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December 30, 2024

RECEIVED

DEC 30 2024

LA Public Service Commission

VIA HAND DELIVERY

Mr. Brandon Frey
 Louisiana Public Service Commission
 Galvez Building, 12th Floor
 602 North Fifth Street
 Baton Rouge, LA 70802

Re: *In Re: Application of Entergy Louisiana, LLC for Recovery in Rates of Costs Related to Hurricane Francine and for Related Relief (LPSC Docket No. U-_____)*

Dear Mr. Frey:

I have enclosed the original and three copies of the Application of Entergy Louisiana, LLC (“ELL”), for Recovery in Rates of Costs Related to Hurricane Francine and for Related Relief (the “Application”). With this Application, ELL seeks, among other things, the Commission’s determination that the restoration costs for ELL’s response to Hurricane Francine are reasonable and necessary and, therefore, eligible for recovery from customers. This filing is supported by the Direct Testimony and Exhibits of Phillip R. May, Joseph C. Book, Charles W. Long, and Ryan M. Dumas. Please retain the original and two copies for your files and return a date-stamped copy to our courier.

Also, enclosed, please find five copies of the Highly Sensitive Protected Materials Exhibit RMD-3, which is being provided to you under seal pursuant to the provisions of the LPSC General Order dated August 31, 1992, and Rules 12.1 and 26 of the Commission’s Rules of Practice and Procedures. The confidential materials included in the filing consist of competitively sensitive information. For this reason, this material is confidential and commercially sensitive. The disclosure of the information contained herein would subject not only the Company, but also its customers and vendors, to a substantial risk of harm. Accordingly, it is critical that this information remain confidential.

Please retain the Highly Sensitive Protected Materials for your files and return to the courier a date-stamped copy. Any additional copies of the Highly Sensitive Protected Materials will be made available to appropriate reviewing representatives upon receipt of an executed copy of a suitable Confidentiality Agreement and/or Non-Disclosure Certificate adopted in this matter.

Because of the need for timely approval of the relief requested in this application, ELL respectfully requests that a fifteen-day period be established for interventions. Rule 19 of the Commission’s Rules of Practice and Procedure allows the standard twenty-five-day intervention

ROUTE TO	ROUTE FROM
DEPT. <u>Bulletin 15</u>	DATE <u>1/2/25</u>
DEPT. _____	DATE _____
DEPT. _____	DATE _____


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Mr. Brandon Frey
December 20, 2024
Page Two

period to be modified. A fifteen-day intervention period will facilitate a timely review of the application.

If you have any questions, please do not hesitate to call me. Thank you for your courtesy and assistance with this matter.

Respectfully submitted,



Michael R. Dodson

MRD/jlc
Enclosure

cc: LPSC Commissioners (*via e-mail*)

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DEC 30 2024

LA Public Service Commission

**BEFORE THE
LOUISIANA PUBLIC SERVICE COMMISSION**

**IN RE: APPLICATION OF ENTERGY)
LOUISIANA, LLC FOR RECOVERY IN)
RATES OF COSTS RELATED TO) DOCKET NO. U-_____
HURRICANE FRANCINE AND FOR)
RELATED RELIEF)**

APPLICATION OF ENTERGY LOUISIANA, LLC FOR RECOVERY IN RATES OF COSTS RELATED TO HURRICANE FRANCINE AND FOR RELATED RELIEF

Pursuant to the Rules of Practice and Procedure of the Louisiana Public Service Commission (the “LPSC” or the “Commission”), Entergy Louisiana, LLC (“ELL” or “the Company”) respectfully submits this Application seeking, among other things, review of the costs the Company reasonably and necessary incurred to restore service in the wake of Hurricane Francine. In support of this Application, ELL submits the following:

OVERVIEW OF THE APPLICATION

I.

ELL is a limited liability company duly authorized and qualified to do and doing business in the State of Louisiana, created and organized for the purposes, among others, of generating, transmitting, distributing, and selling electricity for power, lighting, heating, and other such uses; and ELL is engaged in the business thereof in fifty-eight (58) of the sixty-four (64) parishes of the State of Louisiana.

II.

ELL provides electric service to approximately 1.1 million customers. A significant portion of ELL’s service area in Louisiana is comprised of communities that are regularly exposed to extreme weather and flooding.

III.

