



Filing Receipt

Received - 2023-02-22 03:05:54 PM
Control Number - 53719
ItemNumber - 482

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

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

SUPPLEMENTAL REBUTTAL TESTIMONY

OF

RICHARD E. LAIN

ON BEHALF OF

ENTERGY TEXAS, INC.

FEBRUARY 2023

ENTERGY TEXAS, INC.
SUPPLEMENTAL REBUTTAL TESTIMONY OF RICHARD E. LAIN
SOAH DOCKET NO. 473-22-04394
PUC DOCKET NO. 53719

TABLE OF CONTENTS

	<u>Page</u>
I. Introduction and Purpose	1
II. Response to Staff Witness Stark	2
III. Conclusion	12

EXHIBITS

Exhibit REL-R2-1 Support for Certain Internal Rate Case Expenses

I. INTRODUCTION AND PURPOSE

Q1. PLEASE STATE YOUR NAME, BUSINESS ADDRESS, AND POSITION.

A. My name is Richard E. Lain. My business address is 919 Congress, Suite 740, Austin, Texas 78701. I am a Manager of Regulatory Affairs for Entergy Texas, Inc. (“ETI” or “the Company”).

Q2. ARE YOU THE SAME RICHARD E. LAIN WHO PREVIOUSLY FILED DIRECT TESTIMONY ON JULY 1, 2022, SUPPLEMENTAL DIRECT TESTIMONY ON OCTOBER 14, 2022, REBUTTAL TESTIMONY ON NOVEMBER 16, 2022, AND SECOND SUPPLEMENTAL DIRECT TESTIMONY ON FEBRUARY 1, 2023 IN THIS CASE ON BEHALF OF ETI?

A. Yes, and I fully incorporate all of my prior testimonies as if provided in full in this supplemental rebuttal testimony.

Q3. WHAT IS THE PURPOSE OF YOUR SUPPLEMENTAL REBUTTAL TESTIMONY?

A. I address certain issues raised by Staff (“Staff”) of the Public Utility Commission of Texas (“Commission”) witness Ruth Stark relating to ETI’s requested internal rate case expenses.

Q4. DO YOU SPONSOR ANY EXHIBITS?

A. Yes, I sponsor the exhibit listed in the Table of Contents.

1 **II. RESPONSE TO STAFF WITNESS STARK**

2 Q5. HAVE YOU REVIEWED THE RECOMMENDATIONS OF STAFF WITNESS
3 RUTH STARK REGARDING RATE CASE EXPENSES IN HER
4 SUPPLEMENTAL DIRECT TESTIMONY?¹

5 A Yes. I address Ms. Stark's recommendations regarding the internal rate case
6 expenses ETI incurred to prepare and litigate this application. Specifically, Company
7 witness Ryan M. Dumas and I address rate case expenses associated with Entergy
8 Services, LLC ("ESL") internal payroll, service company recipient allocations, and
9 depreciation expense. Company witness Meghan Griffiths addresses Ms. Stark's
10 recommendations regarding external rate case expenses.

11
12 Q6. HOW DO YOU RESPOND TO MS. STARK'S RECOMMENDATION TO
13 DISALLOW THE INTERNAL RATE CASE EXPENSES INCURRED TO
14 PREPARE AND LITIGATE THIS APPLICATION?

15 A. In her supplemental direct testimony, Ms. Stark recommends a disallowance of
16 \$3,267,071 from ETI's total requested rate case expenses of \$6,186,235 (booked
17 through December 31, 2022), of which \$2,779,381 are related to ETI's internal rate
18 case expenses. Included in her recommendation is a disallowance of \$8,397
19 (rounded) in internal expenses, based on Ms. Stark's assertion that she was unable to
20 locate documentation to support the expenses.² Upon review, I agree with Ms. Stark

¹ Supplemental Direct Testimony of Ruth Stark ("Stark Supplemental Direct") at 3-8 (Feb. 15, 2023).

² Stark Supplemental Direct at 5, lines 9-21.

