BEFORE THE

LOUISIANA PUBLIC SERVICE COMMISSION

***IN RE*: APPLICATION OF ENTERGY LOUISIANA, LLC FOR APPROVAL TO CONSTRUCT BAYOU POWER STATION, AND FOR COST RECOVERY**	))))	**DOCKET NO. U-_____**

DIRECT TESTIMONY

OF

RYAN DANIEL JONES

ON BEHALF OF

ENTERGY LOUISIANA, LLC

MARCH 2024

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EXHIBITS

I. INTRODUCTION AND BACKGROUND

Q1. PLEASE STATE YOUR NAME, BUSINESS ADDRESS, AND JOB TITLE.

A. My name is Ryan D. Jones. I am employed by Entergy Louisiana, LLC ("ELL" or the "Company") as a Manager, Regulatory Affairs. My business address is 4809 Jefferson Highway, Jefferson, Louisiana 70121.

Q2. ON WHOSE BEHALF ARE YOU TESTIFYING?

A. I am testifying before the Louisiana Public Service Commission ("LPSC" or the "Commission") on behalf of Entergy Louisiana, LLC ("ELL" or the "Company").

Q3. PLEASE DESCRIBE YOUR EDUCATIONAL BACKGROUND AND PROFESSIONAL EXPERIENCE.

A. I hold a Bachelor of Science in Management degree with a major in Finance from Tulane University in New Orleans, Louisiana. I also hold a Master of Management in Energy from Tulane University. I began working for Entergy Services, LLC ("ESL")[1] in 2015 as a Financial Analyst where I maintained the budget and components of the financial model and provided additional support for utility operations support groups within ESL. In 2018, I transferred to work for Louisiana Regulatory Affairs and have accepted roles of increasing responsibility since that time. In my current capacity as Manager, Regulatory Affairs I am responsible for providing regulatory support services

[1] ESL is an affiliate of the Entergy Operating Companies ("EOCs") and provides engineering, planning, accounting, technical, and regulatory-support services to each of the EOCs. The five EOCs are Entergy Arkansas, LLC, ELL, Entergy Mississippi, LLC, Entergy New Orleans, LLC, and Entergy Texas, Inc.

to ELL and for coordinating various dockets and filings before the Louisiana Public Service Commission. I am also responsible for providing insight and guidance to various organizations across ELL and ESL on regulatory matters and compliance with Orders of the Commission.

Q4. HAVE YOU PREVIOUSLY TESTIFIED BEFORE ANY REGULATORY BODY?

A. Yes, attached as Exhibit RDJ-1 is a list of my prior testimony.

Q5. PLEASE EXPLAIN THE RELIEF SOUGHT BY THE COMPANY IN THIS PROCEEDING.

A. In compliance with the Commission General Order dated September 20, 1983 (the "1983 General Order"),[2] ELL is seeking Commission certification that its proposed new 112 megawatt ("MW") aggregated capacity six-unit reciprocating internal combustion engine ("RICE") facility near Port Fourchon, Louisiana, known as the Bayou Power Station ("BPS" or the "Project"), serves the public convenience and necessity. The Company is also seeking an exemption from the Commission's Market-Based Mechanisms General Order (the "MBM Order")[3] because of the unique

[2] LPSC General Order dated September 20, 1983 (*In re: In the Matter of the Expansion of Utility Power Plant; Proposed Certification of New Plant by the LPSC*), as amended by General Order (Corrected) (May 27, 2009), *In re: Possible modifications to the September 20, 1983 General Order to allow: (1) for more expeditious certifications of limited-term resource procurements; and (2) an exception for annual and seasonal liquidated damages block energy purchases, Docket No. R-30517.*

[3] General Order, Docket No. R-26172 Subdocket A, *In re: Development of Market-Based Mechanisms to Evaluate Proposals to Construct or Acquire Generating Capacity to Meeting Native Load*, Supplements the September 20, 1983 General Order, dated February 16, 2004 (as amended by General Order, Docket No. R-26172 Subdocket B, dated November 3, 2006, and further amended by the April 26, 2007 General Order, and the amendments approved by the Commission at its October 15, 2008 Business and Executive Meeting and now in General Order, Docket No. R-26172, Subdocket C dated October 29, 2008).

circumstances addressed by the Project, which indicate that a formal request for proposals ("RFP") would not be in the public interest.

Q6. WHAT IS THE PURPOSE OF YOUR DIRECT TESTIMONY?

A. My Testimony discusses the regulatory and ratemaking issues that will need to be resolved in order for the Company to initiate and successfully complete the construction of the Bayou Power Station, which is proposed to be constructed near Port Fourchon, Louisiana. Specifically, my Testimony:

1) Sets forth the regulatory approvals that are required pursuant to the applicable Commission General Orders;
2) Discusses the Company's compliance with applicable Commission General Orders and explains why approval of the Project is in the public interest, including why an exemption from the MBM Order is appropriate;
3) Proposes a plan by which the Commission Staff can monitor the progress of the construction of the BPS ("Monitoring Plan");
4) Provides ELL's estimated first-year revenue requirement associated with the Project; and
5) Discusses the importance of timely recovery with respect to the costs related to BPS and the proposed rate recovery. .

Q7. WILL YOU BRIEFLY SUMMARIZE YOUR CONCLUSIONS?

A. Yes. In my opinion:

1) ELL's selection of the proposed Project and Application for approval thereof is consistent with all applicable Commission General Orders, including the requested exemption from the MBM Order, and in the public interest;

2) It is in the public interest and therefore prudent to commence construction of the Bayou Power Station; and

3) It is in the public interest and therefore prudent to approve the proposed Monitoring Plan and procedures for timely rate recovery contemporaneous with the commercial operation of the Bayou Power Station.

II. REQUESTED REGULATORY APPROVALS AND TIMING

Q8. PLEASE DISCUSS THE REGULATORY APPROVALS THAT THE COMPANY SEEKS IN CONNECTION WITH THE PROJECT.

A. Through its Application, ELL is seeking, among others, the following findings by the Commission:

1) That the construction of the Project serves the public convenience and necessity and is in the public interest and therefore prudent pursuant to the terms of the 1983 General Order of this Commission, as amended;

2) That construction of the Project warrants an exemption from the Commission's MBM Order in that the circumstances indicate that a formal RFP would not be in the public interest;

3) That the Company's proposed Monitoring Plan for the Project is in the public interest; and

4) That the proposed contemporaneous cost recovery and related procedures are in the public interest.