In this Application, ELL seeks authorization from the Commission to recover the reasonable and prudently incurred costs to restore electric service in the wake of Hurricane Francine, which made landfall in southeast Louisiana as a Category 2 hurricane on September 11, 2024.

IV.

As explained further below and in the accompanying Direct Testimony, ELL is seeking to recover through this Application, in addition to carrying costs, a total of \$182,604,061 (the “Total Gross Storm Costs”) in costs to repair ELL’s facilities and restore electric service following Hurricane Francine. Of those costs, \$152,783,047 were distribution-related capital costs for responding to Hurricane Francine (the “Francine Distribution Capital Costs”), whereas \$29,821,014 were operations and maintenance (“O&M”) expenses related to distribution, transmission, power generation, nuclear, and other cost classes and that were incurred in responding to Hurricane Francine (the “Francine O&M Costs”).

V.

The Company seeks a finding through this Application that the Total Gross Storm Costs, plus \$737,815 in transmission-related capital costs and \$230,583 in generation-related capital costs incurred in response to Hurricane Francine but for which recovery is not sought in this proceeding,¹ were prudently incurred and reasonably necessary for ELL to restore service in the wake of Hurricane Francine. ELL further asks that the Commission approve ELL’s proposal to recover the Francine Distribution Capital Costs through Section 3.C or, alternatively, Section 3.A.1 of the

¹ As explained in connection with this Application, ELL intends to seek recovery of the transmission-related capital costs and generation-related capital costs through normal ratemaking procedures. ELL nevertheless asks that those costs be reviewed for prudence in connection with this proceeding.

Formula Rate Plan Ride Schedule FRP (“Rider FRP”) and the Francine O&M Costs from the Company’s storm escrow. Moreover, with respect to the Francine Distribution Capital Costs, the Company asks that the Commission approve the functionalization of those costs to Distribution and the recovery of those costs pursuant to the terms (but outside of the cap) of the Distribution Recovery Mechanism (“DRM”) in Section 3.G of Rider FRP.

VI.

Procedurally, the Company asks that the Commission exercise its authority to take up, and approve, at the Commission’s February 2025 Business and Executive Session, the recovery, subject to refund and true-up, of the Francine Distribution Capital Costs through Rider FRP on an interim basis, with such interim rate adjustment beginning in the first billing cycle for March 2025 and lasting until such time as a complete accounting of ELL’s actual costs is submitted to the Commission for review, the Commission completes its full prudence review, and the Commission’s Order in this matter becomes final. ELL further proposes that the true-up of the Francine Distribution Capital Costs be accomplished through the true-up mechanism included in the DRM (and that the true-up accordingly occur as part of the otherwise-applicable true-up under the DRM that will take place during the Evaluation Period immediately following completion of the Commission’s prudence review).

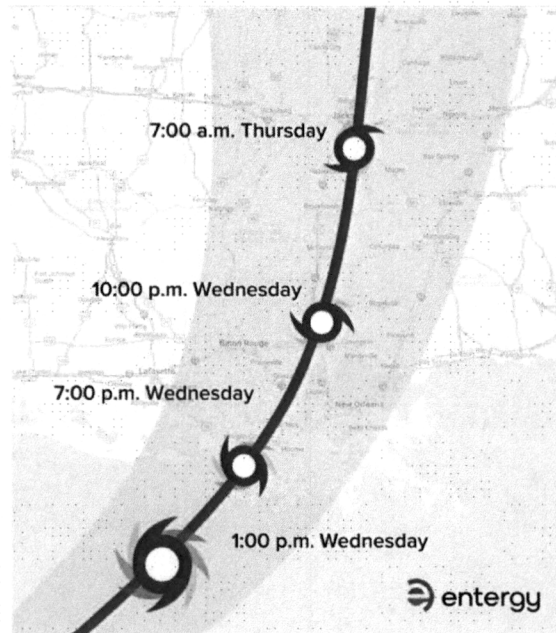
HURRICANE FRANCINE AND ITS IMPACT

VII.

Hurricane Francine made landfall as a Category 2 hurricane on September 11, 2024, in Terrebonne Parish, Louisiana, approximately thirty miles south-southwest of Morgan City. Francine delivered maximum sustained winds of 100 miles per hour and heavy rain that caused flash flooding as the storm swept across the southeastern portion of Louisiana. The storm

advanced through the areas served by ELL throughout the evening and overnight on September 11th; by September 12th, the storm had moved outside of Louisiana and weakened to a tropical storm. Below is a figure depicting Hurricane Francine's path through Louisiana.