1 that the documentation was not previously provided. Therefore, I have provided the
2 supporting documentation in Exhibit REL-R2-1 to my supplemental rebuttal
3 testimony for \$8,350.01, that excludes an amount of \$46.42 for which ETI withdraws
4 its request for recovery. Because the \$8,350.01 in expenses are reasonable and
5 eligible for recovery, as demonstrated by the additional documentation provided in
6 Exhibit REL-R2-1, the Commission should approve these expenses as requested.

7 Finally, in her review of ETI's rate case expenses, Ms. Stark included \$78,339
8 in expenses requested by Cities³ but not booked by ETI as of December 31, 2022.
9 Therefore, the total amount Ms. Stark reviewed for her recommendation is
10 \$6,264,574 (ETI's total request of \$6,186,235 plus \$78,339 in additional Cities'
11 expenses). Because \$78,339 was not booked in ETI's accounting records as of
12 December 31, 2022, this amount will be included in the rate case expenses to be
13 deferred for review and recovery in a future proceeding.

14

15 Q7. PLEASE DESCRIBE ETI'S REQUEST TO RECOVER ITS ESL RATE CASE
16 EXPENSES.

17 A. As described on page 26 of my direct testimony, ESL provided valuable incremental
18 services to ETI in preparing and litigating both this rate case and the Company's 2019
19 Fuel Reconciliation in Docket No. 49916, and as such, recovery of the related
20 expenses is reasonable. There were 23 ESL witnesses who filed direct testimony in

³ Supplemental Direct Testimony of Normal J. Gordon at Schedule NJG-1-S, at 1 (Feb. 1, 2023). Total of \$435,836 minus \$357,497 requested by ETI equals \$78,339 of additional expenses requested by Cities.

1 support of ETI's application in this case. Those witnesses and other ESL personnel
2 under their supervision prepared testimony, exhibits, schedules, workpapers, and
3 discovery responses as necessary to support ETI's application. In addition, 10 ESL
4 witnesses filed rebuttal testimony and exhibits.

5 Similarly, in the 2019 Fuel Reconciliation, ESL witnesses filed direct
6 testimony and rebuttal testimony in support of ETI's application. Just as with this
7 rate case, those witnesses along with other ESL personnel assisted in the preparation
8 of testimony, exhibits, schedules, workpapers, and discovery responses as necessary
9 to support ETI's application. In total, ETI requests to recover \$3,412,188 of ESL rate
10 case expenses for Docket Nos. 49916 (the 2019 Fuel Reconciliation) and 53719 (the
11 instant proceeding) booked through December 31, 2022, and proposes that rate case
12 expenses subsequently incurred in connection with this proceeding be deferred for
13 review and recovery in a later proceeding.

14

15 Q8. WERE THESE ESL RATE CASE EXPENSES REASONABLE AND
16 NECESSARY?

17 A. Yes. It was necessary to have ESL witnesses testify on a range of topics in both the
18 rate case and the 2019 Fuel Reconciliation. In order for ETI to meet its burden of
19 proof in each case, ESL witnesses testified on a range of complex issues specific to
20 each docket (e.g., accounting and financial expenses and issues, operating and
21 maintenance expenses, proposed riders, affiliate expenses, cost allocation, and rate
22 design) and were required to spend time preparing their testimony, exhibits, and
23 workpapers. In addition, ESL personnel provided valuable background and

1 information to the attorneys and outside witnesses and were heavily involved in
2 preparing ETI's application. It was also necessary to have ESL witnesses and
3 personnel assist in the preparation and/or filing of the direct testimony, application,
4 rate filing package, schedules, discovery responses, rebuttal testimony, and in
5 settlement negotiations, among other tasks. Given the nature, extent, and difficulty of
6 the work performed by ESL personnel, the internal rate case expenses associated with
7 these witnesses are reasonable and necessary.

