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**SOAH DOCKET NO. 473-22-04394
PUC DOCKET NO. 53719**

APPLICATION OF ENTERGY TEXAS, INC. FOR AUTHORITY TO CHANGE RATES	§ § §	STATE OFFICE OF ADMINISTRATIVE HEARINGS
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**RESPONSE OF ENTERGY TEXAS, INC.
TO OPUC’S FIFTH REQUEST FOR INFORMATION:
OPUC 5:1 THROUGH 6**

Entergy Texas, Inc. (“ETI” or the “Company”) files its Response to OPUC’s Fifth Request for Information. The response to such request is attached and is numbered as in the request. An additional copy is available for inspection at the Company’s office in Austin, Texas.

ETI believes the foregoing response is correct and complete as of the time of the response, but the Company will supplement, correct or complete the response if it becomes aware that the response is no longer true and complete, and the circumstance is such that failure to amend the answer is in substance misleading. The parties may treat this response as if it were filed under oath.

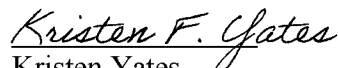
Respectfully submitted,


Kristen Yates
ENTERGY SERVICES, LLC
919 Congress Avenue, Suite 701
Austin, Texas 78701
Office: (512) 487-3962
Facsimile: (512) 487-3958

Attachments: **OPUC 5:1 THROUGH 6**

CERTIFICATE OF SERVICE

I certify that a copy of the foregoing Response of Entergy Texas, Inc. to OPUC’s Fifth Request for Information has been sent by either hand delivery, electronic delivery, facsimile, overnight delivery, or U.S. Mail to the party that initiated this request in this docket on this the 20th day of September 2022.


Kristen Yates

ENTERGY TEXAS, INC.
PUBLIC UTILITY COMMISSION OF TEXAS
DOCKET NO. 53719

Response of: Entergy Texas, Inc.
to the Fifth Set of Data Requests
of Requesting Party: Office of Public Utility
Counsel

Prepared By: David C. Batten
Sponsoring Witness: David C. Batten
Beginning Sequence No. EV1551
Ending Sequence No. EV1552

Question No.: OPUC 5-1

Part No.:

Addendum:

Question:

Please refer to ETI Response to OPUC RFI No. 2-6. Please provide a detailed explanation of the significant increases in the Entergy Services, LLC ("ESL") charges to ETI in accounts 926000 and 926NSI between 2020 and 2021. Please include in your response a schedule that provides a breakdown of the amounts related to any settlement charges discussed by Mr. Batten in his direct testimony, page 6. Please also confirm or deny that the settlement amounts reflect 1/3rd of the total based on the proposed three-year amortization of these expenses.

Response:

The majority of the increase in Entergy Services, LLC ("ESL") charges to Entergy Texas, Inc. ("ETI") in account 926000 and 926NSI relates to increases in Qualified Pension Plan expenses, primarily due to 1) a decrease in the discount rates contributing to an increase in the Qualified Pension Plan obligation and related expenses, and 2) \$3.9 million in settlement charges recognized in 2021 as the result of lump sum benefit payments exceeding the sum of the plans' service cost and interest cost. Total increases in charges from ESL by cost type are as follows:

Total ESL Charges billed to ETI

	<u>Base Costs</u> <u>(2019</u>	<u>2020</u>		<u>2021</u>	
	<u>Actuals)</u>	Actuals	Variance	Actuals	Variance
Qualified Pension					
Base Charges	3,446,059	5,339,109	1,893,051	5,599,379	2,153,321
Settlement Charges				3,864,037	3,864,037
Non-Qualified Pension	1,676,217	1,396,188	(280,029)	1,826,261	150,044
Other Postemployment Benefits	631,112	532,333	(98,779)	476,615	(154,497)
Other Benefits	4,597,250	4,948,800	351,550	5,547,260	950,009
	10,350,638	12,216,430	1,865,792	17,313,551	6,962,913

Deny. 70 percent of the qualified pension reserve to be amortized over three years relates to settlement charges including ESL charges billed to ETI, along with charges recorded directly at ETI. The total costs included in the reserve are as follows:

