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LA Public Service Commission

Harry M. Barton

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639 Loyola Avenue, New Orleans, LA 70113

August 27, 2024

**VIA HAND DELIVERY**

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

**Re: Entergy Louisiana, LLC Test Year 2023 Formula Rate Plan Evaluation Report - LPSC Docket No. U-\_\_\_\_\_**

Dear Mr. Frey:

Enclosed for your further handling is an original and three copies of the Public Version of the Formula Rate Plan ("FRP") Evaluation Report for the test year ending December 31, 2023 ("TY 2023"), filed on behalf of Entergy Louisiana, LLC ("ELL"). This filing is made pursuant to the Global Settlement Stipulation Agreement ("Settlement"), including the revised ELL Rider Schedule FRP, approved by the Louisiana Public Service Commission ("LPSC" or "Commission") at the August 14, 2024, Business and Executive meeting of the Commission. Please retain the original and two copies for your files and return a date-stamped copy to the courier.

Also enclosed please find five copies of the Highly Sensitive Version of the referenced filing, 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 Procedure. The Highly Sensitive portion of the filing contains confidential materials consisting of competitively-sensitive market information, in accordance with the Settlement, the public disclosure of which would subject not only ELL but also its customers to a substantial risk of harm. Accordingly, this portion of the filing has been designated Highly Sensitive Protected Materials. Please retain the original Highly Sensitive Version for your files and return to the courier a date-stamped copy. Additional copies of the Highly Sensitive Version of this filing will be provided to the appropriate reviewing representatives of the Louisiana Public Service Commission Staff ("Staff") and intervenors upon receipt of an executed copy of a suitable Confidentiality Agreement and/or Non-Disclosure Certificate adopted in this matter.

Additionally, a copy of the legal notice that will be placed in the respective official parish journals is also enclosed.

ROUTE TO		ROUTE FROM
DEPT. <u>Bull</u>	DATE <u>8/27</u>	DEPT. _____
DEPT. _____	DATE _____	DEPT. _____
DEPT. _____	DATE _____	DEPT. _____
DEPT. _____	DATE _____	DEPT. _____

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### **Summary of Results of TY 2023 Evaluation Period and Process for Review**

Pursuant to the terms of the Settlement and Rider Schedule FRP, the approved Evaluation Period Cost of Equity (“EPCOE”) for the 2023 Evaluation Period is 9.7% with a +/- 40 basis point bandwidth. However, for TY 2023, the bandwidth provisions of the FRP are temporarily suspended and, pursuant to the terms of the Settlement, the Company is implementing the September FRP Rate Adjustments as defined therein, effective with the first billing cycle of September 2024. Those adjustments include a \$120 million increase in Base Rider FRP Revenue (Attachment F, Line 27) and a \$101.8 million incremental net decrease to the Other One-Time Adjustments, as described more fully in the Settlement. The FRP Rate Adjustments reflected in the Evaluation Report also include a redetermination of the following mechanisms (collectively, the “Reviewable Mechanisms”): Transmission Recovery Mechanism (“TRM”), Distribution Recovery Mechanism (“DRM”), Additional Capacity Mechanism (“ACM”), the Tax Adjustment Mechanism (“TAM”), the MISO Cost Recovery Mechanism (“MCRM”), and Other One-Time Adjustments.

Pursuant to the terms of the Settlement, the review of the 2023 Evaluation Report shall be limited to the Reviewable Mechanisms and, as further described in the Settlement, shall occur as follows:

- Within ten (10) days of this submittal, ELL will provide the parties to this proceeding electronic copies of all workpapers supporting the data and calculations reflected in the Evaluation Report in Microsoft .xlsx format, with all formulae, functions and calculations intact and working, subject to any applicable confidentiality restrictions;
- The parties shall have until November 18, 2024 to review the Reviewable Mechanisms and submit any Disputes in the Errors and Objections Report to be filed in the docket of this proceeding;
- ELL shall have until December 17, 2024 to work with the parties to correct errors or otherwise resolve Disputes and file revisions to the originally filed Reviewable Mechanisms and a revised Attachment A containing any revised Rate Adjustments on which the parties agree;
- If the parties are unable to resolve any Disputes by January 1, 2025, the parties shall submit a written list of remaining Disputes to the Commission by January 15, 2025, and within five (5) days of receipt of this list, ELL shall file a motion with the Administrative Law Judge assigned to this proceeding to request a status conference be set and a procedural schedule be established for litigating the Disputes;
- If no Disputes are identified, or if the parties amicably resolve all Disputes within the timeframe outlined above, the parties shall submit a joint report to the Commission for consideration and determination.

### **Effects of TY 2023 Evaluation Period**

Pursuant to the terms of the Settlement, ELL has eliminated the differential calculation of revenue requirements for customers of Legacy ELL and Legacy EGSL. As a result of the recent combination and consolidation of Legacy residential rates under the FRP, the TY 2023 rate increase will result in a \$3.67 monthly rate increase for Legacy ELL residential customers using 1,000kWh and will result in a \$10.31 monthly rate increase for Legacy EGSL residential customers

Mr. Brandon Frey

August 27, 2024

Page 3

using 1,000kWh.<sup>1</sup> Subject to refund and Commission review of the Reviewable Mechanisms, the resulting changes will become effective for bills rendered the first billing cycle of September 2024.

Please do not hesitate to contact me should you have any questions, or if I otherwise may be of assistance to you in connection with this filing.

Respectfully submitted,



Harry M. Barton

HMB/rih

Enclosures

cc: Official Service List U-36959 (*via electronic mail*)

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<sup>1</sup> The bill impacts noted here reflect only the adjustment to the base FRP increase under the terms of the Settlement. These amounts do not reflect additional customer credits that will also be implemented under the terms of the Settlement outside of Rider FRP.