8 As described in my testimonies in this proceeding, all of the ESL rate case
9 expenses associated with the 2019 Fuel Reconciliation and this proceeding were
10 captured in Project Codes F3PPTXFRCT and F3PPTRCT22, respectively, and were
11 directly billed to ETI through billing method DIRECTTX, a direct billing method.
12 As discussed in more detail below, billing method DIRECTTX was appropriate
13 because the time spent and costs incurred relating to the 2019 Fuel Reconciliation and
14 this docket were exclusively for the benefit of ETI. By billing all ESL costs to
15 Project Codes F3PPTRCT22 and F3PPTXFRCT and not requesting recovery of such
16 costs through base rates, the Company ensured that there is no double recovery and
17 that no other Entergy operating company was billed for an employee's work on these
18 cases. The Company's processes and practices regarding billing, budgeting, cost
19 control, compensation, and benefits are described in my testimonies filed in this
20 docket. In her direct testimony in this docket, ETI witness Jennifer Raeder supported
21 the reasonableness and necessity of the compensation and benefits paid to ESL
22 employees. In addition to Ms. Raeder and Mr. Dumas (who addresses affiliate costs,
23 including rate case expenses incurred post-Test Year), there are 21 witnesses in this

1 proceeding that explained how the budgeting and cost control processes work within
2 their respective business units. These processes and practices ensure that the
3 requested affiliate ESL rate case expenses are reasonable and necessary for each class
4 of items, represent the actual costs of the services, do not include the charges for
5 duplicative services or expenses, and are no higher than the prices charged to other
6 affiliates or non-affiliates for the same or similar services. Also, I carefully reviewed
7 the requested rate case expenses to ensure that only appropriate charges were
8 included in its request, as well as removing items not eligible for recovery under the
9 rate case expense rule.

10

11 Q9. WHAT BASIS DO YOU HAVE TO INFORM YOUR UNDERSTANDING THAT
12 THE COMMISSION PREFERS DIRECT BILLING FOR AFFILIATE EXPENSES?

13 A. First, in Docket No. 39896, ETI's fully litigated rate case decided in 2012, the
14 Commission's Order stated that "[t]he Commission has previously expressed its
15 preference for direct assignment of affiliate expenses," and included the following
16 Finding of Fact:

17 163. ESI follows a number of processes to ensure that
18 affiliate charges are reasonable and necessary and that ETI and its
19 affiliates are charged the same rate for similar services. These
20 processes include: (a) the use of service agreements⁴ to define the
21 level of service required and the cost of those services; (b) *direct*
22 *billing of affiliate expenses where possible*; (c) reasonable allocation
23 methodologies for costs that cannot be directly billed; (d) budgeting
24 processes and controls to provide budgeted costs that are reasonable
25 and necessary to ensure appropriate levels of service to its customers;

⁴ See Direct Testimony of Ryan M. Dumas, Exhibit RMD-4A, ETI_SVC Agreement (Jul. 1, 2022).

1 and (e) oversight controls by ETI's Affiliate Accounting and
2 Allocations Department.⁵

3 Also, in Docket No. 14965, a litigated rate case for Central Power and Light
4 Company decided in 1997, the Commission noted in detail the reason for its
5 preference for direct billing in the following Conclusion of Law:

6 29. When the costs of affiliate services are allocated
7 between a utility and other entities that benefited from those services,
8 the allocated amount must reasonably approximate the actual cost of
9 service to the utility. *However, direct-billed services are preferable to*
10 *allocated expenses for purposes of meeting the PURA §2.208(b)*
11 *burden of proof.*⁶

12 Finally, in its approved filing packages, the Commission has also stated a preference
13 for direct (cost assignment) billing over billing methods that involve the allocation of
14 costs.⁷

15
16 Q10. HAS ETI MET ITS BURDEN UNDER PURA § 36.058 WITH RESPECT TO ITS
17 ESL RATE CASE EXPENSES FOR DOCKET NOS. 53719 AND 49916?

