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

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

TEXAS INDUSTRIAL ENERGY CONSUMERS FIRST REQUEST FOR
INFORMATION TO ENTERGY TEXAS, INC.

Pursuant to 16 T.A.C. § 22.144, Texas Industrial Energy Consumers (“TIEC”) requests that Entergy Texas, Inc. (“ETI”) provide all of the information requested in Exhibit “A” within the time frame specified under the procedural schedule set in this proceeding.

Pursuant to 16 T.A.C. § 22.144(c)(2), TIEC further requests that answers to the requests for information be made under oath. Each answer should identify the person responsible for preparing that answer (other than the purely clerical aspects of its preparation) and the name of the witness in this proceeding who will sponsor the answer and who can vouch for its accuracy. In producing documents pursuant to this request for information, please indicate the specific request(s) to which the document is being produced. These requests are continuing in nature, and should there be, for any reason, a change in circumstances which would modify or change an answer supplied by you, such changed answer should be submitted immediately as a supplement to your original answer pursuant to 16 T.A.C. § 22.144(i). Please answer each request and sub-request in the order in which they are listed and in sufficient detail to provide a complete and accurate answer to the request. TIEC further requests that each item of information be made available as it is completed, rather than upon compilation of all information requested.

All information responsive to the requests on the attached Exhibit “A” should be sent to the following persons via overnight courier, on a piecemeal basis as individual items become available:

Mr. Rex D. VanMiddlesworth
Mr. Benjamin B. Hallmark
Mr. Christian E. Rice
303 Colorado St., Suite 2750
Austin, TX 78701
(737) 261-8600
rexvanm@omm.com
bhallmark@omm.com
crice@omm.com
OMMeservice@omm.com

DEFINITIONS AND INSTRUCTIONS

A. “ETI,” “the Company” or “you” refers to Entergy Texas Inc., and its affiliates, subsidiaries, and any person acting or purporting to act on their behalf, including without limitation, attorneys, agents, advisors, investigators, representatives, employees or other persons.

B. The terms “document” or “documents” are used in their broadest sense to include, by way of illustration and not limitation, all written or graphic matter of every kind and description whether printed, produced, reproduced or stored by any process whether visually, magnetically, mechanically, electronically or by hand, whether final or draft, original or reproduction, whether or not claimed to be privileged or otherwise excludable from discovery, and whether or not in your actual or constructive possession, custody, or control. The terms include writings, correspondence, telegrams, memoranda, studies, reports, surveys, statistical compilations, notes, calendars, tapes, computer disks, data on computer drives, e-mail, cards, recordings, contracts, agreements, invoices, licenses, diaries, journals, accounts, pamphlets, books, ledgers, publications, microfilm, microfiche and any other data compilations from which information can be obtained and translated, by you if necessary, into reasonably usable form. The definition includes electronic information that has been deleted. “Document” or “documents” shall also include every copy of a document where the copy contains any commentary or notation of any kind that does not appear on the original or any other copy.

C. Pursuant to Rule 196.4 of the Texas Rules of Civil Procedure, TIEC specifically requests that any electronic or magnetic information (which is included in the definition of “document”) that is responsive to a request herein be produced on CD-ROM in a format that is compatible with Adobe Acrobat, Microsoft, Macintosh and/or Word Perfect and be produced with your response to these requests. If emails are responsive to these requests, please provide a searchable .pdf copy of the entire email string. Attachments to emails should be provided with the email in searchable .pdf form, unless it is stored in a different format, in which the attachment should be produced in its native format and provided on CD-Rom.

D. The terms “and” and “or” shall be construed both disjunctively and conjunctively as necessary to make the request inclusive rather than exclusive.

E. “Each” shall be construed to include the word “every” and “every” shall be construed to include the word “each.”

F. “Any” shall be construed to include “all” and “all” shall be construed to include “any.”

G. The term “concerning,” or one of its inflections, includes the following meanings: relating to; referring to; pertaining to; regarding; discussing; mentioning; containing; reflecting; evidencing; describing; showing; identifying; providing; disproving; consisting of; supporting; contradicting; in any way legally, logically or factually connected with the matter to which the term refers; or having a tendency to prove or disprove the matter to which the term refers.

H. The term “including,” or one of its inflections, means and refers to “including but not limited to.”

I. Words used in the plural shall also be taken to mean and include the singular. Words used in the singular shall also be taken to mean and include the plural.

J. The present tense shall be construed to include the past tense, and the past tense shall be construed to include the present tense.

