Q59. HOW DID THE COMPANY DETERMINE THE APPROPRIATE NUMBER OF TRANSMISSION RESOURCES NECESSARY TO RESTORE SERVICE FOLLOWING THE STORMS?

A. Prior to the storms' landfall, the Entergy System used two different damage prediction models to estimate the total number of restoration workers needed. Those models were developed in-house based on experience with prior storms and used the forecasted track and intensity of the storm to estimate damage, and then, based upon that estimate, the number of transmission and distribution workers required for the restoration. One model used the National Hurricane Center's 5-day forecasted track and wind fields to calculate the intensity and wind duration over substations within the forecasted path. The second model used a more general view of the hurricane track by selecting one of three possible solutions (east, central, or west track across the Entergy System) and the hurricane's forecasted landfall intensity (tropical storm to Category 5 hurricane). That model also provides an estimated number of workforce resources that would be needed.

The model outputs were compared to determine a specific resource worker acquisition target. Information provided by our weather service contractors, which included wind field intensity and duration forecasts, was overlaid upon our transmission land-based maps, and system damage was estimated based upon an "in harm's way" assessment of line miles, types of structures, and construction standards. That estimate was compared against past operational experience, which included comparisons to past storms of similar categories, and the estimated number and type of line, vegetation, and substation crews was determined and presented at System Resource conference meetings prior to landfall.

Following landfall, actual damage assessment began as soon as wind speeds allowed aircraft inspections and roadway access permitted ground patrolling. Those assessments were compiled and specific information was summarized concerning damage to vegetation, poles, structures, conductor, insulators, shield insulators, and other components. The System Planning Section, with input on extent of damage from the State Command Centers, quickly determined the most expeditious reconstruction plan needed to establish a stable generation, transmission, and distribution network and made any necessary adjustment to requested restoration resources.

1. Entergy Affiliate Resources

Q60. TO WHAT EXTENT DID ELL RELY ON THE RESOURCES OF ESL AND OTHER ENTERGY OPERATING COMPANIES TO ADDRESS THE STORMS' IMPACTS?

A. The support from many ESL employees was critical to our restoration efforts in Louisiana following Hurricanes Laura, Delta, and Zeta. Our System Command Center was primarily staffed with ESL employees. Our System Command Center in Jackson, Mississippi, provided oversight of the storm event, such as coordinating the EOCs, Transmission, Generation, and many other departments engaged in restoration efforts. The day-to-day management of personnel and resources committed to Louisiana restoration efforts, however, was conducted and coordinated by ELL management.

Other EOCs also supported the transmission restoration efforts by supplying "loaned resources," including workers, logistics personnel, safety specialists, scouts, and material Supply Chain personnel. The knowledge that these personnel had of Entergy's

standards, operating procedures, and safety rules was important in safely and efficiently restoring power. The EOCs also supplied other resources such as materials and equipment.

2. Mutual-Aid Resources

Q61. TO WHAT EXTENT DID ENTERGY RELY ON OTHER ELECTRIC UTILITIES TO PROVIDE ASSISTANCE IN RECONSTRUCTING THE TRANSMISSION SYSTEM AFTER HURRICANES LAURA, DELTA, AND ZETA STRUCK ENTERGY'S SERVICE AREA?

A. Entergy sometimes relies on other utilities for assistance in major events. ELL relied upon mutual-assistance utilities such as Oncor Electric Delivery Company and Alabama Power Company to support transmission restoration efforts, which utilities were able to supply transmission line crews. The amounts charged by these contractors can be found on Exhibit MPB-9. Collectively, 314 mutual-assistance transmission linemen were provided to support restoration following Hurricane Laura, and 17 mutual-assistance transmission linemen were provided to support restoration following Hurricane Delta. There were no mutual-assistance transmission linemen utilized during the Hurricane Zeta restoration.

Q62. WHAT SPECIFIC MUTUAL-AID AGREEMENTS DID THE TRANSMISSION GROUP RELY UPON?

A. The Transmission group relied upon two mutual-aid agreements at the times of Hurricane Laura, Hurricane Delta, and Hurricane Zeta: Southeastern Electric Exchange ("SEE") Procedures and Guidelines and Edison Electric Institute ("EEI") Governing Principles Covering Emergency Assistance. EEI is an industry trade association that represents all

U.S. investor-owned utilities. EEI members are grouped into seven Regional Mutual Assistance Groups. The Company is a member of three of those Regional Mutual Assistance Groups, the SEE, the Midwest Regional Mutual Assistance Group, and the Texas Regional Mutual Assistance Group. The Company uses the SEE agreement for mutual assistance with SEE member companies and the EEI agreement with all other EEI investor owned utility companies. Both agreements are designed so that the supporting companies are reimbursed for their expenses with no mark-up added.

Q63. WHAT ARE THE BENEFITS OF UTILIZING MUTUAL-AID UTILITIES IN HURRICANE RESTORATION ACTIVITIES?

A. By using mutual-aid support during times of emergency restoration, utilities can muster work forces many times larger than they could if they relied on contract labor alone. Workers from other utilities come with all the training, tools, and equipment needed to immediately begin restoration work. Entergy is an industry leader in supplying restoration support and has thereby established relationships through which it can readily obtain support in times of need. Furthermore, mutual-aid support is provided at the mutual-aid company's costs (including labor, equipment, and other resources), so there is no mark-up, and the price is comparable to what the EOCs pay their own resources.

