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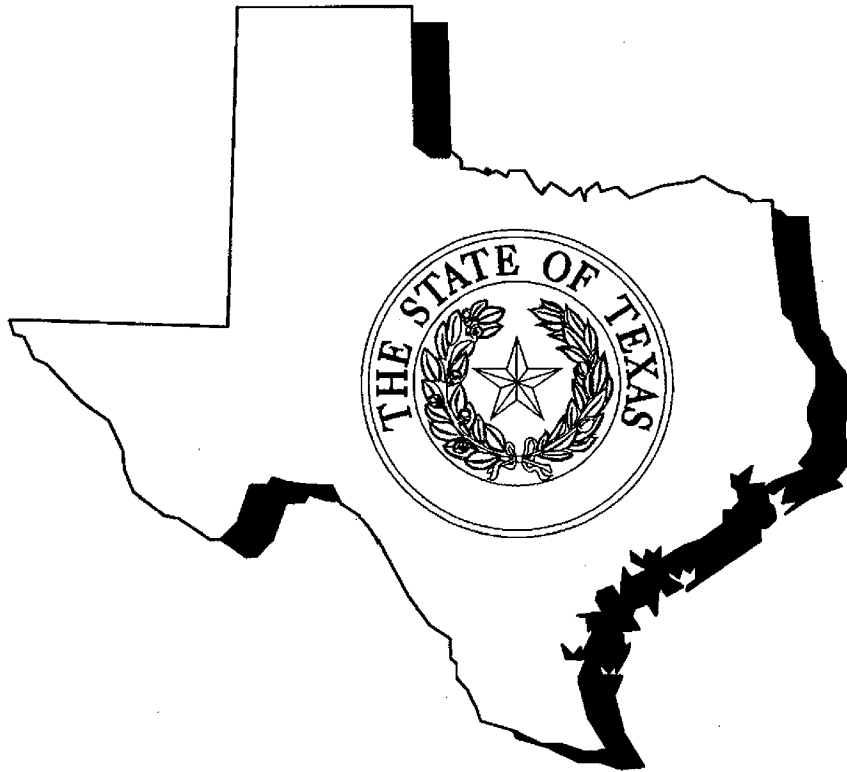
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**SOAH DOCKET NO. 473-22-04394
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**APPLICATION OF ENTERGY
TEXAS, INC. FOR AUTHORITY TO
CHANGE RATES**

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**BEFORE THE STATE OFFICE
OF
ADMINISTRATIVE HEARINGS**



**REVENUE REQUIREMENT PHASE
DIRECT TESTIMONY OF EMILY SEARS
RATE REGULATION DIVISION
PUBLIC UTILITY COMMISSION OF TEXAS
NOVEMBER 2, 2022**

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I. INTRODUCTION OF WITNESS

Q. Please state your name and business address.

A. Ms. Emily Sears, Public Utility Commission of Texas, 1701 N. Congress Avenue, Austin, Texas 78711-3326.

Q. By whom are you currently employed and in what capacity?

A. I have been employed by the Public Utility Commission of Texas (Commission) since January 1, 2015. I am a Senior Financial Analyst in the Rate Regulation Division.

Q. What are your principal responsibilities at the Commission?

A. My principal responsibilities at the Commission include reviewing tariff and rate change applications and appeals. I am also responsible for preparing accounting and financial analysis testimony in contested case matters involving investor-owned, non-profit, and governmental retail public utilities and wholesale matters, as well as participating in settlement negotiations. Additionally, I lead and participate in Commission rulemakings.

Q. Please state your educational background and professional experience.

A. I have provided a summary of my educational background and professional experience in Attachment ES-1 to my direct testimony.

Q. Have you previously testified before this Commission or the State Office of Administrative Hearings (SOAH)?

A. Yes. I have also testified before the Pennsylvania Public Utility Commission. Attachment ES-2 provides a summary of the cases in which I have testified at hearing or filed testimony.

II. PURPOSE AND SCOPE OF TESTIMONY

Q. What is the purpose of your testimony in this proceeding?

A. The purpose of my testimony is to present Staff's recommended revenue requirement regarding Entergy Texas, Inc.'s (ETI) request to change its rates based on a test year comprised of the 12-month period ending December 31, 2021. ETI's current base rates were established in Docket No. 48371.¹

Q. What is the scope of your review?

A. The scope of my review includes the analysis of the *Application of Entergy Texas, Inc. for Authority to Change Rates* (Application) as filed on July 1, 2022, including direct testimony, supplements, the 45-day update, and responses to requests for information (RFI).

Q. What standards do you apply in the determination of the reasonableness of ETI's accounting requests and overall requested revenue requirement?

A. I applied standards set forth in the Public Utility Regulatory Act, Tex. Util. Code Ann. (PURA) § 36.051, which states:

In establishing an electric utility's rates, the regulatory authority shall establish the utility's overall revenues at an amount that will permit the utility a reasonable opportunity to earn a reasonable return on the utility's invested capital used and useful in providing service to the public in excess of the utility's reasonable and necessary operating expenses.

I also applied 16 Texas Administrative Code (TAC) § 25.231, otherwise known as the Commission's Cost of Service rule, which states in part:

(a) **Components of cost of service.** Except as provided in subsection (c)(2) of this section, relating to invested capital; rate base, and §23.23(b) of this title (relating to Rate Design), rates are to be based upon an electric utility's cost of rendering

¹ *Entergy Texas, Inc.'s Statement of Intent and Application for Authority to Change Rates*, Docket No. 48371 (May 15, 2018).

service to the public during a historical test year, adjusted for known and measurable changes. The two components of cost of service are allowable expenses and return on invested capital.

(b) **Allowable expenses.** Only those expenses which are reasonable and necessary to provide service to the public shall be included in allowable expenses. In computing an electric utility's allowable expenses, only the electric utility's historical test year expenses as adjusted for known and measurable changes will be considered, except as provided for in any section of these rules dealing with fuel expenses.

(c) **Return on invested capital.** The return on invested capital is the rate of return times invested capital.

(2) **Invested capital; rate base.** The rate of return is applied to the rate base. The rate base, sometimes referred to as invested capital, includes as a major component the original cost of plant, property, and equipment, less accumulated depreciation, used and useful in rendering service to the public.

Q. On whose behalf are you testifying in this proceeding?

A. I am testifying on behalf of the Commission Staff.

Q. If you do not address an issue or position in your testimony, should that be interpreted as your agreement with or support of ETI's position on that issue?

A. No.

III. BACKGROUND

Q. Please summarize ETI's request.

A. ETI requests total base rate operating expenses of \$976,419,415² and a return of \$319,357,390³ for a total base rate cost of service (COS) of \$1,295,776,805. This amount excludes costs ETI proposes to recover through separate riders. ETI's requested cost of

² Application at Schedule A, Line 29 (Jul. 1, 2022)

³ *Id.* at Line 30.

1 service as well as Staff's adjustments thereto are presented in the series of schedules included
2 as Attachment ES-3 to this testimony. The first column of each schedule presents the total
3 test-year book balances. The second column reflects the adjustments proposed by ETI,
4 which result in the December 31, 2021 adjusted total request that is presented in the third
5 column of each schedule. Staff's adjustments to ETI's request are reflected in the fourth
6 column and Staff's recommended cost of service is shown in the last column of each
7 schedule.
8

9 **Q. Are all the costs that are included in its requested revenue requirement directly**
10 **incurred by ETI?**

11 A. No. ETI is an integrated utility company that provides bundled generation, transmission,
12 distribution, and customer services to approximately 486,000 retail customers in Texas.⁴
13 ETI is a subsidiary of Entergy Corporation, which also owns, among other subsidiaries,
14 Entergy Louisiana, LLC; Entergy New Orleans, LLC; Entergy Arkansas, LLC; and Entergy
15 Mississippi, LLC.⁵ While most costs were directly incurred by ETI, other costs were
16 incurred for services provided and allocated by its affiliated service company, Entergy
17 Services, LLC (ESL) and other affiliates.
18

19 **IV. SUMMARY OF STAFF'S RECOMMENDATION**

20 **Q. Please summarize Staff's recommendation.**

21 A. As shown on Schedule I of Attachment ES-3, I recommend at total cost of service of
22 \$1,241,942,151. My recommended cost of service does not include any costs requested to
23 be recovered through a separate rider.

⁴ Application, Direct Testimony of Eliecer Viamontes at 1.

⁵ *Id.*

Q. Are you sponsoring any of the adjustments to ETI's requested cost of service?

A. Yes. Based on my review of ETI's application and responses to RFIs, I propose several adjustments to the cost of service. These include adjustments to operations and maintenance expense, federal income and other taxes, and invested capital.

V. ADJUSTMENTS TO OPERATIONS AND MAINTENANCE EXPENSE

A. SHORT-TERM FINANCIALLY BASED INCENTIVE COMPENSATION

Q. Please provide a brief description of ETI's annual incentive compensation plans.

A. During the test year, ETI offered six annual incentive plans.⁶ The six plans and the eligible employee groups are as follows:⁷

- *Executive Annual Incentive Plan (EAIP)*: Participation was limited to the Chief Executive Officer, Presidents, Executive Vice Presidents, Senior Vice Presidents, and some Vice Presidents.⁸

- *System Management Incentive Plan (SMIP)*: Participation was limited to selected management personnel and key high-level individual contributor employees.⁹

- *Exempt Incentive Plan (EXIP)*: Participation was limited to full-time and part-time exempt employees who were not eligible for participation in another incentive plan.¹⁰

- *Operational Supervisor Incentive Plan (OSIP)*: Participation was limited to full-time and part-time, exempt employees who are operational supervisors of field/craft workers and/or work in the field themselves.¹¹

- *Teamsharing Incentive Plan (TSIP)*: Participation was limited to full-time and part-time, non-exempt, non-bargaining employees who were ineligible

⁶ Application, Direct Testimony of Jennifer Raeder (Raeder Direct) at 7.

⁷ *Id.*

⁸ *Id.*

⁹ *Id.*

¹⁰ *Id.*

¹¹ *Id.*

for participation in another incentive plan. Certain non-exempt, bargaining employees also are eligible for participation in this plan where it has been negotiated into the collective bargaining agreement.¹²

• *Teamsharing Plan for Selected Bargaining Units (TSBP)*: Participation was limited to full-time or part-time bargaining employees where this plan has been negotiated into the collective bargaining agreement.¹³

Q. Can you describe ETI's process for determining its annual incentive compensation metrics?

A. Yes. Each business unit or organization within ETI designs its own operations-based performance measures tailored to the specifics of its operational responsibilities, focus, and activities.¹⁴ These metrics are approved by functional leadership and the respective Office of the Chief Executive member to ensure they are aligned with ETI's overall objectives. These operations-based ETI measures include: (1) customer goals, (2) operations goals, (3) safety goals, and (4) a composite of two or more of these categories.¹⁵

Q. Can you describe ETI's process for funding its annual incentive compensation?

A. Yes. ETI holds that funding for the TSIP and TSBP is based on achievement of operational goals and is calculated using a formula that considers actual workgroup goal achievement level versus the established target for achievement that is set at the beginning of the performance year.¹⁶ For the four other annual incentive programs—EAIP, SMIP, EXIP, and OSIP—ETI determines a maximum pool of dollars available for awarding annual incentive compensation, which it then distributes as awards to employees based on

¹² *Id.*

¹³ *Id.*

¹⁴ *Id.* at 9.

¹⁵ *Id.* at 10.

¹⁶ *Id.* at 11.

1 workgroup and individual performance.¹⁷ ETI acknowledges that the formula used to
2 determine the annual incentive compensation pool is called the Entergy Achievement
3 Multiplier (EAM).¹⁸ ETI admits that the EAM is used to assess: (1) the financial feasibility
4 of awarding annual incentive compensation, and (2) the payout level the performance of the
5 corporation indicates is appropriate.¹⁹ Beginning in 2021, the EAM is composed of five
6 measures: tax-adjusted earnings per share (60%); customer net promoter score (10%); safety
7 (10%); diversity, inclusion, & belonging (10%); and environmental stewardship (10%).²⁰
8 ETI explains that the EAM formula begins with tax-adjusted earnings per share as a threshold
9 matter to ensure ETI has generated sufficient profit to assure the financial feasibility of
10 awarding any annual incentive compensation for the performance year.²¹ ETI then
11 evaluates its actual performance against target performance goals established for four key
12 operational metrics to determine the total pool of dollars available to award incentives to
13 eligible employees.²²
14

15 **Q. Do you contend that a portion of ETI's annual incentive compensation plans includes**
16 **a financially based trigger that determines the actual payout of awards to employees?**

17 A. Yes. Because the EAM determines the actual incentive compensation pool and begins with
18 the tax-adjusted earnings per share as a threshold matter to ensure sufficient profit for
19 awarding annual incentive compensation, I determined that ETI's plans, excluding the TSIP
20 and TSBP, are, in part, financially based.

¹⁷ *Id.*

¹⁸ *Id.*

¹⁹ *Id.*

²⁰ *Id.* at 11-12.

²¹ *Id.* at 12.

²² *Id.*

1 **Q. Please discuss the basis for your adjustment related to ETI's financially based short-**
2 **term incentive compensation.**

3 A. My recommendation is based upon long-standing Commission precedent. The Commission
4 noted in SPS's Docket No. 43695, that "It is well-established that a utility may not include
5 in its rates the costs of incentives that are tied to financial-performance measures."²³
6 Following that case, in SWEPCO's Docket No. 46449, the PFD, as adopted by the
7 Commission, explained:

8
9 The Commission has made clear in a long line of cases cited by SWEPCO,
10 CARD, OPUC, and Staff that it is not favorably disposed toward incentive
11 compensation plans that include as a trigger a financial performance
12 standard. The Commission's position is as stated by OPUC and Staff –
13 financially-based incentive programs are primarily for the benefit of
14 shareholders, while performance or operational incentive programs more
15 directly benefit ratepayers.²⁴

16
17 The Commission's Order on Rehearing makes no distinction between
18 financial measures that trigger incentive payments and financial measures
19 that trigger funding incentive payments. The Commission's Order on
20 Rehearing merely speaks to "financial measures."²⁵

21
22 In SPS Docket No. 43695, the Commission also made clear that, "[W]hen
23 a utility elects to adopt a compensation plan that involves both financially-
24 based and performance-based metrics, *the utility still must show it has*
25 *removed all aspects of the financially-based goals from its requested*
26 *expense.*"²⁶

27
28 Again, the Commission made no distinction between financially-based
29 metrics that trigger incentive payments and financially-based metrics that
30 trigger funding for incentive plans. Hence, the ALJs conclude that the

²³ *Application of Southwestern Public Service Company for Authority to Change Rates*, Docket No. 43695, Order on Rehearing at 5 (Feb. 23, 2016).

²⁴ *Application of Southwestern Electric Power Company for Authority to Change Rates*, Docket No. 46449, Proposal for Decision at 241 (Sep. 22, 2017).

²⁵ *Id.* at 243.

²⁶ *Id.* (emphasis added in original).

Commission's longstanding precedent, including the most recent pronouncement in SPS Docket No. 43695 make very clear that any incentive compensation plan included in rates must be performance or operationally based. It cannot contain a financial trigger, whether the financial metric triggers payment or merely funding of an incentive compensation plan.²⁷

Q. Do you recommend an adjustment to ETI's requested level of short-term incentive compensation to recognize that it has a financially based trigger?