Figure 1



At peak, more than 250,000 ELL customers lost power as a result of Hurricane Francine. The most impacted parishes in the areas served by ELL were Jefferson, Lafourche, Terrebonne, Ascension, and Tangipahoa Parishes.

VIII.

As Company witness Joseph C. Book explains in his Direct Testimony, the Company monitored and made significant preparations for the storm before it made landfall, including by pre-positioning crews throughout the areas expected to be impacted by Hurricane Francine as it made its way through ELL's service area. Moreover, as Company witness Charles W. Long testifies, the Company undertook significant vegetation-management activities in the days before the storm arrived that entailed proactively patrolling ELL's infrastructure to identify and remove

vegetation considered to pose a hazard to the Company's lines and other assets. Further, once the storm made landfall, the Company implemented its storm-response program with an eye toward restoring service as quickly and safely as possible. Mr. Book describes the Company's response efforts in greater detail in his testimony.

IX.

Notwithstanding the destructive strength of Hurricane Francine's winds, ELL's infrastructure overall fared well during the storm. As Company witness Charles W. Long explains in detail in his Direct Testimony, the Company lost fewer than 1,000 distribution poles and experienced minimal impacts to its transmission system during the hurricane. Moreover, likely due to, among other factors, the hardened infrastructure constructed by ELL in the impacted area in recent years and the hard work of ELL's more than 8,000 crew members who responded to help with storm restoration, the Company was able, within three days of landfall, to restore service to 90% of the approximately 250,000 ELL customers who experienced outages. Overall, ELL was able to restore service to all customers affected by Hurricane Francine—including those in the hardest-hit parts of Terrebonne Parish, where the storm made landfall—within six days.

SUMMARY OF STORM COSTS

X.

As referenced above, the Total Gross Storm Costs for which recovery is sought by ELL in this proceeding are \$182,604,061, which includes certain estimated costs but which does not include carrying costs. After adding in carrying costs, the total amount of Hurricane Francine-related storm costs for which ELL is seeking recovery in this proceeding is \$186,289,187. ELL further seeks review, but not recovery in this proceeding, of \$737,815 in transmission-related capital costs and \$230,583 in generation-related capital costs incurred in response to Hurricane

Francine. As explained by the Company's Chief Executive Officer ("CEO") and President Phillip R. May and Company witness Charles W. Long, these costs were necessary to restore service to customers and to repair ELL's facilities and systems promptly and safely in the wake of Hurricane Francine.

XI.

At a summary level, and as further discussed by Company witness Ryan M. Dumas in his testimony, the Company presents its storm costs both by "class" of cost and by "category" of cost. In this Application and supporting testimony, a class of cost is a distinct operational or functional grouping. The five cost classes at issue in this Application are Distribution, Transmission, Power Generation, Nuclear, and Other. Within each of these functional classes of costs, direct costs are further assigned to one of five major cost categories, namely, Materials, Contract Work, Labor, Employee Expenses, and Other. Affiliate costs are assigned one of two major cost categories, ESL Billings or Loaned Resources. The final cost category is Uninvoiced Mutual Assistance. Exhibit RMD-1 to the Direct Testimony of Mr. Dumas shows the Company's storm costs, exclusive of carrying costs, by class and category that ELL seeks to recover in this proceeding, while Exhibit RMD-4 includes a calculation of the Company's carrying costs it seeks to recover.

XII.

Consistent with prior storm proceedings, ELL is including estimated costs in the Total Gross Storm Costs that consist primarily of mutual assistance invoices that have not yet been received. ELL will provide actual cost information for the estimated costs as it becomes available.

XIII.

Mr. Dumas also explains in his testimony the procedures and controls implemented by the Company to review and audit the invoices received from contractors that assisted with the storm-

restoration effort. The Company is making available in database form the underlying transactions for Hurricane Francine, included as Highly Protected Sensitive Materials (“HSPM”) Exhibit RMD-3, in order that Staff and any intervenors can review the transactions if they wish to do so. As with previous storm filings, ELL asks that the parties submit a single joint list of transactions that ELL can use to pull relevant documents for evaluation and testing. Mr. Dumas describes HSPM Exhibit RMD-3 and the proposed testing procedure in greater detail in his Direct Testimony.

XIV.