18 A. Yes. As detailed in my prior testimonies, ETI's ESL rate case expenses for Docket
19 Nos. 53719 and 49916 were consistent with the Commission's affiliate rules because
20 they are reasonable and necessary, represent the actual costs of the services, do not
21 include prohibited expenses, do not include charges for duplicative services or

⁵ *Application of Entergy Texas, Inc. for Authority to Change Rates, Reconcile Fuel Costs, and Obtain Deferred Accounting Treatment*, Docket No. 39896, Order on Rehearing at 8 and 28 (Finding of Fact No. 163) (Nov. 2, 2012), citing *Application of Central Power and Light Company for Authority to Change Rates*, Docket No. 14965, Second Order on Rehearing at 87, Conclusion of Law No. 29 (Oct. 16, 1997) (emphasis added). Note: "ESI" refers to Entergy Services, Inc., which was the predecessor of ESL.

⁶ Docket No. 14965, Second Order on Rehearing at 86, Conclusion of Law No. 29 (emphasis added).

⁷ For example, see Rate Filing Package for Investor-Owned Generating Utilities at A-2-A-4, and Transmission & Distribution (TDU) Investor-Owned Utilities Rate Filing Package for Cost-of-Service Determination at 15.

1 expenses, and (with respect to expenses billed by ESL) are no higher than the prices
2 charged to other affiliates, or to non-affiliates, for the same or similar services. I have
3 reviewed the internal rate case expenses to ensure they were reasonable, necessary,
4 and in compliance with PURA § 36.058 and the rate case expense rule, 16 Tex.
5 Admin. Code (“TAC”) § 25.245. Mr. Dumas also provided testimony affirming
6 ETI’s compliance with PURA § 36.058 for ESL rate case expenses for this docket
7 and ETI’s 2019 Fuel Reconciliation.

8

9 Q11. HOW DOES ETI ENSURE THAT THE PRICE CHARGED BY ESL IS NO
10 HIGHER THAN THE SAME ITEM OR CLASS OF ITEMS TO OTHER
11 AFFILIATES, IN ACCORDANCE WITH PURA § 36.058?

12 A. As previously addressed in both my direct testimony and Mr. Dumas’ rebuttal
13 testimony, ESL bills its services to the regulated Entergy operating companies,
14 including ETI, at cost, with no profit added. Because ESL directly billed ETI for
15 costs related to the 2019 Fuel Reconciliation and this rate case, and ESL charges no
16 more than actual costs for services to regulated companies, the price charged to ETI
17 represented the actual costs and was no higher than the price charged to other
18 affiliates.

19

20 Q12. PLEASE EXPAND ON YOUR ASSERTION THAT ETI HAS ADEQUATELY
21 SUPPORTED ITS ESL RATE CASE EXPENSES IN THIS DOCKET.

22 A. First, the Commission has previously found that ETI satisfied the affiliate standard as
23 set forth in PURA § 36.058 based on the same level of support provided in this

1 docket. In Docket No. 40295, the Commission addressed ETI's rate case expenses
2 associated with its 2011 base rate case (Docket No. 39896). In that docket, as in this
3 case, ETI supported its rate case expense request with testimony by an employee
4 witness who addressed the reasonableness of internal ESL charges and an external
5 witness who addressed the reasonableness of ETI's external rate case expenses.⁸ The
6 Commission's Order included discussion and made a point to add a new finding of
7 fact and new conclusion of law specifically to reflect that ETI "met the requirements
8 in PURA § 36.058 regarding payments to its affiliates for its rate-case expenses."⁹
9 Furthermore, as stated in Mr. Dumas' rebuttal testimony, the Commission approved
10 ETI's rate case expenses including internal ESL expenses in Docket No. 41791.¹⁰
11 Even though the Commission adopted a settlement in that proceeding, the
12 Commission does not adopt settlements that are in contravention of PURA.
13 Accordingly, any assertions that ETI has failed to meet the affiliate standard in this
14 docket should be rejected.