3. Third-Party Personnel Resources

Q64. TO WHAT EXTENT DID ENTERGY RELY ON THIRD-PARTY CONTRACTORS TO ADDRESS TRANSMISSION-RELATED DAMAGE FROM THE STORMS?

A. ELL relies on third-party contractors year-round for transmission line maintenance and vegetation management activities; however, ELL employs internal crews for substation maintenance and construction activities. For storm restoration, Entergy first draws on its internal maintenance and capital construction crews before requesting mutual assistance from other utilities or additional third-party contract crews.

Q65. PLEASE DESCRIBE THE PROCESS THROUGH WHICH THE COMPANY ENGAGED CONTRACTORS TO ASSIST WITH HURRICANE RESTORATION WORK FOLLOWING HURRICANES LAURA, DELTA, AND ZETA.

A. As soon as storm preparations were initiated following Hurricanes Laura, Delta, and Zeta, EOC base-load[14] contractors were notified that they might be deployed into storm-affected areas. Next, transmission employees who were assigned the storm duty of acquiring off-system resources began calling contractors from a database of contractors we have used in the past. Contractors were polled for what resources and equipment they had available. When that list was exhausted, the resource acquisition team began to contact contractors not in the current database. When the decision was made to commit to resources, the resource acquisition team notified the contractors and began to collect their employee roster information. This information was entered into the Resource on Demand ("RoD")

[14] In this context, "base-load" refers to contractors with existing agreements with the Company or the EOCs that work on the Company's system during both storm and non-storm conditions.

system, which aided in the tracking of contractor costs and logistical needs. At the appropriate time, the contractors were mobilized to report to a staging location. From there, the contractors were given safety and logistical orientation and their first reporting assignments.

Q66. WHO WERE THE CONTRACTORS UTILIZED BY THE COMPANY FOR TRANSMISSION-RELATED RESTORATION ACTIVITIES, AND WHAT COSTS WERE CHARGED BY EACH?

A. The contractors utilized for transmission-related restoration activities for Hurricanes Laura, Delta, and Zeta and the costs charged by each are detailed in the attached Exhibit MPB-9. Additionally, attached as Exhibit MPB-10 is a summary description of the services provided by each of the more significant contractors (*i.e.*, those contractors from whom we received invoices in excess of $1,000,000).

Q67. PLEASE DESCRIBE THE PROCESS BY WHICH ENTERGY AND ELL RECEIVED, REVIEWED AND APPROVED THE INVOICES SUBMITTED BY THIRD-PARTY CONTRACTORS ASSISTING IN THE TRANSMISSION-RELATED RESTORATION PROCESS.

A. Entergy has a structured process in place to review the work performed by third-party contractors and ensure the legitimacy and accuracy of submitted invoices. Entergy utilized a post-storm, cross-functional "Contractor Invoice Processing Team" to review, reconcile, and approve payment of invoices submitted by third-party contractors. Company witness Sarah Harcus addresses contractor invoice processing in more detail in her testimony.

4. Materials Resources

Q68. HOW DOES ENTERGY NEGOTIATE AND ACQUIRE MATERIALS RESOURCES FOR A MAJOR STORM RECONSTRUCTION?

A. Entergy retains several key vendors to supply materials on an ongoing basis. These vendors are selected based upon price bidding and extensive performance evaluations. Based on the results, Entergy contractually binds selected suppliers typically for a minimum of three years. Material supply partners are expected to maintain predetermined emergency stock for contingent situations such as storm reconstruction. Demand for goods and services associated with major events such as Hurricanes Laura, Delta, or Zeta can exhaust available inventories. For these events, Entergy agrees to pay reasonable and expected costs associated with production acceleration.

Additional vendors are also sought to manage supply/demand gaps. Entergy's material and contracts representatives negotiate pricing, terms, and conditions for these additional vendors to assure comparability to that of our partnered suppliers. While some price deviation from large contract pricing is expected from these additional vendors, these additional costs are necessary and justified to obtain necessary materials for expedited reconstruction. Vendors seeking to charge unreasonable or opportunistic prices for their products are not utilized. Further, Entergy endeavors to utilize contractors with pre-existing rates before turning to additional vendors.

Q69. DOES ENTERGY MAINTAIN INVENTORIES THAT ARE SUFFICIENT TO ADDRESS THE DEGREE OF DAMAGE RESULTING FROM STORMS OF THE MAGNITUDE OF HURRICANES LAURA, DELTA, AND ZETA?

A. Generally, no. While Entergy's material inventories are typically sufficient to address normal construction needs or damage resulting from smaller storm events, it would not be feasible or cost-effective for Entergy to maintain inventories sufficient to immediately address the wide-spread damage caused by major hurricanes, especially when multiple hurricanes occur back-to-back within the same season and area.

Entergy leverages its long-term partnered contracts to shift inventory requirements to its key vendors. These arrangements reduce the amount of inventory required in Entergy stores, thereby reducing the inventory cost burden to customers. This strategy also reduces the amount of stores space required in Entergy facilities. Strategic storm reserves are part of negotiated contracts with these key vendors. The impacts of Hurricanes Laura, Delta, and Zeta on the EOCs depleted the strategic reserves and required significant additional materials, which were supplied by established suppliers and, in some cases, neighboring utilities. In addition, there were instances requiring expedited manufacturing and delivery services.