Q9. WHAT DOES THE COMPANY'S APPLICATION CONTEMPLATE IN TERMS OF THE REQUESTED APPROVALS?

A. Through its Application, ELL proposes a one-step process whereby the Commission would issue a decision, supported by the evidence and sound regulatory principles, that the construction of the Project is in the public interest and therefore prudent. As part of this decision, the Commission would approve the Monitoring Plan that I discuss later in my testimony and affirm that the prudently incurred costs are eligible for recovery in rates.

Q10. DOES THE COMMISSION HAVE AN ORDER ADDRESSING THE TIMING FOR DETERMINING WHETHER CONSTRUCTION OF THE BAYOU POWER STATION SERVES THE PUBLIC INTEREST?

A. Yes, the Commission's 1983 General Order, in Paragraph 5, requires that the certification of resources be determined within 120 days from the date of the filing of the utility's application.

Q11. WHY IS A TIMELY DECISION FROM THE COMMISSION IMPORTANT AND IN THE BEST INTEREST OF CUSTOMERS?

A. As I discuss later in my testimony and as discussed by other witnesses, there are financial and operational implications for ELL's customers if the Project is not

constructed on the timetable proposed. As discussed in the Direct Testimony of Company witnesses Laura K. Beauchamp and Gary Dickens, development and deployment of significant generation and transmission projects is a time-consuming process that must begin several years in advance of the need-by date. The 120-day requirement in the Commission's 1983 General Order recognizes the importance of timely feedback from the Commission because if the Commission finds that a proposed resource option does not serve the public interest, the Company must then pursue other options to maintain reliable, affordable electric service. In the case of ELL's needs in the Port Fourchon area, the Company must construct either new generation in the region or rebuild a major transmission project, as discussed in the Direct Testimony of Company witness Samrat Datta. Although the Company believes the construction of the Project is clearly the preferred, more economical means to meet this need, that is ultimately a question for the Commission to decide. However, it is critical that the Commission make this decision in a timely manner to avoid exposing the Company and its customers to additional financial and reliability risk.

III. COMPLIANCE WITH COMMISSION ORDERS

Q12. PLEASE DISCUSS THE APPLICABILITY OF THE COMMISSION'S 1983 GENERAL ORDER TO THE PROJECT.

A. The 1983 General Order provides, in pertinent part, that:

> No electric public utility subject to the jurisdiction of the Commission shall commence any on site construction activity or enter into any contract for construction or conversion of electric generating facilities or contract for the purchase of capacity or electric power, other than emergency or economy power purchases, without first having applied

> to the Commission for a certification that the public convenience and necessity would be served through completion of such project or confection of such contract. Feasibility and engineering studies, site acquisition and related activities preliminary to a determination of the desirability or need for plant construction or conversion on purchase power contracts are exempted from this requirement.

The Company's Application in this proceeding meets the terms of Paragraph 1 of the 1983 General Order. The costs incurred and analyses conducted to date have related to the "[f]easibility and engineering studies ... preliminary to a determination of the desirability ... for plant construction or conversion ...." As explained by Mr. Dickens, construction activity at the Project site will not commence until ELL authorizes the contractor to do so.

The 1983 General Order also provides in paragraph 2, that:

> Applications submitted pursuant to this order shall include the specific data utilized by the utility in justification of the generation project or purchased power agreement, an itemized projection of the total costs, the scheduled completion date with appropriate time schedules for the percentage of the total project to be completed by specific target dates, and, in cases of purchased power or capacity agreements, the proposed contract in its entirety.

The Company, through the testimony and exhibits supporting the Application, meets the requirements of this paragraph.

The proposed Monitoring Plan would provide a means for meeting the requirements of Paragraph 3 to "notify the Commission immediately when it is determined that project or contract costs will exceed that stated in the application or the completion date for commercial operation is extended."

Q13. WHAT IS THE MBM ORDER?

A. On October 29, 2008, the Commission adopted the current version of the MBM Order, establishing various procedures and requirements for the market testing of any proposed capacity acquisition. The MBM Order augments the procedures of the 1983 General Order and requires a utility proposing to acquire or build new generating capacity to "employ a market-based mechanism" consisting of a "Request For Proposal ("RFP") competitive solicitation process."[4] I understand that the MBM Order recognizes the occasional need for exemptions and grants the Commission broad authority to grant exemptions and modify the requirements of the MBM process. Specifically, the MBM Order provides that the "utility may propose an alternate marked-based mechanism or procedure if it can demonstrate that circumstances indicate that a formal RFP would not be in the public interest."[5]

Q14. WHY IS THE COMPANY REQUESTING AN EXEMPTION FROM THE COMMISSION'S MBM ORDER?

A. Because BPS was not selected through an RFP process, and because an exemption is reasonable, appropriate, and in the public interest under the circumstances applicable here.

[4] MBM Order at p. 5.

[5] MBM Order at Paragraph 3.

Q15. WHY IS AN EXEMPTION APPROPRIATE?

A. As demonstrated in the Direct Testimony of the Company's witnesses in this proceeding, a formal RFP would not be in the public interest under the unique circumstances presented and addressed by the Project. As explained by Mr. Datta, there were limited options in developing a non-wires alternative to rebuilding the Golden Meadow – Barataria line, including finding a location with suitable land, gas infrastructure, and transmission interconnection. Here, ELL was able to procure land adjacent to the Leeville substation, which is also adjacent to the Tennessee and Kinetica gas pipelines. This location is also sufficient to provide a local, flexible, black-start resource to the entire region downstream of the Clovelly substation. Given the highly-specific parameters for a viable non-wires alternative, including the unique geography and lack of suitable land sites, a typical RFP process would have added little value under these circumstances in exchange for the substantial lengthening of the project timeline.

In addition, as explained by Mr. Datta, once the resource technology was selected, two RICE manufacturers were evaluated, but only Wartsila produces RICE engines greater than 10 MW, with Wartsila's 18 MW 18V50SG models (used for the Project) being the largest on the market today. As explained by Mr. Datta, 18 MW units are the ideal size to achieve the optimal 112 MW of generating capacity without overbuilding the needed capacity as would be the case with larger units or a conventional combustion turbine. Using smaller generators (less than 18 MW), on the other hand, increases the operational and maintenance requirements by increasing the number of units necessary to achieve an aggregated 112 MW of capacity.