15 Second, ETI has not simply referred back to the testimony of its witnesses
16 supporting Test Year affiliate expenses in order to also justify its ESL rate case
17 expenses, some of which are incurred after the Test Year in this case. Instead, ETI

⁸ Docket No. 40295, Supplemental Direct Testimony of Michael P. Considine (Oct. 5, 2012) and Supplemental Direct Testimony of Stephen F. Morris (Oct. 5, 2012). Mr. Considine also filed Direct Testimony (Nov. 28, 2011), Supplemental Direct Testimony (Mar. 13, 2012), and Rebuttal Testimony (April 13, 2012) in ETI base rate case Docket No. 39896 prior to the severance of rate case expense issues to Docket No. 40295. Mr. Morris also filed Direct Testimony (Nov. 28, 2011) and Supplemental Direct Testimony (Mar. 13, 2012) in ETI base rate case Docket No. 39896 prior to the severance of rate case expense issues to Docket No. 40295.

⁹ Docket No. 40295, Order at 3, 6 (Findings of Fact No. 19), and 7 (Conclusion of Law No. 11).

¹⁰ *Application of Entergy Texas, Inc. for Authority to Change Rates and Reconcile Fuel Costs*, Docket No. 41791, Order (May 16, 2014).

1 has supported these ESL rate case expenses through both my testimonies and Mr.
2 Dumas' testimonies, which specifically establish that ETI has met the standard for the
3 recovery of affiliate expenses for its requested internal rate case expenses.¹¹

4

5 Q13. ARE YOU AWARE OF ANY PARTY IN THIS PROCEEDING THAT HAS
6 CONTESTED ETI'S AFFILIATE PROCESSES OR CONTROLS?

7 A. No, I am not. Additionally, in ETI's 2019 Fuel Reconciliation, Docket No. 44916,
8 the Commission found that the affiliate costs included in the costs reconciled were all
9 reasonable and necessary.¹²

10

11 Q14. WERE THE ESL RATE CASE EXPENSES CHARGED TO ETI FOR THE 2019
12 FUEL RECONCILIATION BILLED USING THE SAME METHODS USED FOR
13 THE AFFILIATE COSTS INCLUDED AS PART OF THE FUEL
14 RECONCILIATION IN THAT CASE?

15 A. Yes, they were.

¹¹ See the Direct Testimony of Richard E. Lain, Section V. Rate Case Expenses, starting at 24 (Jul. 1, 2022). See also the Rebuttal Testimony of Ryan M. Dumas, at 12-13 (Nov. 16, 2022).

¹² Docket No. 49916, Order at Findings of Fact Nos. 52 and 53, and Conclusion of Law No. 10.

1 Q15. HAS ETI MET ITS BURDEN TO SHOW THAT ITS ESL RATE CASE
2 EXPENSES MEET THE REQUIREMENTS OF 16 TAC § 25.245?

3 A. Yes. As I have previously testified in this proceeding, I considered all of the factors
4 listed in the Commission's rate case expense rule, 16 TAC § 25.245, and found that
5 ETI's requested internal rate case expenses satisfy these requirements.¹³

6

7 Q16. SHOULD THE COMMISSION ADOPT MS. STARK'S PROPOSED
8 DISALLOWANCES OF ETI'S REQUESTED ESL RATE CASE EXPENSES AS
9 SET OUT IN TABLE RS-4S OF HER SUPPLEMENTAL DIRECT TESTIMONY?

10 A. No. In Table RS-4S of her supplemental direct testimony, Ms. Stark recommends the
11 Commission disallow \$3,206,684 of ETI's requested affiliate rate case expenses. ETI
12 witness Mr. Dumas responds to Ms. Stark's proposed disallowance of expenses
13 related to billed affiliate internal payroll and associated loaders for Docket Nos.
14 49916 and 53719. ETI has provided the requisite evidence through testimony,
15 exhibits, and workpapers to show the ESL rate case expenses for the 2019 Fuel
16 Reconciliation and this docket are reasonable and necessary and meet the affiliate
17 standard under PURA § 36.058. Furthermore, ETI has provided sufficient evidence
18 to show that the ESL rate case expenses meet the requirements of the rate case
19 expense rule, 16 TAC § 25.245. The Commission has previously deemed ETI's
20 presentation of affiliate costs (including affiliate rate case expenses) to have met the

¹³ Lain Direct at 28-42.

