Preventing Heat-related Illness

6/14/2021

As summer temperatures start to arrive, we must remain focused on preventing heat illnesses. Though we may be familiar with working in the heat, we cannot afford to be overconfident. The heat is one of our main causes of events during the summer months.

When preparing for work this summer, the temperature inside and out should be at the top of your safety review. As temperatures rise outside, work areas in some of our facilities can heat-up fast.

Preventing heat stress is a matter of detecting conditions, controlling the factors and adjusting to mitigate the hazards.

Employees are encouraged to download the **OSHA-NIOSH Heat Safety Tool app**. The app provides the following in the palm of your hand:

- Real-time heat index and hourly forecasts, specific to your locations.
- Precautionary recommendations specific to heat index-associated risk levels.
- Signs and symptoms of heat-related illnesses.
- First aid information of heat-related illnesses.

Prevent operational exposures to heat by:

- Building a tolerance for working in the heat by gradually increasing activities and taking more breaks as workers acclimate to the heat.
- Adjusting work schedules to work the most strenuous tasks during the cooler parts of the day.
- Remembering – **Water, Rest, Shade.**
- Drink water often – however, do not drink more than 1 ½ quarts per hour or more than 12 quarts per day.
- Follow the work/rest and hydration schedule pictured below.
- Whenever possible, work in the shade.

Share Your Knowledge

According to the Centers for Disease Control and Prevention, more than 600 people are killed in the United States by extreme heat every year. Share your knowledge of beating the heat with your family and friends. Encourage them to stay hydrated, stay cool in air-conditioned areas and wear lightweight and light-colored clothing.


Questions: futureofwork@entergy.com
Entergy

2022 Benefits Plus+ Open Enrollment Now Open

10/20/2021

Benefits Plus+ Open Enrollment 2022

Entergy Hub - https://entergyhub.entergy.com

Begins:

Wednesday, October 20, 2021

7:30 a.m. CT

Ends:

Wednesday, November 10, 2021

5:00 p.m. CT

What's New for 2022?

- **HSA contributions**: The contribution limits for health savings accounts for 2022 are:
  - $3,650 for individuals.
  - $7,300 for family.
  - Those age 55 or older have the option to contribute an additional $1,000.
- **HDHP premiums:** For the first time, a small premium will be charged for the High Deductible Health Plan; be sure to check your inserts for your monthly and annual contributions.

- **Wellness program updates**: Certain wellness activities will be available **only** to active employees and spouses who are enrolled in a coverage option under the Entergy Benefits Plus+ Medical Plan:
  - On-site biometric health screenings.
  - Personal health coaching/health advising.
  - Tobacco cessation and nicotine replacement therapy.
  - Company-paid flu shots.

Important reminders:

- All active employees who wish to make a change or adjustment to benefits are required to enroll by accessing the HR self-service system via the PeopleSoft Hub.
- There are some important steps you must complete to ensure your open enrollment election is recorded.
  - **Click Submit**: To successfully complete your 2022 open enrollment session, you must click **Submit** to capture your changes.
  - **Print and/or Save**: After changes have been made, remember to go back into the system and **print and/or save** your confirmation statement.
- If 2022 benefit elections are not made during Open Enrollment, you will not receive a confirmation statement. The same elections you had in 2021 will carry over, with the exception of FSA and/or HSA elections.
- **You must make a new election** for your **FSA and/or HSA** elections. They **will NOT** carry over.
- Also be aware, as you get older, life insurance plan premiums increase. If you will move into a new age bracket (five-year intervals) during 2021, make sure you review the life insurance plan premium rates.

Ways to access open enrollment materials

- If you have elected to receive your documents via electronic consent, you should have received an email last week with the link to your Open Enrollment documents.
- If you have elected to receive your documents via U.S. Postal mail, please be on the lookout for your Open Enrollment documents.
- Information about open enrollment is available online using these links:
  - 2022 open enrollment SharePoint site.
  - 2022 Benefits Plus+ Open Enrollment documents.

Aetna web meetings

If you are interested in finding out more information regarding medical plan options, please attend one of the live Aetna sessions being conducted, or you can watch a pre-recorded session. To register for a session or to watch a pre-recorded session, please refer to the Open Enrollment page in the Entergy Hub.

*Live Sessions Schedule (Times in **BOLD** primarily focus on the High Deductible Health Plan (HDHP)*

Session	Date	Time (CT)	Links
Week 1	10/20/2021	1 – 2 p.m.	Entergy 2022 Open Enrollment

			Session 1: 10/20/21 1-2pm CT
Week 2	**10/26/2021**	**Noon – 1 p.m.**	Entergy 2022 Open Enrollment Session 2: 10/26/21 12-1pm CT
	10/28/2021	10 – 11 a.m.	Entergy 2022 Open Enrollment Session 3: 10/28/21 10-11am CT
Week 3	**11/4/2021**	**2 – 3 p.m.**	Entergy 2022 Open Enrollment Session 4: 11/4/21 2-3pm CT
Week 4	**11/8/2021**	**10 – 11 a.m.**	Entergy 2022 Open Enrollment Session 5: 11/8/21 10-11am CT

Additional assistance available

For additional open enrollment help, call the Employee Support Center at 1-844-387-9675 to speak to a representative. It is always important that you read your Open Enrollment brochure for complete details.

For more information, contact [redacted] Rivera (Heckathorn), Gertrude

Billing Allocation Methodology	Basis for Selection of Billing Allocation Methodology
DIRECTTX	Billing Method DIRECTTX (100% to ETI) is appropriate to use for the project codes to which it applies because it allocates 100% of the charges to which it is applied to ETI. For example, Project Code F3PPR41133 (Texas Communications) captures costs associated with providing information to ETI customers (e.g., electric safety, customer service, storm preparation and restoration and energy saving information) through methods including TV, radio and print advertising, bill inserts, brochures, websites and social media. It is appropriate to allocate (i.e., bill directly) all of ESL's costs for this project code to ETI because only ETI employees and customers drive these communications activities and associated costs.
CUSTEGOP	Billing Method CUSTEGOP (Electric and Gas Customers) is appropriate to use for the project codes to which it applies because it allocates costs based on the 12-month average number of each EOC's residential, commercial, industrial, government, and municipal general business electric and gas customers. For example, Project Code F3PCR40118 (Utility Communications) captures costs associated with system-wide customer communications activities including developing communications plans; coordinating advertising, writing news releases; handling news media inquiries; coordinating news media interviews with company personnel; emergency and outage communications; and coordination of the external Entergy Operating Company (EOC) web sites and social media communications. Because these system-wide services support all regulated customers, it is reasonable to allocate costs based on the number of each EOC's customers.
EMPLOYAL	Billing Method EMPLOYAL (Full and Part-Time Employees) is appropriate to use for the project codes to which it applies because it allocates costs based on the number of full-time and part-time Entergy employees. For example, Project Code F3PCR40500 (Employee Communications) captures costs associated with payroll, office expenses, and vendor service expenses required to effectively communicate with all regulated and unregulated employees of Entergy. These communications are necessary to help Entergy inform, motivate, coordinate, and lead employees. The primary activities under this project code include updating the myEntergy intranet site, production of employee benefits and compensation materials, and other employee communications required to conduct the day to day business of Entergy. Because the costs of this project are driven by the number of communications that are necessary to communicate with employees, it is appropriate to allocate costs based on the number of employees.

ASSTALL	Billing Method ASSTALL (Total Assets) is appropriate to use for the project codes to which it applies because it allocates costs based on the total Entergy Corp. assets at period end. For example, Project Code F5PPECW516 (Enterprise Wide Communications) captures costs for broadcast, electronic and hard copy communications materials, meetings, plans, and training. The costs of these activities are driven by the size of the communities we serve and by the size and breadth of the organization. Because all Entergy companies, functions, customers, owners and employees benefit from this project, it is appropriate to use the total number of assets as a proxy for the size and complexity of the companies.
LBRCOMUN	Billing Method LBRCOMUN (ESL Labor Billed –Communications) is appropriate to use for the project codes to which it applies because it allocates costs based on total labor dollars billed to each company by ESL for the Communications function. For example, F5PPCOMSPT (Supervision and Support Corporate Communication) captures costs related to Corporate Communications departmental overhead costs. The primary activities included in this project code are related to support for the services performed by the Corporate Communications department such as general administrative tasks, general training and expenditures related to the business unit function. This billing method is appropriate because costs are based on labor billings from ESL Corporate Communications and indirect costs associated with this project are billed to the business units receiving the services.
CUSEOPCO	Billing Method CUSEOPCO (Electric Customers) is appropriate to use for the project codes to which it applies and is based on a twelve-month average number of electric residential, commercial, industrial, government, and municipal customers. For example, F5PPCOVID2 (COVID-19 Response – Call Centers), captures and manages costs associated with the activation of the COVID-19 Pandemic Response Plan concerning call centers, credit, and collections to uphold safe and reliable execution of Entergy operations in the call centers during the pandemic. This billing method is appropriate because costs associated with this project are directly related to the number of electric customers served by each operating company.

See Native Excel file Bennett Direct_Exhibits BCB-A through D.

DOCKET NO. 53719

APPLICATION OF ENTERGY TEXAS, INC. FOR AUTHORITY TO CHANGE RATES	§ § §	PUBLIC UTILITY COMMISSION OF TEXAS

DIRECT TESTIMONY

OF

JAY JOYCE

ON BEHALF OF

ENTERGY TEXAS, INC.

JULY 2022

ENTERGY TEXAS, INC.
DIRECT TESTIMONY OF JAY J. JOYCE
2022 RATE CASE

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EXHIBITS

I. POSITION AND QUALIFICATIONS

Q1. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is Jay Joyce. My business address is Expergy®, 3838 Oak Lawn Avenue, Suite 1000, Dallas, Texas, 75219.

Q2. WHAT SERVICES DOES EXPERGY OFFER?

A. Founded in 2008, Expergy provides expert consulting services to the energy and utility industries. These services include utility rate design, cost allocation, cash working capital studies, depreciation and valuation studies, rate case assistance, expert testimony, and other related consulting services.

Q3. WHAT IS YOUR POSITION WITH EXPERGY?

A. I am president of the firm. My client responsibilities include preparing and presenting analyses relating to pricing and rate design matters, cost of service and revenue requirement issues, cash working capital studies, customer and weather normalization, and other gas, electric, water, and wastewater related matters.

Q4. BRIEFLY DESCRIBE YOUR QUALIFICATIONS.

A. I graduated from the University of Texas in 1986 with a Bachelor of Business Administration degree in Finance. In 1989, I earned a Master of Business Administration degree from Southern Methodist University. While at Southern Methodist University, I was employed by Reed-Stowe & Co. as a Senior Consultant. My responsibilities at Reed-Stowe included developing and presenting

analyses and testimony concerning revenue requirements, cost allocation, and rate design for water, wastewater, gas, electric, and cable utilities.

In 1995, I joined the Management Consulting division of the Dallas office of Deloitte & Touche LLP (now Deloitte Consulting) as a Manager. In 1997, I was promoted to Senior Manager. My responsibilities included project management for a wide range of utility-related projects including merger and acquisition analyses, merger synergy analyses, cost of service studies, management audits, cash working capital studies, and preparation of expert testimony before various commissions, courts, and other governmental authorities.

In January 2003, I resigned from Deloitte to join Management Applications Consulting ("MAC"), a small Pennsylvania professional services firm specializing in utility rate matters. In 2004, four professionals, including several MAC partners and myself, formed Alliance Consulting Group, a professional services firm headquartered in Dallas and focused on the utility industry. In December 2008, I sold my interest in the Alliance partnership, and I launched my own consulting firm, Expergy.

Q5. HAVE YOU PREVIOUSLY TESTIFIED AS AN EXPERT WITNESS?

A. Yes. I have previously testified before, or submitted written testimony to, the Public Utility Commission of Texas ("Commission"); the Federal Energy Regulatory Commission; the Public Utilities Commission of Ohio; the Arkansas Public Service Commission; the Railroad Commission of Texas; the Public Service Commission of West Virginia; the Texas Commission on Environmental Quality;

the Virginia State Corporation Commission; the U.S. District Court for the Northern District of California; the U.S. District Court for the Northern Division of Texas; the District Court of Travis County, Texas (419th Judicial District); and the Superior Court of Fulton County, Georgia. Exhibit JJJ-1 provides a listing of the utility proceedings in which I have appeared as an expert witness, participated as an expert, or made formal presentations in utility matters.

Q6. ON WHOSE BEHALF ARE YOU TESTIFYING IN THIS PROCEEDING?

A. I am testifying on behalf of Entergy Texas, Inc. ("ETI" or the "Company").

II. INTRODUCTION

Q7. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS PROCEEDING?

A. The purpose of my testimony is to sponsor the results of the lead-lag study for measuring the cash working capital ("CWC") allowance required for the Company's operations, consistent with 16 Tex. Admin. Code ("TAC") § 25.231(c)(2)(B)(iii), which is attached as Exhibit JJJ-2.

Q8. CAN YOU PROVIDE A DEFINITION OF CWC AS A RATE BASE COMPONENT?

A. Yes. CWC is a component of utility rate base that is the average amount of capital provided by investors to bridge the gap between the time expenditures are required to provide services and the time collections are received for such services.

Q9. WOULD YOU EXPLAIN THE PURPOSE OF THE RATE BASE, AND THE ROLE OF CWC, IN THE REGULATORY PROCESS?

A. Yes. It is a common practice for regulators to establish the total costs incurred in providing service (i.e., the Cost of Service) and to use such costs, with appropriate adjustments, as the revenue requirement from which rates are fixed and charged for the services provided. Texas follows this approach in accordance with state law. A significant component of Cost of Service is the cost of financing the investor capital required to build facilities and maintain ongoing operations. Portions of such capital funding by investors, such as the capital required to build plant facilities or to maintain supplies, are readily available. These costs are explicitly measured and may be directly accessed in the financial statements. Certain other funding requirements are not explicitly measured from a single account in the Company's financial records; thus, the level of funding used to support these investor capital requirements must be determined through special analyses. One such analysis has traditionally been labeled a "lead lag study," which determines the cash working capital that the utility requires for the purposes I noted earlier. Texas recognizes CWC as a component of rate base under 16 TAC § 25.231(c)(2)(B) and provides for use of a lead-lag study to determine the CWC allowance, along with certain other specified components (e.g., reasonable inventories and prepayments). When the various components of the rate base, including CWC, are adequately identified and combined, a correct measure of investor capital funding is produced. Below I describe in more detail the meanings of the terms "lead" and "lag."

Q10. HAVE YOU PREPARED ANY EXHIBITS IN SUPPORT OF YOUR TESTIMONY?

A. Yes. Exhibit JJJ-1 through Exhibit JJJ-4, which are attached to this testimony, were assimilated or prepared by me or under my direct supervision and control. The Rate Filing Package schedules that I sponsor, my direct testimony, my testimony exhibits, and all work papers associated with these documents were prepared under my direction, supervision, or control and are true and correct to the best of my knowledge.

Q11. DID YOU CONDUCT THE COMPANY'S LEAD-LAG STUDY PRESENTED IN THIS PROCEEDING?

A. Yes. The results of the lead-lag study are attached as Exhibit JJJ-3, and a summary of the lead-lag study is attached as Exhibit JJJ-4.

Q12. DO YOU SPONSOR OR CO-SPONSOR ANY SCHEDULES IN THE COMPANY'S RATE FILING PACKAGE?

A. Yes, I do. I am co-sponsoring Schedule E-4 in the Company's Rate Filing Package as well as the work papers and other documentation supporting the lead-lag study used to prepare that schedule.

III. LEAD-LAG STUDY APPROACH

Q13. PLEASE DESCRIBE THE GENERAL APPROACH YOU USED TO CONDUCT THE LEAD-LAG STUDY.

A. The lead-lag study reflects costs associated with the test period of January 1, 2021, through December 31, 2021 ("Test Year"). In order to accurately measure investor supplied capital, my lead-lag study was developed using the following parameters:

1. The lead-lag study used a cash method and did not consider non-cash items;
2. The lead-lag study was performed in accordance with 16 TAC § 25.231(c)(2)(B)(iii). For example, to determine the lead days for expenses, the later of the invoice due date or the payment clear date was used. If the payment was made by check, check float lead (i.e., the average time between check date and encashment) was also applied to the expense lead; and
3. The amortization of those expenses that the Company classifies as "prepaid expenses" for ratemaking purposes was specifically quantified and excluded from the revenue requirements used to calculate the Company's CWC requirements.

Q14. WOULD YOU DESCRIBE THE APPLICATION OF THE TERMS "LEAD" AND "LAG" AS USED IN THE LEAD-LAG STUDY?

A. The terms "lead" and "lag" have been applied in various ways. For purposes of this presentation, I have used the terms "revenue lag" and "expense lead" as follows:

1. revenue lag – the number of days of lag time between the delivery of electric service to the Company's customers and the subsequent receipt of payments for service; and
2. expense lead – the number of days of lead time between the service period of goods or services used by the Company to provide electric service and the payments to vendors for those goods and services.

Q15. HOW DID YOU DEVELOP THE LEAD AND LAG DAYS IN YOUR CWC STUDY?

A. The composite revenue lag days were developed from the billing and payment patterns of the Company's customers. Similarly, the expense lead days for each of the various categories of system expenses were developed by measuring the period of time from when the costs were incurred until payments were made for such costs. As necessary, random samples of data were used to develop net lead or lag days based on reasonable and unbiased sampling methods. The sampling methods were typical of the methods used to develop CWC studies. The net difference between the computed Revenue Lag days for the various revenue requirement categories and the computed Expense Lead days was multiplied by the corresponding average daily revenue requirements of the system for each category. The sum of the resulting amounts produces the net CWC required.

Q16. HAVE YOU SUBMITTED AN EXHIBIT THAT REFLECTS AN ACCURATE MEASUREMENT OF THESE INVESTOR PROVIDED FUNDS?

A. Yes. Exhibit JJJ-3 contains the results of the study as those results apply to electric services provided by ETI. The following sections describe the methods used in the calculation of the lag days for revenue collection and the lead days for expense payment.

A. Revenue Lag

Q17. HOW WAS THE REVENUE LAG DEVELOPED IN THE LEAD-LAG STUDY?

A. Revenue Lag days consist of four components: (1) the *service period lag* measured from the middle of the period for which service is billed, (2) the *billing lag* which reflects the time required to process and record bills, (3) the *collection lag* that identifies the time delay between the recording of bills and the receipt of the billed revenues, and (4) the *receipt of funds lag* which measures the delay in the bank's clearance of deposited check payments. The total number of days produced by the sum of the four components represents the amount of time between the delivery of service to customers and the receipt of the related revenues for such service.

The first of these four components, the *service period lag*, measures the time span over which services are provided. This Commission has consistently adopted an approach that relies on the mid-point of the service period as the common point for measuring the cost incurrence and the cost recovery periods. This approach assumes that the electricity is delivered evenly over the service period.

The second component is the time consumed in the billing process, or the *billing lag*. In ETI's billing process, this period is measured as the difference from the date the meter is read to the date the invoice is sent to the customer. The billing lag for third-party customers (residential, commercial, industrial, public authority, and street lighting) was measured by examining a random sample of customer invoices to determine the number of days between the meter read date and the mailing date for each invoice. The billing lag for affiliate revenues (MSS-4) is zero since these accounts are billed electronically at the end of the service period.

The third component, the *collection lag*, reflects the time between billing for the services rendered and the receipt from customers of the revenues billed. The collection lag for third-party customers was determined from a random sample of invoices for the residential, commercial, industrial, public authority, and street lighting customer billings during the Test Year by measuring the time between the mailing date and actual payment receipt date for each invoice. The collection lag for MSS-4 revenues is based on the actual payment dates.

The fourth component of the revenue recovery lag, the *receipts of funds lag*, represents the time between the receipt of funds from customers until the funds clear the banks and are available to the Company. The lag associated with the cash receipts float recovery component is computed on the assumption that one business day is required to clear the checks, and that electronic payments are available to the Company on the date received. Approximately 73% of the payments were made by check, and the overall cash receipts float is 0.39 days.

Each of these revenue lag components was totaled and weighted by customer class revenues to arrive at the overall revenue lag days for the Test Year.

B. Expense Lead – Operation & Maintenance Expenses

Q18. PLEASE EXPLAIN THE O&M EXPENSE LEAD DAYS.

A. In determining the lead days for operation and maintenance ("O&M") expenses, total system O&M expenses were first separated into Energy Costs and Other O&M Expenses. Within each group, the expenses were further divided into subcategories for further analysis and measurement of the lead days for each type of expense.

1. Energy Costs

a. Fuel

Q19. PLEASE EXPLAIN THE CALCULATION OF FUEL LEAD DAYS.

A. In order to determine the lead days for fuel expenses, a random sample of fuel invoices was used to determine the service periods and payment due dates for each of the sampled invoices, and these dates were compared to the subsequent payment of each invoice.

b. Purchased Power

Q20. PLEASE EXPLAIN THE CALCULATION OF LEAD DAYS FOR PURCHASED POWER.

A. Purchased power consists of two major groups: (1) MSS-4 Purchases and (2) Other Purchased Power. Other Purchased Power consists of Cogeneration Purchases,

Renewable Energy Credits, MISO settlements, and Third-Party PPA transactions. Based on the number of transactions for each group, either the entire population of Test Year transactions or a sample of Test Year transactions were analyzed and compared to the subsequent payment of each invoice. The resulting lead days were applied to average daily purchased power costs to measure the CWC supplied by purchased power suppliers.

2. Other Operation & Maintenance Expenses

Q21. PLEASE EXPLAIN THE OTHER O&M EXPENSE LEAD DAYS.

A. In determining the lead days for this group of expenses, total system expenses were first separated into four groups—regular payroll costs, incentive payroll costs, affiliate service company transactions, and all other O&M costs (e.g., materials, services, etc.).

a. Regular Payroll

Q22. HOW WERE THE LEAD DAYS FOR REGULAR PAYROLL COSTS DETERMINED?

A. The lead days for regular payroll were based upon the Company's wage payment process that employs bi-weekly pay periods. Employees are paid on Friday, which is six days after the end of the pay period ending on Saturday. The lead days for payroll costs were computed by determining the average days of service being reimbursed and adding the days between the end of each service period and the payment to employees. This calculation produces the number of total days between

the middle of the period for which employees' costs were recorded and the disbursement of the payments.

In the analysis of regular payroll expenses, all of the CWC Test Period payments were utilized. The total Company payroll was segmented into separate components of regular pay and payroll deductions.

Q23. DOES YOUR LEAD-LAG STUDY CONSIDER CHECK FLOAT FOR PURPOSES OF DETERMINING THE LEAD DAYS ATTRIBUTABLE TO PAYROLL COSTS?

A. Yes, with respect to the issuance of paper check payments. The majority of employee wages are paid by direct deposit, with the remainder being paid by paper check. Direct deposit payments clear on payday and thus, have no check float. Paper payroll check clearing times were established based on a random sample; a check float was added to paper check payments based on the results of this sample.

b. <u>Incentive Pay</u>

Q24. PLEASE EXPLAIN THE CALCULATION OF LEAD DAYS FOR ETI'S INCENTIVE PAYROLL.

A. The Company's annual incentive program payments were made in the first quarter of 2021 and were based on calendar year 2020 performance. The lead days were based on the weighted days between the midpoint of the service period (July 1, 2020) and the date the incentives were paid on March 10, 2021. Check float was applied to the bonus payments made by paper check.

c. Affiliate Service Company Transactions

Q25. HOW DID YOU DERIVE THE LEAD DAYS ASSOCIATED WITH AFFILIATE SERVICE COMPANY TRANSACTIONS?

A. Entergy Services, LLC charges are settled in the month following the month in which charges were incurred. Thus, the service period is calculated as the number of days from the mid-month to the later of the contractual due date or the actual settlement date in the following month. Because these payments were made electronically, no check float was assigned.

d. Other Third-Party O&M Expenses

Q26. HOW WERE THE LEAD DAYS DETERMINED FOR THE REMAINING EXPENSES IN THE O&M EXPENSE GROUP?

A. The measure of lead days for the expenses in this group of Other O&M Expenses was based on actual data from samples of these expenses recorded during the test period.

Q27. HOW WAS THE MIDPOINT OF THE SERVICE PERIOD FOR OTHER THIRD-PARTY O&M COSTS DEVELOPED?

A. Consistent with previous Commission rulings, the Company's study estimates the midpoint of the service period independently for each invoice rather than assuming that the invoice date is the midpoint of the service period for all invoices. Each of the sample items was carefully examined to determine the service period and the invoice due date. The available original source documentation is included as part

of the work papers to Schedule E-4 supporting the CWC study. Lead days were calculated from the midpoint of the service period (if available) until the later of the invoice due date or the actual payment cleared date. If no information was available on the service period of a particular invoice, the invoice date was used as the assumed midpoint of the service period. This is also consistent with previous Commission rulings.

The lead days for Other O&M expenses were dollar-weighted to develop the lead days, as detailed in the study.

C. Expense Lead – Current Federal Income Tax Expense

Q28. WHAT ARE THE LEAD DAYS ASSIGNED TO FEDERAL INCOME TAXES?

