

Control Number: 48371



Item Number: 359

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**SOAH DOCKET NO. 473-18-3733
PUC DOCKET NO. 48371**

2018 AUG 13 PM 4:21

**APPLICATION OF ENTERGY
TEXAS, INC. FOR AUTHORITY
TO CHANGE RATES**

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BEFORE THE STATE OFFICE

**OF PUBLIC UTILITY COMMISSION
OF FILING CLERK**

ADMINISTRATIVE HEARINGS

**COMMISSION STAFF'S RESPONSE TO
ENTERGY TEXAS, INC. SECOND REQUEST FOR INFORMATION
QUESTION NO. ETI-STAFF 2-1**

The Staff of the Public Utility Commission of Texas (Staff) stipulates that the following response(s) to request(s) for information/production/disclosure may be treated by all parties as if the answers were filed under oath.

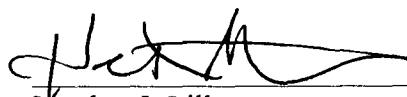
Dated: August 13, 2018

Respectfully Submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION**

Margaret Uhlig Pemberton
Division Director

Stephen Mack
Managing Attorney

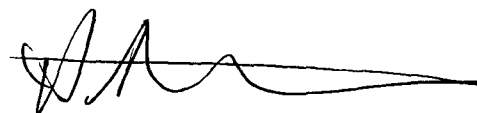


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CERTIFICATE OF SERVICE

I certify that a copy of this document will be served on all parties of record on August 13, 2018, in accordance with 16 TAC § 22.74.



Heath D. Armstrong

**SOAH DOCKET NO. 473-18-3733
PUC DOCKET NO. 48371**

**COMMISSION STAFF'S RESPONSE TO
ENERGY TEXAS, INC. FIRST REQUEST FOR INFORMATION
QUESTION NO. ETI-STAFF 2-1**

ETI-STAFF 2-1

Regarding page 6 of 8 of Attachment RS-1 to the Direct Testimony of Staff witness Ruth Stark, please explain and provide support for the functional breakout of the depreciation expense in the column labeled Staff Adjustments to Company Request and highlighted below.

SOAH DOCKET NO 473-18-3733
PUC DOCKET NO 48371
COMPANY NAME Entergy Texas, Inc
TEST YEAR END 31-Dec-17

Staff Schedule IIIA
Depre Exp

	Test Year Total (a)	Company Adjustments To Test Year (b)	Company Requested Test Year Total Electric (c)	Staff Adjustments To Company Request (d)= (e) - (c)	Staff Adjusted Total Electric (e)
Depreciation Expense					
Production	\$ 16,798,730	\$ 31,569,490	\$ 48,368,220	\$ (8,520,572)	\$ 39,847,648
Transmission	\$ 26,169,742	\$ 1,955,965	\$ 28,125,707	\$ (987,787)	\$ 27,137,920
Distribution	\$ 51,428,935	\$ 3,924,789	\$ 55,353,724	\$ (1,535,540)	\$ 53,818,184
General	\$ 4,974,859	\$ 1,044,249	\$ 6,019,108	\$ (204,308)	\$ 5,754,800
Subtotal Electric Depreciation	\$ 99,372,266	\$ 38,494,493	\$ 137,866,759	\$ (11,308,207)	\$ 126,558,552

RESPONSE:

The functional breakout of Staff's adjustments to depreciation expense shown above results from the addition of the three separate calculations shown on Bates page 16 of the workpapers of Ms. Stark.

First, the depreciable plant numbers shown at the top of that workpaper are the Company's requested depreciable plant balances per RFP Schedule D-4, reduced by the \$115,010,048 of post-test year additions shown at line 17 of Schedule D-4. The \$115,010,048 was functionalized by group based on the amounts identified on Schedule P/WP AJ 15, page 2 of 8, of the RFP. Staff's adjusted depreciable plant balances were multiplied by the depreciation rates identified on RFP Schedule D-4 with the exception of the rate for production assets which was based on the recommendation of Mr. Tuvilla.

The depreciation disallowance related to capitalized incentive compensation was functionalized based on each group's percentage of total depreciable plant.

The depreciation disallowance related to capitalized vegetation management was functionalized based on the response to Staff RFI 6-9.

Prepared by: Heath Armstrong
Sponsor: Ruth Stark