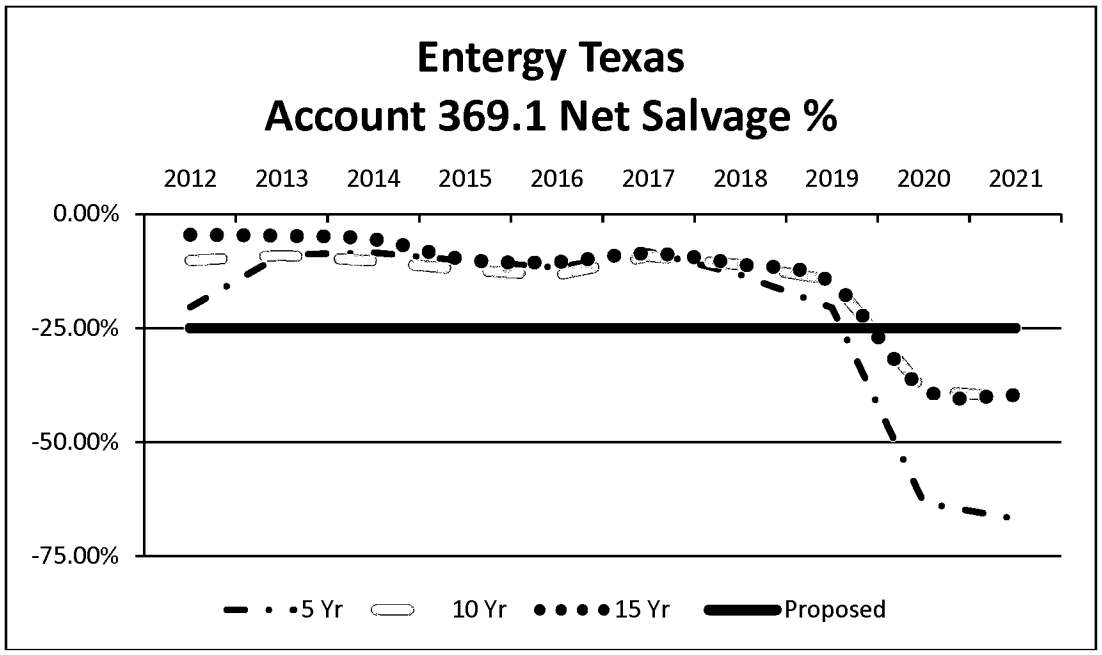


This further supports the idea that my recommendation includes the gradualism that Mr. Garrett espouses. While it is a significant change, my proposed -25 percent has been consistently experienced by ETI over the most recent 10 years and should be approved.

13. Account 369.2 – Services Underground

Q107. WILL YOU SUMMARIZE THE PROPOSALS REGARDING NET SALVAGE FOR ACCOUNT 369.2-SERVICES UNDERGROUND?

A. Yes. The approved net salvage is a -10 percent. The Company is proposing -15 percent. Mr. Garrett is proposing to arbitrarily reduce my recommended change and recommends a -11 percent net salvage instead of my proposed -15 percent. This is based on his erroneous use of the California Commission concept where he only changes the net salvage factor by 25 percent of

my recommended change of 5 percent (i.e., the 5 percent change times 25% creates a rounded 1 percent difference in net salvage compared to the currently approved net salvage percentage – which is his recommendation). His arbitrary and erroneous application of gradualism should be rejected completely for each account. My proposed net salvage percentage is a gradual movement compared to recent experience.

Q108. CAN YOU DEMONSTRATE THAT THE NET SALVAGE FOR ACCOUNT 369.2-SERVICES UNDERGROUND IS MOVING MORE NEGATIVE?

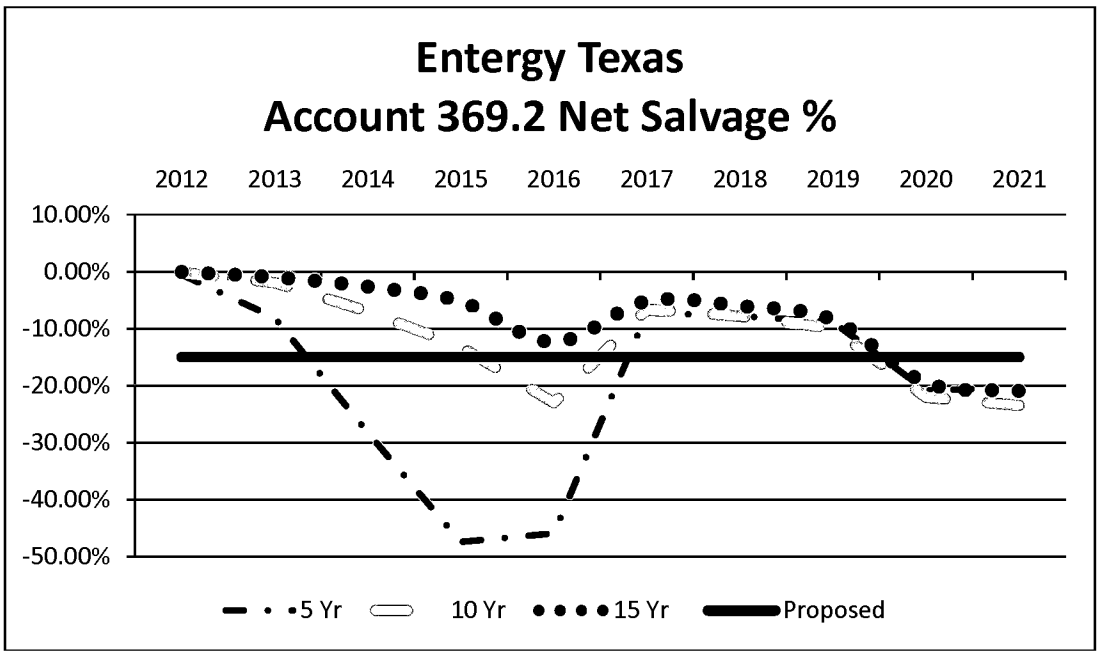
A. Yes. The information below was extracted from the net salvage analysis provided in Exhibit DAW-2, Appendix D, to my direct testimony. These are ETI's moving average net salvage percentages for the past 10 years.

Table 5: Account 369.2-Services- Underground

	1 Yr	2 Yr	3 Yr	4 Yr	5 Yr	6 Yr	7 Yr	8 Yr	9 Yr	10 Yr
Year	%	%	%	%	%	%	%	%	%	%
2012	-48%	17%	2%	-1%	-1%	0%	0%	0%	0%	0%
2013	-109%	-75%	-13%	-12%	-8%	-7%	-6%	-4%	-3%	-2%
2014	-189%	-144%	-105%	-40%	-28%	-17%	-16%	-14%	-9%	-7%
2015	-66%	-100%	-102%	-89%	-47%	-35%	-23%	-21%	-18%	-13%
2016	-30%	-35%	-42%	-46%	-46%	-36%	-32%	-26%	-25%	-23%
2017	-2%	-5%	-5%	-6%	-7%	-8%	-7%	-7%	-7%	-7%
2018	-134%	-3%	-6%	-7%	-8%	-9%	-9%	-8%	-8%	-8%
2019	-225%	-177%	-6%	-8%	-9%	-10%	-11%	-11%	-10%	-10%
2020	-269%	-262%	-243%	-20%	-21%	-21%	-22%	-23%	-23%	-22%
2021	-31%	-156%	-162%	-160%	-20%	-21%	-22%	-23%	-23%	-23%

Q109. IS THERE ANYTHING ELSE THAT WOULD ASSIST THE COMMISSION IN EVALUATING THE NET SALVAGE PROPOSALS FOR ACCOUNT 369.2-SERVICES UNDERGROUND?