5. Logistics

Q70. WHAT IS MEANT BY THE TERMS "LOGISTICS" AND "LOGISTICAL SUPPORT"?

A. The terms "logistics" and "logistical support" refer to the resources required to support the restoration personnel who are necessary to restore the system. Logistical support includes lodging, food, beverages, laundry, portable toilets, showers, dumpsters, transportation,

staging area lighting, generators, HVAC systems, fuel, materials, vehicles, parking, security, and other related functions. Logistical support also includes the planning, preparing, managing, and delivery of such services in a manner that maintains safety and provides for an efficient restoration.

Q71. HOW IS LOGISTICAL SUPPORT COORDINATED AMONG THE ENTERGY OPERATING COMPANIES?

A. At the Entergy System level, logistical support must be coordinated and supplied for all functions of each of the affected EOCs in their respective service territories. When storms the size of Hurricanes Laura, Delta, and Zeta, or past storms such as Hurricanes Gustav and Ike, impact multiple EOCs within short time spans, the logistical support required to restore service as quickly and safely as possible is a massive and complicated undertaking. Entergy endeavors to use commercial lodging when available, but that option is often limited either due to damage to commercial lodging, power and water availability, or room availability (based on occupancy by residents or other restoration workers).

Q72. CAN YOU DISCUSS THE IMPORTANCE OF LOGISTICS RELATIVE TO THE RESOURCES PROCURED FOR RESTORATION?

A. Yes. While the men and women who traveled, some hundreds of miles, to Louisiana to assist in the restoration are mission critical, it is equally critical that they have appropriate logistical support. Without a place to sleep, food to eat, hydration, fuel, materials, supplies, etc., a large restoration work force is rendered ineffective, and customers would face a significantly longer restoration. Also, without reasonable logistical support, out of state

resources will be less eager to respond next time that Louisiana needs assistance. Needless to say, ramping up logistics to support a Hurricane Laura restoration force of 22,290 men and women in Louisiana, while complying with COVID-19 prevention protocols, was a significant and costly undertaking.

Q73. PLEASE PROVIDE A SUMMARY OF THE VOLUME OF LOGISTICAL RESOURCES UTILIZED IN THE ELL SYSTEM RESTORATION PROCESS FOLLOWING HURRICANES LAURA, DELTA, AND ZETA.

A. The ELL logistical effort necessary to restore service following Hurricane Laura was a significant undertaking. ELL set up 12 major logistical sites following Hurricane Laura, and all of those were full-service logistical sites with lodging, food, and fuel. The Company utilized approximately 3,600 transmission restoration workers, all of whom needed basic necessities to work as safely and quickly as possible. Following Hurricane Delta, ELL set up 4 logistical sites to serve over 780 transmission restoration workers. And following Hurricane Zeta, ELL set up 4 logistical sites for its approximately 460 transmission restoration workers.

Q74. WHAT STEPS DID ENTERGY TAKE DURING AND AFTER THE STORMS TO ENSURE THAT THE APPROPRIATE LEVEL OF RESOURCES WOULD BE AVAILABLE FOR STORM RESTORATION?

A. After landfall, damage assessments and feedback from the field resources provided additional information that resulted in adjustments to the level of logistics resources sought and the placement of those resources. Continuous communication between the System

Resource Section, transmission personnel, and the Louisiana Logistics Section ensured that adequate logistics resources were available to complete restoration based on a planned timeline.

Q75. PLEASE SUMMARIZE THE PERFORMANCE OF THE COMPANY, ITS EMPLOYEES, AND ITS CONTRACTORS IN RESTORING SERVICE AFTER HURRICANES LAURA, DELTA, AND ZETA.

A. The Company's employees, contractors, and workers from mutual-assistance companies all performed at an outstanding level in restoring power after Hurricanes Laura, Delta, and Zeta. The Entergy System is an industry leader in storm response and support, and we continue to look for ways to improve. Everyone worked long hours, many in very uncomfortable conditions, to get power restored as quickly and safely as possible after each storm. We will not always break our own speed records, but we will always strive to restore power as quickly as we can while protecting the safety of our workers and the public. As mentioned above, Entergy's Hurricane Laura response has been selected for special recognition by the industry due to the unique nature of the rebuild required after this storm, coupled with other significant obstacles and challenges that were overcome to restore power to customers after Hurricane Laura.

VI. WINTER STORM URI

Q76. PLEASE DESCRIBE WINTER STORM URI AND THE DAMAGE CAUSED TO THE COMPANY'S TRANSMISSION SYSTEM.

A. 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.

Ice accumulation sagged or downed trees, limbs and power lines, causing damage to the Company's transmission and distribution systems. The additional weight of ice caused trees and limbs to fall into power lines and other electric equipment. In total, twenty-five transmission lines in ELL's service area experienced outages during Winter Storm Uri. Thirty-six percent of these outages (nine total) were due to compromised trees from outside of the ROW falling into transmission facilities, with one of these resulting in transmission structure damage. Other transmission line damage, including broken shield wire and insulator damage, accounted for an additional six outages (twenty-four percent of total). Twelve percent of the outages (3 total) were due to galloping transmission line conductors. The remaining transmission line outages (seven total) were due to other causes, including substation equipment operations and loss of source.

In total, Winter Storm Uri knocked out power to approximately 228,000 ELL customers.

