BEFORE THE

LOUISIANA PUBLIC SERVICE COMMISSION

IN RE: **APPLICATION OF ENTERGY LOUISIANA, LLC FOR RECOVERY IN RATES OF COSTS RELATED TO HURRICANES LAURA, DELTA, ZETA, AND WINTER STORM URI AND FOR RELATED RELIEF**	))))))	**DOCKET NO. U-_____**

DIRECT TESTIMONY

OF

PHILLIP R. MAY

ON BEHALF OF

ENTERGY LOUISIANA, LLC

APRIL 2021

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EXHIBIT LIST

I. INTRODUCTION

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

A. My name is Phillip R. May. I am President and Chief Executive Officer ("CEO") of Entergy Louisiana, LLC ("ELL" or the "Company").[1] My business addresses are 4809 Jefferson Highway, Jefferson, Louisiana 70121 and 446 North Boulevard, Baton Rouge, Louisiana 70802.

Q2. ON WHOSE BEHALF ARE YOU SUBMITTING THIS DIRECT TESTIMONY?

A. I am testifying on behalf of ELL in support of its application (the "Application") before the Commission seeking certification of and approval for securitization of the costs incurred to rebuild ELL's electric infrastructure and to restore power to customers in connection with Hurricanes Laura, Delta and Zeta, as well as the February 2021 winter storms and extreme cold temperatures ("Winter Storm Uri").

Q3. PLEASE DESCRIBE YOUR EDUCATIONAL AND PROFESSIONAL BACKGROUND.

A. I have a Bachelor of Science degree in Electrical Engineering from the University of Southwestern Louisiana, now called the University of Louisiana at Lafayette, and a Master

[1] On October 1, 2015, pursuant to Louisiana Public Service Commission ("LPSC" or "Commission") Order No. U-33244-A, Energy Gulf States Louisiana, L.L.C. ("Legacy EGSL") and Entergy Louisiana, LLC ("Legacy ELL") combined substantially all of their respective assets and liabilities into a single operating company, Entergy Louisiana Power, LLC, which subsequently changed its name to Entergy Louisiana, LLC ("ELL") ("Business Combination"). Upon consummation of the Business Combination, ELL became the public utility that is subject to LPSC regulation and now stands in the shoes of Legacy EGSL and Legacy ELL.

of Business Administration from the University of New Orleans. I also completed the Wharton School's Mergers and Acquisitions program.

I have worked for subsidiaries of Entergy Corporation for nearly 35 years. I joined Louisiana Power & Light Company (now known as ELL) in 1986 as an Engineer in the Rates and Regulatory Affairs Department. I was responsible for developing cost of service studies to support Legacy ELL's retail and wholesale rates. I also planned and directed numerous engineering studies and special projects. In 1993, I joined the Entergy/Gulf States Utilities Merger Team as a Senior Engineer. Following that assignment, I joined Entergy Services, Inc.'s[2] Financial Planning Department and was responsible for financial planning for Entergy Gulf States, Inc. (a predecessor-in-interest to Entergy Texas, Inc., and Legacy EGSL) as well as for Legacy ELL. In 1994, I was promoted to Senior Lead Analyst in Wholesale Transactions. In that role, I worked directly with large customers to meet their wholesale power requirements. In 1995, I was promoted to Manager of Strategic Planning. The members of my group served as internal consultants to various business units. I was later promoted to the Director of Utility Transition and Development. I was responsible for analytical and strategic analysis of the regulated utilities' transition to competition efforts. In 2000, I assumed the role of Vice President, Regulatory Services. In that position, I was responsible for providing technical and analytical support to all of the EOCs to enable them to satisfy their regulatory obligations. My department consisted of: System Regulatory Planning & Support, Regulatory Strategy, Regulatory Projects, and

[2] Entergy Services, LLC ("ESL"), formerly Entergy Services, Inc., is a service company to the five Entergy Operating Companies ("EOCs"), which are ELL, Entergy Arkansas, LLC, Entergy Mississippi, LLC, Entergy Texas, Inc., and Entergy New Orleans, LLC.

Integrated Energy Management. In February 2013, I became the President and CEO of Legacy ELL and Legacy EGSL. Legacy ELL and Legacy EGSL consummated their Business Combination in October 2015, and I continue to serve as President and CEO of the combined entity, ELL.

As my background and current duties indicate, in addition to my other areas of formal education and experience, I have particular experience with analyzing how industry trends, strategic initiatives, policy choices, and financial planning affect the Company's ability to provide safe, efficient, and reliable service at reasonable rates.

Q4. HAVE YOU PREVIOUSLY TESTIFIED IN ANY REGULATORY PROCEEDING?

A. Yes. A listing of the cases in which I have previously testified is attached hereto as Exhibit PRM-1.

Q5. WHAT ARE YOUR CURRENT DUTIES?

A. As President and CEO of ELL, I have executive responsibility for the Company, including financial responsibility for the business and assets that are used to serve customers, which include generation, transmission, and distribution assets. In addition, my responsibilities include oversight of the field management of the Company's gas distribution system, customer service, economic development, regulatory affairs, public affairs, and the financial performance of ELL. During an emergency event (such as a storm), I work closely with and receive direct reports from the State Incident Commander for Louisiana, Company witness John W. Hawkins, Jr.

Q6. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

A. My testimony provides an overview of the relief sought by ELL associated with the damage sustained as a result of Hurricanes Laura, Delta, and Zeta and Winter Storm Uri. I also discuss the challenges faced by ELL in restoring service to customers following those storms. My Direct Testimony also outlines ELL's storm preparedness and response processes, ELL's storm plan, and the implementation of that plan during the 2020 hurricane season. Finally, I also introduce the witnesses who support the Company's Application.

As ELL's Application and supporting testimony demonstrate, the storm costs incurred by ELL were both reasonable and necessary to repair, in the safest and most expeditious manner possible, the extensive damage sustained by ELL's system and to restore service to ELL's customers following Hurricanes Laura, Delta, and Zeta and Winter Storm Uri.

II. SUMMARY OF THE COMPANY'S APPLICATION

Q7. PLEASE DESCRIBE THE RELIEF THAT THE COMPANY IS SEEKING IN THIS PROCEEDING.

A. Through its current Application, the Company seeks the Commission's review and determination of the prudently-incurred costs to rebuild its electric infrastructure and restore power to customers in connection with Hurricanes Laura, Delta, and Zeta and Winter Storm Uri, which determination will establish the amount that is eligible for recovery from customers. In a subsequent application, ELL will propose a permanent financing method or methods to the Commission that ELL believes will be both beneficial

to customers and at a lower cost than would be obtained if ELL financed storm recovery using traditional utility capital.

Q8. WHAT IS THE CURRENT STATUS OF THE COMPANY'S BUSINESS AS IT RELATES TO ELL'S APPLICATION?

A. ELL and its customers are facing the challenges of coronavirus disease 2019 ("COVID-19") and recovering from the most expensive and destructive Atlantic hurricane season in the Company's history. The Company is fully mindful of the hardships that our customers have been facing with courage and resiliency, and I discuss in this testimony some of ELL's efforts to assist our customers. Although this filing comes at a challenging time, Louisiana's recovery from COVID-19 and devastating storms requires that ELL remain a financially healthy utility that can facilitate economic growth and complete the transition to the modern electric grid. Indeed, ELL's financial health is what allowed it to withstand lost revenue due to COVID-19 and the devastating 2020 hurricane season while undertaking an extraordinary, $2 billion effort to quickly repair storm damage and restore power. More recently, the Company is carrying $166 million of extraordinary fuel costs from February 2021 that were incurred to address Winter Storm Uri.[3] The relief requested in ELL's Application is necessary to meet the fundamental, vital objective of maintaining ELL's financial health so that it, in turn, can provide safe, reliable, and cost-effective service to our customers.

[3] As approved by the LPSC Executive Secretary under authority delegated to him by Special Order 19-2021, ELL is recovering the extraordinary fuel costs from customers through the fuel adjustment clause over a five-month period ending August 2021.

Further demonstrating the necessity of the relief requested in ELL's Application, the Company recently entered into a Stipulation in LPSC Docket No. U-35565 concerning its application to extend and modify its Formula Rate Plan ("FRP"). The terms and conditions of that Stipulation are different from what the Company requested in its application, and those that have traditionally been agreed to in regard to extension of prior FRPs. A primary reason that the Company accepted the Stipulation despite those differences is its recognition of the hardships that have been endured by customers both from the COVID-19 pandemic and three devastating hurricanes. These events have brought significant costs to ELL and its customers that could not be anticipated and which must be addressed through the current Application. Although ELL is developing low cost, financing alternatives to address the 2020 storm restoration costs, ELL recognizes that the recovery of these costs will have an effect on customer bills that cannot be ignored. By accepting the Stipulation in the FRP docket, ELL made a significant contribution to the overall effort to achieve reasonable and timely recovery of the unusual storm costs that have been incurred over the last year.

Q9. HOW HAS THE COMPANY RESPONDED TO COVID-19?

A. Recognizing the impact that COVID-19 is having on our customers, our employees, and the communities that we serve, the Company has taken several steps to provide support and protection. Effective March 13, 2020, and consistent with the Commission's Executive Order of that date, ELL suspended electric and natural gas service disconnections for nonpayment. During this moratorium, Entergy quickly formed a COVID-19 task force focused entirely on supporting our customers during this difficult period. This task force

created an Enhanced Customer Assistance Plan focused on creating flexible payment options for assisting customers, implementing 24/7 self-service options to allow easy access to these options, and executing a robust communications plan to create awareness and engagement in payment arrangements.

Concerning payment options, the Company has worked with customers on a case-by-case basis to pay accumulated balances. For example, customers now have the ability to extend payments of their past due amounts over a longer period. Residential customers also have the option to fold-in their past due amounts using Levelized Billing, a program that averages payments for a more consistent monthly bill. Commercial and small industrial customers also are being offered flexible payment arrangements to assist in their recovery.

To create awareness of flexible payment options and strategies to manage increased demand for energy at home resulting from school and business closures and telecommuting, the Company has maintained communication with our customers through multiple platforms. One of those platforms is an online hub that compiles information and helpful links for our residential customers about available local, state, and federal resources.[4] The Company also focused on connecting customers to external financial

[4] *See* https://www.entergy.com/covid-19/laresources/.

assistance such as the Low Income Home Energy Assistance Program, the Emergency Rental Assistance Program,[5] and available financial assistance for businesses.