A. Yes. I recommend an adjustment of (\$1,947,854) for short-term direct plans and (\$1,638,875) for short-term affiliate allocated plans.²⁸ I allocated these reductions to the appropriate Federal Energy Regulatory Commission (FERC) accounts.²⁹ My adjustment is based on Commission precedent in Docket Nos. 43695 and 46449, which explains that the incentive compensation included in rates cannot contain an earnings per share trigger. Multiplying the 60% of the EAM made up of adjusted earnings per share by the 50% financial trigger disallowance factor used in both Docket Nos. 43695 and 46449 results in a required reduction to ETI's requested short term incentive compensation of 30% to recognize that earnings per share contributes to the funding of these plans. I also removed amounts associated with ETI's category "Not Assigned," as it is unknown on what basis ETI awards and pays those amounts. My calculation of the adjustment to ETI's short-term incentive compensation plans (along with the related adjustment to its affiliate ESL charges) is based on ETI's response to Cities' RFI 3-4³⁰ and is presented in Attachment ES-6.

²⁷ *Id.*

²⁸ Attachment ES-6.

²⁹ *Id.*

³⁰ Attachment ES-11.

1 **Q. Please describe the modifications to ETI's response to Cities' RFI 3-4 that you provide**
2 **to calculate your recommended adjustment.**

3 A. As shown in Attachment ES-6 and ES-11, I removed the two columns related to the TSIP
4 and TBIP, as they do not include the financial trigger. I inserted a "Totals" column to add
5 the four remaining plans together, and included a "30% of Total" column to calculate the
6 30% that I recommend for removal. I also removed the FERC accounts 108220, 108230,
7 163000, 228100, and 228400 as they are not included in the requested cost of service.
8

9 **Q. Is it possible that the amount of your recommended adjustment includes a double**
10 **counting of the financially based portions already adjusted out by ETI?**

11 A. Because ETI failed to describe its calculation of Unassigned Amounts, it is possible that my
12 recommended adjustment is overstated. My recommended adjustment is based on the
13 information presented by ETI in its response to Cities' RFI 3-4. If the adjustment is
14 overstated, I recommend that ETI provide complete, explanatory information in its rebuttal
15 testimony. I propose this recommendation for all of the financially based incentive
16 compensation adjustments I calculated.
17

18 **B. LONG-TERM FINANCIALLY BASED INCENTIVE COMPENSATION**

19 **Q. Please describe the costs associated with long-term incentive compensation that ETI**
20 **included in its requested revenue requirement.**

21 A. ETI claims it removed long-term incentive compensation related to stock options, long-term
22 incentive plans, financially based expenses of the annual incentive plans, restricted shares
23 program, and the equity awards program from the test year. ETI further states that it
24 included the costs of its Restricted Stock Program.³¹
25

³¹ Application, Direct Testimony of Allison Lofton (Lofton Direct) at 22.

Q. Please describe your adjustment to ETI's long-term incentive compensation.

A. I recommend an adjustment to ETI's requested long-term incentive compensation of (\$237,669) of direct costs and (\$2,074,370) of affiliate allocated costs to reflect the removal of costs associated with its restricted stock program.³² These amounts also include any additional costs that may have been included in the revenue requirement for its other long-term incentive plans that should have been removed.

Q. Why do you recommend an adjustment to ETI's requested revenue requirement to remove the expenses of the restricted stock program?

A. ETI correctly removes other long-term incentive plans consistent with prior Commission decisions in Docket Nos. 39896³³ and 40443.³⁴ However, ETI included the restricted stock program in this proceeding because the Commission allowed such expenses in Docket No. 40443.³⁵ The Proposal for Decision in Docket No. 40443 states:

...restricted stock units, while generally similar in value to shares of AEP common stock, are awarded based solely on an employee's satisfaction of certain vesting requirements. Restricted stock units have no associated financial performance target and are awards, in the words of SWEPCO's brief, "paid because an employee sticks around long enough to earn them."³⁶

It continues:

In reliance on the financial measures analysis in the previous paragraphs, the ALJs recommend the disallowance of the part of the long-term incentive compensation program that includes performance units (identified in the

³² Attachment ES-6.

³³ *Application of Entergy Texas, Inc. for Authority to Change Rates, Reconcile Fuel Costs, and Obtain Deferred Accounting Treatment*, Docket No. 39896.

³⁴ *Application of Southwestern Electric Power Company for Authority to Change Rates and Reconcile Fuel Costs*, Docket No. 40443.

³⁵ Lofton Direct at 22.

³⁶ Docket No. 40443, Proposal for Decision at 84 (May, 20, 2013).

previous sections) and inclusion of the part that includes restricted stock units.³⁷

Q. As compared to the SWEPCO precedent regarding restricted stock units, is ETI's Restricted Stock Program based solely on vesting requirements?

A. No. ETI's Restricted Stock Program plan, as submitted in response to Office of Public Utility Counsel's (OPUC) RFI 1-12, states

38

ETI's Restricted Stock Brochure states:

39

It continues,

40

Because the program includes

³⁷ *Id.*

³⁸ *Response of Entergy Texas, Inc. to OPUC's First Request for Information*, OPUC 1-12 at LR178-LR180, LR194, and LR197 at 3 (Aug. 8, 2022) (Confidential Attachment ES-14).

³⁹ *Id.* at 5.

⁴⁰ *Id.* at 6.

1 [REDACTED] it is not strictly tied to vesting conditions and not recoverable from
2 ratepayers.

3 **C. NON-QUALIFIED PENSION PLAN EXPENSES**

4 **Q. In general terms, please describe what is meant by a non-qualified pension plan and a**
5 **supplemental executive retirement plan (SERP).**

6 A. Generally, a non-qualified pension plan is an agreement or arrangement between an
7 employer and an employee to pay the employee compensation in the future. The plan can
8 be funded (assets are set aside in a trust or escrow account) or unfunded (employer merely
9 promises to pay). Non-qualified pension plans can exist in a number of forms such as a
10 salary reduction arrangement under which a portion of a salary is deferred; a bonus deferral
11 plan under which the receipt of bonuses is deferred; supplemental executive retirement plans
12 under which plans are maintained primarily for a select group of employees such as
13 management or highly compensated employees; and excess benefit plans under which
14 benefits are provided solely to employees whose benefits under a qualified plan are limited
15 by the Internal Revenue Code. Generally, non-qualified pension plan expenses can provide
16 supplemental benefits to certain employees whose compensation exceeds the limits provided
17 by tax law for deducting pension-related expense.
18

19 **Q. Please discuss your recommended adjustment to ETI's requested non-qualified pension**
20 **plan expense.**

21 A. I recommend a reduction to ETI's requested revenue requirement for the non-qualified
22 retirement income plans in the amount of (\$1,329,421) allocated between FERC accounts
23 920 (Employee Pensions and Benefits) and 926NS1 (ASC 715 NSC Employee Pensions and

Benefits).⁴¹ The specific FERC Accounts used for this recommended adjustment are found in ETI's response to OPUC's RFI 1-18.⁴²

Q. What is the basis for your recommendation and have similar types of payments been removed from cost of service in recent proceedings?

A. In Docket No. 39896, supplemental executive retirement plan expenses were removed from cost of service.⁴³ In that proceeding supplemental executive retirement plan expenses were determined to be discretionary costs designed to attract, retain, and reward highly compensated employees whose interests are more closely aligned with those of the shareholders than the customers.⁴⁴ Further, such expenses were found to be not reasonable or necessary to provide utility service to the public, not in the public interest, and not includable in cost of service.⁴⁵ The Commission has continued this precedent, including a fully litigated proceeding in March 2018 involving another vertically integrated investor-owned electric utility.⁴⁶ Following long-standing Commission precedent, I recommend exclusion of the SERP expenses from ETI's current request.

D. PENSION AND OTHER POST EMPLOYMENT BENEFITS (OPEB)

Q. Please explain your adjustments to other pension and OPEB expenses.

A. ETI's request includes the recovery over a three year period of a regulatory asset related to

⁴¹ Attachment ES-4.

⁴² Attachment ES-10.

⁴³ Docket No. 39896, Order on Rehearing, Findings of Fact Nos. 140-142 (Nov. 1, 2012).

⁴⁴ *Id.*

⁴⁵ *Id.*

⁴⁶ Docket No. 46449, Order on Rehearing, Findings of Fact Nos. 201-204 (Mar. 19, 2018).

1 Pension and OPEB over- and under-recovery.⁴⁷ I recommend extending the requested
2 amortization period from three years to four years for expenses related to the proposed
3 qualified pension recovery. ETI requests an annual amortization expense of \$5,830,175
4 (\$17,490,526/3). As shown in Attachment ES-9, I recommend an annual amortization
5 expense of \$4,372,631, which is calculated as \$17,490,526 divided by four. I also
6 recommend removing all of the non-qualified pension plan request.
7

8 **Q. Why do you recommend changing the requested amortization period from three years**
9 **to four years?**

10 A. The time period between rate cases required by PURA § 36.212(b) and 16 TAC §
11 25.246(c)(1) is four years. Also, ETI's last base rate case was filed with a test year ending
12 December 31, 2017. That is a four-year time period between the previous test year and the
13 test year in this proceeding ending December 31, 2021. Therefore, four years is a more
14 appropriate time period to avoid over-recovery. My adjustment reduces the requested
15 annual amortization expense by \$1,457,544.⁴⁸
16

17 **Q. What is your recommendation related to the non-qualified pension plan expenses**
18 **included in the Pension and OPEB under- and over-recovery regulatory asset?**

19 A. Consistent with my recommendation to remove non-qualified pension plan expenses above,
20 I recommend an adjustment of (\$75,115) to remove non-qualified pension plan amortization
21 expenses from ETI's request.⁴⁹
22

⁴⁷ Application at WP/Schedule P, Volume 2, at 63 of 128.

⁴⁸ Attachment ES-9.

⁴⁹ *Id.*

E. REVENUE-RELATED TAX EXPENSES

Q. What are revenue-related tax expenses and do you recommend any adjustments to ETI's requested level of these expenses?

A. Several taxes are assessed on the revenues of a utility. The PUC assessment, Texas gross receipts tax, municipal gross receipts tax, and Texas margins tax are all examples of taxes assessed on utility revenues. As these taxes are based on ETI's level of revenues, it follows that any adjustments made to its requested revenue requirement would result in attendant impacts to these revenue related taxes. I used the same effective rates for each revenue related tax, which I calculated by dividing ETI's requested tax in dollars by the revenue request for the test year. I applied those rates to Staff's recommended revenue reductions resulting in the following adjustments to revenue related taxes:

Texas Gross Receipts Tax	(\$502,207)
PUC Assessment	(\$96,216)
Local Gross Receipts Tax	(\$625,042)
Texas Margins Tax	(\$19,298)

VI. ADJUSTMENTS TO REGULATORY DEBITS AND CREDITS

Q. Please explain your recommended adjustment to the COVID bad debt expense.

A. I recommend extending the amortization period of the COVID bad debt expense from three years to four years due to the time between rate cases, as discussed above. My adjustment begins with ETI's total COVID bad debt of \$11,736,189 divided by four to derive a yearly expense of \$2,934,047.⁵⁰ The difference between my recommended yearly expense and ETI's requested amount is (\$978,015). I removed this amount from regulatory debits and credits.

⁵⁰ Application, WP/Schedule P, Volume 2, at 127 of 128.

Q. Please explain your recommended adjustment to the Hurricane Restoration Costs (HRC) expense.

A. I recommend removing the HRC regulatory liability in the amount of \$179,561, as discussed below, from ETI's requested revenue requirement and applying the amount as an offset to rate case expense. The HRC represent an overcollection from ratepayers and are due to be refunded. Because the overcollection represents ratepayer funds, instead of returning the amounts over time through the annual revenue requirement, I recommend an immediate reduction to ETI's overall requested rate case expenses. It is fair, reasonable, and in the public interest to reduce the regulatory lag to customers and refund the money through a lower rate case expense in this proceeding. Therefore, I added back the annual amortization of \$59,854 to regulatory debts and credits, so that Staff witness Ruth Stark can apply the total regulatory liability of \$179,561 as a reduction to the amount of rate case expenses that she recommends ETI recover in conjunction with this proceeding.

VII. ADJUSTMENTS TO RATE BASE

A. SHORT TERM CAPITALIZED FINANCIALLY BASED INCENTIVE COMPENSATION

Q. Do you propose any adjustments to ETI's rate base related to its capitalized financially based short-term incentive compensation?

A. Yes. In ETI's contested base rate proceeding, Docket No. 39896, the Commission noted:

In its application, ETI capitalized into plant in service accounts some of the incentive payments ETI made to its employees. ETI seeks to include those amounts in rate base.⁵¹

⁵¹ Docket No. 39896, Order on Rehearing, Finding of Fact No. 59.

1 A portion of those capitalized incentive accounts represent payments made
2 by ETI for incentive compensation tied to financial goals.⁵²
3

4 The portion of ETI's incentive payments that are capitalized and that are
5 financially-based should be excluded from ETI's rate base because the
6 benefits of such payments inure most immediately and predominantly to
7 ETI's shareholders, rather than its electric customers. ETI's capitalized
8 incentive compensation that is financially based is \$335,752.96 and should
9 be removed for rate base.⁵³

10 In response to OPUC's RFI 5-2, ETI explained that a total of \$13,863,281 of allocated short
11 term incentive compensation was capitalized to plant in service between January 1, 2018 and
12 December 31, 2021 (the period since the end of the test year in its last base rate case, Docket
13 No. 48371).⁵⁴ Additionally, in response to OPUC's RFI 5-3, ETI provided a breakdown of
14 the capitalized and expensed incentive compensation by plan for the test year.⁵⁵ This
15 response identified the amount associated with the EAIP, EXIP, OISP, and SMIP plans as
16 \$4,556,935 for the test year. The response also identified the amount associated with the
17 category "Not Assigned" as \$919,327 for the test year. ETI represents that the TSIP and
18 TSBP are not dependent on the EAM funding trigger. Consistent with my recommendation
19 to disallow 30% of ETI's incentive compensation related to the EAIP, EXIP, OISP and SMIP
20 to reflect the portion that earnings per share contributes to the EAM funding trigger, and
21 consistent with my recommendation to remove 100% of the amounts categorized as "Not
22 Assigned," I propose excluding an additional (\$2,430,459) from ETI's requested rate base
23 for the test year.
24
25
26

⁵² *Id.*, Finding of Fact No. 60.

⁵³ *Id.*, Finding of Fact No. 61.

⁵⁴ Attachment ES-12 at 1:12.

⁵⁵ Attachment ES-12 at 3:10.

1 **Q. Do you recommend any further adjustments related to capitalized short-term**
2 **financially based incentive compensation?**

3 A. Yes. In its response to OPUC's RFI 5-2, ETI identified the total capitalized allocated short-
4 term amounts for the years since the last base rate case, including 2018, 2019, and 2020.
5 Because those amounts are not further broken down in a manner similar to OPUC's RFI 5-3
6 (for the test year), I calculated a percentage to apply to remove the EAM trigger amounts and
7 the "Not Assigned" categories for those prior years. ETI did not provide the prior years'
8 directly incurred totals, so my recommendation only further reduced the allocated totals. To
9 calculate the further reduction, I began with my allocated total short-term recommended
10 reduction of \$1,450,311 for the test year and divided it by the total amounts capitalized prior
11 to exclusion of financially based amounts of \$3,706,420 for the test year. I show a
12 calculation equal to a 39.13% reduction. I applied this percentage to the total allocated
13 amounts for the prior years, 2018-2020. The product resulted in my further recommended
14 adjustment to rate base of (\$3,975,729).⁵⁶
15

16 **B. LONG TERM CAPITALIZED FINANCIALLY BASED INCENTIVE**
17 **COMPENSATION**

18 **Q. Do you propose any adjustments to ETI's rate base related to its capitalized financially**
19 **based long-term incentive compensation?**

20 A. Yes. Consistent with my recommendation to disallow long-term expensed compensation,
21 and relying upon ETI's response to OPUC's RFI 5-2, I recommend removing 100% of the
22 allocated capitalized long-term incentive compensation. As stated above, ETI did not
23 provide the direct long-term capitalized incentive compensation amounts related to the years

⁵⁶ Attachment ES-8.

