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April 30, 2021

RECEIVED

APR 30 2021

VIA HAND DELIVERY

Mr. Brandon Frey
Louisiana Public Service Commission
Galvez Building, 12th Floor
602 North 5th Street
Baton Rouge, LA 70802

LA Public Service Commission

Re: Application of Entergy Louisiana, LLC for Recovery in Rates of Costs Related to Hurricanes Laura, Delta, Zeta, and Winter Storm Uri and for Related Relief (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 Hurricanes Laura, Delta, Zeta and Winter Storm Uri and for Related Relief (the "Application"). With this Application, ELL seeks the Commission's determination of the restoration costs for ELL's response to Hurricanes Laura, Delta, Zeta and Winter Storm Uri that are eligible for recovery of ELL's customers. This filing is supported by the Direct Testimony and Exhibits of Phillip R. May, John W. Hawkins, Jr., Michelle P. Bourg, Sarah M. Harcus, Sean Meredith, Barry D. Keim, PhD and Amy M. Parker. I have also enclosed three CDs which include Sarah Harcus's HSPM Exhibit 4. Please retain the original and two copies for your files and return a date-stamped to our courier.

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

Respectfully submitted,

D. Skylar Rosenbloom

DSR/ddm
Enclosure
cc: Commissioners (via e-mail)

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FBI-60549

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**BEFORE THE
LOUISIANA PUBLIC SERVICE COMMISSION**

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

**APPLICATION OF ENTERGY LOUISIANA, LLC FOR
RECOVERY IN RATES OF COSTS RELATED TO
HURRICANES LAURA, DELTA, ZETA, AND WINTER STORM URI
AND FOR RELATED RELIEF**

Pursuant to the Rules of Practice and Procedure of the Louisiana Public Service Commission (“LPSC” or the “Commission”), Entergy Louisiana, LLC (“ELL” or “Company”) respectfully submits this Application relative to the recoverable costs incurred and to be incurred by the Company to restore its facilities following the damage caused by Hurricanes Laura, Delta, and Zeta, as well as Winter Storm Uri.

In particular, with this Application, ELL requests that the Commission determine the prudence of its restoration efforts for these four storms and certify the resulting costs as eligible for recovery. The Company is also requesting that the Commission determine the storm escrow account levels to be re-established. ELL is also seeking Commission approval of the functionalization of the restoration costs between Generation, Transmission, and Distribution and determination of how these costs will be allocated among customer classes. In addition, the Company intends to file supplemental applications regarding the financing of and matters ancillary to its restoration costs and escrow amounts. Those supplemental applications will be filed in time to permit the Commission to issue orders simultaneously addressing both the amount of the restoration costs that may be recovered and the method of financing and recovery from customers.

As further described herein, the relief sought by the Company in this Application, as supported by the accompanying witness testimony and exhibits thereto, is necessary and essential to ensure the Company's continued financial stability and to permit the Company to continue providing safe and reliable service to its customers at reasonable rates.

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 proceeding, as discussed by Company witness Phillip R. May and others, the Company seeks a determination that the costs incurred to rebuild its electric infrastructure and restore power to customers in connection with Hurricanes Laura, Delta, and Zeta were prudently incurred and are, therefore, eligible for recovery from customers.

IV.

Within a nine-week period from August 27, 2020 through October 28, 2020, Louisiana was battered by these hurricanes, including the strongest hurricane (Laura) to make landfall in

Louisiana in 164 years. Company witness Barry D. Keim, PhD. discusses the wind intensities for these hurricanes.

V.

In addition, ELL seeks in this proceeding a determination that the Company's costs incurred to respond to Winter Storm Uri were prudently incurred, as discussed by Mr. May and others.¹ Between February 13 and 17, 2021, Winter Storm Uri was a massive snow and ice storm, accompanied by extreme freezing temperatures which impacted most of North America.

VI.

As explained by Mr. May, Michelle P. Bourg, John W. Hawkins, Jr., and Sean Meredith, the Company sustained unprecedented damage and destruction in a short time frame from the three hurricanes and the winter storm. Nevertheless, when coupled with the additional burdens imposed by COVID-19 safety precautions, among other things, ELL worked tirelessly and creatively to minimize interruptions and restore power to its customers, and did so with remarkable speed under the circumstances.

VII.

With respect to the three hurricanes and the winter storm, the Company took all actions reasonably available to restore service as quickly and safely as possible for the benefit of its customers and the regional economy. In doing so, ELL coordinated its preparation and restoration efforts for each of the storms with government officials, including the LPSC and its Staff, the

¹ The Company has proposed the inclusion of Winter Storm Uri costs in this proceeding in an effort to reduce administrative and carrying costs associated with the recovery of these expenditures. The level of Winter Storm Uri costs do not justify the burden and expense of a separate securitization filing. By seeking to include these costs in this proceeding to be securitized with the Hurricanes Laura, Delta, and Zeta costs, the Company hopes to take advantage of attractive securitization rates which would translate into significant savings for customers.

Governor of Louisiana, and officials from local municipalities and parishes as well as the Department of Energy.