Mr. Dumas further provides in his Direct Testimony, as Exhibits RMD-5 and RMD-6, the Company’s calculated revenue requirement arising from the storm restoration efforts as well as the proposed bill impact on customers. As reflected in Mr. Dumas’s analysis and testimony, the impact of ELL’s proposed cost recovery on a residential customer using 1,000 kWh of electricity per month would be \$0.80.

PROPOSED METHOD TO RECOVER HURRICANE FRANCINE-RELATED COSTS

XV.

ELL proposes to recover the Total Gross Storm Costs through two different methods. As to the Francine O&M Costs, ELL proposes to recover those amounts from the Company’s existing storm escrow. As Mr. Dumas explains in his Direct Testimony, ELL’s storm escrow had a balance of \$255,747,200.47 on November 30, 2024. ELL proposes to recover \$30,000,000 in Francine O&M Costs from the storm escrow, which would leave a balance of \$225,747,200.47 in the escrow to be used in connection with future storms.

XVI.

As to the Francine Distribution Capital Costs, Mr. Dumas includes in his Direct Testimony the proposed functionalization of those costs to Distribution. As Mr. Dumas also explains in

greater detail, ELL proposes to recover these capital costs through the provisions (except the cap) of the DRM in Rider FRP. ELL specifically seeks approval from the Commission that the cap in the DRM does not apply to recovery of the Francine Distribution Capital Costs sought in this proceeding.

XVII.

ELL also asks that the Commission authorize the Company to recover its carrying costs on the Francine Distribution Capital Costs. As Mr. Dumas explains, the carrying costs incurred through the date of filing are being captured as Allowance for Funds Used During Construction (“AFUDC”), and ELL seeks to recover those amounts, plus the additional carrying costs incurred between the date of filing and the date on which ELL recovers the Francine Distribution Capital Costs, from the storm escrow. As noted, Mr. Dumas includes a calculation of these carrying costs as Exhibit RMD-4.

XVIII.

As both Mr. May and Mr. Dumas also explain, the Company is asking that the Commission authorize interim rate relief in this matter. Specifically, ELL asks that the Commission exercise its authority to take up, and approve, at the Commission’s February 2025 Business and Executive Session, the recovery, subject to refund and true-up, of the Francine Capital Costs through Rider FRP on an interim basis, with such interim rate adjustment beginning with the first billing cycle for March 2025 and lasting until such time as a complete accounting of ELL’s actual costs is submitted to the Commission for review, the Commission completes its full prudence review, and the Commission’s Order in this matter becomes final.

XIX.

With respect to the proposed true-up for the Francine Distribution Capital Costs, as Mr. Dumas explains in his Direct Testimony, the DRM includes a true-up mechanism during each annual Evaluation Period. ELL proposes to utilize the true-up mechanism in the DRM such that the true-up would occur as part of the otherwise-applicable true-up under the DRM that will take place during the Evaluation Period immediately following completion of the Commission's prudence review.

XX.

ELL seeks interim rate relief for a number of reasons. As explained by Mr. May and Mr. Dumas in their respective testimony, recovery of the Francine Distribution Capital Costs through the DRM was found by ELL to be the best option for recovery of those costs, including because of the upfront costs associated with securitization, the higher interest rates (and thus less attractive borrowing costs for customers) in the securities market, and the desire by the Company to retain a sufficient balance in the storm escrow for future storms. Mr. Dumas explains in greater detail that the Company evaluated a number of options with a focus on maintaining affordable rates, maintaining ELL's financial health to respond to future storms and make other, customer-centric investments, and assuring stakeholders that the LPSC continues to support and prioritize prompt storm restoration. The proposed method of recovering the Francine O&M Costs from the storm escrow and the Francine Distribution Capital Costs through the provisions of Rider FRP achieves these goals of maintaining affordability while protecting the Company's financial health.

XXI.

Further, as explained in Mr. May's Direct Testimony, interim rate relief will allow the Company to begin recovering its storm restoration costs more quickly—a factor that has become

a critical focus for the Company's financial health, as the credit-rating agencies that evaluate ELL have indicated they will be less lenient with respect to the impact of storm costs on the Company's credit metrics. As Mr. May testifies, in light of this recent guidance from ELL's rating agencies, ELL is developing a proposed funding framework that the Company expects to present to the Commission in early 2025 and that will seek, among other things and subject to customer safeguards, approval of an accelerated timeline for storm-cost recovery. With an accelerated recovery framework in place that includes protections for customers, ELL will be better positioned to capture the benefits of a strong credit profile for its customers and to invest in and complete the Company's strong slate of future resilience and economic development projects.

