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PUBLIC UTILITY COMMISSION
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NON-STANDARD TRUE-UP FILING §
OF ENTERGY TEXAS, INC. §
PURSUANT TO THE FINANCING §
ORDER IN DOCKET NO. 37247 §
CONCERNING SCHEDULE SCO §

PUBLIC UTILITY COMMISSION
OF TEXAS

PETITION

Entergy Texas, Inc. (“ETI” or the “Company”) is filing this Non-Standard True-Up pursuant to the Financing Order issued by the Public Utility Commission of Texas (“PUCT” or “Commission”) in Docket No. 37247, *Application of Entergy Texas, Inc. for a Financing Order* (September 11, 2009).

I. Business Address and Authorized Representatives

The business address of the Company is:

Entergy Texas, Inc.
350 Pine Street
Beaumont, Texas 77701.

The business mailing address of the Company is:

Entergy Texas, Inc.
P.O. Box 2951
Beaumont, Texas 77704.

The business telephone number of the Company is (409) 838-6631.

The authorized representatives of the Company in this proceeding are:

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Inquiries and pleadings concerning this Petition should be directed to the following representative:

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II. Jurisdiction

ETI is an electric utility, as the Public Utility Regulatory Act¹ § 31.002(6) defines that term. Further, the Commission has jurisdiction over the Company's Non-Standard True-Up filing pursuant to Sections 14.001, 32.001, 36.401-36.406 and 39.301-39.313 of PURA. This filing is made in compliance with Findings of Fact 9(c) and 86-88 and Ordering Paragraphs 3 and 14 of the Financing Order. The Non-Standard True-Up will affect amounts billed for energy consumption and demand of retail customers taking service from the Company.

III. Background

On July 16, 2009, ETI filed its application for a Financing Order under Subchapter I of Chapter 36 and Subchapter G of Chapter 39 of PURA to permit securitization of its system restoration costs ("SRC") and other qualified costs as described in its application. That proceeding was assigned Docket No. 37247. On September 11, 2009, the Public Utility Commission of Texas ("Commission") issued a Financing Order that authorized the issuance of

¹ TEX. UTIL. CODE ANN. §§ 11.001 – 58.303 (WEST 2016) ("PURA").

transition bonds for the recovery of SRCs, carrying costs, and up-front qualified costs associated with the bonds.² In accordance with the Financing Order, Entergy Texas Restoration Funding, LLC, (“ETR Funding”) securitized the SRCs and other qualified costs on November 6, 2009, by issuing Senior Secured Transition Bonds, and ETI began billing SRC charges on November 30, 2009.

The Financing Order further required the implementation of a separate credit, called the “ADFIT Credit,” that functions as a negative charge to provide customers subject to SRC charges an amount equal to a return on the remaining balance of accumulated deferred federal income taxes related to the SRCs being securitized. The ADFIT Credit similarly became effective on November 30, 2009, as Schedule SCO, or “Storm Cost Offset.” The Financing Order and Schedule SCO (including Schedule SCO – Attachment A) set out the rates and terms and conditions of the ADFIT Credit.

Finding of Fact No. 9(c) of the Financing Order states that, following the initial period, “[t]he ADFIT Credit shall thereafter be adjusted on each annual date that the system restoration charges are trued up to (i) correct any over-credit or under-credit of the amounts previously scheduled to be provided to customers, (ii) reflect the amounts scheduled to be provided to customers during the period the adjusted ADFIT Credit is to be effective, and (iii) account for the effects, if any, of any insurance proceeds, government grants or other source of funding that compensate ETI for system restoration costs incurred.” Ordering Paragraph 3 further provides that “[a]ny adjustment to the ADFIT Credit, if any, shall be made through a separate filing submitted by ETI at the same time it submits the system restoration charge true-up adjustment filing and using the same allocation factors and billing determinants as the annual system restoration charge true-up filing.” Schedule SCO states that the “true-up will be performed at the same time, and using the same billing determinants, as the Standard True-Up or Non-Standard True-Up for Rate Schedule SRC.” Schedule SCO – Attachment A states that “SCO rates to be applied in subsequent periods will be determined in the Standard True-Up or Non-Standard True-Up process.”

Findings of Fact 86-88 of the Financing Order require the filing of a “non-standard true-up procedure” if the forecasted billing units for any one of the classes for an upcoming period

² *Application of Entergy Texas, Inc. for a Financing Order*, Docket No. 37247, Financing Order (Sept. 11, 2009) (“Financing Order”).

decrease by more than 10% compared to the billing units established for the annual period ending December 31, 2008. The billing units for the Period 9 billing period (November 2017 – October 2018) for the Experimental Economic As-Available Power Service (“EAPS”) rate class are forecasted to decrease by more than 10% compared to the billing units established for the annual period ending December 31, 2008. Although Findings of Fact 86-88 refer only to “transition charges,” Schedule SCO and the Findings of Fact and Ordering Paragraphs cited above indicate that the Non-Standard True-Up provisions of the Financing Order are applicable to SCO rates as well. Therefore, the SCO rates to be applied during 2017 and 2018 must be adjusted pursuant to the Non-Standard True-Up provisions of the Financing Order.

IV. Required Showing

Finding of Fact No. 88 in the Financing Order requires ETI to make the Non-Standard True-Up filing at least 90 days before the proposed true-up adjustment is to take effect. ETI proposes that the adjustment be effective for bills rendered beginning on October 27, 2017, which is the date upon which the bills for the first cycle for the month of November 2017 will be rendered, so that the SCO rates applied to the various retail customer classes will reflect the allocation contemplated by the Non-Standard True-Up provisions of the Financing Order.

The proposed SCO rates are set out in proposed revised Schedule SCO — Attachment A, Initial or Adjusted Storm Cost Offset Rates, which is attached hereto as Appendix A, and application of those rates is also governed by Schedule SCO, Storm Cost Offset, which is unchanged. Calculation of the SCO rates is addressed in the Direct Testimony of Ms. Meghan DeRoche, which is attached to this Petition.

As shown in the Direct Testimony and exhibits of Ms. DeRoche, the justification for applying the Non-Standard True-Up is that the billing units for the EAPS rate class are projected to be more than 10% below the billing units for that class for the 12 months ended December 31, 2008 (*i.e.*, the non-standard true-up threshold). Pursuant to Finding of Fact 86 of the Financing Order, such a decrease in forecasted billing units by one or more customer classes requires application of a non-standard true-up.

Additional support for the filing is contained in the testimony and exhibits of Ms. DeRoche. For convenience, Appendix B contains the referenced Findings of Facts and Ordering Paragraphs from the Financing Order.