A. As required by 16 TAC § 25.231(c)(2)(B)(iii)(IV)(f), the lead days for federal income taxes were calculated by measuring the days between the midpoints of the annual calendar year service periods (as the tax is incurred throughout the year) and the actual payment dates. Payment of at least 100% of the estimated tax for the year must be made in quarterly payments on April 15, June 15, September 15, and December 15. If the scheduled payment date falls on a weekend or holiday, the quarterly payment is made on the first workday after the indicated date.

D. Expense Lead and Lag – Taxes Other than Income Taxes

Q29. HOW WERE THE LEAD OR LAG DAYS FOR TAXES OTHER THAN INCOME TAXES MEASURED?

A. This group of taxes consists of: (1) Payroll-related taxes (FICA, Federal Unemployment, and State Unemployment), (2) Ad Valorem Taxes, (3) Public Utility Commission Assessment, and (4) Texas State Franchise (Gross Margin) Taxes. The payment leads or lags for the various payroll taxes were calculated from the midpoints of the applicable assessment periods to the respective payment dates of the taxes. Federal and State Unemployment taxes are paid after the end of each quarter based on the employees' annual wages up to the maximum amount.

The payment lead or lag for non-payroll-related taxes was calculated from the midpoint of the period for which the tax was assessed to the payment date. It was not necessary to calculate lead or lag days for Local Street Rental Taxes, Sales Taxes or Texas State Gross Receipts Taxes since these taxes are prepaid and their working capital requirements are reflected elsewhere in revenue requirements rather than in the CWC calculation. To determine the average lag days for State Franchise Taxes, the study utilizes the statutory payment requirements and resultant pattern. This requires that the study recognize that the Company paid State Franchise Taxes in May 2021 in order to conduct business in the State of Texas from January 1 through December 31, 2021. This calculation is consistent with the calculation of the lead-lag days for all of the other expenses and revenues included in the lead-lag study.

Q30. IS YOUR CALCULATION OF THE LAG DAYS FOR THE STATE FRANCHISE TAX CONSISTENT WITH THE MOST RECENT PRECEDENTIAL RULING BY THIS COMMISSION IN AN ETI RATE CASE?

A. Yes, it is.

E. Expense Lead – Depreciation, Deferred Income Tax Expense, and Return

Q31. HOW WERE THE LEAD DAYS DETERMINED AND APPLIED TO COSTS RECORDED AS DEPRECIATION, DEFERRED INCOME TAX EXPENSES, AND RETURN?

A. Consistent with this Commission's Substantive Rule, the CWC study uses the cash method and therefore excludes non-cash items, including depreciation, amortization, deferred taxes, and return.

F. Other Adjustment – Average Bank Balances

Q32. PLEASE EXPLAIN THE OTHER COMPONENT THAT YOU HAVE INCLUDED IN CWC.

A. The Other CWC component includes Average Bank Balances, which represent investor-supplied capital required to fund assets not otherwise included in rate base. They are not, however, directly measured in the analysis of revenue requirements and must be separately included in the CWC measure.

Q33. WHY HAVE YOU INCLUDED AVERAGE BANK BALANCES?

A. The CWC reflects check float on disbursements as an addition to expenses paid by check to reduce cash working capital. Because the Company cannot control when checks will clear the bank and because of other minimum balance requirements imposed by banks, the Company must maintain certain levels of available cash in its bank accounts. Therefore, the actual bank cash balances are included in CWC since these funds must be supplied by investors. The amount was determined from the actual daily average of cash balances.

The inclusion of average cash balances is consistent with 16 TAC § 25.231(c)(2)(B)(iii)(IV)(e), which states that "...the balance of cash and working funds included in the working cash allowance calculation shall consist of the average daily bank balances of all non-interest bearing demand deposits and working cash funds."

IV. CONCLUSION

Q34. HAVE YOU DETAILED THE CALCULATIONS AND METHODOLOGIES FOR THE LEAD-LAG STUDY?

A. Yes. Exhibit JJJ-3 shows the specific expense lead and revenue lag days used for each of the components. The supporting documentation can be found in the work papers to Schedule E-4.

Q35. WHAT WERE THE RESULTS OF THE LEAD-LAG STUDY?

A. The CWC requirement is $(9,533,144) as shown on Exhibit JJJ-3.

Q36. ARE THE RESULTS OF THIS LEAD-LAG STUDY REASONABLE?

A. Yes. Based on my experience and the application of the process described above, ETI's calculated CWC requirements resulting from this lead-lag study are fair and reasonable, comply with 16 TAC § 25.231(c)(2)(B)(iii) and precedent, and should properly be included in rate base.

Q37. DOES THAT CONCLUDE YOUR DIRECT TESTIMONY?

A. Yes, it does.

AFFIDAVIT OF JAY JOYCE

THE STATE OF TEXAS)
)
THE COUNTY OF DALLAS)

This day, Jay Joyce 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 Jay Joyce. 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.

Jay J. Joyce

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

Notary Public, State of Texas

My Commission expires:
07/12/2025

WRAY DOUGLAS BROWN III
My Notary ID # 11178511
Expires July 12, 2025

JAY JOYCE – REPRESENTATIVE UTILITY PROJECTS

Line	Jurisdiction	Docket	Company	Year	Description
1	Texas Natural Resource Conservation Commission (TNRCC)	7796-M & 7831-M	City of Kilgore, Texas	1989	Wholesale Revenue Requirements, Cost of Service, and Rate Design
2	Texas Public Utility Commission (PUC)	8928	Texas-New Mexico Power Company	1989	Revenue Requirements
3	Texas PUC	8585	Southwestern Bell Telephone Company	1989	Revenue Requirements
4	Texas PUC	9491	Texas-New Mexico Power Company	1990	Revenue Requirements, Prudence
5	TNRCC	8388-M	Trinity Water Reserve, Inc. d/b/a Devers Canal System	1990	Rate Base, Return, Rate Design
6	Texas PUC	10200	Texas-New Mexico Power Company	1991	Revenue Requirements, Prudence
7	N/A	N/A	TCI Cablevision of Texas, Inc.	1991	Franchise Compliance
8	Oklahoma Corp. Comm.	PUD 001346	Arkansas-Oklahoma Gas Company	1991	Cost of Service, Rate Design
9	TNRCC	8293-M	United Irrigation District of Hidalgo County, Texas	1991	Revenue Requirements, Cost of Service
10	Texas PUC	10034	Texas-New Mexico Power Company	1992	Deferred Accounting
11	Texas PUC	9892	Denton County Electric Cooperative	1992	Revenue Requirements, Settlement Negotiations
12	N/A		Southern Union Gas Company	1992	Federal Income Taxes
13	TNRCC		Culleoka Water Supply Corporation	1992	Wholesale Revenue Requirements, Cost of Service, and Rate Design *
14	TNRCC	8338-A	City of Lewisville, Texas	1993	Revenue Requirements, Cost of Service *
15	N/A	N/A	City of Paris, Texas	1993	Revenue Requirements, Cost of Service
16	TNRCC		City of Knollwood, Texas	1994	Wholesale Revenue Requirements, Cost of Service, and Rate Design
17	N/A	N/A	Rockett Special Utility District/City of Midlothian, Texas	1994	Water Supply Feasibility Analysis

JAY JOYCE – REPRESENTATIVE UTILITY PROJECTS

Line	Jurisdiction	Docket	Company	Year	Description
18	Texas PUC	12065	Houston Lighting & Power Company	1994	Revenue Requirements, Restructuring Costs *
19	Texas PUC	12900	Texas-New Mexico Power Company	1994	Revenue Requirements, Rate Case Expenses *
20	TNRCC	N/A	Lakeside Utilities, Inc.	1994	Revenue Requirements, Cost of Service *
21	N/A	N/A	City of North Richland Hills, Texas	1994	Revenue Requirements, Cost of Service
22	N/A	N/A	Detroit Edison/MCN Corporation	1995	Merger Analysis
23	N/A	N/A	Illinois Power Company	1995	Merger Candidate Evaluation
24	N/A	N/A	Northern States Power/Wisconsin Electric Company	1995	Merger Analysis
25	Washington Utilities & Transportation Commission	UE-960195	Washington Natural Gas/Puget Sound Power & Light	1995	Merger Analysis, Testimony In Support of Merger
26	N/A	N/A	General Public Utilities	1996	Merger Candidate Evaluation
27	N/A	N/A	San Diego G&E/Southern California Gas Company	1996	Merger Analysis
28	Texas PUC	14980	Southwest Public Service Company/Public Service Company of Colorado	1996	Testimony In Support of Merger
29	New Mexico Public Regulation Commission (PRC)	2678	Southwest Public Service Company/Public Service Company of Colorado	1996	Testimony In Support of Merger
30	Colorado Public Service Commission	95A-513EG	Southwest Public Service Company/Public Service Company of Colorado	1996	Testimony In Support of Merger
31	N/A	N/A	Western Resources/Kansas City Power & Light	1996	Merger Analysis
32	N/A	N/A	Fort Worth Water Department	1996	Wholesale Water Revenue Requirements, Cost of Service, Rate Design
33	N/A	N/A	Nashville Metro Water Services	1996	Wastewater Cost of Service and Rate Design
34	Texas PUC	18490	TXU Electric Company	1997	Cash Working Capital (CWC)
35	N/A	N/A	Tucson Electric Power	1997	Stranded Cost Quantification

JAY JOYCE – REPRESENTATIVE UTILITY PROJECTS

Line	Jurisdiction	Docket	Company	Year	Description
36	N/A	N/A	Cobb County Water System	1997	Sewer Development Fee Analysis
37	N/A	N/A	Fern Bluff Municipal Utility District	1997	Wastewater Contract Negotiations
38	N/A	N/A	Lower Colorado River Authority	1997	Wastewater Contract Negotiations
39	N/A	N/A	Nashville Thermal Transfer Corporation	1997	Financial Advisory Services
40	N/A	N/A	Pflugerville Water and Wastewater Utility	1997	Water and Wastewater Revenue Requirements, Cost of Service, Rate Design
41	N/A	N/A	Travis County Municipal Utility District No.4	1997	Wholesale Water Revenue Requirements, Cost of Service, Rate Design
42	N/A	N/A	Southwest Power Pool	1998	Tariff Policies and Procedures
43	N/A	N/A	Houston Public Utilities	1998	Management Audit
44	TNRCC	N/A	Trinity River Authority	1998	Management Audit
45	Texas PUC	22350	TXU Electric Company	1999	CWC
46	Texas PUC	22350	TXU SESCO Company	1999	CWC
47	N/A	N/A	Mt. Carmel Public Utilities	1999	Valuation
48	TNRCC	97-0049-UCR	Waco Water and Wastewater Utility	1999	Wholesale Water Revenue Requirements, Cost of Service, Rate Design
49	Texas Railroad Commission (RRC)	8976	Lone Star Pipeline Company	2000	CWC
50	Texas RRC	9145	TXU Gas Distribution – Dallas Distribution System	2000	CWC
51	Georgia PSC	14311-U	Atlanta Gas Light Company	2001	CWC
52	New Jersey BPU	GR02040245	Elizabethtown Gas Company	2002	CWC
53	United States Bankruptcy Court for the Northern District of Georgia	02-10835 through 02-10837	NewPower	2002	Contractual Pricing, Bankruptcy
54	Texas RRC	9400	TXU Gas Company	2003	CWC *
55	Texas PUC	28840	American Electric Power - Texas Central Company	2003	CWC
56	North Carolina UC	E-22, Sub 412	Dominion Virginia Electric Power	2004	CWC

JAY JOYCE – REPRESENTATIVE UTILITY PROJECTS

Line	Jurisdiction	Docket	Company	Year	Description
57	PUC of Ohio	04-571-GA-AIR and 04-794-GA-AAM	Vectren Energy Delivery of Ohio	2004	CWC *
58	Texas Commission on Environmental Quality (TCEQ)	2004-0979-UCR	Chisholm Trail SUD	2005	Cost of Service, Rate Design *
59	TCEQ	2004-1120-UCR, et. al.	Aqua Texas	2005	Valuation, Cost Allocation, Revenue Requirements *
60	US District Court for the Northern District of California	C01-20289 RMW	TXU Energy Services	2006	Wholesale Gas Supply Pricing Dispute *
61	Superior Court of Fulton County, Georgia	2000-CV-20379	City of Atlanta Water Utility	2006	Water Rates *
62	Texas PUC	32093	CenterPoint Energy	2006	CWC *
63	Texas RRC	9670	Atmos Energy – Mid-Tex	2006	CWC *
64	Texas PUC	33309	American Electric Power - Texas Central Company	2006	CWC, Accumulated Deferred Federal Income Taxes (ADFIT) *
65	Texas PUC	33310	American Electric Power - Texas North Company	2006	CWC, ADFIT *
66	Oklahoma Corp. Comm.	PUD-200600285	Public Service Company of Oklahoma	2006	CWC
67	Arkansas PSC	060161-U	CenterPoint Energy Arkansas Gas	2007	Working Capital *
68	TCEQ	2006-1919-UCR	Oak Shores Water System	2007	Water Cost of Service, Rate Design *
69	Texas PUC	34040	TXU Electric Delivery Company	2007	CWC
70	TCEQ	2008-0804-UCR	Kendall County Utility Company	2008	Water & Wastewater Cost of Service & Rate Design *
71	Texas PUC	35717	Oncor Electric Delivery Company	2008	CWC
72	Texas RRC	9872	CenterPoint Energy Entex Gas – Texas Coast Division	2008	CWC *
73	New Mexico Public Regulation Commission	09-00171-UT	El Paso Electric Company	2009	CWC
74	Texas RRC	9902	CenterPoint Energy Entex Gas – Houston Division	2009	CWC *
75	TCEQ	2008-1856-UCR	City of Pecos City, Texas	2009	Water & Wastewater Cost of Service & Rate Design *
76	Virginia State Corporation Comm.	PUE-2009-0030	Appalachian Power Company	2009	CWC *

JAY JOYCE – REPRESENTATIVE UTILITY PROJECTS

Line	Jurisdiction	Docket	Company	Year	Description
77	Texas PUC	37364	SWEPCo	2009	CWC *
78	Texas PUC	37690	El Paso Electric	2009	CWC *
79	West Virginia PSC	10-099-E-42T	Appalachian Power Company & Wheeling Power Company	2010	CWC *
80	Texas PUC	38339	CenterPoint Energy Houston Electric	2010	CWC *
81	Texas RRC	9985, 9986, 9987	CenterPoint Energy Entex Gas – Beaumont Division	2010	CWC *
82	Texas RRC	10006, 10007, 10018	CenterPoint Energy Entex Gas – Texas Coast Division	2010	CWC *
83	Texas RRC	10038	CenterPoint Energy Entex Gas – South Texas Division	2010	CWC *
84	Oklahoma Corp. Comm.	PUD-201000050	Public Service Company of Oklahoma	2010	CWC
85	Virginia State Corporation Comm.	PUE-2011-00037	Appalachian Power Company	2011	CWC *
86	New Mexico Public Regulation Commission	11-00042-UT	New Mexico Gas Company	2011	CWC
87	TCEQ	2011-1533-UCR	Monarch Utilities	2011	Water & Wastewater Cost of Service & Rate Design *
88	Texas PUC	39896	Entergy Texas, Inc.	2011	CWC *
89	Texas PUC	40020	Lone Star Transmission	2012	CWC *
90	Texas RRC	10182	CenterPoint Energy Entex Gas – Beaumont/East Texas Division	2012	CWC *
91	Texas PUC	40443	SWEPCo	2012	CWC *
92	Texas PUC	40604	Cross Texas Transmission LLC	2012	CWC *
93	Texas PUC	40606	Wind Energy Transmission Texas	2012	CWC *
94	TCEQ	2012-0065-WR	Upper Trinity Regional Water District	2012	Water Rates *
95	Virginia State Corporation Comm.	PUE-2013-00009	Appalachian Power Company	2013	CWC
96	TCEQ	2013-0865-UCR	City of Austin Water Department	2013	Wholesale Water Cost of Service & Rate Design *
97	TCEQ	2013-0509-UCR	Oak Shores Water System	2013	Water Cost of Service, Rate Design *

JAY JOYCE – REPRESENTATIVE UTILITY PROJECTS

Line	Jurisdiction	Docket	Company	Year	Description
98	Texas PUC	41791	Entergy Texas, Inc.	2013	CWC *
99	TCEQ	2012-2707-UCR	Wiedenfeld Water Works, Inc.	2013	Water Cost of Service, Rate Design *
100	Oklahoma Corp. Comm.	PUD-201300217	Public Service Company of Oklahoma	2013	CWC
101	Virginia State Corporation Comm.	PUE-2014-00026	Appalachian Power Company	2014	CWC *
102	Texas PUC	42856	Austin Water Utilities	2014	Wholesale Wastewater Cost of Service*
103	Texas PUC	42857	Austin Water Utilities	2014	Wholesale Water Cost of Service*
104	West Virginia PSC	14-1152-E-42T	Appalachian Power Company & Wheeling Power Company	2014	CWC *
105	Texas PUC	42866	West Travis County Public Utility Agency	2014	Public Interest *
106	Public Utility Commission of Oregon	UE 294	Portland General Electric Company	2015	CWC
107	Texas PUC	44704	Entergy Texas, Inc.	2015	CWC *
108	Texas PUC	45240	Austin Water Utilities	2016	Proof of Refunds Compliance Docket
109	Texas PUC	46483	Austin Water Utilities	2016	Wholesale Water & Wastewater Rates for Shady Hollow MUD *
110	District Court, 201st Judicial Court, Travis County, Tx	D-1-GN-16-002274	West Travis County Public Utility Agency	2016	Breach of Contract *
111	Texas PUC	46245	Double Diamond Utilities, Inc.	2016	Rate Change Application *
112	Texas PUC	46449	SWEPCo	2017	CWC, ADFIT *
113	Texas PUC	48218	Manville Water Supply Corporation	2018	Wholesale Water Cost of Service*
114	Texas PUC	48371	Entergy Texas, Inc.	2018	CWC *
115	Texas PUC	48401	Texas-New Mexico Power Company	2018	CWC *
116	Texas PUC	47814	City of Forney, Texas	2018	Public Interest *
117	Texas PUC	48836	City of Round Rock, Texas	2018	Wholesale Water & Wastewater Cost of Service *
118	Texas PUC	49189	Austin Water Utilities	2019	Wholesale Water & Wastewater Cost of Service *
119	Texas PUC	49494	AEP Texas, Inc.	2019	CWC *
120	New Mexico Public Regulation Commission	19-00317-UT	New Mexico Gas Company	2019	CWC
121	Texas PUC	49225	City of Celina, Texas	2020	Retail Water Cost of Service *

JAY JOYCE – REPRESENTATIVE UTILITY PROJECTS

Line	Jurisdiction	Docket	Company	Year	Description
122	Texas PUC	49351	Bear Creek SUD	2020	Retail Water Cost of Service *
123	Texas PUC	52075	Forest Glen Utility Company	2021	Retail Sewer Cost of Service *
124	Texas PUC	52260	El Paso Water Utilities - Public Service Board	2021	Wholesale Water Cost of Service*
125	District Court of Travis County, Texas (419th Judicial Court)	D-1-GN-18-006882	City of Magnolia	2021	Water Cost of Service *
126	US District Court for the Northern District of Texas	3:20-cv-1320E	City of Red Oak	2021	CCN Valuation & Damages *
127	New Mexico Public Regulation Commission	21-00267-UT	New Mexico Gas Company	2021	CWC
128	Federal Energy Regulatory Commission	EL20-72-000	System Energy Resources, Inc. & Entergy Services LLC	2021	CWC Allowance *
129	Oklahoma Corp. Comm.	PUD-202100055	Public Service Company of Oklahoma	2021	CWC
130	210th Judicial District Court of El Paso County, Tx	2021DCV3996	El Paso Water Utilities - Public Service Board	2021	Breach of Contract *
131	Texas PUC	53063	City of Leander	2022	Retail Water & Sewer Cost of Service *
132	Texas PUC	53109	Undine Development, LLC	2022	Water & Sewer System Development Charge *

* Indicates projects where Mr. Joyce was a testifying expert witness

16 TAC § 25.231(c)(2)(B)(iii)

(iii) A reasonable allowance for cash working capital. The following shall apply in determining the amount to be included in invested capital for cash working capital:

(I) Cash working capital for electric utilities shall in no event be greater than one-eighth of total annual operations and maintenance expense, excluding amounts charged to operations and maintenance expense for materials, supplies, fuel, and prepayments.

(II) For electric cooperatives, river authorities, and investor-owned electric utilities that purchase 100% of their power requirements, one-eighth of operations and maintenance expense excluding amounts charged to operations and maintenance expense for materials, supplies, fuel, and prepayments will be considered a reasonable allowance for cash working capital.

(III) Operations and maintenance expense does not include depreciation, other taxes, or federal income taxes, for purposes of subclauses (I), (II), and (V) of this clause.

(IV) For all investor-owned electric utilities a reasonable allowance for cash working capital, including a request of zero, will be determined by the use of a lead-lag study. A lead-lag study will be performed in accordance with the following criteria:

(-a-) The lead-lag study will use the cash method; all non-cash items, including but not limited to depreciation, amortization, deferred taxes, prepaid items, and return (including interest on long-term debt and dividends on preferred stock), will not be considered.

(-b-) Any reasonable sampling method that is shown to be unbiased may be used in performing the lead-lag study.

(-c-) The check clear date, or the invoice due date, whichever is later, will be used in calculating the lead-lag days used in the study. In those cases where multiple due dates and payment terms are offered by vendors, the invoice due date is the date corresponding to the terms accepted by the electric utility.

(-d-) All funds received by the electric utility except electronic transfers shall be considered available for use no later than the business day following the receipt of the funds in any repository of the electric utility (e.g. lockbox, post office box, branch office). All funds received by electronic transfer will be considered available the day of receipt.

(-e-) For electric utilities the balance of cash and working funds included in the working cash allowance calculation shall consist of the average daily bank balance of all non-interest bearing demand deposits and working cash funds.

(-f-) The lead on federal income tax expense shall be calculated by measurement of the interval between the mid-point of the annual service period and the actual payment date of the electric utility.

(-g-) If the cash working capital calculation results in a negative amount, the negative amount shall be included in rate base.

(V) If cash working capital is required to be determined by the use of a lead-lag study under the previous subclause and either the electric utility does not file a lead lag study or the electric utility's lead-lag study is determined to be so flawed as to be unreliable, in the absence of persuasive evidence that suggests a different amount of cash working capital, an amount of cash working capital equal to negative one-eighth of operations and maintenance expense including fuel and purchased power will be presumed to be the reasonable level of cash working capital.

Entergy Texas, Inc.
Cost of Service
AJ06 Working Cash
Electric
For the Test Year Ended December 31, 2021

This adjustment calculates the working cash requirement.

Line No.	Description	(d) Cash Amount [3]	(e) Working Cash Days	(f) Average Daily Cash [23]	(g) Revenue Days [4]	(h) Expense Days [4]	(i) Net Lag Days [5]	(j) Working Cash [3]
1	**Total Cash Working Capital**							
2	Taxes Other Than Income Taxes							
3	408.110 Employment Taxes - Esi	2,444,566	365	6,697	41.86	39.76	2.10	14,065
4	408.110 Employment Taxes [10]	3,074,554	365	8,423	41.86	4.57	37.29	314,110
5	408.122 Excise Tax - ESI	6	365	0	41.86	39.76	2.10	0
6	408.122 Excise Tax - State [11]	11,529	365	32	-	-	-	-
7	408.123 Excise Tax - Federal - ESI	6	365	0	41.86	39.76	2.10	0
8	408.123 Excise Tax - Federal [12]	12,993	365	36	-	-	-	-
9	408.142 Ad Valorem Tax - Esi	738,464	365	2,023	41.86	39.76	2.10	4,249
10	408.142 Ad Valorem Tax [13]	41,185,170	365	112,836	41.86	214.59	(172.73)	(19,490,176)
11	408.152 Franchise Tax-State - Esi	3	365	0	41.86	39.76	2.10	0
12	408.152 Franchise Tax-State (Tx Tax) [14]	700,600	365	1,919	41.86	(44.42)	86.28	165,610
13	408.154 Franchise Tax-Local [15]	(515,294)	365	(1,412)	41.86	(44.42)	86.28	(121,807)
14	408.155 Franchise Tax-State-Ms - ESI	(890)	365	(2)	41.86	39.76	2.10	(5)
15	408.155 Franchise Tax-State-Ms [16]	0	365	0	41.86	(44.42)	86.28	0
16	408.156 Franchise Tax-State-Ar [17]	150	365	0	41.86	(44.42)	86.28	35
17	408.156 Franchise Tax-State-Ar - ESI	18	365	0	41.86	39.76	2.10	0
18	408.158 Franchise Tax - Louisiana - ESI	(2,849)	365	(8)	41.86	39.76	2.10	(16)
19	408.158 Franchise Tax - Louisiana [18]	-	365	-	41.86	(44.42)	86.28	-
20	408.163 Street Rental [19]	(567)	365	(2)	-	-	-	-
21	408.164 Gross Receipts & Sales Tax [24]	(84,850)	365	(232)	-	-	-	-
22	408.165 City Occupation Tax - Esi	237	365	1	41.86	39.76	2.10	1
23	408.165 City Occupation Tax [21]	(3)	365	(0)	-	-	-	-
24	408.172 Regulatory Commission [22]	1,498,599	365	4,106	41.86	225.50	(183.64)	(753,980)
25	**Sub-Total Taxes Other Than Income Taxes**	49,062,442		134,418				(19,867,915)
26	Current Income Taxes							
27	State Taxes [25]	168,799	365	462	41.86	(44.42)	86.28	39,901
28	Federal Taxes [27]	15,134,365	365	41,464	41.86	36.50	5.36	222,247
29	**Sub-Total Current Income Taxes**	15,303,164		41,926				262,148

Amounts may not add or tie to other schedules due to rounding.