K. If any document is withheld under any claims of privilege, please furnish a list identifying each document for which a privilege is claimed together with the following information: date, sender, recipients of copies, subject matter of the document, and the basis upon which such privilege is claimed. This instruction is not intended to impose an obligation greater than contemplated by the Commission’s rules and any applicable orders in this case.

L. Pursuant to 16 T.A.C. § 22.144(h)(4), if the response to any request is voluminous, please provide a detailed index of the voluminous material.

M. If the information requested is included in previously furnished exhibits, workpapers, and responses to other discovery inquiries or otherwise, in hard copy or electronic format, please furnish specific references thereto, including Bates Stamp page citations and detailed cross-references.

N. The term “emails” includes the entire email string and all attachments found anywhere within the email string. Please refer to paragraph “D.” regarding specific instructions for producing such items.

O. “Communications” refers to correspondence of any kind, including emails.

P. “Identify” and “describe” shall have the meaning set forth below according to the context in which the term is used:

- i. When used in reference to an individual, shall mean to state his or her full name, business affiliation, job title, and business address and telephone number;
- ii. When used in reference to a corporation, shall mean to state its full name, its state of incorporation, its address and its principal place of business;

- iii. When used in reference to any entity other than an individual or corporation, shall mean to state its official name, its organizational form and its address;
- iv. When used in reference to a document, shall mean to state the type of document, date, author, addressee, title, its present location, the name and address of its custodian, and the substance of the contents thereof. In lieu of identifying any document, copies thereof may be furnished; and
- v. When used in reference to a communication, shall mean to state the form of the communication (e.g., telephone conversation, letter, telegram, teletype, telecopy, written memorandum, face to face conversation, or any other form), the date of the communication or the dates on which the communication was sent and/or received if not the same, the parties to the communication, the party who initiated it, the substance of the communication, and the present location and the name and address of the custodian if the communication was non-verbal and/or of any written memorialization of the communication.

Respectfully submitted,

O'MELVENY & MYERS LLP

/s/ Benjamin B. Hallmark

Rex D. VanMiddlesworth

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Benjamin B. Hallmark

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**ATTORNEYS FOR TEXAS INDUSTRIAL
ENERGY CONSUMERS**

CERTIFICATE OF SERVICE

I, Christian E. Rice, Attorney for TIEC, hereby certify that a copy of this document was served on all parties of record in this proceeding on this 25th day of July, 2022 by electronic mail, facsimile, and/or First Class, U.S. Mail, Postage Prepaid.

/s/ Christian E. Rice

Christian E. Rice

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**TEXAS INDUSTRIAL ENERGY CONSUMERS FIRST REQUEST FOR
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- TIEC 1-1** To the extent not already provided, please provide all schedules, exhibits, tables, figures and supporting workpapers in electronic format with all formulas intact supporting the testimonies of ETI witnesses Ann E. Bulkley, Jess K. Totten, Bobby R. Sperandeo and Allison P. Lofton. This is an ongoing request for all subsequent testimonies.
- TIEC 1-2** On an electronic spreadsheet with all formulas intact, please provide all Schedules of ETI's filing, where applicable.
- TIEC 1-3** Referring to Schedule K-6 of ETI's filing, on an electronic spreadsheet with all formulas intact, please provide all workpapers and data used to calculate the ratios shown on that schedule during the historical, test year, and the projected periods.
- TIEC 1-4** Please provide complete copies of all publications and credit reports referenced or considered in forming opinions to be expressed in the testimonies of ETI witnesses Ann E. Bulkley, Jess K. Totten, Bobby R. Sperandeo and Allison P. Lofton. This is an ongoing request for all subsequent testimonies filed by these witnesses.
- TIEC 1-5** In regard to Ms. Bulkey's ECAPM analysis please provide any academic publication subject to a peer review that supports using Value Line adjusted betas in the construction of the ECAPM.
- TIEC 1-6** Please provide copies of all credit reports published by Standard & Poor's ("S&P"), Moody's and Fitch Ratings for ETI and its parent company issued over the last two years. This is an ongoing request.
- TIEC 1-7** Please provide complete copies of all credit reports issued by S&P, Moody's and Fitch Ratings over the last two years that discuss the current regulated utility industry as reviewed by any ETI witness. If ETI witnesses have not reviewed the material, please so state. This is an ongoing request.
- TIEC 1-8** Please provide copies of all correspondence, presentations and all other materials that ETI or its parent company provided to credit and equity analysts over the last two years. This is an ongoing request.