V. Scope of Proceeding, Procedural Schedule

Finding of Fact No. 88 of the Financing Order states that the scope of the proceeding is limited to determining whether the proposed adjustment complies with the Financing Order. That finding also directs the Commission to conduct a contested case proceeding pursuant to PURA § 39.003. Finding of Fact No. 88 further contemplates that this proceeding will be concluded within 90 days.³ Consistent with the Financing Order and the procedural schedules that have been adopted in ETI’s prior SCO non-standard true-up proceedings, ETI proposes the following procedural schedule:⁴

Deadline for intervention	August 31, 2017
Deadline to request a hearing	September 7, 2017
If hearing is not requested, parties to submit Stipulation/Proposed Findings of Fact and Conclusions of Law. If hearing is requested, parties to submit a proposed procedural schedule.	September 14, 2017

VI. Notice

Pursuant to Ordering Paragraph 14 and FoF 88(b), ETI is providing notice of this filing to the parties in Docket No. 37247 and Staff by providing them with a copy of this Petition.

VII. Protective Order

ETI requests that the Commission’s Standard Protective Order be issued in this proceeding.

VIII. Requested Relief

With the exception of the rates, the tariff set out in Appendix A has been approved by the Commission. ETI requests that the Commission approve the SCO rates set out in Schedule SCO — Attachment A, Initial or Adjusted Storm Cost Offset Rates. ETI anticipates that, effective with the first billing cycle for November 2017, the tariff in this filing will supersede the tariff approved in Docket No. 46250.

³ FoF 88 provides that “[t]he Commission will issue a final order by the proposed true-up adjustment date stated in the non-standard true-up filing,” which filing must be made at least 90 days before the date of the proposed true-up adjustment.

⁴ See, e.g., Docket No. 46250, *Non-standard True-up Filing of Entergy Texas, Inc. Pursuant to the Financing Order in Docket No. 37247*, Order No. 2 (Aug. 16, 2016).

ETI also requests that (1) a procedural schedule be established leading to Commission approval of the requested rates within 90 days, (2) the notice proposed by the Company be approved as to form, content and proposed distribution, (3) the requested Protective Order be issued, (4) the tariff attached as Appendix A be approved, and (5) ETI be granted such other relief to which the Commission deems ETI to be entitled.

Dated: July 28, 2017.

RESPECTFULLY SUBMITTED,



By:

Scott Olson
State Bar No. 24013266

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ATTORNEYS FOR
ENERGY TEXAS, INC.

ENTERGY TEXAS, INC.

SCHEDULE SCO – ATTACHMENT A

INITIAL OR ADJUSTED STORM COST OFFSET RATES

I. NET MONTHLY RATE

The SCO rates to be applied beginning on the effective date of this schedule are set out below. SCO rates to be applied in subsequent periods will be determined in the Standard True-Up or Non-Standard True-Up process.

SCO Rate Class	Initial or Adjusted SCO Rates	
Residential	(\$0.00060)	per kWh
Small General Service	(\$0.00074)	per kWh
General Service	(\$0.00043)	per kWh
Large General Service	(\$0.00025)	per kWh
Large Industrial Power Service	(\$0.01863)	per kW
Experimental Economic As-Available Power Service	(\$0.00000)	per kWh
Standby and Maintenance Service	(\$0.00242)	per kW
Street and Outdoor Lighting	(\$0.00222)	per kWh

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The Initial or Adjusted SCO Rates are multiplied by the kWh or kW as applicable, read, estimated or determined during the billing month and will be applied to bills rendered on and after the effective date.

DOCKET NO. 37247

APPLICATION OF ENERGY TEXAS, INC. FOR A FINANCING ORDER	§ § §	PUBLIC UTILITY COMMISSION OF TEXAS
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FINANCING ORDER

This Financing Order addresses the application of Entergy Texas, Inc. (ETI or the Company) under Subchapter I of Chapter 36 and Subchapter G of Chapter 39 of the Public Utility Regulatory Act¹ (PURA): (1) to securitize the sum of system restoration costs as determined by the Commission in Docket No. 36931,² carrying costs as applicable on the system restoration costs through the issuance of the transition bonds, and other qualified costs; (2) for approval of the proposed securitization financing structure and issuance of transition bonds; (3) for approval of transition charges sufficient to recover qualified costs; and (4) for approval of a tariff to implement the transition charges.

On August 21, 2009, ETI filed a unanimous settlement agreement (Agreement) resolving all issues in this proceeding. As discussed in this Financing Order, the Commission finds that the Agreement and ETI's application for approval of the securitization transaction, as modified by the Agreement and this Financing Order, should be approved. The Commission also finds that the securitization approved in this Financing Order meets all applicable requirements of PURA. Accordingly, in accordance with the terms of this Financing Order, the Commission: (1) approves the securitization requested by ETI; (2) authorizes the issuance of transition bonds in one or more series in an aggregate principal amount of (a) \$539,881,826 of system restoration costs pursuant to the Commission's Order in Docket No. 36931 (36931 Order) (which amount includes carrying costs in the amount of \$43,525,261 through the projected issuance date of the transition bonds of October 26, 2009, calculated at a rate of 10.86% per annum pursuant to the 36931 Order), plus (b) up-front qualified costs of issuing the transition bonds and of retiring some existing debt at ETI, which are capped, and are not to exceed \$5 million plus (i) the cost of original issue discount, credit enhancements and other arrangements to enhance marketability

¹ TEX. UTIL. CODE ANN. §§ 11.001-66.016 (Vernon 2007 & Supp. 2008).

² *Application of Entergy Texas, Inc. for Determination of 2008 System Restoration Costs*, Docket No. 36931 (Aug. 18, 2009).

12. Interim True-Up

84. The servicer is also required to make mandatory interim true-up adjustments semi-annually (or quarterly during the period between the expected final maturity and the legal final maturity of the last bond tranche or class) using the methodology identified in Findings of Fact Nos. 77 to 83 applicable to the annual true-up, (i) if the servicer forecasts that transition charge collections will be insufficient to make all scheduled payments of principal, interest and other amounts in respect of the transition bonds during the current or next succeeding payment period and/or (ii) to replenish any draws upon the capital subaccount.

85. In the event an interim true-up is necessary, the interim true-up adjustment should be filed not less than 15 days prior to the first billing cycle of the month in which the revised transition charges will be in effect. In no event would such interim true-up adjustments occur more frequently than every three months if quarterly transition bond payments are required or every six months if semi-annual transition bond payments are required; provided, however, that interim true-up adjustments for any transition bonds remaining outstanding after the expected final maturity date of the last bond tranche or class shall occur quarterly.

13. Non-Standard True-Up

86. A non-standard true-up procedure will be applied if the forecasted billing units for one or more of the transition charge customer classes for an upcoming period decreases by more than 10% compared to the billing units (known as the threshold billing units), shown in Appendix D to this Financing Order.