A. Yes. The graph below illustrates ETI's net salvage experience over the past 10 years. The solid black line is my proposed -15 percent, which is above (less negative) than the more recent 5, 10, and 15 year averages.



This further supports the idea that my recommendation includes the gradualism that Mr. Garrett espouses. While it is a significant change, my proposed -15 percent has been consistently experienced by ETI over the most recent 10 years and should be approved.

14. Account 371 – Installations on Customers Premises

Q110. WILL YOU SUMMARIZE THE PROPOSALS REGARDING NET SALVAGE FOR ACCOUNT 371-INSTALLATIONS ON CUSTOMER PREMISES?

A. Yes. The approved net salvage is a -10 percent. The Company is proposing -15 percent. Mr. Garrett is proposing to arbitrarily reduce my recommended change and recommends a -11 percent net salvage instead of my proposed -15 percent. This is based on his erroneous use of the California Commission concept where he only changes the net salvage factor by 25 percent of my recommended change of 5 percent (i.e., the 5 percent change times 25% creates a rounded 1 percent difference in net salvage compared to the currently approved net salvage percentage – which is his recommendation). My proposed net salvage percentage is a gradual movement compared to recent experience. His arbitrary and erroneous application of gradualism should be rejected completely.

Q111. CAN YOU DEMONSTRATE THAT THE NET SALVAGE FOR ACCOUNT 371-INSTALLATIONS ON CUSTOMER PREMISES IS MOVING MORE NEGATIVE?

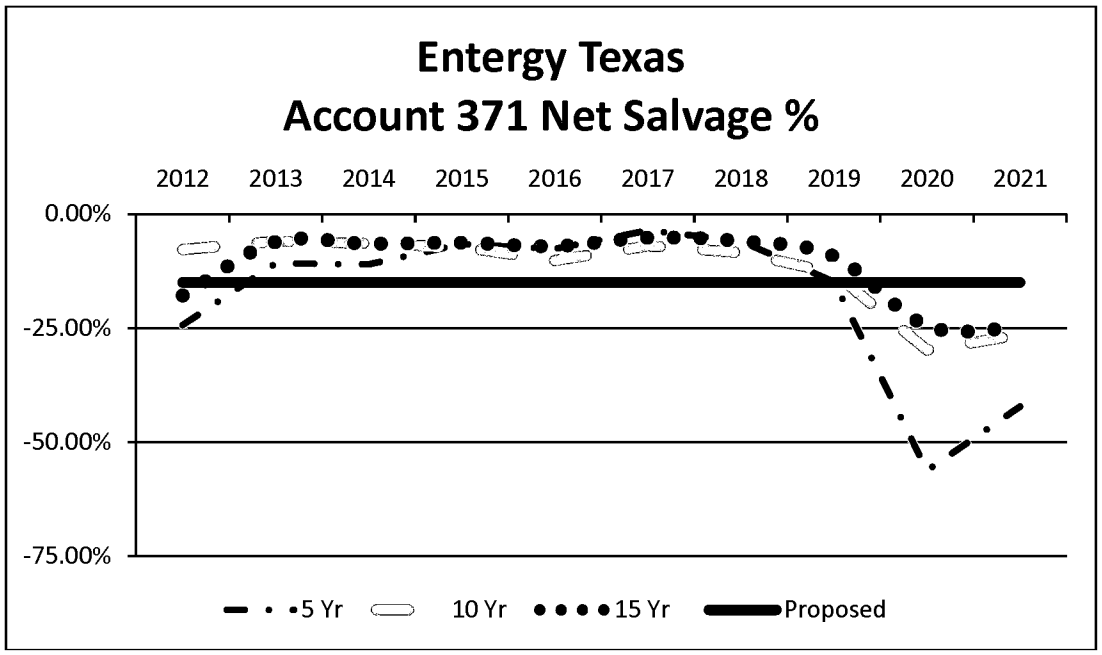
A. Yes. The information below was extracted from the net salvage analysis provided in Exhibit DAW-2, Appendix D, to my direct testimony. These are ETI's moving average net salvage percentages for the past 10 years.

Table 5: Account 371-Installations on Customer Premises

	1 Yr	2 Yr	3 Yr	4 Yr	5 Yr	6 Yr	7 Yr	8 Yr	9 Yr	10 Yr
Year	%	%	%	%	%	%	%	%	%	%
2012	-31%	-20%	-40%	-36%	-24%	-19%	-10%	-8%	-8%	-8%
2013	-3%	-5%	-6%	-10%	-11%	-10%	-9%	-7%	-6%	-6%
2014	-35%	-5%	-6%	-7%	-11%	-12%	-10%	-10%	-8%	-6%
2015	-2%	-11%	-4%	-6%	-7%	-10%	-11%	-10%	-9%	-7%
2016	-43%	-15%	-19%	-6%	-8%	-8%	-12%	-12%	-11%	-10%
2017	0%	-3%	-3%	-4%	-4%	-4%	-5%	-7%	-7%	-7%
2018	-312%	-3%	-5%	-5%	-6%	-5%	-6%	-6%	-8%	-8%
2019	-320%	-319%	-15%	-16%	-15%	-16%	-10%	-11%	-11%	-13%
2020	-592%	-506%	-493%	-57%	-56%	-52%	-51%	-31%	-31%	-30%
2021	-1%	-102%	-118%	-121%	-42%	-42%	-40%	-39%	-26%	-26%

Q112. IS THERE ANYTHING ELSE THAT WOULD ASSIST THE COMMISSION IN EVALUATING THE NET SALVAGE PROPOSALS FOR ACCOUNT 371-INSTALLATIONS ON CUSTOMER PREMISES?

A. Yes. The graph below illustrates ETI's net salvage experience over the past 10 years. The solid black line is my proposed -15 percent, which is above (less negative) than the more recent 5, 10, and 15 year averages.



This further supports the idea that my recommendation includes the gradualism that Mr. Garrett espouses. While it is a significant change, my proposed -15 percent has been consistently experienced by ETI over the most recent 10 years and should be approved.

15. 373 – Street Lighting & Signal Systems

Q113. WILL YOU SUMMARIZE THE PROPOSALS REGARDING NET SALVAGE FOR ACCOUNT 373-STREET LIGHTING AND SIGNAL SYSTEMS?

A. Yes. The approved net salvage is a -20 percent. The Company is proposing -30 percent. Mr. Garrett is proposing to arbitrarily reduce my recommended change and recommends a -23 percent net salvage instead of my proposed -30 percent. This is based on his erroneous use of the California Commission concept where he only changes the net salvage factor by 25 percent of

my recommended change of 10 percent (i.e., the 10 percent change times 25% creates a rounded 3 percent difference in net salvage compared to the currently approved net salvage percentage – which is his recommendation). My proposed net salvage percentage is a gradual movement compared to recent experience. His arbitrary and erroneous application of gradualism should be rejected completely for each account.