2018-2020, so my adjustment pertains to the allocated amounts only. My calculation results in an additional recommended adjustment to rate base of (\$5,979,560). Because the information provided by ETI for the financially based incentive compensation did not include plant specific information, I recommend that ETI provide an overall depreciation rate to determine the reduction to depreciation expense related to the removal of the capitalized incentive compensation. Likewise, I recommend that ETI provide the related impacts to accumulated depreciation and accumulated deferred income taxes, if any.

C. WORKING CASH ALLOWANCE

Q. Before you explain your recommendation, please define “working capital.”

A. In ratemaking, working capital is included in rate base and is defined as:

Working capital is a measure of the amount of funding needed to satisfy the level of the daily operating expenditures and a variety of non-plant investments that are necessary to sustain ongoing operations of the utility. The ratemaking measure of working capital is designed to identify these ongoing average funding requirements over a test period.⁵⁷

Q. Please define the specific item “cash working capital.”

A. The following definition of “cash working capital” can be found in *Accounting for Public Utilities*:

The average amount of capital provided by investors, over and above the investment in plant and other specifically measured rate base items, to bridge the gap between the time expenditures are required to provide services and the time collections are received for such services.⁵⁸

Cash working capital represents the level of net cash investment required to fund ongoing operating expenses during the delay between the time that the utility pays for the necessary

⁵⁷ Robert L. Hahne and Gregory E. Aliff, *Accounting for Public Utilities* § 5 (Matthew Bender) (Nov. 2019).

⁵⁸ *Id.* at § 5.04.

costs associated with providing service and the time the company is reimbursed for those costs by its customers.⁵⁹

Q. Please describe ETI's working cash allowance (cash working capital) calculation in rate base.

A. ETI based its requested cash working capital allowance of \$8,794,218 on a lead-lag study conducted by its witness, Jay Joyce.⁶⁰

Q. Please explain your adjustment to the working cash allowance.

A. My recommended working cash allowance is based on ETI's methodology and the results of Mr. Joyce's lead-lag study. I incorporated my recommended adjustments to operations and maintenance expenses and taxes into ETI's calculation, resulting in my recommended working cash allowance of (\$7,635,340).

D. REGULATORY ASSETS AND LIABILITIES

Q. Please explain your adjustment to regulatory assets and liabilities.

A. I recommend two adjustments to ETI's regulatory assets and liabilities. The first adjustment relates to the non-qualified pension over- and under-recovered regulatory asset requested by ETI. The second adjustment relates to the overcollection of the hurricane restoration costs associated with Hurricane Rita.⁶¹

Q. Please explain your recommended adjustment to ETI's requested non-qualified pension over- and under-recovered regulatory asset in rate base.

⁵⁹ *Id.* at § 5.04(2).

⁶⁰ Application Schedule E-4.

⁶¹ Lofton Direct at 18.

1 A. Consistent with my recommendation regarding ETI's non-qualified pension expenses, I
2 recommend disallowing the non-qualified pension over- and under-recovered balance of
3 (\$255,344) from ETI's requested rate base.⁶²
4

5 **Q. Please explain your recommended adjustment to the rate base balance for the HRC.**

6 A. Consistent with my recommendation to remove the HRC from regulatory debits and credits,
7 I recommend removing the HRC regulatory liability balance from rate base and applying the
8 \$179,561 as an offset to rate case expenses.⁶³ In order to include my recommendation in
9 the revenue requirement, I increased rate base by \$179,561 to reflect the removal of the
10 regulatory liability.
11

12 **VIII. OTHER STAFF ADJUSTMENTS**

13 **A. ADJUSTMENTS RECOMMENDED BY OTHER STAFF WITNESSES**

14 **Q. Does your calculated cost of service include adjustments of other Staff witnesses?**

15 A. Yes. I incorporated the rate of return recommended by Staff witness Mark Filarowicz.
16 Please refer to his testimony for further details and explanations regarding his
17 recommendation.
18

⁶² Application at WP/Schedule P, Volume 2, at 63 of 128.

⁶³ WP/Schedule P, Volume 2, at 71 of 128.

IX. ADJUSTMENTS TO OTHER TAXES

A. PAYROLL TAXES

Q. Do your recommended incentive compensation adjustments result in a flow-through effect to payroll taxes?

A. Yes. My incentive compensation adjustments cause related payroll tax effects. I applied the 1.45% Medicare Hospital Insurance rate to my earnings per share related (EAM) adjustment to the EAIP adjustment and the full rate of 7.65% (which includes the Medicare Hospital Insurance, Old Age and Survivors Insurance, and Disability Insurance) for my EAM adjustments to the EXIP, OSIP, and the SMIP.⁶⁴ Applying these payroll tax rates to my incentive compensation adjustments for the EAM financial trigger and the long-term incentive adjustments results in a reduction of (\$161,726) to direct payroll taxes and (\$281,113) to ESL allocated payroll taxes.⁶⁵

B. AD VALOREM TAX EXPENSE

Q. Do your recommended adjustments to rate base affect the ad valorem tax expense calculation?

A. Yes. I calculated an effective ad valorem tax rate of .00509 by dividing the total taxes assessed for 2021 of \$38,030,202 by the plant balance of the beginning of the period of \$7,478,460,031, as shown in ETI's response to Staff's RFI 1-47.⁶⁶ I applied the effective rate to my recommended \$12,385,747 of disallowed plant to reach an adjustment to ad valorem taxes related to capitalized financially based incentive compensation of (\$62,985).

⁶⁴ The United States Social Security Administration, *Research, Statistics, & Policy Analysis*, https://www.ssa.gov/policy/docs/chartbooks/fast_facts/2022/fast_facts22.html#contributions.

⁶⁵ Attachment ES-7.

⁶⁶ Attachment ES-13.

C. FEDERAL INCOME TAX EXPENSE

Q. What is the basis for your adjustment to federal income tax expense?

A. My adjustment to federal income tax expense is the result of Staff adjustments to ETI's requested balance of invested capital combined with adjustments to the requested cost of capital (rate of return) as recommended by Staff witness Mr. Filarowicz. Changes to invested capital and rate of return impact the allowed return amount and thereby flow into the federal income tax expense calculation. With the exception of the return and synchronized interest amounts related to the changes in invested capital and rate of return, my calculations uses Tax Method One and is consistent with ETI's methodology presented on Schedule G-7.8.

Q. Does this conclude your direct testimony?

A. Yes. I reserve the right to supplement this testimony during the course of the proceeding if new evidence becomes available.

Emily Sears

Professional Experience

- **Public Utility Commission of Texas**
Senior Financial Analyst
Rate Regulation Division
January 2022 - Present
- **Public Utility Commission of Texas**
Financial Analyst
Rate Regulation Division
September 2020 – December 2021
- **Public Utility Commission of Texas**
Utility Rates Analyst
Water Utilities Division
January 2015 - Present
- **Commonwealth of Pennsylvania, Public Utility Commission**
Fixed Utility Financial Analyst
Bureau of Investigation and Enforcement
May 2009 – December 2014
- **Commonwealth of Pennsylvania, Public Utility Commission**
Fixed Utility Financial Analyst
Bureau of Fixed Utility Services
April 2008 – May 2009
- **Nationwide Insurance Company**
Personal Lines Underwriting Screener
October 2004 – May 2007

Education

- **University of Pittsburgh, College of Business Administration**
Bachelors of Science in Business Administration
Major – Finance
August 2004
- **Annual Regulatory Studies Program: Camp NARUC**
Week 1-Introduction to Regulation
August 2008
- **Pennsylvania Public Utility Commission Rate Case Training**
December 2008
- **Society of Utility and Regulatory Financial Analysts**
Certified Rate of Return Analyst
June 2010
- **Utility Finance and Accounting for Financial Professionals**
Seminar June 20-21, 2019
- **Institute of Public Utilities – Advanced Course on Cost Allocation and Rate Design**
November 2-5, 2020

Presentations

- **Pennsylvania Public Utility Commission Rate Case Training**
Presented on Rate of Return/Return on Equity
October 2012, September 2014
- **Public Utility Commission of Texas – Rate of Return Training**
Presented on Rate of Return/Return on Equity
August 2017 – August 2019
- **Society of Utility and Regulatory Financial Analysts**
Presented on Fair Market Value in Texas
April 2022

TESTIMONY SUBMITTED:

I have testified and/or submitted testimony in the following proceedings before the Pennsylvania Public Utility Commission:

- Duquesne Light Company, Docket No. M-2009-2093217
- West Penn Power Company d/b/a Allegheny Power, Docket No. M-2009-2093218
- Duquesne Light Company, Docket No. M-2009-2123948
- West Penn Power Company d/b/a Allegheny Power, Docket No. M-2009-2123951
- Utilities, Inc. – Westgate, Docket No. R-2009-2117389
- Utilities, Inc. of Pennsylvania, Docket No. R-2009-2117402
- PECO Energy Company - Electric Division, Docket No. P-2009-2143607
- PECO Energy Company – Gas Division, Docket No. P-2009-2143588
- Philadelphia Gas Works, Docket No. R-2009-2139884
- York Water Company, Docket No. R-2010-2157140
- City of Lancaster, Docket No. R-2010-2179103
- Columbia Gas of Pennsylvania, Inc., Docket No. R-2010-2215623
- CMV Sewage, Inc., Docket No. R-2011-2218562
- Pennsylvania American Water Company, Docket No. R-2011-2232243
- UGI Penn Natural Gas, Docket No. R-2011-2238943
- Aqua Pennsylvania, Inc., Docket No. R-2011-2267958
- Equitable Gas Company, LLC, Docket No. R-2012-2287044
- Peoples Natural Gas Company, LLC, Docket No. R-2012-2285985
- PPL Electric Utilities Corporation, Docket No. R-2012-2290597
- Columbia Gas of Pennsylvania, Inc., Docket No. R- 2012-2321748
- The City of Lancaster – Sewer Fund, Docket No. R-2012-2310366
- Columbia Gas of Pennsylvania, Inc., Docket No. R-2012-2321748 and M-2012-2323645
- UGI Penn Natural Gas, Docket No. R-2013-2361763
- City of DuBois – Bureau of Water, Docket No. R-2013-2350509
- Pennsylvania-American Water Company, Docket No. R-2013-2355276
- Duquesne Light Company, Docket No. R-2013-2372129
- Pike County Light and Power Company, Gas Division, Docket No. R-2013-2397353
- Pike County Light and Power Company, Electric Division, Docket No. R-2013-2397237
- UGI Penn Natural Gas, Docket No. R-2014-2420273
- Emporium Water Company, Docket No. R-2014-2402324
- City of Lancaster – Water Fund, Docket No. R-2014-2418872
- Peoples TWP, LLC, R-2014-2429613
- Peoples Natural Gas Company, LLC, R-2014-2429606

I have testified and/or submitted testimony in the following proceedings before the Public Utility Commission of Texas and the Texas State Office of Administrative Hearings:

Water and Sewer Cases

- Custom Water Company, LLC., Docket No. 44236
- City of Austin water rate appeal, Docket No. 42857
- City of Austin wastewater rate appeal, Docket No. 42867 (consolidated with Dkt No. 42857)
- Consumers Water, Inc., Docket No. 43076
- Laguna Vista, LTD. and Laguna Tres, Inc., Docket No. 44046
- Quadvest, L.P., Docket No. 44809
- Monarch Utilities I, L.P., Docket No. 45570
- Corix Utilities (Texas), Inc., Docket No. 45418
- Double Diamond Properties Construction Co. dba Rock Creek, Docket No. 46247
- Liberty Utilities Corp., Docket No. 46256
- Double Diamond Utility Company, Inc., Docket No. 46245
- Wolfe Air Park Civic Club, Inc., Docket No. 46923
- City of Forney water rate appeal, Docket No. 47814
- Liberty Utilities, LLC, Docket No. 47976
- W. E. Vlasek, Docket No. 48640
- City of Austin, Docket No. 49189
- Corix Utilities (Texas), Inc, Docket No. 49923
- Ratepayers' Appeal of Bear Creek Special Utility District's Rates, Docket No. 49351
- Monarch Utilities I, L.P., Docket No. 50944
- Corix Utilities (Texas), Inc., Docket No. 50557
- Timbercrest Partners LLC, Docket No. 50197

Electric Cases

- AEP Texas, Inc., Docket No. 51984
- El Paso Electric Company, Docket No. 52195
- Golden Spread Electric Cooperative, Inc., Docket No. 52828
- AEP Texas, Inc., Docket No. 53451
- City of College Station, Docket No. 52728

SOAH DOCKET NO. 473-22-04394
PUC DOCKET NO. 53719
COMPANY NAME Entergy Texas, Inc
TEST YEAR END 31-Dec-21

Attachment ES-3
Staff Schedule I
Revenue
Requirement

			Test Year Total (a)	Company Adjustments To Test Year (b)	Company Requested Test Year Total Electric (c)	Staff Adjustments To Company Request (d)	Staff Adjusted Total Electric (e) = (c) + (d)
REVENUE REQUIREMENT							
Operations & Maintenance	G-15	\$	1,202,767,907	\$ (696,235,752)	\$ 506,532,155	\$ (8,760,848)	\$ 497,771,307
Regulatory Debits and Credits	407.00 Sch A-3	\$	(4,202,504)	\$ 13,140,132	\$ 8,937,628	\$ (918,162)	\$ 8,019,466
Gains From DISP Of Allowances	Sch A	\$	-	\$ -	\$ -	\$ -	\$ -
Interest on Customer Deposits	Sch A	\$	-	\$ 20,713	\$ 20,713		\$ 20,713
Depreciation, Amortization & Acc Expense	Sch D-4	\$	217,213,023	\$ 95,018,119	\$ 312,231,142	\$ -	\$ 312,231,142
Taxes Other Than Income Taxes	Sch G-9	\$	94,969,571	\$ (13,226,913)	\$ 81,742,658	\$ (1,748,587)	\$ 76,862,854
State Income Taxes	Sch A	\$	(1,935,965)	\$ 2,488,605	\$ 552,640		\$ 552,640
Federal Income Taxes	Sch A	\$	26,411,243	\$ 39,630,242	\$ 66,041,485	\$ (8,175,336)	\$ 57,866,149
Other Credit Fees	Sch A	\$	-	\$ 360,994	\$ 360,994	\$ -	\$ 360,994
Return on Invested Capital		\$	301,224,067	\$ 18,133,323	\$ 319,357,390	\$ (31,100,504)	\$ 288,256,886
TOTAL		\$	1,836,447,342	\$ (540,670,537)	\$ 1,295,776,805	\$ (50,703,437)	\$ 1,241,942,151

SOAH DOCKET NO. 473-22-04394
PUC DOCKET NO. 53719
COMPANY NAME Entergy Texas, Inc.
TEST YEAR END 31-Dec-21