Q77. PLEASE DESCRIBE THE WORKFORCE ASSEMBLED BY THE COMPANY TO RESTORE SERVICE FOLLOWING WINTER STORM URI.

A. A storm team of more than 4,000, including line workers, tree trimmers, and support personnel, worked quickly and safely to restore power to customers who sustained outages as a result of Winter Storm Uri.

Q78. WHAT WERE THE COMPANY'S PRIORITIES IN RESTORING POWER AFTER WINTER STORM URI?

A. As Company witness Mr. Hawkins discusses in his testimony, the Company focused first on restoring power to critical infrastructure that was essential to the health and well-being of our communities as well as getting the greatest number of customers back online at a time. The Company also made every effort to prioritize restoring power to customers who had been without service the longest due to Winter Storm Uri.

Q79. DOES RESTORATION TAKE PLACE DIFFERENTLY AFTER AN OUTAGE IN VERY COLD WEATHER?

A. Yes. As discussed by Company witness Mr. Hawkins, restoration of the distribution system follows a different process in extremely cold conditions. As he explains, during weather extremes, we must change our processes to restore power in a way that best ensures safety and reliability for customers as well as our employees. Rather than simply energizing an entire power line all at once, the Company must bring customers back online one section at a time to avoid damage to our system, which can slow efforts to restore power in some areas. Transmission restoration in extreme winter weather conditions also

requires revised protocols to ensure reliable operation. In areas with known significant ice accumulation, personnel suspend remote sectionalization after any line operations until local supervision can inspect and clear substation equipment required for switching for safe operation. This operating protocol ensures that any transmission line switch that may be inoperable due to ice accumulation isn't broken or damaged. In addition, automatic reclosing is disabled on lines that experience multiple operations due to the potential for galloping conductors.

Q80. WHAT WERE THE TIME FRAMES FOR RESTORATION OF SERVICE FOLLOWING WINTER STORM URI?

A. Customers who were affected by the first storm, including those that lost power days after the storm had passed due to limbs falling after the fact and other scenarios, were restored by February 20. Most customers affected by the second storm were restored by February 22, with isolated cases in the hardest-hit areas restored on February 23.

VII. STORM COSTS

A. Hurricanes Laura, Delta, and Zeta Storm Costs

Q81. WHAT ARE THE TOTAL TRANSMISSION-RELATED COSTS OF THE COMPANY'S RESTORATION EFFORTS FOLLOWING HURRICANES LAURA, DELTA, AND ZETA?

A. The total ELL Transmission costs incurred in connection with Hurricanes Laura, Delta, and Zeta total $524.7 million. These costs include the transmission-related storm costs incurred through February 28, 2021, plus certain estimated costs related to Hurricane

Laura. These numbers do not include adjustments for carrying costs. Please see Exhibit MPB-2; Exhibit SMH-1 attached to the Direct Testimony of Company witness Ms. Harcus, which is a report summarizing costs by class and major resource category for ELL for Hurricanes Laura, Delta, and Zeta; as well as Exhibit SMH-4 attached to Ms. Harcus's Direct Testimony, which includes the transactions underlying the total Transmission-level costs for Hurricanes Laura, Delta, and Zeta.

Q82. WHAT ARE THE TRANSMISSION RESTORATION COST CATEGORIES?

A. As discussed by Company witness Ms. Harcus, there are five major ELL cost categories: (1) Contract Work, (2) Employee Expense, (3) Labor, (4) Materials, and (5) Other. In addition, affiliate costs are assigned one of two major cost categories – ESL Billings or Loaned Resources. The Loaned Resources category includes the total labor costs incurred on behalf of and charged to the Company by personnel from other Entergy affiliates. The two remaining cost categories are Mutual Assistance and Adjustments. Company witness Ms. Harcus discusses the Adjustments category in her Direct Testimony.

1. Contract Work

Q83. WHAT TRANSMISSION DOLLARS ARE ASSOCIATED WITH THE COST CATEGORY "CONTRACT WORK"?

A. Contract Work costs incurred by ELL through February 28, 2021 were $372,462,742 for Hurricane Laura, $12,839,974 for Hurricane Delta, and $12,655,481 for Hurricane Zeta.

Q84. PLEASE DESCRIBE THE COSTS INCLUDED IN THIS COST CATEGORY.

A. Contract Work captures the costs related to the third-party contractor personnel (including both line and vegetation workers) and mutual-aid crewmembers who took part in the restoration of ELL's transmission system following Hurricanes Laura, Delta, and Zeta. These workers were primarily transmission line workers, substation workers, and vegetation workers. This category also includes the costs of vendors that provided specialized equipment and vehicles and vendors that provided logistical services (which I described earlier in my testimony).

Q85. WHAT SERVICES WERE PERFORMED BY LINE MAINTENANCE AND CONSTRUCTION CONTRACTORS?

A. Line maintenance and construction contractors were engaged to rebuild or repair damage to transmission lines caused by Hurricanes Laura, Delta, and Zeta. Work included repairing broken wire; clearing highways, railroad ROWs, and waterways of downed conductor; removing damaged transmission line structures, conductor, steel towers, and foundations; installing new foundations; installing new pole structures; erecting new steel towers along and across roads, marshes, and rivers; pulling in miles of new conductor and shield wire; and cleaning up roads and ROWs of debris left from the storm and restoration efforts. This work was necessary to restore a viable transmission delivery network for bulk power delivery across the ELL service area. A total of 314 mutual-assistance and 2,471 contracted line maintenance and construction workers were engaged in the transmission restoration effort following Hurricane Laura in the ELL service territory. A total of 17 mutual-assistance and 386 contracted line maintenance and construction workers were

engaged in the transmission restoration effort following Hurricane Delta in the ELL service territory. And a total of 146 contracted line maintenance and construction workers were engaged in the transmission restoration effort following Hurricane Zeta in the ELL service territory.