REGULATORY APPROVAL PLAN

XXII.

The Company asks that the Commission review the prudence of its storm restoration efforts, approve the resulting costs sought in this proceeding as eligible for recovery from customers, and determine the manner in which the costs may be recovered, with all such relief to be ordered simultaneously.

XXIII.

ELL asks that the Commission approve the interim rate adjustment described above during its February 2025 Business and Executive Session in order that the interim rates can go into effect with the first billing cycle for March 2025. ELL further asks that the interim rate adjustment remain in place until such time that the Commission completes its full prudence review and the Commission's Order in this case becomes final.

XXIV.

In accordance with the requirements of Section 201 in Attachment 1 to General Order No. R-34562 dated August 1, 2024, ELL is including in Exhibit RMD-5 the information concerning the amount of the rate change proposed by ELL in this filing, as well as amounts of other proposed rates changes, that is contained on Exhibit B to Attachment 1, materially in the same format as presented on Exhibit B to Attachment 1.

COMPANY WITNESS TESTIMONY

XXV.

In addition to the Company's cost figures, the Company also presents testimony describing Hurricane Francine and its impacts, the Company's storm response efforts, and the damages inflicted by the storm on ELL's facilities and systems.

XXVI.

The Direct Testimony and associated exhibits for the following witnesses supporting the requested relief are attached hereto and filed herewith as part of this Application. It is anticipated that these witnesses, as well as any necessary rebuttal witnesses, will be called to testify at the hearing of this matter on the subjects indicated below:

- Phillip R. May, President and Chief Executive Officer of ELL. As the overall policy witness, Mr. May provides an overview of the relief the Company seeks, the damage caused by the hurricane, and the Company's response to the storm. He also describes the financial impact of the storm on the Company and previews a filing ELL plans to submit in early 2025 addressing a potential, new funding framework. Finally, Mr. May introduces the other witnesses who support the Company's Application.

- Joseph Book, Director of Distribution Reliability for ELL, provides details about the Company's restoration plans and the implementation of those plans. He discusses the significant restoration work done by the Company following the storm, including the Company's interaction with stakeholders before, during, and after the storm.
- Charles W. Long, Senior Vice President of Power Delivery, describes the Company's Power Delivery Organization and the Company's transmission and distributions systems. Mr. Long also describes the damage suffered by the Company's facilities and systems as a result of Hurricane Francine; the work that was undertaken to restore those facilities and systems; and the resources used to restore service. Mr. Long also presents the total costs necessary to restore ELL's system that are sought in this proceeding.
- Ryan M. Dumas, Manager of Regulatory Affairs for ELL, presents the Company's total storm costs for Hurricane Francine for which recovery is sought in this proceeding and describes ELL's procedures for approving and accounting for these costs. Mr. Dumas details the means by which ELL proposes to recover its storm costs, including the procedural request from ELL for interim rate relief. Finally, Mr. Dumas discusses considerations for allocating these costs across ELL's various rate classes.

SERVICE OF NOTICE AND PLEADINGS

XXVII.

The Company requests that notices, correspondence, and other communications concerning this Application be directed to the following persons:

Lawrence J. Hand, Jr.
Ryan M. Dumas
4809 Jefferson Highway
Mail Unit L-JEF-357
Jefferson, Louisiana 70121
Telephone: (504) 840-2528
Facsimile: (504) 840-2681
lhand@entergy.com
rdumas2@entergy.com

Matthew T. Brown
D. Skylar Rosenbloom
Michael Dodson
639 Loyola Avenue
Mail Unit L-ENT-26E
New Orleans, Louisiana 70113
Telephone: (504) 576-4122
Facsimile: (504) 576-5579
mbrow12@entergy.com
drosenb@entergy.com
mdodso1@entergy.com

ELL requests that the foregoing persons be placed on the Official Service List for this proceeding, and respectfully requests that the Commission permit the designation of more than one person to be placed on the Official Service List for service in this proceeding.

REQUEST FOR CONFIDENTIAL TREATMENT

XXVIII.