WP/P AJ 6.1

Exhibit JJ-3
2022 Rate Case
Page 1 of 4

Entergy Texas, Inc.
Cost of Service
AJ06 Working Cash
Electric
For the Test Year Ended December 31, 2021

This adjustment calculates the working cash requirement.

Line No.	Description	(d) Cash Amount [1]	(e) Working Cash Days	(f) Average Daily Cash [2]	(g) Revenue Days [4]	(h) Expense Days [4]	(i) Net Lag Days [5]	(j) Working Cash [6]
30	O&M Excluding Recoverables							
31	Payroll							
32	Direct Payroll	39,729,647	365	108,848	41.86	14.42	27.44	2,986,799
33	Incentives	3,580,962	365	9,811	41.86	252.06	(210.20)	(2,062,241)
34	Fuel							-
35	Coal [7]	20,084,796	365	54,972	41.86	38.52	3.34	183,607
36	Oil [7]	780,277	365	2,138	41.86	38.52	3.34	7,140
37	Gas [7]	447,560,879	365	1,226,194	41.86	38.52	3.34	4,095,489
38	Allowances (A/C 509) [12]	470,881	365	1,290	41.86	27.64	14.22	18,345
39	Eligible Purchased Power Total							
40	MSS-4 Eligible [7]	36,708,653	365	100,572	41.86	60.14	(18.28)	(1,838,450)
41	ISB Eligible [8]	360,724,685	365	988,287	41.86	27.64	14.22	14,053,438
42	Non-ISB Eligible [9]	-	365	-	41.86	27.64	14.22	-
43	Entergy Services, Inc.	101,323,912	365	277,600	41.86	39.76	2.10	582,959
44	Other O&M [23]	154,693,875	365	423,819	41.86	47.53	(5.67)	(2,403,053)
45	Non-recoverable Purchased Power Total							
46	MSS-4 Non-recoverable [7]	153,822,611	365	421,432	41.86	60.14	(18.28)	(7,703,773)
47	ISB Non-recoverable [8]	45,004,362	365	123,300	41.86	27.64	14.22	1,753,321
48	Non-ISB Non-recoverable [9]	2,854,374	365	7,820	41.86	27.64	14.22	111,203
49	**Sub-Total O&M Excluding Recoverables**	1,367,319,914		3,746,082				9,784,783
50	Working Funds - Use Tax	105,061,235	365	287,839	1.00		1.00	287,839
51	Interest Expense [25]	73,387,817	365	201,063	-		-	-
52	Preferred Dividends	(148,653)	365	(402)	-		-	-
53	**Sub-Total Total Cash Working Capital**	**1,609,987,918**		**4,410,926**				**(9,533,144)**
54								
55	**O&M Recoverable Calculation**							
56	Total O&M Expenses	503,029,334						
57	Recoverable Fuel (Account 501)	466,856,600						
58	Recoverable Allowances (Account 509)	643						
59	Non-recoverable Purchased Power	(0)						
60	Recoverable Purchased Power	397,433,338						
61	**Sub-Total O&M Recoverable Calculation**	1,367,319,914						

Amounts may not add or tie to other schedules due to rounding.

Entergy Texas, Inc.
Cost of Service
AJ06 Working Cash
Electric
For the Test Year Ended December 31, 2021

This adjustment calculates the working cash requirement.

Line No.	Description	(d) Cash Amount [1]	(e) Working Cash Days	(f) Average Daily Cash [2]	(g) Revenue Days [3]	(h) Expense Days [3]	(i) Net Lag Days [4]	(j) Working Cash [5]
	Energy Costs							
	Fuel	468,405,952					3.34	
	Other Purchased Power *	409,054,302					14.22	
	MSS-4	190,531,264					(18.28)	
	Operation & Maintenance Expense							
	Regular Payroll	39,729,647					27.44	
	Incentive Compensation	3,580,962					(210.20)	
	Affiliate Expenses - Entergy Services, Inc.	104,503,472					2.10	
	Other O&M	154,693,875					(5.67)	
	Depreciation & Amortization							
	Taxes Other Than Income Taxes							
	Payroll Tax	3,074,554					37.29	
	Ad Valorem Tax	41,185,170					(172.73)	
	Texas State Gross Receipts Tax							
	Texas Local Street Rental Tax							
	Sales Tax							
	PUCT Tax	1,498,599					(183.64)	
	Texas State Franchise Tax	354,255					86.28	
	Federal Income Taxes - Current	15,134,365					5.36	

Amounts may not add or tie to other schedules due to rounding.

ENTERGY TEXAS, INC.
CASH WORKING CAPITAL REQUIREMENT
FOR THE TEST YEAR ENDED DECEMBER 31, 2021
SPONSOR: JAY JOYCE

Line No.	Description	Adjusted Test Year Amount	Avg. Daily Expense	Revenue Lag Days	Expense Lead Days	Net (Lead)/Lag	Working Capital Requirement
	(a)	(b)	(c)=(b)/365	(d)	(e)	(f)=(d)+(e)	(g)=(c)*(f)
1	**Energy Costs**						
2	Fuel	$ 468,405,952	$ 1,283,304	41.86	(38.52)	3.34	$ 4,286,235
3	Other Purchased Power *	409,054,302	1,120,697	41.86	(27.64)	14.22	15,936,307
4	MSS-4	190,531,264	522,003	41.86	(60.14)	(18.28)	(9,542,223)
5							
6	**Operation & Maintenance Expense**						
7	Regular Payroll	39,729,647	108,848	41.86	(14.42)	27.44	2,986,799
8	Incentive Compensation	3,580,962	9,811	41.86	(252.06)	(210.20)	(2,062,241)
9	Affiliate Expenses - Entergy Services, Inc.	104,503,472	286,311	41.86	(39.76)	2.10	601,253
10	Other O&M	154,693,875	423,819	41.86	(47.53)	(5.67)	(2,403,053)
11							
12	**Depreciation & Amortization**	-					
13							
14	**Taxes Other Than Income Taxes**						
15	Payroll Tax	3,074,554	8,423	41.86	(4.57)	37.29	314,110
16	Ad Valorem Tax	41,185,170	112,836	41.86	(214.59)	(172.73)	(19,490,176)
17	Texas State Gross Receipts Tax			Prepaid	Prepaid		-
18	Texas Local Street Rental Tax			Prepaid	Prepaid		-
19	Sales Tax			Prepaid	Prepaid		-
20	PUCT Tax	1,498,599	4,106	41.86	(225.50)	(183.64)	(753,980)
21	Texas State Franchise Tax	354,255	971	41.86	44.42	86.28	83,740
22							
23	**Federal Income Taxes - Current**	15,134,365	41,464	41.86	(36.50)	5.36	222,247
24							
25							
26	Average Cash In Banks						$ 287,839
27							
28							
29	Total Cash Working Capital Requirement						$ (9,533,144)
30							
31	* Includes Cogen, Renewable Energy Credits, Toledo Bend, MISO Settlement Transactions - ESL to ETI, MISO Settlement Transactions -						
32	ETI to ESL, MISO Side Market, MISO Transmission Settlements, and 3rd Party PPA						

ENTERGY TEXAS, INC.
LEAD-LAG STUDY RESULTS
FOR THE TEST YEAR DECEMBER 31, 2021

Line No.	Description	Revenue Lag Days (*)	Expense Lead Days	Net (Lead)/Lag	Workpaper Reference
	(a)	(b)	(c)	(d)	(e)
1	**Energy Costs**				
2	Fuel	41.86	(38.52)	3.34	WP/E-4/2
3	Purchased Power	41.86	(27.64)	14.22	WP/E-4/3
4	MSS-4	41.86	(60.14)	(18.28)	WP/E-4/4
5					
6	**Operation & Maintenance Expense**				
7	Regular Payroll	41.86	(14.42)	27.44	WP/E-4/5
8	Incentive Compensation	41.86	(252.06)	(210.20)	WP/E-4/6
9	Affiliate Expenses - Entergy Services, LLC	41.86	(39.76)	2.10	WP/E-4/7
10	Other O&M	41.86	(47.53)	(5.67)	WP/E-4/8
11					
12	**Depreciation & Amortization**	0.00	0.00	0.00	
13					
14	**Taxes Other Than Income Taxes**				
15	Payroll Tax	41.86	(4.57)	37.29	WP/E-4/9
16	Property Tax	41.86	(214.59)	(172.73)	WP/E-4/10
17	Texas State Gross Receipts Tax	Prepaid	Prepaid	0	
18	Texas Local Street Rental Tax	Prepaid	Prepaid	0	
19	Sales Tax	Prepaid	Prepaid	0	
20	PUCT Tax	41.86	(225.50)	(183.64)	WP/E-4/11
21	Texas State Franchise Tax	41.86	44.42	86.28	WP/E-4/12
22					
23	**Federal Income Taxes**				
24	Current	41.86	(36.50)	5.36	WP/E-4/13
25	ITC Amortization & Deferred	0.00	0.00	0.00	
26					
27	Average Cash In Banks			$ 287,839	WP/E-4/14
28					
29	* reference WP/E-4/1				
30					
31	** Includes Cogen, Renewable Energy Credits, Toledo Bend, MISO Settlement Transactions - ESL to ETI, MISO Settlement Transactions - ETI				
32	to ESL, MISO Side Market, MISO Transmission Settlements, and 3rd Party PPA				

ENTERGY TEXAS, INC.
CALCULATION OF OPERATING REVENUE LAG DAYS
FOR THE TEST YEAR DECEMBER 31, 2021

Line No.		Residential	Commercial	Industrial	Public Authority & Street Lighting	MSS-4	Total
		(a)	(b)	(c)	(d)	(e)	(f)
1	Service Period Lag (365 days/12 months)/2	15.21	15.21	15.21	15.21	15.21	
2	Billing Lag	3.35	3.65	4.76	3.82	0.00	
3	Collection Lag	26.55	16.52	17.15	14.28	60.03	
4	Receipt of Funds Lag	0.39	0.39	0.39	0.39	0.00	
5							
6	Total Revenue Lag	45.50	35.77	37.51	33.70	75.24	41.86
7							
8	Revenues	$ 727,156,565	$ 405,208,876	$ 487,828,053	$ 24,528,720	$ 64,324,394	$ 1,709,046,608
9							
10	Weighted Dollar Days	$ 33,085,623,712	$ 14,494,321,498	$ 18,298,430,264	$ 826,617,853	$ 4,839,767,384	$ 71,544,760,711
11							
12							
13	Sources:						
14	Billing & Collection Lag	WP/E-4/1-1	WP/E-4/1-2	WP/E-4/1-3	WP/E-4/1-4	WP/E-4/1-5	
15	Receipt of Funds Lag	WP/E-4/1-6	WP/E-4/1-6	WP/E-4/1-6	WP/E-4/1-6	N/A	
16	Revenue Dollars	LL - Rev Total.xlsx					

See Schedule E-4 Work Papers and Supporting Documents

ENTERGY TEXAS, INC.
FUEL EXPENSE
FOR THE TEST YEAR DECEMBER 31, 2021

Line No.	Amount	Beginning of Delivery Period	End of Delivery Period	Number of Service Days	Mid-Point of Service Days	Later of Due Date or Clear Date	(Lead)/Lag Days	Weighted Dollar Days
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
1	$ 65,760,595	2/1/2021	2/28/2021	28	2/15/2021	3/25/2021	(38.00)	$ (2,498,902,612)
2	2,636,247	8/1/2021	8/31/2021	31	8/16/2021	9/27/2021	(41.50)	(109,404,263)
3	3,304,859	6/1/2021	6/30/2021	30	6/16/2021	7/26/2021	(40.00)	(132,194,355)
4	2,975,390	3/1/2021	3/31/2021	31	3/16/2021	4/26/2021	(40.50)	(120,503,304)
5	1,120,280	10/1/2021	10/31/2021	31	10/16/2021	11/26/2021	(40.50)	(45,371,359)
6	1,222,528	4/1/2021	4/30/2021	30	4/16/2021	5/25/2021	(39.00)	(47,678,592)
7	1,388,576	7/1/2021	7/31/2021	31	7/16/2021	8/25/2021	(39.50)	(54,848,732)
8	1,914,185	8/1/2021	8/31/2021	31	8/16/2021	9/27/2021	(41.50)	(79,438,678)
9	4,031,545	5/1/2021	5/31/2021	31	5/16/2021	6/25/2021	(39.50)	(159,246,016)
10	4,921,950	9/1/2021	9/30/2021	30	9/16/2021	10/25/2021	(39.00)	(191,956,050)
11	4,414,875	11/1/2021	11/30/2021	30	11/16/2021	12/27/2021	(41.00)	(181,009,875)
12	503,415	11/1/2021	11/30/2021	30	11/16/2021	12/27/2021	(41.00)	(20,640,015)
13	10,456,605	2/1/2021	2/28/2021	28	2/15/2021	3/25/2021	(38.00)	(397,351,006)
14	7,709,788	8/1/2021	8/31/2021	31	8/16/2021	9/27/2021	(41.50)	(319,956,195)
15	3,144,820	10/1/2021	10/31/2021	31	10/16/2021	11/26/2021	(40.50)	(127,365,210)
16	546,836	10/1/2021	10/31/2021	31	10/16/2021	11/9/2021	(23.50)	(12,850,643)
17	1,010,225	5/1/2021	5/31/2021	31	5/16/2021	6/25/2021	(39.50)	(39,903,888)
18	7,606,996	7/1/2021	7/31/2021	31	7/16/2021	8/25/2021	(39.50)	(300,476,341)
19	6,077,913	10/1/2021	10/31/2021	31	10/16/2021	11/26/2021	(40.50)	(246,155,496)
20	11,324,550	2/1/2021	2/28/2021	28	2/15/2021	3/22/2021	(35.00)	(396,359,250)
21	1,964,138	2/1/2021	2/22/2021	22	2/12/2021	3/22/2021	(38.00)	(74,637,225)
22	3,623,425	9/1/2021	9/30/2021	30	9/16/2021	10/25/2021	(39.00)	(141,313,575)
23	2,221,700	11/1/2021	11/30/2021	30	11/16/2021	12/27/2021	(41.00)	(91,089,700)
24	832,653	12/1/2020	12/31/2020	31	12/16/2020	1/22/2021	(36.50)	(30,391,843)
25	983,964	2/1/2021	2/28/2021	28	2/15/2021	3/19/2021	(32.00)	(31,486,855)
26	1,376,742	4/1/2021	4/30/2021	30	4/16/2021	5/21/2021	(35.00)	(48,185,964)
27	1,251,623	10/1/2021	10/31/2021	31	10/16/2021	11/19/2021	(33.50)	(41,929,354)
28	798,625	1/1/2021	1/31/2021	31	1/16/2021	2/25/2021	(39.50)	(31,545,688)
29	2,834,879	12/1/2020	12/31/2020	31	12/16/2020	1/25/2021	(39.50)	(111,977,721)
30	3,877,878	2/1/2021	2/28/2021	28	2/15/2021	3/25/2021	(38.00)	(147,359,355)
31	2,648,400	3/1/2021	3/31/2021	31	3/16/2021	4/26/2021	(40.50)	(107,260,200)
32	1,633,861	5/1/2021	5/31/2021	31	5/16/2021	6/25/2021	(39.50)	(64,537,510)
33	4,316,219	10/1/2021	10/31/2021	31	10/16/2021	11/26/2021	(40.50)	(174,806,853)
34	29,089,671	2/1/2021	2/28/2021	28	2/15/2021	3/25/2021	(38.00)	(1,105,407,500)
35	1,181,454	3/1/2021	3/31/2021	31	3/16/2021	4/26/2021	(40.50)	(47,848,870)
36								
37	$ 200,707,409						(38.52)	$ (7,731,390,092)
38								
39	Sources:	LL - Energy Fuel.xlsx						

See Schedule E-4 Work Papers and Supporting Documents

ENTERGY TEXAS, INC.
PURCHASED POWER
FOR THE TEST YEAR DECEMBER 31, 2021

Line No.	Description	Amount	Reference	(Lead)/Lag	Reference	Weighted Dollar Days
	(a)	(b)	(c)	(d)	(e)	(f)
1	Cogen Purchases	$ 1,344,710	LL - Energy Purch Pwr Cogens Total.xlsx	(41.19)	WP/E-4/3-1	$ (55,388,587)
2	Renewable Energy Credits	1,605,498	WP/E-4/3-2	(262.22)	WP/E-4/3-2	(420,993,646)
3	Toledo Bend Purchases	-	WP/E-4/3-3	-	WP/E-4/3-3	-
4	MISO Settlement Transactions - ESI to ETI	21,553,551	WP/E-4/3-4	(29.42)	WP/E-4/3-4	(634,105,475)
5	MISO Settlement Transactions - ETI to ESI	281,172	WP/E-4/3-5	(46.00)	WP/E-4/3-5	(12,933,919)
6	MISO Market Side	171,466,069	LL - Energy Purch Pwr Weekly Payments to MISO Total.xlsx	(14.00)	WP/E-4/3-6	(2,400,524,964)
7	MISO Transmission Settlements	14,676,244	LL - Energy Purch Pwr MISO Transmission Settlement Total.xlsx	(28.41)	WP/E-4/3-7	(416,952,105)
8	3rd Party PPA	205,428,794	LL - Energy Purch Pwr - 3rd Party Total.xlsx	(36.84)	WP/E-4/3-8	(7,567,996,766)
9						
10	Total Purchased Power	$ 416,356,038		(27.64)		$ (11,508,895,462)

See Schedule E-4 Work Papers and Supporting Documents

ENTERGY TEXAS, INC.
PURCHASED POWER EXPENSE - MSS-4
FOR THE TEST YEAR DECEMBER 31, 2021

Line No.	Invoice Amount	Beginning of Delivery Period	End of Delivery Period	Number of Service Days	Mid-Point of Service Days	Later of Due Date or Clear Date	(Lead)/Lag Days	Weighted Dollar Days
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
1	$ 16,101,930	1/1/2021	1/31/2021	31	1/16/2021	3/15/2021	(58.00)	$ (933,911,948)
2	16,711,055	2/1/2021	2/28/2021	28	2/14/2021	4/15/2021	(59.50)	(994,307,747)
3	13,145,493	3/1/2021	3/31/2021	31	3/16/2021	5/14/2021	(59.00)	(775,584,086)
4	15,001,424	4/1/2021	4/30/2021	30	4/15/2021	6/15/2021	(60.50)	(907,586,130)
5	14,949,127	11/1/2020	11/30/2020	30	11/15/2020	1/15/2021	(60.50)	(904,422,179)
6	15,395,002	12/1/2020	12/31/2020	31	12/16/2020	2/12/2021	(58.00)	(892,910,143)
7	13,805,463	5/1/2021	5/31/2021	31	5/16/2021	7/15/2021	(60.00)	(828,327,768)
8	16,632,875	6/1/2021	6/30/2021	30	6/15/2021	8/16/2021	(61.50)	(1,022,921,816)
9	17,483,030	7/1/2021	7/31/2021	31	7/16/2021	9/15/2021	(61.00)	(1,066,464,829)
10	15,349,309	8/1/2021	8/31/2021	31	8/16/2021	10/18/2021	(63.00)	(967,006,492)
11	15,018,664	9/1/2021	9/30/2021	30	9/15/2021	11/15/2021	(60.50)	(908,629,188)
12	18,044,783	10/1/2021	10/31/2021	31	10/16/2021	12/15/2021	(60.00)	(1,082,686,962)
13								
14	$ 187,638,155						(60.14)	$ (11,284,759,289)
15								
16	Sources:	LL - Energy MSS-4.xlsx						
17								

See Schedule E-4 Work Papers and Supporting Documents

ENTERGY TEXAS, INC.
CALCULATION OF PAYROLL LEAD DAYS
FOR THE TEST YEAR DECEMBER 31, 2021

Line No.		Amount	(Lead) / Lag Days	Reference	Weighted Dollar Days
	(a)	(b)	(c)	(d)	(e)
1	Net Payroll	$ 49,634,890	(13.06)	WP/E-4/5-1	$ (647,991,428)
2	Deductions	28,068,608	(16.83)	WP/E-4/5-2	(472,394,669)
3					
4	Total Payroll	$ 77,703,498	(14.42)		$ (1,120,386,098)
5					
6					
7	Source:	LL - Payroll Total.xlsx			

See Schedule E-4 Work Papers and Supporting Documents

ENTERGY TEXAS, INC.
O&M (LEAD)/LAG DAYS - INCENTIVE PAY
FOR THE TEST YEAR DECEMBER 31, 2021

Line No.	Description	Percent	Reference	(Lead)/Lag Days	Reference	Check Float	Reference	Total (Lead)/Lag Days	Weighted (Lead)/Lag
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
1									
2	Direct Deposit	99.30%	WP/E-4/5-1-2	(252.00)	WP/E-4/6-1	0.00		(252.00)	(250.24)
3	Paper Checks	0.70%	WP/E-4/5-1-2	(252.00)	WP/E-4/6-1	(7.88)	WP/E-4/5-1-1	(259.88)	(1.82)
4									
5	Total								(252.06)

See Schedule E-4 Work Papers and Supporting Documents

ENTERGY TEXAS, INC.
OTHER O&M - AFFILIATE TRANSACTIONS
FOR THE TEST YEAR DECEMBER 31, 2021

Line No.	Voucher Num	End of Service Period	Later of Due Date and Clear Date	Amount	(Lead)/Lag Days	Weighted Dollar Days
	(a)	(b)	(c)	(d)	(e)	(f)
1	14714757	1/31/2021	2/25/2021	$ 17,917	(25.00)	$ (447,931)
2	14714758	1/31/2021	2/25/2021	4,083	(25.00)	(102,075)
3	14714760	1/31/2021	2/25/2021	235,260	(25.00)	(5,881,495)
4	14714980	1/31/2021	2/25/2021	11,415,789	(25.00)	(285,394,736)
5	14749529	2/28/2021	3/25/2021	95,889	(25.00)	(2,397,222)
6	14749533	2/28/2021	3/25/2021	619,036	(25.00)	(15,475,911)
7	14749534	2/28/2021	3/25/2021	62,777	(25.00)	(1,569,430)
8	14749535	2/28/2021	3/25/2021	899	(25.00)	(22,478)
9	14749786	2/28/2021	3/25/2021	12,212,817	(25.00)	(305,320,414)
10	14790803	3/31/2021	4/23/2021	31,734	(23.00)	(729,883)
11	14790805	3/31/2021	4/23/2021	8,241	(23.00)	(189,543)
12	14790806	3/31/2021	4/26/2021	5	(26.00)	(134)
13	14790807	3/31/2021	4/23/2021	307,830	(23.00)	(7,080,095)
14	14790809	3/31/2021	4/23/2021	20,757	(23.00)	(477,406)
15	14790810	3/31/2021	4/23/2021	502	(23.00)	(11,554)
16	14797522	3/31/2021	4/26/2021	1,845	(26.00)	(47,970)
17	14794183	3/31/2021	4/23/2021	15,723,349	(23.00)	(361,637,018)
18	14832578	4/30/2021	5/25/2021	94,193	(25.00)	(2,354,828)
19	14832582	4/30/2021	5/25/2021	211,604	(25.00)	(5,290,110)
20	14832583	4/30/2021	5/25/2021	6,298	(25.00)	(157,445)
21	14836513	4/30/2021	5/25/2021	15,480,967	(25.00)	(387,024,171)
22	14871875	5/31/2021	6/25/2021	152,174	(25.00)	(3,804,345)
23	14871879	5/31/2021	6/25/2021	221,395	(25.00)	(5,534,878)
24	14871880	5/31/2021	6/25/2021	8,448	(25.00)	(211,211)
25	14871881	5/31/2021	6/25/2021	981	(25.00)	(24,533)
26	14873191	5/31/2021	6/25/2021	11,689,782	(25.00)	(292,244,561)
27	14909171	6/30/2021	7/23/2021	147,682	(23.00)	(3,396,688)
28	14909172	6/30/2021	7/23/2021	12,362	(23.00)	(284,326)
29	14909175	6/30/2021	7/23/2021	644,467	(23.00)	(14,822,735)
30	14909176	6/30/2021	7/23/2021	45,047	(23.00)	(1,036,071)
31	14909177	6/30/2021	7/23/2021	206	(23.00)	(4,744)
32	14911451	6/30/2021	7/23/2021	20,661,963	(23.00)	(475,225,147)
33	14945786	7/31/2021	8/25/2021	93,042	(25.00)	(2,326,044)
34	14945791	7/31/2021	8/25/2021	329,632	(25.00)	(8,240,801)
35	14945792	7/31/2021	8/25/2021	32,742	(25.00)	(818,544)
36	14945793	7/31/2021	8/25/2021	17,743	(25.00)	(443,577)
37	14945968	7/31/2021	8/25/2021	16,895,009	(25.00)	(422,375,224)