Q86. WHAT SERVICES WERE PERFORMED BY SUBSTATION MAINTENANCE AND CONSTRUCTION CONTRACTORS?

A. Substation maintenance and construction contractors were engaged to reconstruct, replace, repair, or otherwise make operationally-ready substation assets such as steel supporting structures, fences, battery sets, protective relays, circuit breakers, regulators, transformers, lightning arrestors, switches, bus insulators, control wiring, conductors, supervisory control and data acquisition ("SCADA") remote terminal units, radio/fiber optic communications, and site control houses.

This work was necessary to re-energize substations to restore load to ELL customers as transmission lines were restored to service. Contract resources were utilized in this area to augment Entergy manpower resources to avoid delays as line restoration work proceeded expeditiously. A total of 317 contracted substation maintenance and construction workers were engaged in the transmission restoration effort following Hurricane Laura in the ELL service territory. A total of 33 contracted substation maintenance and construction workers were engaged in the restoration effort following Hurricane Delta in the ELL service territory. And a total of 7 contracted substation maintenance and construction workers were engaged in the restoration effort following Hurricane Zeta in the ELL service territory.

Q87. WHAT SERVICES WERE PERFORMED BY VEGETATION CUTTING AND REMOVAL CONTRACTORS?

A. Vegetation cutting and removal contractors were engaged to clear trees, limbs, and vegetation debris from roadways, transmission facilities, and ROWs. Services included the provision of manpower and equipment for cutting, lifting, chipping, hauling, and disposal of vegetation material. I note that the crews used for vegetation removal from transmission lines are usually not the same as, nor are they interchangeable with, the crews used to remove vegetation from distribution circuits. Transmission lines, being usually on open ROWs, require track-mounted machinery with a taller reach than the equipment used to remove vegetation from distribution lines, which can be tire-mounted and have a shorter reach. Transmission and distribution vegetation crews often have been trained with different skill sets as well.

These services were necessary to restore access to ELL's transmission facilities and to clear fallen trees and limbs from transmission conductors and structures. A total of 155 contracted vegetation workers were used in response to the transmission system damages caused by Hurricane Laura in the ELL service territory. A total of 136 contracted vegetation workers were used in response to the transmission system damages caused by Hurricane Delta in the ELL service territory. And a total of 96 contracted vegetation workers were used in response to the transmission system damages caused by Hurricane Zeta in the ELL service territory.

Q88. WERE THE CONTRACT WORK COSTS REASONABLE AND NECESSARY?

A. Yes. The costs incurred were reasonable based on a number of factors: (1) ELL estimated the number of necessary resource personnel based on its modeling and experience with other storms; (2) ELL continually monitored the number of resource personnel and began releasing personnel as soon as possible; (3) a large number of the personnel were from mutual-assistance utilities that provided at-cost personnel with no profit for storm-related work; (4) many of the other third-party contractors performed pursuant to contracts that were in existence prior to the storm, which means that they were entered into during non-emergency conditions and typically based on a competitive bidding process; (5) when ELL executed new contracts, it attempted to engage contractors with whom it had prior experience upon terms consistent with the prior services; and (6) ELL had a system in place to verify that invoices complied with contracted rates and that the work billed was actually performed.

2. Employee Expense

Q89. WHAT TRANSMISSION DOLLARS ARE ASSOCIATED WITH THE RESTORATION COST CATEGORY "EMPLOYEE EXPENSE"?

A. Employee Expense costs incurred by ELL through February 28, 2021 were $387,368 for Hurricane Laura, $10,104 for Hurricane Delta, and $8,142 for Hurricane Zeta.

Q90. PLEASE DESCRIBE THE COSTS INCLUDED IN THIS COST CATEGORY.

A. This cost category primarily includes expenses for the logistical effort of providing lodging and meals to Entergy employees and some contractors that are not captured under the

logistical supply contractor costs in the Contract Work category. These costs also include travel expenses (mileage, airfare, small vehicle rentals, etc.) and other employee expenses (such as per diem rates when provided in lieu of lodging and meals, and other incidental personal supply needs).

Q91. WERE THE EMPLOYEE EXPENSE COSTS REASONABLE?

A. Yes. The magnitude of transmission system damage and the duration of restoration efforts required that work crews be located in proximity to the work they were performing. Extended work schedules were developed to provide a safe but expedient restoration effort. Sustaining an effort such as this required that crews be provided bedding, food, sanitation, and other essential facilities and services. Due to the ongoing restoration activities associated with earlier storms and hurricanes in the southern U.S., food and lodging facilities were in great demand. Based on my experience in storm restorations, these costs were reasonable in view of the size and nature of the event along with the scarcity of available, local resources.

3. Labor

Q92. WHAT TRANSMISSION DOLLARS ARE ASSOCIATED WITH THE RESTORATION COST CATEGORY "LABOR"?

A. Labor costs incurred by ELL through February 28, 2021 were $2,377,206 for Hurricane Laura, $579,598 for Hurricane Delta, and $360,101 for Hurricane Zeta.