Moreover, as further explained by Mr. Datta, a comparison of recent Wartsila power barge builds shows that the local engineering, procurement, and construction ("EPC") contractor selected for the proposed Project, Grand Isle Shipyards, LLC ("GIS"), is the lowest priced of all other recent Wartsila power barge builds (including the addition of emissions protections and transformers on the barge).

Accordingly, given the specific need, location, and type of resource that can accommodate that need and location, an RFP under the MBM Order was not necessary to identify the lowest reasonable cost alternative. What was needed was to identify qualified contract partners who could build and install the desired solution at a price competitive with other barge mounted Warstila RICE units. In this case, without compromising its requirement that the selected contractors be qualified and that their pricing be competitive, ELL was able to identify Louisiana-based contractors who will perform the bulk of the work (GIS, Bollinger, and Ampirical), which means more of the economic benefit stemming from construction costs stays in Louisiana. Accordingly, the additional cost and delay created by the RFP process for this very specific solution to a local capacity need would not be in the public interest and, as explained by Ms. Beauchamp, would place both existing load and future beneficial load growth at greater risk.

Q16. HAS THE COMMISSION PREVIOUSLY GRANTED EXEMPTIONS FROM THE FORMAL RFP PROCESS TYPICALLY REQUIRED UNDER THE MBM ORDER?

A. Yes, I am aware of several instances where the Commission has granted exemptions to the formal RFP requirements generally required under the MBM Order based on the

specific or unique facts and circumstances presented in the application. Indeed, the Final Report of the Commission Staff attached as Attachment A to the current MBM Order notes that exemptions have been granted where "warranted by circumstances."[6] See, for example, Order No. S-34594 (Aug. 24, 2017) granting Southwestern Electric Power Company an exemption; Order No. U-29955-C (June 5, 2008) granting Entergy Louisiana, LLC and Entergy Gulf States, Inc. (which together are now ELL) an exemption; and Order No. U-32224 (Corrected, Dec. 7, 2012) granting Claiborne Electric Cooperative, Inc. an exemption. I am also aware of the Commission granting certification of ELL's acquisition of Union Power Blocks 3 and 4 as well as the Washington Parish Energy Center ("WPEC") without a formal RFP process due to the circumstances demonstrating that a formal RFP process would not be cost-effective or necessary.[7] In particular, WPEC was a new-build resource that was well-suited to meet ELL's future resource needs at a below-market cost. In that case, the exemption was justified on the basis that further market testing would not reveal any new information necessary for the Commission and the Company to determine that the acquisition was consistent with the Company's planning objectives and the objective of providing service at the lowest reasonable cost. This is not unlike BPS.

[6] MBM Order, Attachment A at p. A-19.

[7] *See* Order No. U-34472 (May 24, 2018), *In re: Application for Approval to Acquire Washington Parish Energy Center, and for Cost Recovery, Docket No. U-34472, See also,* Order No. U-33510 (November 5, 2015), *In re: Application of Entergy Gulf States Louisiana, L.L.C. for Approval to Purchase Power Blocks Three and Four of the Union Power Station and Request for Timely Treatment and Cost Recovery, Docket No. U-33510.*

Q17. IS THE CONSTRUCTION OF THE PROJECT CONSISTENT WITH ELL'S LATEST INTEGRATED RESOURCE PLAN?

A. Yes. It is consistent with ELL's most recent Integrated Resource Plan ("IRP"), filed by the Company on May 22, 2023 (ELL's "Final 2023 IRP") in Docket No. I-36181 pursuant to the Commission's IRP General Order. In her Direct Testimony, Ms. Beauchamp explains how BPS is consistent with the Company's Final 2023 IRP and the identified need for capacity.

IV. PUBLIC INTEREST

Q18. YOU INDICATED PREVIOUSLY THAT YOU WOULD DISCUSS WHY, IN YOUR OPINION, THE CONSTRUCTION OF THE BAYOU POWER STATION IS IN THE PUBLIC INTEREST. WHAT IS THE PUBLIC INTEREST?

A. This is not a new concept, and the public interest standard has been discussed by many witnesses in many proceedings before the Commission. Put simply, the public interest is that which is thought to best serve everyone; it is the common good. If the net effect of a decision is believed to be positive or beneficial to society as a whole, it can be said that the decision serves the "public interest."

Public utilities in general, and electric utilities in particular, affect nearly all elements of society. Public utilities have the ability to influence the cost of production of the businesses that are served by them, to affect the standard of living of their customers, to affect employment levels in the areas they serve, and to affect the interests of their investors. In sum, public utilities affect the general level of economic activity and social well-being in the state.

In determining whether a particular decision or policy is in the public interest, I am not aware of any immutable law or principle that can be applied. While the public interest is often defined in terms of "net benefits," such a test or standard merely substitutes one expression for another. The difficulty is in defining and, if possible, quantifying the "net benefits."

It is recognized that "net benefits" cannot simply be defined as lower prices. For example, if lower prices are achieved through a reduction in the reliability or quality of service, it may very well be perceived that the lower prices have not produced net benefits. Similarly, higher prices might not produce negative net benefits or detriments. For example, if an existing price is low due to a cross-subsidy, removing that subsidy would raise that price, but doing so would not necessarily be detrimental. The Louisiana Supreme Court reached just such a conclusion in *City of Plaquemine v. Louisiana Public Service Commission*, 282 So. 2d 440 (1973), when it found that:

> The entire regulatory scheme, including increases as well as decreases in rates, is indeed in the public interest, designed to assure the furnishing of adequate service to all public utility patrons at the lowest reasonable rates consistent with the interest both of the public and of the utilities.
>
> Thus, the public interest necessity in utility regulation is not offended, but rather served by reasonable and proper rate increases notwithstanding that an immediate and incidental effect of any increase is improvement in the economic condition of the regulated utility company.[8]

Objective measurement of how a decision affects the public interest is problematic at best. For the past eighty years, regulatory decision-making has been tested in the courts by a balancing-of-interests standard. In these cases, beginning with *Federal Power*

[8] 282 So. 2d 440 at 442-443.

Commission v. Hope Natural Gas Company 320 U.S. 591, 660 (1944), the courts have found that if the regulatory body's decision reflected a reasonable balancing of customer and investor interests, the decision was to be affirmed as just and reasonable.