See Schedule E-4 Work Papers and Supporting Documents

ENTERGY TEXAS, INC.
OTHER O&M - AFFILIATE TRANSACTIONS
FOR THE TEST YEAR DECEMBER 31, 2021

Line No.	Voucher Num	End of Service Period	Later of Due Date and Clear Date	Amount	(Lead)/Lag Days	Weighted Dollar Days
	(a)	(b)	(c)	(d)	(e)	(f)
38	14982440	8/31/2021	9/24/2021	51,747	(24.00)	(1,241,926)
39	14982443	8/31/2021	9/24/2021	57,444	(24.00)	(1,378,663)
40	14982444	8/31/2021	9/24/2021	14,035	(24.00)	(336,845)
41	14986168	8/31/2021	9/24/2021	11,705,052	(24.00)	(280,921,251)
42	15027559	9/30/2021	10/25/2021	109,806	(25.00)	(2,745,142)
43	15027561	9/30/2021	10/25/2021	12,362	(25.00)	(309,050)
44	15027563	9/30/2021	10/25/2021	25,411	(25.00)	(635,285)
45	15028799	9/30/2021	10/25/2021	27,241	(25.00)	(681,020)
46	15027565	9/30/2021	10/25/2021	8,905	(25.00)	(222,630)
47	15031932	9/30/2021	10/25/2021	16,808,239	(25.00)	(420,205,967)
48	15074771	10/31/2021	11/25/2021	105,309	(25.00)	(2,632,715)
49	15074774	10/31/2021	11/25/2021	179,292	(25.00)	(4,482,301)
50	15074775	10/31/2021	11/25/2021	33,418	(25.00)	(835,454)
51	15076046	10/31/2021	11/25/2021	14,513,885	(25.00)	(362,847,128)
52	15112222	11/30/2021	12/25/2021	151,964	(25.00)	(3,799,104)
53	15112226	11/30/2021	12/25/2021	245,922	(25.00)	(6,148,050)
54	15112227	11/30/2021	12/25/2021	2,725	(25.00)	(68,123)
55	15112228	11/30/2021	12/25/2021	23,034	(25.00)	(575,858)
56	15118927	11/30/2021	12/25/2021	15,450,293	(25.00)	(386,257,334)
57	15147638	12/31/2021	1/25/2022	100,400	(25.00)	(2,509,994)
58	15147639	12/31/2021	1/25/2022	12,362	(25.00)	(309,050)
59	15149160	12/31/2021	1/25/2022	682,887	(25.00)	(17,072,168)
60	15149163	12/31/2021	1/25/2022	24,557	(25.00)	(613,919)
61	15149164	12/31/2021	1/25/2022	159	(25.00)	(3,973)
62	15149815	12/31/2021	1/25/2022	24,783,677	(25.00)	(619,591,934)
63						
64				$ 192,634,595	(24.55)	$ (4,726,830,158)
65						
66	Service Period Lead (365 days/12 months)/2				(15.21)	
67						
68	**Total (Lead)/Lag Days**				**(39.76)**	
69						
70						
71	Source:	LL - O&M Affiliate.xlsx				

See Schedule E-4 Work Papers and Supporting Documents

ENTERGY TEXAS, INC.
OTHER O&M - THIRD PARTY O&M
FOR THE TEST YEAR DECEMBER 31, 2021

Line No.	Invoice Num	Mid-Point of Service Days	Later of Due Date or Clear Date	Amount	(Lead)/Lag Days	Weighted Dollar Days
	(a)	(b)	(c)	(d)	(e)	(f)
1	92024296700001__042321	4/8/2021	5/21/2021	$ 1,111	(43.00)	$ (47,783)
2	9106371880	10/5/2021	11/19/2021	1,503	(45.00)	(67,639)
3	163182	7/8/2021	9/27/2021	1,915	(81.00)	(155,154)
4	158697	11/22/2021	1/21/2022	6,738	(60.00)	(404,278)
5	142009809-058	12/16/2020	3/5/2021	2,519	(79.00)	(198,967)
6	06-011521-10499912-8269938	1/12/2021	3/12/2021	9,595	(59.00)	(566,105)
7	02185451__100121	10/16/2021	10/14/2021	1,332	2.00	2,664
8	21901488	1/16/2021	3/15/2021	2,867	(58.00)	(166,309)
9	06-031621-10499912-8605988	3/10/2021	4/21/2021	2,367	(42.00)	(99,414)
10	INV00165686	7/19/2021	9/2/2021	5,355	(45.00)	(240,987)
11	06-082421-10499912-8783272	8/18/2021	9/24/2021	7,294	(37.00)	(269,878)
12	2287481	11/12/2020	1/14/2021	2,751	(63.00)	(173,296)
13	6525564-1-317209-2	4/29/2021	6/16/2021	1,057	(48.00)	(50,736)
14	01199465	3/1/2021	3/22/2021	1,248	(21.00)	(26,216)
15	2021-102158	10/15/2021	12/22/2021	4,339	(68.00)	(295,061)
16	158696	11/17/2021	1/16/2022	6,744	(60.00)	(404,633)
17	06-121720-10499912-8038311	12/11/2020	1/12/2021	2,267	(32.00)	(72,534)
18	155864	7/28/2021	9/17/2021	13,000	(51.00)	(663,022)
19	06-121720-10499912-8038011	12/9/2020	1/12/2021	14,588	(34.00)	(495,992)
20	06-082421-10499912-8782723	8/18/2021	9/24/2021	5,567	(37.00)	(205,979)
21	06-101921-10499912-8900221	10/13/2021	11/12/2021	13,146	(30.00)	(394,380)
22	06-120720-10499912-7826591	12/1/2020	1/12/2021	2,214	(42.00)	(92,992)
23	BPDTX 101820211080000	10/15/2021	10/21/2021	1,200	(5.50)	(6,600)
24	PAY-034780	10/7/2021	10/7/2021	3,621	-	-
25	06-062321-10499912-8743593	6/17/2021	7/29/2021	1,777	(42.00)	(74,630)
26	2326727	1/21/2021	3/22/2021	1,018	(60.00)	(61,066)
27	00089WMCPS	8/25/2021	9/30/2021	1,678	(36.00)	(60,404)
28	904845427	3/7/2021	6/9/2021	1,573	(94.00)	(147,815)
29	07232021-01	7/17/2021	9/10/2021	7,168	(55.00)	(394,238)
30	EGY1061G1-B	6/15/2021	8/27/2021	3,283	(72.50)	(238,043)
31	055021530-20	11/18/2020	2/9/2021	2,344	(83.00)	(194,579)
32	06-122120-10499912-8098346	12/16/2020	1/15/2021	11,134	(30.00)	(334,020)
33	06-060821-10499912-8731622	6/2/2021	7/2/2021	7,164	(30.00)	(214,920)
34	11146	11/17/2020	1/8/2021	1,714	(51.50)	(88,251)
35	SAFETYSTANDDOWN-4	7/23/2021	9/16/2021	18,301	(55.00)	(1,006,539)
36	9977232358	1/16/2021	4/23/2021	1,733	(97.00)	(168,139)
37	INV00162932	6/22/2021	8/6/2021	4,445	(45.00)	(200,015)

See Schedule E-4 Work Papers and Supporting Documents

ENTERGY TEXAS, INC.
OTHER O&M - THIRD PARTY O&M
FOR THE TEST YEAR DECEMBER 31, 2021

Line No.	Invoice Num	Mid-Point of Service Days	Later of Due Date or Clear Date	Amount	(Lead)/Lag Days	Weighted Dollar Days
	(a)	(b)	(c)	(d)	(e)	(f)
38	159785	5/27/2021	8/13/2021	1,202	(78.00)	(93,772)
39	57T02721	2/24/2021	4/23/2021	1,983	(58.00)	(115,026)
40	0803202110800	7/10/2021	8/17/2021	1,200	(37.50)	(45,000)
41	152711	1/7/2021	4/22/2021	1,095	(105.00)	(114,982)
42	231598	12/16/2020	2/12/2021	3,868	(57.50)	(222,432)
43	246151	4/19/2021	6/18/2021	3,516	(59.50)	(209,192)
44	06-051121-10499912-8695557	5/5/2021	6/4/2021	7,164	(30.00)	(214,920)
45	904810137	2/12/2021	4/13/2021	1,000	(60.00)	(60,000)
46	142009809-060	2/10/2021	4/4/2021	2,519	(53.00)	(133,490)
47	EGY1061I1-B	8/16/2021	10/25/2021	3,547	(70.00)	(248,324)
48	2031	11/1/2021	12/21/2021	4,279	(50.00)	(213,925)
49	6567140-1-317683-1	5/6/2021	6/23/2021	1,057	(48.00)	(50,736)
50	35567	1/17/2021	3/18/2021	3,922	(59.50)	(233,359)
51	06-051121-10499912-8695595	5/5/2021	6/4/2021	13,918	(30.00)	(417,525)
52	110954	8/24/2021	10/29/2021	8,136	(65.50)	(532,908)
53	2285518	11/5/2020	1/8/2021	2,866	(64.00)	(183,427)
54	58067	9/15/2021	11/10/2021	2,700	(56.00)	(151,213)
55	417813942	8/13/2021	9/15/2021	2,496	(33.00)	(82,369)
56	4588	6/10/2021	6/25/2021	4,970	(15.00)	(74,550)
57	163057	6/24/2021	9/24/2021	3,330	(92.00)	(306,332)
58	06-111721-10499912-8977722	11/10/2021	12/10/2021	30,704	(30.00)	(921,120)
59	RI155137	12/15/2020	1/29/2021	1,440	(44.50)	(64,080)
60	PAY-025238	4/8/2021	4/8/2021	39,181	-	-
61	BPDTX 092220211080000	9/15/2021	9/30/2021	2,200	(14.50)	(31,900)
62	60S54421	4/7/2021	6/10/2021	1,983	(64.00)	(126,925)
63	21TX16-01-00000146	8/11/2021	10/22/2021	11,812	(72.00)	(850,439)
64	154491	6/7/2021	8/6/2021	5,893	(60.00)	(353,607)
65	185945	11/15/2020	1/15/2021	11,667	(60.50)	(705,854)
66	905119896	10/12/2021	12/11/2021	1,000	(59.50)	(59,500)
67	03202021-01	3/18/2021	5/10/2021	7,742	(52.50)	(406,441)
68	PAY-037302	12/30/2021	12/30/2021	1,639	-	-
69	200657	11/19/2020	1/30/2021	20,955	(72.00)	(1,508,783)
70	153382	1/21/2021	4/23/2021	3,512	(92.00)	(323,130)
71	152497	3/19/2021	5/18/2021	4,824	(60.00)	(289,459)
72	06-070921-10499912-8753670	7/3/2021	8/3/2021	1,848	(31.00)	(57,302)
73	24188	10/16/2021	11/17/2021	43,265	(32.00)	(1,384,484)
74	4651	7/26/2021	8/30/2021	10,975	(35.00)	(384,125)
75	2422378	7/1/2021	8/28/2021	2,204	(58.00)	(127,823)

See Schedule E-4 Work Papers and Supporting Documents

ENTERGY TEXAS, INC.
OTHER O&M - THIRD PARTY O&M
FOR THE TEST YEAR DECEMBER 31, 2021

Line No.	Invoice Num	Mid-Point of Service Days	Later of Due Date or Clear Date	Amount	(Lead)/Lag Days	Weighted Dollar Days
	(a)	(b)	(c)	(d)	(e)	(f)
76	7752	6/29/2021	8/27/2021	4,784	(58.50)	(279,864)
77	91200	2/18/2021	5/20/2021	2,189	(90.50)	(198,149)
78	9064539_20211104_162500_E	10/16/2021	11/8/2021	1,625	(22.50)	(36,563)
79	7281	3/26/2021	5/28/2021	6,065	(62.50)	(379,088)
80	06-042921-10499912-8675952	4/23/2021	5/24/2021	17,552	(31.00)	(544,106)
81	1007LCR	4/14/2021	5/31/2021	2,490	(46.50)	(115,773)
82	06-081221-10499912-8775888	8/6/2021	9/13/2021	1,126	(38.00)	(42,781)
83	CAR-23196	11/3/2021	11/15/2021	1,262	(12.00)	(15,144)
84	0862-000946573	1/16/2021	2/2/2021	1,356	(17.00)	(23,047)
85	162245	7/15/2021	9/13/2021	5,999	(60.00)	(359,946)
86	20115960R	5/13/2021	8/13/2021	9,697	(92.00)	(892,095)
87	06-072021-10499912-8760583	7/14/2021	8/13/2021	3,838	(30.00)	(115,140)
88	2303339	12/17/2020	2/11/2021	10,426	(56.00)	(583,880)
89	9154479_20210727_1570000	8/18/2021	7/29/2021	15,700	20.00	314,000
90	95887	3/10/2021	5/29/2021	1,472	(80.00)	(117,721)
91	209432A	4/30/2021	7/30/2021	1,557	(91.00)	(141,699)
92	3597	10/17/2021	12/30/2021	1,538	(73.50)	(113,043)
93	06-111121-10499912-8954137	11/5/2021	12/6/2021	23,028	(31.00)	(713,868)
94	36953	10/16/2021	12/8/2021	5,592	(53.00)	(296,360)
95	06-051821-10499912-8706567	5/12/2021	6/11/2021	11,134	(30.00)	(334,020)
96	06-070821-10499912-8751354	7/2/2021	8/2/2021	5,757	(31.00)	(178,467)
97	24527336	11/15/2020	1/8/2021	42,810	(53.50)	(2,290,347)
98	1-102289075119A	5/16/2021	6/18/2021	3,394	(33.00)	(111,994)
99	158316R	3/22/2021	7/23/2021	1,097	(123.00)	(134,969)
100	9156681_20211026_105841	10/19/2021	10/28/2021	1,058	(9.00)	(9,526)
101	OLA001409	3/16/2021	5/15/2021	241,549	(60.00)	(14,492,925)
102	7271	3/30/2021	5/30/2021	1,579	(60.50)	(95,505)
103	1013GLCR	9/14/2021	11/18/2021	2,490	(65.00)	(161,834)
104	8003-028-3248_10608472_101121	10/26/2021	10/25/2021	1,724	1.00	1,724
105	014797	3/9/2021	5/8/2021	3,150	(59.50)	(187,425)
106	00058320	5/16/2021	7/6/2021	5,926	(51.00)	(302,243)
107	111-1960447	5/18/2022	12/22/2021	6,000	147.00	882,000
108	104745	6/24/2021	8/27/2021	1,221	(64.00)	(78,173)
109	21TX16-04-00000427	10/13/2021	12/24/2021	1,514	(72.00)	(109,031)
110	6912	1/22/2021	4/1/2021	1,356	(69.00)	(93,594)
111	4700	10/28/2021	11/1/2021	25,471	(4.00)	(101,882)
112	108681	7/31/2021	10/3/2021	1,416	(64.00)	(90,635)
113	134772374-0-1-323559-324	8/3/2021	9/22/2021	2,008	(49.50)	(99,373)

ENTERGY TEXAS, INC.
OTHER O&M - THIRD PARTY O&M
FOR THE TEST YEAR DECEMBER 31, 2021

Line No.	Invoice Num	Mid-Point of Service Days	Later of Due Date or Clear Date	Amount	(Lead)/Lag Days	Weighted Dollar Days
	(a)	(b)	(c)	(d)	(e)	(f)
114	159406	3/4/2021	7/30/2021	1,127	(148.00)	(166,797)
115	EPPLLC-093020B	9/15/2020	1/15/2021	1,889	(121.50)	(229,482)
116	06-051921-10499912-8709082	5/13/2021	6/11/2021	7,317	(29.00)	(212,199)
117	101003	5/24/2021	7/17/2021	5,520	(54.00)	(298,083)
118	240288	2/20/2021	6/9/2021	2,713	(108.50)	(294,377)
119	06-090121-10499912-8788648	8/26/2021	9/24/2021	11,134	(29.00)	(322,886)
120	154323	5/27/2021	8/18/2021	11,535	(83.00)	(957,420)
121	1149093	3/16/2021	5/16/2021	1,546	(61.00)	(94,289)
122	CD2207010232	10/29/2021	12/1/2021	2,084	(33.00)	(68,769)
123	61T13721	4/21/2021	6/11/2021	2,801	(51.00)	(142,846)
124	159417	3/4/2021	7/30/2021	1,387	(148.00)	(205,258)
125	904691244	11/3/2020	1/14/2021	1,573	(72.00)	(113,220)
126	154512229	7/2/2021	10/5/2021	48,220	(94.50)	(4,556,790)
127	90019871	7/1/2021	10/8/2021	2,849	(99.00)	(282,063)
128	152670	12/31/2020	4/22/2021	6,766	(111.50)	(754,463)
129	9110821158	3/9/2021	4/15/2021	1,517	(37.00)	(56,112)
130	9107516305	11/22/2020	2/25/2021	2,118	(95.00)	(201,212)
131	06-060221-10499912-8726466	5/27/2021	6/28/2021	21,877	(32.00)	(700,051)
132	01122021750000C	7/2/2021	1/27/2021	7,500	156.00	1,170,000
133	76X31421	11/3/2021	12/27/2021	2,801	(53.50)	(149,848)
134	9979491793	4/30/2021	6/18/2021	1,594	(49.00)	(78,093)
135	2350247	2/25/2021	5/3/2021	9,905	(67.00)	(663,667)
136	000057010	5/16/2021	7/23/2021	32,948	(68.00)	(2,240,457)
137	6120099-1-312686-10	2/11/2021	3/31/2021	1,057	(48.00)	(50,736)
138	4772	12/3/2021	12/24/2021	2,950	(21.00)	(61,950)
139	06-072121-10499912-8761646	7/15/2021	8/13/2021	16,213	(29.00)	(470,189)
140	2295055	11/19/2020	1/22/2021	3,408	(64.00)	(218,092)
141	32305891700001__062321	6/8/2021	7/27/2021	1,755	(49.00)	(86,012)
142	110963	8/24/2021	10/29/2021	8,019	(65.50)	(525,237)
143	PAY-025689	4/8/2021	4/8/2021	6,948	-	-
144						
145				$ 1,162,305	(47.53)	$ (55,249,502)
146						
147	Sources	LL - O&M Other.xlsx				
148						

See Schedule E-4 Work Papers and Supporting Documents

ENTERGY TEXAS, INC.
PAYROLL TAXES
FOR THE TEST YEAR DECEMBER 31, 2021

Line No.	Description	Amount	(Lead)/Lag Days	Weighted Dollar Days	Reference
	(a)	(b)	(c)	(d)	(e)
1	FICA	$ 5,833,904	(5.13)	$ (29,927,929)	WP/E-4/9-1
2					
3	Federal Unemployment	33,459	34.61	1,158,009	WP/E-4/9-2
4					
5	State Unemployment	50,450	34.63	1,747,088	WP/E-4/9-3
6					
7	Total Payroll Related	$ 5,917,813	(4.57)	$ (27,022,831.98)	

See Schedule E-4 Work Papers and Supporting Documents

ENTERGY TEXAS, INC.
PROPERTY TAXES
FOR THE TEST YEAR DECEMBER 31, 2021

Line No.	Payee	Payment Clear Date	Payment Due Date	Later of Clear Date or Due Date	Tax Year	Payment	Mid-Year	(Lead)/Lag Days	Weighted Dollar Days
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
1	MILAM COUNTY TAX COLLECTOR	02/04/21	01/31/21	02/04/21	2020	$ 5,726	07/01/20	(217.50)	$ (1,245,346)
2	TRAVIS COUNTY TAX COLLECTOR	02/04/21	01/31/21	02/04/21	2020	520	07/01/20	(217.50)	(113,054)
3	MONTGOMERY COUNTY UD NO 2	02/05/21	01/31/21	02/05/21	2020	5,976	07/01/20	(218.50)	(1,305,741)
4	MONTGOMERY COUNTY MUD NO 84	02/02/21	01/31/21	02/02/21	2020	4,632	07/01/20	(215.50)	(998,282)
5	MONTGOMERY COUNTY MUD NO 56	02/05/21	01/31/21	02/05/21	2020	2,795	07/01/20	(218.50)	(610,701)
6	MONTGOMERY COUNTY TAX COLLECTOR	02/05/21	01/31/21	02/05/21	2020	7,610	07/01/20	(218.50)	(1,662,866)
7	FALLS COUNTY TAX COLLECTOR	02/04/21	01/31/21	02/04/21	2020	2,515	07/01/20	(217.50)	(547,089)
8	DCP MIDSTREAM LP	02/17/21	01/31/21	02/17/21	2020	45,844	07/01/20	(230.50)	(10,567,003)
9	CITY OF BEAUMONT	01/28/21	01/28/21	01/28/21	2020	291,135	07/01/20	(210.50)	(61,283,918)
10	ORANGE COUNTY TAX COLLECTOR	02/05/21	01/31/21	02/05/21	2020	6,697,387	07/01/20	(218.50)	(1,463,378,996)
11	ORANGE COUNTY TAX COLLECTOR	02/05/21	01/31/21	02/05/21	2020	47,336	07/01/20	(218.50)	(10,342,938)
12	HARDIN COUNTY TAX COLLECTOR	02/04/21	01/31/21	02/04/21	2020	6,569	07/01/20	(217.50)	(1,428,716)
13	ROBERTSON COUNTY TAX COLLECTOR	02/02/21	01/31/21	02/02/21	2020	165,709	07/01/20	(215.50)	(35,710,231)
14	MONTGOMERY COUNTY TAX COLLECTOR	02/01/21	01/31/21	02/01/21	2020	34,543	07/01/20	(214.50)	(7,409,409)
15	MONTGOMERY COUNTY MUD NO 119	02/09/21	01/31/21	02/09/21	2020	601	07/01/20	(222.50)	(133,698)
16	MADISON COUNTY TAX COLLECTOR	02/02/21	01/31/21	02/02/21	2020	168,579	07/01/20	(215.50)	(36,328,809)
17	MONTGOMERY COUNTY TAX COLLECTOR	02/01/21	01/31/21	02/01/21	2020	1,773	07/01/20	(214.50)	(380,246)
18	TRINITY COUNTY TAX COLLECTOR	02/05/21	01/31/21	02/05/21	2020	209,114	07/01/20	(218.50)	(45,691,367)
19	DAYTON ISD TAX COLLECTOR	02/09/21	01/31/21	02/09/21	2020	1,949	07/01/20	(222.50)	(433,624)
20	BRAZOS COUNTY TAX OFFICE	02/11/21	01/31/21	02/11/21	2020	176,450	07/01/20	(224.50)	(39,613,074)
21	LIBERTY COUNTY TAX COLLECTOR	02/12/21	01/31/21	02/12/21	2020	1,208,766	07/01/20	(225.50)	(272,576,830)
22	MADISON COUNTY TAX COLLECTOR	02/01/21	01/31/21	02/01/21	2020	1,377	07/01/20	(214.50)	(295,315)
23	GRIMES CO APPRAISAL DISTRICT	02/01/21	01/31/21	02/01/21	2020	30,195	07/01/20	(214.50)	(6,476,926)
24	JEFFERSON CO TX TAX COLLECTOR	02/01/21	01/31/21	02/01/21	2020	215,410	07/01/20	(214.50)	(46,205,379)
25	MONTGOMERY COUNTY TAX COLLECTOR	02/02/21	01/31/21	02/02/21	2020	6,950	07/01/20	(215.50)	(1,497,678)
26	LEON COUNTY TAX COLLECTOR	02/25/21	01/31/21	02/25/21	2020	29,864	07/01/20	(238.50)	(7,122,602)
27	DAYTON ISD TAX COLLECTOR	02/02/21	01/31/21	02/02/21	2020	219,669	07/01/20	(215.50)	(47,338,760)
28	TYLER COUNTY TAX COLLECTOR	02/12/21	01/31/21	02/12/21	2020	385,361	07/01/20	(225.50)	(86,898,910)
29	WALKER COUNTY APPRAISAL DISTRICT	02/05/21	01/31/21	02/05/21	2020	3,816	07/01/20	(218.50)	(833,820)
30	CHAMBERS COUNTY TAX COLLECTOR	02/04/21	01/31/21	02/04/21	2020	11,001	07/01/20	(217.50)	(2,392,696)
31	HARDIN COUNTY TAX COLLECTOR	02/02/21	01/31/21	02/02/21	2020	24,285	07/01/20	(215.50)	(5,233,351)
32	GALVESTON COUNTY TAX COLLECTOR	02/09/21	01/31/21	02/09/21	2020	161,018	07/01/20	(222.50)	(35,826,465)
33	WALLER COUNTY TAX COLLECTOR	02/09/21	01/31/21	02/09/21	2020	5,439	07/01/20	(222.50)	(1,210,260)
34	LIBERTY COUNTY TAX COLLECTOR	02/12/21	01/31/21	02/12/21	2020	8,612	07/01/20	(225.50)	(1,941,927)
35	TARKINGTON TAX COLLECTOR	01/29/21	01/31/21	01/31/21	2020	28,783	07/01/20	(211.50)	(6,087,645)
36	CALCASIEU PARISH TAX COLLECTOR	12/17/21	01/31/21	12/17/21	2021	1,731,036	07/02/21	(168.00)	(290,814,068)
37	ROMAN FOREST CONS TAX COLLECTO	02/04/21	01/31/21	02/04/21	2020	97	07/01/20	(217.50)	(21,132)
38	MONTGOMERY COUNTY MUD NO 67	02/03/21	01/31/21	02/03/21	2020	5,626	07/01/20	(216.50)	(1,217,955)
39	SAN JACINTO COUNTY TAX	02/10/21	01/31/21	02/10/21	2020	125,486	07/01/20	(223.50)	(28,046,036)