Q114. CAN YOU DEMONSTRATE THAT THE NET SALVAGE FOR ACCOUNT 373-STREET LIGHTING AND SIGNAL SYSTEMS IS MOVING MORE NEGATIVE?

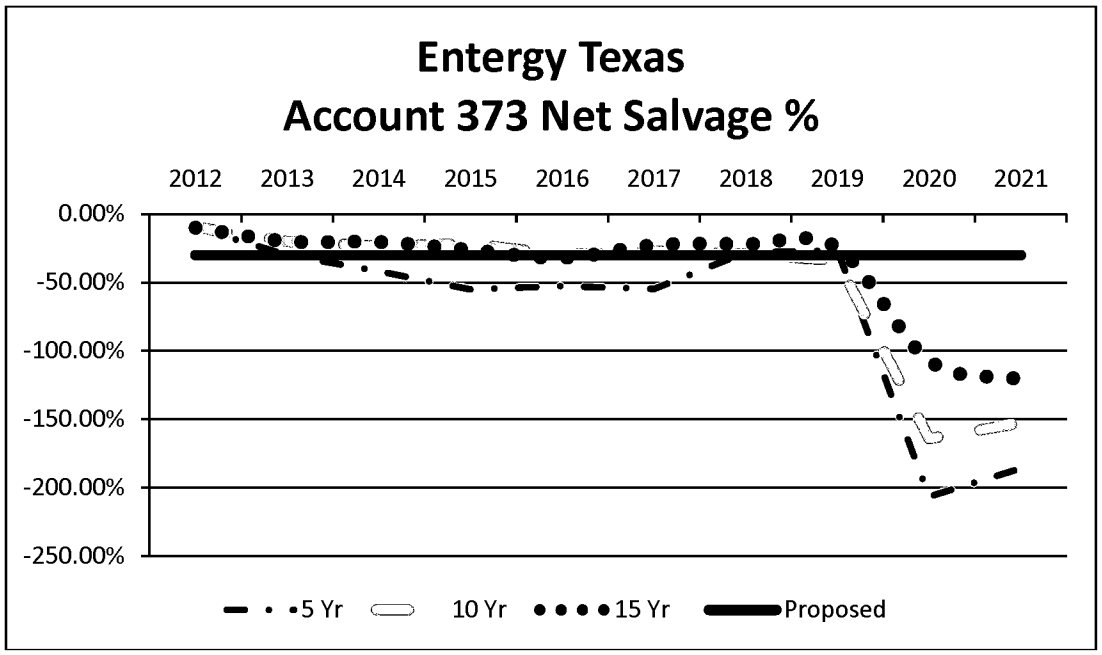
A. Yes. The information below was extracted from the net salvage analysis provided in Exhibit DAW-2, Appendix D, to my direct testimony. These are ETI's moving average net salvage percentages for the past 10 years.

Table 5: Account 373-Street Lighting and Signal Systems

	1 Yr	2 Yr	3 Yr	4 Yr	5 Yr	6 Yr	7 Yr	8 Yr	9 Yr	10 Yr
Year	%	%	%	%	%	%	%	%	%	%
2012	-11%	-16%	-14%	-10%	-10%	-10%	-8%	-9%	-8%	-9%
2013	-182%	-58%	-57%	-41%	-30%	-28%	-28%	-20%	-23%	-20%
2014	-57%	-161%	-58%	-57%	-42%	-31%	-29%	-29%	-21%	-24%
2015	-44%	-47%	-122%	-56%	-55%	-42%	-31%	-30%	-29%	-22%
2016	-33%	-38%	-40%	-96%	-53%	-52%	-41%	-32%	-30%	-30%
2017	-16%	-20%	-23%	-25%	-55%	-40%	-40%	-35%	-28%	-27%
2018	-82%	-22%	-24%	-27%	-28%	-56%	-41%	-42%	-36%	-29%
2019	-26%	-32%	-24%	-25%	-27%	-27%	-47%	-38%	-38%	-34%
2020	-380%	-284%	-278%	-218%	-206%	-199%	-197%	-196%	-167%	-164%
2021	-90%	-270%	-224%	-221%	-186%	-179%	-174%	-173%	-173%	-153%

Q115. IS THERE ANYTHING ELSE THAT WOULD ASSIST THE COMMISSION IN EVALUATING THE NET SALVAGE PROPOSALS FOR ACCOUNT 373-STREET LIGHTING AND SIGNAL SYSTEMS?

A. Yes. The graph below illustrates ETI's net salvage experience over the past 10 years. The solid black line is my proposed -30 percent, which is above (less negative) than the more recent 5, 10, and 15 year averages.



This further supports the idea that my recommendation includes the gradualism that Mr. Garrett espouses. While it is a significant change, my proposed -30 percent has been consistently experienced by ETI over the most recent 10 years and should be approved.

C. Reserve Re-Allocation

Q116. PLEASE EXPLAIN YOUR CONCERNS WITH THE INTERVENORS' TREATMENT OF THE DEPRECIATION RESERVE IN THEIR CALCULATION OF THE ACCRUAL RATE.

A. Mr. Garrett failed to properly re-allocate the accumulated depreciation balance to model each of their recommendations. Mr. Garrett based his proposed depreciation rates on the allocated depreciation reserve that I calculated based on my life and net salvage parameters rather than his own.

Q117. WHY IS IT NECESSARY TO RE-ALLOCATE THE RESERVES TO ACCOUNT FOR ANY RECOMMENDED CHANGES IN THE LIFE PARAMETERS?

A. The purpose of a depreciation study, and specifically the remaining life technique used in this case, is to calculate accrual rates that will allow the Company to recover the remaining balance of its investment in plant over the remaining lives of the un-depreciated assets in its invested plant balance. When new service lives or net salvage ratios are adopted as part of a new depreciation study or operational changes occur over time that affect the balances in the reserve, the reserve for individual accounts can become out of sync with the underlying assets. Re-allocation is performed to re-spread the reserves between accounts within a function to bring the reserves for each account back into parity with each other. This brings the undepreciated invested plant balances associated with each account back in line so that each account contributes the appropriate level of depreciation expense in order to fully depreciate the assets at the end of the recommended useful life. Where the Intervenors made adjustments to my recommended service lives and net salvage ratios, they should have re-calculated the reserve balance for those accounts to reflect the change in recovery period over which the plant investment would be recovered.

Q118. IS RESERVE RE-ALLOCATION CONSISTENT WITH STANDARD DEPRECIATION PRACTICE AND METHODOLOGIES YOU HAVE USED

TO CONDUCT DEPRECIATION STUDIES BEFORE THIS COMMISSION IN THE PAST?

A. Yes. This is standard depreciation practice recognized in the authoritative publications. In fact, I have re-calculated the reserve as a standard recommendation in the depreciation studies that I have performed before this Commission over the past 30 years.[37] I also re-allocated the reserve in the Company's last rate case, Docket No. 48371, in both the proposed accrual rates and the settlement rates approved in that case.