In sum, determining whether a decision is in the "public interest" requires a balancing of the various effects of a particular course of action measured subjectively over the longer run. Whether a course of action is in the public interest will depend upon factors that are potentially quantifiable on an estimated basis, such as likely changes in costs, as well as upon other factors that are not quantifiable, such as the effect of that course of action on the robustness of a competitive market. Finally, while witnesses can provide facts and opinions that bear on this issue, the decision-maker, the Commission, in the first instance must ultimately determine whether the construction is in the public interest.

Q19. IN YOUR OPINION, IS THE CONSTRUCTION OF THE BAYOU POWER STATION IN THE PUBLIC INTEREST?

A. Yes. I base this opinion on a number of factors discussed in detail by other Company witnesses. As Ms. Beauchamp discusses in her Direct Testimony, the Project will add a flexible dispatchable generation resource that will address the growing long-term capacity needs of critical customers in the region. In addition, the resource will provide enhanced reliability benefits to the system by, among other things, supporting the integration of intermittent resources identified by ELL as an economic option to address its near-term planning needs for the system as a whole, as well as to the region specifically. BPS is a black-start resource that will bolster the resilience of the electric

system in the Fourchon – Valentine corridor and potentially shorten restoration times in this economically-significant part of the state. BPS will enhance the system's overall capacity needs as well as its need for capacity that serves specific supply roles for the region. Finally, BPS will provide energy benefits and provide increased load serving capability that will support future economic development in the region.

Mr. Datta explains how the Project provides enhanced resiliency to the region due to its ability to restore power following a catastrophic weather event. Mr. Datta also discusses how BPS can participate in the wholesale energy market and provide capacity benefits to ELL's customers that a wires alternative cannot. Further, Mr. Datta explains BPS's operational flexibility that will enable it to participate in the wholesale ancillary services market and allow the ELL system to compensate for variations in power supply from intermittent renewable resources in the future. Mr. Datta also discusses the challenges with constructing and maintaining transmission assets in the region's wetlands environment. Finally, Mr. Datta describes the microgrid associated with the BPS and how it benefits customers in the region and enhances resilience.

Company witness Phong Nguyen describes the results of his economic analysis, which shows that BPS and the wires alternative are relatively equal in terms of cost. This result is likely conservative relative to the BPS – that is, it likely understates the net benefits of BPS as compared to the transmission alternative – considering the conservatively high estimate of marine insurance costs for the BPS and likely understated transmission alternative costs (discussed by Mr. Datta). Qualifying for property tax abatement, which the Company intends to pursue, also would significantly affect the economics in favor of BPS, as shown in Mr. Nguyen's sensitivity analysis.

Finally, Company witness Sean Meredith explains how the BPS and the associated microgrid provide additional resilience benefits and support the Company's overall resilience efforts.

For all these reasons, it is my opinion that BPS is in the public interest and the Commission should so find.

Q20. IS THE COMPANY SEEKING ANY SPECIFIC APPROVALS CONCERNING ITS MEASURES TO MANAGE AND MITIGATE RISKS THAT COULD ADVERSELY AFFECT THE PROJECT'S COST OR SCHEDULE?

A. No. Considering the importance of the issues, however, ELL has included with its Application complete information about its approaches to the use of contractors to construct BPS and to project risk management. As Mr. Dickens describes in detail in his testimony, the Company will be using EPC contractors to manage the Project. This testimony describes in detail the terms of the EPC contracts, the reasons why the Company has chosen to use EPC contractors, and the Company's approach to construction management, risk mitigation, and insurance. The Commission will therefore have this information as it determines the prudence of ELL's decision to commence construction under the 1983 General Order.

V. MONITORING PLAN

Q21. WOULD YOU DISCUSS THE COMPANY'S PROPOSED MONITORING PROCEDURES AND REPORTS?

A. Yes. The Company proposes a Monitoring Plan patterned after the monitoring plans approved by the Commission relating to other recent certification dockets, including Lake Charles Power Station, Docket No. U-34283. I have attached an outline of the proposed plan as Exhibit RDJ-2. The Monitoring Plan contemplates a semi-annual report providing detailed information on the status of BPS, its costs, and other activities that are critical to completing the Project in a timely manner. It is not contemplated that there would be any litigation concerning these reports, and there would be no formal discovery process. As Exhibit RDJ-2 reflects, the Monitoring Plan includes appropriate confidentiality restrictions designed to address any competitive concerns that would arise with respect to intervenors who are also participants in the power market.

Q22. WOULD THE PROPOSED MONITORING PLAN PROVIDE THE COMMISSION, ITS STAFF, AND OTHER PARTIES INFORMATION CONCERNING WHETHER THE PROJECT SHOULD BE COMPLETED?

A. Yes, it would. Once the Commission has approved construction of BPS, any issues regarding the propriety of the continuation of that construction would be a result of a subsequent change in circumstances. In my opinion, there are three primary areas in which a future change in circumstances might suggest the cancellation of the Project. These are: (1) a well-founded, systematic increase in the forecasted cost of natural gas;

(2) a change in the cost to complete or operate the Project that renders it uneconomic; or (3) a material incremental change in the cost of environmental compliance or other legislative mandates rendering the Project uneconomic. In all cases, a decision to continue or to cancel BPS would be dependent on an analysis of the incremental cost to complete and operate the Project as of that point in time versus the incremental cost of available alternatives while factoring in the qualitative attributes of the Project as compared to those alternatives.

In this context, the Monitoring Plan will serve as an "early warning system," and the Company will include in the semi-annual monitoring reports an affirmation as to whether continuing the Project is, in its opinion, in the public interest. The Company requests that the Commission require the Staff to use its best efforts to acknowledge receipt of the report, in writing, and submit any questions regarding the report within thirty days.

In the event the Company believes it to be in the public interest to cease construction and cancel the Project, it will make a filing in this proceeding seeking Commission approval of that recommendation. In that filing, the Company would seek a decision on that matter as soon as is practical. The Company's instant Application seeks approval of this procedure.

VI. THE PROJECT'S ESTIMATED FIRST-YEAR REVENUE REQUIREMENT

Q23. WHAT ITEMS ARE INCLUDED IN THE ESTIMATED FIRST-YEAR REVENUE REQUIREMENT FOR BPS?

A. The estimated first-year revenue requirement consists of two main components. The first component of the revenue requirement is the estimated operation and maintenance expenses for the Project during the first year of operation. The second component of the revenue requirement is the return of and on rate base, which requires an estimation of the cost of the Project to calculate the average rate base of the Project for the first year of operation taking into account depreciation. The calculation of the estimated first-year revenue requirement is detailed in Exhibit RDJ-3.