And to further help working families experiencing financial hardships as a result of the pandemic, the Entergy Charitable Foundation established the COVID-19 Emergency Relief Fund, which has made grants to United Way organizations and other nonprofit partners that are providing services to impacted households in ELL's service area. Already in place, moreover, is Entergy's Power to Care program, which provides emergency bill payment assistance to seniors and disabled individuals.

To ensure the safety of our employees and operations, ELL began monitoring and preparing for a COVID-19 outbreak in late January 2020 and has implemented its incident response plan. Action items have included educating employees around self-checking for symptoms, telecommuting, social distancing, and other precautions to prevent the spread of COVID-19; following official public health recommendations and lowering the density of people at our Company locations; and working closely with our suppliers as part of our overall business-continuity efforts. As the crisis has unfolded, ELL has stayed in close contact with LPSC Staff and Commissioners, as well as with local, state, and federal authorities. Our operations and facilities have remained safe, secure, and reliable, allowing the Company to provide essential energy to customers throughout the crisis. As I discuss

[5] Louisiana recently received funding awards for the Emergency Rental Assistance Program through the federal Coronavirus Response and Relief Supplemental Appropriations Act, 2021 (H.R. 133). Approximately $248 million has been allocated to the state to provide assistance in 57 Louisiana parishes. An additional $197 million for the program is anticipated from the American Rescue Plan. Under federal guidelines, assistance to make utility payments was permitted for inclusion in the program. Prior to the Company's engagement, however, the Louisiana Housing Corporation was not inclined to provide access to the program for help with utility and home energy costs. The Company worked closely with state and local officials to confirm that utility costs would be included in the program along with rent for our customers who have been unable to pay either due to the COVID-19 pandemic.

later in my testimony, however, COVID-19 impacted significantly the restoration of service after Hurricanes Laura, Delta, and Zeta and the associated costs.

Q10. WHAT IS THE STATUS OF THE MORATORIUM ON SERVICE DISCONNECTIONS AND PAST-DUE BALANCES?

A. On July 1, 2020, the Commission issued an order that would eventually permit resumption of service disconnections for nonpayment. Although ELL did not resume service disconnections in 2020, the Company continues to transition back to normal business operations in 2021 to address growing arrears balances. As of April 2, 2021, approximately 205,000 of ELL's customer accounts were in arrears, representing a total arrearage of approximately $98 million. By way of comparison, the total arrearage balance in years prior to COVID-19 typically fell within the $20 to $32 million range.

Disconnecting service is the option of last resort, and we understand that many of our customers are experiencing hardships caused by COVID-19. That is why the Company has developed new payment options and is giving our customers who are experiencing financial difficulties every opportunity to make payments arrangements. Although ELL has resumed service disconnections, they are currently limited to customers with past-due balances that have not taken the opportunity to make payment arrangements with the Company.

Q11. HOW WOULD YOU DESCRIBE THE RISK THAT SEVERE WEATHER POSES TO ELL AND ITS CUSTOMERS?

A. The challenge of maintaining reliable service in an area that has seen more than its fair share of devastation from severe weather is one of the most significant characteristics of ELL's risk profile. Louisiana has a history of vulnerability to hurricanes and other storms along its coast that has resulted in significant unplanned cash expenditures (capital and O&M/other). The following table reflects costs that the Company (through its predecessor entities) incurred and the Commission deemed prudent and properly recoverable following Hurricanes Katrina, Rita, Gustav, Ike, and Isaac.

Table 1

Event	Year(s) of storm	Amount Approved for Recovery ($M)
Hurricanes Katrina and Rita	2005	Legacy ELL: 545 Legacy EGSL: 187 **Total: 732**[6]
Hurricanes Gustav and Ike	2008	Legacy ELL: 394 Legacy EGSL: 234 **Total: 628**[7]
Hurricane Isaac	2012	Legacy ELL: 224.3 Legacy EGSL: 66.5 **Total: 290.8**[8]

[6] *In re: Joint Application of Entergy Gulf States, Inc. and Entergy Louisiana, Inc. for Interim and Permanent Recovery in Rates of Costs Related to Hurricanes Katrina and Rita,* Commission Order No. U-29203-B (March 3, 2006) at 16.

[7] *In re: Joint Application of Entergy Gulf States Louisiana, L.L.C. and Entergy Louisiana, LLC for Recovery in Rates of Costs Related to Hurricanes Gustav and Ike*, Commission Order No. U-30981 (April 30, 2010) at 7.

[8] *In re: Joint Application for Recovery in Rates of Costs Related to Hurricane Isaac, Determination of Appropriate Storm Reserve Escrow Amounts and Related Relief,* Commission Order No. U-32764 (June 18, 2014) at p. 57; *In re: Joint Application for Recovery in Rates of Costs Related to Hurricane Isaac, Determination of Appropriate Storm Reserve Escrow Amounts and Related Relief,* Commission Order No. U-32764-A (June 18, 2014) at p. 57.

Q12. PLEASE SUMMARIZE THE COMPANY'S EXPERIENCE WITH SEVERE WEATHER DURING THE 2020 ATLANTIC HURRICANE SEASON AND WINTER 2021.

A. The Company has learned through experience that each hurricane brings unique challenges, and the risk posed by hurricanes materialized in devastating, unprecedented fashion during the 2020 Atlantic hurricane season. Within a nine-week period from August 27, 2020 through October 28, 2020, Louisiana was battered by a series of hurricanes, including the strongest hurricane to make landfall in Louisiana in 164 years. These three hurricanes – Laura, Delta, and Zeta – caused extensive damage to ELL's utility system and the communities that we serve.

Hurricane Laura in August 2020 was the most damaging and expensive storm to ever strike ELL's system. In late October 2020, Hurricane Zeta became a record eleventh named storm to make landfall in the United States, extending the record set earlier in October 2020 by Hurricane Delta, which itself broke the mark of nine that had stood since 1916. Hurricane Zeta also was the fifth named storm to make landfall in Louisiana during 2020, making it the most active storm season in the State's history. And the dedicated men and women who worked to restore electric service throughout Louisiana during the 2020 storm season faced the additional challenges presented by the COVID-19 pandemic.

Then, in February 2021, back-to-back winter storms brought freezing rain and ice to Louisiana. The first storm hit on February 15, 2021, and heavily impacted the Livingston Parish, Tangipahoa Parish, and Greater Baton Rouge areas. On February 17, the second storm heavily impacted central and north Louisiana. In total, Winter Storm Uri knocked out power to approximately 228,000 ELL customers.

The magnitude of the damage caused by each of the storms, and particularly Hurricane Laura, presented several unique challenges that the Company had to overcome in restoring service to its customers. I attach as Exhibit PRM-2 to my testimony an Executive Summary of ELL's Application that highlights the Company's storm recovery efforts undertaken in response to each of the major storms that impacted ELL's service area.

Q13. CAN YOU ELABORATE ON THE CHALLENGES FACED BY THE COMPANY IN RESPONDING TO HURRICANES LAURA, DELTA, ZETA, AND WINTER STORM URI?

A. Certainly. The Company's restoration efforts during the 2020 hurricane season presented several unique challenges. Although a restoration effort after any major storm is challenging and involves its own unique set of circumstances, the nature and extent of Hurricane Laura's damage to the electric transmission and distribution systems, particularly, made the Hurricane Laura storm restoration as difficult and challenging as Entergy has ever faced. The most immediate challenge was the magnitude of the damage to the transmission system in Southwest Louisiana. As Company witness Michelle P. Bourg notes in her Direct Testimony, ELL is not aware of any other hurricane that has done as much damage to an electric transmission system as Hurricane Laura. All nine transmission lines that interconnect the transmission system that serves Southwest Louisiana to the remainder of the Entergy transmission system and neighboring systems were damaged or destroyed, requiring nearly a complete rebuild of large portions of the underlying transmission system in the Lake Charles area. And replacing destroyed

transmission structures can be far more challenging than replacing distribution poles. For example, three 18-wheelers are needed to transport one 500 kilovolt ("kV") transmission tower, whereas just one 18-wheeler can transport 50 or more distribution poles. Despite these difficulties, ELL implemented a number of unique and creative solutions in an effort to restore power as quickly as possible. Reflecting Hurricane Laura's devastating strength, it took almost 13 days, until September 9, 2020, to re-establish the first transmission tie into the region and return limited power to Lake Charles.

In addition, the 2020 Atlantic hurricane season was the most active hurricane season on record, with a total of 30 named storms, 13 of which developed into hurricanes, and 6 intensified into major hurricanes. The EOCs found themselves in the "cone of uncertainty" for eight of those storms.

Ongoing restoration efforts in response to those and other storms that struck the U.S. in 2020 also affected ELL's restoration efforts in that there was a limited supply of, and serious demand for, personnel, material, and logistical resources. To overcome these challenges, ELL brought in substation, relay, line, and vegetation personnel from mutual-assistance utilities and third-party contractors to assist in the restoration efforts. Employees and contractors worked significant overtime shifts to restore service as quickly and as safely possible. Accessing materials, supplies, and other resources was also hindered by the COVID-19 pandemic. Likewise, supplying food and lodging was another challenge given the widespread damage and ongoing restoration work in other areas.

Concerning Winter Storm Uri, the Company made every effort to restore power quickly to critical infrastructure that was essential to the health and well-being of our communities as well as to get the greatest number of customers back online at a time. As

Company witness Mr. Hawkins notes in his Direct Testimony, the Company monitored (and continues to monitor) locations of COVID-19 vaccination sites so that maintaining and/or restoring service to those sites could be prioritized appropriately. The Company also made every effort to prioritize restoring power to customers who had been without service the longest.

However, the Company faced access and mobility issues that impacted our ability to do so safely. Travel was extremely difficult, delaying workers from reaching damaged equipment to make repairs. For example, roads refreezing overnight throughout the week, particularly in North Louisiana, hampered travel until roads thawed. We also saw challenges with cold load pickup, which impacted the speed with which we were able to safely restore power to customers.

I, along with Company witnesses Mr. Hawkins and Ms. Bourg, discuss in our testimonies these and other challenges, including the primary cost drivers that affected the storm costs for which ELL seeks recovery in this proceeding.

Q14. WERE THE STORM COSTS FOR WHICH ELL SEEKS RECOVERY IN THIS PROCEEDING REASONABLE AND NECESSARY TO RESTORE SERVICE?

A. Yes. I have reviewed the storm costs presented in ELL's Application, and I believe that they were reasonable and necessary under the circumstances. I summarize those costs below, and other ELL witnesses provide more detail on the costs, including why they were reasonable and necessary, and why they should be certified by the Commission as eligible for recovery from customers.