Charges to the Qualified Pension Reserve

	2020	2021	Total	
Base Charges	2,496,476	2,753,856	5,250,332	30%
Settlement Charges	2,089,759	10,150,435	12,240,194	70%
Total Increase charged to Reserve	4,586,235	12,904,291	17,490,526	100%

In total, \$12.2 million in settlement charges recognized directly at ETI and billed from ESL were recorded to the reserve for qualified pension costs during 2020 and 2021, which represents 70 percent of the total \$17.5 million charged to the reserve during the period. As explained in the Direct Testimony of David C. Batten, pages 5-6 (Q14), these charges were primarily caused by participants electing to receive lump-sum distributions of their pension value in lieu of a stream of payments after retirement. These distributions will reduce the size and rate of growth of ETI's pension liability, which in turn reduces ETI's customers' exposure to changes in market conditions.

ENTERGY TEXAS, INC.
PUBLIC UTILITY COMMISSION OF TEXAS
DOCKET NO. 53719

Response of: Entergy Texas, Inc.
to the Fifth Set of Data Requests
of Requesting Party: Office of Public Utility
Counsel

Prepared By: Josh Paternostro, Jo Ann
Sivori
Sponsoring Witness: Allison P. Lofton
Beginning Sequence No. EV1545
Ending Sequence No. EV1545

Question No.: OPUC 5-2

Part No.:

Addendum:

Question:

Please refer to ETI Response to OPUC RFI No. 1-14, TP-53719-00OPC001-Z014. Please confirm or deny that a computation of the total ESL incentive compensation charged to ETI plant in service can be determined by dividing the amounts shown on OPUC RFI No. 1-14, page 1, by the corresponding percentages included on OPUC 1-14, page 2. If deny, provide the total amount of ESL incentive compensation that was charged to ETI capital prior to determining the financially based exclusions in FERC Accounts 101 and 106 for each of the periods shown on OPUC RFI No. 1-14, page 1. Please also confirm or deny that the amounts shown on OPUC RFI No. 1-4, page 1, include both annual and long-term incentive compensation for ESL employees. If deny, please provide an explanation.

Response:

Deny. A computation of the total Entergy Services, LLC (“ESL”) incentive compensation charged to Entergy Texas, Inc. (“ETI”) plant in service cannot be determined by dividing the amounts shown on OPUC 1-14, page 1, by the corresponding percentages included on OPUC 1-14, page 2. The ESL incentive compensation amounts included in plant in service FERC accounts 101 and 106 are recorded at a summary level and cannot be identified prior to determining the financially based exclusions on OPUC 1-14 as requested. The total amount of ESL incentive compensation charged to ETI and included in construction work in progress (“CWIP”) FERC account 107 by year from January 1, 2018 through December 31, 2021 is included in attachment (TP-53719-00OPC005-X002). The timing of when the amounts recorded to CWIP are closed to plant in service and reflected in FERC accounts 101 and 106 varies based on the in-service date of the individual capital project codes.

Confirm. The amounts shown on page 1 of the Company’s response to OPUC 1-4 include both annual and long-term incentive compensation for ESL employees.

Annual Incentive Compensation Amounts capitalized to Construction Work in Progress at ESL
and allocated to ETI prior to exclusion of financially based amounts:

Year	Account	Amount
2018	107000	2,635,176
2019	107000	3,878,505
2020	107000	3,646,708
2021	107000	3,706,420
Total		13,863,281

Long-Term Incentive Compensation amounts capitalized to Construction Work in Progress at ESL
and allocated to ETI prior to exclusion of financially based amounts:

Year	Account	Amount
2018	107000	1,008,983
2019	107000	1,362,393
2020	107000	1,671,590
2021	107000	1,936,594
Grand Total		5,979,560

ENTERGY TEXAS, INC.
PUBLIC UTILITY COMMISSION OF TEXAS
DOCKET NO. 53719

Response of: Entergy Texas, Inc.
to the Fifth Set of Data Requests

Prepared By: Kaitlyn Roberts
Sponsoring Witness: Allison P. Lofton,
Jennifer A. Raeder

of Requesting Party: Office of Public Utility
Counsel

Beginning Sequence No.
Ending Sequence No.