1 requirements of PURA¹⁴ and has never categorically denied ETI's internal rate case
2 expenses as not recoverable, as Ms. Stark proposes. There is no basis for a different
3 result in this instance.

4

5 **III. CONCLUSION**

6 Q17. DOES THIS CONCLUDE YOUR SUPPLEMENTAL REBUTTAL TESTIMONY?

7 A. Yes.

¹⁴ Docket No. 40295, Order at 3, 6 (Findings of Fact No. 19), and 7 (Conclusion of Law No. 11).

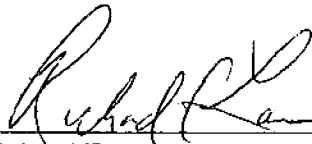
AFFIDAVIT OF RICHARD E. LAIN

THE STATE OF TEXAS)

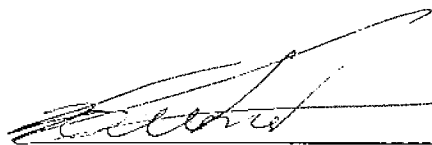
COUNTY OF TRAVIS)

This day, Richard E. Lain 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 My name is Richard E. Lain. I am of legal age and a resident of the State of Texas. The foregoing testimony and exhibit 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.

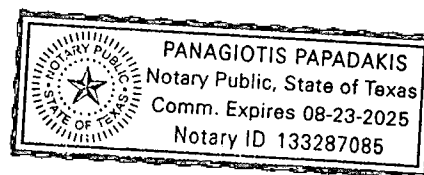

Richard E. Lain

SUBSCRIBED AND SWORN TO BEFORE ME, notary public, on this the 22nd day of February 2023.


Notary Public, State of Texas

My Commission expires:

8/23/2025



ETI Support for Certain Internal Rate Case Expenses

Exhibit REL-RS-1
Page 1 of 7

Description	Amount	Reference
Temporary Employee Services	\$1,667.04	Page 1
Temporary Employee Services	\$6,043.12	Page 1
Advertising - Hederman Brothers *	\$495.00	Page 2
Employee Meals/Functions/Awards	\$128.38	Page 5
Employee Meals/Functions/Awards	\$16.47	Page 6
Total	\$8,350.01	

Timecard Number	Assignment Number	Total Timecard Cost	Cost	Resource Name	Weekending Date	Total Timecard Hours	Last Modified	Bill Period
T-159776338-0	17255915	USD 1667.04	\$1,667.04	FTE	10/30/22	48	11/15/22 3:45 AM	11
T-159512684-0	17255915	USD 1282.40	\$1,282.40	FTE	10/23/22	40	11/8/22 3:39 AM	10
T-159158196-0	17255915	USD 1715.12	\$1,715.12	FTE	10/16/22	49	11/2/22 2:58 AM	10
T-159027193-0	17255915	USD 1522.80	\$1,522.80	FTE	10/9/22	45	10/25/22 2:33 AM	10
T-158858066-0	17255915	USD 1522.80	\$1,522.80	FTE	10/2/22	45	10/20/22 3:07 AM	10
Total			<u>\$7,710.16</u>					

* This represents a journal entry made by the Company to assess applicable taxes that were not assessed by the vendor.

HEDERMAN BROTHERS
 247 Industrial Drive North, Madison, MS 39110
 TEL: 800-844-7301

Exhibit REL-RS-1
 Page 2 of 7

INVOICE SUBMITTED TO:
 ENTERGY SERVICES, LLC.
 ATTN: MANAGER, ADVERTISING
 639 LOYOLA AVENUE
 NEW ORLEANS, LA 70113

INVOICE #: 64383
 DATE: 08/15/22
 AMOUNT: \$6,001.17
 VENDOR #: 119676
 CONTRACT #: 10372256-003

PO #	Bill Insert # / Description	Service Date	Service	Amount	Alloc. %	Alloc. \$	BU	DEPT	RES	Entergy Code Block		ACT	LOC
										PROJECT			
E-072215	ETI Rate Change Request Bill Insert	07/18/22	Printing of 315,000 bill inserts and shipping	\$6,001.17	100%	\$6,001.17	TX000	LG1RC	485	F3PPTRCT22		LREG	AS1
			4/4 w/ bleeds										
			7X8.5 - folds	\$5,937.75									
			Freight	\$63.42									