Staff Schedule II
O&M Expense

OPERATIONS AND MAINTENANCE EXPENSE		G-15 4-6	Test Year Total	Company Adjustments To Test Year	Company Requested Test Year Total Electric	Staff Adjustments To Company Request	Commission Adjusted Total Electric				
			(a)	(b)	(c)	(d)	(e) = (c) + (d)				
Acct. No											
Operations & Maintenance:											
Prod. Operation and Supr	500	\$	6,229,440	\$	98,477	\$	6,327,917	\$	(186,172)	\$	6,141,745
Fuel	501	\$	(644,463)	\$	(80,552)	\$	(725,015)	\$	-	\$	(725,015)
Fuel-Oil	501	\$	784,944	\$	(290,679)	\$	494,265	\$	-	\$	494,265
Fuel-Natural Gas	501	\$	447,560,879	\$	(447,560,879)	\$	-	\$	-	\$	-
Fuel-Coal	501	\$	21,318,485	\$	(18,590,870)	\$	2,727,615	\$	(30)	\$	2,727,585
Steam Expenses	502	\$	4,305,405	\$	164,774	\$	4,470,179	\$	(41,270)	\$	4,428,909
Chemicals - MATS Compliance	502	\$	554,171	\$	(486,327)	\$	67,844	\$	-	\$	67,844
Electric Expenses	505	\$	5,877,166	\$	68,878	\$	5,946,044	\$	(11,715)	\$	5,934,329
Misc Steam Power Expenses	506	\$	8,942,260	\$	175,103	\$	9,117,363	\$	(181,777)	\$	8,935,586
Rents	507	\$	47,524	\$	-	\$	47,524	\$	-	\$	47,524
NOX Emmissions Allowance Expense	509	\$	237	\$	(237)	\$	-	\$	-	\$	-
MCPS Emission Credits	509	\$	470,238	\$	-	\$	470,238	\$	-	\$	470,238
NOX Seasonal Allowance Expense	509	\$	406	\$	(406)	\$	-	\$	-	\$	-
TOTAL STEAM OPERATIONS		\$	495,446,692	\$	(466,502,718)	\$	28,943,974	\$	(420,965)	\$	28,523,009
Maintenance Supv and Eng	510	\$	956,507	\$	20,531	\$	977,038	\$	(32,852)	\$	944,186
Maintenance of structures	511	\$	2,279,060	\$	58,366	\$	2,337,426	\$	(552)	\$	2,336,874
Maintenance of boiler plant	512	\$	13,580,785	\$	62,228	\$	13,643,013	\$	(2,384)	\$	13,640,629
Maintenance of electric plant	513	\$	6,573,063	\$	46,820	\$	6,619,883	\$	(1,568)	\$	6,618,315
Maintenance of misc steam plant	514	\$	3,808,920	\$	(57,748)	\$	3,751,172	\$	(335,781)	\$	3,415,391
TOTAL STEAM MAINTENANCE		\$	27,198,335	\$	130,197	\$	27,328,532	\$	(373,137)	\$	26,955,395
TOTAL STEAM POWER GENERATION		\$	522,645,027	\$	(466,372,521)	\$	56,272,506	\$	(794,102)	\$	55,478,404
Hydraulic Operating Supv and Eng	535	\$	-	\$	-	\$	-	\$	(254)	\$	(254)
Electric Expenses	538	\$	(12,756)	\$	-	\$	(12,756)	\$	-	\$	(12,756)
Misc Hydro Power Generation	539	\$	(4,001)	\$	(16)	\$	(4,017)	\$	(270)	\$	(4,287)
TOTAL HYDRAULIC OPERATIONS		\$	(16,757)	\$	(16)	\$	(16,773)	\$	(524)	\$	(17,297)
Maintenance of structures	542	\$	(496)	\$	-	\$	(496)	\$	-	\$	(496)
Maintenance of electric plant	544	\$	(154,401)	\$	12	\$	(154,389)	\$	(237)	\$	(154,626)
TOTAL HYDRAULIC MAINTENANCE		\$	(154,897)	\$	12	\$	(154,885)	\$	(237)	\$	(189,716)
TOTAL HYDRAULIC POWER GENERATION		\$	(171,654)	\$	(4)	\$	(171,658)	\$	(761)	\$	(207,012)
Operation Supv and Eng	546	\$	1,049,254	\$	47,036	\$	1,096,291	\$	(38,981)	\$	1,057,309
Generation Expenses	548	\$	1,761,212	\$	44,949	\$	1,806,162	\$	(2,348)	\$	1,803,813
Misc. Other Power Gen Exp	549	\$	6,433,487	\$	39,368	\$	6,472,855	\$	(18,412)	\$	6,454,443
Rents - Other Power Generation	550	\$	16,472	\$	-	\$	16,472	\$	-	\$	16,472
TOTAL OTHER POWER OPERATIONS		\$	9,260,426	\$	131,354	\$	9,391,780	\$	(59,742)	\$	9,332,038
Maintenance Supv & Engineering	551	\$	124,519	\$	5,029	\$	129,548	\$	(4,217)	\$	125,331
Maintenance of structures	552	\$	117,602	\$	345	\$	117,947	\$	-	\$	117,947
Maintenance-General and Electric Equip.	553	\$	1,760,927	\$	242,026	\$	2,002,953	\$	(2,621)	\$	2,000,332
Maintenance Misc Other Pwr Gen Plant	554	\$	851,170	\$	3,060,075	\$	3,911,245	\$	-	\$	3,911,245
TOTAL OTHER POWER MAINTENANCE		\$	2,854,218	\$	3,307,475	\$	6,161,693	\$	(6,838)	\$	6,154,855
TOTAL OTHER POWER GENERATION		\$	12,114,644	\$	3,438,829	\$	15,553,473	\$	(66,580)	\$	15,486,893
System Purchases from Others	555	\$	405,705,692	\$	(358,142,627)	\$	47,563,065	\$	-	\$	47,563,065
Co-Generation	555	\$	1,333,181	\$	(1,333,181)	\$	-	\$	-	\$	-
Rsrc Plan PurPow-Affiliated	555	\$	181,279,654	\$	(27,457,044)	\$	153,822,610	\$	-	\$	153,822,610
MISO Schedule 24	555	\$	295,672	\$	-	\$	295,672	\$	-	\$	295,672
System Agreement Payments	555	\$	-	\$	-	\$	-	\$	-	\$	-
System Control & Load Dispatch	556	\$	1,000,570	\$	19,851	\$	1,020,421	\$	(44,547)	\$	975,874
Other Expnses	557	\$	15,363	\$	301	\$	15,664	\$	(958)	\$	14,706
Deferred Electric Fuel Cost	557	\$	(133,748,521)	\$	133,748,521	\$	-	\$	-	\$	-
MISO Misc Purchased Pwr Exp	557	\$	326,389	\$	-	\$	326,389	\$	-	\$	326,389
TOTAL OTHER POWER SUPPLY EXP		\$	456,208,000	\$	(253,164,179)	\$	203,043,821	\$	(45,505)	\$	202,998,316
Transmission Ops Supr & Engr	560	\$	2,682,360	\$	41,178	\$	2,723,538	\$	(162,979)	\$	2,560,559
Load Dispatching-transmssion system	561	\$	2,232,483	\$	50,507	\$	2,282,990	\$	-	\$	2,282,990
LBA Schedule 24 Recoverable	561	\$	250,874	\$	-	\$	250,874	\$	-	\$	250,874
Load Dispatching-Trans Serv & Sch	561	\$	59,309	\$	1,164	\$	60,473	\$	-	\$	60,473
MISO Sch 10 Admin	561	\$	6,030,448	\$	-	\$	6,030,448	\$	(148,174)	\$	5,882,274
System Plan & Standards Dev	561	\$	426,292	\$	8,524	\$	434,816	\$	-	\$	434,816
Transmission Service Studies	561	\$	2,968	\$	-	\$	2,968	\$	-	\$	2,968
Reliability Planning	561	\$	630,453	\$	-	\$	630,453	\$	-	\$	630,453
MISO Schedule BB	561BB	\$	156,687	\$	-	\$	156,687	\$	-	\$	156,687
Station Expenses	562	\$	231,212	\$	9,464	\$	240,676	\$	(452)	\$	240,224
Trans OH Line Expense	563	\$	1,695,734	\$	(457,891)	\$	1,237,843	\$	(4,712)	\$	1,233,131
MISO Schedule 26 Expense	565S26	\$	14,984	\$	-	\$	14,984	\$	-	\$	14,984
MISO SCH 2 Expense	565SC2	\$	7,213,526	\$	-	\$	7,213,526	\$	-	\$	7,213,526
Misc. Transmission Expenses	566	\$	920,889	\$	8,287	\$	929,176	\$	(18,944)	\$	910,232
Rents	567	\$	380,980	\$	-	\$	380,980	\$	-	\$	380,980
Maint. Supv. And Eng.	568	\$	3,341,515	\$	91,120	\$	3,432,635	\$	(68,671)	\$	3,363,964
Maint. Of Structures	569	\$	248,445	\$	1,635	\$	250,080	\$	(5,644)	\$	244,436
Maint Trans Computer & Telecom	569	\$	2,482	\$	-	\$	2,482	\$	-	\$	2,482
Maint of Transm Computer Software	569	\$	71,225	\$	-	\$	71,225	\$	-	\$	71,225
Transmission Maint Station Equip	570	\$	1,961,006	\$	52,415	\$	2,013,421	\$	(9,357)	\$	2,004,064
Transmission Maint OH Line Exp	571	\$	2,975,814	\$	-	\$	2,975,814	\$	-	\$	2,975,814
Maint. Of Misc. Transmission	573	\$	41,156	\$	82	\$	41,238	\$	(89)	\$	41,149
TOTAL ELECTRIC TRANSMISSION EXPENSE		\$	31,570,842	\$	(193,515)	\$	31,377,327	\$	(419,023)	\$	30,958,304
MISO market admin charge	575	\$	3,354,505	\$	-	\$	3,354,505	\$	-	\$	3,354,505
		\$	-	\$	-	\$	-	\$	-	\$	-
ELECTRIC REGIONAL MARKETING EXP		\$	3,354,505	\$	-	\$	3,354,505	\$	-	\$	3,354,505
Distribution Ops Supr & Engr	580	\$	8,884,899	\$	(127,476)	\$	8,757,423	\$	(225,069)	\$	8,532,354
Distribution Load Dispatching	581	\$	782,806	\$	38,652	\$	821,458	\$	(23,529)	\$	797,929
Distribution Station Expenses	582	\$	557,281	\$	29,011	\$	586,292	\$	(13,979)	\$	572,313
Distribution OH Line Expenses	583	\$	4,548,696	\$	(1,096,202)	\$	3,452,494	\$	(990)	\$	3,451,504
Underground Line Expenses	584	\$	1,552,096	\$	19,417	\$	1,571,513	\$	(4,756)	\$	1,566,757
Street Lighting & Signal Sys	585	\$	305,990	\$	8,909	\$	314,899	\$	(8,029)	\$	306,870
Meter Expenses	586	\$	2,082,428	\$	1,176,216	\$	3,258,644	\$	-	\$	3,258,644
Customer Installations	587	\$	558,842	\$	23,815	\$	582,657	\$	(2)	\$	582,655

Miscellaneous Distribution Exp	588	\$	5,152,370	\$	(685,943)	\$	4,466,427	\$	(69,370)	\$	4,397,057
Rents	589	\$	1,243,085	\$	-	\$	1,243,085	\$	-	\$	1,243,085
Distribution Maint Supr & Engr	590	\$	2,253,221	\$	94,464	\$	2,347,685	\$	(56,647)	\$	2,291,038
Maint. Of Structures	591	\$	1,365,599	\$	575	\$	1,366,174	\$	(1)	\$	1,366,173
Distribution Maint Station Equip	592	\$	1,140,093	\$	50,807	\$	1,190,900	\$	(9,076)	\$	1,181,824
Distribution Maint OH lines	593	\$	16,819,865	\$	5,060,731	\$	21,880,596	\$	(66,877)	\$	21,813,719
Underground Line Expenses	594	\$	1,484,988	\$	230,089	\$	1,715,077	\$	-	\$	1,715,077
Dist Maint Line Trmf, Regulators	595	\$	21,239	\$	1,223	\$	22,462	\$	-	\$	22,462
MaintStreet Light & Signal Sys	596	\$	957,407	\$	8,934	\$	966,341	\$	(981)	\$	965,360
Maintenance of Meters	597	\$	160,494	\$	5,901	\$	166,395	\$	-	\$	166,395
Maint of Misc Distr Plant	598	\$	916,824	\$	13,231	\$	930,055	\$	(1,768)	\$	928,287
TOTAL ELECTRIC DISTRIBUTION EXPENSE		\$	50,788,223	\$	4,852,354	\$	55,640,577	\$	(481,076)	\$	55,159,501
Supervision - Customer Accts	901	\$	282,880	\$	8,621	\$	291,501	\$	(59,189)	\$	232,312
Meter Reading Exp	902	\$	2,520,598	\$	3,667,766	\$	6,188,364	\$	(8,605)	\$	6,179,759
Customer Records	903	\$	10,902,883	\$	2,525,121	\$	13,428,004	\$	(95,949)	\$	13,332,055
Customer Collection	903	\$	3,929,061	\$	15,139	\$	3,944,200	\$	-	\$	3,944,200
Customer Deposit Interest	903.2	\$	-	\$	-	\$	-	\$	(34,869)	\$	(34,869)
Uncollectible Accounts	904	\$	(251,014)	\$	223,516	\$	(27,498)	\$	-	\$	(27,498)
Effective Rate			0.000013668456				0.000021218300		-		0.000021218300
Uncollectible Accounts-revenue adj		\$	-	\$	894,044	\$	894,044	\$	-	\$	894,044
Uncollectible Accounts Elect-Write Off	904	\$	3,531,068	\$	(4,272,820)	\$	(741,752)	\$	-	\$	(741,752)
Miscellaneous	905	\$	70,876	\$	354	\$	71,230	\$	(1,383)	\$	69,847
TOTAL CUSTOMER ACCOUNTS EXPENSE		\$	20,986,352	\$	3,061,741	\$	24,048,093	\$	(199,996)	\$	23,882,967
Supervision	907	\$	921,483	\$	14,434	\$	935,917	\$	(26,453)	\$	909,464
Customer Assistance	908	\$	10,470,809	\$	(8,831,833)	\$	1,638,976	\$	(73,841)	\$	1,565,135
Customer Assistance over/under	908	\$	(372,543)	\$	372,543	\$	-	\$	-	\$	-
Information & Instr Advertising	909	\$	788,054	\$	4,989	\$	793,043	\$	(10,075)	\$	782,968
Misc. Cust. Service and Information	910	\$	1,149,866	\$	33,239	\$	1,183,105	\$	(37,407)	\$	1,145,698
TOTAL CUSTOMER SERVICE EXPENSE		\$	12,957,669	\$	(8,406,628)	\$	4,551,041	\$	(147,775)	\$	4,403,266
Sales Supervision	911	\$	988	\$	(2)	\$	986	\$	-	\$	986
Demonstrating & Selling Exp	912	\$	474,570	\$	17,755	\$	492,325	\$	(18,421)	\$	473,904
Advertising Expense	913	\$	149,698	\$	(279)	\$	149,419	\$	-	\$	149,419
Misc. Sales Expense	916	\$	62,794	\$	1,074	\$	63,868	\$	(4,291)	\$	59,577
		\$	-	\$	-	\$	-	\$	-	\$	-
TOTAL SALES EXPENSE		\$	688,050.00	\$	18,548.00	\$	706,598.00	\$	(22,712)	\$	683,886.13
TOTAL OPERATIONS & MAINTENANCE		\$	1,111,141,658	\$	(716,765,375)	\$	394,376,283	\$	(2,177,529)	\$	392,199,030

