

Control Number: 48371



Item Number: 383

Addendum StartPage: 0

SOAH DOCKET NO. 473-18-3733

PUC DOCKET NO. 48371

2018 AUG 16 PM 2:47

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

§  
§  
§

BEFORE THE STATE OFFICE  
OF  
ADMINISTRATIVE HEARINGS

REVENUE REQUIREMENT

REBUTTAL TESTIMONY

OF

RICHARD E. LAIN

ON BEHALF OF

ENTERGY TEXAS, INC.

August 16, 2018

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

**APPLICATION OF ENTERGY § BEFORE THE STATE OFFICE  
TEXAS, INC. FOR AUTHORITY TO § OF  
CHANGE RATES § ADMINISTRATIVE HEARINGS**

**TABLE OF CONTENTS**

	<b><u>PAGE</u></b>
I. Introduction.....	1
II. Post-Test Year Revenue Adjustment.....	1
III. Conclusion .....	2

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27

**REBUTTAL TESTIMONY OF RICHARD E. LAIN**

**I. Introduction**

**Q1. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

A. My name is Richard E. Lain. My business address is 919 Congress, Suite 740, Austin, Texas 78701.

**Q2. ARE YOU THE SAME RICHARD E. LAIN WHO PREVIOUSLY FILED DIRECT TESTIMONY IN THIS PROCEEDING?**

A. Yes, I provided direct testimony on behalf of Entergy Texas, Inc. (“ETI”).

**Q3. PLEASE STATE THE PURPOSE OF YOUR REVENUE REQUIREMENT REBUTTAL TESTIMONY.**

A. I address contentions by Texas Industrial Energy Consumers (“TIEC”) witness Jeffry Pollock and Office of Public Utility Counsel (“OPUC”) witness Constance T. Cannady concerning the load growth associated with ETI’s proposed post-Test Year adjustment (“PTYA”) to its cost of service for capital investment,<sup>1</sup> and in connection provide the level of load growth revenues that could arguably be associated with the PTYA.

**II. Post-Test Year Revenue Adjustment**

**Q4. MR. POLLOCK AND MS. CANNADY ARGUE THAT ETI SHOULD HAVE UPDATED ITS NUMBER OF CUSTOMERS ASSOCIATED WITH KWH SALES AND BASE REVENUES THROUGH JUNE 2018 IN ASSOCIATION WITH ITS PROPOSED PTYA. DO YOU AGREE WITH THIS ASSERTION?**

A. No. ETI does not believe revenues are, strictly speaking, an attendant impact to its proposed PTYA. However, in order to lessen the number of contested issues in this

---

<sup>1</sup> Direct Testimony and Exhibits of Jeffry Pollock (Revenue Requirement) at 31:16–20; Direct Testimony of Constance T. Cannady at 11:6–13.

1 case, we have included revenues in our calculation of the PTYA revenue  
2 requirement based on actual dollars closed to plant-in-service as of June 30, 2018.

3

4 **Q5. WHAT DO YOU PROPOSE THE COMMISSION APPROVE FOR ETI'S**  
5 **REVENUE ADJUSTMENT FOR ITS PTYA?**

6 A. I have calculated ETI's proposed revenue to be applied to its proposed PTYA. The  
7 appropriate amount of revenue attributable to the PTYA is \$2.33 million. To  
8 calculate this amount, I applied the overall change in adjusted billing units from the  
9 end of the test year (i.e., December 31, 2017) through June 30, 2018 (the final day  
10 assets were booked to plant-in-service for the PTYA) to the proposed PTYA  
11 expenses (e.g., depreciation, federal income taxes, and taxes other than income) and  
12 return (at ETI's proposed cost of capital) on net plant-in-service (updated for the  
13 PTYA). My workpapers include additional detail.

14

15 **III. Conclusion**

16 **Q6. DOES THIS CONCLUDE YOUR REVENUE REQUIREMENT REBUTTAL**  
17 **TESTIMONY?**

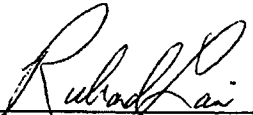
18 A. Yes, it does.

**AFFIDAVIT OF RICHARD E. LAIN**

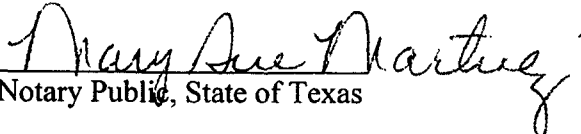
THE STATE OF TEXAS                    )  
  )  
COUNTY OF TRAVIS                    )

This day, Richard E. Lain the affiant, appeared in person before me, a notary public, who knows the affiant to be the person whose signature appears below. The affiant stated under oath:

My name is Richard E. Lain. I am of legal age and a resident of the State of Texas. The foregoing testimony and exhibits offered by me are true and correct, and the opinions stated therein are, to the best of my knowledge and belief, accurate, true and correct.

  
\_\_\_\_\_  
Richard E. Lain

SUBSCRIBED AND SWORN TO BEFORE ME, notary public, on this the 13<sup>th</sup> day of August 2018.

  
\_\_\_\_\_  
Notary Public, State of Texas

My Commission expires:  
1/2/2022