Question No.: OPUC 5-3

Part No.:

Addendum:

Question:

Please refer to ETI Response to OPUC RFI No. 1-10. Please provide a schedule that shows the breakdown between capitalized incentive compensation and expense incentive compensation booked by ETI during the test year that includes:

- a. The total amount of capitalized incentive compensation for each of the annual incentive plans for awards to ETI direct employees;
- b. The total amount of capitalized incentive compensation for each of the long-term incentive plans for awards to ETI direct employees;
- c. The total amount of the capitalized incentive compensation for each of the annual incentive plans for awards to ESL employees as allocated to ETI;
- d. The total amount of the annual incentive compensation by annual incentive plan for awards to ETI direct employees that was expensed during the test year;
- e. The total amount of long-term incentive compensation by long-term incentive plan for awards to ETI direct employees that was expensed during the test year;
- f. The total amount of annual incentive compensation by annual incentive plan for awards to ESL employees and allocated to ETI as expense during the test year; and
- g. The total amount of long-term incentive compensation by long-term incentive plan for awards to ESL employees and allocated to ETI as expense during the test year.

Please provide this information both before and after proposed adjustments.

Response:

Please see the attachment (TP-53719-00OPC005-X003).

Total ETI Direct short-term capitalized incentive compensation

EAIP (Executive Annual Incentive Plan)	EXIP (Exempt Incentive Plan)	OSIP (Operational Supervisor Incentive Plan)	SMIP (System Management Incentive Plan)	TSIP (Teamsharing Incentive Plan)	TSPB (Teamsharing Plan for Selected Bargaining Units)	Adjustments ⁽¹⁾	Total Amount Booked during the Test Year ⁽²⁾
	911,355	186,903	270,075	13,004	226,828	425,597	2,033,763

Notes:

⁽¹⁾ ETI Direct short term capitalized incentive compensation does not include financially-based incentive compensation therefore there is no adjusting entry on the books to remove the financially-based portion.

⁽²⁾ ETI Amounts recorded to construction work in progress (CWIP) account 107000. The timing of when the CWIP charges closed to plant in service (accounts 101/106) cannot be determined as the transactions are not recorded in the accounting system at that level of detail.

Total ETI Direct long-term capitalized incentive compensation

Equity Ownership Plan	Long Term Incentive Plan	Restricted Share Program	Restricted Stock Program	Adjustments (1)	Total Amount Booked during the Test Year (2)
13,356	32,276		144,030	(45,611)	144,051

Notes:

(1) An adjusting entry to remove stock options and long term incentive is recorded on ETI's books and is reflected in the test year amounts.

(2) ETI Amounts recorded to construction work in progress (CWIP) account 107000. The timing of when the CWIP charges closed to plant in service (accounts 101/106) cannot be determined as the transactions are not recorded in the accounting system at that level of detail.

Total ESL short-term capitalized incentive compensation

EAIP (Executive Annual Incentive Plan)	EXIP (Exempt Incentive Plan)	OSIP (Operational Supervisor Incentive Plan)	SMIP (System Management Incentive Plan)	TSIP (Teamsharing Incentive Plan)	TSPB (Teamsharing Plan for Selected Bargaining Units)	Not Assigned	Adjustments ⁽¹⁾	Total Amount Booked during the Test Year ⁽²⁾
39,714	1,457,500	12,461	1,678,927	24,288	40	493,730	(250,281)	3,456,378

Notes:

⁽¹⁾ An adjusting entry to remove a portion of EAIP short term capitalized incentive compensation that is considered financially-based is done on the books and is reflected in the test year amounts.

⁽²⁾ Reflects amount recorded to construction work in progress (CWIP) account 107000. The timing of when the CWIP charges closed to plant in service (accounts 101/106) cannot be determined as the transactions are not recorded in the accounting system at that level of detail.