87. In conducting the non-standard true-up the servicer will:

- (a) allocate the upcoming period's PBR based on the PBRAFs approved in Docket No. 36931;
- (b) calculate undercollections or overcollections, including without limitation any caused by REP defaults, if applicable, from the preceding period in each class by

subtracting the previous period's transition charge revenues collected from each class from the PBR determined for that class for the same period;

- (c) sum the amounts allocated to each customer class in steps (a) and (b) to determine an adjusted PBR for each transition charge customer class;
 - (d) divide the PBR for each customer class by the maximum of the forecasted billing units or the threshold billing units for that class, to determine the "threshold rate";
 - (e) multiply the threshold rate by the forecasted billing units for each class to determine the expected collections under the threshold rate;
 - (f) allocate the difference in the adjusted PBR and the expected collections calculated in step (e) among the transition charge customer classes by using the PBRAF's approved in Docket No. 36931;
 - (g) add the amount allocated to each class in step (f) above to the expected collection amount by class calculated in step (e) above to determine the final Periodic Billing Requirement for each class; and
 - (h) divide the final PBR for each class by the forecasted billing units to determine the transition charge rate by class for the upcoming period.
88. A proceeding for the purpose of approving a non-standard true-up should be conducted in the following manner:
- (a) The servicer will make a "non-standard true-up filing" with the Commission at least 90 days before the date of the proposed true-up adjustment. The filing will contain the proposed changes to the transition charge rates, justification for such changes as necessary to specifically address the cause(s) of the proposed non-standard true-up, and a statement of the proposed effective date.
 - (b) Concurrently with the filing of the non-standard true-up with the Commission, the servicer will notify all parties in this docket of the filing of the proposal for a non-standard true-up.

- (c) The servicer will issue appropriate notice and the Commission will conduct a contested case proceeding on the non-standard true-up proposal pursuant to PURA § 39.003.

The scope of the proceeding will be limited to determining whether the proposed adjustment complies with this Financing Order. The Commission will issue a final order by the proposed true-up adjustment date stated in the non-standard true-up filing. In the event that the Commission cannot issue an order by that date, the servicer will be permitted to implement its proposed changes. Any modifications subsequently ordered by the Commission will be made by the servicer in the next true-up filing.

14. Additional True-Up Provisions

89. The true-up adjustment filing will set forth the servicer's calculation of the true-up adjustment to the transition charges. Except for the non-standard true-up in Findings of Fact Nos. 86 through 88, the Commission will have 15 days after the date of a true-up adjustment filing in which to confirm the mathematical accuracy of the servicer's adjustment. Except for the non-standard true-up adjustment described above, any true-up adjustment filed with the Commission should be effective on its proposed effective date, which shall be not less than 15 days after filing. Any necessary corrections to the true-up adjustment, because of mathematical errors in the calculation of such adjustment or otherwise, will be made in future true-up adjustment filings. Any interim true-up may take into account the PPR for the next succeeding 12 months if required by the servicing agreement.
90. The true-up procedures contained in Schedule SRC found in Appendix B to this Financing Order are reasonable and will reduce risks related to the transition bonds, resulting in lower transition bond charges and greater benefits to ratepayers and should be approved.
91. The broad-based true-up mechanism and the State pledge described above, along with the special purpose entity's bankruptcy remoteness from ETI and the collection account, will serve to minimize if not effectively eliminate, for all practical purposes and circumstances, any credit risk to the payment of the transition bonds (i.e., that sufficient

14. **True-Ups.** True-ups of the transition charges, including standard, interim and non-standard true-ups, should be undertaken and conducted as described in Schedule SRC. The servicer shall file the true-up adjustments in a compliance docket and shall give notice of the filing to all parties in this docket.
15. **Ownership Notification.** Any entity that bills transition charges to retail consumers shall, at least annually, provide written notification to each retail consumer for which the entity bills transition charges that the transition charges are the property of BondCo and not of the entity issuing such bill.

C. Transition Bonds

16. **Issuance.** BondCo is authorized to issue transition bonds as specified in this Financing Order. The ongoing qualified costs described in Appendix C may be recovered directly through the transition charges.
17. ETI may securitize up-front qualified costs in accordance with this Financing Order, subject to the cap on ETI's securitizable up-front qualified costs as shown in this Financing Order. In the issuance advice letter, ETI will update the SEC registration fee, rating agency fees, and underwriters' fees. The cap on up-front qualified costs does not apply to costs associated with: (1) credit enhancements and arrangements to enhance marketability, including original issue discount, provided that the Commission's designated representative and ETI agree in advance that such enhancements and arrangements provide benefits greater than their tangible and intangible costs; (2) the costs of the Commission's financial advisor, if the Commission hires a financial advisor to assist it with issuance of the bonds; and (3) any costs incurred by ETI to defend this Financing Order, if this Financing Order is appealed.
18. ETI may recover its actual ongoing qualified costs (including amounts required to provide a return on the portion, if any, of capital contributions in excess of 0.5% of the original principal amount of each series of bonds, as described in Finding of Fact 62) through its transition charges. The amount of ongoing qualified costs is subject to updating in the issuance advice letter to reflect a change in the size of the transition bond issuance and other information available at the time of submission of the issuance advice

STATE OF LOUISIANA §

§

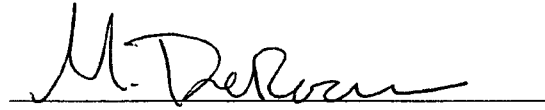
PARISH OF ORLEANS §

AFFIDAVIT OF MEGHAN DeROCHE

The undersigned, Meghan DeRoche, being first duly sworn on oath, states as follows:


1. My name is Meghan DeRoche. I am a Senior Regulatory Analyst in the Fuel and Special Riders department for Entergy Services, Inc. My business address is 639 Loyola Avenue, New Orleans, Louisiana 70113. I am over the age of twenty-one years, am of sound mind, am competent to make this Affidavit, and have personal knowledge of the statements herein. The statements herein are true and correct, and I am authorized to make them to the Public Utility Commission of Texas in connection with the *Non-Standard True-Up Filing of Entergy Texas, Inc. Pursuant to the Financing Order in Docket No. 37247 Concerning Schedule SCO*.
2. I am responsible for the following exhibits and workpapers to the filing package accompanying Entergy Texas, Inc.'s ("ETI") Petition in the above-styled proceeding.
 - Exhibit MPD-1, which contains commercially sensitive financial forecast information relating to the calculation of ETI's Storm Cost Offset rates.
3. This type of forecast information is maintained confidentially by ETI, is not made available for public disclosure, and, even within ETI, is only made available for review by those employees whose job duties required knowledge of forecast financial information. This forecast financial information should be maintained as highly sensitive information in this case because it is commercially sensitive financial information and public disclosure of the information could lead to an unreasonable risk of competitive harm to ETI.

Further Affiant sayeth not.



Meghan DeRoche

SUBSCRIBED AND SWORN TO BEFORE ME by the said Meghan DeRoche on the 27th day of July, 2017.



Notary Public

State of Louisiana

My Commission Expires: upon my death.

JENNIFER B. FAVALORA
Notary Public (ID# 57639)
Orleans Parish, Louisiana
Commission Issued For Life

DOCKET NO. _____

NON-STANDARD TRUE-UP FILING OF	§	
ENERGY TEXAS, INC. PURSUANT	§	BEFORE THE
TO THE FINANCING ORDER IN	§	PUBLIC UTILITY COMMISSION
DOCKET NO. 37247 CONCERNING	§	OF TEXAS
SCHEDULE SCO	§	

**STATEMENT UNDER SECTION 4
OF STANDARD PROTECTIVE ORDER**

The undersigned attorney for Entergy Texas, Inc. (“ETI”) submits this statement under Section 4 of the Standard Protective Order adopted in this case.