See Schedule E-4 Work Papers and Supporting Documents

ENTERGY TEXAS, INC.
PROPERTY TAXES
FOR THE TEST YEAR DECEMBER 31, 2021

Line No.	Payee	Payment Clear Date	Payment Due Date	Later of Clear Date or Due Date	Tax Year	Payment	Mid-Year	(Lead)/Lag Days	Weighted Dollar Days
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
40	LIBERTY COUNTY TAX COLLECTOR	02/12/21	01/31/21	02/12/21	2020	52,599	07/01/20	(225.50)	(11,861,038)
41	DAYTON ISD TAX COLLECTOR	02/09/21	01/31/21	02/09/21	2020	16,062	07/01/20	(222.50)	(3,573,726)
42	MONTGOMERY COUNTY TAX COLLECTOR	02/08/21	01/31/21	02/08/21	2020	127,133	07/01/20	(221.50)	(28,159,986)
43	MONTGOMERY COUNTY MUD NO 98	02/01/21	01/31/21	02/01/21	2020	3,760	07/01/20	(214.50)	(806,479)
44	WOODLANDS METRO CENTER TAX	02/01/21	01/31/21	02/01/21	2020	6,535	07/01/20	(214.50)	(1,401,657)
45	HOUSTON COUNTY TAX COLLECTOR	02/04/21	01/31/21	02/04/21	2020	25	07/01/20	(217.50)	(5,490)
46	MONTGOMERY COUNTY MUD NO 112	02/09/21	01/31/21	02/09/21	2020	2,528	07/01/20	(222.50)	(562,496)
47	LAKE CONROE HILLS TAX	02/04/21	01/31/21	02/04/21	2020	3,064	07/01/20	(217.50)	(666,450)
48	KINGS MANOR MUD	02/09/21	01/31/21	02/09/21	2020	10,530	07/01/20	(222.50)	(2,343,027)
49	TOWN OF WOODLOCH TAX COLLECTOR	02/03/21	01/31/21	02/03/21	2020	270	07/01/20	(216.50)	(58,420)
50	MONTGOMERY COUNTY TAX COLLECTOR	02/02/21	01/31/21	02/02/21	2020	22,746	07/01/20	(215.50)	(4,901,724)
51	MONTGOMERY COUNTY MUD NO 47	02/01/21	01/31/21	02/01/21	2020	3,565	07/01/20	(214.50)	(764,770)
52	MONTGOMERY COUNTY TAX COLLECTOR	02/02/21	01/31/21	02/02/21	2020	8,859,933	07/01/20	(215.50)	(1,909,315,574)
53	JEFFERSON CO TX TAX COLLECTOR	02/02/21	01/31/21	02/02/21	2020	8,648,449	07/01/20	(215.50)	(1,863,740,682)
54	HARDIN COUNTY TAX COLLECTOR	02/04/21	01/31/21	02/04/21	2020	1,820,005	07/01/20	(217.50)	(395,851,190)
55	POINT COUPEE PARISH TAX COLL	12/27/21	01/31/21	12/27/21	2021	596,328	07/02/21	(178.00)	(106,146,407)
56	WALLER ISD	02/05/21	01/31/21	02/05/21	2020	2,859	07/01/20	(218.50)	(624,733)
57	MONTGOMERY COUNTY MUD NO 90	02/04/21	01/31/21	02/04/21	2020	2,814	07/01/20	(217.50)	(612,084)
58	VALLEY RANCH MUD NO 1	02/04/21	01/31/21	02/04/21	2020	3,763	07/01/20	(217.50)	(818,498)
59	NEWTON COUNTY TAX COLLECTOR	02/01/21	01/31/21	02/01/21	2020	202,114	07/01/20	(214.50)	(43,353,550)
60	MONTGOMERY COUNTY TAX COLLECTOR	02/01/21	01/31/21	02/01/21	2020	5,576	07/01/20	(214.50)	(1,196,028)
61	MONTGOMERY COUNTY TAX COLLECTOR	02/01/21	01/31/21	02/01/21	2020	799	07/01/20	(214.50)	(171,338)
62	MONTGOMERY COUNTY TAX COLLECTOR	02/01/21	01/31/21	02/01/21	2020	6,880	07/01/20	(214.50)	(1,475,663)
63	WALKER COUNTY TAX COLLECTOR	02/04/21	01/31/21	02/04/21	2020	785,004	07/01/20	(217.50)	(170,738,329)
64	CHAMBERS COUNTY TAX COLLECTOR	02/03/21	01/31/21	02/03/21	2020	1,291	07/01/20	(216.50)	(279,406)
65	JASPER COUNTY TAX COLLECTOR	02/03/21	01/31/21	02/03/21	2020	234,941	07/01/20	(216.50)	(50,864,791)
66	LOVELADY ISD TAX COLLECTOR	08/17/21	07/31/21	08/17/21	2020	38	07/01/20	(411.50)	(15,608)
67	TYLER COUNTY TAX COLLECTOR	02/12/21	01/31/21	02/12/21	2020	10,678	07/01/20	(225.50)	(2,407,900)
68	GRIMES CO APPRAISAL DISTRICT	02/02/21	01/31/21	02/02/21	2020	3,714	07/01/20	(215.50)	(800,440)
69	ORANGE COUNTY TAX COLLECTOR	02/03/21	01/31/21	02/03/21	2020	7,656	07/01/20	(216.50)	(1,657,444)
70	ROBERTSON COUNTY TAX COLLECTOR	02/11/21	01/31/21	02/11/21	2020	9,357	07/01/20	(224.50)	(2,100,611)
71	GRIMES COUTY TAX COLLECTOR	02/02/21	01/31/21	02/02/21	2020	773,947	07/01/20	(215.50)	(166,785,492)
72	DEVERS INDEPENDENT SCHOOL DIST	02/02/21	01/31/21	02/02/21	2020	56,034	07/01/20	(215.50)	(12,075,351)
73	GOOSE CREEK CISD TAX OFFICE	02/01/21	01/31/21	02/01/21	2020	67,414	07/01/20	(214.50)	(14,460,335)
74	BURLESON COUNTY TAX COLLECTOR	02/08/21	01/31/21	02/08/21	2020	108,980	07/01/20	(221.50)	(24,139,041)
75	MONTGOMERY COUNTY TAX COLLECTOR	02/01/21	01/31/21	02/01/21	2020	8,937	07/01/20	(214.50)	(1,917,038)
76	NEWTON COUNTY TAX COLLECTOR	02/10/21	01/31/21	02/10/21	2020	790,020	07/01/20	(223.50)	(176,569,533)
77	MONTGOMERY COUNTY MUNICIPAL UTILITY	02/09/21	01/31/21	02/09/21	2020	11	07/01/20	(222.50)	(2,539)
78	JM BEVIL LLC	05/12/21	03/31/21	05/12/21	2020	78	07/01/20	(314.50)	(24,471)
79	CITY OF PORT NECHES	11/01/21	09/30/21	11/01/21	2020	19,731	07/02/21	(122.00)	(2,407,134)

See Schedule E-4 Work Papers and Supporting Documents

ENTERGY TEXAS, INC.
PROPERTY TAXES
FOR THE TEST YEAR DECEMBER 31, 2021

Line No.	Payee	Payment Clear Date	Payment Due Date	Later of Clear Date or Due Date	Tax Year	Payment	Mid-Year	(Lead)/Lag Days	Weighted Dollar Days
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
80	CALCASIEU PARISH TAX COLLECTOR	02/12/21	01/31/21	02/12/21	2020	1,644,748	07/01/20	(225.50)	(370,890,633)
81	MONTGOMERY COUNTY TAX COLLECTOR	02/08/21	01/31/21	02/08/21	2020	3,035	07/01/20	(221.50)	(672,193)
82	WALKER COUNTY TAX COLLECTOR	02/05/21	01/31/21	02/05/21	2020	34,110	07/01/20	(218.50)	(7,453,125)
83	MONTGOMERY COUNTY MUD NO 126	02/09/21	01/31/21	02/09/21	2020	1,420	07/01/20	(222.50)	(316,015)
84	LIMESTONE COUNTY TAX COLLECTOR	02/04/21	01/31/21	02/04/21	2020	14,673	07/01/20	(217.50)	(3,191,273)
85	MONTGOMERY COUNTY MUD 151	02/10/21	01/31/21	02/10/21	2020	30	07/01/20	(223.50)	(6,669)
86	JEFFERSON CO TX TAX COLLECTOR	02/01/21	01/31/21	02/01/21	2020	24,177	07/01/20	(214.50)	(5,185,870)
87	HARRIS COUNTY TAX COLLECTOR	02/12/21	01/31/21	02/12/21	2020	58,374	07/01/20	(225.50)	(13,163,353)
88	POLK COUNTY TAX COLLECTOR	02/01/21	01/31/21	02/01/21	2020	211,075	07/01/20	(214.50)	(45,275,545)
89	CONSOLIDATED TAX COLLECTIONS OF	02/04/21	01/31/21	02/04/21	2020	22,943	07/01/20	(217.50)	(4,990,163)
90	JASPER COUNTY TAX COLLECTOR	02/01/21	01/31/21	02/01/21	2020	4	07/01/20	(214.50)	(811)
91	MONTGOMERY COUNTY TAX COLLECTOR	02/09/21	01/31/21	02/09/21	2020	2,564	07/01/20	(222.50)	(570,461)
92	WOODLANDS MUD #1	02/03/21	01/31/21	02/03/21	2020	2,509	07/01/20	(216.50)	(543,142)
93	CHAMBERS COUNTY TAX COLLECTOR	02/03/21	01/31/21	02/03/21	2020	609,822	07/01/20	(216.50)	(132,026,402)
94	CONROE MUD NO 1	02/04/21	01/31/21	02/04/21	2020	172	07/01/20	(217.50)	(37,440)
95	HUMBLE ISD TAX COLLECTOR	02/01/21	01/31/21	02/01/21	2020	14,298	07/01/20	(214.50)	(3,066,906)
96	LUCE BAYOU TAX COLLECTOR	02/04/21	01/31/21	02/04/21	2020	2,792	07/01/20	(217.50)	(607,182)
97	TYLER COUNTY TAX COLLECTOR	03/03/21	01/31/21	03/03/21	2020	5,447	07/01/20	(244.50)	(1,331,865)
98	ROBERTSON COUNTY TAX COLLECTOR	02/03/21	01/31/21	02/03/21	2020	447	07/01/20	(216.50)	(96,847)
99	MONTGOMERY COUNTY TAX COLLECTOR	02/02/21	01/31/21	02/02/21	2021	519	07/01/20	(215.50)	(111,819)
100	MONTGOMERY COUNTY TAX COLLECTOR	02/01/21	01/31/21	02/01/21	2022	21,286	07/01/20	(214.50)	(4,565,781)
101									
102		Total				$ 38,030,164		(214.59)	$ (8,160,982,833)
103									
104	Source:	LL - TOIT Ad Valorem.xlsx							

ENTERGY TEXAS, INC.
TEXAS PUBLIC UTILITY COMMISSION TAX
FOR THE TEST YEAR DECEMBER 31, 2021

Line No.	Amount	From	To	Total Days	Mid-Point	Later of Check Clear Date or Due Date	(Lead)/Lag Days	Weighted Dollar Days
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
1	$ 2,483,382	7/1/2020	6/30/2021	365	12/30/2020	8/13/2021	(225.50)	$ (560,002,587)
2								
3	$ 2,483,382						(225.50)	(560,002,587)
4								
5	Source:	LL - TOIT Reg Assessment.xlsx						

See Schedule E-4 Work Papers and Supporting Documents

ENTERGY TEXAS, INC.
TEXAS STATE FRANCHISE TAX
FOR THE TEST YEAR DECEMBER 31, 2021

Line No.	Month/ Year	Accrual Date	Mid Month	Due Date	(Lead)/Lag Days
	(a)	(b)	(c)	(d)	(e)
1	Jan-21	31-Jan-21	15-Jan-21	17-May-21	(122.00)
2	Feb-21	28-Feb-21	14-Feb-21	17-May-21	(92.00)
3	Mar-21	31-Mar-21	15-Mar-21	17-May-21	(63.00)
4	Apr-21	30-Apr-21	15-Apr-21	17-May-21	(32.00)
5	May-21	31-May-21	15-May-21	17-May-21	(2.00)
6	Jun-21	30-Jun-21	15-Jun-21	17-May-21	29.00
7	Jul-21	31-Jul-21	15-Jul-21	17-May-21	59.00
8	Aug-21	31-Aug-21	15-Aug-21	17-May-21	90.00
9	Sep-21	30-Sep-21	15-Sep-21	17-May-21	121.00
10	Oct-21	31-Oct-21	15-Oct-21	17-May-21	151.00
11	Nov-21	30-Nov-21	15-Nov-21	17-May-21	182.00
12	Dec-21	31-Dec-21	15-Dec-21	17-May-21	212.00
13					
14	Average				44.42

See Schedule E-4 Work Papers and Supporting Documents

ENTERGY TEXAS, INC.
FEDERAL INCOME TAX
FOR THE TEST YEAR DECEMBER 31, 2021

Line No.	Payment Date	Mid-Year	(Lead)/Lag	Percent of Total Taxes for Year	Weighted Days
	(a)	(b)	(c)	(d)	(e)
1	4/15/2021	7/2/2021	78.000	25.00%	19.50
2					
3	6/15/2021	7/2/2021	17.000	25.00%	4.25
4					
5	9/15/2021	7/2/2021	(75.000)	25.00%	(18.75)
6					
7	12/15/2021	7/2/2021	(166.000)	25.00%	(41.50)
8					
9	**Total**				(36.50)

See Schedule E-4 Work Papers and Supporting Documents

ENTERGY TEXAS, INC.
CASH IN BANKS
FOR THE TEST YEAR DECEMBER 31, 2021

Line No.	Period	Amount	Total Days	Weighted
	(a)	(b)	(c)	(d)
1	Jan-21	$ 161,999	31	$ 5,021,984
2	Feb-21	182,506	28	5,110,179
3	Mar-21	275,393	31	8,537,194
4	Apr-21	292,188	30	8,765,654
5	May-21	227,259	31	7,045,038
6	Jun-21	169,790	30	5,093,708
7	Jul-21	240,840	31	7,466,026
8	Aug-21	170,532	31	5,286,502
9	Sep-21	339,690	30	10,190,699
10	Oct-21	186,172	31	5,771,339
11	Nov-21	293,001	30	8,790,032
12	Dec-21	902,676	31	27,982,954
13				
14	Total			$ 105,061,308
15				÷ 365 days
16	12 month average			$ 287,839
17	Source: LL - Cash.xlsx			

See Schedule E-4 Work Papers and Supporting Documents

DOCKET NO. 53719

APPLICATION OF ENTERGY TEXAS, INC. FOR AUTHORITY TO CHANGE RATES	§ § §	PUBLIC UTILITY COMMISSION OF TEXAS

DIRECT TESTIMONY

OF

GREGORY S. WILSON

ON BEHALF OF

ENTERGY TEXAS, INC.

JULY 2022

ENTERGY TEXAS, INC.
DIRECT TESTIMONY OF GREGORY S. WILSON
2022 RATE CASE

TABLE OF CONTENTS

EXHIBITS

I. INTRODUCTION AND QUALIFICATIONS

Q1. PLEASE STATE YOUR NAME, OCCUPATION, BUSINESS AFFILIATION, AND BUSINESS ADDRESS.

A. My name is Gregory S. Wilson. I am a consulting actuary specializing in the area of property-casualty actuarial matters. I am a Vice President and Principal at Lewis & Ellis, Inc. ("L&E"). My business address is 6600 Chase Oaks Blvd, Suite 150, Plano TX 75023-2383.

Q2. PLEASE DESCRIBE YOUR EDUCATIONAL AND EMPLOYMENT BACKGROUND.

A. I received a Bachelor of Science degree in Applied Mathematics from the University of Rhode Island in 1976.

In 1992, after completing all of the required examinations, I became a Fellow of the Casualty Actuarial Society ("FCAS"), the highest designation a property-casualty actuary can attain. This designation is obtained through a rigorous process involving separate examinations on topics such as mathematics, probability and statistics, theory of credibility, theory of risk and insurance, economics, insurance coverages, ratemaking, loss reserving, insurance accounting and regulation, and individual risk rating. I am also a Member of the American Academy of Actuaries.

Following college, I was employed by Amica Mutual Insurance Company until 1994, at which time I was a vice president serving as chief actuary and supervising the actuarial department.

In 1994, I joined PricewaterhouseCoopers, LLP where I provided actuarial consulting services to a wide variety of clients including insurance companies, state insurance regulators, self-insured entities, and non-insurance corporations. I joined L&E in 2001, where I continue to provide actuarial consulting services to a wide variety of clients. My resume is attached to this testimony as Exhibit GSW-1.

Q3. WHAT IS AN ACTUARY?

A. An actuary is a business professional who estimates the financial implications of future contingent events or risk, which in the context of a rate case such as this one is the risk of damage to the utility's facilities and infrastructure due to currently unknown (or contingent) future events. Actuaries use mathematics, statistics, and financial theory to help manage such risks. In this proceeding, my analysis of future financial consequences is performed in accordance with the Actuarial Standards of Practice adopted by the American Academy of Actuaries, as well as the Statement of Principles Regarding Property and Casualty Loss and Loss Adjustment Expense Reserves adopted by the Casualty Actuarial Society.

Q4. HAVE YOU EVER TESTIFIED BEFORE THE PUBLIC UTILITY COMMISSION OF TEXAS ("COMMISSION")?

A. Yes. I submitted testimony addressing self-insurance reserve issues similar to those that I address in this testimony in Docket Nos. 16705, 20150, 22356, 30123, 33309, 34800, 37364, 37744, 38339, 38480, 39896, 40606, 41791, 43950, 44704, 44746, 46957, 48371, 48401, 49421, 49494, 51415, 51583, and 51611. I have

also testified on self-insurance issues in conjunction with a utility rate filing before the Missouri Public Service Commission.

II. PURPOSE AND SUMMARY OF TESTIMONY

Q5. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

A. The general purpose of my testimony is to offer an independent opinion of the reasonableness of the approach Entergy Texas, Inc. ("ETI" or "Company") proposes to take with respect to protecting its Transmission and Distribution ("T&D") assets through self-insurance and its treatment of damages relating to Hurricanes Laura and Delta, plus the 2021 winter storm, through securitization. The specific purpose of my testimony is: (1) to estimate the annual accruals needed to provide for the expected property losses incurred by ETI for the storm damage losses that are not covered by insurance and for which Section 36.064 of the Public Utility Regulatory Act ("PURA") permits a provision to be made; and (2) to estimate a target amount to accumulate in the self-insurance reserve along with a recommended time period over which these accruals are to be made.

My testimony also includes a cost benefit analysis demonstrating that self-insurance at the levels proposed by ETI is a lower cost alternative to purchasing insurance and is in the public interest, consistent with the 16 Tex. Admin. Code ("TAC") § 25.231(b)(1)(G).

Q6. WHAT DOES THIS RULE PROVIDE?

A. This rule provides as follows:

> Accruals credited to reserve accounts for self-insurance under a plan requested by an electric utility and approved by the commission. The commission shall consider approval of a self insurance plan in a rate case in which expenses or rate base treatment are requested for such a plan. For the purposes of this section, a self insurance plan is a plan providing for accruals to be credited to reserve accounts. The reserve accounts are to be charged with property and liability losses which occur, and which could not have been reasonably anticipated and included in operating and maintenance expenses, and are not paid or reimbursed by commercial insurance. The commission will approve a self insurance plan to the extent it finds it to be in the public interest. In order to establish that the plan is in the public interest, the electric utility must present a cost benefit analysis performed by a qualified independent insurance consultant who demonstrates that, with consideration of all costs, self-insurance is a lower-cost alternative than commercial insurance and the ratepayers will receive the benefits of the self insurance plan. The cost benefit analysis shall present a detailed analysis of the appropriate limits of self insurance, an analysis of the appropriate annual accruals to build a reserve account for self insurance, and the level at which further accruals should be decreased or terminated.

Q7. WHAT HAS THE COMMISSION ESTABLISHED AS THE PROPERTY INSURANCE EXPENSE AND RESERVE TARGET FOR ETI?

A. The Commission last approved ETI's storm cost accrual in Docket No. 41791, consisting of $4.972 million to provide for average annual expected storm losses plus an annual accrual of $3.570 million for 20 years to restore the reserve from its deficit. It also set the target balance at $15,512,000.

Q8. PLEASE SUMMARIZE YOUR RECOMMENDATIONS.

A. As shown on Exhibit GSW-2, I propose an annual accrual of $14,555,000 and a new target property insurance reserve of $15,244,000. The accrual is composed

of two elements. The first is $6,315,000 to provide for average annual expected losses from all storms that do not exceed $80 million in total damages. As I explain subsequently, the $6,315,000 annual accrual is calculated using a Monte Carlo simulation run on the loss history of the Company. The second is $8,240,000 accrued annually for four years to achieve the target reserve of $15,244,000 from the test-year end reserve level, adjusted for securitization, of $-17.73 million.

III. SELF-INSURANCE RESERVE BACKGROUND

Q9. PLEASE STATE THE PURPOSE OF A SELF-INSURANCE RESERVE AND EXPLAIN HOW IT WOULD OPERATE.

A. The purpose of ETI's self-insurance reserve is to provide for occurrences resulting in storm-related T&D and other property loss of at least $50,000.

Each year, an amount of money would be accrued in the self-insurance reserve to provide for losses expected to occur in the calendar year. In addition to this amount, an accrual would be made to raise the self-insurance reserve to a level that would serve as a financial buffer in the event that actual losses exceed the accrued annual expected loss amount. Accruals would be made to this reserve until it reaches the recommended target level, at which point contributions to the reserve would be reduced to the lower of annual expected losses or actual losses.

Q10. WHAT HAPPENS IF THE ANNUAL AGGREGATE LOSSES EXCEED THE AMOUNT ACCRUED IN ANY GIVEN YEAR?

A. If the annual aggregate losses exceed the amount accrued in any given year, the remaining reserve would be drawn upon to provide the needed additional amounts. If the annual aggregate losses are less than the amount accrued for that purpose, the excess annual accrual would remain in the self-insurance reserve, serving to bring the self-insurance reserve closer to its target level.

Q11. WHY IS IT NECESSARY TO BUILD THE SELF-INSURANCE RESERVE UP TO A CERTAIN TARGETED LEVEL?

A. The range of expected losses from storm damage covered by the self-insurance reserve varies considerably from year to year, as will the actual losses that ETI will incur. The self-insurance reserve needs to be sufficient to cover the losses for each year, knowing that any given year's actual losses may be very different from the average expected losses. Hence, a reserve large enough to provide for some variation in the annual aggregate amount of losses is needed.

Q12. IS ETI'S SELF-INSURANCE PROGRAM IN THE CUSTOMERS' INTEREST?

A. Yes. ETI's self-insurance program is in the best interest of ETI's customers. As will be shown later, it provides a lower cost alternative than purchasing insurance for all losses. At the same time, it provides for utility rate stability by providing for a self-insurance reserve to absorb the variation in the experience from the

expected annual losses so that customers' rates will not reflect dramatically different self-insurance losses from one year to the next.

IV. ANNUAL EXPECTED LOSSES

Q13. HOW MUCH MONEY SHOULD ETI ACCRUE ANNUALLY IN THE SELF-INSURANCE RESERVE TO COVER THE EXPECTED LOSSES FOR EACH YEAR?

A. The amount I recommend to be accrued annually for expected losses for the self-insurance reserve is $6,315,000. This amount is the expected value of the annual losses incurred by ETI from all storm damage, except those totaling over $80 million, adjusted to reflect current conditions and current cost levels. The recommended amount of $6,315,000 is calculated by running the Company's loss history (shown on Exhibit GSW-3) through a Monte Carlo simulation. A Monte Carlo simulation is a statistical technique incorporating a computer program to simulate loss experience over a longer period of time than the period captured in the available loss history.