Total ETI Direct short-term incentive compensation expensed during the Test Year

EAIP (Executive Annual Incentive Plan)	EXIP (Exempt Incentive Plan)	OSIP (Operational Supervisor Incentive Plan)	SMIP (System Management Incentive Plan)	TSIP (Teamsharing Incentive Plan)	TSPB (Teamsharing Plan for Selected Bargaining Units)	Not Assigned	Total Booked during the test year	Adjustments ⁽¹⁾	Total Adjusted Amount
38,323	1,034,312	93,846	752,205	112,787	251,521	1,340,202	3,623,197	7,515	3,630,711

Notes:

⁽¹⁾ Reference proforma adjustment AJ14K - Distribution Staffing Increase, AJ23 - Remove Securitized Storm Costs, and AJ30 - Remove AMS Costs.

Total ETI Direct long-term incentive compensation expensed during the Test Year

Equity Ownership Plan	Long Term Incentive Plan	Restricted Stock Program	Total Booked during the test year	Adjustment ⁽¹⁾	Total Adjusted Amount
70,249	54,974	240,253	365,476	(127,803)	237,672

Notes:

⁽¹⁾ Reference proforma adjustment AJ22A - Direct Incentive Compensation

Total ESL short-term incentive compensation expensed during the Test Year

EAIP (Executive Annual Incentive Plan)	EXIP (Exempt Incentive Plan)	OSIP (Operational Supervisor Incentive Plan)	SMIP (System Management Incentive Plan)	TSIP (Teamsharing Incentive Plan)	TSPB (Teamsharin g Plan for Selected Bargaining Units)	Not Assigned	Total Booked during the test year	Adjustments (⁽¹⁾)	Total Adjusted Amount
238,903	2,024,272	7,196	2,381,419	75,653	15	572,609	5,300,067	(307,100)	4,992,967

Notes:

⁽¹⁾ Reference proforma adjustment AJ22B - Affiliate Incentive Compensation and AJ30 - Remove AMS Costs

Total ESL long-term incentive compensation expensed during the Test Year

Equity Ownership Plan	Long Term Incentive Plan	Restricted Share Program	Restricted Stock Program	Total Booked during the test year	Adjustments (1)	Total Adjusted Amount
252,687	1,530,352	206,669	2,128,939	4,118,646	(2,046,920)	2,071,725

Notes:

(1) Reference proforma adjustment AJ22B - Affiliate Incentive Compensation and AJ30 - Remove AMS Costs

ENTERGY TEXAS, INC.
PUBLIC UTILITY COMMISSION OF TEXAS
DOCKET NO. 53719

Response of: Entergy Texas, Inc.
to the Fifth Set of Data Requests
of Requesting Party: Office of Public Utility
Counsel

Prepared By: Lauren Hayes, Lynsi Oster
Sponsoring Witness: Jennifer A. Raeder
Beginning Sequence No. EV1548
Ending Sequence No. EV1548

Question No.: OPUC 5-4

Part No.:

Addendum:

Question:

Please refer to the Direct Testimony of Mr. Jennifer Raeder, page 11. Please confirm or deny that the Entergy Achievement Multiplier ("EAM") for the 2022 annual incentive compensation payout was 125%. If deny, provide the EAM that was used to determine incentive compensation for each of the annual incentive plans for which the EAM is applicable.

Response:

Confirm. For Entergy's funded incentive plans (EAIP, SMIP, OSIP, EXIP), the Entergy Achievement Multiplier ("EAM") of 125% was used to determine the 2021 annual incentive compensation funding pool for incentives paid in 2022. Please see the publicly available Entergy's Notice of 2022 Annual Meeting of Shareholders and Proxy Statement on page 7 for further details on the 2021 EAM.

Please refer to the Direct Testimony of Jennifer A. Raeder, page 7 (Q17), and Exhibit JAR-1 for descriptions of the Company's annual incentive plans.