As set forth in the affidavit of Meghan DeRoche that is included as part of the filing package in this case, certain exhibits and workpapers included in ETI’s petition contain information that is commercially sensitive. As Ms. DeRoche explains in her affidavit, the public disclosure of this information would cause harm to ETI. As such, these materials are protected under TEX. GOV’T CODE §§ 552.101, 552.104, and 552.110 and TEX. UTIL. CODE § 39.001(b)(4).

I have reviewed the information sufficiently to state in good faith that the information is exempt from public disclosure under the Public Information Act and merits the Highly Sensitive Protected Materials (Highly Confidential) designation it is given in ETI’s filing.



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ATTORNEYS FOR
ENERGY TEXAS, INC.

DOCKET NO. _____

NON-STANDARD TRUE-UP FILING	§	BEFORE THE
OF ENTERGY TEXAS, INC.	§	PUBLIC UTILITY COMMISSION
PURSUANT TO THE FINANCING	§	OF TEXAS
ORDER IN DOCKET NO. 37247	§	
CONCERNING SCHEDULE SCO	§	

DIRECT TESTIMONY
OF
MEGHAN DeROCHE
ON BEHALF OF
ENTERGY TEXAS, INC.

JULY 2017

DOCKET NO. _____

NON-STANDARD TRUE-UP FILING OF ENTERGY TEXAS, INC.
PURSUANT TO THE FINANCING ORDER IN DOCKET NO. 37247 CONCERNING
SCHEDULE SCO

DIRECT TESTIMONY OF MEGHAN DeROCHE

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EXHIBITS

Exhibit MPD-1	Calculation of the Proposed SCO Rates
Exhibit MPD-2	Rate Comparison
Exhibit MPD-3	Proposed SCO Rates (Schedule SCO — Attachment A)

1 I. INTRODUCTION

2 Q. PLEASE STATE YOUR NAME, POSITION AND BUSINESS ADDRESS.

3 A. My name is Meghan DeRoche. I am a Senior Lead Regulatory Analyst in the
4 Fuel and Special Riders Department for Entergy Services, Inc. ("ESI"). My
5 business address is 639 Loyola Avenue, New Orleans, Louisiana 70113.

6

7 Q. WHAT ARE YOUR CURRENT JOB RESPONSIBILITIES?

8 A. My current responsibilities include supporting ongoing regulatory filings and
9 other regulatory issues including storm cost securitization true-up filings for
10 the Entergy Operating Companies.¹ This work includes the preparation of
11 non-standard true-up calculations for ETI's Storm Cost Offset
12 Schedule ("Schedule SCO").

13

14 Q. PLEASE DESCRIBE YOUR EDUCATIONAL AND PROFESSIONAL
15 EXPERIENCE.

16 A. In 2007, I graduated from the Louisiana State University with a Bachelor of
17 Science Degree in Accounting. In 2007, I was hired by Deloitte & Touche
18 LLP to work in the Enterprise Risk Services (ERS) department where I
19 assisted companies in becoming compliant with Sarbanes Oxley and OMB
20 Circular A-123. In 2010, I was hired by ESI to work in the accounting
21 department and later went to work in the finance department. During my time

¹ The Entergy Operating Companies include Entergy Texas, Inc. ("ETI"), Entergy Louisiana, LLC ("ELL"); Entergy Arkansas, Inc. ("EAI"); Entergy Mississippi, Inc. ("EMI"); and Entergy New Orleans, Inc. ("ENO").

1 in accounting I worked in the revenue and fuel accounting groups. My main
2 role in these groups was to complete general accounting functions and
3 provide analysis. In the Finance Business Partners department, my main role
4 was to develop and manage the Capital and O&M five year plan for
5 Transmission. In 2017, I accepted a position in the Fuel and Special Riders
6 Department.

7

8

II. PURPOSE OF TESTIMONY

9 Q. PLEASE EXPLAIN THE PURPOSE OF YOUR TESTIMONY IN THIS FILING.

10 A. The purpose of my testimony in this filing is to: (1) support the calculation of
11 Schedule SCO Rates by SCO Rate Class pursuant to the Non-Standard
12 True-Up provisions of the Financing Order in Docket No. 37247, Findings of
13 Fact ("FoF") 9(c) and 86 through 88, and (2) support the Schedule SCO –
14 Attachment A accompanying this filing.

15

16 Q. WHAT RELIEF IS THE COMPANY REQUESTING IN THIS FILING?

17 A. The Company is requesting approval of its revised Schedule SCO –
18 Attachment A effective on and after the first billing cycle for November 2017,
19 which begins October 27, 2017.

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III. BACKGROUND

Q. PLEASE PROVIDE A BRIEF DESCRIPTION OF SCHEDULE SCO.

A. On July 16, 2009, ETI filed its application for a financing order under Subchapter I of Chapter 36 and Subchapter G of Chapter 39 of the Public Utility Regulatory Act (“PURA”) to permit securitization of system restoration costs and other qualified costs as described in its application. That proceeding was assigned Docket No. 37247. On September 11, 2009, the Commission issued a final order (“Financing Order”) that authorized the issuance of Transition Bonds and the recovery of costs associated with such bonds through System Restoration Costs (“SRC”) Charges. Subsequently, ETI caused the Transition Bonds to be issued and began billing SRC Charges on November 30, 2009, pursuant to the Financing Order in Docket No. 37247.

The Financing Order further required the implementation of a separate credit, called the “ADFIT Credit,” that functions as a negative charge to provide customers subject to SRCs an amount equal to a return on the remaining balance of accumulated deferred federal income taxes related to the SRCs being securitized. The ADFIT Credit similarly became effective on November 30, 2009, as Schedule SCO, or “Storm Cost Offset.” Pursuant to the Findings of Fact 9(c) and 86 through 88, Ordering Paragraphs 3 and 14, and Schedule SCO, the annual Schedule SCO true-up is required to be performed at the same time and in the same manner as the Schedule SRC true-up.

1 The annual Schedule SRC true-up for this Period 9 is required to be
2 performed as a Non-Standard True-Up. Accordingly, this Schedule SCO
3 true-up filing is being made to comply with the procedures in the Financing
4 Order for making a Non-Standard True-Up. Those procedures require such
5 filings to be made at least 90 days in advance of the proposed effective date
6 of the revised Schedule SCO reflecting the revenues contained in the Non-
7 Standard True-Up. The current filing is being made more than 90 days prior
8 to the first billing cycle for November 2017 so that the SCO rates applied to
9 each SCO rate class will reflect the allocation contemplated by the Non-
10 Standard True-Up provisions of the Financing Order.

11

12 IV. NON-STANDARD TRUE-UP

13 Q. WHAT IS THE NON-STANDARD TRUE-UP ADJUSTMENT?

14 A. FoF 86 of the Financing Order states that a Non-Standard True-Up
15 adjustment will be applied if the forecasted billing units for one or more of the
16 rate classes for an upcoming period decrease by more than 10% compared to
17 the billing units for the 12 months ending December 31, 2008 (known as the
18 threshold billing units). FoFs 87 and 88 set forth a Non-Standard True-Up
19 adjustment procedure for adjusting the rates for each rate class and the
20 process to be followed in making a Non-Standard True-Up filing.