SOAH DOCKET NO. 473-22-04394						Staff Schedule II	
PUC DOCKET NO. 53719						O&M Expense	
COMPANY NAME Entergy Texas, Inc.							
TEST YEAR END 31-Dec-21							
OPERATIONS AND MAINTENANCE EXPENSE		Test Year Total (a)	Company Adjustments To Test Year (b)	Company Requested Test Year Total Electric (c)	Staff Adjustments To Company Request (d)	Commission Adjusted Total Electric (e) = (c) + (d)	
Administrative & General:							
	Admin & General Salaries	920 \$ 33,092,537	\$ (1,558,228)	\$ 31,534,309	\$ (3,664,773)	\$ 27,869,536	
	Office Supplies & Exp	921 \$ 1,317,014	\$ (373,388)	\$ 943,626	\$ -	\$ 943,626	
	Admin Expenses Transferred	922 \$ -	\$ -	\$ -	\$ -	\$ -	
	Outside Services	923 \$ 13,859,868	\$ (1,459,004)	\$ 12,400,864	\$ (15)	\$ 12,400,849	
	Property Insurance	924 \$ 3,611,506	\$ 3,890	\$ 3,615,396	\$ (12,367)	\$ 3,603,029	
	Provision for Property Insurance	924 \$ 5,799,308	\$ 6,013,000	\$ 11,812,308	\$ -	\$ 11,812,308	
	Environmental Reserve Accrual	924 \$ 1,491,985	\$ -	\$ 1,491,985	\$ -	\$ 1,491,985	
	Injuries & Damages	925 \$ 2,864,254	\$ 6,295	\$ 2,870,549	\$ (14,497)	\$ 2,856,052	
	Employee Pensions & Benefits	926 \$ 19,182,584	\$ 2,114,301	\$ 21,296,885	\$ (318,321)	\$ 20,978,564	
	ASC 715 NSC - Emp Pens & Ben	926NS1 \$ (345,359)	\$ 17,176,456	\$ 16,831,097	\$ (2,543,798)	\$ 14,287,300	
Sch G-14	Regulatory Commission Exp	928 \$ 2,462,284	\$ (1,013,616)	\$ 1,448,668	\$ (14,928)	\$ 1,433,740	
	General Advertising Exp	9301 \$ 384,092	\$ (1,225)	\$ 382,867	\$ (2)	\$ 382,865	
	Miscellaneous	9302 \$ 6,028,551	\$ (392,099)	\$ 5,636,452	\$ (2,479)	\$ 5,633,973	
	Active Development Expenses	9302 \$ -	\$ -	\$ -	\$ -	\$ -	
	Directors' Fees and Expenses	9302 \$ -	\$ -	\$ -	\$ -	\$ -	
	Rents	931 \$ 518,904	\$ (12,123)	\$ 506,781	\$ -	\$ 506,781	
	Maint. Of General Plant	935 \$ 1,358,721	\$ 25,364	\$ 1,384,085	\$ (12,140)	\$ 1,371,945	
TOTAL ADMINISTRATIVE & GENERAL EXP		91,626,249	20,529,623	112,155,872	(6,583,319)	105,572,553	
TOTAL OPERATIONS & MAINTENANCE & AG EXPENSE		1,202,767,907	(696,235,752)	506,532,155	(8,760,848)	\$ 497,771,307	

SOAH DOCKET NO. 473-22-04394
PUC DOCKET NO. 53719
COMPANY NAME Entergy Texas, Inc.
TEST YEAR END 31-Dec-21

Staff Schedule III
Invested Capital

		Test Year Total (a)	Company Adjustments To Test Year (b)	Company Requested Test Year Total Electric (c)	Staff Adjustments To Company Request (d)	Staff Adjusted Total Electric (e) = (c) + (d)
INVESTED CAPITAL						
Plant in Service	B-1	\$ 7,151,899,904	\$ (287,943,563)	\$ 6,863,956,341	\$ -	\$ 6,863,956,341
Accumulated Depreciation		\$ (1,951,389,629)	\$ (11,021,341)	\$ (1,962,410,970)	\$ -	\$ (1,962,410,970)
Net Plant In Service		\$ 5,200,510,275	\$ (298,964,904)	\$ 4,901,545,371	\$ -	\$ 4,901,545,371
			\$ -			
Construction Work in Progress		\$ -	\$ -	\$ -	\$ -	\$ -
Plant Held for Future Use		\$ -	\$ -	\$ -	\$ -	\$ -
Working Cash Allowance		\$ -	\$ (8,794,218)	\$ (8,794,218)	\$ 1,158,878	\$ (7,635,340)
Fuel Inventories		\$ 48,433,365	\$ 47,889	\$ 48,481,254	\$ -	\$ 48,481,254
Materials and Supplies		\$ 65,137,473	\$ -	\$ 65,137,473	\$ -	\$ 65,137,473
Prepayments		\$ 25,094,894	\$ (63,120)	\$ 25,031,774	\$ -	\$ 25,031,774
Property Insurance Reserve		\$ 63,218,652	\$ (45,488,004)	\$ 17,730,648	\$ -	\$ 17,730,648
Injuries and Damages Reserve		\$ (6,156,819)	\$ -	\$ (6,156,819)	\$ -	\$ (6,156,819)
Coal Car Maintenance Reserve		\$ -	\$ -	\$ -	\$ -	\$ -
Unfunded Pension		\$ (37,349,119)	\$ 107,114,494	\$ 69,765,375	\$ -	\$ 69,765,375
Allowances		\$ 18,301,905	\$ -	\$ 18,301,905	\$ -	\$ 18,301,905
Environmental Reserves		\$ (2,084,999)	\$ -	\$ (2,084,999)	\$ -	\$ (2,084,999)
Customer Deposits		\$ (37,270,549)	\$ -	\$ (37,270,549)	\$ -	\$ (37,270,549)
Regulatory Assets and Liabilities		\$ 106,352,725	\$ (15,004,975)	\$ 91,347,750	\$ (45,783)	\$ 91,301,967
Accumulated DFIT		\$ (695,036,544)	\$ (75,857,281)	\$ (770,893,825)	\$ -	\$ (770,893,825)
Rate Case Expenses		\$ -	\$ -	\$ -	\$ -	\$ -
Incentive Compensation Not Categorized		\$ -	\$ -	\$ -	\$ (12,385,747)	\$ (12,385,747)
TOTAL INVESTED CAPITAL (RATE BASE)		\$ 4,749,151,259	\$ (337,010,119)	\$ 4,412,141,140	\$ (11,272,652)	\$ 4,400,868,488
RATE OF RETURN		6.34%		7.24%		6.55%
RETURN ON INVESTED CAPITAL		\$ 301,224,067	\$ 18,133,323	\$ 319,357,390	\$ (31,100,504)	\$ 288,256,886

SOAH DOCKET NO. 473-22-04394
PUC DOCKET NO. 53719
COMPANY NAME Entergy Texas, Inc.
TEST YEAR END 31-Dec-21

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	\$ 59,404,723	\$ 76,542,614	\$ 135,947,337	\$ -	\$ 135,947,337
Transmission	\$ 36,255,306	\$ 3,233,761	\$ 39,489,067	\$ -	\$ 39,489,067
Distribution	\$ 75,219,007	\$ 2,762,759	\$ 77,981,766	\$ -	\$ 77,981,766
General	\$ 7,264,578	\$ 757,341	\$ 8,021,919	\$ -	\$ 8,021,919
Subtotal Electric Depreciation	\$ 178,143,614	\$ 83,296,475	\$ 261,440,089	\$ -	\$ 261,440,089
ESI Depreciation Expense	\$ 3,565,802	\$ (9,075)	\$ 3,556,727	\$ -	\$ 3,556,727
Amortization Expense					
Intangible Assets Amortization	\$ 30,577,723	\$ 8,160,322	\$ 38,738,045	\$ -	\$ 38,738,045
Specifically Assigned Gen. Plant Res Deficiency	\$ 2,134,924	\$ (1,540,808)	\$ 594,116	\$ -	\$ 594,116
Subtotal Amortization	\$ 32,712,647	\$ 6,619,514	\$ 39,332,161	\$ -	\$ 39,332,161
Total Depreciation & Amt	\$ 214,422,063	\$ 89,906,914	\$ 304,328,977	\$ -	\$ 304,328,977

SOAH DOCKET NO. 473-22-04394
PUC DOCKET NO. 53719
COMPANY NAME Entergy Texas, Inc.
TEST YEAR END 31-Dec-21

Staff Schedule IV
Taxes Other Than FIT

			Test Year Total (a)	Company Adjustments To Test Year (b)	Company Requested Test Year Total Electric (c)	Staff Adjustments To Company Request (d)	Staff Adjusted Total Electric (e) = (c) + (d)
TAXES OTHER THAN FIT							
G-9							
Non Revenue Related							
Ad Valorem Taxes-Texas			\$ 39,511,273	\$ (978,328)	\$ 38,532,945	\$ (62,985)	\$ 38,469,960
Effective rate			0.0050852986		0.0050852986		0.0050852986
Ad Valorem Taxes-Other States			\$ 1,962,070	\$ (48,582)	\$ 1,913,488	\$ -	\$ 1,913,488
Total Property			\$ 41,473,343	\$ (1,026,910)	\$ 40,446,433	\$ (62,985)	\$ 40,383,448
Payroll Taxes							
FICA			\$ 2,754,646	\$ 145,171	\$ 2,899,817	\$ (161,726)	\$ 2,738,091
FUTA			\$ 15,826	\$ 12,707	\$ 28,533	\$ -	\$ 28,533
SUTA			\$ 24,039	\$ 15,036	\$ 39,075	\$ -	\$ 39,075
Total Payroll			\$ 2,794,511	\$ 172,914	\$ 2,967,425	\$ (161,726)	\$ 2,805,699
Franchise Taxes							
Texas	408.33		\$ 600	\$ 492,582	\$ 493,182	\$ (19,298)	\$ 473,884
Effective Rate					0.00038061	0.00038061	0.00038061
Other States			\$ 135,712	\$ -	\$ 135,712	\$ -	\$ 135,712
			\$ 136,312	\$ 492,582	\$ 628,894	\$ (19,298)	\$ 609,596
Environmental Tax							
Excise Tax - State			\$ 11,529	\$ -	\$ 11,529	\$ -	\$ 11,529
Excise Tax - Federal			\$ 24,233	\$ -	\$ 24,233	\$ -	\$ 24,233
Total			\$ 35,762	\$ -	\$ 35,762	\$ -	\$ 35,762
Other Taxes							
ESI Ad Valorem			\$ 738,464		\$ 738,464		\$ 738,464
ESI Payroll Taxes			\$ 2,356,245	\$ 71,721	\$ 2,427,966	\$ (281,113)	\$ 2,146,853
ESI Franchise Taxes			\$ (3,718)	\$ -	\$ (3,718)	\$ -	\$ (3,718)
ESI Other			\$ 248	\$ -	\$ 248	\$ -	\$ 248
Entergy Arkansas Payroll Taxes			\$ 3,195	\$ -	\$ 3,195	\$ -	\$ 3,195
Entergy Louisiana Payroll Taxes			\$ 99,675	\$ -	\$ 99,675	\$ -	\$ 99,675
Entergy Mississippi Payroll Taxes			\$ (557)	\$ -	\$ (557)	\$ -	\$ (557)
Entergy New Orleans Payroll			\$ 794	\$ -	\$ 794	\$ -	\$ 794
Entergy New Orleans Payroll			\$ (8)	\$ -	\$ (8)	\$ -	\$ (8)
Total Other			\$ 3,194,338	\$ 71,721	\$ 3,266,059	\$ (281,113)	\$ 2,984,946
Revenue Related							
State Gross Receipts - Texas			\$ 12,962,184	\$ (127,786)	\$ 12,834,398	\$ (502,207)	\$ 12,332,191
Effective Rate			0.007058293		0.009904791	0.00990	
State Gross Receipts - Other			\$ -	\$ -	\$ -	\$ -	\$ -
Local Gross Receipts - Texas			\$ 26,503,951	\$ (10,530,379)	\$ 15,973,572	\$ (625,042)	\$ 15,348,530
Effective Rate			0.0144321867536		0.0123274100472	0.01233	0.01232741005
Local Gross Receipts - Other			\$ -	\$ -	\$ -	\$ -	\$ -
State Gross Margins - Texas			\$ -	\$ -	\$ -	\$ -	\$ -
Effective Rate			0		0	-	0
			\$ 39,466,135	\$ (10,658,165)	\$ 28,807,970	\$ (1,127,249)	\$ 27,680,721
PUC Assessment - Texas							
PUC Assessment Effective Rate			\$ 2,483,380	\$ (24,482)	\$ 2,458,898	\$ (96,216)	\$ 2,362,682
PUC Assessment - Other			\$ -	\$ -	\$ -	\$ -	\$ -
			\$ 2,483,380	\$ (24,482)	\$ 2,458,898	\$ (96,216)	\$ 2,362,682
State and Local use tax							
			\$ 3,985,790	\$ (3,985,790)	\$ -	\$ -	\$ -
TOTI Operations Non-Affiliate							
	Sch A2, Line 122		\$ 1,400,000	\$ (1,400,000)	\$ -	\$ -	\$ -
TOTAL TAXES OTHER THAN INCOME TAXES			\$ 94,969,571	\$ (16,358,130)	\$ 78,611,441	\$ (1,748,587)	\$ 76,862,854

SOAH DOCKET NO. 473-22-04394
PUC DOCKET NO. 53719
COMPANY NAME Entergy Texas, Inc.
TEST YEAR END 31-Dec-21

Staff Schedule V
FIT

FEDERAL INCOME TAXES - METHOD 1
Schedule G-7.8

	Company Requested Test Year Total Electric	Staff Adjustments To Company Request	Staff Adjusted Total Electric
Return	\$ 61,847,395	\$ 226,409,491	\$ 288,256,886
Less:			
Interest Included in Return	\$ (73,387,785)	\$ 333,368	\$ (73,054,417)
Amortization of ITC	\$ (831,477)	\$ -	\$ (831,477)
Amortization of DFIT (Excess)	\$ (7,123,255)	\$ -	\$ (7,123,255)
General Business Credit	\$ (543,000)	\$ -	\$ (543,000)
Permenant Differences	\$ (2,078,811)	\$ -	\$ (2,078,811)
Plus:			
Depreciation Adjustments	\$ 38,925,306	\$ -	\$ 38,925,306
Other Timing Differences	\$ 1,298,120	\$ -	\$ 1,298,120
EOI/ESI Taxes	\$ 893,048	\$ -	\$ 893,048
Current State Income Tax	\$ 168,799	\$ -	\$ 168,799
Deferred State Income Tax	\$ 383,841	\$ -	\$ 383,841
TAXABLE COMPONENT OF RETURN	\$ 19,552,181	\$ 226,742,859	\$ 246,295,040
TAX FACTOR (1/1-.21)(.21)	0.26582278		0.2658228
TOTAL FIT BEFORE ADJUSTMENTS	5,197,415	\$ 60,273,418	\$ 65,470,833
Adjustments:			
ETI Investment Tax Credit	\$ (831,477)	\$ -	\$ (831,477)
Amortization of Excess DFIT - Depreciation	\$ (7,123,255)	\$ -	\$ (7,123,255)
General Business Credit	\$ (543,000)	\$ -	\$ (543,000)
EOI/ESI Taxes	\$ 893,048	\$ -	\$ 893,048
Other	\$ -	\$ -	\$ -
TOTAL FEDERAL INCOME TAXES	\$ (2,407,269)	\$ 60,273,418	\$ 57,866,149