The program simulates individual losses on an annual basis for ETI for 5,000 iterations of annual experience. A statistical distribution is estimated from ETI's trended loss experience and input into the model. The model is run 10 times, each time simulating 5,000 possible outcomes. From these 50,000 iterations of simulated experience, I was able to determine that the average annual indicated loss over this period was $6,315,000.

Exhibit GSW-4 contains an example showing how each historic loss was adjusted to reflect the current cost levels using the Handy-Whitman index of cost trends of electric utility construction for the South Central Region. The Handy-Whitman index data is a standard type of database used to measure cost changes for utility companies. The loss in the example occurred on April 9, 2020, for $577,709. The Handy-Whitman index as of July 2020, was 777; as of January 2020, it was 763. Interpolating between these two points to April 09, 2020, produces an expected index of 770.615. As of January 2022, the Handy-Whitman index was 796. Thus, the change from April 9, 2020, to January, 2022, was 796 divided by 770.615 or 1.033 (3.3% increase). Multiplying the loss of $577,709 by 1.033 gives a cost-adjusted loss of $596,773. This procedure was used for each loss of $50,000 or greater that occurred during the experience period. This approach is reasonable because it adjusts historic costs to current dollar levels.

Q14. WERE ANY OTHER ADJUSTMENTS MADE TO THE HISTORICAL DATA?

A. Yes. The majority of the losses from Hurricanes Rita, Gustav, Ike, Laura and Delta were removed from the historical data because those losses were securitized, and recovery for those losses was not accomplished through the insurance reserve. Finally, costs from Hurricane Harvey had been removed from the historical data since those costs were recorded to a regulatory asset following the 2018 base rate case.

Q15. WERE ANY ADJUSTMENTS MADE TO THE MONTE CARLO SIMULATION TO ADJUST FOR POTENTIAL SECURITIZATION?

A. Yes. I adjusted the results from the simulation by removing any simulated storm where the total storm loss exceeded $80,000,000 based on ETI's representation that any loss that exceeds this amount may provide net customer benefits through securitization. The losses shown on Exhibit GSW-3 are for those storm damages that were charged to the insurance reserve. That is, they are the expense portion of the storm damages. The capital loss from storm damage is not charged to the insurance reserve. Exhibit GSW-5 shows the expense portion and the capital portion of each storm for 2015 through 2021. The total line on the exhibit shows that 32.9% of the total storm damage is expense and charged to the insurance reserve. As a result, when I run my Monte Carlo simulation, I remove any results where the total damage is over $80 million. Because the simulation is run only on the expense portion of the storm damage, I cap the expense portion of the damages at $80 million times 32.9%, or $26.32 million.

V. TARGET RESERVE

Q16. WHAT IS THE TARGET AMOUNT OF MONEY NEEDED TO PROVIDE FOR AN ADEQUATE SELF-INSURANCE RESERVE?

A. The recommended total target amount of the reserve is $15,244,000, which is the amount of O&M damage expected to result from a 25-year storm with total losses under $80 million. Having an adequate self-insurance reserve is important because ETI needs to provide for anticipated T&D and other property losses

resulting from severe storms in order to ensure safe, reliable, and adequate service to ratepayers.

Q17. WHY IS IT NECESSARY TO ACCRUE MORE TO THE SELF-INSURANCE RESERVE THAN THE $6,315,000 FOR EXPECTED ANNUAL LOSSES?

A. The $6,315,000 accrual is intended to cover only the average annual expected loss from storm damage. Because these losses can range from very low amounts to millions of dollars in any given year, the storm damage reserve needs to be built up to provide for extreme or catastrophic events.

Q18. HOW WAS YOUR TARGET RESERVE OF $15,244,000 DEVELOPED?

A. As indicated above, I ran a Monte Carlo simulation on the loss history of ETI. From the 5,000 iterations of simulated experience, I was able to determine that in any 25-year period, the largest expected loss totaling less than $80 million is approximately $15,244,000.

Q19. WHY IS THIS RESERVE LEVEL APPROPRIATE?

A. This reserve level is the amount that ETI should carry to make an actuarially sound provision for coverage of the self-insured losses. The target reserve will be sufficient if annual losses are equal to or less than the target in a given year provided the reserve is already in place at its target amount, but if the actual losses exceed the amount accrued for the expected annual amount for several years in a row, the self-insurance reserve may be depleted.

For example, once the reserve level has been reached, if there are several years with losses of approximately $4,000,000, the reserve will remain level. However, if there are two consecutive years with annual aggregate losses of more than $12,000,000 each year, the self-insurance reserve would be in a deficit position, and the deficit amount would need to be collected from future ratepayers.

Q20. WHAT IS THE CURRENT STATUS OF THE BALANCE OF THE RESERVE?

A. The Commission found in Docket No. 41791 that the reasonable and necessary reserve balance in rate base for property insurance should be $15,512,000. As shown on Rate Filing Package Schedule B-1 WP Adjustments to Property Insurance Reserve, Page 7, the reserve at the end of the test year reflects a balance of $-63,218,652. The securitization will allow for the recovery of $45,488,004 in storm damage costs, leaving a reserve balance of $-17,730,648.

Q21. WHAT ARE THE INDIVIDUAL COMPONENTS OF THE ANNUAL ACCRUAL TO THE SELF-INSURANCE RESERVE INDICATED BY YOUR ANALYSIS?

A. The annual amount to be accrued each year is $14,555,000, which is composed of two elements. First, there is $6,315,000 each year to provide for the year's annual expected losses from storm damages. Second, there should be an accrual of $8,240,000 each year for four years to provide for the variation in annual losses from year to year by building the total self-insurance reserve from the adjusted

current balance of $-17.731 million up to the $15,244,000 level. I have recommended a four-year period to balance the interests of current and future ratepayers, and to reflect that the Company is scheduled to file its next rate case in four years.

Q22. ARE THESE CALCULATIONS PREPARED IN ACCORDANCE WITH GENERALLY ACCEPTED ACTUARIAL PROCEDURES?

A. Yes. The process reflects generally accepted actuarial procedures. However, I have made certain adjustments to reflect the nature of ratemaking for public utilities. For example, it would be customary to project losses to the anticipated cost level of the future time period during which rates will be in effect. Because of the historical test year approach to utility ratemaking and the adjustment of expense items based on known and measurable quantities only, I have limited loss adjustments to the cost levels. The dates to which the losses were adjusted reflect the dates of the most recent indices available at the time the adjustments were made.

In addition, no adjustment has been made to reflect future increased exposure to loss. For example, in 2023 ETI may own more property in the service area that is exposed to loss than it had in years prior to 2020. This would increase the exposure to loss, and lead to a higher recommended reserve.

Q23. HOW WILL THE SELF-INSURANCE RESERVE ACCRUALS OPERATE?

A. The excess of annual expected losses over actual self-insured losses, to the extent there is any such excess, will accrue to the self-insurance target reserve and cause ETI to reach its target earlier, all other things being equal. Any deficiency between the annual expected losses and the actual self-insured layer losses in any calendar year will serve to extend the period over which the Company can expect to reach its target.

VI. COST BENEFIT ANALYSIS

Q24. HOW DID YOU DETERMINE THAT SELF-INSURANCE IS A LOWER COST ALTERNATIVE FOR THOSE T&D AND OTHER PROPERTY LOSSES THAT ARE STORM-RELATED AND GREATER THAN $50,000?

A. There are at least two ways to consider the cost-benefit of self-insuring these losses. The first is by considering the manner in which insurance companies set premiums and the second is by an actual comparison to estimated insurance premiums for the self-insurance coverage.

Q25. WHAT ASPECTS OF AN INSURANCE COMPANY'S PREMIUM DETERMINATION PROCESS DID YOU CONSIDER IN CONCLUDING THAT THE SELF-INSURANCE APPROACH FOR THE DESIGNATED LAYER OF LOSSES IS APPROPRIATE?

A. Insurance companies include provisions in their premiums for all costs associated with the transfer of the insurance risk. Hence, they include provisions for losses, loss adjustment expenses, non-loss related expenses, premium taxes, and a profit.

A self-insurance reserve, such as ETI's reserve, does not need to include many of the provisions other than those for losses and loss-related expenses. An insurance company needs to make a profit on the business it transacts. A self-insurance reserve, on the other hand, is not intended to generate a profit and, hence, no provision for profit needs to be included in the accrual provisions. Insurance companies also incur costs associated with the acquisition of insured risks. The largest of these expenses is that associated with the payment of commissions to insurance agents or brokers to place the business. A self-insurance reserve does not include any provision for commissions. Finally, an insurance company must expend resources to underwrite risks, market its products, and maintain overhead expenses. A self-insurance reserve does not need to provide for these costs or pay premium taxes and other state-imposed fees.

In summary, self-insurance saves the costs of commissions, profit, premium taxes, and many of the general expenses associated with the operation of an insurance company.

Q26. WHAT OTHER COST BENEFIT ANALYSIS HAVE YOU RELIED UPON TO SHOW THAT THE COST FOR THE SELF-INSURED LAYER IS LOWER THAN THE COST OF INSURANCE FOR THE SAME LAYER OF INSURANCE AND IS IN THE INTEREST OF THE COMPANY'S CUSTOMERS?

A. Comparing the cost of self-insurance versus the cost of buying insurance is another way to establish that it is more cost effective for ETI to self-insure. As explained by Kristen Labat in Docket No. 51997, Entergy investigates the availability of T&D coverage on an annual basis. The Entergy Conventional Property Insurance Program has an annual renewal date of June 1. The renewal process includes discussions with underwriters beginning in the first quarter of each year. Primary underwriters participating on the panel of insurers are queried as to the availability of T&D coverage. Negotiations with insurers for the coverage that they are willing to provide are generally completed by mid-May. During this period, Entergy provides loss history as well as the geographical location of major facilities to potential insurers. This data is used by the underwriters to model weather-related events and the potential impacts on their respective portfolios. The results of the modeling, in combination with Entergy's loss history, are used by the underwriters to evaluate the possibility of insurance coverage for Entergy's assets. Unfortunately, insurers are not willing to take the risk of insuring T&D assets because of Entergy's geographical footprint (including ETI), which contains severe wind and flood risk (including hurricanes).

VII. CONCLUSION

Q27. WHAT DO YOU CONCLUDE REGARDING ETI'S REQUEST FOR SELF-INSURANCE RESERVE TO T&D PROPERTY LOSSES?

A. I have conducted an analysis that meets the Commission's rule requirements and have demonstrated that self-insurance is necessary and desirable given the lack of reasonably priced commercial insurance.

Q28. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?

A. Yes, at this time.

AFFIDAVIT OF GREGORY S. WILSON

THE STATE OF TEXAS)
)
COUNTY OF COLLIN)

This day, June 7th, 2022 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 Gregory S. Wilson. 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.

Gregory S. Wilson

SUBSCRIBED AND SWORN TO BEFORE ME, notary public, on this the 7 day of June 2022.

Notary Public, State of Texas

My Commission expires:

12-09-2024

ASHLEY MINCHEY
My Notary ID # 132816933
Expires December 9, 2024

GREGORY S. WILSON, FCAS, MAAA
Vice President and Principal

CURRENT POSITION

Mr. Wilson is a Vice President and Principal with Lewis & Ellis, Inc.

EXPERIENCE:

Mr. Wilson's responsibilities include evaluating the adequacy of insurance company reserve levels in conjunction with actuarial certification for the annual statement as well as state insurance department examinations. He also evaluates the adequacy of loss reserves for several self-insured companies. In addition, he performs rate level analyses for insurance companies and helps them prepare filings for the state insurance departments, as well as self-insured analyses for electric utilities and prepares testimony for the Public Utility Commission.

Prior to joining the firm, Mr. Wilson was a Principal Consultant at PricewaterhouseCoopers LLP. His responsibilities were similar to his current responsibilities. In addition, he reviewed retrospective rating calculations for several companies involved in class action litigation in Texas. He also performed several funding analyses for governmental entities.

Prior to joining PricewaterhouseCoopers LLP, Mr. Wilson was Vice President of Amica Mutual Insurance Company in Providence, Rhode Island.

There, he supervised all aspects of ratemaking, from procedures to recommendations, helped negotiate the purchase of reinsurance, determined IBNR, developed a strategy for Massachusetts Automobile and developed other states' residual market strategies, in particular, New York and New Jersey.

EDUCATION

Mr. Wilson received his Bachelor's degree in Applied Mathematics from the University of Rhode Island.

PROFESSIONAL ACTIVITIES

Mr. Wilson is a former member of the Casualty Actuarial Society's Examination Committee, Committee on Ratemaking, and Committee on Reserving. He is also a Past President of the Southwest Actuarial Forum.

Entergy Texas, Inc.
Calculation of Recommended Accrual

Expected Annual Storm Loss	6,315,000
Incremental Amount to Build Storm Reserve	8,240,000
Total Annual Accrual	14,555,000

Entergy Texas, Inc.
Texas Major Storm Damage
Adjusted to Current Cost Level
1997-2021

Year	Actual Loss	Trended Loss
1997	14,158,018	38,275,286
1998	6,363,563	16,746,856
1999	1,698,071	4,462,013
2000	4,048,245	10,364,784
2001	3,624,745	8,963,678
2002	2,651,346	6,449,855
2003	2,118,448	5,092,451
2004	946,375	2,149,598
2005	2,628,245	5,430,865
2006	1,231,691	2,283,276
2007	25,577,225	42,181,626
2008	9,749,612	14,992,517
2009	860,063	1,291,076
2010	334,169	480,736
2011	2,863,175	3,974,788
2012	3,607,084	4,820,936
2013	2,372,324	3,063,644
2014	2,308,394	2,903,531
2015	6,566,180	8,041,432
2016	8,273,668	10,008,682
2017	3,437,016	4,008,678
2018	2,577,561	2,886,004
2019	12,964,825	13,988,056
2020	20,725,177	21,279,726
2021	7,364,323	7,443,036
	149,049,543	247,144,675

Entergy Texas, Inc.
Example of Loss Trending Methodology

1)	Date of Loss	April 9, 2020
2)	Amount of Loss	$577,709
3)	Handy-Whitman Index - Electric Utility Construction South Central Region - Distribution Plant	
	a) July, 2020	777
	b) January, 2020	763
	c) April 9, 2020	770.615
	d) January, 2022	796
4)	Trend Factor (3d) / (3c)	1.033
5)	Cost-Adjusted Losses (2) x (4)	$596,773

Entergy Texas, Inc.
Percentage of Storm Damage Attributable to Expense

Project	Project Desc	Expense	Capital	Total	% Expense
C7PPSJ7321	Storm Dmg Dist ETI 1/22/15	45,590.99	83,519.58	129,110.57	35.3%
C7PPSJ7322	Storm Dmg Dist ETI 4/16/15	448,966.29	1,001,154.53	1,450,120.82	31.0%
C7PPSJ7323	Storm Dmg Dist ETI 4/25/15	93,678.08	671,413.22	765,091.30	12.2%
C7PPSJ7324	Storm Dmg Distr ETI 4/27/15	3,112,587.62	5,927,679.53	9,040,267.15	34.4%
C7PPSJ7325	Storm Dmg Dist ETI 5/11/15	79,294.27	156,132.86	235,427.13	33.7%
C7PPSJ7328	Storm Dmg Dist ETI 5/14/15	51,307.95	117,022.66	168,330.61	30.5%
C7PPSJ7329	Storm Dmg Dist ETI 5/16/15	23,101.13	63,233.19	86,334.32	26.8%
C7PPSJ7330	Storm Dmg Dist ETI 5/17/15	74,364.63	160,938.31	235,302.94	31.6%
C7PPSJ7331	Storm Dmg Dist ETI 5-30-15	61,206.29	125,222.25	186,428.54	32.8%
C7PPSJ7332	Storm Dmg Dist ETI 6/16/15	259,734.29	525,020.58	784,754.87	33.1%
C7PPSJ7333	Storm Dmg Dist ETI 6/27/15	0.32	0.00	0.32	100.0%
C7PPSJ7334	Storm Dmg Dist ETI 8/11/15	254,382.67	539,099.10	793,481.77	32.1%
C7PPSJ7335	Storm Dmg Dist ETI 8/19/15	24,925.36	84,511.50	109,436.86	22.8%
C7PPSJ7336	Storm Dmg Distr ETI 8/20/15	42,439.07	117,999.05	160,438.12	26.5%
C7PPSJ7337	Storm Dmg Distr ETI 8/25/15	98,890.03	189,839.69	288,729.72	34.3%
C7PPSJ7338	Storm Dmg Dist ETI 9/28/15	27,766.26	62,276.66	90,042.92	30.8%
C7PPSJ7339	Storm Dmg Dist ETI 10/24/15	217,445.34	475,820.11	693,265.45	31.4%
C7PPSJ7340	Storm Dmg Dist ETI 10/30/15	129,166.00	253,600.50	382,766.50	33.7%
C7PPSJ7341	Storm Dmg Dist ETI 11/17/15	283,749.50	532,789.15	816,538.65	34.8%
C7PPSJ7342	Storm Dmg Dist ETI 12/12/15	224,475.06	482,634.40	707,109.46	31.7%
C7PPSJ7343	Storm Dmg Distr ETI 12/27/15	122,181.39	247,064.17	369,245.56	33.1%
C7PPSJ7344	Storm Dmg Dist ETI 1/8/16	37,013.33	110,243.20	147,256.53	25.1%
C7PPSJ7345	Storm Dmg Dist ETI 1/21/16	62,565.44	130,878.61	193,444.05	32.3%
C7PPSJ7346	Storm Dmg Dist ETI 2/23/16	122,132.93	222,147.23	344,280.16	35.5%
C7PPSJ7347	Storm Dmg Dist ETI 3/8/16	277,895.81	576,590.55	854,486.36	32.5%
C7PPSJ7348	Storm Dmg Distr ETI 4/13/16	54,494.06	140,615.19	195,109.25	27.9%
C7PPSJ7349	Storm Dmg Dist ETI 4/18/16	396,094.99	903,059.12	1,299,154.11	30.5%
C7PPSJ7350	Storm Dmg Distr ETI 4/27/16	1,889,347.99	4,023,600.91	5,912,948.90	32.0%
C7PPSJ7351	Storm Dmg Distr ETI 5/14/16	60,140.58	147,205.75	207,346.33	29.0%
C7PPSJ7352	Storm Dmg Dist ETI 5/21/16	115,789.70	273,455.44	389,245.14	29.7%
C7PPSJ7353	Storm Dmg Distr ETI 5/26/16	4,356,150.53	9,176,647.67	13,532,798.20	32.2%
C7PPSJ7356	Storm Dmg Dist ETI 6/18/16	82,568.69	211,076.29	293,644.98	28.1%
C7PPSJ7358	Storm Dmg Dist ETI 6/28/16	126,893.59	303,429.49	430,323.08	29.5%
C7PPSJ7359	Storm Dmg Dist ETI 8/13/16	223,263.69	626,431.41	849,695.10	26.3%
C7PPSJ7360	Storm Dmg Distr ETI 8/25/16	50,453.96	206,315.44	256,769.40	19.6%
C7PPSJ7361	Storm Dmg Distr ETI 12/3/16	32,422.05	126,810.29	159,232.34	20.4%
C7PPSJ7362	Storm Dmg Dist ETI 1/2/17	122,382.96	376,093.20	498,476.16	24.6%
C7PPSJ7363	Storm Dmg Dist ETI 1/20/17	66,793.86	155,081.44	221,875.30	30.1%
C7PPSJ7364	Storm Dmg Dist ETI 1/22/17	192,941.69	415,984.06	608,925.75	31.7%
C7PPSJ7365	Storm Dmg Dist ETI 2/14/17	73,440.40	231,382.61	304,823.01	24.1%
C7PPSJ7366	Storm Dmg Dist ETI 2/20/17	71,794.08	143,301.47	215,095.55	33.4%
C7PPSJ7367	Storm Dmg Dist ETI 3/24/17	328,130.14	701,731.42	1,029,861.56	31.9%
C7PPSJ7368	Storm Dmg Dist ETI 3/29/17	240,552.96	458,946.33	699,499.29	34.4%
C7PPSJ7369	Storm Dmg Dist ETI 4/2/17	256,087.91	475,637.09	731,725.00	35.0%
C7PPSJ7370	Storm Dmg Dist ETI 4-29-17	101,553.19	240,987.44	342,540.63	29.6%
C7PPSJ7371	Storm Dmg Dist ETI 5/28/17	54,727.76	162,686.08	217,413.84	25.2%
C7PPSJ7372	Storm Dmg Distr ETI 6/4/17	80,129.54	236,595.49	316,725.03	25.3%
C7PPSJ7373	Storm Dmg Dist ETI 6/21/17	211,621.66	365,324.58	576,946.24	36.7%
C7PPSJ7374	Storm Dmg Dist ETI 7/15/17	79,761.70	168,054.40	247,816.10	32.2%
C7PPSJ7375	Storm Dmg Distr ETI 7/22/17	88,405.50	191,896.29	280,301.79	31.5%
C7PPJ7389A	Minor Add to C7PPSJ7389	(278.51)	(870.53)	(1,149.04)	24.2%
C7PPJ7395A	Minor Add to C7PPSJ7395	38,979.67	121,521.89	160,501.56	24.3%
C7PPJ7396A	Minor Add to C7PPSJ7396	3,649.33	11,317.14	14,966.47	24.4%
C7PPMA7345	Minor Add: Storm Dist ETI 1/21/16	(1,957.87)	(1,485.07)	(3,442.94)	56.9%
C7PPSJ378A	Minor Add for WO C7PPSJ7378	49,263.06	41,134.69	90,397.75	54.5%
C7PPSJ381A	Minor Add for WO C7PPSJ7381	159,871.53	133,518.91	293,390.44	54.5%
C7PPSJ7376	Storm Dmg Dist H Harvey 8/25/17	594,625.11	566,417.45	1,161,042.56	51.2%
C7PPSJ7377	Storm Dmg Distr ETI 10/22/17	2,283.54	2,393.96	4,677.50	48.8%
C7PPSJ7378	Storm Dmg Distr ETI 1/16/18	193,241.98	288,419.23	481,661.21	40.1%
C7PPSJ7381	Storm Dmg Dist ETI 3/18/18	254,476.09	389,667.00	644,143.09	39.5%
C7PPSJ7382	Storm Dmg Dist ETI 3/28/18	197,543.84	433,903.21	631,447.05	31.3%
C7PPSJ7383	Storm Dmg Dist ETI 4/13/18	318,339.09	326,606.75	644,945.84	49.4%
C7PPSJ7384	Storm Dmg Dist ETI 5/26/18	120,193.65	346,780.27	466,973.92	25.7%
C7PPSJ7385	Storm Dmg Dist ETI 6/3/18	324,540.56	410,086.30	734,626.86	44.2%