Q119. HAS THE COMMISSION CONSIDERED THIS ISSUE MORE RECENTLY?

A. This Commission has regularly adopted my proposed rates based on this methodology. I am not aware of an instance where this Commission has ever indicated that this approach is inappropriate.

D. Other Issues

Q120. WHAT OTHER ISSUES DO YOU HAVE WITH MR. GARRETT'S RECOMMENDATION?

A. Mr. Garrett presents his summary results in Exhibit DJG-2. In that summary, he fails to include additional amounts in his proposed accrual: one for smart meters

[37] *See, e.g.*, Docket Nos.11735, 22350, 32766, 35717, 35763, 38147, 38339, 38929, 38480, 39896, 40824, 41474, 42004, 43695, 44704, 45414, 46957, 48371, 48401, 49421, 49831, 51611, 51802 and this proceeding.

and the next item refers to general plant where there are additional amounts to include.

Q121. WHAT IS ARE YOU REFERRING TO REGARDING SMART METERS?

A. Mr. Garrett fails to include accrual amounts for smart meters. The Company proposes to depreciate smart meters at the rate of 14.29% during the deployment of the smart meters. In Exhibit DJG-4, Mr. Garrett shows the same accrual rate that the Company is proposing, but no accrual amount is shown in his exhibit for summary results.[38] The amounts for distribution plant accrual should be increased by $15,793,823. The detail computation is shown is Appendix B of Exhibit DAW-2 to my direct testimony.

Q122. WHAT ARE THE ISSUES WITH GENERAL PLANT?

A. Mr. Garrett fails to include an annual accrual for general plant amortized. These computations are down in Appendix A-1 and B of Exhibit DAW-2 to my direct testimony. These assets are recovered through general plant amortization, which was approved in Docket Nos. 39896, 44704, and 48371. Mr. Garrett does not include the depreciation accrual for general amortized plant in the amount of $5.6 million annually.

[38] D. Garrett Dir. at 6, Figure 1 and Exhibit DJG-4.

Q123. WHAT IS THE ADDITIONAL ITEM YOU ARE REFERRING TO REGARDING GENERAL PLANT?

A. I am referring to collection of general plant reserve deficiency. Mr. Garrett does not include the depreciation accrual for general amortized plant that is proposed to be an additional $594,116 annually that comes from a depreciation reserve imbalance between the allocated reserve and the theoretical for amortized account. That computation is shown in Appendix A-1 to Exhibit DAW-2 to my direct testimony and included in the proposed total expense shown in Appendix B to Exhibit DAW-2. For amortized accounts, the difference between the book reserve and the theoretical reserve (which is where it needs to be for the Company to recover its investment) is $3.0 million. I am proposing a 5-year period to recover this amount.

Q124. DOES MR. GARRETT SHOW ANY ACCRUAL FOR GENERAL PLANT?

A. Yes. Mr. Garrett includes the proposed accrual for general plant depreciated accounts 390 and 397.2. He does not include expense for general amortized and the general plant reserve deficiency. The accrual for accounts 391-398 amortized accounts and the reserve amortization that should be included in the Company's proposed expense is an additional $6.2 million for general plant.

Q125. DID STAFF QUESTION THIS AMOUNT?

A. No. Staff is recommending adoption of my depreciation recommendations.

IV. CONCLUSION

Q126. DOES THIS CONCLUDE YOUR TESTIMONY?

A. Yes.

AFFIDAVIT OF DANE A. WATSON

THE STATE OF TEXAS)
)
COUNTY OF COLLIN)

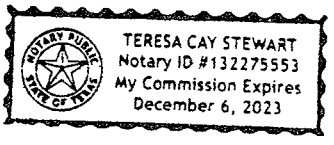
This day, Dane A. Watson, the affiant, appeared in person before me, a notary public, who knows the affiant to be the person whose signature appears below. The affiant stated under oath:

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

Dane A. Watson

Dane A. Watson

SUBSCRIBED AND SWORN TO BEFORE ME, notary public, on this the 10th day of November 2022.



Teresa C. Stewart

Notary Public, State of Texas

My Commission expires:

Dec 6, 2023

TEXAS ELECTRIC REGULATED UTILITIES
DEPRECIATION PARAMETERS

		ONCOR		SPS		CENTERPOINT		SHARYLAND		SWEPCO		EL PASO ELECTRIC		AEP CENTRAL		AEP NORTH		TNMP		Average Life
		Docket 46957		Docket 43695		Docket 49421		Docket 51611		Docket 51415		Docket 52195		Docket 49494		Docket 49494		Docket 48401		
Account No.	Description	Curve	ASL	Curve	ASL	Curve	ASL	Curve	ASL	Curve	ASL	Curve	ASL	Curve	ASL	Curve	ASL	Curve	ASL	
Transmission																				
353	Station Equipment	46	L0.5	53	R1.5	40	R1	40	R1	68	S0	50	R4	51	L1.0	51	L1.0	45	R2.5	49
354	Towers & Fixtures	60	R3	75	R4	60	R3	60	R3	74	S1.5	75	R4	70	R3.0	70	R3.0	54	R4	66
355	Poles & Fixtures	50	R2	51	R2.5	60	R3	60	R3	49	L1.5	55	S3	60	L0.5	45	R5.0	46	R2	53
Distribution																				
362	Station Equipment	55	R1.5	55	R1.5	48	R1	40	R1	57	S0.5	65	R2	60	L0.0	42	L0.0	42	R2.5	52

Row Labels	Sum of Activity Cost
3530 Stn Eqpt-Trans	**976,935,145.33**
Non-Unitized	123,142,043.76
Transformer, Auto Steps Down To Bel	46,096,393.91
Circuit Breakers : 138Kv System, 13	41,436,336.91
Transformer, Power Steps Down To Be	40,164,822.50
Transformer, Auto Steps Down To 230	38,257,436.93
Structural Steel/Alum: Misc. For Be	32,270,989.74
Foundation For Below 230 Kv: For B	31,822,110.14
Foundation For 230 Kv & Above: For	27,956,959.86
Rigid Bus & Power Wiring (Station)	23,096,256.17
Circuit Breakers : 230Kv System, 23	22,566,263.08
Circuit Breakers : 69Kv System, 69K	21,847,394.90
Cable, Control For Below 230 Kv: F	21,387,376.33
Fiber Optic Cable Including Adss &	20,862,562.74
Panel, Relay And/Or Control For Bel	18,962,948.78
Coupling Capacitive Voltage Transfo	15,865,400.27
Tdc Equipment: TS:TDC Equipment	15,771,574.19
Station Communication: TS:Station	15,735,259.44
Panel, Line Relay For Below 230 Kv:	15,267,384.55
Cable, Control For 230 Kv & Above:	15,241,584.49
Line Relaying For Below 230 Kv: Fo	13,497,003.56
Rtu (Supervisory & Other): TS:Rtu	13,392,493.13
Switch, Air Break 3 Pole: 138Kv Sys	12,808,333.22
Structural Steel/Alum: Misc. For 23	12,493,756.22
Panel, Relay And/Or Control For 230	11,705,252.90
TS:Thyristors	11,697,691.19
Panel, Differential Relay For Below	11,050,898.85
Capacitor Bank For Below 230 Kv: B	10,557,254.17
Conduit, Duct Or Cable Trench: Duc	10,470,062.51
Grounding System: TS:Grounding Sys	10,321,187.55
Circuit Breakers : 500Kv System & A	10,157,536.47
Transformer, Instrument: Current Fo	9,352,929.55
Transformer, Power Steps Down To 23	8,576,391.79
353 Building Including Heating, Coo	8,044,094.60
Switch, Air Break 3 Pole: 230Kv Sys	7,978,563.69
Structural Steel/Alum: Bus Support	7,690,608.81
Panel, Line Relay For 230 Kv & Abov	7,676,399.59
Structural Steel/Alum: Tower For 23	7,482,722.46
Circuit Switcher: 69Kv System, 69Kv	7,382,785.44
Reactor For Below 230 Kv: For Belo	7,291,316.53
Fault Recorder/Locator For Below 23	7,239,839.96
Transformer, Instrument: Potential	6,909,775.91
Bus Insulator Assembly, Rigid: 138K	6,825,119.25
Charges Closed To Plant Unclassifie	6,090,305.14