Q15. WHAT ARE THE AMOUNTS OF ELL'S STORM COSTS INCURRED FOR HURRICANES LAURA, DELTA, AND ZETA AND FOR WHICH RECOVERY IS SOUGHT?

A. ELL's actual storm costs incurred through February 28, 2021, including estimates of restoration work not yet completed as of February 28, 2021, but excluding carrying costs, related to Hurricanes Laura, Delta, and Zeta are summarized in Table 2, below.

Table 2

Storm	Costs Incurred Through February 28, 2021	Estimated Costs to be Incurred After February 28, 2021	Total Gross Storm Costs
Hurricane Laura	$1,588,225,931	$7,505,802	$1,595,731,733
Hurricane Delta	$212,725,100	$2,508,887	$215,233,987
Hurricane Zeta	$175,301,561	$1,357,996	$176,659,557
Total	$1,976,252,592	$11,372,685	$1,987,625,277

After adding carrying costs in the amount of $45.4 million through January 2022, ELL is requesting approval from this Commission to recover a total of $2.033 billion incurred as a result of Hurricanes Laura Delta, and Zeta. ELL's gross storm costs, estimated costs to be incurred after February 28, 2021, and carrying costs for each storm are discussed in greater detail in Company witness Sarah M. Harcus's Direct Testimony and in Exhibits SMH-1 and SMH-5 to her testimony.

Q16. WHY HAS ELL INCLUDED ESTIMATED COSTS IN ITS TOTAL AMOUNTS OF STORM COSTS?

A. At this time, ELL does not have a total amount of final storm costs because certain storm-related projects remain to be completed (or were not completed as of February 28, 2021) and some vendors have yet to submit invoices, but these types of costs represent a small percentage of all storm costs. ELL is including in its requests estimated costs for these items so that the Company may move forward with the regulatory approval process and potentially finance or securitize while rates remain attractive. If the Company waited until 100% of costs were final to initiate the regulatory approval process, this could increase costs to customers if interest rates were to rise in the interim, as well as increasing carrying costs until permanent financing is in place. Company witness Ms. Harcus describes the items for which estimates were used. ELL will provide the actual cost information for these projects as they are completed.

Q17. ARE THE COSTS REFLECTED IN TABLE 2 ABOVE INCLUSIVE OF ALL ESTIMATES TO REPAIR DAMAGES FROM THE 2020 HURRICANE SEASON?

A. No. Hurricane Zeta significantly damaged a 30-mile 115kV transmission line in South Louisiana. ELL is evaluating alternatives to repairing this line, which could include non-wires alternatives. Potential costs of rebuilding or alternatives thereto are not reflected in the estimates set forth in Table 2.

Q18. DOES ELL EXPECT TO RECEIVE EXTERNAL SOURCES OF FUNDING, SUCH AS INSURANCE PROCEEDS OR GOVERNMENT GRANTS, FOR ITS STORM COSTS?

A. No. ELL has not received any insurance proceeds to date in connection with damage sustained to its system as a result of Hurricanes Laura, Delta, and Zeta, and it is not expected at this time that any insurance proceeds will be received. As discussed in prior storm cost proceedings, insurance has not been reasonably available for damages to transmission and distribution lines, which represent the vast majority of damages from Hurricanes Laura, Delta, and Zeta. With respect to insurance coverage for other property for which coverage was reasonably available, the damages to generation facilities and company buildings did not exceed the applicable self-insured retention. Additionally, ELL has not received any relief grants or funds from any federal or state governmental bodies to date. (By contrast, when an electric cooperative's service territory is included in a Presidentially-declared disaster area, the Federal Emergency Management Agency ("FEMA") reimburses a co-op at least 75 percent of the allowed costs of replacing damaged and destroyed co-op facilities.) ELL has proactively elevated the need for Federal Assistance to elements of both the current and previous administrations focusing on the catastrophic damage to ELL's electric infrastructure and the fact that short of Federal support, ELL's customers will bear responsibility for the costs to repair this infrastructure that supports the energy independence of the entire nation. If ELL's efforts to secure Federal assistance ultimately are successful, ELL would implement a true-up mechanism to handle any future amounts received, consistent with prior storm recovery orders.

Q19. WHAT ARE THE AMOUNTS OF ELL'S STORM COSTS INCURRED FOR WINTER STORM URI AND FOR WHICH RECOVERY IS SOUGHT?

A. ELL's actual storm costs incurred through February 28, 2021, including estimates of restoration work not yet completed as of February 28, 2021, but excluding carrying costs, related to Winter Storm Uri are summarized in Table 3, below.

Table 3

Storm	Costs Incurred Through February 28, 2021	Estimated Costs to be Incurred After February 28, 2021	Total Gross Storm Costs
Winter Storm Uri	$23,297,265	$36,702,735	$60,000,000

After adding carrying costs in the amount of $4.4 million through January 2022, ELL is requesting approval from this Commission to recover a total of $64.4 million incurred as a result of Winter Storm Uri. ELL's gross storm costs, estimated costs for projects not completed and/or costs not accrued as of February 28, 2021, and carrying costs for Winter Storm Uri are discussed in greater detail in Company witness Ms. Harcus's Direct Testimony and in Exhibits SMH-2 and SMH-6 to her testimony.

Q20. WHY HAS THE COMPANY INCLUDED WINTER STORM URI COSTS IN THIS PROCEEDING?

A. The Company has proposed the inclusion of Winter Storm Uri costs in this proceeding in an effort to reduce administrative and carrying costs associated with the recovery of these expenditures. The level of Winter Storm Uri costs do not justify the burden and expense of a separate securitization filing. By seeking to include these costs in this proceeding to

be securitized with the Hurricanes Laura, Delta, and Zeta costs, the Company hopes to take advantage of attractive securitization rates, which would translate into significant savings for customers, which Company witness Ms. Harcus estimates to be in excess of $15 million.

Q21. PLEASE SUMMARIZE HOW THE COMPANY DEMONSTRATES THAT THE STORM COSTS IDENTIFIED IN THIS FILING ARE REASONABLE AND THEREFORE ELIGIBLE FOR RECOVERY FROM CUSTOMERS.

A. The Company demonstrates that these costs are composed of expenditures that were reasonable and necessary for the restoration of service to ELL's customers after Hurricanes Laura, Delta, Zeta, and Winter Storm Uri. To establish that these costs were reasonable and necessary, I, along with six other witnesses, present both high-level as well as cost-specific evidence supporting the costs divided among three functions: Transmission, Distribution, and Generation. Whether the costs presented are reasonable and necessary must be determined based on the circumstances that existed at the time and based on the resources and information reasonably available to the Company at the time.

The high-level evidence presented in my testimony and that of the other three functional witnesses includes (1) the identification and discussion of the major cost drivers, addressed below, that directly affected the amount of storm costs incurred; and (2) a discussion of the Company's storm preparedness, which facilitated an efficient and cost-effective response.

With regard to cost-specific evidence, the functionalized cost classes are further broken down into the "cost categories" of Contract Work, Employee Expense, Labor,

Materials, and "Other." In addition, affiliate costs are assigned one of two major cost categories – ESL Billings and Loaned Resources. The two remaining cost categories are Mutual Assistance and Adjustments. The functional witnesses explain in detail how the expenditures reflected in these cost categories are reasonable and necessary. For example, each functional witness describes why it was necessary for ELL to engage and obtain the services and materials that were required to restore and support the restoration of the facilities in that class; why the costs paid to vendors providing certain services and materials were reasonable; and how the Company contracted for those services and materials.

In addition to my testimony and that of the functional witnesses who directly support the cost classes, the Company presents testimony that provides additional support for (1) the effectiveness and reliability of the Company's processes to monitor and approve invoices associated with the restoration efforts following each storm, to ensure that the costs charged to the Company were for services actually performed and were consistent with the approved pricing for those services; and (2) verification of the process by which the Company captured and accounted for all storm costs.

Q22. IS ELL REQUESTING ANY OTHER RELIEF FROM THE COMMISSION IN ITS APPLICATION?

A. Yes. ELL is also requesting that the Commission authorize storm escrow funding in the amount of $290 million, which is the level established after Hurricane Isaac for Legacy EGSL and Legacy ELL. As I discuss below, these escrow funds provide an important source of cash to maintain the Company's financial health following major hurricanes.

Q23. WHAT IS THE PROCEDURAL PROCESS BY WHICH THE COMPANY SEEKS RELIEF FROM THE COMMISSION?

A. Specifically, the Company asks the Commission to review the prudence of its storm costs and approve the costs as eligible for recovery in rates and to determine the manner in which the costs may be recovered, with all such relief to be ordered simultaneously. However, in this initial filing, ELL presents the costs for which it seeks recovery, and asks that the Commission review these costs and approve them as eligible for recovery, as well as approve the reestablishment of a storm escrow fund and related rate issues.

ELL intends to supplement this filing with a request for permanent financing and to implement recovery of these costs. However, at this time, the Company is still developing and considering options for a proposed financing method. As I discuss below, the Company will make a supplemental filing requesting permanent financing later this year.

III. STORM PREPAREDNESS, STORM PLAN, AND IMPLEMENTATION

Q24. PLEASE DESCRIBE GENERALLY ELL'S SYSTEM INVESTMENTS IN THE PAST DECADE TO ENHANCE GRID RESILIENCY AND READINESS FOR MAJOR STORMS.

A. Over the past decade, the U.S. electric utility industry has invested considerable capital to replace and upgrade aging infrastructure. For its part, ELL has modernized its power plants, adding both cleaner and more efficient energy sources in order to provide our customers with reliable, safe, and low-cost energy. ELL has also invested significantly in

its transmission grid to expand for growth and to comply with federal reliability requirements.

Just as ELL's customers have benefitted from improvements in generation and transmission, ELL expects to continue to implement grid modernization and improvements to its distribution system that will benefit customers. ELL has steadily increased its investments in the distribution system during the 2013-2019 timeframe and anticipates that increasing levels of investment in distribution will continue during the 2020-2023 time period. This investment is part of the Company's overall effort to maintain service reliability, meet customers' expectations, and transform our business as technology and the industry evolve.

Q25. DOES ENTERGY MAINTAIN AN OVERALL STORM PLAN TO ADDRESS MAJOR WEATHER EVENTS SUCH AS HURRICANES LAURA, DELTA, ZETA, AND WINTER STORM URI?

