00
Total			\$12,931.00

Actual invoices, including billing detail, are provided in Exhibit A. The time spent in this proceeding was for reviewing the case for compliance with the Commission's Energy Efficiency Rule and ETI's past agreements in energy efficiency cases, conducting discovery, analyzing the case, participating in settlement negotiations, finalizing settlement, and concluding the case.

8. Based on my experience relating to analysis of rate proceeding matters and the reasonableness of rate case expenses before the Public Utility Commission of Texas, I conclude that: (1) the hourly rates of the Lawton Law Firm are reasonable; (2) the actual hours billed by the Lawton Law Firm in Docket No. 47115 are reasonable; (3) the calculation of the total charges is correct; (4) there is no double-billing of charges; (5) none of the charges has been recovered through reimbursement for other expenses; (6) none of the charges should have been assigned to other matters; (7) there was no occasion on which there was billing by any attorney or associated legal personnel in excess of 12 hours in a single day; and (8) no luxury or personal items were included, such as first class travel, alcohol, valet parking, dry cleaning, designer coffee, or meals in excess of \$25 per person.²
9. I have concluded that the time spent by the Lawton Law Firm and the total expenses incurred by the Cities are proportionate to the efforts necessary to represent the Cities in ETI's 2017 EECRF proceeding, given the complexity of the issues, the originality of the work, the magnitude of the surcharge and bonus proposed, as well as the reconciliation of previous years energy efficiency costs.
10. The statements made in this affidavit are true and correct.



Daniel Lawton

² See *Application of El Paso Electric Company for Authority to Change Rates*, Docket No. 8363, 14 P.U.C. BULL. 2834, 2977-78 (May 5, 1989); See also, *Application of CenterPoint Energy Houston Electric, LLC for a Competition Transition Charge*, Docket No. 30706, Order (Jul. 14, 2005).

STATE OF TEXAS

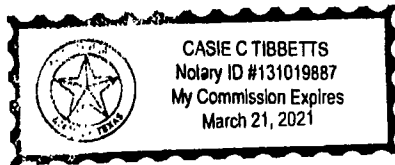
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COUNTY OF TRAVIS

§

SUBSCRIBED AND SWORN to before me, the undersigned authority, on the
23th day of April 2018, by Daniel Lawton.



Casie C. Tibbetts

Notary Public, State of Texas

My Commission Expires: 3/21/2021

EXHIBIT A

THE LAWTON LAW FIRM, P.C.

12600 Hill Country Blvd., Suite R-275 • Austin, Texas 78738 • 512/322-0019 • Fax: 512/329-2604

**INVOICE FOR SERVICES FOR April 2017 Invoice-PUC Docket Nos. 47115 –
Application of Entergy Texas, Inc. For Authority To Redetermine Rates For Energy
Efficiency Cost Recovery Factor**

Daniel Lawton			
Molly Mayhall	1.5 Hrs	\$200.00	\$300.00
Total Fees			\$300.00
EXPENSES:			
Total Fees and Expenses			\$300.00

* Please see attachment (Attachment Letter)

<p align="center">THE LAWTON LAW FIRM, P.C.</p>		
<p>INVOICE FOR SERVICES FOR April 2017 Invoice-PUC Docket Nos. 47115 – Application of Entergy Texas, Inc. For Authority To Redetermine Rates For Energy Efficiency Cost Recovery Factor</p>		
<p align="center">Molly Mayhall</p>		
4/20/17	1.5 Hrs	Draft rate case expense affidavit for ETI EECRF filing; review prior invoices correspondence w/ E. Britt re invoices
Total	1.5 Hrs	

THE LAWTON LAW FIRM, P.C.

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INVOICE FOR SERVICES FOR May 2017 Invoice-PUC Docket Nos. 47115 –
Application of Entergy Texas, Inc. For Authority To Redetermine Rates For Energy
Efficiency Cost Recovery Factor

Daniel Lawton	23.7 Hrs	\$295.00	\$6,991.50
Total Fees			\$6,991.50
EXPENSES:			
Total Fees and Expenses			\$6,991.50

* Please see attachment {Attachment Letter}

THE LAWTON LAW FIRM, P.C.