- TIEC 1-9** Please provide a projection of ETI's capital expenditures out over the next five years, and an estimate of the sources of cash available to fund these capital expenditures broken out by external debt markets, external equity infusions from its parent company, retained earnings, depreciation expense, deferred taxes and other sources (explain). Please also include in this response the funding planned for debt maturity, retirements and/or refinancing over this same time period.
- TIEC 1-10** In electronic format with all formulas intact, please provide the monthly average balances for construction work in progress and short-term debt for the most recent 13-month period. Please identify the amount of short-term debt included in the regulatory capital structure
- TIEC 1-11** Please identify the Commission-authorized capital structure and costs of capital in ETI's last two fully litigated rate cases for its Texas retail operations.
- TIEC 1-12** Please provide the amount of capitalized interest estimated to be paid during the test year related to construction projects.
- TIEC 1-13** In electronic format with all formulas intact, please provide the five-year projected and five-year historical capital structure, capital expenditures and capital funding. Please include a breakdown of all sources of equity capital including retained earnings, paid-in capital, and debt capital, both long-term and short-term debt, etc.
- TIEC 1-14** Please describe how ETI accesses external capital. If the Company's external capital is provided by its parent company under a credit agreement, please describe the terms of the credit agreement and the associated service fees.
- TIEC 1-15** Please provide the most recent senior secured, unsecured and corporate credit ratings of ETI, assigned by S&P, Moody's and Fitch. Also, please provide ETI's S&P business and financial risk profiles and identify the benchmark volatility table (standard, medial or low) used by S&P.
- TIEC 1-16** To the extent not already provided, please provide in electronic format with all formulas intact, ETI's credit metric calculations relied on by S&P and Moody's for the last five years and test year cost of service projections. Please include all financial statements used to derive these credit metrics. In addition, please provide S&P and Moody's benchmark ranges for the credit metrics.
- TIEC 1-17** Please provide a detailed explanation of ETI's dividend payment and debt financing plans through the test period.
- TIEC 1-18** Please state whether ETI's regulated retail operations have any off-balance sheet debt such as purchased power agreements and operating leases. If the answer is "yes," provide the amount of each off-balance sheet debt item and estimate the related imputed interest and amortization expense associated with these off-balance sheet debt equivalents specific to ETI's jurisdictional regulated retail operations.

TIEC 1-19 Do any of ETI's outstanding long-term debt issues have call provisions? If the answer is "yes," please provide a list of the callable issues with the following: a) outstanding balance, b) issuance date, c) maturity date, d) coupon payment percent, e) annual interest expense, and f) call price (as a percent of par).

TIEC 1-20 Has ETI performed any debt refinancing feasibility studies on its outstanding debt issues? If the answer is "yes," please provide the following:

- a. A detailed description of the results from the study.
- b. A detailed description of the conclusions(s) made by ETI based on the results of the study.
- c. All debt refinancing feasibility studies in electronic format with all formulas intact.

The following discovery request pertains to the Direct Testimony of Eliecer Viamontes.

TIEC 1-21 Referring to page 18, the sum of generation, transmission and distribution capital additions is \$2.7 billion, not \$2.3 billion as stated on line 9 (and again on page 25, line 4) – please explain the discrepancy.

The following discovery request pertains to the Direct Testimony of Jess K. Totten.

TIEC 1-22 Referring to page 3:

- a. Explain and provide workpapers showing how you quantified the basis points incentive for each of the three factors on lines 7-13.
- b. Does Mr. Totten agree that the Commission should take into account the lower risk as a result of the adoption of the GCRR rule? Explain why or why not.
- c. Admit or deny: The adoption and subsequent application of the GCRR rule to MCPS and Hardin County has lowered ETI's financial and regulatory risks. If not fully admitted, explain how the GCRR has not impacted ETI's risk profile and provide any studies documenting same.
- d. Provide any analysis conducted by ETI, or on its behalf, since the GCRR was adopted of the impact of the GCRR on ETI's overall risk profile in general, and financial and operating risks, in particular.

The following discovery requests pertain to the Direct Testimony of Allison P. Lofton.

TIEC 1-23 Referring to pages 27-28, explain where ETI has made an adjustment to refund the costs associated with Hurricane Harvey that were recovered in base rates at the same times as they were also recovered in Rider SRC-2.

TIEC 1-24 Referring to page 43:

- a. Does ETI own the two HEB Backup Generators? If so, explain whether the costs of these generators are being allocated and recovered in the base revenues ETI has proposed in this case.
- b. State the authority for including the HEB Backup Generators in ETI's cost of service.