Q93. PLEASE DESCRIBE THE COSTS INCLUDED IN THIS COST CATEGORY.

A. This cost category includes expenses for all direct payroll associated with ELL employees involved in the restoration effort. The services provided by ELL employees in this category were incremental to their normal job functions. These employees' services were necessary because they had first-hand knowledge of ELL's systems and operating procedures and were uniquely suited to assist with the restoration.

Q94. DOES THE COST CATEGORY "LABOR" INCLUDE OVERTIME?

A. Yes. ELL employee overtime is included in the Labor cost category. Overtime was incurred due to the need to expedite restoration and the need for ELL employees familiar with the System to work as much as possible in order to restore power quickly. Additionally, there are overtime charges included in the charges for third-party vendors in the Contract Work category.

Q95. WERE THE LABOR COSTS REASONABLE AND NECESSARY?

A. Yes. The Labor costs were reasonable and necessary because they were provided at the employees' normal wage, so we were thereby assured that there was no premium added for storm work. Moreover, these employees were typically familiar with ELL operating procedures and its service area.

4. Materials

Q96. WHAT TRANSMISSION DOLLARS ARE ASSOCIATED WITH THE COST CATEGORY "MATERIALS"?

A. Materials costs incurred by ELL through February 28, 2021 were $50,533,800 for Hurricane Laura, $1,315,283 for Hurricane Delta, and $1,953,511 for Hurricane Zeta.

Q97. PLEASE DESCRIBE THE COSTS INCLUDED IN THIS COST CATEGORY.

A. As discussed previously in my testimony, this cost category includes expenses for the actual materials used in the transmission restoration effort, including towers, poles, wires, conductors, insulators, circuit breakers, hardware, and related materials. The majority of the transmission-related materials were acquired from Entergy's inventory while other materials were purchased from Entergy's key suppliers, who, I would note, provided outstanding support during the restoration. Those materials were essential in the restoration of the transmission system in order to restore a stable generation and transmission network in the ELL service area.

Q98. HOW DID ELL DETERMINE THE AMOUNT OF MATERIALS THAT WOULD BE NEEDED TO COMPLETE THE HURRICANES LAURA, DELTA, AND ZETA RESTORATIONS?

A. Damage assessment analyses from the System Command Center Operations Section were provided to Entergy Supply Chain representatives in the early stages of system restoration in order to prepare estimates for material ordering requirements. As detailed damage assessment information became available, and as restoration crews completed "wreck-out"

of destroyed facilities, material requirements were re-evaluated to avoid shortages and over-runs. As part of the daily planning and prioritization conference meetings, material issues were reported by the Transmission Line and Substation Managers in ELL, and adjustments were made to material requisitions and/or staging locations to meet demands.

Q99. WERE THE TRANSMISSION-CLASS MATERIALS COSTS REASONABLE AND NECESSARY?

A. Yes, these costs were necessary to restore a stable transmission network in the ELL service area. The costs were reasonable because a large portion of the material ELL used to rebuild the transmission system came from Entergy's own inventory, which means that these materials were purchased from key suppliers during non-emergency conditions and there was no premium for expedited manufacture or delivery. ELL also leveraged contracts with key partner vendors to acquire additional materials, and these purchases were made in accordance with pricing agreements that were not affected by the storm. In addition, ELL acquired materials from other utilities, including thirty-three (33) 500 kV structures and twenty-six (26) anchor cages from Florida Power & Light, which enabled the recovery of key transmission tie lines into southwest Louisiana after Hurricane Laura. In those instances where ELL had to acquire materials from any vendor with which it did not have a pre-existing contract, prices for materials were compared to prices of similar materials that ELL typically secures under contract and further weighed against ELL's experience and the exigent circumstances.

5. Other

Q100. WHAT TRANSMISSION DOLLARS ARE ASSOCIATED WITH THE RESTORATION COST CATEGORY "OTHER"?

A. Costs included in the "Other" category incurred by ELL through February 28, 2021, were $32,529,162 for Hurricane Laura, $1,393,573 for Hurricane Delta, and $1,734,742 for Hurricane Zeta.

Q101. PLEASE DESCRIBE THE COSTS INCLUDED IN THIS CATEGORY.

A. This cost category includes expenses from several sub-categories but mostly consists of indirect capital expense labor costs for all Entergy transmission employees supporting capital work but not charging time directly to system restoration project codes. Labor charged to capital expense includes services for transmission and substation design; material procurement services; technical support for relay settings and SCADA configuration development; operations planning and switching services; general field and contractor supervision; and project management services. Other sub-categories within "Other" include restoration of public land/property damage resulting from right-of-way ingress/egress, and miscellaneous small equipment rentals.

Q102. WERE THESE "OTHER" COSTS REASONABLE AND NECESSARY?

A. Yes. The costs included in the "Other" category were necessary to enable ELL to perform the work required to restore its transmission system. The rates and prices for these cost items are reasonable and are generally consistent with pre-established rates. In addition,

the costs for specialized equipment were reasonable because the equipment was obtained at rates that were negotiated based on pre-storm operating conditions.

6. Affiliate Costs

Q103. WHAT WERE THE TRANSMISSION DOLLARS ASSOCIATED WITH "ESL BILLINGS" AND WHAT DO THOSE COSTS INCLUDE?