**INVOICE FOR SERVICES FOR May 2017 Invoice-PUC Docket Nos. 47115 –
Application of Entergy Texas, Inc. For Authority To Redetermine Rates For
Energy Efficiency Cost Recovery Factor**

Daniel Lawton

5/3/17	3.6 Hrs	Review EECRF filing and schedules
5/5/17	4.8 Hrs	Review EECRF filing and schedules
5/9/17	3.8 Hrs	Review EECRF filing and schedules
5/11/17	2.7 Hrs	Review EECRF filing and schedules
5/16/17	4.6 Hrs	Review Staff Issue list, Review EECRF filing and schedules
5/23/17	4.2 Hrs	Summary outline for clients on EECRF
Total	23.7 Hrs	

THE LAWTON LAW FIRM, P.C.

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INVOICE FOR SERVICES FOR June 2017 Invoice-PUC Docket Nos. 47115 –
Application of Entergy Texas, Inc. For Authority To Redetermine Rates For Energy
Efficiency Cost Recovery Factor

Daniel Lawton	10.1 Hrs	\$295.00	\$2,979.50
Molly Mayhall Vandervoort	11.2 Hrs	\$200.00	\$2,240.00
Total Fees			\$5,219.50
EXPENSES:			
Total Fees and Expenses			\$5,219.50

* Please see attachment {Attachment Letter}

THE LAWTON LAW FIRM, P.C.

**INVOICE FOR SERVICES FOR June 2017 Invoice-PUC Docket Nos. 47115 –
Application of Entergy Texas, Inc. For Authority To Redetermine Rates For
Energy Efficiency Cost Recovery Factor**

Daniel Lawton

6/6/17	1.2 Hrs	Review EECRF schedules re: bonus calculation
6/8/17	1.6 Hrs	Review EECRF filing potential bonus adjustment re: cost calculation
6/9/17	0.8 Hrs	Review EECRF filing and schedules
6/15/17	1.7 Hrs	Review EECRF filing and schedules
6/16/17	2.6 Hrs	Review Staff Issue list, Review EECRF filing and schedules
6/23/17	2.2 Hrs	Summary outline for clients on EECRF
Total	10.1 Hrs	

THE LAWTON LAW FIRM, P.C.

**INVOICE FOR SERVICES FOR May and June 2017 Invoice-PUC Docket
Nos. 47115 – Application of Entergy Texas, Inc. For Authority To Redetermine Rates
For Energy Efficiency Cost Recovery Factor**

Molly Mayhall Vandervoort

5/5/17	1.5 Hrs	Drafted motion to intervene & reviewed application
5/15/17	1.0 Hrs	Meet w/ DL review potential areas of issues in EECRF case
5/16/17	1.2 Hrs	Review application & draft update letter to clients re EECRF case
5/24/17	1.5 Hrs	Review application correspondence w/ parties regarding procedural schedule
6/7/17	0.6 Hrs	Review discovery
6/13/17	4.0 Hrs	Review Application & supporting testimony
6/14/17	0.9 Hrs	Attend prehearing conference via telephone
6/29/17	0.5 Hrs	Review Application & testimony
TOTAL	11.20 Hrs	

THE LAWTON LAW FIRM, P.C.

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**INVOICE FOR SERVICES FOR July 2017 Invoice-PUC Docket Nos. 47115 –
Application of Entergy Texas, Inc. For Authority To Redetermine Rates For Energy
Efficiency Cost Recovery Factor**

Molly Mayhall Vandervoort	2.1 Hrs	\$200.00	\$420.00
Total Fees			\$420.00
EXPENSES:			
Total Fees and Expenses			\$420.00

* Please see attachment {Attachment Letter}

THE LAWTON LAW FIRM, P.C.

**INVOICE FOR SERVICES FOR July 2017 Invoice-PUC Docket Nos. 47115 –
Application of Entergy Texas, Inc. For Authority To Redetermine Rates For Energy
Efficiency Cost Recovery Factor**

Molly Mayhall Vandervoort

<i>7/25/17</i>	<i>2.1 Hrs</i>	<i>Review Settlement and other case documents</i>
TOTAL	2.1 Hrs	