Entergy Texas, Inc.
Percentage of Storm Damage Attributable to Expense

Project	Project Desc	Expense	Capital	Total	% Expense
C7PPSJ7386	Storm Dmg DISTR ETI 7/3/18	117,334.01	156,295.77	273,629.78	42.9%
C7PPSJ7387	Storm Dmg Dist ETI 7/7/18 & 7/8/18	109,140.17	237,114.77	346,254.94	31.5%
C7PPSJ7388	Storm Dmg Distr ETI 9/3/18	83,974.12	91,656.24	175,630.36	47.8%
C7PPSJ7389	Storm Dmg Dist ETI 10/31/18	333,922.48	375,709.58	709,632.06	47.1%
C7PPSJ7390	Storm Dmg Dist ETI 12/8/18	116,499.62	113,903.59	230,403.21	50.6%
C7PPSJ7391	ETI Storm Dmg Dist WO 12/20/18	38,428.88	74,492.39	112,921.27	34.0%
C7PPSJ7392	Storm Dmg Dist ETI 12/26/18	161,070.64	271,294.65	432,365.29	37.3%
C7PPSJ7393	Storm Dmg Dist ETI WO 1/19/19	111,159.79	148,664.94	259,824.73	42.8%
C7PPSJ7394	Storm Dmg Dist ETI WO 1/23/19	113,391.00	195,022.49	308,413.49	36.8%
C7PPSJ7395	Storm Dmg Dist ETI 4/7/19	636,531.43	896,524.71	1,533,056.14	41.5%
C7PPSJ7396	Storm Dmg Distr ETI 4 13 19	787,550.68	1,085,629.29	1,873,179.97	42.0%
C7PPSJ7397	Storm Dmg Dist ETI WO	67,582.30	116,212.26	183,794.56	36.8%
C7PPSJ7398	Storm Dmg Dist Entergy TX, Inc	79,687.16	84,617.63	164,304.79	48.5%
C7PPSJ7399	Storm Dmg ETI 5/7/19	334,522.95	337,956.29	672,479.24	49.7%
C7PPSJ7400	Storm Dmg ETI 5/9/2019	5,144,407.29	5,500,339.59	10,644,746.88	48.3%
C7PPSJ7401	Storm Dmg ETI 6/16/2019	482,194.15	638,171.18	1,120,365.33	43.0%
C7PPSJ7402	Storm Dmg ETI 6/23/2019	121,643.76	238,390.05	360,033.81	33.8%
C7PPSJ7403	Storm Dmg ETI 6/29/2019	129,952.97	248,504.05	378,457.02	34.3%
C7PPSJ7404	Storm Dmg ETI Tropical Storm Barry	171,158.35	207,491.14	378,649.49	45.2%
C7PPSJ7405	Storm Dmg ETI 7/30/2019	190,257.52	316,324.92	506,582.44	37.6%
C7PPSJ7406	Storm Dmg ETI TS Imelda	3,180,377.48	4,085,988.08	7,266,365.56	43.8%
C7PPSJ7407	Storm Dmg ETI 10/11/2019	72,547.79	119,075.55	191,623.34	37.9%
C7PPSJ7408	Storm Dmg ETI 10/21/2019	128,757.58	295,494.42	424,252.00	30.3%
C7PPSJ7409	Storm Dmg ETI 10/29/2019	295,792.03	449,644.66	745,436.69	39.7%
C7PPSJ7410	Storm Dmg ETI 1/11/2020	253,383.13	1,292,313.90	1,545,697.03	16.4%
C7PPSJ7411	Storm Dmg ETI 3/4/2020	37,203.72	174,755.21	211,958.93	17.6%
C7PPSJ7412	Storm Dmg ETI 4/9/2020	577,708.99	1,990,400.58	2,568,109.57	22.5%
C7PPSJ7413	Storm Dmg ETI 4/22/2020	72,309.84	274,782.74	347,092.58	20.8%
C7PPSJ7414	Storm Dmg ETI 4/28/2020	321,776.66	1,345,123.38	1,666,900.04	19.3%
C7PPSJ7415	Storm Dmg ETI 5/14/2020	132,072.86	494,009.22	626,082.08	21.1%
C7PPSJ7416	Storm Dmg ETI 5/24/2020	65,227.43	228,034.77	293,262.20	22.2%
C7PPSJ7417	Storm Dmg ETI 5/27/2020	172,664.61	747,275.94	919,940.55	18.8%
C7PPSJ7418	Storm Dmg ETI 6/21/2020	84,618.87	467,013.97	551,632.84	15.3%
C7PPSJ7419	Storm Dmg ETI 7/3/2020	40,424.45	226,726.08	267,150.53	15.1%
C7PPSJ7420	Storm Dmg ETI TS Hanna	60,223.98	191,595.15	251,819.13	23.9%
C7PPSJ7421	Storm Dmg ETI TS Marco	81,734.02	280,705.20	362,439.22	22.6%
C7PPSJ7422	Storm Dmg ETI 8/5/2020	223,553.67	846,993.32	1,070,546.99	20.9%
C7PPSJ7423	Storm Dmg ETI 8/17/2020	46,359.28	153,802.36	200,161.64	23.2%
C7PPSJ7425	Storm Dmg ETI TS Beta	143,754.29	657,270.40	801,024.69	17.9%
C7PPSJ7427	Storm Dmg ETI 10/23/2020	33,795.05	134,013.89	167,808.94	20.1%
C7PPSJ7428	Storm Dmg ETI 12/19/2020	39,711.48	140,470.48	180,181.96	22.0%
C7PPSJ7429	Storm Dmg ETI 1/6/2021	32,156.51	111,538.78	143,695.29	22.4%
C7PPSJ7430	Storm Dmg ETI 1/10/2021	51,960.02	204,280.34	256,240.36	20.3%
C7PPSJ7432	Storm Dmg ETI 4/16/2021	16,683.85	53,341.22	70,025.07	23.8%
C7PPSJ7433	Storm Dmg ETI 4/23/2021	49,748.36	168,115.41	217,863.77	22.8%
C7PPSJ7434	Storm Dmg ETI 4/30/2021	58,839.22	205,865.82	264,705.04	22.2%
C7PPSJ7435	Storm Dmg ETI 5/11/2021	122,512.49	432,988.58	555,501.07	22.1%
C7PPSJ7436	Storm Dmg ETI 5/17/2021	567,563.74	2,236,418.10	2,803,981.84	20.2%
C7PPSJ7437	Storm Dmg ETI 5/29/2021	24,498.68	85,647.70	110,146.38	22.2%
C7PPSJ7438	Storm Dmg ETI 6/2/2021	127,400.94	526,859.83	654,260.77	19.5%
C7PPSJ7439	Storm Dmg ETI 6/15/2021	110,234.79	365,273.52	475,508.31	23.2%
C7PPSJ7440	Storm Dmg ETI 7/12/2021	106,174.53	466,163.07	572,337.60	18.6%
C7PPSJ7441	Storm Dmg ETI 7/19/2021	35,639.07	166,017.85	201,656.92	17.7%
C7PPSJ7442	Storm Dmg ETI 7/29/2021	49,232.69	229,795.32	279,028.01	17.6%
C7PPSJ7443	Storm Dmg ETI 8/12/2021	24,178.77	92,497.13	116,675.90	20.7%
C7PPSJ7444	Storm Dmg ETI 8/16/2021	33,466.93	152,971.79	186,438.72	18.0%
C7PPSJ7445	Storm Dmg ETI 8/24/2021	62,225.69	304,000.44	366,226.13	17.0%
C7PPSJ7446	Storm Dmg ETI 9/4/2021	82,236.34	355,388.63	437,624.97	18.8%
C7PPSJ7447	Storm Dmg ETI Hurricane Nicholas	501,353.45	2,173,448.83	2,674,802.28	18.7%
C7PPSJ7448	Storm Dmg ETI 10/27/2021	603,115.09	2,559,515.25	3,162,630.34	19.1%
C7PPSJ7449	Storm Dmg ETI 12/18/2021	15,497.19	59,862.56	75,359.75	20.6%
		35,854,699.13	73,268,385.73	109,123,084.86	32.9%

Date of Storm/Index	Trans. & Dist. Gross Loss	Handy-Whitman Index	Interpolated Index	Trend Factor	Trended Loss	Semi Annual Data	Annual Data	Losses > 150,000	Natural Log
01/01/86		241							
01/14/86	1,537		241.172	3.302	5,067				8.5305164
02/06/86	41,040		241.210	3.301	135,470				11.8157456
05/17/86	119,523		241.751	3.293	393,580			119,523	12.8830831
05/28/86	31,440		241.812	3.292	103,665				11.5490216
06/27/86	4,072,016		241.976	3.290	13,350,561			4,072,016	16.4100937
07/01/86	3,680		242.000	3.286	12,106				9.4016553
07/01/86		240				17,012,250			
07/05/86	60,184		241.935	3.290	198,005			60,184	12.1960464
07/12/86	18,742		241.821	3.292	61,699				11.0300175
09/05/86	6,737		241.426	3.297	22,216				10.0085051
09/04/86	378		241.340	3.304	1,249				7.1247793
10/02/86	3,620		241.464	3.310	12,012				9.3935506
01/01/87		239				301,764	17,313,814		
07/01/87		240				0			
09/16/87	16,919		241.304	3.298	55,816				10.9300118
11/16/87	631,296		242.266	3.285	2,074,068			631,296	14.5449644
11/26/87	334,545		242.445	3.283	1,098,311			334,545	13.9092843
12/12/87	4,865		242.574	3.281	15,957				9.67766542
01/01/88		243				3,410,330	3,410,330		
01/06/88	20,720		243.440	3.271	67,781				11.1240307
02/05/88	7,013		244.876	3.248	22,785				10.0339081
05/20/88	45,037		251.132	3.170	142,803				11.8685785
06/11/88	8,171		251.801	3.160	25,820				10.1590185
07/01/88		253				281,588			
09/20/88	7,720		255.835	3.110	24,009				10.0861824
09/17/88	12,580		256.815	3.100	39,023				10.5719014
01/01/89		262				63,032	344,701		
03/16/89	57,029		262.255	3.035	175,511			57,029	12.0754571
05/13/89	224,060		262.726	3.030	681,720			224,060	13.4323736
05/27/89	276,335		262.807	3.029	837,019			276,335	13.6376017
06/13/89	32,954		262.884	3.028	99,785				11.5107713
06/24/89	15,765		262.961	3.027	47,711				10.7750217
06/30/89	279,929		262.964	3.027	847,021			279,929	13.6494401
07/01/89		263				2,508,867			
07/31/89	667,366		263.615	3.017	2,013,443			667,366	14.5153563
09/05/89	269,714		263.851	3.015	813,457			269,714	13.6090468
10/16/89	509,030		265.962	2.993	1,523,527			509,030	14.2365365
01/01/90		269				4,350,427	7,039,294		
04/14/90	127,473		270.276	2.945	375,408			127,473	12.8357987
07/01/90		272				375,408			
07/07/90	30,023		272.000	2.926	87,851				11.3832406
08/31/90	50,758		272.000	2.926	148,541			50,758	11.9086184
09/15/90	64,060		272.000	2.926	190,131			64,060	12.1554711
10/22/90	2,520		272.000	2.926	7,367				8.90470306
01/01/91		272				407,263	782,608		
03/31/91	6,165		274.456	2.900	17,868				9.79080653
07/01/91		277				17,868			
01/01/92		272				0	17,868		
03/26/92	11,320		272.656	2.918	33,030				10.4045362
04/26/92	70,046		273.267	2.913	204,044			70,046	12.2260936
06/05/92	118,047		273.725	2.908	343,281			118,047	12.7463037
06/30/92	371,575		273.986	2.905	1,079,425			371,575	13.8919364
07/01/92		274				1,656,750			
07/04/92	38,028		274.262	2.904	110,430				11.6121145
09/26/92	59,118		275.503	2.888	170,735			59,118	12.0478546
11/21/92	425,905		277.865	2.864	1,218,762			425,905	14.0141308
01/01/93		279				1,500,653	3,160,712		
03/13/93	29,071		278.215	2.861	83,068				11.3272216
07/01/93		277				92,908			
09/26/93	2,313		278.661	2.854	6,600				8.79204206
01/01/94		283				6,606	81,105		
03/09/94	2,341,376		284.260	2.801	6,558,053			2,341,376	15.6960988
05/15/94	33,187		287.475	2.766	91,865				11.4283868
06/01/94	4,355		288.005	2.764	12,037				9.39057500
07/01/94		289				6,656,705			
07/25/94	620,960		289.783	2.747	1,730,577			620,960	14.3659655
01/01/95		295				1,730,577	8,387,282		
01/13/95	271,449		295.000	2.698	732,369			271,449	13.5040403
03/07/95	710,561		295.000	2.698	1,917,114			710,561	14.4661475
04/11/95	39,214		295.000	2.698	105,789				11.5692854
05/08/95	108,740		295.000	2.698	293,398			108,740	12.5890797
07/01/95		295				3,048,299			
07/23/95	127,172		295.820	2.690	342,814			127,172	12.7450461
09/22/95	205,062		296.130	2.688	551,297			205,062	13.2200114
10/16/95	144,061		296.584	2.685	386,923			144,061	12.8661862
01/01/96		299				1,281,034	4,240,112		
03/02/96	152,845		298.000	2.682	408,921			152,845	12.9213774
05/26/96	778,077		298.000	2.682	2,086,917			778,077	14.5510847
07/01/96		299				2,552,113			
07/13/96	167,050		297.602	2.673	442,930			167,050	13.0104605
09/27/96	308,095		296.508	2.684	826,540			308,095	13.6251571
11/05/96	644,750		295.522	2.694	1,736,957			644,750	14.3677645
01/01/97		294				3,006,427	5,561,545		
01/13/97	13,016,145		294.133	2.706	35,221,660			13,016,145	17.3771725
02/02/97	3,760		294.552	2.702	10,157				9.22305314
04/26/97	164,798		295.263	2.696	444,280			164,798	13.0040328
05/22/97	47,045		295.556	2.693	126,669				11.7495157
06/24/97	28,970		295.823	2.691	77,929				11.2635573
07/01/97		296				35,806,886			
07/15/97	130,165		296.361	2.686	349,677			130,165	12.7647548
08/22/97	280,180		297.413	2.676	749,783			280,180	13.5275062
09/10/97	154,298		297.826	2.672	412,272			154,298	12.9291810
10/24/97	40,036		299.125	2.661	106,560				11.5761865
11/26/97	57,862		300.176	2.653	153,057			57,862	11.9385648
12/03/97	94,130		300.212	2.651	249,539			94,130	12.4273080
12/07/97	117,077		300.321	2.651	310,469			117,077	12.6459336
01/01/98		301				2,306,400	38,075,286		
01/05/98	109,194		301.155	2.644	288,689			109,194	12.5730827
01/21/98	114,571		301.221	2.643	302,811			114,571	12.6208545
02/10/98	2,915,031		301.442	2.641	7,698,567			2,915,031	15.8565485
02/25/98	180,711		301.616	2.639	480,010			180,711	13.1109721
03/15/98	107,031		301.818	2.637	284,350			107,031	12.5570624
03/31/98	31,230		301.993	2.636	82,329				11.3183671
06/06/98	144,192		302.745	2.629	379,081			144,192	12.8455046
06/16/98	6,651		302.804	2.628	17,510				9.77063945
07/01/98		303				9,551,088			
07/14/98	167,615		303.141	2.626	440,157			167,615	12.9949867
07/20/98	193,727		303.207	2.625	508,536			193,727	13.1399861
08/03/98	49,252		303.356	2.624	129,613				11.7720824
08/05/98	36,077		303.381	2.624	94,656				11.4581107
08/13/98	241,021		303.467	2.623	632,180			241,021	13.3566659
08/16/98	60,067		303.503	2.622	157,540			60,067	11.9674862
09/01/98	49,415		303.674	2.621	129,570				11.7500143
09/13/98	1,509,123		303.772	2.620	3,955,563			1,509,123	15.1905544
09/27/98	2,450		303.902	2.618	6,417				8.76683567
09/25/98	16,576		303.835	2.618	43,651				10.7004163
10/05/98	28,640		304.254	2.616	75,013				11.2252645
10/17/98	133,704		304.174	2.617	349,903			133,704	12.7654101
11/15/98	80,929		304.466	2.614	211,567			80,929	12.2609727
12/21/98	182,375		304.800	2.611	476,181			182,375	13.0735535
12/31/98	2,269		304.866	2.610	5,905				8.68317803
01/01/99		305				7,195,406	16,746,456		
01/01/99	329,056		305.000	2.610	864,008			329,056	13.6697218
01/04/99	54,667		304.934	2.610	142,705			54,667	11.8687315
01/22/99	29,313		304.505	2.614	76,681				11.2115694
02/02/99	12,027		303.574	2.621	31,540				10.3590964
03/13/99	60,564		303.401	2.623	158,919			60,564	11.9761046
04/14/99	17,596		302.724	2.628	46,224				10.7414460
04/21/99	8,710		302.568	2.631	22,540				10.1400695
04/27/99	47,719		302.405	2.632	125,564				11.7408600
05/13/99	807,401		302.146	2.634	2,126,865			807,401	14.5700766
05/17/99	35,145		301.964	2.636	92,640				11.4364645
07/01/99		301				3,708,813			
08/03/99	8,172		301.536	2.640	21,573				9.97900627
08/14/99	8,910		301.717	2.638	23,155				10.1700864
09/20/99	94,321		301.615	2.637	248,724			94,321	12.4240672

Date of Storm/Index	Trans. & Dist. Gross Loss	Handy-Whitman Index	Interpolated Index	Trend Factor	Trended Loss	Semi Annual Data	Annual Data	Losses > $50,000	Natural Log
09/01/99	19,755		301.802	0.537	36,805				10.4055288
09/27/99	135,190		301.828	0.536	250,945			135,190	12.4330665
10/17/99	65,460		302.751	0.626	172,155			65,460	12.0561464
01/01/00		304				750,165	4,460,013		
01/03/00	8,005		304.065	0.518	15,722				9.66302904
01/25/00	37,140		304.624	0.511	70,065				11.1602166
03/25/00	38,071		306.802	0.505	95,880				11.4607458
04/02/00	155,019		307.033	0.503	407,085			155,019	12.6666036
04/03/00	91,002		307.065	0.502	238,364			91,002	12.3792572
04/12/00	84,077		307.353	0.501	220,060			84,077	12.3017666
05/01/00	670,087		307.966	0.505	1,757,457			670,087	14.3795782
05/16/00	136,190		308.562	0.501	351,369			136,190	12.7605615
05/22/00	251,471		308.661	0.578	640,545			251,471	13.3074661
07/01/00		310				3,604,037			
07/24/00	38,104		310.750	0.582	68,080				11.1108403
08/11/00	220,914		311.337	0.557	507,061			220,914	13.1364207
08/14/00	83,261		311.435	0.556	210,061			83,261	12.2605078
08/20/00	694,170		311.728	0.554	1,772,015			694,170	14.3201054
09/01/00	5,110		312.022	0.551	15,606				9.65540701
09/05/00	620,602		312.152	0.550	1,592,535			620,602	14.2745365
09/22/00	109,063		312.707	0.545	258,061			109,063	12.7009424
11/06/00	35,417		314.174	0.534	84,408				11.3779
11/25/00	720,510		314.793	0.506	1,047,425			720,510	14.426506
12/12/00	15,464		315.348	0.504	39,137				10.5740531
01/01/01		316				6,540,747	10,554,704		
03/15/01	184,070		317.513	0.505	463,265			184,070	13.0460685
06/05/01	651,120		318.425	0.492	1,702,271			651,120	14.350154
07/01/01		320				2,105,536			
07/06/01	340,040		321.236	0.478	840,640			340,040	13.5442051
09/01/01	1,007,646		322.022	0.472	2,460,909			1,007,646	14.7261561
10/12/01	831,795		323.263	0.462	2,047,055			831,795	14.5323207
10/12/01	5,146		323.356	0.462	12,670				9.44699177
10/13/01	21,050		323.361	0.461	51,020				10.8556766
10/15/01	155,344		323.457	0.461	387,511			155,344	12.8630642
11/30/01	367,770		324.857	0.450	840,919			367,770	13.7641315
01/01/02		326				6,776,100	8,853,578		
04/01/02	335,075		326.000	0.442	800,450			335,075	13.6178365
04/06/02	21,560		326.000	0.442	50,721				10.8797512
07/01/02		326				873,171			
07/15/02	119,573		326.228	0.440	274,879			119,573	12.5239561
07/28/02	535,610		326.571	0.437	1,205,330			535,610	14.0019437
08/07/02	245,051		326.826	0.435	500,061			245,051	13.3030347
09/08/02	87,754		326.946	0.435	202,127			87,754	12.3005801
09/09/02	34,080		327.125	0.433	75,128				11.2516517
09/24/02	365		327.385	0.431	936				6.84100574
09/30/02	107,516		327.484	0.431	261,371			107,516	12.4738656
10/05/02	140,220		327.565	0.430	360,174			140,220	12.7942414
10/30/02	860,310		327.873	0.427	2,107,380			860,310	14.5609567
12/03/02	14,050		328.853	0.421	34,030				10.4350238
12/30/02	120,070		328.867	0.420	310,674			120,070	12.5464666
01/01/03		329				5,575,424	6,448,595		
02/26/03	150,403		329.518	0.415	363,723			150,403	12.8032775
03/19/03	93,823		329.851	0.413	227,077			93,823	12.3329262
05/05/03	65,037		330.370	0.406	160,048			65,037	11.9758666
05/13/03	440,710		330.456	0.406	1,081,670			440,710	13.8793541
05/14/03	16,041		330.470	0.406	40,570				10.6112770
06/13/03	205,071		330.801	0.406	499,410			205,071	13.1210746
06/30/03	427,666		330.986	0.405	1,050,650				13.8660266
07/01/03		331				3,409,341			
07/15/03	21,064		331.304	0.403	50,656				10.8330005
07/25/03	145,046		332.166	0.396	340,440			145,046	12.7841266
08/02/03	511,070		332.370	0.395	1,205,030			511,070	14.0190122
11/17/03	24,356		334.022	0.393	57,054				10.9605342
01/01/04		335				1,604,110	5,030,451		
03/06/04	90,404		342.473	0.304	214,746			90,404	12.2772131
04/11/04	60,450		345.866	0.301	150,045			60,450	11.9010605
04/13/04	126		345.318	0.298	280				5.63505774
05/01/04	90,565		348.267	0.295	100,730			90,565	12.1400751
05/11/04	310,450		348.365	0.278	711,736			310,450	13.4755341
08/04/04	45,047		352.033	0.261	100,334				11.5357346
08/28/04	245,045		354.570	0.244	551,067			245,045	13.2211156
08/29/04	87,054		354.780	0.244	197,157			87,054	12.1910541
07/01/04		355				2,105,744			
09/11/04	10,278		357.867	0.224	22,054				10.036665
01/01/05		360				22,854	2,140,598		
01/12/05	30,185		368.547	0.182	65,200				11.0850133
05/05/05	203,460		375.160	0.122	431,760			203,460	12.9756254
05/31/05	50,215		375.456	0.120	108,456			50,215	11.5754665
06/15/05	175,747		376.204	0.116	371,081			175,747	12.8063266
06/16/05	78,350		376.254	0.116	161,570			78,350	11.9937431
07/01/05		377				1,106,875			
07/01/05	74,531		381.043	0.108	155,864			74,531	11.9568504
09/24/05	2,012,711		386.267	0.051	4,100,071			2,012,711	15.2266207
10/16/05	5,027		391.346	0.004	10,025				9.21256505
01/01/06		401				4,203,990	5,430,865		
03/15/06	14,475		408.470	1.644	23,140				10.2440566
04/02/06	161,430		414.651	1.606	267,563			161,430	12.4146505
05/30/06	35,711		418.267	1.600	57,059				11.1068564
07/01/06		420				463,967			
07/17/06	50,050		424.532	1.675	100,059			50,050	11.5137600
07/24/06	120,551		425.025	1.670	201,040			120,551	12.2090446
07/28/06	74,526		425.640	1.666	120,789			74,526	11.6443064
08/01/06	101,261		426.665	1.665	160,053			101,261	12.1402717
08/15/06	30,712		426.352	1.655	75,867				11.2073455
09/15/06	358,090		433.878	1.634	573,075			358,090	13.4198121
10/15/06	273		436.757	1.614	445				6.20506515
11/13/06	180,490		442.804	1.796	324,520			180,490	12.6901113
12/31/06	45,136		450.842	1.766	79,916				11.287401
01/01/07		451				1,818,314	2,282,275		
01/15/07	380,081		451.518	1.763	670,040			380,081	13.4151206
02/14/07	34,041		452.645	1.757	61,361				11.026104
04/15/07	130,400		455.537	1.747	231,326			130,400	12.3514061
05/01/07	155,001		456.304	1.744	270,320			155,001	12.5073582
05/15/07	11,041		456.867	1.742	20,001				9.8407671
06/11/07	20,286		458.116	1.738	36,317				10.5000461
07/01/07		459				1,200,105			
07/16/07	630		475.174	1.675	1,055				6.96150268
07/19/07	51,420		475.511	1.674	86,080			51,420	11.3631754
07/26/07	150,073		476.543	1.663	250,010			150,073	12.4290164
09/13/07	24,530,050		493.568	1.645	40,352,598			24,530,050	17.5131571
09/30/07	44,070		495.263	1.637	72,478				11.1190675
10/15/07	54,027		495.254	1.606	89,323			54,027	11.3997515
01/01/08		521				40,891,441	42,181,406		
05/11/08	113,425		515.862	1.543	175,014			113,425	12.0728216
05/15/08	125,561		515.606	1.543	193,779			125,561	12.1744371
05/27/08	84,410		515.346	1.545	130,414			84,410	11.7786486
06/17/08	46,467		514.936	1.547	71,930				11.1834533
08/04/08	10,050		514.258	1.548	37,058				10.2203942
08/05/08	120,764		514.231	1.548	186,940			120,764	12.1385561
08/05/08	266,065		514.162	1.548	450,819			266,065	13.0359742
08/06/08	344		514.077	1.548	533				6.27038365
07/01/08		514				1,245,100			
07/03/08	280,160		517.756	1.537	430,606			280,160	12.9729468
07/04/08	8,664,106		517.860	1.537	13,316,731			8,664,106	16.4045318
01/01/09		535				13,747,337	14,992,517		
03/25/09	315,540		526.238	1.505	474,920			315,540	13.0708564
04/17/09	86,010		527.367	1.506	130,066			86,010	11.7756045
04/27/09	79,030		526.863	1.511	119,124			79,030	11.6879205
06/12/09	8,020		522.144	1.524	12,577				9.51814451
07/01/09		520				738,567			
07/16/09	110,031		524.233	1.516	170,175			110,031	12.0445654
07/27/09	8,061		525.108	1.516	14,064				9.51543863
09/01/09	26,280		531.804	1.497	39,341				10.5800167
10/12/09	36,364		534.315	1.490	54,027				10.8999326
10/26/09	111,025		535.348	1.424	165,050			111,025	12.0140516
12/24/09	74,137		543.343	1.466	120,684			74,137	11.5062036
01/01/10		544				552,478	1,291,075		