1 Q. WHY IS THE NON-STANDARD TRUE-UP ADJUSTMENT NEEDED AT THIS
2 TIME?

3 A. The billing units for the Period 9 SCO period (November 2017 through
4 October 2018) for the Experimental Economic As-Available Power Service
5 ("EAPS") rate class are forecasted to be less than the threshold billing
6 determinants, as shown in Appendix D to the Financing Order. Therefore, in
7 accordance with FoF 86 of the Financing Order, the SCO rates proposed to
8 be effective with the November 2017 billing cycle are adjusted pursuant to the
9 Non-Standard True-Up provisions of the Financing Order.

10

11 Q. HOW IS THE NON-STANDARD TRUE-UP ADJUSTMENT CALCULATED?

12 A. As prescribed in FoF 87, the Non-Standard True-Up is to be calculated in the
13 following manner:²

- 14 a. allocate the upcoming period's Periodic Billing Requirement ("PBR")
15 based on the PBR Allocation Factors ("PBRAF") approved in Docket
16 No. 36931;
- 17 b. calculate under-collections or over-collections, including without
18 limitation any caused by Retail Electric Provider defaults, if applicable,
19 from the preceding period in each class by subtracting the previous
20 period's transition charge revenues collected from each class from the
21 PBR determined for that class for the same period;
- 22 c. sum the amounts allocated to each customer class in steps (a) and (b)
23 to determine an adjusted PBR for each transition charge customer
24 class;
- 25 d. divide the PBR for each customer class by the maximum of the
26 forecasted billing units or the threshold billing units for that class, to
27 determine the "threshold rate";

² While FoF 87 refers to "transition charges" and the "PBR," the language in the Financing Order and Schedule SCO indicate that these procedures are equally applicable to Schedule SCO.

- 1 e. multiply the threshold rate by the forecasted billing units for each class
2 to determine the expected collections under the threshold rate;
- 3 f. allocate the difference in the adjusted PBR and the expected
4 collections calculated in step (e) among the transition charge customer
5 classes by using the PBRAs approved in Docket No. 36931;
- 6 g. add the amount allocated to each class in step (f) above to the
7 expected collection amount by class calculated in step (e) above to
8 determine the final PBR for each class; and
- 9 h. divide the final PBR for each class by the forecasted billing units to
10 determine the transition charge rate by class for the upcoming period.

11 The calculation of the proposed SCO rates, detailed in Highly Sensitive
12 Exhibit MPD-1 to this testimony, complies with the provisions of the
13 Financing Order.

14

15 Q. PLEASE EXPLAIN THE ADFIT CREDIT USED IN THE CURRENT FILING.

16 A. The ADFIT Credit (analogous to the PBR in the Schedule SRC true-up) for
17 Period 9 is \$(6,152,993), which includes a class-specific reconciliation of
18 Period 8 billings. My Exhibit MPD-1 is the Schedule SCO – Attachment A
19 ADFIT Credit adjustment calculation.³ In addition, pursuant to the Notice of
20 Approval in Docket No. 39848, ETI has reconciled the estimated July through
21 October 2016 billings with actual July through October 2016 billings for
22 Schedule SCO.⁴ (See DeRoche Direct, WP3/Exhibit MPD-1.)

³ As described in the first annual Schedule SCO true-up, the ADFIT Credit schedule, Attachment F to the Financing Order, was revised to reflect (1) the re-calculation of the ADFIT Credit based on the actual 13-year term of the transition bonds, and (2) the receipt of additional insurance proceeds subsequent to the issuance of the Financing Order. See *Compliance Filing for Entergy Texas, Inc. Concerning Schedule SCO*, Docket No. 38810 (Oct. 14, 2010).

⁴ *Annual Standard True-Up Compliance Filing of Entergy Texas, Inc. Concerning Schedule SCO*, Docket No. 39848, Notice of Approval (Oct. 31, 2011).

1 Q. PLEASE EXPLAIN THE PROJECTED BILLING UNITS USED IN THE
2 CURRENT FILING.

3 A. Entergy Services, Inc.'s Forecasting Section forecasts monthly kWh sales by
4 revenue class in support of ETI's business planning process. The forecasted
5 revenue class kWh sales are allocated to the SCO rate classes based on
6 historical revenue class and rate class relationships. For SCO rate classes
7 that require forecasted kW rather than kWh, the historical relationship of kW
8 and kWh for those classes was utilized to calculate the required kW. These
9 are the same billing determinants used in the corresponding Schedule SRC
10 Non-Standard True-Up filing.

11

12 V. PROPOSED TARIFF

13 Q. HAVE YOU PROVIDED A REVISED TARIFF REFLECTING THE
14 NON-STANDARD TRUE-UP CALCULATION OF SCO RATES?

15 A. Yes. Exhibit MPD -3 contains the proposed Schedule SCO – Attachment A,
16 which has been marked showing the changes from the current Schedule SCO
17 – Attachment A.

18

19 Q. WHAT CHANGES ARE PROPOSED FOR SCHEDULE SCO –
20 ATTACHMENT A?

21 A. The rates are changed as indicated with margin notations on Exhibit MPD-3.
22 An effective date of October 27, 2017 has been added to the header on
23 the page.

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VI. CONCLUSION

Q. WHAT RELIEF IS THE COMPANY REQUESTING IN THIS PROCEEDING?

A. The Company is requesting that Schedule SCO – Attachment A contained in Exhibit MPD-3 be approved effective with the first billing cycle of November 2017 (October 27, 2017).

Q. HAVE THE REQUESTED SCO RATES BY SCO RATE CLASS BEEN CALCULATED IN A MANNER CONSISTENT WITH THE FINANCING ORDER REQUIREMENTS AND THE SRC NON-STANDARD TRUE-UP?

A. Yes, they have. According to Appendix E of the Financing Order in Docket No. 37247, *ADFIT Credit Tariff (Schedule SCO)*, the “Rate Schedule SCO true-up will be performed at the same time, using the same billing determinants, as the Standard True-Up or Non-Standard True-Up for Rate Schedule SRC.” In order to have the same billing determinant effect on the SCO ADFIT Credit as on the SRC PBR, the Company is required to follow the same Non-Standard True-Up procedure in the SCO true-up calculation as in the SRC true-up calculation.

Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?