A. Yes. Entergy Corporation currently maintains a single, integrated response plan, the Utility Incident Response Plan ("IRP"), which applies to all EOCs and business functions. The IRP provides the basic structure, processes, guidelines, responsibilities, and reference data necessary for appropriate stages of emergency preparedness and response to be followed for the orderly transition from routine business operations to emergency operations and restoration in the event of either the threat or impact of incidents such as severe weather, other natural disasters, and/or security-related events that affect normal operations. Targeted incident response plans tied to specific incidents have also been developed, including a Storm Incident Specific Response Plan ("Storm IRP"). Company

witness Mr. Hawkins provides more details about the IRP and the Storm IRP in his Direct Testimony. In addition, as discussed by Company witness Ms. Bourg, Entergy Transmission maintains its own storm plan, the Transmission Incident Response Plan.

Q26. WHAT ELSE DOES ENTERGY DO IN REGARD TO STORM PLANNING?

A. Entergy Corporation annually reviews and adjusts its Incident Response Plans in light of new information and lessons learned from restoring service after major storms, together with experiences gained from frequent, more common events such as severe thunderstorms. We also learn from experiences with other utilities, as we very often provide mutual assistance to other utilities affected by significant storms and participate in regional and national mutual-assistance groups, including the Edison Electric Institute ("EEI"), the Southeastern Electric Exchange ("SEE"), the Texas Regional Mutual Assistance Group, and the Midwest Regional Mutual Assistance Group. In addition, the Entergy System has a robust storm preparedness and planning program that includes training, annual storm drills, and exercise sessions. Company witness Mr. Hawkins provides details in his Direct Testimony about the storm drills that take place prior to hurricane season each year.

Q27. PLEASE ELABORATE ON ENTERGY'S USE OF MUTUAL-ASSISTANCE RESOURCES.

A. Entergy utilizes other utilities' resources through mutual-assistance agreements. For large weather events like hurricanes, the electric utility industry often depends on off-system resources to support storm response. Mutual assistance is an essential part of the electric

power industry's service restoration process and contingency planning. Electric utilities impacted by a major outage event are able to increase the size of their workforce by "borrowing" restoration workers from other utilities. When called upon, a utility will send skilled restoration workers, both utility employees and contractors, along with specialized equipment to help with the restoration efforts of a fellow utility. Again, the EOCs have often assisted other electric utilities in numerous states by sending support to aid in their restoration efforts.

Due to the significant damage sustained by the Company during the 2020 hurricane season, mutual-assistance utilities were essential in restoring the affected EOCs' facilities after Hurricanes Laura, Delta, and Zeta. The mutual-aid support consisted primarily of line crews supplied from other utilities, which are extremely valuable because of their quick response and their knowledge of utility operations, construction, and safety procedures. In addition to their construction abilities, mutual-aid electric utilities provided other necessary support such as engineering, scouting, management, safety, and logistics. Company witnesses Ms. Bourg and Mr. Hawkins describe the Company's reliance on mutual-assistance resources in more detail in their testimonies.

Q28. PLEASE DESCRIBE THE PLANNING THAT TOOK PLACE AT THE ENTERGY SYSTEM LEVEL IN ADVANCE OF THE LANDFALLS OF HURRICANES LAURA, DELTA, AND ZETA.

A. The record activity during the 2020 Atlantic hurricane season required extensive monitoring and planning for multiple contingencies. Indeed, Louisiana was in the "cone of uncertainty" for a hurricane or tropical storm eight times during the 2020 season. The

EOCs also faced the prospect of two named storms (Marco and Laura) striking at or near the same location within a few days of each other. Accordingly, before the arrival of Hurricane Laura, the System Command Center ("SCC")[9] planning section was closely monitoring both storms for potential effects on securing mutual-aid support, while providing continuous updates to Entergy management. Before Hurricane Delta made landfall, the SCC planning section was closely monitoring Tropical Storms Beta and Gamma.

As it became clear that Hurricane Laura would develop into a large hurricane that would affect the Louisiana coast, the primary focus at the Entergy System level was the protection of existing restoration workers and the preparation of the EOCs' critical infrastructure. Similarly, when it became apparent that Hurricane Delta would develop into a significant storm that would impact areas close to where Hurricane Laura had made landfall, and that Hurricane Zeta would likewise impact the State of Louisiana, System-level preparations were initiated to prepare a prompt and orderly response and restoration effort.

Before those storms arrived, the State Command Centers in the affected EOCs' service areas also were engaged in preparation efforts, including proactive plans for restoration activities in their own state or in support of the other EOCs. Company witnesses Ms. Bourg, Mr. Hawkins, and Sean Meredith describe in detail how the Transmission, Distribution Operations, and Power Generation organizations, respectively, prepared for Hurricanes Laura, Delta, and Zeta.

[9] The SCC provides centralized System coordination, management, and support for emergency operations and restoration of transmission and distribution infrastructure and service.

Q29. PLEASE DESCRIBE THE WORK THAT TOOK PLACE AFTER THE HURRICANES EACH MADE LANDFALL.

A. Upon Hurricane Laura's landfall, the SCC began adjusting personnel and logistical resource deployments based on transmission and distribution damage prediction information, which was later augmented with damage assessment information from the field, as discussed by Company witness Mr. Hawkins. The logistics efforts to support the arrival of additional workers were already underway, and sites were opened as soon as safely possible. Similar processes occurred after the landfall of Hurricane Delta and Hurricane Zeta. Frequent conference calls were held, both internally and with Entergy's mutual-aid companies, for the coordination of resources. That line of communication was particularly important because, for example, as Hurricane Laura continued its path through Arkansas and east toward the Mid-Atlantic, other utilities in those areas had to recall their resources in support of their own restoration efforts. Those communications allowed each of the affected EOCs to ensure that enough workers were available to accomplish their respective storm restorations.

IV. HURRICANES LAURA, DELTA, AND ZETA

A. Damage Caused by the Storms

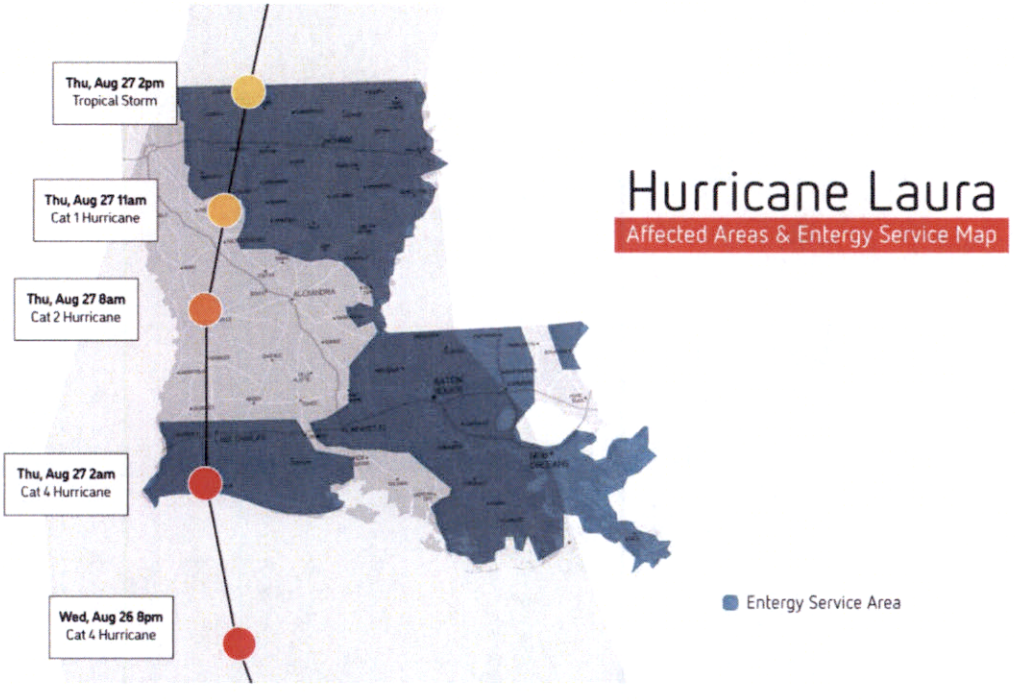
Q30. PLEASE DESCRIBE HURRICANE LAURA.

A. Hurricane Laura was the strongest storm to make landfall in Louisiana in 164 years and is tied for the fifth strongest to make landfall in the continental United States. It came ashore near Cameron, Louisiana, on August 27, 2020, as a strong Category 4 hurricane with

sustained winds speeds of 150 mph. The nature and magnitude of the damage inflicted in Southwest Louisiana were very different from the experiences with past hurricanes that impacted ELL's service area. In fact, the damage was so severe that it was more consistent with destruction caused by a tornado – but across a much wider path.

The destructive force of Hurricane Laura was not limited to Southwest Louisiana. The storm continued across ELL's service area, arriving in Central and North Louisiana as a Category 2 and Category 1 storm, respectively, as demonstrated in Figure 1 below.

Figure 1



The devastation and damage stretched from Southwest Louisiana all the way through North Louisiana. Governor John Bel Edwards requested, and was granted, a Major Disaster Declaration for 23 parishes in Louisiana impacted by Hurricane Laura, including Allen, Beauregard, Calcasieu, Cameron, Jefferson Davis, Acadia, Vermilion, Catahoula, Grant, LaSalle, Natchitoches, Rapides, Sabine, Vernon, Winn, Bienville, Claiborne, Red River,

Caldwell, Jackson, Lincoln, Ouachita, and Union Parishes. Moreover, the sustained power of the storm as it moved through Louisiana damaged utility infrastructure on a scale not experienced with prior hurricanes.

Q31. PLEASE PROVIDE A SUMMARY OVERVIEW OF THE DAMAGE CAUSED BY HURRICANE LAURA TO ELL'S GENERATION, TRANSMISSION, AND DISTRIBUTION SYSTEMS.

A. As I noted previously, Hurricane Laura was the most devastating weather event to ever strike ELL's utility system. Prior to Hurricane Laura, Hurricane Rita (a strong Category 3 hurricane which made landfall in Louisiana near its border with Texas in 2005) was the most destructive storm in recent history to impact the Company's facilities in the Lake Charles area. As Figure 2 demonstrates, however, Hurricane Laura struck the Lake Charles area with far greater force than Hurricane Rita.

