



Filing Receipt

Received - 2022-12-02 05:33:24 PM
Control Number - 53719
ItemNumber - 425

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

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

**RESPONSE OF ENTERGY TEXAS, INC.
TO CITIES' EIGHTH REQUEST FOR INFORMATION:
CITIES 8:1 THROUGH 5**

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

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

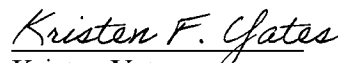
Respectfully submitted,


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

Attachments: **CITIES 8:1 THROUGH 5**

CERTIFICATE OF SERVICE

I certify that a copy of the foregoing Response of Entergy Texas, Inc. to Cities' Eighth Request for Information has been sent by either hand delivery, electronic delivery, facsimile, overnight delivery, or U.S. Mail to the party that initiated this request in this docket on this the 2nd day of December 2022.


Kristen Yates

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

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

Prepared By: Lauren Hayes, Claire Petty,
Paula Johnson
Sponsoring Witness: Jennifer A. Raeder
Beginning Sequence No. LR2326
Ending Sequence No. LR2326

Question No.: CITIES 8-1

Part No.:

Addendum:

Question:

Please refer to Q8 of the rebuttal testimony of Jennifer A. Raeder. Confirm or deny that the EPS funding limit for Entergy's incentive plans reduces the risk borne by shareholders in years when the EPS targets are not met. If deny, please explain why and how the cost savings from the reduction in the incentive payments will not affect earnings.

Response:

Confirm. If Earnings Per Share ("EPS") targets are not met and incentive funding brings the external EPS measure below guidance commitments, the Company would not be in a financial position to pay incentives and it would be financially imprudent to do so.

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

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

Prepared By: Lauren Hayes, Paula
Johnson, Letitia Stewart
Sponsoring Witness: Jennifer A. Raeder
Beginning Sequence No. LR2327
Ending Sequence No. LR2327

Question No.: CITIES 8-2

Part No.:

Addendum:

Question:

Please refer to page 9, line 7 through line 9 of the rebuttal testimony of Jennifer A. Raeder. Please explain how the EPS funding requirements directly benefit ratepayers.

Response:

The Earnings Per Share ("EPS") funding requirement benefits ratepayers by ensuring the Company has the financial wherewithal to award incentive compensation for the performance year. Lack of prudent financial controls would not be in the interest of Entergy Texas Inc.'s customers. Further, as stated in the Direct Testimony of Jennifer A. Raeder on page 33, line 4 through 7, empirical research has been conducted that has shown a strong positive relationship between financial performance and customer satisfaction. Please see Exhibit JAR-5 to the Direct Testimony of Dr. Raeder for the peer reviewed studies that arrive at this conclusion.

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

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

Prepared By: Lauren Hayes
Sponsoring Witness: Jennifer A. Raeder
Beginning Sequence No. LR2328
Ending Sequence No. LR2328

Question No.: CITIES 8-3

Part No.:

Addendum:

Question:

Please refer to page 9, line 13 through line 17 of the rebuttal testimony of Jennifer A. Raeder. Please explain whether ETI employees would receive market competitive compensation in years when the EPS requirement is not met.

Response:

If the Earnings Per Share ("EPS") requirement was not met and it was determined that the Company was not in a financial position to pay short-term incentive compensation, then employees would not be receiving market competitive compensation. As noted in the Rebuttal Testimony of Jennifer A. Raeder on page 9, lines 13 through 15, absent short-term incentive compensation, Entergy Texas, Inc.'s total annual compensation amount would be well below a market-competitive total annual compensation amount.

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

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

Prepared By: John H. Bearden
Sponsoring Witness: Allison P. Lofton
Beginning Sequence No. LR2329
Ending Sequence No. LR2329

Question No.: CITIES 8-4

Part No.:

Addendum:

Question:

Please refer to Q12 of the rebuttal testimony of Allison P. Lofton. Please provide the effective date for each 2022 pay increase included in ETI's payroll cost adjustment.

Response:

The effective dates for each 2022 pay increase included in Entergy Texas, Inc.'s payroll cost adjustment by employee type are as follows:

- Non-Bargaining Employees: 4/1/2022
- Bargaining Employees/ Texas Fossil Operations: 6/12/2022
- Bargaining Employees/ Texas Transmission and Distribution: 3/6/2022

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

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

Prepared By: John H. Bearden
Sponsoring Witness: Allison P. Lofton
Beginning Sequence No. LR2330
Ending Sequence No. LR2330

Question No.: CITIES 8-5

Part No.:

Addendum:

Question:

Please refer to Q12 of the rebuttal testimony of Allison P. Lofton. Please provide the effective date for the referenced decrease to ETI's pension costs.

Response:

The effective date for the decrease to Entergy Texas, Inc.'s pension costs referenced in the Rebuttal Testimony of Allison P. Lofton at Q12 is January 1, 2022.