A. Yes.

This page replaces
HIGHLY SENSITIVE
Exhibit MPD-1
Page 1 of 1
Filed Separately Under Seal

ENTERGY TEXAS, INC.
Functionalization and Allocation of Annual Securitization Payments
Billing Period 9 - Texas Retail by Class

	<u>Tx Retail</u>	<u>Texas Retail</u>							
		<u>RES</u>	<u>SGS</u>	<u>GS</u>	<u>LGS</u>	<u>LIPS</u>	<u>EAPS</u>	<u>SMS</u>	<u>LTG</u>
Production									
Texas Retail Allocation Factors *	100.0000%	43 5249%	2 1765%	21 9201%	7.5549%	21 6431%	1 9501%	0 8743%	0.3561%
Related Storm Costs	\$2,440,116								
Total Storm Costs	\$496,356,566								
Ratio of Related Storm Costs	0.4916%								
Annual Levelized Payment **	\$ (5,901,973)								
Payment Allocated to Prod	(\$29,014)	(\$12,628)	(\$632)	(\$6,360)	(\$2,192)	(\$6,280)	(\$566)	(\$254)	(\$103)
Transmission									
Texas Retail Allocation Factors *	100 0000%	45 7242%	2 2720%	22 5398%	7 4625%	18.8947%	1.9855%	0 7864%	0 3349%
Related Storm Costs	\$70,981,989								
Total Storm Costs	\$496,356,566								
Ratio of Related Storm Costs	14 3006%								
Annual Levelized Payment	(\$5,901,973)								
Payment Allocated to Trans	(\$844,018)	(\$385,920)	(\$19,176)	(\$190,240)	(\$62,985)	(\$159,475)	(\$16,758)	(\$6,637)	(\$2,827)
Distribution									
Texas Retail Allocation Factors *	100 0000%	59 5467%	4 4127%	24.6479%	5 5437%	1 4705%	0 0000%	0 1477%	4 2308%
Related Storm Costs	\$421,131,190								
Total Storm Costs	\$496,356,566								
Ratio of Related Storm Costs	84.8445%								
Annual Levelized Payment	(\$5,901,973)								
Payment Allocated to Distrib	(\$5,007,499)	(\$2,981,800)	(\$220,966)	(\$1,234,243)	(\$277,601)	(\$73,635)	\$0	(\$7,396)	(\$211,857)
Net General Plant									
Texas Retail Allocation Factors *	100 0000%	52 3305%	3 6199%	20 1101%	5 8632%	14 1243%	1 1314%	0.7442%	2 0764%
Related Storm Costs	\$1,803,271								
Total Storm Costs	\$496,356,566								
Ratio of Related Storm Costs	0 3633%								
Annual Levelized Payment	(\$5,901,973)								
Payment Allocated to Other	(\$21,442)	(\$11,221)	(\$776)	(\$4,312)	(\$1,257)	(\$3,029)	(\$243)	(\$160)	(\$445)
Total Payments	(\$5,901,973)	(\$3,391,570)	(\$241,550)	(\$1,435,155)	(\$344,035)	(\$242,418)	(\$17,566)	(\$14,447)	(\$215,232)

* Source of Texas Retail Allocation Factors - Docket No 36931 Phillip B Gillam Direct Testimony Exhibit PBG-3

** See WP4/Exhibit MPD-1, Page 2

This page replaces
HIGHLY SENSITIVE
WP2/Exhibit MPD-1
Page 1 of 1
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**ENTERGY TEXAS, INC
CALCULATION OF TRUE-UP FOR SCO PERIOD 8
FOR CALCULATION OF PERIOD 9 SCO RATES**

Line No	Rate Class	Billed SCO \$ for Period 8												
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	
		November 2016	December 2016	January 2017	February 2017	March 2017	April 2017	May 2017	June 2017	Estimated July 2017	Estimated August 2017	Estimated September 2017	Estimated October 2017	Totals
1	Residential Service	\$ (298,893 31)	\$ (287,749 27)	\$ (344,687 98)	\$ (277,633 99)	\$ (259,263 26)	\$ (262,566 92)	\$ (283,887 87)	\$ (379,213 03)	\$ (453,838 50)	\$ (486,860 73)	\$ (449,461 56)	\$ (357,460 48)	\$ (4,141,516 90)
2	Small General Service	\$ (21,075 53)	\$ (20,282 90)	\$ (22,820 04)	\$ (19,842 49)	\$ (19,514 08)	\$ (19,973 72)	\$ (20,761 99)	\$ (25,658 74)	\$ (27,455 68)	\$ (27,232 32)	\$ (26,087 42)	\$ (23,125 39)	\$ (273,830 30)
3	General Service	\$ (147,785 94)	\$ (135,611 19)	\$ (138,535 96)	\$ (122,824 84)	\$ (136,326 19)	\$ (135,431 30)	\$ (140,656 56)	\$ (159,405 95)	\$ (170,871 29)	\$ (172,725 47)	\$ (172,323 30)	\$ (156,846 94)	\$ (1,789,344 93)
4	Large General Service	\$ (36,784 17)	\$ (34,817 35)	\$ (35,614 89)	\$ (32,825 31)	\$ (35,706 02)	\$ (34,926 43)	\$ (35,662 03)	\$ (38,599 54)	\$ (40,213 42)	\$ (39,560 95)	\$ (38,949 64)	\$ (36,747 37)	\$ (440,407 12)
5	Large Industrial Power Service	\$ (24,003 50)	\$ (23,673 78)	\$ (23,852 78)	\$ (23,786 01)	\$ (23,879 42)	\$ (24,194 73)	\$ (24,227 76)	\$ (25,251 86)	\$ (29,888 59)	\$ (28,966 77)	\$ (24,221 35)	\$ (30,105 62)	\$ (306,052 17)
6	Exper Econ As-Avail Pwr Svc													
7	Standby and Maintenance Service	\$ (1,452 69)	\$ (1,452 69)	\$ (1,452 69)	\$ (1,363 62)	\$ (1,541 44)	\$ (1,449 53)	\$ (1,456 13)	\$ (1,441 38)	\$ (1,646 94)	\$ (1,466 13)	\$ (1,090 77)	\$ (1,757 24)	\$ (17,571 25)
8	Street and Outdoor Lighting	\$ (21,746 34)	\$ (21,824 73)	\$ (21,991 80)	\$ (19,342 69)	\$ (22,270 54)	\$ (21,903 56)	\$ (22,022 25)	\$ (22,126 95)	\$ (22,056 72)	\$ (21,599 48)	\$ (20,881 06)	\$ (20,881 06)	\$ (258,805 69)
9	Totals	\$ (551,741 48)	\$ (525,411 91)	\$ (588,956 14)	\$ (497,618 95)	\$ (498,500 95)	\$ (500,446 19)	\$ (528,674 59)	\$ (651,697 45)	\$ (745,971 14)	\$ (778,411 85)	\$ (733,173 61)	\$ (626,924 10)	\$ (7,227,528 36)