Date of Occurrence	Trans. & Dist. Gross Loss	Handy-Whitman Index	Interpolated Index	Trend Factor	Trended Loss	Semi Annual Data	Annual Data	Losses > $50,000	Natural Log
05/14/10	49,040		550.510	1.445	70,913				10.8003741
05/18/10	30,920		550.812	1.445	44,679				10.3392572
05/30/10	31,630		551.408	1.444	45,677				10.3619367
06/06/10	53,535		551.855	1.442	78,010			53,535	10.8881960
07/01/10		553				236,478			
07/04/10	57,602		554.250	1.436	82,717			57,602	10.9611825
07/15/10	39,965		555.500	1.433	57,268				10.5958327
07/17/10	1,580		555.554	1.433	2,277				7.3655474
07/20/10	13,660		555.800	1.432	19,560				9.5222480
07/31/10	42,580		556.315	1.431	60,945				10.6577215
09/12/10	13,287		556.967	1.429	18,430				9.4917194
01/01/11		563				241,257	480,735		
01/06/11	119,098		563.560	1.412	168,752			119,098	11.6876935
02/01/11	549,115		565.568	1.407	772,625			549,115	13.2162593
02/04/11	420,498		565.818	1.407	591,624			420,498	12.9493251
04/25/11	175,709		572.500	1.390	244,225			175,709	12.0765469
05/21/11	40,563		574.502	1.385	56,061				10.6105453
06/05/11	69,130		575.328	1.382	95,487			69,130	11.1436474
06/16/11	69,750		577.005	1.380	96,252			69,750	11.1526941
07/01/11		579				3,105,880			
07/02/11	30,071		578.022	1.377	37,630				10.2119435
07/05/11	17,129		578.267	1.377	23,559				10.0527712
07/06/11	44,731		578.108	1.377	61,584				10.7083218
07/14/11	29,477		578.263	1.376	32,524				10.2919487
07/25/11	55,043		578.522	1.376	75,739			55,043	10.9159526
07/25/11	29,035		578.540	1.376	39,875				10.5024631
09/14/11	32,830		578.857	1.375	45,141				10.7177546
09/18/11	20,585		578.040	1.375	29,524				10.2507741
09/24/11	450,334		578.174	1.374	619,759			450,334	13.0354718
09/03/11	475,136		578.361	1.374	650,030			475,136	13.0700605
09/28/11	173,398		578.857	1.373	230,050			173,398	12.0007718
10/12/11	42,959		580.238	1.372	59,053				10.6044625
12/02/11	33,019		581.760	1.368	48,254				10.7491285
01/01/12		580				1,648,608	3,674,708		
01/06/12	30,250		582.440	1.367	40,050				10.5073625
01/25/12	251,475		583.318	1.365	343,263			251,475	12.7480535
02/04/12	30,050		583.868	1.363	40,667				10.6190365
02/18/12	154,050		584.337	1.362	209,827			154,050	12.2540365
02/24/12	48,867		584.967	1.361	66,555				10.7908566
03/18/12	187,330		586.285	1.358	254,384			187,330	12.4468360
04/02/12	48,555		587.255	1.356	65,129				10.7900282
04/20/12	120,510		588.044	1.354	163,171			120,510	12.0095514
05/10/12	120,098		588.143	1.351	173,050			120,098	12.0613607
05/31/12	90,060		590.287	1.348	125,188			90,068	11.7075532
06/06/12	160,035		590.825	1.348	210,423			160,065	12.2941863
06/12/12	560,098		590.856	1.347	750,021			560,098	13.5307266
07/01/12		592				2,452,874			
07/13/12	51,001		592.878	1.342	68,443			51,001	10.8397547
07/17/12	34,724		593.304	1.342	46,579				10.7407832
07/21/12	82,062		593.831	1.341	110,045			82,062	11.6008445
07/26/12	32,764		594.201	1.340	43,944				10.6008656
08/05/12	11,965		594.653	1.338	16,008				9.6807308
08/05/12	19,973		594.805	1.338	28,723				10.1092861
08/10/12	35,350		595.261	1.337	47,262				10.7664707
08/18/12	57,427		595.613	1.335	76,723			57,427	11.2479531
09/28/12	34,730		595.728	1.334	46,320				10.7435257
09/30/12	35,128		598.418	1.328	46,640				10.7503370
11/03/12	25,022		602.183	1.322	34,262				10.4419861
11/25/12	57,555		604.065	1.318	75,852			57,555	11.2288126
12/04/12	30,180		604.717	1.316	39,413				10.5581462
12/06/12	31,048		605.125	1.315	41,070				10.5425144
12/15/12	25,140		605.886	1.314	33,034				10.4059302
12/20/12	384,081		606.022	1.313	505,323			384,081	12.8599524
12/25/12	845,787		606.428	1.313	1,110,480			845,787	13.6481135
01/01/13		607				2,367,860	4,820,656		
01/06/13	90,765		607.368	1.311	119,019			90,765	11.4070368
02/25/13	134,026		609.705	1.305	175,155			134,026	11.8054815
03/10/13	75,427		610.361	1.304	99,358			75,427	11.4063537
04/02/13	90,019		611.525	1.302	119,765			90,019	11.4075368
05/06/13	285,420		613.365	1.298	370,477			285,420	12.5615468
05/21/13	152,807		613.961	1.296	197,010			152,807	11.9351032
06/02/13	171,027		614.559	1.295	221,470			171,027	12.0495005
06/05/13	305,807		614.757	1.295	395,070			305,807	12.6305614
06/06/13	120,879		614.905	1.295	150,050			120,879	11.6757768
07/01/13		616				1,858,847			
07/16/13	63,968		617.078	1.290	82,557			63,968	11.0321245
07/13/13	27,840		618.361	1.287	35,573				10.4790451
07/14/13	200,809		618.831	1.287	258,087			200,809	12.4810253
08/04/13	60,054		618.885	1.284	79,677			60,054	11.2057364
08/20/13	101,014		620.842	1.282	130,528			101,014	11.7793257
10/07/13	60,145		623.254	1.278	78,065			60,145	11.2400391
10/30/13	263,320		623.234	1.277	374,580			263,320	12.0330561
12/21/13	100,755		625.342	1.271	160,739			100,755	12.0380644
01/01/14		627				1,206,707	3,065,644		
02/04/14	854,563		628.368	1.265	1,081,029			854,563	13.6584178
02/28/14	200,050		630.026	1.263	252,767			200,050	12.4790242
04/04/14	54,052		630.587	1.262	68,213			54,052	11.1303658
05/06/14	174,307		631.850	1.260	219,727			174,307	12.0300149
05/12/14	41,020		632.065	1.258	51,655				10.6520340
06/13/14	131,076		633.304	1.257	165,759			131,076	12.0103478
07/01/14		634				1,646,150			
07/03/14	179,403		634.150	1.255	225,151			179,403	12.0945346
07/12/14	20,181		634.667	1.254	25,320				10.1303515
07/13/14	32,023		634.678	1.254	40,157				10.6005553
07/17/14	96,025		635.304	1.253	120,570			96,025	11.5200866
07/31/14	117,018		636.445	1.251	146,387			117,018	11.6940271
08/11/14	44,465		637.342	1.248	55,530				10.6950135
08/16/14	51,345		637.865	1.248	64,079			51,345	11.0670718
08/20/14	30,063		638.075	1.248	35,023				10.4657563
09/05/14	26,146		638.301	1.245	32,552				10.2006231
09/07/14	32,463		638.540	1.245	47,087				10.7765205
10/02/14	55,077		641.582	1.241	68,344			55,077	11.1460326
10/06/14	58,427		641.808	1.240	69,969			58,427	11.1550365
10/12/14	29,405		642.367	1.238	29,036				10.0756305
10/13/14	75,307		642.478	1.238	93,243			75,307	11.4440316
01/01/15		640				1,054,070	2,600,581		
01/02/15	45,561		648.000	1.227	55,940				10.6290076
04/15/15	440,958		648.000	1.227	550,080				13.2190750
04/25/15	92,870		648.000	1.227	114,943				11.5501617
04/27/15	3,147,300		648.000	1.227	3,861,740				15.1666264
05/11/15	79,264		648.000	1.227	97,264				11.4054203
05/14/15	51,300		648.000	1.227	62,955				11.0501732
05/15/15	23,101		648.000	1.227	28,345				10.0522200
05/17/15	74,385		648.000	1.227	91,245				11.4013076
05/21/15	451,368		648.000	1.227	553,863				13.2248724
05/25/15	404,017		648.000	1.227	496,711				13.1157201
05/30/15	61,206		648.000	1.227	75,100				11.2265774
06/15/15	250,734		648.000	1.227	310,664				12.5719865
07/01/15		649				6,307,719			
07/11/15	254,383		651.005	1.223	311,110				12.5470018
07/16/15	24,925		651.367	1.222	30,459				10.2241268
07/20/15	42,430		651.446	1.222	51,851				10.6563105
07/25/15	99,080		651.881	1.221	120,745				11.7014338
08/26/15	27,768		653.053	1.218	33,819				10.4297871
10/04/15	217,445		654.825	1.215	264,414				12.4050866
10/30/15	129,168		654.818	1.215	156,907				11.6685678
11/17/15	283,750		655.768	1.214	344,479				12.7407678
12/12/15	224,475		657.022	1.212	272,064				12.5187618
12/27/15	121,181		657.755	1.210	147,039				11.6050024
01/01/16		650				1,733,790	8,041,402		
01/06/16	37,013		658.000	1.210	44,786				10.7008538
01/21/16	60,600		658.000	1.210	73,335				11.2007254
02/23/16	122,103		658.000	1.210	147,781				11.8064857
03/08/16	277,098		658.000	1.210	336,254				12.7258218
03/11/16	150,013		658.000	1.210	181,518				12.1000861
04/13/16	54,464		658.000	1.210	65,930				11.1064573
04/16/16	388,065		658.000	1.210	470,275				13.0000267

Date of Storm/Index	Trans. & Dist. Gross Loss	Handy-Whitman Index	Interpolated Index	Trend Factor	Trended Loss	Semi Annual Total	Annual Total	Losses > $500,000	Natural Log
04/27/16	2,050,035		658.000	1.210	2,480,022				14.7240820
05/14/16	60,141		658.000	1.210	72,770				11.1950605
05/21/16	115,780		658.000	1.210	140,106				11.8501510
05/26/16	4,425,050		658.000	1.210	5,355,070				15.4935802
06/16/16	82,560		658.000	1.210	99,900				11.5120062
06/26/16	126,864		658.000	1.210	153,541				11.9417245
07/01/16		650				9,540,710			
09/13/16	223,264		661.272	1.204	269,019				12.5017562
09/25/16	50,454		662.185	1.202	60,646				11.0129034
10/03/16	30,420		666.760	1.198	36,517				10.5505652
01/01/17		670				367,872	10,008,582		
01/02/17	129,385		672.065	1.194	144,901				11.8840800
01/21/17	66,794		673.250	1.192	79,950				11.2765744
01/22/17	189,040		673.362	1.192	229,057				12.3375512
02/14/17	73,440		674.817	1.178	86,506				11.3680361
02/21/17	71,764		675.215	1.178	84,845				11.3480236
03/24/17	320,130		677.405	1.175	305,553				12.6624037
03/26/17	240,553		677.768	1.174	282,419				12.5511120
04/02/17	256,060		678.233	1.174	300,647				12.6136828
04/26/17	101,553		678.823	1.171	118,919				11.6061361
05/26/17	54,720		681.746	1.168	63,922				11.0654162
06/04/17	80,130		682.210	1.167	93,511				11.4459362
06/21/17	211,829		683.337	1.165	246,539				12.4152754
07/01/17		684				2,114,630			
07/15/17	79,750		685.065	1.162	92,663				11.4369414
07/22/17	93,408		685.588	1.161	108,839				11.5990712
09/24/17	1,390,562		688.116	1.157	1,610,136				14.2967856
10/22/17	70,131		692.588	1.148	80,581				11.2970131
01/01/18		690				1,894,230	4,009,878		
01/15/18	240,505		698.864	1.136	278,913				12.5390285
02/16/18	414,240		700.236	1.132	480,042				13.0504465
02/26/18	167,544		700.712	1.131	203,422				12.2216810
04/13/18	310,539		704.752	1.126	350,425				12.7669047
05/25/18	120,164		707.813	1.125	135,212				11.8146425
06/03/18	324,541		708.144	1.124	364,764				12.8070566
07/01/18		710				1,808,024			
07/03/18	117,334		710.208	1.121	131,531				11.7870011
07/06/18	109,140		710.407	1.120	122,237				11.7137171
09/03/18	83,074		717.452	1.106	93,127				11.4417226
10/31/18	333,644		724.567	1.098	366,675				12.8122324
12/06/18	116,510		729.100	1.092	127,212				11.7538542
12/21/18	39,420		730.565	1.090	41,087				10.6237422
12/25/18	161,071		731.260	1.088	175,245				12.0730065
01/01/19		732				1,057,820	2,866,304		
01/16/19	111,150		732.166	1.087	120,831				11.7021455
01/20/19	113,361		732.243	1.087	123,256				11.7220166
04/07/19	675,511		733.061	1.086	733,605				13.5057261
04/13/19	624,567		733.127	1.086	678,760				13.4205607
05/07/19	481,782		733.382	1.085	522,744				13.1668478
05/09/19	5,729,173		733.414	1.085	6,227,003				15.6444257
06/15/19	482,164		733.804	1.085	523,181				13.1676821
06/23/19	121,644		733.812	1.085	131,965				11.7904392
06/26/19	129,053		733.878	1.085	140,069				11.8495078
07/01/19		734				9,297,062			
07/13/19	171,150		735.861	1.082	185,163				12.1291556
07/23/19	190,250		738.571	1.078	205,060				12.2310410
09/16/19	3,448,027		745.806	1.066	3,674,424				15.1166807
10/11/19	72,540		750.076	1.061	76,973				11.2512127
10/21/19	120,750		751.652	1.058	128,354				11.8630119
10/26/19	265,782		752.810	1.057	310,852				12.6590466
01/01/20		763				4,580,594	13,968,656		
01/10/20	58,831		763.662	1.042	61,064				11.0201547
01/11/20	253,383		763.756	1.042	264,025				12.4837868
03/04/20	37,024		767.645	1.037	38,580				10.5602406
04/06/20	577,710		770.815	1.033	596,773				13.2992627
04/20/20	251,044		771.662	1.031	260,540				12.5202792
04/28/20	321,777		772.177	1.031	331,752				12.7121422
05/14/20	129,073		773.308	1.028	135,903				11.8196965
05/24/20	65,227		774.177	1.028	67,054				11.1132505
05/27/20	325,030		774.308	1.028	334,139				12.7193122
06/21/20	94,619		776.201	1.025	96,734				11.3706352
07/01/20		777				2,105,398			
07/03/20	40,424		776.657	1.025	41,435				10.6319627
07/25/20	80,224		776.478	1.025	81,730				11.3105165
07/05/20	223,554		776.298	1.025	229,143				12.3420664
07/17/20	46,359		775.878	1.026	47,565				10.7800445
07/25/20	15,764,383		775.604	1.026	16,164,787				16.6002
09/21/20	315,729		775.217	1.027	324,293				12.6892167
10/06/20	2,064,132		774.825	1.027	2,116,035				14.5660478
10/23/20	33,765		774.522	1.028	34,741				10.4556648
12/16/20	39,711		773.260	1.026	40,853				10.6179601
01/01/21		773				19,104,332	21,278,795		
01/06/21	32,157		773.605	1.026	33,069				10.4060577
01/12/21	51,950		774.144	1.028	53,415				10.0865645
02/15/21	3,061,350		778.718	1.022	3,129,710				14.9561313
04/15/21	16,894		785.343	1.012	16,894				9.7341250
04/23/21	100,071		787.202	1.011	101,172				11.5245745
04/30/21	50,039		788.122	1.010	50,420				10.8005142
05/11/21	122,512		788.518	1.008	123,463				11.7230364
05/15/21	140,737		790.155	1.007	140,770				11.8160121
05/17/21	567,564		790.262	1.007	571,507				13.2561024
05/26/21	24,489		791.807	1.005	24,621				10.1113621
06/02/21	127,401		792.315	1.005	128,030				11.7600616
06/15/21	110,235		793.967	1.003	110,565				11.6133603
07/01/21		796				4,500,730			
07/12/21	106,175		795.000	1.000	106,175				11.5729365
07/16/21	35,639		795.000	1.000	35,639				10.4811676
07/26/21	40,235		795.000	1.000	40,235				10.6024301
08/12/21	24,179		795.000	1.000	24,179				10.0932303
08/15/21	33,457		795.000	1.000	33,457				10.4180131
08/24/21	121,150		795.000	1.000	121,150				11.7047647
08/26/21	247,010		795.000	1.000	247,010				12.4171627
09/04/21	82,298		795.000	1.000	82,298				11.3173525
09/14/21	1,624,625		795.000	1.000	1,624,625				14.3007751
10/27/21	505,115		795.000	1.000	505,115				13.1325303
12/16/21	15,467		795.000	1.000	15,467				9.6464414
01/01/22		798				2,942,306	7,443,036		

Total Number of Claims	324
Number of Years	25
Average per year	15.360
Avg Natural Log of Losses	11.988291
Std Dev of above	1.467904

DOCKET NO. 53719

APPLICATION OF ENTERGY TEXAS, INC. FOR AUTHORITY TO CHANGE RATES	§ § §	PUBLIC UTILITY COMMISSION OF TEXAS

DIRECT TESTIMONY

OF

SEAN C. MCHONE

ON BEHALF OF

ENTERGY TEXAS, INC.

JULY 2022

ENTERGY TEXAS, INC.
DIRECT TESTIMONY OF SEAN C. MCHONE
2022 RATE CASE

TABLE OF CONTENTS

EXHIBITS

I. INTRODUCTION

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

A. My name is Sean C. McHone, and my business address is 55 East Monroe Street, Chicago, Illinois 60603. I am a Member, Senior Vice President, and Project Director with Sargent & Lundy, LLC ("S&L"). S&L is a consulting engineering firm working mainly with electric utilities. S&L has provided consulting engineering services to the electric power utility industry for more than 130 years.

Q2. WHAT IS YOUR EDUCATIONAL AND PROFESSIONAL BACKGROUND?

A. I received a Bachelor of Science degree in Mechanical Engineering in 1998 from the University of Illinois at Chicago. I joined S&L in 1997 as an intern and upon graduation in 1998, I was hired on as a full time Engineer. I was promoted to my current position in January 2018. My experience includes a wide range of engineering and management duties in various positions related to the electric power industry.

I have 25 years of extensive experience in the design and engineering of major steam-electric generating stations. Before assuming my current responsibilities, I served as Senior Project Manager for the firm. In that position, I provided management and overall direction for engineering, design, and related technical and/or support activities performed by all disciplines assigned to power plant projects. I planned, coordinated, and monitored the work of the various disciplines assigned to a project and communicated routinely and frequently with clients to develop a mutual understanding of client priorities and issues. I was also

responsible for assuring that the work was planned and performed on schedule, within budget, and according to the agreed upon scope of work, with an emphasis on quality and client satisfaction.

In my current position as Senior Vice President, I provide leadership and direction to all levels and all disciplines of the engineering and design organizations at S&L. Such leadership and direction ensures that S&L engineering and design deliverables meet our clients' expectations, capture the scope of our assignments, are technically correct, and are of the highest quality. I ensure that S&L standards are continually updated so they reflect current industry codes, standards, and also capture the current state-of-the-art of vendor supplied equipment and components. My 20-plus years of performing detailed engineering and design assignments exclusively in the power generation industry, both nationally and internationally, has given me a strong foundation of experience from which to draw to make sure that S&L assignments are carried out in a technically correct manner with quality, budget, and schedule expectations achieved. My experiences include the design and construction of new full-scale power generation facilities, as well as the demolition of, and upgrades to, existing power generation facilities.

My experience consists of both domestic and international work. This includes engineering, analysis, design, development of construction specifications, procurement, construction management, commissioning, and project management of multidisciplinary engineering activities for major power block structures and ancillary buildings. My resume is provided in Exhibit SCM-1 and more fully details my qualifications and extensive power plant experience.

Q3. ON WHOSE BEHALF ARE YOU TESTIFYING IN THIS PROCEEDING?

A. I am testifying on behalf of Entergy Texas, Inc. ("ETI" or the "Company").

Q4. ARE YOU FAMILIAR WITH ETI FOSSIL GENERATING PLANTS?

A. Yes. In addition to the demolition studies and the underlying information used therein, I have some first-hand experience with some of the ETI Fossil Generating Plants. Specifically, I was directly involved with the Mercury and Air Toxics Standards ("MATS") Compliance Project for the Nelson 6 Station, as well as the construction of the Montgomery County Power Station.

Q5. HAVE YOU PREVIOUSLY SUBMITTED TESTIMONY BEFORE A REGULATORY AGENCY?

A. Yes, I previously submitted testimony on behalf of ETI in its 2018 base-rate case.

II. PURPOSE OF TESTIMONY

Q6. PLEASE DESCRIBE THE PURPOSE OF YOUR TESTIMONY AND HOW IT RELATES TO OTHER WITNESSES.

A. My testimony addresses the results of the site-specific studies conducted by S&L to estimate the costs of dismantling ETI's electric power generating facilities. I am sponsoring the demolition cost estimate studies that are contained in Exhibit SCM-2. Exhibit SCM-2 includes the demolition cost estimate studies for the following ETI generating facilities:

- Big Cajun 2, Unit 3 and common;

- Hardin County Power Station;
- Lewis Creek Units 1-2 and common;
- Montgomery County Power Station;
- Nelson Unit 6 and common;
- Sabine Units 1-5 and common; and
- Spindletop Gas Storage Facility.

ETI witness Dane Watson incorporates the results from my dismantling study in his depreciation study.

III. BACKGROUND

Q7. WHY IS IT NECESSARY TO DISMANTLE A GENERATING STATION AT THE END OF ITS USEFUL LIFE?

A. There are a number of reasons for dismantling generating stations at the end of their useful life. To reuse land, structures and facilities would need to be removed. Because the number of locations in the nation that are conducive to electric generating stations is limited, it is possible that after the retirement of the units, future generating stations would be located at these sites to take advantage of existing substations, transmission lines, gas lines, rail lines, etc. Reuse of these locations would require removal of any previous structures. Also, there is a safety concern, and, therefore, a potential public risk, if security is not maintained at the facilities. If abandoned structures are not dismantled, the structures will deteriorate if not maintained. Some of the structures, such as exhaust stacks, could create potential public safety risks and have the potential to collapse and cause damage. Removal and disposal of asbestos is also required in any location where it exists.

Q8. PLEASE BRIEFLY DESCRIBE HOW S&L PERFORMED ITS STUDIES OF THE COST OF DISMANTLING ETI'S ELECTRICAL GENERATING FACILITIES.

A. Our method of performing these cost estimate studies started with participating in meetings with representatives of ETI in order to determine the scope of work and assumptions. We also worked with ETI representatives to gather information on plant characteristics to be used in the studies. These documents provided the location of major facilities on site and the arrangement inside the power blocks at each plant, such as the boiler building, the turbine building, etc., along with other pertinent information for the studies. The unique characteristics of each site were captured by methods such as reviewing general arrangement drawings and aerial photographs, and/or site visits. In addition, we reviewed the previously developed demolition estimates for certain generating units from 2018. For those units evaluated in 2018, meetings were held with the station personnel to identify changes made to the facility since the previous estimates were prepared. The changes were then incorporated into the input quantities used to develop the current demolition estimates.

This data was reviewed in detail to finalize the scope of the cost estimates and the assumptions that were used to develop the cost estimates. For example, in a number of instances, we assumed that there was sufficient room on site to dispose of all the non-hazardous debris. We also assumed that it would not be necessary to remove all of the tens of thousands of feet of underground piping and wiring from the sites. Assumptions such as these minimize the demolition cost estimate and

result in a reasonable cost estimate for dismantling the facility. This is not a "brick by brick" demolition cost estimate that assumes every single component is demolished in an inefficient manner. A more detailed description of the scope and parameters of the studies can be found in Exhibit SCM-2.

This process is consistent with that used to develop the S&L demolition studies reviewed by the Public Utility Commission of Texas ("Commission") in connection with three prior rate cases of Southwestern Electric Power Company ("SWEPCO"), Docket Nos. 40443, 46449, and 51415, as well as ETI's 2018 base-rate case.

Q9. WHEN DID S&L CONDUCT THE SITE VISITS FOR THE DEMOLITION STUDIES SUBMITTED IN THIS PROCEEDING?

A. S&L conducted the site visits specific to the demolition cost studies for all of ETI's four fossil fueled generating facilities in January of 2022.

IV. DEMOLITION COST ESTIMATE STUDIES

Q10. PLEASE DESCRIBE THE COST ESTIMATE STUDIES CONTAINED IN EXHIBIT SCM-2.

A. As I mentioned, Exhibit SCM-2 presents the demolition cost estimates for the generating facilities I listed at the outset of my testimony. The costs for demolition of structures, equipment, etc., are separately itemized for each generating facility in this exhibit. The assumptions and commercial considerations used to develop the cost estimates are also identified in this exhibit.