Note: Allocation percentages are based on the number of customers receiving the bill insert in the respective operating company

Code Block Allocation Summary:

	AMOUNT	BU	DEPT	RES	PROJECT	ACT	LOC
	\$6,001.17	TX000	LG1RC	485	F3PPTRCT22	LREG	AS1
TOTAL	\$6,001.17						

as possible, as an intervention deadline will be imposed. A request to intervene or for further information should be mailed to the Public Utility Commission of Texas, P.O. Box 13326, Austin, Texas 78711-3326. Further information may also be obtained by calling the Public Utility Commission at (512) 936-7120 or (888) 782-8477. Hearing- and speech-impaired individuals with text telephones (TTY) may contact the commission at (512) 936-7136. The deadline for intervention in the proceeding is 45 days after the date the application was filed with the commission. All communications should refer to Docket No. 53719.

Since March 2020, the preferred method for you to file your request for intervention is electronically, and you will be required to serve the request on other parties by email. Therefore, please include your own email address on the intervention request. Instructions for electronic filing via the "PUC Filer" on the Commission's website can be found here: <https://interchange.puc.texas.gov/filer>. Instructions for using the PUC Filer are available at: http://www.puc.texas.gov/industry/filings/New_PUC_Web_Filer_Presentation.pdf. Once you obtain a tracking sheet associated with your filing from the PUC Filer, you may email the tracking sheet and the document you wish to file to: centralrecords@puc.texas.gov. For assistance with your electronic filing, please contact the Commission's Help Desk at (512) 936-7100 or helpdesk@puc.texas.gov. You can review materials filed in this docket on the PUC Interchange at: <http://interchange.puc.texas.gov/>.

NOTICE OF RATE CHANGE REQUEST

On July 1, 2022, Entergy Texas, Inc. ("ETI" or the "Company") filed its STATEMENT OF INTENT AND APPLICATION FOR AUTHORITY TO CHANGE RATES ("Application"). ETI filed its Application with the Public Utility Commission of Texas ("Commission") and with the municipal authorities in its service territory that have original jurisdiction over the Company's electric rates.

Statement of Intent to Change Rates

In the Application, ETI proposes an increase in its base rates designed to collect a total non-fuel retail amount for ETI of approximately \$1.2 billion per year, which is an increase of approximately \$131.4 million, or 11.2%, compared to adjusted test year retail base rate and rider revenues, exclusive of fuel revenues. This proposal represents an increase in overall revenues, including fuel, of 6.95%.

The Application is based on a 12-month test year ending December 31, 2021. ETI requests inclusion in rate base of capital additions closed to plant in the period of January 1, 2018 through the end of the test year.

In addition to approval of ETI's reasonable and necessary operating expenses and capital additions closed through December 31, 2021, the Application also includes the following requests, among others:

- approval of a request to place in base rates costs currently being recovered through ETI's Generation Cost Recovery Rider, Distribution Cost Recovery Factor and Transmission Cost Recovery Factor;
- approval of two new voluntary riders to address its customers' increasing adoption of transportation electrification ("TE") technologies;



- approval of the Green Future Option Schedule tariff, which would provide a new voluntary option for ETI customers to receive benefits of renewable power associated with ETI's utility-scale renewable resources;
- approval of the Market Valued Demand Response ("MVDR") Rider, which is designed to facilitate the transparency of ETI's customers and aggregators of those customers in providing demand response solutions;
- approval of a limited-term Rate Case Expense ("RCE") Rider to recover approximately \$9.2 million over three years, which includes currently estimated costs associated with this proceeding and the actual costs incurred in ETI's prior fuel reconciliation (Docket No. 49916);
- approval of multiple tariff changes described ETI's Application and accompanying testimonies;
- approval of new depreciation rates; and
- approval of requested waivers to certain Commission rules.