A. ESL Billings incurred by ELL through February 28, 2021 were $4,094,776 for Hurricane Laura, $128,434 for Hurricane Delta, and $81,810 for Hurricane Zeta. These costs include expenses for ESL employee salaries (including overtime) employee expenses, material, and transportation associated with ESL services provided and charged directly to, or in a few limited cases allocated to, the ELL system restoration codes. These services include engineering design and support, logistics support, operational planning, project management, right-of-way, technical support, systems operations support, damage assessment, contractor supervision, and others.

Q104. WHAT WERE THE TRANSMISSION DOLLARS ASSOCIATED WITH "LOANED RESOURCES" AND WHAT DO THOSE COSTS INCLUDE?

A. Loaned Resources costs incurred by ELL through February 28, 2021 were $662,479 for Hurricane Laura, $26,060 for Hurricane Delta, and $15,026 for Hurricane Zeta. These costs include expenses for the salaries of other EOC employees, including overtime, who worked on or supported the ELL restoration effort. Such costs were charged to the ELL storm project. For example, such expenses include salaries for loaned transmission line construction crew personnel from other EOCs.

Q105. WHAT PROCESSES WERE IN PLACE TO ENSURE THAT THESE COSTS WERE ACCURATE?

A. All supervisory-level Entergy personnel are periodically reminded of the importance of accurate payroll time entry with regard to storm restoration and support activity. All timesheet entries (including labor charged to capital suspense) in the storm project must be verified for accuracy and approved by a minimum of one level of supervision/management before being uploaded into the Entergy payroll system.

Q106. WERE THESE "AFFILIATE" COSTS REASONABLE AND NECESSARY?

A. Yes. These costs were both necessary and reasonable to the restorations following Hurricanes Laura, Delta, and Zeta. These costs were predominantly associated with employees from our regulated affiliate companies who provided direct restoration support such as post-storm patrols and damage assessment, line construction, operation and staffing of staging sites, and support and staffing of logistics management.

These services were both necessary and reasonable for several reasons. With regard to managing the restoration efforts following Hurricanes Laura, Delta, and Zeta, the employees of the other EOCs are familiar with our administrative systems and company procedures, whereas outside contractors or utilities generally are not. The construction resources were necessary to affect a timely restoration just like the non-affiliated construction resources provided by ELL, contractors, other utilities, and other third parties. These costs were reasonable because ELL paid the direct labor costs and expenses of using these resources. The labor was provided at cost. Non-affiliated companies would either

operate less effectively in these roles or have increased costs built into their pricing to account for the training, preparation, and guaranteed availability already in existence for each affiliate's own operational needs.

7. Mutual Assistance Costs

Q107. WHAT IS THE TOTAL AMOUNT OF MUTUAL ASSISTANCE COSTS INCURRED FOR THE HURRICANES LAURA, DELTA, AND ZETA RESTORATIONS?

A. The total amount of restoration costs incurred by ELL for mutual assistance at the transmission level through February 28, 2021, was $23,683,265 for Hurricane Laura and $458,575 for Hurricane Delta. No mutual assistance costs were incurred in connection with Hurricane Zeta.

Q108. WERE THE MUTUAL ASSISTANCE COSTS REASONABLE AND NECESSARY?

A. Yes. As I explained above, when the Company requires aid from its mutual assistance partners, it pays the actual charges for the assisting utility's crews, at the same rates the assisting utility pays its crews. Labor rates, transportation charges, labor overhead, and corporate overhead are reimbursed at the same rates that the assisting utility accounts for these charges in its normal course of business. Moreover, mutual-aid utilities were essential for the restorations following Hurricanes Laura and Delta due to the damage to ELL's transmission system.

8. Estimated Costs

Q109. IS ELL ALSO REQUESTING THE RECOVERY OF THE ESTIMATED COSTS NECESSARY TO COMPLETE THE TRANSMISSION-LEVEL RESTORATION PROCESS FOLLOWING HURRICANES LAURA, DELTA, AND ZETA?

A. Yes. ELL is requesting $4,460,000 in estimated costs primarily associated with Hurricane Laura restoration for certain projects that are on-going and have not yet been completed (or were not completed as of February 28, 2021) but are necessary to restore ELL's transmission system to its pre-Laura condition. These estimated costs are summarized in Exhibit MPB-11. The Company has completed its Transmission-level projects to repair damages caused by Hurricane Delta.

As I noted above, the estimated costs reflected in Exhibit MPB-11 do not include the potential cost to demolish and rebuild a 31 mile 115 kV transmission line that was damaged during Hurricane Zeta; ELL is still evaluating potential alternatives to a repair and rebuild of this line to identify the lowest reasonable cost alternative considering risk and reliability.

Q110. PLEASE DESCRIBE THE TRANSMISSION-RELATED PROJECTS FOR WHICH THE COMPANY IS REQUESTING RECOVERY OF COSTS BASED ON ESTIMATES.

A. ELL is requesting cost recovery of estimated expenditures related to ongoing "punch list" work being performed on transmission lines and ROWs affected by Hurricane Laura. Immediately following passage of the storm, construction crews remained focused on the safe and efficient execution of those repairs required to enable re-energization of affected

transmission lines. Those activities not required to safely execute the repair and rebuild of affected transmission lines (but which are required to return the transmission line and ROWs to pre-storm conditions) are typically completed after the line is re-energized. These activities include restoration of ROWs and removal of other materials from the ROWs that were utilized in the recovery process. In addition, repairs made to transmission facilities that were temporary in nature to enable timely restoration are also being reviewed and modified, as needed. Engineering personnel also continue efforts to update existing transmission facility drawings to reflect the as-built condition of each transmission line post-storm.