The following discovery request pertains to the Direct Testimony of Crystal K. Elbe.

TIEC 1-25 Referring to page 26, lines 14-16, explain how the billing determinates were adjusted to reflect the outages during Winter Storm Uri and provide supporting workpapers. If no adjustments were made for Winter Storm Uri, explain why.

TIEC 1-26 Regarding Schedule Q-8.8, confirm that ETI intends to update Rider AFC and provide the proposed charges and supporting workpapers in "live" EXCEL format.

The following discovery requests pertain to the Direct Testimony of Gregory S. Wilson.

TIEC 1-27 Provide workpapers showing the derivation of the \$15.244 million target storm reserve stated on page 10, lines 13-15.

TIEC 1-28 Referring to page 11, provide workpapers supporting the derivation of the \$8.24 million annual accrual over four years and the variation in annual losses from year to year in "live" EXCEL format

TIEC 1-29 Provide workpapers to Schedule B-1 WP supporting the amount on line 1, which is the Property Insurance Reserve at December 31, 2021, adjusted for the removal of costs that were securitized in "live" EXCEL format.

TIEC 1-30 Provide workpapers supporting Exhibit GSW-3 in "live" EXCEL format.

TIEC 1-31 Provide workpapers supporting Exhibit GSW-5 in "live" EXCEL format.

The following discovery requests pertain to the Direct Testimony of David E. Hunt.

TIEC 1-32 Referring to pages 11 and 12, explain how the monthly average ETI load zone LMPs would be weighted.

TIEC 1-33 Provide workpapers supporting the proposed \$6.50 per kW-month subscription charge mentioned on page 15, lines 2-4.

TIEC 1-34 Provide workpapers supporting Figure 3 (page 17) and Figure 4 (page 19) in "live" EXCEL format.

TIEC 1-35 Referring to page 20:

- a. Explain whether the reduced subscription price for low-income residential customers would be supported by the higher subscription prices charged to other participants.
- b. If other participants are not charged a higher subscription cost, what customers would subsidize the low-income program?

TIEC 1-36 Referring to page 36, lines 20-23:

- a. Explain how the funds to compensate retail customers are ultimately paid for by ETI's end-use customers.
- b. State whether the impact on ETI's customers be the same, irrespective of whether the market participant is the ARC or ETI. If the response is no, provide an illustrative example showing how the impact would be different.

TIEC 1-37 Referring to page 39, lines 1-3, explain specifically how ARC's activities would impact the rates that ETI customers currently pay.

The following discovery requests pertain to the Direct Testimony of Kristin Sasser.

TIEC 1-38 Provide a schedule showing ETI's hourly system loads for the test year in "live" EXCEL format.

TIEC 1-39 Define the specific period that Winter Storm Uri impacted ETI's service area.

TIEC 1-40 Did ETI's customers experience outages during Winter Storm Uri? If so, provide ETI's assessment of the kWh sales that ETI was unable to supply to its customers.

TIEC 1-41 Explain how the weather adjustment adjusts kWh sales for the period that Winter Storm Uri impacted ETI's service territory.

TIEC 1-42 With reference to page 16, to lines 7-10, state where the negative 26.1% weather factor for the residential class's April MDD is shown in Exhibit KS-4.

TIEC 1-43 Provide all workpapers to Exhibit KS-3 in "live" EXCEL format.

TIEC 1-44 Provide all workpapers to Exhibit KS-4 in "live" EXCEL format.

The following discovery request pertains to the Direct Testimony of Richard E. Lain.

TIEC 1-45 Regarding Schedule P:

- a. Please explain why in determining the rate of return at present rates, the rate schedule revenues exclude the GCRR, TCRF, and DCRF when the rate base and operating expenses include the costs currently recovered under these cost recovery factors.

- b. Please revise Schedule P to include the GCRR, TCRF, and DCRF revenues in determining the rates of return at present rates.

The following discovery requests are general in nature.

- TIEC 1-46** Provide a copy of Exhibit DAW-2 in “live” EXCEL format.
- TIEC 1-47** Provide a copy of any portion of WP/DAW-2 created in EXCEL workbooks in “live” EXCEL format.
- TIEC 1-48** Provide a copy of Schedule D-4 and supporting workpapers in “live” EXCEL format.
- TIEC 1-49** Provide a copy of Schedule D-7 and supporting workpapers in “live” EXCEL format.