00040

CASH WORKING CAPITAL ADJUSTMENT

O&M	Schedule E-4	Staff				Average Daily Amount		Revenue	Expense	Staff Adjustmen	Adjusted	Working Cash						
		Working Cash Basis	Adjustment to Basis	Adjustment to Basis	Adjusted WC Basis	(365 Days)	Lag Days	Lead Days	to Lead Days	Lag Days								
	Payroll																	
	Direct Payroll	\$	-	\$	39,729,647	\$	-	\$	39,729,647	\$	108,848	41.86	(14.42)	0.00	27.44	\$	2,986,799	
	Incentives	\$	-	\$	3,580,962	\$	(2,185,523)	\$	1,395,439	\$	3,823	41.86	(252.06)	0.00	(210.20)	\$	(803,620)	
	Fuel																	
	Coal	\$	20,674,022	\$	(609,226)	\$	-	\$	20,064,796	\$	54,972	41.86	(38.52)	0.00	3.34	\$	183,607	
	Oil	\$	784,944	\$	(4,667)	\$	-	\$	780,277	\$	2,138	41.86	(38.52)	0.00	3.34	\$	7,140	
	Gas	\$	447,560,879	\$	-	\$	-	\$	447,560,879	\$	1,226,194	41.86	(38.52)	0.00	3.34	\$	4,095,489	
	Recoverable Allowances	\$	470,881	\$	-	\$	-	\$	470,881	\$	1,290	41.86	(27.64)	0.00	14.22	\$	18,345	
	Eligible Purchase Power:																	
	MSS-4 Eligible	\$	36,708,653	\$	-	\$	-	\$	36,708,653	\$	100,572	41.86	(60.14)	0.00	(18.28)	\$	(1,838,450)	
	ISB Eligible	\$	360,724,685	\$	-	\$	-	\$	360,724,685	\$	988,287	41.86	(27.64)	0.00	14.22	\$	14,053,438	
	Non-ISB Eligible	\$	-	\$	-	\$	-	\$	-	\$	-	41.86	(27.64)	0.00	14.22	\$	-	
	Non-Recoverable Purchased Power:																	
	MSS-4 Non-Recoverable	\$	144,571,001	\$	9,251,610	\$	-	\$	153,822,611	\$	421,432	41.86	(60.14)	0.00	(18.28)	\$	(7,703,774)	
	ISB Non-Recoverable	\$	45,004,362	\$	-	\$	-	\$	45,004,362	\$	123,300	41.86	(27.64)	0.00	14.22	\$	1,753,321	
	Non-ISB Non-Recoverable	\$	1,605,498	\$	1,248,876	\$	-	\$	2,854,374	\$	7,820	41.86	(27.64)	0.00	14.22	\$	111,203	
	Other O&M	\$	301,937,173	\$	(147,243,298)	\$	(6,575,325)	\$	148,118,550	\$	405,804	41.86	(47.53)	0.00	(5.67)	\$	(2,300,910)	
	Entergy Services Inc.	\$	-	\$	101,323,912	\$	-	\$	101,323,912	\$	277,600	41.86	(39.76)	0.00	2.10	\$	582,959	
	Total O&M		\$	1,360,042,098	\$	7,277,816	\$	(8,760,848)	\$	1,358,559,066	\$	3,722,080					\$	11,145,547
	Federal Income Taxes																	
	Current	\$	15,134,365	\$	-	\$	42,851,840	\$	57,986,205	\$	158,866	41.86	(36.50)	0	5.36	\$	851,523	
	Deferred	\$	-	\$	-	\$	-	\$	-	\$	-	41.86	-36.5	0	5.36	\$	-	
State Income Taxes																		
	Current	\$	168,799	\$	-	\$	-	\$	168,799	\$	462	41.86	44.42	0	86.28	\$	39,901	
	Deferred	\$	-	\$	-	\$	-	\$	-	\$	-	41.86	44.42	0	86.28	\$	-	
Taxes Other Than Income																		
	Employment Taxes	\$	5,498,489	\$	(2,423,935)	\$	(161,726)	\$	2,912,828	\$	7,980	41.86	(4.57)	0	37.29	\$	297,587	
	Employment Taxes-ESI	\$	-	\$	2,444,566	\$	(281,113)	\$	2,163,453	\$	5,927	41.86	(39.76)	0	2.10	\$	12,447	
	City Occupational Tax	\$	-	\$	(3)	\$	-	\$	(3)	\$	(0)	0.00	0.00	0	0.00	\$	-	
	City Occupation Tax-ESI	\$	-	\$	237	\$	-	\$	237	\$	1	41.86	(39.76)	0	2.10	\$	1	
	Franchise Tax-TX State	\$	493,184	\$	207,416	\$	(19,298)	\$	681,302	\$	1,867	41.86	44.42	0	86.28	\$	161,049	
	Franchise Tax-TX-ESI	\$	-	\$	3	\$	-	\$	3	\$	0	41.86	(39.76)	0	2.10	\$	0	
	Franchise Tax-MS State	\$	60,110	\$	(60,110)	\$	-	\$	-	\$	-	41.86	44.42	0	86.28	\$	-	
	Franchise Tax-MS-ESI	\$	-	\$	(890)	\$	-	\$	(890)	\$	(2)	41.86	(39.76)	0	2.10	\$	(5)	
	Franchise Tax-LA State	\$	71,713	\$	(71,713)	\$	-	\$	-	\$	-	41.86	44.42	0	86.28	\$	-	
	Franchise Tax-LA-ESI	\$	-	\$	(2,849)	\$	-	\$	(2,849)	\$	(8)	41.86	(39.76)	0	2.10	\$	(16)	
	Franchise Tax - AR State	\$	168	\$	(18)	\$	-	\$	150	\$	0	41.86	44.42	0	86.28	\$	35	
	Franchise Tax -AR - ESI	\$	-	\$	18	\$	-	\$	18	\$	0	41.86	(39.76)	0	2.10	\$	0	
	Excise Tax-State	\$	11,535	\$	(6)	\$	-	\$	11,529	\$	32	0.00	0.00	0	0.00	\$	-	
	Excise Tax Federal	\$	24,239	\$	(11,246)	\$	-	\$	12,993	\$	36	0.00	0.00	0	0.00	\$	-	
	Excise Tax-State-ESI	\$	-	\$	6	\$	-	\$	6	\$	0	41.86	(39.76)	0	2.10	\$	0	
	Excise Tax-Federal ESI	\$	-	\$	6	\$	-	\$	6	\$	0	41.86	(39.76)	0	2.10	\$	0	
	Franchise Tax - Local	\$	15,916,617	\$	(16,431,911)	\$	(625,042)	\$	(1,140,336)	\$	(3,124)	41.86	44.42	0	86.28	\$	(269,557)	
	Street Rental	\$	56,957	\$	(57,524)	\$	-	\$	(567)	\$	(2)	0.00	0.00	0	0.00	\$	-	
	Gross Receipts & Sales Tax	\$	12,834,398	\$	(12,919,248)	\$	(502,207)	\$	(587,057)	\$	(1,608)	0.00	0.00	0	0.00	\$	-	
	Regulatory Commission	\$	2,458,898	\$	(960,299)	\$	(96,216)	\$	1,402,383	\$	3,842	41.86	(225.50)	0	(183.64)	\$	(705,571)	
	Sales & Use Tax	\$	-	\$	-	\$	-	\$	-	\$	-	41.86		0	41.86	\$	-	
	Sales & Use Tax-ESI	\$	-	\$	-	\$	-	\$	-	\$	-	41.86	0.00	0	41.86	\$	-	
	Ad Valorem Tax	\$	41,184,896	\$	274	\$	(62,985)	\$	41,122,185	\$	112,664	41.86	(214.59)	0	(172.73)	\$	(19,460,370)	
	Ad Valorem Tax - ESI	\$	-	\$	738,464	\$	-	\$	738,464	\$	2,023	41.86	(39.76)	0	2.10	\$	4,249	
Total Taxes Other Than Income		\$	78,611,204	\$	(29,548,762)	\$	(1,748,587)	\$	47,313,855	\$	129,627					\$	(19,960,151)	
Working Funds Use Tax		\$	-	\$	105,061,235	\$	-	\$	105,061,235	\$	287,839	1	0.00	0	1.00	\$	287,839	
Interest Expense		\$	73,387,817	\$	-	\$	(171,273)	\$	73,216,544	\$	200,593	0	0.00	0	0.00	\$	-	
Preferred Dividends		\$	(146,653)	\$	-	\$	-	\$	(146,653)	\$	(402)	0	0.00	0	0.00	\$	-	
Subtotal		\$	1,527,197,630	\$	82,790,289	\$	32,171,132	\$	1,642,159,051	\$	4,499,066					\$	(7,635,340)	

Cash Working Capital	\$ (7,635,340)
ETI Adjustment	\$ 738,926
Staff CWC	-7,635,340
ETI Request	-8,794,218
Staff Rec CWC	1,158,878

				Public Utility Commission of Texas				
				Docket No. 53719 Entergy Texas Inc.				
				Test Year End: 12/31/2021				
							Staff Schedule VIII	
				Summary Incentive Compensation Adjustments				
				Acct. No	Short Term	Short Term	Long Term	Long Term
					Direct	Affiliated	Direct	Affiliated
								TOTAL
				Operations & Maintenance:				
				500	\$ (77,680)	\$ (17,813)	\$ (16,594)	\$ (74,086)
				501	\$ -	\$ -	\$ -	\$ -
				501	\$ -	\$ -	\$ -	\$ -
				501	\$ -	\$ -	\$ -	\$ -
				501	\$ (30)	\$ -	\$ -	\$ (30)
				502	\$ (41,270)	\$ -	\$ -	\$ (41,270)
				502	\$ -	\$ -	\$ -	\$ -
				505	\$ (11,715)	\$ -	\$ -	\$ (11,715)
				506	\$ (125,900)	\$ (55,877)	\$ -	\$ (181,777)
				507	\$ -	\$ -	\$ -	\$ -
				509	\$ -	\$ -	\$ -	\$ -
				509	\$ -	\$ -	\$ -	\$ -
				509	\$ -	\$ -	\$ -	\$ -
					\$ (256,596)	\$ (73,690)	\$ (16,594)	\$ (74,086)
				510	\$ (14,652)	\$ (18,200)	\$ -	\$ (32,852)
				511	\$ (552)	\$ -	\$ -	\$ (552)
				512	\$ (1,576)	\$ (807)	\$ -	\$ (2,384)
				513	\$ (1,568)	\$ -	\$ -	\$ (1,568)
				514	\$ (6,910)	\$ -	\$ (328,871)	\$ (335,781)
					\$ (25,258)	\$ (19,008)	\$ -	\$ (328,871)
					\$ (281,854)	\$ (92,698)	\$ (16,594)	\$ (402,957)
				535	\$ -	\$ (254)	\$ -	\$ (254)
				538	\$ -	\$ -	\$ -	\$ -
				539	\$ (268)	\$ (2)	\$ -	\$ (270)
					\$ (268)	\$ (256)	\$ -	\$ (524)
				542	\$ -	\$ -	\$ -	\$ -
				544	\$ (237)	\$ -	\$ -	\$ (237)
					\$ (237)	\$ -	\$ -	\$ (237)
					\$ (505)	\$ (256)	\$ -	\$ (761)
				546	\$ (37,695)	\$ (1,287)	\$ -	\$ (38,981)
				548	\$ (2,348)	\$ -	\$ -	\$ (2,348)
				549	\$ (12,946)	\$ (5,465)	\$ -	\$ (18,412)
				550	\$ -	\$ -	\$ -	\$ -
					\$ (52,990)	\$ (6,752)	\$ -	\$ (59,742)
				551	\$ (3,338)	\$ (878)	\$ -	\$ (4,217)
				552	\$ -	\$ -	\$ -	\$ -
				553	\$ (2,616)	\$ (6)	\$ -	\$ (2,621)
				554	\$ -	\$ -	\$ -	\$ -
					\$ (5,954)	\$ (884)	\$ -	\$ (6,838)
					\$ (58,944)	\$ (7,636)	\$ -	\$ (66,580)
				555	\$ -	\$ -	\$ -	\$ -
				555	\$ -	\$ -	\$ -	\$ -
				555	\$ -	\$ -	\$ -	\$ -
				555	\$ -	\$ -	\$ -	\$ -
				555	\$ -	\$ -	\$ -	\$ -
				556	\$ -	\$ (44,547)	\$ -	\$ (44,547)
				557	\$ -	\$ (958)	\$ -	\$ (958)
				557	\$ -	\$ -	\$ -	\$ -
				557	\$ -	\$ -	\$ -	\$ -
					\$ -	\$ (45,505)	\$ -	\$ (45,505)
				560	\$ (8,863)	\$ (72,776)	\$ (7,116)	\$ (74,224)
				561	\$ -	\$ -	\$ -	\$ -
				561	\$ -	\$ -	\$ -	\$ -
				561	\$ -	\$ -	\$ -	\$ -
				561	\$ -	\$ (148,174)	\$ -	\$ (148,174)
				561	\$ -	\$ -	\$ -	\$ -
				561	\$ -	\$ -	\$ -	\$ -
				561	\$ -	\$ -	\$ -	\$ -
				561BB	\$ -	\$ -	\$ -	\$ -
				562	\$ (452)	\$ -	\$ -	\$ (452)
				563	\$ (313)	\$ (4,399)	\$ -	\$ (4,712)
				565S26	\$ -	\$ -	\$ -	\$ -
				565SC2	\$ -	\$ -	\$ -	\$ -
				566	\$ -	\$ (18,944)	\$ -	\$ (18,944)
				567	\$ -	\$ -	\$ -	\$ -
				568	\$ (51,170)	\$ (17,501)	\$ -	\$ (68,671)
				569	\$ -	\$ (5,644)	\$ -	\$ (5,644)
				569	\$ -	\$ -	\$ -	\$ -
				569	\$ -	\$ -	\$ -	\$ -
				570	\$ (9,349)	\$ (8)	\$ -	\$ (9,357)
				571	\$ -	\$ -	\$ -	\$ -
				573	\$ (36)	\$ (53)	\$ -	\$ (89)
					\$ (70,183)	\$ (267,500)	\$ (7,116)	\$ (74,224)
				575	\$ -	\$ -	\$ -	\$ -

00044

SOAH DOCKET NO. 473-22-04394
PUC DOCKET NO. 53719
COMPANY NAME Entergy Texas, Inc
TEST YEAR END 31-Dec-21