B. Winter Storm Uri Storm Costs

Q111. WHAT ARE THE TOTAL TRANSMISSION-RELATED COSTS OF THE COMPANY'S RESTORATION EFFORT FOLLOWING WINTER STORM URI?

A. The total ELL Transmission costs incurred due to Winter Storm URI were $2,960,000. These costs include the transmission-related storm costs incurred through February 28, 2021, plus certain estimated costs. These numbers do not include adjustments for carrying costs. Please see Exhibit MPB-3; Exhibit SMH-2 attached to the Direct Testimony of Company witness Ms. Harcus, which is a report summarizing costs by class and major resource category for ELL for Winter Storm Uri; as well as Exhibit SMH-4 attached to Ms. Harcus's testimony, which includes the transactions underlying the total Transmission-level costs for Winter Storm Uri. I note that the costs related to Winter Storm Uri that ELL incurred fall into the same categories of costs and types of activities as those presented

above to outline the costs incurred during the restoration efforts following Hurricanes Laura, Delta, and Zeta.

Q112. WERE THESE STORM COSTS REASONABLE AND NECESSARY?

A. Yes. ELL incurred these costs to prepare for Winter Storm Uri and return transmission lines to service as quickly, safely, and efficiently as possible. ELL made necessary expenditures for essential materials, labor, and other identified costs to carry out these activities. These costs were incurred in the requisite manner to ensure the reliability of the transmission system to provide power to customers.

Moreover, these costs were reasonable, as confirmed by the internal control measures ELL relied on to procure and monitor the material and personnel resources that it utilized for the restoration of its system. As noted above, the Company is a highly-skilled purchaser of services and materials for its facilities and is intimately familiar with the products and services of the vendors with which it was working. ELL was thus able to ensure that the prices and terms under which it purchased services and materials following Winter Storm Uri were fair and reasonable under the circumstances.

Q113. IS ELL ALSO REQUESTING THE RECOVERY OF ANY ESTIMATED COSTS NECESSARY TO COMPLETE THE TRANSMISSION-LEVEL RESTORATION PROCESS FOLLOWING HURRICANES LAURA, DELTA, AND ZETA?

A. Yes. ELL is requesting $1,273,329 in estimated costs associated with Winter Storm Uri restoration for certain projects that are on-going and have not yet been completed but are

necessary to restore ELL's transmission system. These estimated costs are reflected in Exhibit MPB-3.

VIII. CONCLUSION

Q114. WERE THE TRANSMISSION-RELATED COSTS INCURRED BY THE COMPANY TO ADDRESS HURRICANES LAURA, DELTA, AND ZETA, AS WELL AS WINTER STORM URI, REASONABLE AND NECESSARY?

A. Yes. The transmission-related storm costs related to Hurricanes Laura, Delta, and Zeta, together with Winter Storm Uri, were all reasonable and necessary. The Company's focus was to restore service to its customers as fast as safely possible. Expedient restoration of service was essential to begin the recovery for a region devastated by most active storm season in history for the State of Louisiana, which experienced a total of five named storms in 2020,[15] with Hurricanes Laura, Delta, and Zeta all impacting Louisiana in a 62-day period. The labor and materials utilized by the Company were necessary to restore service to customers and rebuild ELL's damaged transmission facilities following each hurricane. Without the significant labor and material resources utilized, the Company would not have been able to rebuild the transmission system and therefore would not have been able to restore service to customers in the timely manner that it did after each hurricane.

The Company followed its established, well-rehearsed restoration plan, and the labor and materials costs were largely incurred pursuant to previously-negotiated contracts and cost-based mutual-assistance agreements. We implemented a thorough process to

[15] In addition to Hurricanes Laura, Delta, and Zeta, Tropical Storm Cristobal made landfall in Louisiana between the mouth of the Mississippi River and Grand Isle on June 7, and Hurricane Marco made landfall near the mouth of the Mississippi River (or came very close to it) on August 24.

engage vendors, assign and monitor the labor and materials they provided, and review their invoices to ensure that they were accurate. Despite the circumstances surrounding an extremely active hurricane season, together with the logistical challenges associated with COVID-19, I am not aware of any instance of price gouging, and I believe the vast majority of service providers cooperated with the Company and endeavored to be of assistance to the Company in addressing the emergency situation rather than taking advantage of it.

Q115. IN THE LIGHT OF THE FACTS KNOWN TO THE COMPANY AT THE TIME, WAS IT NECESSARY AND REASONABLE FOR THE COMPANY TO ACQUIRE AND UTILIZE THE TRANSMISSION-RELATED RESOURCES THAT IT DID TO COMPLETE RESTORATION OF SERVICE AND RECONSTRUCTION OF ITS TRANSMISSION FACILITIES FOLLOWING HURRICANES LAURA, DELTA, ZETA, AND WINTER STORM URI?

A. Yes.

Q116. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?

A. Yes, at this time.

AFFIDAVIT

STATE OF LOUISIANA

PARISH OF ORLEANS

NOW BEFORE ME, the undersigned authority, personally came and appeared, **Michelle Bourg**, 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.

Michelle Bourg

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