Panel, Power-Ac/Dc: Power-Ac/Dc:	5,741,928.27
Switch, Air Break 3 Pole: 69Kv Syst	5,208,047.76
Transformer, Auxiliary Power: Auxi	4,972,349.80
Structural Steel/Alum: Tower For Be	4,963,227.84
Circuit Switcher: 138Kv System, 138	4,818,652.34
Bus Insulator Assembly, Rigid: 230K	4,410,159.34
Structural Steel/Alum: Switch Suppo	4,332,346.20
Structural Steel/Alum: Stand For 23	4,321,068.97
Panel, Differential Relayfor 230 Kv	4,162,233.96
Switch Motor Mechanism For Below 23	4,072,823.61
Battery Set: Set: TS:Battery	3,987,644.18
Fiber Optic Termination Equipment:	3,679,559.76
Communications Equipment Rack: TS:	3,442,435.16
Circuit Breakers : (Unclassified),	3,175,180.56
Bus Insulator Assembly, Rigid: 500K	3,158,749.88
Reactor For 230 Kv & Above: For 23	3,049,509.60
Structural Steel/Alum: Box Truss St	3,013,039.01
Bushings, Transformers 230Kv & Abov	2,860,029.13
Arrester : 69Kv System & Below	2,834,595.48
Arrester : 230Kv System, 230Kv Syst	2,718,366.46
Arrester : 138Kv System, 138Kv Syst	2,672,547.47
Bushings, Transformers Below 230Kv:	2,564,945.24
Bus Insulator Assembly, Rigid: 69Kv	2,437,017.89
Fault Recorder/Locator For 230 Kv &	2,154,415.57
Fence (Complete W/Gates) For Below	2,093,532.03
Battery Charger: TS:Battery Charge	2,078,719.12
Bus Insulator Assembly, Strained (S	2,007,382.29
Switch Motor Mechanism For 230 Kv &	1,861,720.81
Line Relaying For 230 Kv & Above:	1,780,233.32
Lighting System, Yard: Yard: TS:L	1,741,951.06
Line Trap For Below 230 Kv: For Be	1,571,369.71
Oil Spill Retention Sys- Xfrmr For	1,563,124.30
Switch, Grounding 3 Pole: For 230K	1,513,011.32
Carrier Sets/Equipment For Below 23	1,467,357.26
Switches, Other For Below 230 Kv:	1,459,519.19
Fire Walls For 230 Kv & Above: For	1,429,527.06
Foundation (Building): TS:Foundati	1,400,195.36
Switches, Other For 230 Kv & Above:	1,389,969.61
Structural Steel/Alum: Stand For Be	1,344,669.58
Transformer Oil Cooling Devices Bel	1,320,036.11
Interrupter Device For Below 230 Kv	1,293,440.05
Switch, Air Break 3 Pole: 500Kv Sys	1,282,417.50
Substation Telephone Equipment: Te	1,265,072.44
Fence (Complete W/Gates) For 230 Kv	1,209,309.99
Capacitors (Single) Below 230Kv: (	1,205,932.40
Pole, Dressed (In Substation) For	1,205,469.44
Panel, Metering (Station) For Below	1,197,352.74

Transformer Oil Cooling Devices 230	1,186,925.05
Capacitor Bank For 230 Kv & Above:	1,144,484.52
Circuit Breakers : 345Kv System, 34	1,144,218.41
Bushings, Breaker 230Kv & Above: B	1,139,248.86
Switch, Grounding 3 Pole: For 138K	1,087,286.94
Vacuum Interrupter Switch: 138Kv Sy	1,085,025.13
SCADA Net Switch For 230kv and Abov	1,084,160.06
Capacitor Bank Control Device For	1,075,469.89
SCADA Net Router For 230kv & Above	1,056,054.19
Control & Relay Equip. For Scada:	1,043,415.94
Supervisory Termination Cabinet: T	1,025,490.22
Arrester : 500Kv System & Above, 50	986,149.00
Substation Computer For 230kv & Abv	929,533.14
Coupling Capacitor For Below 230 K	892,824.79
Switch, Air Break 3 Pole:35Kv&Below	889,811.12
Metering System (Station) For Below	862,230.19
Fuse Equip: Power Fuse (Solid, Liqu	855,522.72
Circuit Switcher: 230Kv System, 230	851,616.32
Microwave Tower Including Tower, Gu	843,634.64
Bus Insulator Assembly, Rigid: 34.5	839,956.62
Cable Termination Panels: TS:Cable	806,793.24
Metering System (Station) For 230 K	779,728.46
Battery Rack/Enclosure: TS:Battery	764,540.10
Panel, Relay: Relay Devices Below 2	737,706.03
Fire Walls For Below 230 Kv: For B	718,730.06
Digital Channel Shelf Including She	677,589.31
Switch, Air Break 3 Pole: 345Kv Sys	675,220.04
Battery Test Switch: TS:Battery Te	665,211.59
Fiber Optic Transmitter/Receiver:	651,598.90
Switch, Transfer Throw/Over: TS:Sw	604,585.58
Voltage Regulator: TS:Voltage Regu	595,613.96
Structural Steel/Alum: Shield Wire	578,471.29
Bushings, Breaker Below 230Kv: Bre	561,997.14
Fuse Equipment: High Voltage Fuses	542,013.76
Tone Relay Interface Units For Belo	491,736.32
Switch, Hookstick 1 Pole Disconnect	474,962.14
Animal Protection Devices	430,319.88
Line Tuner For Below 230 Kv: For B	415,703.49
Testing Equipment Sets: TS:Testing	411,473.80
Interrupter Device For 230 Kv & Abo	402,156.04
Panel, Metering (Station) For 230 K	396,630.83
Metal Clad Switchgear Unit: TS:Met	395,758.99
Switch, Grounding 3 Pole: For 69Kv	386,276.15
TS:Transformer	380,725.64
Digital Channel: TS:Digital Channe	375,740.33
Circuit Switchers : (Unclassified),	372,375.04
Generator, Auxiliary: TS:Generator	369,126.66