Figure 2

Side-by-side comparison of the damages caused by Hurricane Laura (2020) and Hurricane Rita (2005) to the Capital One Tower in downtown Lake Charles

Damage to the Company's transmission and distribution systems included destroyed and damaged structures and associated facilities, downed trees on lines, vegetation and other debris that blocked the roads and rights-of-way, and wind damage to substations. The following summary of damage to ELL's distribution and transmission infrastructure highlights Hurricane Laura's historic intensity:

- 12,453 distribution poles damaged and/or destroyed;
- 4,264 transformers damaged and/or destroyed;
- 27,166 spans of distribution wire damaged and/or destroyed, roughly equivalent to over 770 miles;

- 9,263 cross-arms damaged and/or destroyed;
- 1,822 transmission structures damaged and/or destroyed;
- 188 substations damaged and/or impacted; and
- 152 transmission lines out of service.

Ninety-six percent (96%) of ELL's transmission structures that Hurricane Laura damaged or destroyed were in Southwest Louisiana. There are nine transmission lines that serve the Lake Charles area, and all of them were knocked out of service and severely damaged as Hurricane Laura made her way through the area.[10] By way of comparison, Hurricane Laura destroyed more than double the number of transmission structures that Hurricane Rita destroyed in 2005. As a result of Hurricane Laura's more extensive damage, large portions of the underlying transmission system in the Lake Charles area has required nearly a complete rebuild. "Rebuild" is also the best way to describe the work required to restore large portions of ELL's distribution system in Calcasieu and Cameron Parishes.

Hurricane Laura also affected three generating plant sites owned and operated by ELL. These plants are located near Lake Charles and includes the Calcasieu Generation Facility ("Calcasieu"), Lake Charles Power Station ("LCPS"), and Nelson Station ("Nelson").

[10] As Company witness Ms. Bourg describes in her Direct Testimony, southwest Louisiana was isolated completely from the system, with all nine transmission lines into that region severed.

Q32. PLEASE DESCRIBE HURRICANE DELTA.

A. On the evening of Friday, October 9, 2020, Hurricane Delta made landfall near Creole, Louisiana, as a Category 2 hurricane with sustained winds approaching 100 mph. Although the wind speeds were not as intense as those from Hurricane Laura, Hurricane Delta had a wide footprint and moved in a more northeasterly direction than Hurricane Laura, with sweeping outer bands that covered the entire State of Louisiana. The storm hit hard the parts of ELL's service area that were still recovering from the devastation of Hurricane Laura, which struck Louisiana just six weeks prior. The outer bands also brought significant rainfall and dangerous flooding to several areas in Louisiana, leaving saturated grounds that contributed to downed trees and limbs that fell into powerlines as the storm's winds came through.

Q33. PLEASE PROVIDE A SUMMARY OVERVIEW OF THE DAMAGE CAUSED BY HURRICANE DELTA.

A. Like Laura, Hurricane Delta damaged the Company's transmission and distribution systems, which damage included fallen trees on lines; downed and damaged structures and associated facilities; loss of communication facilities; vegetation and other debris that blocked the roads and rights-of-way; and wind damage to substations. In particular, Hurricane Delta resulted in:

- 969 distribution poles damaged and/or destroyed;
- 356 transformers damaged and/or destroyed;
- 2,407 spans of distribution wire damaged and/or destroyed;
- 793 cross-arms damaged and/or destroyed;

- 171 transmission structures damaged and/or destroyed;
- 142 substations out of service; and
- 116 transmission lines out of service.

These items of damage reflect that Hurricane Delta was not as intense as Hurricane Laura. But they also reflect the work that ELL and the restoration workforce did to rebuild the grid to current standards after Laura. As Mr. Hawkins notes in his Direct Testimony, that work has resulted in a more resilient distribution system in Southwest Louisiana that allowed for faster restoration of service to customers after Hurricane Delta.

Hurricane Delta also affected 6 generating plant sites owned and operated by ELL. These plants are located across south Louisiana from near Lafayette to Lake Charles and includes Acadia Power Block 2, Calcasieu, LCPS, Nelson, Ninemile, and Waterford.

Q34. PLEASE DESCRIBE HURRICANE ZETA.

A. On the afternoon of Wednesday, October 28, 2020, Hurricane Zeta made landfall near Cocodrie, Louisiana, as a strong Category 2 hurricane with sustained winds of 110 mph, just one mph shy of Category 3 strength. Damage to infrastructure in the coastal parishes of southeast Louisiana, including Jefferson, Lafourche, Plaquemines, St. Bernard, and Terrebonne, was extensive. The storm's center passed directly over Orleans Parish, and its damaging winds brought down trees, limbs, poles, and lines throughout the metropolitan New Orleans area.

Q35. PLEASE PROVIDE A SUMMARY OVERVIEW OF THE DAMAGE CAUSED BY HURRICANE ZETA.

A. Like Laura and Delta before it, Hurricane Zeta damaged the Company's transmission and distribution systems, which damage included fallen trees on lines; downed and damaged structures and associated facilities; loss of communication facilities; vegetation and other debris that blocked the roads and rights-of-way; and wind damage to substations. In particular, Hurricane Zeta resulted in:

- 2,424 distribution poles damaged and/or destroyed;
- 481 transformers damaged and/or destroyed;
- 1,593 spans of distribution wire damaged and/or destroyed;
- 655 cross-arms were damaged and/or destroyed;
- 199 transmission structures damaged and/or destroyed;
- 24 substations experienced an outage; and
- 32 transmission lines out of service.

Hurricane Zeta also affected two fossil-fueled generating plants owned and operated by ELL. These plants are located near New Orleans and include Ninemile and Waterford.

B. Overview of ELL's Response to the Storms

Q36. WHAT IS YOUR ROLE IN ELL'S RESPONSE TO STORMS SUCH AS HURRICANES LAURA, DELTA, AND ZETA?

A. As President and CEO of ELL, I have oversight responsibility for the coordination of restoration efforts in Louisiana, including ensuring communications to customers along

with key governmental, regulatory, and emergency management contacts. Willie Wilson is the Entergy System Storm Incident Commander, and he is responsible for overall planning and response to storms. As I noted above, Company witness Mr. Hawkins is the State Incident Commander for Louisiana.

Q37. HOW DID THE COMPANY PREPARE FOR HURRICANES LAURA, DELTA, AND ZETA AS THEY EACH DEVELOPED AND STRENGTHENED IN THE GULF OF MEXICO?

A. As discussed by Company witness Mr. Hawkins, ELL continuously monitored the progress of the storms. Before each storm system entered the Gulf, ELL began its preparations, which continued until landfall. As the storms entered the Gulf, ELL placed all employees, contractors, and support vendors on alert and cancelled all vacations. The Company conducted frequent conference calls with the State Command Center, the SCC, and key leadership in Louisiana. ELL reviewed its storm plans and checklists and also made plans to support neighboring utilities, if needed. As the Company's service area became increasingly threatened by each of the projected storm paths, ELL responded by setting up staging areas, obtaining fuel and supplies, ramping up logistics support, securing and pre-staging outside crews, implementing the equipment evacuation plan, implementing an employee evacuation plan, and identifying front-line management teams with support. ELL participated in numerous System Resource, Logistics, and Incident Commander Conference Calls with the management of all Business Units and Operating Companies in order to monitor the status of the preparations and make adjustments as deemed necessary.

Q38. WHAT ACTIONS DID THE COMPANY TAKE AFTER THE STORMS MADE LANDFALL?

A. After landfall, ELL performed damage assessments and began the process of repairing and restoring service to customers. As I discuss below, the Company also communicated with government officials, customers, emergency personnel, and local media regarding the restoration efforts, safety concerns during the aftermath of the storms, and ELL's actions to restore service as quickly and safely as possible.

Q39. HOW DID THE COMPANY RESPOND TO HURRICANE LAURA SPECIFICALLY?

A. In response to Hurricane Laura, the EOCs deployed the largest restoration effort ever mobilized in company history, with more than 26,000 workers from 31 states. In addition to employees of ELL and its affiliates, the workers came from more than 230 companies, including 24 other electric utilities. These workers included scouts, field workers, vegetation workers, and support staff.

Of the total Hurricane Laura restoration workforce that the EOCs deployed, 22,290 men and women worked in Louisiana to restore service to our communities. The size and dedication of this workforce allowed for aggressive distribution restoration efforts. Even before generation became available to serve load, ELL's crews worked days in which they set more than 1,000 poles. Company witnesses Mr. Hawkins and Ms. Bourg describe the efforts undertaken by the Company to restore its distribution and transmission systems, respectively, in the face of the catastrophic damage sustained during Hurricane Laura.

Q40. HOW DID THE COMPANY RESPOND TO HURRICANES DELTA AND ZETA?

A. Just as with Hurricane Laura, the Company mobilized storm teams sufficient in size to support the Hurricane Delta restoration (9,249 workers from 23 states), along with the subsequent Hurricane Zeta restoration (5,910 workers from 15 states). In addition, the Company followed the various steps of the Incident Response Plan: alerted and proactively ramped up the organization; acquired and deployed resources, including coordinating with mutual-assistance utilities, vendors and third-party contractors; predicted and assessed post-landfall damage; prioritized restoration activities; and continuously communicated with customers and government officials regarding the status of restoration.

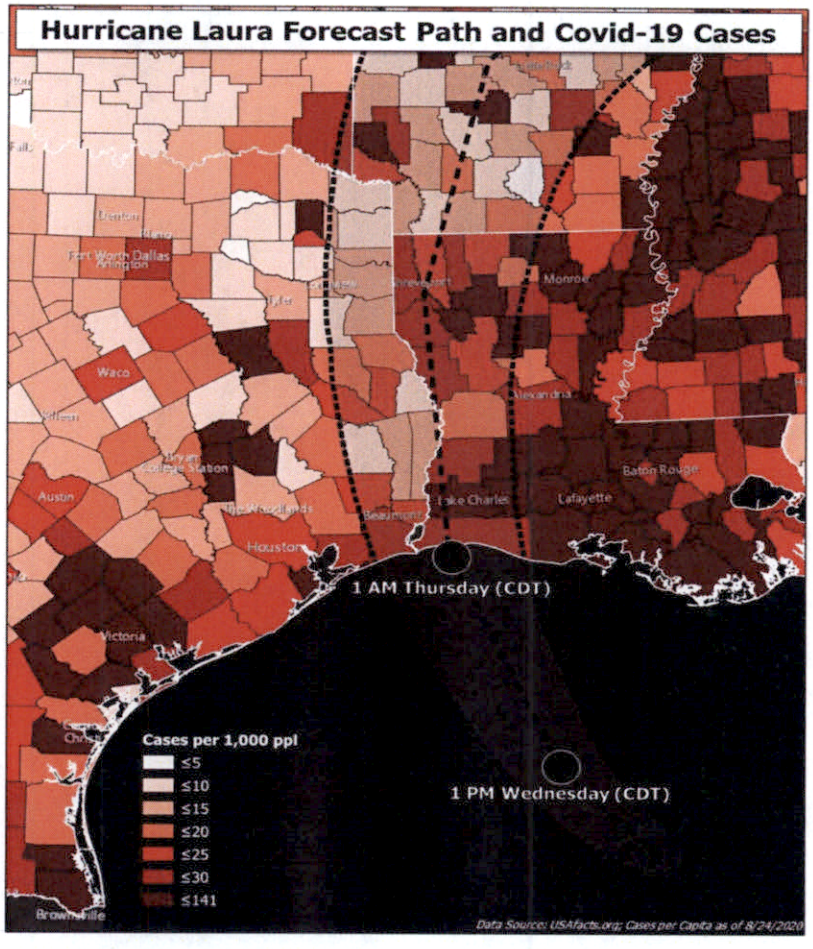
Q41. DID THE COVID-19 PANDEMIC COMPLICATE ELL'S EFFORTS IN RESTORING SERVICE FOLLOWING HURRICANES LAURA, DELTA, AND ZETA?