Portions of the Company's evidence supporting this Application contain information considered by the Company to be proprietary and confidential. Disclosure of certain of this information may expose the Company and its customers to an unreasonable risk of harm. Therefore, in light of the commercially sensitive nature of such information, the Company has submitted two versions of each of the affected documents, one marked "Non-Confidential Redacted Version" and the other marked "Confidential Version." In anticipation of the execution of a suitable confidentiality agreement in this docket, the Confidential Versions bear the

designation “Highly Sensitive Protected Materials” or words of similar import. Although the confidential information and documents included with this Application may be reviewed by appropriate representatives of the LPSC Staff and intervenors pursuant to the terms and conditions of a suitable confidentiality agreement once such an agreement has been executed in this Docket, this confidential information also is being provided pursuant to, and shall be exempt from public disclosure pursuant to, the Commission’s General Order dated August 31, 1992 and Rule 12.1 of the Rules of Practice and Procedure of the Commission.

PRAYER FOR RELIEF

XXIX.

WHEREFORE, for the foregoing reasons, Entergy Louisiana, LLC respectfully requests that, after due and lawful proceedings are held, its Application be approved. In particular, the Company requests that the Commission:

1. Find the costs incurred by ELL in restoring service and repairing its facilities in the wake of Hurricane Francine, consisting of the Total Gross Storm Costs plus \$737,815 in transmission-related capital costs and \$230,583 in generation-related capital costs, to be reasonable and necessary and, therefore, eligible for recovery from customers;
2. Specify and approve the functionalization of the costs incurred by ELL in restoring service and repairing its facilities in the wake of Hurricane Francine, consisting of the Total Gross Storm Costs plus \$737,815 in transmission-related capital costs and \$230,583 in generation-related capital costs;
3. As to the Francine Distribution Capital Costs, which amount to \$155,244,244 in actual costs incurred through November 30, 2024, and \$21,168,331 in estimated costs:

- a) Approve the Company's authority to recover the Francine Distribution Capital Costs pursuant to Section 3.A.1 or, alternatively, through Section 3.C of Rider FRP;
 - b) Approve the recovery of the functionalized Francine Distribution Capital Costs pursuant to the terms (except the cap) of the Distribution Recovery Mechanism of Rider FRP;
 - c) Find specifically that the cap included in the DRM does not apply to recovery of the Francine Distribution Capital Costs;
 - d) Move and vote to exercise the Commission's original and primary jurisdiction pursuant to and/or in accordance with Rule 57 of the Commission's Rules of Practice and Procedure and other authorities and take up, and approve, at the Commission's February 2025 Business and Executive Session recovery by the Company of the Francine Capital Costs through Rider FRP on an interim basis, subject to refund and true-up, with such interim rate adjustment beginning with the first billing cycle for March 2025 and pending such time as a complete accounting of ELL's actual costs is submitted to the Commission for review, the Commission completes its full prudency review, and the Commission's Order becomes final;
4. Authorize the Company to recover carrying costs on the approved Francine Distribution Capital Costs at its weighted average cost of capital from the date on which the storm costs were incurred until the date ELL begins recovering its storm costs through rates;
 5. As to the Francine O&M Costs and the carrying costs:
 - a) Affirm that the Company was and remains authorized to withdraw \$30,000,000 from ELL's storm escrow for those costs, concurrence for which has been separately

requested by ELL from the LPSC Executive Secretary in accordance with the procedures of Order No. U-35991; and

- b) Find that ELL's decision not to use the storm escrow for the full amount of the costs from Hurricane Francine—*i.e.*, for both the Francine O&M Costs and the Francine Distribution Capital Costs—is reasonable and prudent, for the reasons set forth in the accompanying Direct Testimony;
6. Establish a fifteen-day period for interventions in this proceeding;
 7. Provide for appropriate protection for any confidential information to be produced in this proceeding;
 8. Direct that notice of all matters in these proceedings be sent to Matthew Brown, D. Skylar Rosenbloom, and Michael Dodson as counsel for ELL, and to Lawrence J. Hand, Jr. and Ryan M. Dumas as representatives of ELL; and
 9. Grant such other relief to which the Company shows itself to be entitled.

Respectfully submitted,

By: 

Matthew T. Brown, La. Bar No. 25595
D. Skylar Rosenbloom, La. Bar No. 31309
Michael R. Dodson, La. Bar No. 37450
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**ATTORNEYS FOR
ENERGY LOUISIANA, LLC**