ENTERGY TEXAS, INC.
PUBLIC UTILITY COMMISSION OF TEXAS
DOCKET NO. 53719

Response of: Entergy Texas, Inc.
to the Fifth Set of Data Requests
of Requesting Party: Office of Public Utility
Counsel

Prepared By: Jonathan Cicio
Sponsoring Witness: Andrew L. Dornier
Beginning Sequence No. EV1550
Ending Sequence No. EV1550

Question No.: OPUC 5-5

Part No.:

Addendum:

Question:

Please refer to Schedule E-2.3 sponsored by Mr. Dornier. Please provide an explanation for the significant increase in the Spindletop on-site storage capacity and amount of cushion gas required at Spindletop when compared to these two measures shown on the same schedule in Docket No. 48371.

Response:

Since the measures included in Schedule E-2.3 in Docket No. 48731, there have been reviews of the Spindletop caverns by WSP, Inc. ("WSP"). First, WSP performed a re-watering and workover of the Spindletop caverns. After the work was complete, WSP used a program called Salt Cavern Thermal Simulator ("SCTS") in order to calculate the updated sonar volumes of both caverns. During this process, WSP used a pressure and temperature probe throughout the well bore and was able to calculate what the updated workable and cushion gas inventory were for both caverns. Based upon the results of this verification, the overall workable and cushion gas capacity increased. Subsequently, WSP performed a volume calculation update for the Spindletop caverns to determine the volume considering any additional cavern creeping as of November 22, 2021. WSP measured an increase in unusable gas storage capacity (cushion gas) due to cavern creeping. Cavern creeping is defined as the closure rate of the cavern over time. Cushion gas is outlined by salt, which is somewhat plastic, and the void that is created over time naturally closes in small increments. Based on this most recent review by WSP, the Spindletop caverns' overall volume is 11.023 BCF and unusable gas storage capacity is 5.123 BCF as shown on Schedule E-2.3.

ENTERGY TEXAS, INC.
PUBLIC UTILITY COMMISSION OF TEXAS
DOCKET NO. 53719

Response of: Entergy Texas, Inc.
to the Fifth Set of Data Requests
of Requesting Party: Office of Public Utility
Counsel

Prepared By: Joseph R. Gay
Sponsoring Witness: Andrew Dornier
Beginning Sequence No. LC419
Ending Sequence No. LC420

Question No.: OPUC 5-6

Part No.:

Addendum:

Question:

Please refer to the Direct Testimony of Mr. Dornier, Exhibit ALD-1, WP/ALD Testimony 2 HSPM. Please provide the monthly injections, measured in MMBTUs, and the monthly withdrawals, measured in MMBTUs, at Spindletop for the period January 2018 through December 2020.

Response:

Information included in the response contains highly sensitive protected (“highly sensitive”) materials. Specifically, the responsive materials are protected pursuant to Texas Government Code Sections 552.101 and/or 552.110. Highly sensitive materials will be provided pursuant to the terms of the Protective Order in this docket.

Please see the highly sensitive attachment (TP-53719-00OPC005-X006_HSPM). Highly sensitive materials have been included on the secure ShareFile site provided to the parties that have executed protective order certifications in this proceeding.

**DESIGNATION OF PROTECTED MATERIALS PURSUANT TO
PARAGRAPH 4 OF DOCKET NO. 53719 PROTECTIVE ORDER**

The Response to this Request for Information includes Protected Materials within the meaning of the Protective Order in force in this Docket. Public Information Act exemptions applicable to this information include Tex. Gov't Code Sections 552.101 and/or 552.110. ETI asserts that this information is exempt from public disclosure under the Public Information Act and subject to treatment as Protected Materials because it concerns competitively sensitive commercial and/or financial information and/or information designated confidential by law.

Counsel for ETI has reviewed this information sufficiently to state in good faith that the information is exempt from public disclosure under the Public Information Act and merits the Protected Materials Designation.

Kristen F. Yates
Entergy Services, LLC.

The following files are not convertible:

TP-53719-00OPC005-X002.xlsx

TP-53719-00OPC005-X003.xlsx

Please see the ZIP file for this Filing on the PUC Interchange in order to access these files.

Contact centralrecords@puc.texas.gov if you have any questions.