To the extent a proposed new rider or schedule is not approved as a separate rider or schedule, ETI proposes to recover such costs through its base rates.

Effect on Customer Classes

The rate change proposed in the Application will affect all customers and classes of customers receiving retail electric service from ETI. The following table shows the effect of the proposed base rate, rider and tariff changes on existing rate classes:

Exhibit REL-RS-1
Page 4 of 7

RATE CLASS	NUMBER OF CUSTOMERS AT TEST YEAR END	NON-FUEL REVENUES*	CHANGE IN TOTAL REVENUES**
Residential	422,815	13.68%	9.84%
Small General	38,207	7.12%	5.10%
General	20,085	8.52%	5.55%
Large General	390	6.29%	3.65%
Large Industrial Power	124	9.28%	3.86%
Lighting	2,744	11.38%	9.40%
Total Retail	484,365	11.20%	6.95%

* Includes the effects of changes to base rates and ongoing and new riders.

** Includes fuel revenues as well as the effects of changes to base and ongoing and new riders.

The Application proposes an effective date for this rate change of 35 days after the date of this filing. Accordingly, the proposed effective date is August 5, 2022. The proposed effective date is subject to suspension and extension by actions of the Commission or other regulatory authorities.

Contact Information

Persons with questions or who want more information on this petition may contact ETI at Attn: Customer Service, 350 Pine Street, Beaumont, Texas 77701, or call (866) 981-2602 during normal business hours. Persons may also email tcr@entergy.com with questions or to request more information or a copy of the Application. A complete copy of this Application, including the Rate Filing Package, is available for inspection at the address listed above.

Persons who wish to intervene in or comment upon these proceedings should notify the Public Utility Commission of Texas (commission) as soon

From: Italian Pie
To: ROBINSON, LAKEITHA D
Subject: Your online order #335658
Date: Monday, October 17, 2022 10:44:33 AM

You don't often get email from italianpie@weborder.net. [Learn why this is important](#)

EXTERNAL SENDER. DO NOT click links, or open attachments, if sender is unknown, or the message seems suspicious in any way. DO NOT provide your user ID or password.

Thank you for your Order

Your order has been successfully sent to the store. Please print this page for your records. If you have any questions or changes, please call the store at the number below.

Store: Rampart
Store Address: 417 S Rampart Street
New Orleans, LA, 70112
Store Phone: (504)522-7552
Order Number: 335658
Order Type: Delivery
Order Is For: 10/17/2022 11:45:00 AM
Originating IP: 198.8.7.71
Name: Lakeitha Robinson
Phone: (504)576-6179
Address: 639 LOYOLA AVE
New Orleans, LA 70113

1 XL ALL MEAT PIE PIZZA	\$27.99
1 LG VEGGIE RED PIZZA	\$20.99
1 LRG ITALIAN SALAD	\$12.99
8" GARLIC BREAD	\$1.99
1 24pc CHICKEN WINGS	\$32.99
-PLAIN-	
<x> RANCH	

Delivery Charge:	\$3.00
SubTotal:	\$103.24
Tax:	\$9.65
Total:	\$112.89
CC Tip:	\$15.49
Total w/tip:	\$128.38

* New Customer *

** Call-In **
** LAKEITHA **

ITALIAN PIE
417 S.RAMPART ST.
NEW ORLEANS, LA 70112

Emp#: 872 12:04 PM
Ord#: 673 10/17
Emp: TISHA

LRG GREEK SALAD \$12.99
8" GARLIC BREAD \$1.99
PAYMENT: CASH

SUB: \$14.98
DISC: \$0.00
Tax: \$1.49
TOT: \$16.47

New App on Andriod
or iPhone Text
"IPIE" to 33733
Get 20% off your
first order.

A 3% service fee for
all credit card
transactions.

DRIVER AND CASHIER
GRATUITY NOT INCLUDED

The following files are not convertible:

Exhibit REL-RS-1 Support for Certain
Internal Rate Case Expenses.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.