Direct Short Term Incentive Compensation

Account ⁽¹⁾	EAIP (Executive Annual Incentive Plan)	EXIP (Exempt Incentive Plan)	OSIP (Operational Supervisor Incentive Plan)	SMIP (System Management Incentive Plan)	Adjustment ⁽²⁾				
					Totals	30% of Total	Not Assigned	Total to be Adjusted	Total Adjusted Amount
500000		131,473		11,675	143,148	42,944	34,736	77,680	77,680
501100		101			101	30		30	30
502000		76,186			76,186	22,856	18,415	41,270	41,270
505000		18,005			18,005	5,402	6,314	11,715	11,715
506000		106,988	12,011	124,533	243,533	73,060	52,840	125,900	125,900
510000				28,872	28,872	8,662	5,990	14,652	14,652
511000		37			37	11	541	552	552
512000		468			468	140	1,436	1,576	1,576
513000		230			230	69	1,499	1,568	1,568
514000		52		11,559	11,612	3,484	3,426	6,910	6,910
535000		0			0	0		0	0
539000					-	-	268	268	268
544000					-	-	237	237	237
546000		31,801		52,299	84,100	25,230	12,465	37,695	37,695
548000					-	-	2,348	2,348	2,348
549000		2,310	690	24,694	27,694	8,308	4,638	12,946	12,946
551000		5,354		3,012	8,366	2,510	829	3,338	3,338
552000					-	-	(19)	(19)	(19)
553000					-	-	2,616	2,616	2,616
554000					-	-	(38)	(38)	(38)
560000		8,243	655	5,169	14,067	4,220	4,643	8,863	8,863
561200					-	-		-	-
562000		1,508			1,508	452		452	452
563000		696			696	209	104	313	313
566000		158			158	47	(93)	(45)	(45)
568000		63,784	2,455	30,798	97,037	29,111	22,059	51,170	51,170
570000		20,701			20,701	6,210	3,138	9,349	9,349
573000			120		120	36		36	36
580000		78,791	35,707	19,897	134,395	40,318	25,035	65,353	(1,857) 63,496
581000		42,428	3,017	4,196	49,641	14,892	8,887	23,779	(347) 23,433
582000		12,463	232	17,933	30,628	9,189	5,050	14,239	(260) 13,979
583000		(1)			(1)	(0)	1,256	1,256	(400) 857
584000		(0)			(0)	(0)	697	697	(188) 509
585000		12,703			12,703	3,811	4,298	8,109	(80) 8,029
586000		(0)		834	834	250	(21,872)	(21,622)	(375) (21,998)
587000		(0)		247	247	74	(6,584)	(6,510)	(213) (6,723)
588000		65,305	3,017	5,662	73,983	22,195	16,498	38,693	(1,093) 37,600
590000		64,185	27,795	18,356	110,336	33,101	19,955	53,056	(861) 52,195
591000					-	-	1	1	
592000		18,295	385	403	19,083	5,725	2,107	7,832	(463) 7,368
593000		72,284	7,653	14,248	94,184	28,255	32,270	60,525	(1,628) 58,897
594000		(0)			(0)	(0)	67	67	(188) (121)
595000		5			5	1	6	7	(11) (4)
596000		(0)			(0)	(0)	455	455	(82) 372
597000		(0)		57	57	17	(5,812)	(5,795)	(60) (5,855)
598000		(0)			(0)	(0)	167	167	(126) 40
901000		6,649		2,593	9,241	2,772	1,556	4,329	
902000		(0)		57	57	17	(4,846)	(4,829)	
903001		39,459	37	53,557	93,054	27,916	13,966	41,882	
903002		(0)			(0)	(0)	(776)	(776)	
905000					-	-	263	263	
907000		5,029		29,374	34,403	10,321	10,420	20,741	
908000		60,212		83,474	143,687	43,106	27,479	70,585	
909000		9,367			9,367	2,810	2,202	5,012	
910000		17,230		48,833	66,063	19,819	12,579	32,398	
912000		32,330		7,344	39,673	11,902	6,519	18,421	
920000	38,323	29,482	71	127,797	195,674	58,702	1,000,490	1,059,192	(128) 1,059,064
928000				24,732	24,732	7,420	7,508	14,928	
935000					-	-	1,971	1,971	
Total	38,323	1,034,312	93,846	752,205	1,918,687	575,606	1,340,202	1,915,809	(8,360) 1,907,448

Notes:
(1) Includes only accounts included in the COS.
(2) Reference proforma adjustment AJ14K - Distribution Staffing Increase, AJ22A - Direct Incentive Compensation, AJ23 - Remove Securitized Storm Costs, and AJ30 - Remove AMS Costs.

Source:
ETI Response to Cities 3-4

	A	B	C	D	E	F	G	H	I	J	K
1	SOAH DOCKET NO. 473-22-04394										
2	PUC DOCKET NO. 53719										
3	COMPANY NAME Entergy Texas, Inc										
4	TEST YEAR END 31-Dec-21										
5	Affiliate Short Term Incentive Compensation										
6											
7											
8	Account ⁽¹⁾	EAIP (Executive Annual Incentive Plan)	EXIP (Exempt Incentive Plan)	OSIP (Operation al Supervisor Incentive Plan)	SMIP (System Management Incentive Plan)	Total	30% of Total	Not Assigned	Total to be Adjusted	Adjustment ⁽²⁾	Total Adjusted Amount
9	500000	6,265	111,752		108,092	226,110	67,833	(41,241)	26,592	(8,780)	17,813
10	506000	807	106,013		37,544	144,363	43,309	21,189	64,498	(8,620)	55,877
11	510000		5,962		28,271	34,233	10,270	10,103	20,372	(2,172)	18,200
12	512000		1,311		237	1,548	464	446	911	(103)	807
13	517000	6	150		2,639	2,795	838	9,103	9,942		9,942
14	520000				-	-	-	82	82		82
15	524000		560		2,214	2,773	832	15,968	16,800		16,800
16	528000		137		44	181	54	325	379		379
17	532000				16	16	5	254	259		259
18	535000				566	566	170	84	254		254
19	539000		6			6	2		2		2
20	546000		1,218		1,014	2,233	670	753	1,423	(136)	1,287
21	549000		12,968		729	13,697	4,109	1,952	6,061	(596)	5,465
22	551000		2,209		145	2,354	706	257	963	(85)	878
23	553000		19			19	6		6		6
24	556000		59,528		55,907	115,435	34,630	16,318	50,948	(6,402)	44,547
25	557000				1,782	1,782	535	536	1,070	(112)	958
26	560000	2,570	80,080		49,238	131,888	39,566	41,654	81,221	(8,444)	72,776
27	561200		213,849		58,417	272,267	81,680	50,890	132,570	(15,722)	116,849
28	561300		6,964			6,964	2,089	2,566	4,656	(460)	4,195
29	561500		40,610		9,031	49,641	14,892	15,385	30,278	(3,147)	27,130
30	563000		6,015		1,441	7,456	2,237	2,272	4,508	(109)	4,399
31	566000	367	33,682		12,609	46,657	13,997	7,569	21,566	(2,622)	18,944
32	568000		53,495		67,294	120,790	36,237	(13,514)	22,723	(5,222)	17,501
33	569000		6,597		3,143	9,741	2,922	3,357	6,279	(634)	5,644
34	570000				45	45	13		13	(5)	8

Company Name Entergy Texas, Inc.

Test Year End	31-Dec-21	C	D	E	F	G	H	I	J	K	
35	573000	136			136	41	20	61	(8)	53	
36	580000	17,413	71,574	266	37,823	127,076	38,123	36,563	74,685	(9,304)	65,381
37	581000	386			386	116		116	(19)	96	
38	583000	198		20	218	65	72	138	(4)	134	
39	584000	1,822	2,416	3,269	7,507	2,252	2,501	4,753	(506)	4,248	
40	586000	825		66	891	267	132	400	(1,074)	(674)	
41	587000	8			8	2		2	(0)	2	
42	588000	36,426		34,657	71,084	21,325	20,493	41,819	(10,049)	31,770	
43	590000	1,936		7,796	9,732	2,919	2,108	5,027	(576)	4,451	
44	592000	3,496		2,198	5,694	1,708	291	1,999	(291)	1,708	
45	593000	7,089	2,806	3,831	13,726	4,118	4,942	9,060	(1,082)	7,978	
46	596000			1,314	1,314	394	292	686	(77)	609	
47	597000	94			94	28		28	(99)	(70)	
48	598000	1,559		2,017	3,576	1,073	933	2,006	(278)	1,728	
49	870000	5		15	19	6		6		6	
50	880000	7		3	10	3		3		3	
51	901000	5,289		5,189	10,478	3,143	3,256	6,400	(682)	5,718	
52	902000	11,501		2,831	14,332	4,300	5,387	9,686	(1,081)	8,605	
53	903001	52,601		41,432	94,033	28,210	32,806	61,016	(6,950)	54,066	
54	903002	47,407		32,336	79,743	23,923	17,181	41,104	(6,234)	34,869	
55	905000	1,890		206	2,096	629	624	1,253	(132)	1,121	
56	907000	2,165		4,336	12,437	3,731	2,721	6,452	(740)	5,712	
57	908000	1,594		6,106	7,701	2,310	1,415	3,725	(470)	3,255	
58	909000	5,322		4,350	9,672	2,902	2,766	5,667	(605)	5,063	
59	910000	2,752		7,094	9,845	2,954	2,662	5,616	(607)	5,009	
60	916000			6,428	6,428	1,928	2,810	4,738	(447)	4,291	
61	920000	208,491	946,401	1,709	1,665,212	2,821,812	846,544	288,591	1,135,134	(195,198)	939,936
62	923000				-	-	15	15	(1)	15	
63	924000	820	3,479	18,839	23,138	6,941	6,870	13,811	(1,444)	12,367	
64	925000		20,669	7,493	28,162	8,449	7,893	16,342	(1,845)	14,497	
65	928000		36,706	38,927	75,633	22,690	(25,033)	(2,343)	(2,213)	(4,556)	
66	930100		9		9	3		3	(0)	2	
67	930200				-	-	2,893	2,893	(414)	2,479	
68	935000		14,032	7,212	21,244	6,373	5,094	11,467	(1,298)	10,170	
69	Total	238,903	2,024,272	7,196	2,381,419	4,651,790	1,395,537	572,609	1,968,146	(307,100)	1,661,046
70											
71	Notes:										
72	(1) Includes only accounts included in the COS.										
73	(2) Reference proforma adjustment AJ22B - Affiliate Incentive Compensation, AJ23 - Remove Securitized Storm Costs, and AJ30 - Remove AMS Costs.										
74	Source:										
75	ETI Response to Cities 3-4										

SOAH DOCKET NO. 473-22-04394
PUC DOCKET NO. 53719
COMPANY NAME Entergy Texas, Inc
TEST YEAR END 31-Dec-21

Attachment ES-6
Page 6 of 7

Direct Long Term Incentive Compensation

Account ⁽¹⁾	Equity Ownership Plan	Long Term Incentive Plan	Restricted Stock Program	Total	Adjustment ⁽²⁾	Total Adjusted Amount
500000			16,594	16,594		16,594
514000	0			0		0
549000	-			-		-
560000			7,116	7,116		7,116
580000	1		58,255	58,256		58,256
581000	0			0		0
583000	0			0		0
584000	0			0		0
585000	0			0		0
586000	0			0		0
587000	0			0		0
588000	0			0		0
590000	1			1		1
593000	1			1		1
594000	0			0		0
595000	0			0		0
596000	0			0		0
597000	0			0		0
598000	0			0		0
901000			47,882	47,882		47,882
902000	0			0		0
903001	0			0		0
903002	0			0		0
920000		54,974	110,406	165,380	(57,601)	107,779
926000	70,241			70,241	(70,203)	39
Total	70,249	54,974	240,253	365,476	(127,803)	237,672

Notes:

⁽¹⁾ Includes only accounts included in the COS.

⁽²⁾ Reference proforma adjustment AJ22A - Direct Incentive Compensation and AJ23 - Remove Securitized Storm Costs.

Source:

ETI Response to Cities 3-4

SOAH DOCKET NO. 473-22-04394
PUC DOCKET NO. 53719
COMPANY NAME Entergy Texas, Inc
TEST YEAR END 31-Dec-21

Attachment ES-6
 Page 7 of 7

Affiliate Long Term Incentive Compensation

Account ⁽¹⁾	Equity Ownership Plan	Long Term Incentive Plan	Restricted Share Program	Restricted Stock Program	Total	Adjustment ⁽²⁾	Total Adjusted Amount
500000				74,086	74,086		74,086
514000				328,871	328,871		328,871
517000				-	-		-
560000				74,224	74,224		74,224
580000				37,936	37,936		37,936
901000				1,260	1,260		1,260
920000		1,530,352	206,669	1,612,562	3,349,582	(1,791,589)	1,557,994
926000	252,687				252,687	(255,332)	(2,645)
Total	252,687	1,530,352	206,669	2,128,939	4,118,646	(2,046,920)	2,071,726

- Notes:
- (1) Includes only accounts included in the COS.
- (2) Reference proforma adjustment AJ22B - Affiliate Incentive Compensation and AJ30 - Remove AMS Costs.

Source:
 ETI Response to Cities 3-4

SOAH DOCKET NO 473-22-04394
PUC DOCKET NO. 53719
COMPANY NAME Entergy Texas, Inc
TEST YEAR END 31-Dec-21

Attachment ES-7

	Total Adjustments	1.45%	6.20%	Total Payroll Adjustment
Allocated				
EAIP Plans	\$ 71,671 \$	1,039		\$ 1,039
Other Short-Term Plans	\$ 1,589,375 \$	23,046	\$ 98,541	\$ 121,587
Long-Term Plans	\$ 2,071,726 \$	30,040	\$ 128,447	\$ 158,487
Total Allocated				<u>\$ 281,113</u>
Direct				
EAIP Plans	\$ 38,323 \$	556		\$ 556
Other Short-Term Plans	\$ 1,869,125 \$	27,102	\$ 115,886	\$ 142,988
Long-Term Plans	\$ 237,672 \$	3,446	\$ 14,736	\$ 18,182
Total Direct				<u>\$ 161,726</u>
TOTAL PAYROLL TAX ADJUSTMENT				<u>\$ 442,839</u>

Source:
 Attachment ES-6

SOAH DOCKET NO.
PUC DOCKET NO.
COMPANY NAME
TEST YEAR END

473-22-04394 Attachment ES-8
53719
Entergy Texas, Inc
31-Dec-21

Capitalized Incentive Compensation

	ETI Direct	ESL Affiliate
	Short-Term	Short-Term.
2021		
EAIP	\$ -	\$ 39,714
EXIP	\$ 911,355	\$ 1,457,500
OSIP	\$ 186,903	\$ 12,461
SMIP	\$ 270,075	\$ 1,678,927
Total Financial Based	\$ 1,368,333	\$ 3,188,602
30%	\$ 410,500	\$ 956,581
Not Assigned	\$ 425,597	\$ 493,730
Total Adjustment	\$ 836,097	\$ 1,450,311

Total Direct Long-term capitalized incentive comp \$ 144,051

**Total adjustment for capitalized incentive comp
for test year** **\$ 2,430,459**

Total Allocated Capitalized Prior to exclusion of
financially based amounts \$ 3,706,420
Total Staff Adjustment \$ 1,450,311
Percent adjusted to total 39.13%

Total Allocated prior to exclusion of financially based
amounts

	Total	39.13% Adjustment
2018	\$ 2,635,176	\$ 1,031,136
2019	\$ 3,878,505	\$ 1,517,647
2020	\$ 3,646,708	\$ 1,426,945
Total short-term capitlized incentive comp adjustment		\$ 3,975,729

Long-term capitalized incentive comp prior to
exclusion of financially based amounts

	Total	100% Adjustment
2018	\$ 1,008,983	
2019	\$ 1,362,393	
2020	\$ 1,671,590.00	
2021	\$ 1,936,594	
Total adjustment		\$ 5,979,560

Total rate base adjustment \$ 12,385,747

Depreciation Amount TBD

\$ 4,158,984.30

Source:
ETI Response to OPUC RFI 5-2
ETI Response to OPUC RFI 5-3

SOAH DOCKET NO. 473-22-04394
PUC DOCKET NO. 53719
COMPANY NAME Entergy Texas, Inc
TEST YEAR END 31-Dec-21

Attachment ES-9

OPEB Regulatory Asset

Qualified Pension	\$	17,490,526	\$	17,490,526
3-yr amortization		3		4

	Co Requested Yearly Expense	Total Expense	Staff Proposed Yearly Expense	Difference/ Adjustment
926000	\$ 958,053	\$ 2,874,159	\$ 718,540	\$ (239,513)
926NS1	\$ 4,872,122	\$ 14,616,366	\$ 3,654,092	\$ (1,218,031)
	\$ 5,830,175	\$ 17,490,525	\$ 4,372,631	\$ (1,457,544)

Non-Qualified Pension	\$	225,344
3-year amortization	\$	3

	Co Requested Yearly Expense	Total Expense	Staff Proposed Yearly Expense	Difference/ Adjustment
926000	\$ 9,548	\$ 28,644	\$ -	\$ (9,548)
926NS1	\$ 65,567	\$ 196,701	\$ -	\$ (65,567)
	\$ 75,115	\$ 225,345	\$ -	\$ (75,115)

Total Rate Base Adjustment	\$	(225,344)
Total Expense Adjustment		
926000	\$	(249,061)
926NS1	\$	(1,283,598)

Source:
 Application WP/Schedule P - Volume 2, page 63 of 128

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

Response of: Entergy Texas, Inc. to the First Set of Data Requests of Requesting Party: Office of Public Utility Counsel	Prepared By: Jessica B. Little, Lori Toncrey Sponsoring Witness: Allison P. Lofton Beginning Sequence No. LR566 Ending Sequence No. LR567
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Question No.: OPUC 1-18

Part No.:

Addendum:

Question:

Please refer to the Direct Testimony of Ms. Lofton, page 13. Please provide a listing of all non-qualified pension plans and the associated expense that was included in the requested test year cost of service. Also, please provide a copy of the most recent actuarial reports associated with each of these non-qualified pension plans.