Q24. PLEASE DISCUSS IN MORE DETAIL THE FIRST COMPONENT OF THE ESTIMATED FIRST-YEAR REVENUE REQUIREMENT ASSOCIATED WITH BPS.

A. As described in the Direct Testimony of Mr. Dickens, the Company will incur operating and maintenance ("O&M") expenses during the first year of operation to ensure that BPS operates and can continue to operate safely and reliably. Generally, those costs consist of labor and labor-related costs, baseline operations and maintenance costs, as well as outage-related maintenance expenses specific to the Project. In addition, there will be other operating expenses consisting of insurance and property taxes. ELL also expects to apply for a five-year property tax abatement on the Project, and to the extent that the abatement is ultimately granted, estimated property tax reductions will be

included in an update to the first-year revenue requirement, or the true-up to the actual first-year cost. Estimated property tax expense utilized in the economic evaluation model was provided by Mr. Nguyen.

Q25. ARE THERE ANY LONG-TERM SERVICE AGREEMENT COSTS INCLUDED IN THE FIRST-YEAR REVENUE REQUIREMENT?

A. No. As explained by Mr. Dickens, while ELL is exploring the possibility of executing a long-term service agreement ("LTSA") with Wartsila for BPS, no agreement has been reached at this time. Should an LTSA for BPS be executed in the future, ELL requests that, consistent with past Commission practice, the LTSA costs be recovered through the Fuel Adjustment Clause ("FAC"). Variable costs such as LTSA costs are properly recovered through the FAC, and the Commission has previously authorized FAC recovery for similar costs for ELL's Ninemile 6 combined-cycle gas turbine,[9] St. Charles Power Station,[10] and Lake Charles Power Station,[11] as well as several other

[9] *See* Order No. U-31971 (April 5, 2012), *Ex Parte: Joint Application of Entergy Louisiana, LLC for Approval to Construct Unit 6 at Ninemile Point Station and of Entergy Gulf States Louisiana, L.L.C. for Approval to Participate in a Related Contract for the Purchase of Capacity and Electric Energy, for Cost Recovery and Request for Timely Relief, Docket No. U-31971.*

[10] *See* Order No. U-33770 (December 14, 2016), *In re: Joint Application for Approval to Construct St. Charles Power Station, and for Cost Recovery, Docket No. U-33770.*

[11] *See* Order No. U-34283 (July 20, 2017), *In re: Application for Approval to Construct Lake Charles Power Station and for Cost Recovery, Docket No. U-34283.*

facilities, including Perryville, Acadia Power Block 2, Ouachita Unit 3, Calcasieu, and Union Power Blocks 3 and 4.[12]

Q26. PLEASE DISCUSS IN MORE DETAIL THE SECOND COMPONENT OF THE ESTIMATED FIRST-YEAR REVENUE REQUIREMENT ASSOCIATED WITH BPS.

A. The return of and on rate base component of the revenue requirement is calculated in two parts. The return of rate base (i.e., the depreciation expense) is calculated based on a 30-year operating life, which is consistent with the ESL's Power Generation group's assumed operating life of the only other RICE generating station on the Entergy system, NOPS. In other words, the annual depreciation expense represents the return of the Company's investment in rate base over the useful life of the asset. The return on rate base is calculated by multiplying the pre-tax rate of return by the rate base for the Project. For purposes of this calculation the pretax rate of return of 8.39% is based on the Company's capitalization ratios and cost rates of capital, which were determined

[12] *See* Order No. U-27836 (May 3, 2005), *In re: Entergy Louisiana, Inc. and Entergy Gulf States, Inc., ex parte. In re: Application of Entergy Louisiana, Inc. for Approval of the Purchase of Electric Generating Facilities and Entergy Gulf States, Inc. for Authority to Participate in Contract for the Purchase of Capacity and Electric Power, Docket No. U-27836, See also,* Order No. U-30422-A (October 13, 2009), *In re: Application of Entergy Gulf States, Inc., for Approval to Enter into Contract for the Purchase of Electric Power from Entergy Arkansas, Inc., Sourced from the Ouachita CCGT Facility and Request for Timely Treatment, Docket No. U-30422, See also,* Order No. U-31196-C (February 9, 2011), *In re: Application of Entergy Louisiana, LLC for Approval to Purchase Power Block Two of the Acadia Energy Center, and Joint Application of Entergy Louisiana, LLC and Entergy Gulf States Louisiana, L.L.C. for Approval to Participate in Certain Related Contracts for the Purchase of Capacity and Electric Power and for Cost Recovery, Docket No. U-31196, See also,* Order No. U-32759-A (November 21, 2013), *In re: Application on Behalf of Entergy Gulf State Louisiana, L.L.C. for an Accounting Order and Declaratory Relief Relating to the Commission's General Order Dated November 6, 1997 Governing the Treatment and Allocation of Fuel Costs, Docket No. U-32759, See also,* Order No. U-33510 (November 5, 2015), *In re: Application of Entergy Gulf States Louisiana, L.L.C. for Approval to Purchase Power Blocks Three and Four of the Union Power Station and Request for Timely Treatment and Cost Recovery, Docket No. U-33510*

as of December 31, 2022, and were most recently utilized in the Company's TY22 Formula Rate Plan ("FRP") Evaluation Report filing.

The starting point for calculating the return of and on rate base revenue requirement is the estimated total generation-related capital cost of $374.3 million. This amount does not include the costs of transmission interconnection to the switchyard.[13] This value constitutes the rate base at the beginning of the first year of operation. During the first year of operation, depreciation expense will be recognized in the amount of approximately $12.5 million, representing the first year of the return of the total capital investment for BPS over the proposed 30-year life. Depreciation expense also gives rise to an accumulated reserve for depreciation in that amount, which is included in rate base. The final component of rate base is accumulated deferred income taxes ("ADIT"), which represents the tax effect of the timing differences between straight-line book and accelerated tax depreciation and provides a reduction to rate base. The end result is an estimated total Project rate base of $360.4 million at the end of the first year following commercial operation. Thus, the average rate base during the first year is $367.4 million. The return on rate base is $30.8 million.

Q27. ARE THERE ANY FURTHER ADJUSTMENTS NEEDED TO CALCULATE THE TOTAL FIRST YEAR REVENUE REQUIREMENT FOR THE PROJECT?