A. Yes. The Hurricane Laura restoration was the first large-scale disaster response that required an EOC to implement COVID-19 safety protocols for safety, travel, logistics, and lodging, which, in turn, resulted in increased costs associated with those safety measures, including alternative lodging, extended travel, and personal protection equipment, as discussed by Company witness Mr. Hawkins.

To understand the challenges that COVID-19 posed to the restoration, it is important to remember that, at the time of Hurricane Laura, Louisiana had the highest number of confirmed cases per capita in the country with more than 145,000, and Lake Charles had recently led the country in new cases per capita. Figure 3 below demonstrates that Hurricane Laura's path was bringing it through communities already struggling with COVID-19, and Hurricane Delta would follow a similar path six weeks later. This created

unique challenges for government officials as they prepared for the storms. To address the pandemic, Louisiana shifted sheltering activities for affected citizens to non-congregated settings (such as hotels and motels) outside the expected areas of impact and avoided opening traditional shelters that would not permit social distancing. These sheltering protocols severely restricted lodging options for the restoration workforce, requiring more travel and bringing related cost and logistics challenges throughout the restorations. Furthermore, public health requirements and precautions complicated and prolonged the process of clearing storm debris, accessing damaged utility equipment, and receiving supplies and assistance from other states.

Figure 3



Hurricane Laura forecast track of August 26, 2020, and parish-level confirmed COVID-19 cases after March 1, 2020 (Stephen M. Strader, Ph.D., Villanova Univ.; StEER PVRR-EARR: Hurricane Laura)

Responding to a major hurricane during a global pandemic had never been done before. ELL did it three times during 2020, and I continue to have deep appreciation for the government officials, communities, restoration workers, and customers who supported our efforts.

Q42. HOW QUICKLY WAS SERVICE RESTORED TO CUSTOMERS FOLLOWING HURRICANES LAURA, DELTA, AND ZETA?

A. ELL was able to restore service to 75% of Louisiana customers affected by Hurricane Laura within 2 weeks, and 90% of customers within 3 weeks. Power to all customers who were able to accept service (*i.e.*, customers who did not require reconstruction of their personal property) was restored by October 1 (35 days after Hurricane Laura made landfall).

ELL restored service to more than 90% of customers in Louisiana within 3 days following Hurricane Delta. Power to all customers who were able to accept service was restored by October 17 (8 days after Hurricane Delta made landfall).

And ELL restored service to nearly 90% of customers in Louisiana within 4 days following Hurricane Zeta, with power to all customers who were able to accept service restored by November 12 (15 days after Hurricane Zeta made landfall).

Nic Hunter, Mayor of Lake Charles, publicly commended ELL for its response to Hurricane Laura:

> It seems like every couple of hours we get an update that a new neighborhood or a new area of town has some lights on. I can't tell you how proud I am of our city employees and Entergy . . . for moving mountains to make these things happen . . . . If you would've told me two weeks ago that we would be sitting here today talking about power in Lake Charles over the next several days, I would've said there's no way. I think the government can take a page out of Entergy's book sometimes.

In a similar vein, at the Commission's March 2021 Business & Executive Session, Louisiana State Senator Ronnie Johns, who represents the citizens of Calcasieu Parish, spoke of the "absolute total devastation" that Hurricane Laura brought to Southwest

Louisiana and complimented the electric utilities and restoration workers for their preparation and diligence in restoring service:

> Commissioners, these companies did just a miracle of a job. Little did we think that we would have power up as quickly as we did considering the fact that there were, I think, close to or over 11,000 pole[s] – just right here and I'm talking about Calcasieu and the Calcasieu area proper, Entergy replaced over 11,000 poles, pulled hundreds of miles of new wire, replaced close to 7,000 transformers, and then that had – was not even talked about was the huge transmission lines coming into our areas that had to be completely replaced. So I will tell you that they are heroes in our area. There's actually – believe or not, there's talk of a permanent monument of a lineman here in Calcasieu Parish and one day you may actually see that happen. So I just want to give a special thanks to those companies that you regulate because they performed in the way that they should have performed for the people of Southwest Louisiana.

Q43. WHY DOES ELL PLACE SO MUCH EMPHASIS ON RESTORING POWER AS QUICKLY AS POSSIBLE?

A. There is a high personal and societal burden when people are without electric service, particularly in the aftermath of devastating storms such as Hurricane Laura. Urgent restoration is needed to protect the health and welfare of citizens in the areas served by the Companies. Urgent restoration also is necessary because ELL serves a large number of industries that are essential to the national and regional economies. For example, the refineries, petroleum import and storage facilities, and natural gas gathering and processing facilities served by ELL are essential to the national energy supply, and if service to these customers is interrupted for an extended time, it will affect energy supply and prices nationally, as occurred in the aftermath of Hurricanes Katrina and Rita. ELL recognized from the outset that it was imperative to restore service as quickly and safely as possible, and ELL coordinated its restoration efforts with government officials, including the LPSC

and its Staff, the Governor of Louisiana and officials from the Department of Energy, and its industrial customers to ensure every effort was taken to get service restored to all vital services.

Q44. ARE THE ENTERGY OPERATING COMPANIES KNOWN FOR THEIR EXCELLENCE IN STORM RESPONSE?

A. Yes. The Entergy System is the only utility group to have received awards from the EEI for restoration excellence every year since the institute established the honor. Company witness Mr. Hawkins lists the awards in his Direct Testimony. And as noted by Company witness Ms. Bourg, this summer, Entergy will be presented with the 2021 SEE Industry Excellence Award (Transmission-Line Category) for its Hurricane Laura Restoration.

Q45. WHAT IS THE STATUS OF ELL'S RESTORATION EFFORTS?

A. ELL has restored power to customers in all areas affected by Hurricanes Laura, Delta, and Zeta, but there is still work to be done to completely repair the damage caused by the storms. For example, as I mentioned previously, ELL is still evaluating alternatives for a damaged 115 kV transmission line in south Louisiana.

Q46. HAS THE COMPANY TAKEN STEPS BEYOND REPAIRING AND REBUILDING ITS SYSTEM TO HELP CUSTOMERS AND COMMUNITIES AFFECTED BY HURRICANES LAURA, DELTA, AND ZETA?

A. Yes. Before, during, and after Hurricane Laura, ELL has maintained communication with our customers through multiple platforms. Our online platform includes a hub that

compiles information and helpful links about available local, state, and federal disaster-recovery resources,[11] as well as a page dedicated to account and billing assistance for customers impacted by Hurricane Laura.[12] The Company also opened two mobile Customer Information Centers in Lake Charles so that customers could visit in person with an ELL customer service representative. Following Hurricane Zeta, the Company also opened Customer Information Centers in Golden Meadow and Grand Isle where customers could meet face-to-face with company representatives to discuss their outage.

ELL and Entergy Corporation also have provided financial support to assist our communities that were devastated by Hurricanes Laura, Delta, and Zeta. With support from Entergy and other community partners, the American Red Cross deployed 1,800 employees and volunteers to provide shelter, meals, counseling, and supplies to those in need. The Company also has provided financial support to the United Way of Southwest Louisiana, Southwest Health Services, and Care Health Services of Sulfur, and it is working with the Community Foundation of Southwest Louisiana, a non-profit, public charity, to provide grants to community organizations focused on referral assistance and safety net services for individuals and families, including temporary lodging, food, and clothing for those affected by the storm.

In addition, because critical infrastructure is important to a community's recovery, the Company partnered with local officials on a generator distribution project following Hurricane Laura. The Company was able to secure portable generating units to provide

11 *See* https://www.entergy.com/hurricanelaura/disaster-resources/.

12 *See* https://www.entergy.com/hurricanelaura/paymentoptions/.

temporary power to essential services located in the Lake Charles area that were facing prolonged restoration times following Hurricane Laura. These units were deployed to restore power to essential services such as water, sewerage, and police and fire departments, as well as critical customers, pharmacies, grocery stores, and hotels. And following Hurricane Zeta, which made landfall shortly before Election Day, the Company secured and provided around 200 portable generating units to supply lighting and power for voting machines and polling locations as needed. This effort was coordinated in advance of Election Day with the Secretary of State and Parish officials to ensure that local polling places could be activated in the event that grid power was not available and to ensure continuous power in the event of unexpected interruptions while the distribution grid was being returned to its normal state.

V. INTERACTION WITH CUSTOMERS AND OTHER STAKEHOLDERS

Q47. PLEASE DESCRIBE THE COMPANY'S EFFORTS TO COORDINATE WITH STATE GOVERNMENTAL OFFICIALS, INCLUDING THE COMMISSION, AND LOCAL GOVERNMENTAL OFFICIALS.

A. The Company's Regulatory Affairs and Public Affairs organizations are primarily responsible for communication with the LPSC, its Staff, and other State Governmental Officials. Prior to each of Hurricanes Laura, Delta, and Zeta, Regulatory Affairs personnel were in direct communication with LPSC Commissioners, the Executive Secretary, and their Staffs, and plans were made for alternative means of communication in case of inaccessibility. During and after the storms, the Company's Regulatory Affairs staff provided customer outage reports to the LPSC via e-mail typically two times a day

(morning and evening) in addition to periodic verbal updates. Those reports were also provided to governmental officials. And for Hurricane Laura, Customer Service and Public Affairs staff also hosted calls with those stakeholders to keep them informed.