Fuse Equip: Cutouts (Enclosed,Open	352,198.77
Microwave Radio: Microwave Radio:	325,066.28
Bus Insulator Assembly, Rigid: (Unc	317,906.29
Fence (Complete With Gates): TS:Fe	309,611.09
Arrester : 345Kv System, 345Kv Syst	298,407.63
Bus Insulator Assembly, Rigid: 345K	297,281.93
Contact Assembly, LTC. Below 230Kv:	288,328.37
Coupling Capacitor For 230 Kv & Abo	281,740.62
Line Trap For 230 Kv & Above: For	271,679.58
Transformer Oil Filtration Bel	271,412.97
Contact Assembly, LTC. 230Kv & Abov	261,591.33
Circuit Breaker: Tertiary System Fo	256,562.15
Supervisory Interposing Relay Cabin	255,557.41
Sw, Hookstk 1 Pole Disconnect: 138K	241,979.47
Communications Fuse Panel: TS:Comm	235,097.30
Swi, Hi-Speed Grnd 1 Pole: For 500	231,668.41
Arrester : (Unclassified), (Unclass	229,753.45
Tap Changer Control Devices Below 2	203,528.23
Tap Changer Control Devices 230Kv &	202,063.51
Shield Wire: All Sizes/Types: TS:	194,530.97
Tone Relay Interface Units For 230	193,828.12
Air Breaker Compressor Assembly 230	191,792.14
Transformer Oil Filtration Abv	181,469.83
Microwave Antenna Including Dish An	179,651.92
SCADA Net Switch For below 230kv	178,291.89
Arrester : 115Kv System, 115Kv Syst	159,547.12
Panel, Relay: Relay Devices 230Kv &	152,479.44
SCADA Net Router For Below 230kv	141,061.49
Line Tuner For 230 Kv & Above: For	134,525.71
Switch, Air Break 3 Pole: (Unclassi	134,168.94
CCA Cabinet For 230kv and Above	127,747.27
Microwave Channel Shelf: Microwave	126,002.85
Contacts, Breaker below 230Kv: Bel	124,837.91
Circuit Switcher: 115Kv System, 115	120,808.52
Substation Computer For Below 230kv	119,419.86
Battery Monitor / Alarm: TS:Batter	118,816.67
Sw, Hookstk 1 Pole Disconnect: 69Kv	117,858.90
Carrier Sets/Equipment For 230 Kv &	111,954.58
Switch, Air Break 3 Pole: 115Kv Sys	111,230.28
Transformer, Instrument: (Unclassif	108,237.12
Vacuum Interrupter Switch: 230Kv Sy	105,511.56
Vacuum Interrupter Switch: 69Kv Sys	105,247.25
Series Capacitor For 230 KV & Above	85,945.42
Structural Steel/Alum: Switch Rack,	84,397.46
GPS Clock For 230kv and Above	69,397.94
Circuit Switcher: 500Kv System & Ab	69,323.81
Switch, Grounding 3 Pole:35K&Below	67,275.02

Lighting System (Building): TS:Lig	61,856.76
Feedlines Including Waveguide, Heli	56,334.10
Switch, Grounding 3 Pole: For 500K	55,775.54
Contacts, Breaker 230Kv & Above: 2	55,550.29
PMU: Phasor Mea Unit 230kv & Above	53,336.89
Air Breaker Compressor Assembly Bel	46,781.29
Fire Protection Equipment For Below	46,265.00
Mobile Unit Substation: TS:Mobile	42,605.38
480kv Electrical Breaker: 480kv:	40,899.33
Telemetering Equipment For Below 23	40,533.39
Track System, For Transformer Steps	39,964.65
Reclosers: TS:Recloser	39,677.82
Bus Insulator Assembly, Rigid: 161K	38,183.37
GPS Clock For below 230kv	37,607.87
Microwave Channel Modem: Microwave	35,223.19
Ups System, Inverter: Ups System:	35,196.02
Manholes: TS:Manholes	34,428.93
Bus Insulator Assembly, Rigid: 115K	30,061.38
Capacitors (Single) 230Kv & Above:	29,539.23
Sale Lease Back - Station Equipment	27,520.39
Switch, Grounding 3 Pole: For 115K	24,200.28
Transducer (Panel): TS:Transducer	19,621.70
OA-4 Mechanism Power Head Assembly	19,446.48
Telemetering Equipment For 230 Kv &	19,243.52
Feedline Pressure System Including	18,959.12
Motor Generator Set: TS:Motor Gene	15,963.64
Loopback Remote Unit: TS:Loopback	15,483.92
Uninterruptible Power Source (Unit)	12,213.23
Dc Power Converter: Dc Power: TS:	11,091.16
Fuse Equipment: (Unclassified): TS	9,717.82
Swi, Hi-Speed Grnd 1 Pole: For 69K	9,302.74
Series Capacitor For Below 230 KV:	8,701.97
Circuit Switcher: 345Kv System, 345	8,198.16
Switch, Grounding 3 Pole: (Unclass	5,564.81
Arrester : 161Kv System, 161Kv Syst	5,545.77
Phase Resistor: TS:Phase Resistor	4,416.87
Fuse Equip: Current-Limiting Fuses:	699.33
Fuse Equip: Oil-Immersed Protective	505.41
Condenser,Synchronous: Synchronous	452.74
Switch, Grounding 3 Pole: For 345K	104.37
353 Fence To Be Moved To 3521: TS:	(61,687.29)
Contra Securitization Rita Texas	(904,827.70)
Contributions In Aid On Constructio	(1,307,538.47)
Contra Securitization IKE Texas	(3,155,819.72)
3540 Twrs & Fxtrs-Trans	**31,662,294.40**
Charges Closed To Plant - Not Class	21,873,956.88
Foundation: TL:Foundation	3,670,383.92

Foundations - Steel	2,058,007.25
Tower, River Crossing: River Cross	1,446,248.80
Foundations - Concrete: Concrete:	1,321,058.38
Aviation Lighting: TL:Aviation Lig	757,294.78
Tower, Deadend: Deadend: TL:Tower	690,870.66
Guy Wire: TL:Guy Wire	641,886.11
Anchors - (All Types): TL:Anchor	507,688.45
Non-Unitized	106,081.24
Tower, Guymast: Guymast: TL:Tower	32,683.63
Tower, Tangent: Tangent: TL:Tower	32,543.04
Contra Securitization IKE Texas	(79,045.71)
Contra Securitization Rita Texas	(1,397,363.03)
3550 Poles & Fxtrs -Trans	**629,338,370.94**
Non-Unitized	244,389,029.40
Poles, Steel (All Sizes): Steel:	188,676,788.20
Poles, Concrete (All Sizes): Concr	80,442,132.33
Charges Closed To Plant - Not Class	47,284,037.00
Foundations - Concrete: Concrete:	25,472,102.54
Foundations - Steel	22,769,914.16
Crossarm - Conductor (All Sizes/Typ	18,837,783.67
Poles, Wood (All Sizes): Wood: TL	8,361,699.08
Foundation: TL:Foundation	8,176,763.33
Guy Wire: TL:Guy Wire	6,624,723.39
Anchors - (All Types): TL:Anchor	4,397,205.94
Crossarm - Shieldwire (All Sizes/Ty	3,916,487.33
X-Braces: TL:X-Braces	2,576,194.22
Poles, Other: Other: TL:Poles	2,244,751.39
Poles, River Crossing (All Sizes):	740,552.50
Foundation - River Crossing: River	412,341.99
Pole Type Platform (Switch Rack):	19,671.04
Foundations - River Crossing: Rive	7,619.08
Contra Securitization IKE Texas	(12,551,028.75)
Contra Securitization Rita Texas	(23,460,396.90)
3620 Stn Equip-Dist	**324,622,671.23**
Transformer, Power: Power: DS:Tra	115,136,433.73
Non-Unitized	24,971,575.16
Circuit Breakers : 13.8Kv, Up To 34	12,080,081.52
Foundation: DS:Foundation	11,323,292.14
Circuit Breakers : 34.5Kv, Up To 69	11,040,091.71
Rtu (Supervisory & Other): DS:Rtu	8,605,699.86
Bushings, Transformers: Transforme	7,886,061.48
Panel, Differential Relay: Differe	6,446,458.83
Structural Steel/Alum: Misc., Misce	6,424,331.40
Mobile Unit Substation: DS:Mobile	6,167,726.67
Cable, Control: DS:Cable, Control	5,473,493.54
Rigid Bus & Power Wiring (Station):	5,016,166.30
Contact Assembly, LTC	4,769,482.66