A. Yes, there are two additional adjustments necessary to compute the retail revenue requirement. First, the retail revenue requirement is adjusted by the Revenue

[13] Mr. Dickens discusses the estimated Project cost in detail, and Mr. Datta discusses the estimated interconnection and transmission costs in his direct testimony.

Conversion Factor to reflect uncollectible revenues and local franchise taxes. Then, the total revenue requirement must be multiplied by the LPSC-Jurisdictional Retail Allocation Factor to arrive at the authorized retail revenue requirement. The Revenue Conversion Factor and the LPSC-Jurisdictional Retail Allocation Factor from ELL's Test Year 2022 FRP are used for purposes of this calculation.

Q28. WHAT IS THE ESTIMATED FIRST-YEAR REVENUE REQUIREMENT?

A. The total Commission jurisdictional first-year revenue requirement for the Bayou Power Station is estimated to be $54.1 million, as shown on Page 2 of Exhibit RDJ-3. This includes the return of and on rate base as well as O&M expenses, taxes, and insurance.

VII. IMPORTANCE OF TIMELY COST RECOVERY AND PROPOSED RATE RECOVERY

Q29. IS IT APPROPRIATE THAT ELL RECEIVE TIMELY RECOVERY OF THE COSTS ASSOCIATED WITH THE PROJECT?

A. Yes. When the Bayou Power Station begins commercial operation, ELL will have incurred a significant amount of capital costs and will begin recognizing expenses related to the operation of the Project, none of which would be reflected in its then-effective rates established through a Formula Rate Plan or otherwise. Regulatory lag on a project the size of the Project can have a significant adverse effect on a utility's ability to earn its authorized rate of return. For example, Section 3.D.4 of the current FRP, and the FRP proposed in ELL's pending rate case (Docket No. U-36959),

acknowledges that the function of the FRP mechanisms such as the earnings bandwidth and sharing provisions are insufficient to account for significant increases in rate base and cost of service, like those resulting from a new generating unit being placed in service, while continuing to provide an opportunity for the Company to recover its investment and earn a reasonable return on a timely basis. The provision authorizes recovery "fully through [the] Rider FRP, outside of the FRP sharing mechanism" of the retail revenue requirement associated with the construction of a new generating facility that has an annual revenue requirement in excess of $10 million.[14] And, the Commission has previously recognized that it is appropriate to provide for contemporaneous cost recovery to avoid the effects of regulatory lag on large capital projects,[15] including self-build projects, [16] and acquisitions.[17]

[14] ELL Formula Rate Plan Rider Schedule FRP, at Section 3.D.4 (effective November 27, 2015). Notably, Section 3 of the FRP addressing Provisions for Other Rate Changes, which includes section 3.D.4, remains largely the same as the FRP that was agreed to by all parties as part of the settlement term sheet in Commission Docket No. U-33244 (the "Business Combination").

[15] *See* Order No. U-30670 (May 5, 2010), *In re: Application of Entergy Louisiana, LLC for Authorization for Approval to Replace Waterford 3 Steam Generators, Reactor Vessel Closure Head, and Control Element Drive Mechanisms, and for Certain Cost Protection and Cost Recovery, Docket No. U-30670.*

[16] *See* Order No. U-31971 (April 5, 2012), *Ex Parte: Joint Application of Entergy Louisiana, LLC for Approval to Construct Unit 6 at Ninemile Point Station and of Entergy Gulf States Louisiana, L.L.C. for Approval to Participate in a Related Contract for the Purchase of Capacity and Electric Energy, for Cost Recovery and Request for Timely Relief, Docket No. U-31971.*

[17] *See* Order No. U-27836 (May 3, 2005), *In re: Entergy Louisiana, Inc. and Entergy Gulf States, Inc., ex parte. In re: Application of Entergy Louisiana, Inc. for Approval of the Purchase of Electric Generating Facilities and Entergy Gulf States, Inc. for Authority to Participate in Contract for the Purchase of Capacity and Electric Power, See also,* Order No. U-31196 (April 9, 2010), *In re: Application of Entergy Louisiana, LLC for Approval to Purchase Power Block Two of the Acadia Energy Center, and Joint Application of Entergy Louisiana, LLC and Entergy Gulf States Louisiana, L.L.C. for Approval to Participate in Certain Related Contracts for the Purchase of Capacity and Electric Power and for Cost Recovery.*

Q30. PLEASE OUTLINE HOW YOU PROPOSE THAT THE REVENUE REQUIREMENT OF THE PROJECT BE REFLECTED IN RATES CONTEMPORANEOUS WITH THE FACILITY'S PLACEMENT IN SERVICE.

A. In answering this question, I assume, first, that ELL will have an FRP in place,[18] which would provide ELL with a reasonable opportunity for full recovery of the costs it incurs to provide customers with the benefits of the Project. Under that assumption, I propose that ELL follow the procedures laid out below to reflect the revenue requirement for the Project in rates in the first billing cycle of the first month after BPS begins commercial operation. Consistent with prior practice, approximately twelve months prior to the expected commercial operation date, ELL will make a compliance submission in this docket providing the then-best estimate of the first-year revenue requirement of the Project and supporting data ("Revenue Requirement Submission"). The Revenue Requirement Submission would reflect the first-year revenue requirement for the Project and related costs. The Parties would have an opportunity to request information regarding the revenue requirement calculation and propose corrections. An additional update to the estimated first-year revenue requirement would be submitted in this docket 60 days prior to the expected commercial operation date ("Final Estimate Update") and, again, the Parties would have an opportunity to request information regarding the revenue requirement calculation and propose corrections. In that case, parties would provide ELL any recommended adjustments to

[18] Although the term of ELL's current FRP concludes with implementation of rates from the 2022 Evaluation Period, recognizing that the rates of all of the Commission-jurisdictional investor-owned electric utilities are currently or have historically been established through an FRP, and ELL's pending request for an FRP in LPSC Docket No. U-36959 I have assumed that an FRP would be in place when BPS is placed in service.

the Final Estimate Update within 25 days of filing to provide sufficient opportunity to review and evaluate any proposed adjustments. Absent proposed adjustments, the Final Estimate Update would serve as the basis for the amount that is included in rates the first billing cycle following the unit's placement in service.