ELL officials also provided information regularly to the Governor and the Governor's Office following each storm, in addition to news releases and alert messages posted on Entergy's storm webpage. Additionally, the Company maintained communication with the Louisiana State Police and the Louisiana National Guard and coordinated resources and assistance from the National Guard during the restoration efforts.

Concurrently, ELL officials communicated multiple times a day with city, parish, and emergency management personnel. After each storm's landfall, ELL officials hosted a daily conference call with city, parish, and emergency management personnel in the impacted locations of ELL's service area to share planning and restoration strategies. Local Customer Service Managers met with city and parish officials daily to provide updates on local restoration efforts.

I, along with our Regulatory and Public Affairs Organizations, also provided regular briefings to update the Commission, legislators, the Governor, the Governor's Office of Homeland Security and Emergency Preparedness, and local officials on issues, including information regarding the impacts of the storms, damage assessment progress, and the status of our restoration efforts after the storms. I also gave restoration updates through WebEx meetings.

Q48. PLEASE DESCRIBE THE COMPANY'S EFFORTS TO COORDINATE WITH FEDERAL GOVERNMENTAL OFFICIALS IN CONNECTION WITH HURRICANES LAURA, DELTA, AND ZETA.

A. The SCC was in regular contact with Federal Government agencies and departments during the storm restoration efforts, including FEMA, the Department of Energy, the Department of Homeland Security, the Department of Defense and the Army Corps of Engineers, and White House representatives. These interactions were necessary to apprise each entity of the ongoing restoration activities that would re-establish service to critical national and community services. Briefings included plans of action and status updates for restoration of petroleum and related industries, which would ensure uninterrupted local and national fuel supplies, key products needed for national defense/security, and the protection of strategic oil reserves. Emphasis was placed on preserving public safety by working with area industrials to avoid environmental releases. The welfare of the general public was also of highest priority as resources were directed to restore critical governmental, military, police, fire, medical, flood control, food, and water supply services. Through coordinated efforts among the various personnel, departments, and organizations across the Entergy System, resource plans were reassessed daily to optimize our effort to quickly restore an ample and stable supply of generation and transmission capacity to restore every ELL customer.

Q49. PLEASE DESCRIBE THE COMPANY'S COMMUNICATION WITH ITS CUSTOMERS IN ADVANCE OF, DURING, AND AFTER THE STORMS.

A. Prior to each storm season, including the 2020 season, the EOCs proactively communicate with the media in their respective service areas about preparations for the upcoming storm season. Through that contact, Entergy emphasizes the important role the media plays in informing residents and customers about how to prepare for impending major weather events, especially hurricanes. In addition, Entergy proactively communicates with its employees, many of whom reside in the communities served by the EOCs, about hurricane preparedness measures.

During a severe storm event, including Hurricanes Laura, Delta, Zeta, and Winter Storm Uri, the Entergy Corporate Communications department utilizes a communications process known as "One Voice," which allows Entergy to coordinate the dissemination of the most recent available information pre-storm, during the event, and post-storm from a single point of contact. Information is disseminated at set times each day to coincide with local news cycles so that residents in affected areas have the latest information in terms of expected storm impact, progress of the storm, and restoration activities. The Company also communicates directly with customers through phone calls, text messages, social media, and e-mail, as summarized in Table 4 below.

Table 4

	Outbound Calls	Text Messages	Proactive Social Media Posts[13]	E-mails to Business Customers
Hurricane Laura	Over 670,000	Over 2.5 million	560	Over 71,000
Hurricane Delta	Over 460,000	Over 1.7 million	235	Over 98,000
Hurricane Zeta	Over 410,000	Over 1.5 million	399	Over 97,000

As I mentioned previously, we also opened mobile Customer Information Centers following Hurricanes Laura and Zeta where customers could visit in person with an ELL customer service representative to ask any questions they had regarding specific restoration efforts.

Our Major Industrial Account Management Team also contacts large industrial customers, both at their plants and their corporate offices, to apprise them of the steps Entergy is taking to prepare for an approaching storm. Entergy Account Service Managers also obtain information from large industrial customers about their operational plans and expected electrical loads to assist planners in the development of Entergy's next-day system load forecast. Entergy Account Management representatives maintain close communications with those customers regarding updates on storm restoration status. Similarly, the Transmission Services Department contacts transmission-dependent utilities, independent power producers, and major procurers of transmission service regarding the steps Entergy is taking to prepare for and recover from a storm.

[13] The number of social media posts appearing in Table 4 includes posts made on social media platforms maintained by both ELL and Entergy Corporation.

VI. WINTER STORM URI

A. Damage Caused by the Storm

Q50. PLEASE DESCRIBE WINTER STORM URI.

A. In February 2021, back-to-back winter storms brought ice, snow, and record cold weather to the State of Louisiana. According to the National Weather Service, Baton Rouge, New Orleans, Slidell, Lacombe, and Lafayette all broke cold-weather records going back as far as 1909. Much of north Louisiana spent from 120-130 hours with below freezing temperatures. The storms create created extreme, emergency conditions on our grid and those of our neighboring utilities.

Q51. PLEASE SUMMARIZE THE DAMAGE CAUSED BY WINTER STORM URI.

A. Overall, the damage to our transmission and distribution system was notable, but nothing like the extensive damage experienced during Hurricane Laura. Winter storms are different than what we typically experience in hurricanes and other storms. While damage tends to be less severe, it is much more scattered and widespread throughout our system. Case counts, or the individual causes of outages, can be very high, but many of those cases are highly localized and may affect only a few customers or even a single customer. As a result, extensive work and extended time is needed to complete restoration.

In terms of the specific damage counts experienced as a result of Winter Storm Uri, transmission damage was fairly limited, but galloping wires, vegetation, and other damage did affect 14 transmission lines, 2 transmission structures, and 1 pole. The damage to our distribution system included 260 poles, 158 transformers, and 1,863 spans of wire.

B. Overview of ELL's Response to the Storm

Q52. HOW DID THE COMPANY PREPARE FOR WINTER STORM URI?

A. Although we had no control over the extreme weather, we took several steps to prepare for it. We made sure that all available transmission lines were in-service. We also inspected critical equipment, brought in outside contractors to supplement our own workforce, and secured drones to make hard-to-access areas easier to patrol. With respect to our power generation facilities, we rescheduled planned outages at a number of our generation units, including the delay of a refueling outage at River Bend Nuclear Station. Additionally, in anticipation that the system would experience record load and that generation units across the region would become stressed, we were able to quickly return Waterford Unit 1 from inactive status to fully operational status in a mere 48 hours. As discussed by Company witness Mr. Meredith, these efforts collectively made available over 2,500 MW of generating capacity that was not scheduled to be available during Winter Storm Uri.

Q53. PLEASE DESCRIBE THE WORKFORCE ASSEMBLED BY ELL TO RESPOND TO WINTER STORM URI.

A. ELL's storm team peaked with more than 4,000 restoration workers, including line workers and tree trimmers, to restore service to customers following Winter Storm Uri.

Q54. HOW QUICKLY DID ELL RESTORE SERVICE TO ITS CUSTOMERS FOLLOWING WINTER STORM URI?

A. Despite heavy icing on roadways and in trees, contributing to hazardous driving conditions and impassable roadways, ELL successfully restored power to its customers within a week's time.

Q55. WHAT STEPS DID THE COMPANY TAKE TO COMMUNICATE WITH THE COMMISSION, GOVERNMENT OFFICIALS, AND CUSTOMERS DURING AND FOLLOWING WINTER STORM URI?

A. We endeavored to stay in frequent contact with regulators, government officials, and customers throughout Winer Storm Uri to provide updates as conditions rapidly evolved. Over 1.1 million outbound calls and nearly 2.7 million text messages were sent to customers, along with 96 social media posts, 18 news releases/Entergy Storm Center posts, and over 510,000 emails to business customers. During the Winter Storm Uri restoration process, however, we did experience some delays in reflecting restoration status on our outage map, causing temporary discrepancies in information presented. This was the first storm we faced with new systems, some of which were implemented since Hurricanes Laura, Delta, and Zeta. In addition, during some periods of this overall event, we had connectivity issues for our remote agents and that led to long call waits and the inability to provide current information. We are working to further improve communications processes and systems for future events.

VII. THE FINANCIAL EFFECT OF THE STORMS

Q56. HOW HAS ELL'S RESPONSE TO HURRICANES LAURA, DELTA, AND ZETA, AS WELL AS WINTER STORM URI, AFFECTED THE COMPANY'S OVERALL FINANCIAL STATUS?

A. The cost of restoration for a single storm, let alone four separate storms, in the middle of the COVID-19 pandemic (which required the use of safety and health protocols never before utilized during a storm restoration) places a serious financial burden on the Company because it is required to expend large sums very quickly, which reduces ELL's liquidity and can affect the financial metrics supporting its current credit ratings, which are regularly examined by the investment community. To provide the Company with liquidity until it could plan for the financing of Hurricanes Laura, Delta, and Zeta storm costs, ELL withdrew all remaining sums from the storm escrow accounts established after Hurricane Isaac. In addition, due to the significant storm costs associated with the Company's response to Hurricanes Laura, Delta, and Zeta, the Company, with the Commission's support and approval, undertook the extraordinary step of issuing approximately $1.1 billion in shorter-term debt to finance storm costs until permanent financing for those storm costs could occur.[14] And more recently, the Company is carrying $166 million of extraordinary fuel costs from February 2021 on behalf of customers.

[14] On October 14, 2020, ELL filed its *Application for Approval of Ratemaking Adjustment for Interim Hurricane Laura Financing, and Request for Expedited Treatment*. Through that application and supplemental filings, ELL sought approval of certain ratemaking treatment for the Company's efforts to finance, on an interim basis, the significant storm costs resulting from Hurricanes Laura, Delta, and Zeta. The Commission approved the requested relief in Order U-35762 (11/23/20) (the "Interim Financing Order"). The Interim Financing Order allowed ELL to issue up to $1.1 billion of shorter-term debt to finance storm costs, until permanent financing for the costs could occur. These borrowings are to be excluded from the Company's capital structure and cost of debt for ratemaking purposes.