Transformer Oil Cooling Devices: A	4,586,858.13
Grounding System: DS:Grounding Sys	4,303,097.71
Dist.Sub - Circuit Switcher: 138Kv	3,846,277.90
Animal Protection Devices: DS:Anim	3,626,115.38
Charges Closed To Plant Unclassifie	3,479,596.86
Tap Changer Control Devices: All V	3,261,606.44
Conduit, Duct Or Cable Trench: Duc	3,013,806.12
Structural Steel/Alum: Switch Rack,	2,660,403.42
Circuit Breakers : (Unclassified),	2,599,175.90
Sw, Hookstk 1 Pole Disconnect: 13.8	2,474,529.81
Transformer, Instrument: Potential,	2,472,334.17
Switch, Air Break 3 Pole: 13.8Kv, U	2,462,194.06
Station Communication: DS:Station	2,422,591.79
Battery Set: Set: DS:Battery	2,374,373.35
Panel, Power-Ac/Dc: Power-Ac/Dc:	2,306,937.94
Switch, Air Break 3 Pole: 34.5Kv, U	2,099,098.85
Fuse Equipment: High Voltage Fuses:	1,883,934.25
Dist.Sub - Arrester : 138Kv System,	1,842,103.71
362 Building Including Foundation,	1,702,479.19
Circuit Switcher: 34.5Kv, Up To 69K	1,641,865.51
Sw, Hookstk 1 Pole Disconnect: 34.5	1,631,402.54
Arrester : 13.8Kv System, 13.8Kv Sy	1,598,925.95
Fence (Complete W/Gates): DS:Fence	1,590,739.37
Fiber Optic Cable Including Adss &	1,529,237.22
Transformer, Instrument: Current, I	1,428,953.09
Panel, Relay And/Or Control: Relay	1,417,521.86
Dist.Sub - Circuit Switcher: 69Kv S	1,392,952.44
Voltage Regulator: DS:Voltage Regu	1,311,297.84
Structural Steel/Alum: Tower, Tower	1,301,379.06
Dist.Sub - Switch, Air Break 3 Pole	1,278,502.01
Fuse Equip: Power Fuse (Solid, Liqu	1,258,348.09
Transformer Oil Filtration Sys.	1,218,373.92
Bus Insulator Assembly, Rigid: 13.8	1,167,902.94
Metal Clad Switchgear Unit: DS:Met	1,148,455.64
Arrester : 34.5Kv System, 34.5Kv Sy	1,147,490.41
Dist.Sub - Arrester : 69Kv System,	1,144,530.14
Bus Insulator Assembly, Rigid: 34.5	1,012,738.87
Structural Steel/Alum: Box Truss St	1,008,609.87
Battery Charger: DS:Battery Charge	948,428.17
Foundation (Building): DS:Foundati	941,310.47
Dist.Sub - Circuit Breakers : 69Kv	938,324.76
Fence (Complete With Gates): DS:Fe	924,170.30
Switch Motor Mechanism: All Voltag	901,700.11
Transformer, Auxiliary Power: Auxi	843,231.88
Substation Telephone Equipment: Te	827,001.29
Panel, Relay: Relay Devices, Relay	826,750.00
Dist.Sub - Bus Insulator Assembly,	813,256.02

Line Relaying: All Voltages: DS:L	801,060.86
Metering System (Station): All Vol	735,845.92
Battery Rack/Enclosure: DS:Battery	724,999.14
Dist.Sub - Circuit Switcher: 230Kv	714,035.99
Microwave Tower Including Tower, Gu	655,561.93
Switches, Other: All Voltages: DS	646,844.50
Panel, Metering (Station): Meterin	639,921.71
Fiber Optic Termination Equipment (	610,602.22
Testing Equipment Sets: DS:Testing	610,514.89
Vacuum Interrupter Switch: 13.8Kv,	584,063.42
Circuit Breakers : 12Kv & Below, 12	576,465.53
Reclosers: DS:Recloser	505,247.60
Transformer, Auto: Auto, All Sizes	482,469.63
Supervisory Termination Cabinet: D	476,215.47
Lighting System, Yard: Yard: DS:L	467,580.31
Arrester : 12Kv System & Below, 12K	432,981.25
Dist.Sub - Circuit Breakers : 138Kv	370,033.34
Structural Steel/Alum: Shield Wire	363,106.08
Circuit Switcher: 13.8Kv, Up To 34K	344,194.07
Bus Insulator Assembly, Strained (S	343,885.82
Bushings, Breaker: Breaker: DS:Bu	323,149.82
Battery Test Switch: DS:Battery Te	311,524.26
Communications Equipment Rack: DS:	295,338.81
Cable Termination Panels: DS:Cable	289,990.79
Switch, Air Break 3 Pole: (Unclassi	284,959.90
Coupling Capacitive Voltage Transfo	282,199.18
Contacts, Breaker: Unclassified:	274,799.21
SWITCH: ABRK: VERTICAL BRK W/GROUND	271,356.83
Structural Steel/Alum: Bus Support	269,407.52
Control & Relay Equip. For Scada:	267,693.60
Power Quality Monitor, Portable: P	223,066.87
Arrester : (Unclassified), (Unclass	198,141.33
362 Fence To Be Moved To 3611: DS:	192,723.93
Fuse Equipment: (Unclassified): DS	191,356.58
Structural Steel/Alum: Stand, Stand	189,987.76
Fuse Equip: Cutouts (Enclosed,Open	186,833.23
Phase Resistor: DS:Phase Resistor	161,136.21
Interrupter Device: All Voltages:	158,609.59
Switch, Transfer Throw/Over: DS:Sw	151,893.60
Shield Wire: All Sizes/Types: DS:	150,485.18
Pole, Dressed (In Substation): Dr	149,297.62
Vacuum Interrupter Switch: 34.5Kv,	145,778.38
Capacitor Bank: Bank: DS:Capacito	144,537.60
Fiber Optic Transmitter/Receiver:	130,938.50
Microwave Antenna Including Dish An	127,440.19
Microwave Radio: Microwave Radio:	123,146.91
Switch, Hookstick 1 Pole Disconnect	121,104.12