Line No	Rate Class	Reconciliation of Estimated versus Actual Billed SCO for Pnr Period [2]												
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
		Estimated [1] July 2016	Actual July 2016	(2) - (1) Adjustment	Estimated [1] August 2016	Actual August 2016	(5) - (4) Adjustment	Estimated [1] September 2016	Actual September 2016	(8) - (7) Adjustment	Estimated [1] October 2016	Actual October 2016	(11) - (10) Adjustment	Total Adjustment
10	Residential Service	\$ (533,737 35)	\$ (559,656 79)	\$ (25,919 44)	\$ (547,450 91)	\$ (572,256 70)	\$ (24,805 79)	\$ (538,514 93)	\$ (533,895 53)	\$ 4,619 40	\$ (425,548 25)	\$ (465,761 82)	\$ (40,213 57)	\$ (86,319 40)
11	Small General Service	\$ (31,836 02)	\$ (32,547 49)	\$ (711 47)	\$ (32,442 07)	\$ (33,098 68)	\$ (656 61)	\$ (32,484 83)	\$ (31,935 73)	\$ 549 10	\$ (28,055 95)	\$ (29,532 66)	\$ (1,476 71)	\$ (2,295 69)
12	General Service	\$ (170,224 81)	\$ (169,121 85)	\$ 1,102 96	\$ (172,551 31)	\$ (175,232 48)	\$ (2,681 17)	\$ (178,094 86)	\$ (176,178 15)	\$ 1,916 71	\$ (158,164 34)	\$ (167,172 61)	\$ (9,008 27)	\$ (8,669 77)
13	Large General Service	\$ (44,901 49)	\$ (44,695 86)	\$ 205 63	\$ (44,206 59)	\$ (45,040 01)	\$ (833 42)	\$ (45,441 69)	\$ (44,877 13)	\$ 564 56	\$ (42,849 08)	\$ (43,839 89)	\$ (990 81)	\$ (1,054 04)
14	Large Industrial Power Service	\$ (28,203 30)	\$ (27,050 38)	\$ 1,152 92	\$ (28,175 98)	\$ (25,872 38)	\$ 2,303 60	\$ (28,715 94)	\$ (26,282 36)	\$ 2,433 58	\$ (28,161 68)	\$ (26,387 69)	\$ 1,773 99	\$ 7,664 09
15	Exper Econ As-Avail Pwr Svc													
16	Standby and Maintenance Service	\$ (1,630 25)	\$ (1,788 71)	\$ (158 46)	\$ (1,585 54)	\$ (1,693 76)	\$ (108 22)	\$ (1,636 23)	\$ (1,688 51)	\$ (52 28)	\$ (1,656 40)	\$ (1,670 59)	\$ (14 19)	\$ (333 15)
17	Street and Outdoor Lighting	\$ (26,499 09)	\$ (26,406 44)	\$ 92 65	\$ (26,061 43)	\$ (26,587 40)	\$ (525 97)	\$ (25,833 43)	\$ (26,589 59)	\$ (756 16)	\$ (25,625 66)	\$ (26,756 95)	\$ (1,131 29)	\$ (2,320 77)
18	Totals	\$ (837,032 31)	\$ (861,267 52)	\$ (24,235 21)	\$ (852,473 83)	\$ (879,781 41)	\$ (27,307 58)	\$ (850,721 91)	\$ (841,447 00)	\$ 9,274 91	\$ (710,061 36)	\$ (761,122 21)	\$ (51,060 85)	\$ (93,328 73)

	SCO for Billing Period 8 [3]	Billings for Present SCO Rates	Reconciliation Adjustment	(Over)/Under
	(1)	(2)	(3)	(4)
10	Residential Service	\$ (4,367,544 35)	\$ (4,141,516 90)	\$ (86,319 40)
11	Small General Service	\$ (283,516 31)	\$ (273,830 30)	\$ (2,295 69)
12	General Service	\$ (1,856,536 56)	\$ (1,789,344 93)	\$ (8,669 77)
13	Large General Service	\$ (457,591 98)	\$ (440,407 12)	\$ (1,054 04)
14	Large Industrial Power Service	\$ (335,870 14)	\$ (306,052 17)	\$ 7,664 09
15	Exper Econ As-Avail Pwr Svc	\$ (263 14)	\$ -	\$ 263 14
16	Standby and Maintenance Service	\$ (17,984 22)	\$ (17,571 25)	\$ (333 15)
17	Street and Outdoor Lighting	\$ (252,570 76)	\$ (258,805 69)	\$ (8,555 70)
18	Totals	\$ (7,571,877 46)	\$ (7,227,528 36)	\$ (93,328 73)

Notes
 [1] Ref ETI SCO July 2016 True-Up, Exhibit KNT-1,WP3
 [2] Per agreement reached in settlement of October 2011 SCO True-Up
 [3] Ref ETI SCO July 2016 True-Up, Exhibit KNT-1,WP1

Capitalized Costs less Removal Costs	\$173,064,425	NOL 12/31/08	\$490,283,000
Removal-Cost portion of Capitalized Costs	\$26,470,207	NOL Utilized 2009	(\$154,153,000)
Subtotal	\$199,534,632	NOL Utilized 2010	(\$298,919,000)
Deferred O&M	\$296,821,934	NOL Utilized 2011	(\$37,211,000)
Total System Restoration Costs	\$496,356,566		\$0
Rate of Return	10.86%		

Accumulated Deferred Federal Income Tax Benefit - Initial Calculation Based on 13-Year Term

Period	A O&M Tax Effect	B Removal Cost Tax Effect	C Tax Depreciation Tax Effect	D ADFIT (A + B + C)	E Cumulative ADFIT	F NOL Tax Effect	G Principal Tax Effect	H Cummulative Principal Tax Effect	I Year End Rate Base Effect (E+F-H)	K Return On Rate Base	L ADFIT Rate Base Benefit
0	\$ 103,887,677	\$ 9,264,572	\$ 31,800,588	\$ 144,952,837	\$ 144,952,837	\$ (131,133,888)		\$ -	\$ 13,818,949		
1	0	0	\$ 2,877,196	2,877,196	147,830,033	(39,179,263)	\$ 3,550,142	3,550,142	\$ 105,100,628	10.86%	\$ 11,413,928
2	0	0	\$ 2,589,476	2,589,476	150,419,509		\$ 12,536,775	16,086,917	\$ 134,332,592	10.86%	\$ 14,588,519
3	0	0	\$ 2,332,043	2,332,043	152,751,552		\$ 12,264,971	28,351,888	\$ 124,399,664	10.86%	\$ 13,509,804
4	0	0	\$ 2,098,839	2,098,839	154,850,391		\$ 12,525,558	40,877,446	\$ 113,972,945	10.86%	\$ 12,377,462
5	0	0	\$ 1,886,835	1,886,835	156,737,226		\$ 12,803,518	53,680,964	\$ 103,056,262	10.86%	\$ 11,191,910
6	0	0	\$ 1,786,890	1,786,890	158,524,116		\$ 13,098,850	66,779,814	\$ 91,744,302	10.86%	\$ 9,963,431
7	0	0	\$ 1,786,890	1,786,890	160,311,006		\$ 13,550,534	80,330,348	\$ 79,980,658	10.86%	\$ 8,685,899
8	0	0	\$ 1,789,919	1,789,919	162,100,925		\$ 14,036,964	94,367,312	\$ 67,733,613	10.86%	\$ 7,355,870
9	0	0	\$ 1,786,890	1,786,890	163,887,815		\$ 14,558,138	108,925,450	\$ 54,962,365	10.86%	\$ 5,968,913
10	0	0	\$ 1,789,919	1,789,919	165,677,734		\$ 15,166,175	124,091,625	\$ 41,586,109	10.86%	\$ 4,516,251
11	0	0	\$ 1,786,890	1,786,890	167,464,624		\$ 15,826,329	139,917,954	\$ 27,546,670	10.86%	\$ 2,991,568
12	0	0	\$ 1,789,919	1,789,919	169,254,543		\$ 16,538,601	156,456,555	\$ 12,797,988	10.86%	\$ 1,389,861
13	0	0	\$ 1,786,890	1,786,890	171,041,433		\$ 17,268,245	173,724,800	\$ (2,683,367)	10.86%	\$ (291,414)
14	0	0	\$ 1,789,919	1,789,919	172,831,352		\$ -	173,724,800	\$ (893,448)	10.86%	\$ (97,028)
15	0	0	\$ 893,445	893,445	173,724,797		0	173,724,800	\$ (3)	10.86%	\$ -
16	Total			\$ 173,724,797			\$ 173,724,800				\$ 103,564,974