Response:

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

The following is a description of the non-qualified pension/supplemental retirement plans that ETI participates in:

Pension Equalization Plan – a non-qualified pension restoration plan for a select group of management or highly compensated employees who participate in the Entergy Retirement Plan.

Cash Balance Equalization Plan – a non-qualified restoration plan for a select group of management or highly compensated employees who participate in the Cash Balance Plan.

System Executive Retirement Plan – a non-qualified supplemental retirement plan for individuals who became executive officers before July 1, 2014.

See below for the non-qualified pension plan expenses included in the Company’s request. There were no capitalized amounts included.

FERC Account	ETI Direct	Allocated to ETI
926000 - Employee Pension & Benefits	(\$18,020)	\$87,241
926NS1 - ASC 715 NSC - Emp Pens & Ben	\$543,940	\$716,260

Please see the confidential attachment (TP-53719-00OPC001-X018_CONF) for the 2021 Non-Qualified Valuation Report.

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

Response of: Entergy Texas, Inc.
to the Third Set of Data Requests
of Requesting Party: CITIES

Prepared By: Kaitlyn Roberts
Sponsoring Witness: Allison P. Lofton
Beginning Sequence No. EV1443
Ending Sequence No. EV1443

Question No.: CITIES 3-4

Part No.:

Addendum:

Question:

Incentive compensation:

For each incentive plan (including all short-term, long-term and stock-based plans) please provide the amount included in the revenue requirement by FERC account.

Response:

Please see the attachment (TP-53719-00CIT003-X004).

Direct Short Term Incentive Compensation

Account ⁽¹⁾	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)	Adjustment ⁽²⁾		Total Adjusted
						Not Assigned	Total		Amount
108220							29,529		29,681
108230		(0)				1,710	(9,017)		(7,307)
163000		28,396	161	14,977	5,477	18,755	(7,954)		59,812
228100		14,998		2,318	226	1,995	(71,839)	84,740	32,437
228400		(0)				10	3		13
500000		131,473		11,675	136	9,637	34,736		187,657
501100		101					101		101
502000		76,186				31,913	18,415		126,513
505000		18,005				11,753	6,314		36,072
506000		106,988	12,011	124,533	5,819	8,399	52,840		310,591
510000				28,872			5,990		34,863
511000		37			649	4,159	541		5,386
512000		468				15,726	1,436		17,630
513000		230				15,103	1,499		16,832
514000		52		11,559		2,924	3,426		17,963
535000		0							0
539000							268		268
544000						(1)	237		236
546000		31,801		52,299	250	83	12,465		96,897
548000					28,678		2,348		31,027
549000		2,310	690	24,694	15,114		4,638		47,446
551000		5,354		3,012			829		9,195
552000					316		(19)		297
553000					33,124		2,616		35,740
554000					663		(38)		625
560000		8,243	655	5,169		6,693	4,643		25,402
561200						3	3		3
562000		1,508				2,643			4,151
563000		696					104		800
566000		158				80	(93)		145
568000		63,784	2,455	30,798	628	8,642	22,059		128,366
570000		20,701				13,586	3,138		37,426
573000			120				120		120
580000		78,791	35,707	19,897	795	12,340	25,035	(1,857)	170,706
581000		42,428	3,017	4,196	1,795	447	8,887	(347)	60,423
582000		12,463	232	17,933	532	2,950	5,050	(260)	38,901
583000		(1)				9,731	1,256	(400)	10,587
584000		(0)				4,639	697	(188)	5,147
585000		12,703				459	4,298	(80)	17,381
586000		(0)		834	5,075	7,683	(21,872)	(375)	(8,656)
587000		(0)		247	147	6,364	(6,584)	(213)	(39)
588000		65,305	3,017	5,662	1,795	1,511	16,498	(1,093)	92,695
590000		64,185	27,795	18,356	778	5,735	19,955	(861)	135,942
591000						89	1		90
592000		18,295	385	403		9,511	2,107	(463)	30,237
593000		72,284	7,653	14,248	126	21,694	32,270	(1,628)	146,647
594000		(0)			0	3,380	67	(188)	3,259
595000		5				384	6	(11)	384
596000		(0)				2,573	455	(82)	2,945
597000		(0)		57		1,738	(5,812)	(60)	(4,076)
598000		(0)				3,549	167	(126)	3,590
901000		6,649		2,593			1,556		10,798
902000		(0)		57	147	8,720	(4,846)		4,078
903001		39,459	37	53,557	2,334	4,098	13,966		113,452
903002		(0)			1,618	832	(776)		1,674
905000							263		263
907000		5,029		29,374			10,420		44,823
908000		60,212		83,474	643	6	27,479		171,814
909000		9,367					2,202		11,569
910000		17,230		48,833	2,583		12,579		81,225
912000		32,330		7,344			6,519		46,192
920000	38,323	29,482	71	127,797	9,041	3,660	1,000,490	(128)	1,208,737
928000				24,732			7,508		32,241
935000						8,086	1,971		10,056
Total	38,323	1,077,706	94,008	769,500	118,489	273,990	1,280,925	76,532	3,729,473

Notes:

⁽¹⁾ Includes only accounts included in the COS.

⁽²⁾ Reference proforma adjustment AJ14K - Distribution Staffing Increase, AJ22A - Direct Incentive Compensation, AJ23 - Remove Securitized Storm Costs, and AJ30 - Remove AMS Costs.

Affiliate Short Term Incentive Compensation

Account ⁽¹⁾	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	Adjustment ⁽²⁾	Total Adjusted Amount
108230							386	386		386
163000		48,605		56,609			29,660	134,875		134,875
228100		10,388		11,408			6,448	28,244	(2,176)	26,068
500000	6,265	111,752		108,092	1,448		(41,241)	186,317	(8,780)	177,538
506000	807	106,013		37,544	550		21,189	166,102	(8,620)	157,481
510000		5,962		28,271			10,103	44,335	(2,172)	42,163
512000		1,311		237			446	1,994	(103)	1,891
517000	6	150		2,639	2		9,103	11,900		11,900
520000							82	82		82
524000		560		2,214			15,968	18,742		18,742
528000		137		44	1		325	507		507
532000				16			254	270		270
535000				566			84	650		650
539000		6						6		6
546000		1,218		1,014			753	2,986	(136)	2,850
549000		12,968		729			1,952	15,649	(596)	15,053
551000		2,209		145			257	2,611	(85)	2,526
553000		19						19		19
556000		59,528		55,907			16,318	131,753	(6,402)	125,351
557000				1,782			536	2,317	(112)	2,205
560000	2,570	80,080		49,238	1,122		41,654	174,665	(8,444)	166,220
561200		213,849		58,417	1,270		50,890	324,427	(15,722)	308,706
561300		6,964					2,566	9,530	(460)	9,070
561500		40,610		9,031	49		15,385	65,076	(3,147)	61,928
563000		6,015		1,441			2,272	9,728	(109)	9,618
566000	367	33,682		12,609			7,569	54,226	(2,622)	51,604
568000		53,495		67,294	321		(13,514)	107,597	(5,222)	102,375
569000		6,597		3,143			3,357	13,097	(634)	12,463
570000				45				45	(5)	39
573000		136					20	156	(8)	148
580000	17,413	71,574	266	37,823	1,143		36,563	164,781	(9,304)	155,477
581000		386			10			396	(19)	377
583000		198		20			72	290	(4)	286
584000		1,822	2,416	3,269	427		2,501	10,435	(506)	9,929
586000		825		66			132	1,024	(1,074)	(50)
587000		8						8	(0)	7
588000		36,426		34,657	212		20,493	91,789	(10,049)	81,740
590000		1,936		7,796			2,108	11,839	(576)	11,264
592000		3,496		2,198			291	5,985	(291)	5,694
593000		7,089	2,806	3,831	3,478		4,942	22,147	(1,082)	21,065
596000				1,314			292	1,606	(77)	1,529
597000		94						94	(99)	(5)
598000		1,559		2,017	27		933	4,536	(278)	4,258
870000		5		15				19		19
880000		7		3				10		10
901000		5,289		5,189	393		3,256	14,127	(682)	13,445
902000		11,501		2,831			5,387	19,719	(1,081)	18,638
903001		52,601		41,432	11,215		32,806	138,055	(6,950)	131,105
903002		47,407		32,336	7,955		17,181	104,879	(6,234)	98,645
905000		1,890		206			624	2,720	(132)	2,588
907000	2,165	5,935		4,336	93		2,721	15,251	(740)	14,510
908000		1,594		6,106	585		1,415	9,701	(470)	9,231
909000		5,322		4,350			2,766	12,437	(605)	11,833
910000		2,752		7,094			2,662	12,507	(607)	11,901
916000				6,428			2,810	9,238	(447)	8,791
920000	208,491	946,401	1,709	1,665,212	42,985	0	288,591	3,153,388	(195,198)	2,958,190
923000							15	15	(1)	15
924000	820	3,479		18,839			6,870	30,008	(1,444)	28,563
925000		20,669		7,493	1,982		7,893	38,037	(1,845)	36,192
928000		36,706		38,927	100		(25,033)	50,701	(2,213)	48,487
930100		9						9	(0)	8
930200							2,893	2,893	(414)	2,479
935000		14,032		7,212	286	14	5,094	26,638	(1,298)	25,340
Total	238,903	2,083,266	7,196	2,449,436	75,653	15	609,102	5,463,571	(309,276)	5,154,295

Notes:

⁽¹⁾ Includes only accounts included in the COS.⁽²⁾ Reference proforma adjustment AJ22B - Affiliate Incentive Compensation, AJ23 - Remove Securitized Storm Costs, and AJ30 - Remove AMS Costs.

Direct Long Term Incentive Compensation

Account ⁽¹⁾	Equity Ownership Plan	Long Term Incentive Plan	Restricted Stock Program	Total	Adjustment ⁽²⁾	Total Adjusted Amount
108220	24			24		24
108230	-			-		-
163000	-			-		-
228100	9			9	(5)	4
228400	-			-		-
500000			16,594	16,594		16,594
514000	0			0		0
549000	-			-		-
560000			7,116	7,116		7,116
580000	1		58,255	58,256		58,256
581000	0			0		0
583000	0			0		0
584000	0			0		0
585000	0			0		0
586000	0			0		0
587000	0			0		0
588000	0			0		0
590000	1			1		1
593000	1			1		1
594000	0			0		0
595000	0			0		0
596000	0			0		0
597000	0			0		0
598000	0			0		0
901000			47,882	47,882		47,882
902000	0			0		0
903001	0			0		0
903002	0			0		0
920000		54,974	110,406	165,380	(57,601)	107,779
926000	70,241			70,241	(70,203)	39
Total	70,281	54,974	240,253	365,508	(127,808)	237,700

Notes:

⁽¹⁾ Includes only accounts included in the COS.

⁽²⁾ Reference proforma adjustment AJ22A - Direct Incentive Compensation and AJ23 - Remove Securitized Storm Costs.

Affiliate Long Term Incentive Compensation

Account ⁽¹⁾	Equity Ownership Plan	Long Term Incentive Plan	Restricted Share Program	Restricted Stock Program	Total	Adjustment ⁽²⁾	Total Adjusted Amount
163000	-				-		-
228100	-				-		-
500000				74,086	74,086		74,086
514000				328,871	328,871		328,871
517000				-	-		-
560000				74,224	74,224		74,224
580000				37,936	37,936		37,936
901000				1,260	1,260		1,260
920000		1,530,352	206,669	1,612,562	3,349,582	(1,791,589)	1,557,994
926000	252,687				252,687	(255,332)	(2,645)
Total	252,687	1,530,352	206,669	2,128,939	4,118,646	(2,046,920)	2,071,726

Notes:

⁽¹⁾ Includes only accounts included in the COS.

⁽²⁾ 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.

Prepared By: Josh Paternostro, Jo Ann Sivori

to the Fifth Set of Data Requests
of Requesting Party: Office of Public Utility
Counsel

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)	Not Assigned	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 First Set of Data Requests
of Requesting Party: Commission Staff

Prepared By: Michelle Sens
Sponsoring Witness: Stacey Whaley
Beginning Sequence No. LR730
Ending Sequence No. LR7732

Question No.: STAFF 1-47

Part No.:

Addendum:

Question:

TAXES OTHER THAN INCOME TAXES

Provide the following regarding the Company's ad valorem taxes:

- a. Total taxes paid for the prior two calendar years in Texas and all other jurisdictions.
- b. Accounting distribution of taxes paid in each state for the prior two calendar years (expense, capital, and other by FERC account).
- c. Total gross and net book values upon which such taxes were assessed and paid in each jurisdiction for the prior two calendar years. Distinguish by component as applicable (plant in service, materials and supplies, CWIP, etc.)
- d. Property taxes charged to electric expenses for each month of the test year by FERC account.

Response:

- a. The total ad valorem taxes paid by the Company in Texas and all other jurisdictions was \$38,030,202 in 2021 and \$33,199,359 in 2020.
- b. The distribution of ad valorem tax payments in 2021 and 2020 are as follows:

State	FERC Acct	2021 Amount
TX	165520	\$291,135
TX	236142	\$ 33,766,955
LA	236142	\$ 3,972,112
Total	Total	\$38,030,202

State	FERC Acct	2020 Amount
TX	165520	\$282,884
TX	236142	\$32,346,289
LA	236142	\$ 570,186
Total	Total	\$33,199,359

- c. The total gross and net book values upon which such taxes were assessed and paid in each jurisdiction for the prior two calendar years and components for gross plant are shown below.

Year	Gross Plant	Net Plant
2021	7,478,460,031	5,527,070,402
2020	6,005,234,500	5,246,005,347

2021 Components	2021 Amount
Utility In Service	7,178,288,011
CWIP	184,575,909
Materials and Supplies	72,883,948
Fuel	42,712,163
Total Gross Plant	7,478,460,031

2020 Components	2020 Amount
Utility In Service	6,005,234,500
CWIP	879,906,663
Materials and Supplies	56,226,594
Fuel	53,530,230
Total Gross Plant	6,994,897,987

- d. Please see the chart below for property taxes charged to electric expenses for each month of the Test Year by FERC account.

Year ▼	Accounting Period ▼	Account ▼	Sum of Monetary Amt
2021	1	408142	3,842,527
	2	408142	5,933,471
	3	408142	1,255,003
	4	408142	3,620,614
	5	408142	3,620,614
	6	408142	1,750,358
	7	408142	3,564,885
	8	408142	3,622,906
	9	408142	4,902,656
	10	408142	3,946,494
	11	408142	3,946,494
	12	408142	2,205,784
Grand Total			42,211,807

The following files are not convertible:

53719 Revenue Requirement Zero Model
(Final Testimony).xlsb.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.