Panel, Line Relay: Line Relay: DS	120,381.35
Ups System, Inverter: Ups System:	108,236.39
Capacitors (Single): (Single): DS	103,686.54
Switch, Air Break 3 Pole: 12Kv & Be	100,303.53
Battery Monitor / Alarm: DS:Batter	96,508.26
Line Trap: DS:Line Trap	91,291.61
Dist.Sub - Arrester : 230Kv System,	85,985.30
Fire Walls: All Voltages: DS:Fire	83,015.10
Swi, Hi-Speed Grnd 1 Pole: For 13.	73,644.71
Reactor: All Voltages: DS:Reactor	73,011.63
Digital Channel Shelf Including She	72,680.49
Transducer (Panel): DS:Transducer	70,826.50
Dc Power Converter: Dc Power: DS:	64,386.35
Bus Insulator Assembly, Rigid: 12Kv	62,768.31
Carrier Sets/Equipment: Sets/Equip	47,692.66
Telemetering Equipment: All Voltag	42,623.58
Circuit Switchers : (Unclassified),	42,084.26
Coupling Capacitor: Capacitor: DS	40,565.06
Bus Insulator Assembly, Rigid: (Unc	40,233.02
Fault Recorder/Locator: All Voltag	35,493.77
Dist.Sub - Arrester : 115Kv System,	34,528.17
Pothead, Cable Terminal: DS:Pothea	33,403.07
Digital Channel: DS:Digital Channe	32,898.46
Manholes: DS:Manholes	32,890.34
Vacuum Interrupter Switch: (Unclass	31,976.21
Swi, Hi-Speed Grnd 1 Pole: For 34.	30,381.78
Microwave Tower Foundation: Microw	29,312.87
Generator, Auxiliary: DS:Generator	28,302.20
Tower Lighting System Including Lig	27,704.41
Motor Generator Set: DS:Motor Gene	18,209.22
Bushings, Regulator: Regulator: D	17,134.04
Dist.Sub - Circuit Breakers : 115Kv	16,146.91
Uninterruptible Power Source (Unit)	13,365.26
Loopback Remote Unit: DS:Loopback	11,009.06
Switch, Grounding 3 Pole: For 34.5	10,100.95
Vacuum Interrupter Switch: 12Kv & B	9,042.00
Fuse Equip: Current-Limiting Fuses:	7,981.96
Microwave Channel Shelf: Microwave	7,915.93
Dist.Sub - Arrester : 161Kv System,	2,097.72
Fuse Equip: Oil-Immersed Protective	1,927.62
Transformer, Instrument: (Unclassif	1,742.61
Line Tuner: Line Tuner: DS:Line T	1,728.37
Capacitor Bank Control Device: Ba	1,610.56
Feedlines Including Waveguide, Heli	1,545.87
Fire Protection Equipment: All Vol	1,537.09
Condenser,Synchronous: Synchronous	571.99
Various MVA D-SMES System	24.06

Various MVA Dynamic VAr Controllers	24.06
Contra Securitization Rita Texas	(380,109.37)
Contributions In Aid On Constructio	(585,585.57)
Contra Securitization IKE Texas	(4,926,501.99)
3640 Poles, Twrs & Fxtrs -Dist	**377,431,110.27**
Pole, Wood, 45': Wood, 45': DL:Po	93,796,400.01
Pole, Wood, 40': Wood, 40': DL:Po	61,231,999.07
Pole, Wood, 35': Wood, 35': DL:Po	61,068,420.85
Crossarm: DL:Crossarm	59,619,038.80
Non-Unitized	57,973,232.36
Pole, Wood, 50' & Above: Wood, 50'	37,471,918.37
Pole, Wood, 30' & Less: Wood, 30'	22,894,386.69
Anchor: DL:Anchor	11,938,469.07
Guy Wire: DL:Guy Wire	8,363,128.99
Pole, Metal, 46' To 70': Metal, 46	4,737,839.15
Platforms, Transformer Mounting: D	4,668,507.47
Pole, Metal, 45' & Under: Metal, 4	668,438.12
Pole, Concrete: Concrete: DL:Pole	552,880.62
Pole, Metal, 71' To 95': Metal, 71	552,156.20
Pole, Fiberglass: Fiberglass: DL:	299,171.55
Steel, Towers & Structures: Steel:	109,294.29
Pole, C-Truss: DL	4,532.24
Contra Securitization IKE Texas	(22,794,319.84)
Contra Securitization Rita Texas	(25,724,383.74)
3660 Underground Conduit - Dist.	**79,707,994.63**
Conduit, Plastic: Plastic, All Siz	30,826,035.05
Handhole/Pedestal/Junction Box: DL	19,186,040.43
Non-Unitized	14,405,154.34
Conduit, Steel: Steel, All Sizes:	8,844,945.10
Pad, Tfx Mounting: DL:Pad, Tfx Mou	6,520,703.00
Vault, Less Than 100 Cu. Ft.: Less	85,522.24
Sump Pumps: Sump Pumps: DL:Sump P	77,128.79
Transformer Enclosure: DL:Transfor	74,824.16
Contra Securitization Rita Texas	11,642.56
Contra Securitization IKE Texas	(324,001.04)
3670 Undrgrnd Cond & Devices	**190,943,364.82**
Conductor Alum. Sgl, 1/0-3/0: Alu	58,443,877.89
Conductor Alum. Sgl, 500 & Above:	31,664,653.51
Non-Unitized	23,003,658.16
Conductor, Tripl & Quad Ug: Conduc	17,497,210.13
Conductors, Ug Pri Ca 500 & Above:	15,872,268.94
Conductors, Ug Pri Ca #2 & Smaller:	11,081,158.72
Conductors, Ug Pri Ca 1/0 -3/0: Un	8,907,878.72
Switchgear, Pad Mount, 34.5Kv: 34.	8,165,374.86
Switchgear, Pad Mount, 15Kv: 15Kv:	5,471,366.59
Pothead: DL:Pothead	5,232,882.38
Conductor Copper, #2 & Smaller: C	3,874,888.28

Conductor Alum. Sgl, #1 & Smaller:	2,015,845.09
Conductor Alum. Sgl, 4/0-477: Alu	982,841.80
Conductor Copper, 1/0-3/0: Copper	580,239.61
Moles (Junction, Splice, Connector)	546,141.68
Conductors, Ug Pri Ca 4/0-477: Und	448,570.50
Conductor Copper, 4/0-477: Copper	259,753.87
Conductor Copper, 500 & Above: Co	182,604.45
Oil Switch, All Sizes: All Sizes:	158,256.06
Conductor, Underground: All Types,	53,998.99
DL:Fault Indicator, Underground	28,708.14
Control, Switchgear	1,113.96
Contra Securitization Rita Texas	(1,462,467.24)
Contra Securitization IKE Texas	(2,067,460.27)
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(blank)	
Grand Total	**2,610,640,951.62**

The following files are not convertible:

Watson Rebuttal_DAW-R-2.xlsx

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