In the event adjustments to the Final Estimate Update are proposed, any adjustments agreed upon by ELL would be reflected in the rates that are implemented with the first billing cycle following placement in service. To the extent there are unresolved issues regarding a proposed adjustment, the revenue requirement included in the Final Estimate Update would be implemented, subject to refund and resolution in the subsequent FRP in accordance with the dispute resolution process provided for therein. Any changes to the revenue requirement that result from that process would be reflected in the FRP outside of sharing, just as the revenue requirement would have been initially reflected in FRP rates.

After the first full year of operation of BPS, the Company will true up all components of the first-year retail revenue requirement to reflect the actual first-year revenue requirement. This true-up would be implemented outside the FRP sharing mechanism. Thereafter, the Evaluation Report for the applicable FRP and corresponding prospective rates will reflect the realignment of the Project-related revenue requirement and will be taken into account within the bandwidth calculation of the applicable FRP (*i.e.*, inside of sharing) through the subsequent FRP Evaluation Period with any required change in rates taking effect with the corresponding Evaluation Period rate effective date. This procedure will allow for the synchronization in rates of the costs of the Project with the normal FRP cycle, and coordinates recovery

from customers of the non-fuel costs at the same time customers receive the benefits from the Project beginning commercial operation. It should be noted that this ratemaking treatment is consistent with that approved by the Commission in connection with ELL's construction of Ninemile 6, the St. Charles Power Station, the Lake Charles Power Station, and most recently the Sterlington Solar Facility. For the reasons explained earlier regarding the need for timely recovery of the Project-related revenue requirement, the Company specifically requests that the Commission approve this procedure to implement the necessary change in rates contemporaneous with the commercial operation of the Project.

Q31. YOU MENTIONED THAT YOUR RECOMMENDATION REGARDING THE RATE TREATMENT IS PREMISED UPON THE CONTINUED USE OF AN FRP FOR THE COMPANY'S RATES. WHAT IS YOUR RECOMMENDATION IN THE EVENT THAT ELL NO LONGER HAS AN FRP IN PLACE WHEN THE PLANT ENTERS COMMERCIAL OPERATION?

A. Should that circumstance occur, then my recommendation is that the Commission authorize the Company to defer all non-fuel costs, including a full return on the investment, until such time as those costs can be reflected in rates. Such a deferral would include the accrual of carrying charges at the full Commission-authorized rate of return. In that scenario, the specific terms of the future rate recovery would be the subject of a future rate proceeding such as a base rate case. This alternative recovery is generally more costly to customers due to the accumulation of carrying charges on the deferred balance.

ELL may also deem it necessary to file a general rate case prior to the anticipated commercial operation date of the Project with pro forma adjustments to the test year to reflect the estimated first-year revenue requirement of the Project if it is determined that the effect of regulatory lag associated with a project of this size is too significant for ELL not to receive timely/in-service recovery in rates.

Q32. HOW WOULD YOU PROPOSE THAT THE COST OF THE PROJECT BE ALLOCATED TO CUSTOMER CLASSES?

A. If ELL remains subject to an FRP with terms similar to the current FRP, the Project first-year revenue requirement will be recovered as a percentage of base rates from those classes of customers specified by the FRP. If ELL is no longer subject to an FRP ratemaking construct, the allocation of the Project revenue requirement would be the subject of a future rate proceeding, such as a base rate case.

Q33. COULD PROJECT COSTS INCREASE IN THE EVENT THE COMPANY'S PROPOSED TIMELINE ON CONSTRUCTION IS DELAYED?

A. Yes. Mr. Dickens describes certain cost escalations included in the GIS EPC contract that can increase depending on when "full notice to proceed" is provided to GIS. In addition, Mr. Datta explains that the current Generation Interconnection Agreement ("GIA") expires on December 1, 2028, and obtaining a new GIA, should the current GIA that has been signed for the BPS expire, could entail delays in achieving commercial operations, which could also increase project costs.

Q34. PLEASE EXPLAIN HOW CUSTOMERS WILL RECEIVE THE BENEFITS FROM THE CAPACITY AND ENERGY MARGINS ATTRIBUTABLE TO BPS.

A. The energy margins and customer load payment benefits associated with BPS will be realized by the Company through the settlement statements received from participation in the Midcontinent Independent System Operator, Inc. ("MISO") energy and operating reserve market and will, in turn, be directly passed on to customers through the ELL FAC. Accordingly, customers will begin seeing these benefits upon operation of BPS.

As for the capacity revenues arising from BPS, the Company currently participates in the MISO short-term capacity market by selling all of its capacity resources and purchasing all of its capacity needs in that market. The net revenue or cost resulting from that participation is passed on to the Company through its MISO invoices. For ratemaking purposes, these costs are reflected in the ACM of ELL's currently-effective FRP. Assuming the FRP remains in place, those costs would continue to be reflected in the ACM, pursuant to LPSC Order No. U-33391. It should be noted that these benefits are not reflected in Exhibit RDJ-3.

Q35. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY AT THIS TIME?

A. Yes, it does.

AFFIDAVIT

STATE OF LOUISIANA

PARISH OF JEFFERSON

NOW BEFORE ME, the undersigned authority, personally came and appeared, **RYAN D. JONES**, 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.

Ryan D. Jones

SWORN TO AND SUBSCRIBED BEFORE ME
THIS 23rd DAY OF FEBRUARY, 2024

NOTARY PUBLIC

My commission expires: Death

Skylar Rosenbloom
Notary Public
State of Louisiana
Louisiana Bar Roll # 31389
My Commission is issued for Life

Listing of Previous Testimony Filed by Ryan D. Jones

DATE	TYPE	JURISDICTION	DOCKET NO.
08/22/2019	Affidavit	LPSC	U-35370
06/17/2021	Settlement	LPSC	U-35584
12/08/2021	Direct	LPSC	U-36222
4/21/2022	Direct	LPSC	U-36338
11/14/2022	Settlement	LPSC	U-36222
11/15/2022	Rebuttal	LPSC	U-36338
12/29/2022	Settlement	LPSC	U-36338
10/31/2023	Affidavit	LPSC	U-34951, U-35205, U-35581, U-36092, U-36381
1/31/2024	Affidavit	LPSC	S-37113

Monitoring Procedures and Reports Related to the Bayou Power Station Project

1. *Monitoring Procedures and Reports*

The Company will submit semi-annual progress reports to the Staff and any intervenors within 45 days of the end of June and January each year. The contents of the report may be largely confidential, with the exception of a non-confidential summary. Any semi-annual report containing confidential or proprietary information of ELL or its vendors, consultants, or contractors may be submitted on a confidential basis to the Staff and to appropriate reviewing representatives of intervenors that have executed a confidentiality agreement in this docket, in which case a public redacted version of such report will be filed in the docket and circulated to all parties. The Staff will use its best efforts to acknowledge receipt of the report, in writing, and provide any questions regarding the report within 30 days of the submission of the semi-annual monitoring report. The Company also will provide to the Staff informal reports of any significant developments occurring between the more formal semi-annual reports. The Company will arrange for the Staff to undertake site visits once or twice per year, or as deemed necessary.