	Insurance Proceeds > \$70M	Adjusted Costs		
Capitalized Costs less Removal Costs	\$173,064,425	\$1,741,267	\$171,323,158	NOL12/31/08 \$490,283,000
Removal-Cost portion of Capitalized Costs	\$26,470,207	\$0	\$26,470,207	NOL Utilized 2009 (\$154,153,000)
Subtotal	\$199,534,632	\$1,741,267	\$197,793,365	NOL Utilized 2010 (\$298,919,000)
Deferred O&M	\$296,821,934	\$3,738,331	\$293,083,603	NOL Utilized 2011 (\$37,211,000)
Total Hurricane Reconstruction Costs	\$496,356,566	\$5,479,598	\$490,876,968	\$0
Rate of Return	10.86%		10.86%	

Accumulated Deferred Federal Income Tax Benefit - Adjusted for Insurance Proceeds in Excess of \$70,000,000

Period	A O&M Tax Effect	B Removal Cost Tax Effect	C Tax Depreciation Tax Effect	D ADFIT (A + B + C)	E Cumulative ADFIT	F NOL Tax Effect	G Principal Tax Effect	H Cummulative Principal Tax Effect	I Year End Rate Base Effect (E+F-H)	K Return On Rate Base	L ADFIT Rate Base Benefit (1)
0	\$ 102,579,261	\$ 9,264,572	\$ 31,480,630	\$ 143,324,463	\$ 143,324,463	\$ (131,133,888)		\$ -	\$ 12,190,575		
1	0	0	\$ 2,848,248	2,848,248	146,172,711	(39,179,263)	\$ 3,510,949	3,510,949	\$ 103,482,499	10.86%	11,238,199
2	0	0	\$ 2,563,423	2,563,423	148,736,134		\$ 12,398,373	15,909,322	\$ 132,826,812	10.86%	14,424,992
3	0	0	\$ 2,308,580	2,308,580	151,044,714		\$ 12,129,570	28,038,892	\$ 123,005,822	10.86%	13,358,432
4	0	0	\$ 2,077,722	2,077,722	153,122,436		\$ 12,387,281	40,426,173	\$ 112,696,263	10.86%	12,238,814
5	0	0	\$ 1,867,851	1,867,851	154,990,287		\$ 12,662,172	53,088,345	\$ 101,901,942	10.86%	11,066,551
6	0	0	\$ 1,768,912	1,768,912	156,759,199		\$ 12,954,244	66,042,589	\$ 90,716,610	10.86%	9,851,824
7	0	0	\$ 1,768,912	1,768,912	158,528,111		\$ 13,400,942	79,443,531	\$ 79,084,580	10.86%	8,588,585
8	0	0	\$ 1,771,910	1,771,910	160,300,021		\$ 13,882,001	93,325,532	\$ 66,974,489	10.86%	7,273,430
9	0	0	\$ 1,768,912	1,768,912	162,068,933		\$ 14,397,422	107,722,954	\$ 54,345,979	10.86%	5,901,973
10	0	0	\$ 1,771,910	1,771,910	163,840,843		\$ 14,998,746	122,721,700	\$ 41,119,143	10.86%	4,465,539
11	0	0	\$ 1,768,912	1,768,912	165,609,755		\$ 15,651,613	138,373,313	\$ 27,236,442	10.86%	2,957,878
12	0	0	\$ 1,771,910	1,771,910	167,381,665		\$ 16,356,021	154,729,334	\$ 12,652,331	10.86%	1,374,043
13	0	0	\$ 1,768,912	1,768,912	169,150,577		\$ 17,077,610	171,806,944	\$ (2,656,367)	10.86%	(288,481)
14	0	0	\$ 1,771,910	1,771,910	170,922,487		\$ -	171,806,944	\$ (884,457)	10.86%	(96,052)
15	0	0	\$ 884,456	884,456	171,806,943		0	171,806,944	\$ (1)	10.86%	0
16 Total				\$ 171,806,943			\$ 171,806,944				\$ 102,355,727

Notes:
(1) Ref. Docket No. 38810 WP-4/Exhibit JWB-1

**ENTERGY TEXAS, INC.
COMPARISON OF SCO RATES
PERIOD 8 AND PERIOD 9**

Line No.	Rate Class	Billing Units	Present	Period 9	Change	
			Period 8 \$/Unit	\$/Unit	\$/Unit	%
		(1)	(2)	(3)	(4)	(5)
1	Residential Service	Per kWh	(0.00073)	(0.00060)	0.00013	17.9%
2	Small General Service	Per kWh	(0.00082)	(0.00074)	0.00008	9.7%
3	General Service	Per kWh	(0.00053)	(0.00043)	0.00010	18.1%
4	Large General Service	Per kWh	(0.00031)	(0.00025)	0.00006	19.9%
5	Large Industrial Power Service	Per kW	(0.02265)	(0.01863)	0.00402	17.8%
6	Economic As-Available Service	Per kWh	-	-	-	0.0%
7	Standby and Maintenance Service	Per kW	(0.00300)	(0.00242)	0.00058	19.3%
8	Street and Outdoor Lighting	Per kWh	(0.00279)	(0.00222)	0.00057	20.5%

ENTERGY TEXAS, INC.**SCHEDULE SCO – ATTACHMENT A****INITIAL OR ADJUSTED STORM COST OFFSET RATES****I. NET MONTHLY RATE**

The SCO rates to be applied beginning on the effective date of this schedule are set out below. SCO rates to be applied in subsequent periods will be determined in the Standard True-Up or Non-Standard True-Up process.

SCO Rate Class	Initial or Adjusted SCO Rates	
Residential	(\$0.00060)	per kWh
Small General Service	(\$0.00074)	per kWh
General Service	(\$0.00043)	per kWh
Large General Service	(\$0.00025)	per kWh
Large Industrial Power Service	(\$0.01863)	per kW
Experimental Economic As-Available Power Service	(\$0.00000)	per kWh
Standby and Maintenance Service	(\$0.00242)	per kW
Street and Outdoor Lighting	(\$0.00222)	per kWh

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The Initial or Adjusted SCO Rates are multiplied by the kWh or kW as applicable, read, estimated or determined during the billing month and will be applied to bills rendered on and after the effective date.