The Company has been able to take these steps for the benefit of its customers because of the Commission's track record of supporting storm-cost recovery. To be sure, the Commission has a long history of working collaboratively with the Company to provide for recovery of prudently-incurred storm costs, recognizing ELL's risk profile and the importance to ELL's customers that it remain a financially-healthy utility. That support is even more important now given the magnitude of the 2020 storm costs. Moreover, ELL is soon to be facing another storm season in 2021. What is more, hurricane researchers at Colorado State University have predicted another active Atlantic hurricane season for 2021, estimating earlier this month 17 named storms, 8 hurricanes, and 4 major hurricanes. The Company will be entering this season without any escrow funds on hand that helped reassure the investment community that the Company possesses the resources necessary to fund a potentially-massive storm restoration and avoid the extreme financial demands that occurred following previous hurricanes.

Q57., IS ELL REQUESTING THAT ITS STORM ESCROW FUNDS BE REPLENISHED?

A. Yes. As discussed by Company witness Ms. Harcus, ELL is requesting that the Commission authorize storm escrow funding in the amount of $290 million, which is the level established after Hurricane Isaac for Legacy EGSL and Legacy ELL. However, escrow amounts approved by the Commission will be deposited into a single account for ELL, as opposed to separate accounts previously needed for Legacy EGSL and Legacy ELL. These escrow funds provide an important source of cash to maintain the Company's financial health following major hurricanes. Because of the established storm escrow funds, ELL did not face the adverse credit actions and demands for prepayment by

contractors and suppliers of natural gas and power that were experienced after Hurricanes Katrina and Rita. It is essential that ELL be allowed to reestablish its storm escrow funds in order to ensure ready access to a secure source of cash to pay for the contractors, vendors, and materials that are necessary to complete a timely storm restoration.

VIII. METHODS OF RECOVERY OF STORM COSTS AND ESCROW FUNDING AND PROPOSED TIMELINE

Q58. WHAT IS THE COMPANY'S GENERAL PLAN TO ARRANGE FOR PERMANENT FINANCING OF THE STORM COSTS FROM HURRICANES LAURA, DELTA AND ZETA AND WINTER STORM URI?

A. Similar to prior storms in Louisiana, ELL is requesting that the Commission address its storm costs in a two-phased approach. In the initial phase, the Company requests that the Commission review its preparation and response to the storm events and make a determination of the amount of costs that were reasonably and prudently incurred by ELL to restore power to customers as quickly and safely as possible, which would be the amount of storm costs that are eligible for recovery from customers. ELL also seeks, in this initial filing, authorization from the LPSC to replenish storm escrow funds to the level that was authorized after Hurricane Isaac ($290 million) because those escrows were depleted after Hurricane Laura. The second phase of the process would address the permanent financing of the storm costs, how to fund the approved storm escrow, and rate recovery for storm-related costs.

Q59. WHAT ARE SOME OF THE OPTIONS FOR PERMANENT FINANCING OF STORM COSTS?

A. Two general methods of storm recovery would be base rate recovery and some form of bond financing (securitization or alternative financing). The base rate recovery method would have the utility use its weighted average cost of capital to finance the storm costs over a period determined to be appropriate by the Commission. The securitization or alternative financing method relies upon State legislation and Commission approval to issue low cost bonds that are serviced by surcharges on customer bills.

Q60. IS THE COMPANY PROPOSING A FINANCING METHOD AT THIS TIME?

A. Not at this time, although the Company is developing and considering options that it believes will allow for permanent financing at a lower net cost than traditional utility financing. We understand that hurricane costs are an unexpected and significant cost for our customers and, for that reason, we are evaluating options other than traditional utility financing. Traditional securitization under Act 64 may be feasible for financing the storm costs, but there is potential legislation that could be adopted by the Louisiana Legislature in the Spring 2021 Session that may provide forms of securitization or financing that may be more beneficial for ELL and its customers. Once the Company has better visibility on the options available, the Company will make a supplemental filing requesting permanent financing and will show how the proposed option compares to traditional utility financing. Depending on the progress of the Spring 2021 session, ELL may be in a position to make the supplemental filing in 60-90 days.

Q61. IS THERE A TIME FRAME IN WHICH THE COMPANY IS SEEKING A DETERMINATION OF THE STORM COSTS ELIGIBLE FOR RECOVERY FROM CUSTOMERS, THE STORM ESCROW AMOUNTS, AND FINANCING METHODS?

A. The Company believes that the Commission's making a timely decision on the Company's request is important for a number of reasons. First, timely action will send a supportive signal to the credit rating agencies that have expressed concern about the level of storm costs that the Company has advanced on behalf of customers. These storm costs are in addition to the significant financial support the Company has provided to customers who have not paid electric bills following the LPSC's suspension of disconnects and late fees. And as I noted above, more recently, the Company is carrying $166 million of extraordinary fuel costs from February 2021 on behalf of customers. Second, timely action from the Commission will allow the Company to implement Commission-approved financing while rates are relatively low. Expected bond rates in the fourth quarter of 2020 were extremely low and, while current rates are significantly higher on a relative basis, they are still low on an absolute basis. While it is difficult to predict whether rates will rise or fall, timely action by the Commission would enable financing when rates are believed to be favorable. Lastly, approval of permanent financing on a timely basis will help reduce the amount of carrying costs prior to permanent financing. As discussed by Company witness Ms. Harcus, ELL has taken, with the support of the Commission, unique steps to minimize carrying costs for customers, but timely approval by the Commission will lock in greater savings for customers. ELL plans to make its supplemental filing in 60-90 days to provide the Commission adequate time to issue all requested approvals by the December 2021 LPSC meeting. If such approvals are issued in December 2021, financings would

issue and rate recovery would commence in the first half of 2022. Ultimately, however, the timing of approvals in permanent financing will be determined by the Commission.

IX. INTRODUCTION OF WITNESSES

Q62. PLEASE INTRODUCE THE WITNESSES WHO ARE ALSO FILING TESTIMONY IN SUPPORT OF ELL'S APPLICATION FOR RECOVERY OF ITS STORM COSTS.

A. Certainly.

- John W. Hawkins, Jr. – Vice President, Distribution Operations – Louisiana. Mr. Hawkins provides an overview of ELL's distribution system and describes the Distribution Operations Organization. He also provides details about the Company's restoration plans and the implementation of those plans. He summarizes the impact of Hurricanes Laura, Delta, and Zeta, and Winter Storm Uri on ELL's distribution system, and discusses the significant restoration work done by the Company following each storm, including the Company's interaction with customers and stakeholders before, during, and after the storms. Mr. Hawkins also presents the distribution-related storm costs incurred by the Company.
- Michelle P. Bourg – Vice President, Asset Management for ESL. Ms. Bourg describes ELL's transmission system as well as the Entergy Transmission Organization. She also describes the damage suffered by the Company's transmission system from Hurricanes Laura, Delta, and Zeta, as well as Winter Storm Uri; the work that was undertaken to restore the system; and the resources used to restore service. Finally, Ms. Bourg presents the total transmission-related costs necessary to restore ELL's transmission system.

- Sarah M. Harcus – Director of Finance for ELL. Ms. Harcus presents the Company's total storm costs for Hurricanes Laura, Delta, and Zeta, along with Winter Storm Uri, and describes ELL's procedures for approving and accounting for these costs. Ms. Harcus also calculates the carrying charges on those costs through January 2022. Ms. Harcus details ELL's intent to finance amounts incurred in connection with the storms, including replenishment of the storm reserves to the previously-authorized amounts. Finally, Ms. Harcus discusses considerations for allocating these costs across ELL's various rate classes.
- Sean Meredith – Vice President, Power Plant Operations for ESL. Mr. Meredith summarizes the impact of Hurricanes Laura, Delta, and Zeta, and Winter Storm Uri on ELL's generation fleet. Mr. Meredith also presents the generation-related storm costs incurred by the Company.
- Barry D. Keim, Ph.D. – State Climatologist for the State of Louisiana and the Richard J. Russell Professor in the Department of Geography & Anthropology at Louisiana State University in Baton Rouge, Louisiana. Dr. Keim introduces and summarizes his report on the assessment of sustained winds and wind gusts during Hurricane Laura across the greater Lake Charles region. He also provides information about Hurricanes Delta and Zeta and their impact on Louisiana.
- Amy M. Parker – Partner with Deloitte and Touché LLP. Ms. Parker discusses the results of an independent attestation examination of the Company's summary of storm costs.

X. CONCLUSION

Q63. WERE THE COSTS INCURRED BY ELL IN ITS RESPONSES TO HURRICANES LAURA, DELTA, AND ZETA, AND WINTER STORM URI, REASONABLE AND NECESSARY?

A. Yes. The costs were necessary to restore service to customers and to repair and/or reconstruct the generation, transmission, and distribution systems promptly and safely in the wake of the damage caused by Hurricanes Laura, Delta, and Zeta, together with Winter Storm Uri, within ELL's service area. While the amounts expended on materials, labor, and the other cost categories were substantial, the public interest required that ELL restore service as quickly as reasonably and safely possible. Had ELL not acquired these resources in the manner that it did, the restoration of the transmission and distribution systems to provide power to essential facilities like water plants, sewage-treatment plants, hospitals, nursing homes, COVID-19 vaccine sites, polling places, and law enforcement facilities, as well as industries critical to the regional, state, and national economies, would have taken substantially longer, as would the time period for restoring power to other customers throughout ELL's service area. Thus, under the circumstances, the costs incurred were necessary to restore power safely, timely, and efficiently. Those costs were also reasonable considering that the Company put in place appropriate measures to procure and monitor the material and personnel resources used for the restoration of its electric system.

Q64. IN LIGHT OF THE FACTS KNOWN TO THE COMPANY AT THE TIME, WAS IT NECESSARY AND REASONABLE FOR THE COMPANY TO ACQUIRE AND

UTILIZE THE RESOURCES THAT IT DID TO COMPLETE RESTORATION OF SERVICE AND RECONSTRUCTION OF ITS FACILITIES?

A. Yes.

Q65. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?

A. Yes, at this time.

AFFIDAVIT

STATE OF LOUISIANA

PARISH OF JEFFERSON

NOW BEFORE ME, the undersigned authority, personally came and appeared, **Phillip R. May**, who after being duly sworn by me, did depose and say:

That the above and foregoing is his sworn testimony in this proceeding and that he knows the contents thereof, that the same are true as stated, except as to matters and things, if any, stated on information and belief, and that as to those matters and things, he verily believes them to be true.

Phillip R. May

SWORN TO AND SUBSCRIBED BEFORE ME
THIS 20th **DAY OF** April **, 2021**

NOTARY PUBLIC

My commission ~~expires:~~ is for life

JONATHAN R. BOURG
NOTARY PUBLIC, Notary ID # 87598
BAR NO. 31058
STATE OF LOUISIANA