2. *Semi-Annual Report Elements*

The semi-annual progress monitoring reports will include the following information:

Summary of Status of Project Schedule

An overview of major items accomplished (such as construction or procurement activities):

1. Description of any changes to planned activities (or milestones) that have implications for project schedule or task sequencing;
2. Overall project schedule status; and
3. Project Gantt Chart showing major project milestones.

The information in this section will be sufficiently detailed to understand the relationship between the current schedule and the original schedule, including any changes to major project milestones.

Project Budget Status

The Grand Isle Shipyards ("GIS"), engineering, procurement, and construction ("EPC") contract is a fixed price, fixed schedule-type contract. GIS can earn an additional fee by completing the Project ahead of schedule. GIS must pay predetermined amounts if it fails to timely complete the Project or the Project does not meet performance (output and heat rate) requirements. Each report will provide a table that identifies: (a) the original cost estimate; (b) expenditures to date; (c) estimated future spending; (d) cost estimate revisions (due to change orders or other reasons); and (e) any budget variance. These data will be broken down as: (a) EPC payments; (b) Other vendors/expenses; (c) Entergy labor; (d) Indirect costs; (e) Allowance for Funds Used During Construction ("AFUDC"); (f) project contingency; (g) and transmission interconnection to switchyard.

Project Financing

This section of the report will provide a detailed monthly tracking of AFUDC costs. It will include tables with the projected AFUDC accruals over the entire construction period and cumulative totals. Any changes in the life of Project AFUDC accruals estimate (*e.g.*, due to change in project schedule or costs) will be identified. AFUDC accruals will cease when the Project enters service.

Business Issues

This section will provide for the identification of other business issues pertinent to the Bayou Power Station Project. It will include but not be limited to material business disputes with contractors, force majeure issues, labor problems or disputes, and any issues or problems associated with local government or the local community. This will also include any important amendments to the GIS EPC contract.

Transmission

This section will discuss progress and cost estimates relating to upgrades to interconnect the Project with the switchyard.

Safety

The Company will provide, in each progress report, tables reporting the recordable incident rate ("IR") and lost workday injury and illness rate ("LWDII") information for the Project or similar information relating to work-related safety statistics. This will be provided by month and cumulatively for the entire construction period for the Company, GIS and other Project contractors and subcontracts.

Environmental Compliance

The progress report will identify any environmental permitting or compliance issues that arise and that could affect the Project. Environmental issues discussed in this section will include any permit modification or new requirements. In addition, the Company will report on new environmental laws or regulations that have the potential to affect the Project.

Additional Matters

In addition to the information described above, the semi-annual report will include an Executive Summary highlighting progress on the Project, significant changes to the Project plan and other notable developments. To the extent not provided elsewhere, the Company will include the following information in its report:

(1) updates in the Company's forecasted cost of natural gas;

(2) material changes in the cost to complete the Project;

(3) material incremental changes in the cost of environmental compliance; and

(4) an affirmation as to whether continuing construction of the Project remains in the public interest.

Entergy Louisiana, LLC

BAYOU POWER STATION REVENUE REQUIREMENT

DERIVATION OF THE RATE BASE
(Dollars in Thousands)

Item	Beginning Of Year	End Of Year
Rate Base		
A. Plant In Service [1]	374,300	374,300
B. Accumulated Depreciation [1]	0	(12,477)
C. Accumulated Deferred Income Taxes [2]	0	(1,375)
D. Rate Base	374,300	360,448
E. Average Rate Base		**367,374**

Notes:

[1] Does not reflect $37 million of plant in service associated with transmission interconnection cost.

[2] The tax position of ELL, relative to the first year revenue requirement of Bayou Power Station, has not been finally determined. To the extent that ELL has Net Operating Losses for tax purposes, the amount of ADIT used to calculate the Average Rate Base is subject to change.

Entergy Louisiana, LLC

BAYOU POWER STATION REVENUE REQUIREMENT

DERIVATION OF THE REVENUE REQUIREMENT
(Dollars in Thousands)

	First Year of Operation
A. Operation and Maintenance Expense	
1. Payroll	3,013
2. O&M Outage Expense	982
3. O&M Baseline Expense	1,174
4. Total Operation and Maintenance Expense	5,169
B. Other Operating Expenses	
1. Insurance	616
2. Property Tax [1]	4,596
3. Total Other Operating Expense	5,212
C. Total Operating Expenses	**10,381**
D. Return Of and On Rate Base	
1. Pre-Tax Return [2]	30,823
2. Depreciation and Amortization Expense [2]	12,477
3. Equity AFUDC Gross Up [2]	278
4. Total Return Of and On Rate Base	43,577
E. Revenue Requirement	**53,958**
F. ELP Revenue Conversion Factor	1.01068
G. ELP LPSC Jurisidictional Retail Allocation factor	99.20%
H. ELP LPSC Jurisdictional Revenue Requirement	**54,098**

Notes:
[1] Estimated property tax expense assuming no property tax abatement is granted and subject to change.
[2] Does not reflect $37 million of plant in service associated with transmission interconnection cost.

Entergy Louisiana, LLC

BAYOU POWER STATION REVENUE REQUIREMENT

DERIVATION OF THE COST OF CAPITAL

Item	Amount	Ratio	Cost Rate	Weighted Cost Rate	
				Post Tax	Pre Tax
A. Long Term Debt	8,591,854,488	50.39%	3.88%	1.96%	1.96%
B. Short Term Debt	17,393,361	0.10%	0.59%	0.00%	0.00%
C. Preferred Stock	0	0.00%	0.00%	0.00%	0.00%
D. Common Equity	8,441,842,490	49.51%	9.50%	4.70%	6.43%
E. Total	**17,051,090,339**	**100.00%**		**6.66%**	**8.39%**