VIII.

As discussed by Company witness Sarah M. Marcus and others, ELL's gross storm costs, including estimates of restoration work not completed as of February 28, 2021, but excluding carrying costs, are as follows: i) Hurricane Laura, \$1.596 billion, ii) Hurricane Delta, \$215.2 million, iii) Hurricane Zeta, \$176.7 million, and iv) Winter Storm Uri, \$60.0 million. After adding carrying costs through January 2022, the total storm cost for which ELL is requesting approval is \$2.10 billion.

IX.

In the case of Hurricanes Laura, Delta, and Zeta, ELL does not have a total amount of final storm costs because certain storm-related projects remain to be completed and some vendors have yet to submit invoices, but these types of costs represent a small percentage of all storm costs. In the case of Winter Storm Uri, ELL also does not have a total amount of final storm costs because certain storm-related projects remain to be completed and some vendors have yet to submit invoices. This is largely due to the timing of this storm and its proximity to this filing.

X.

ELL is including in its requests estimated costs for these storms so that it may move forward with the regulatory approval process and potentially finance or securitize while rates remain attractive. Any estimated costs will be subject to true-up and reconciliation after the actual costs are known. ELL will provide the actual cost information for these projects as they are completed.

XI.

As explained by Mr. May, Ms. Bourg, Mr. Hawkins, and Mr. Meredith, all of the costs incurred by the Company were necessary to restore service to customers and to reconstruct the transmission and distribution systems promptly and safely in the wake of the damage caused by Hurricanes Laura, Delta, and Zeta and Winter Storm Uri in ELL's service area.

XII.

While the amounts expended on materials, labor, and the other cost categories were substantial, the public interest required that ELL restore service as quickly as reasonably and safely possible. Had ELL not acquired these resources in the manner that it did, the restoration of ELL's systems to provide power to essential facilities, such as water plants, sewage-treatment plants, hospitals, nursing homes, COVID-19 vaccine storage facilities, polling places, and law enforcement facilities, as well as industries critical to the regional, state, and national economies, would have taken substantially longer, as would the time period for restoring power to other customers. Thus, under the circumstances, the costs incurred were necessary to restore power safely, timely, and efficiently.

XIII.

In order to ensure that costs for each storm were appropriate and properly recorded, as described by Ms. Marcus and others, the Company maintained a strong system of internal controls. The Company will make available all documentation supporting the costs for which the Company is seeking recovery.

XIV.

The majority of storm costs for Hurricanes Laura, Delta, and Zeta were also subject to an external attestation examination, as described in the direct testimony of Amy M. Parker, a partner with Deloitte and Touché LLP ("D&T") to verify that the Company has presented a complete and

accurate representation of valid storm costs. The mutual assistance costs associated with Hurricanes Laura, Delta, and Zeta were excluded from D&T's engagement scope because the Company determined that it had not received sufficient invoices from external contractors to allow for a meaningful review. Similarly, D&T was not asked to conduct a review of Winter Storm Uri costs because of the limited number of invoices received from external contractors as of the date of this filing. The Company intends to request D&T to conduct a review of the mutual assistance costs and Winter Storm Uri costs when possible and will supplement the record with the results of that review.

XV.

The relief sought in this Application would affect all of the Company's retail customers.

THE STORMS

Hurricane Laura

XVI.

Hurricane Laura made landfall at Cameron, Louisiana, as a high-end Category 4 hurricane with sustained winds of 150 miles per hour on August 27, 2020. Hurricane Laura was the strongest storm to make landfall in Louisiana since 1856 and is tied for the fifth strongest to make landfall in the continental United States. The region of southwest Louisiana in and around Lake Charles took the brunt of the storm's force.

XVII.

The nature and magnitude of the damage inflicted in Southwest Louisiana by Hurricane Laura were very different from the experiences with past hurricanes that impacted ELL's service area. In fact, the damage was so severe that it was more consistent with destruction caused by a

tornado, but across a much wider path. Hurricane Laura knocked out power to more than 436,000 customers of ELL.

XVIII.

ELL's transmission system suffered significant damage from Hurricane Laura, with 1,822 transmission structures destroyed or damaged, 188 substations damaged and/or impacted, and 152 transmission lines out of service.

XIX.

The transmission system that serves southeast Texas and southwest Louisiana was the hardest hit. This area includes a uniquely dense population of large industrial customers and critical energy infrastructure. Southwest Louisiana was isolated completely from the Bulk Electric System, with all nine transmission lines into that region severed. Ms. Bourg discusses the transmission damage in her testimony, and discusses the necessary restoration costs incurred by the Company.

XX.

ELL's distribution system also incurred unprecedented damage from Hurricane Laura, including 12,453 distribution poles damaged and/or destroyed, 4,264 transformers were damaged and/or destroyed, and 27,166 spans of distribution wire damaged and/or destroyed (roughly equivalent to over 770 miles). Mr. Hawkins details the distribution damage in his testimony, and discusses the necessary restoration costs incurred by the Company.

XXI.

Hurricane Laura also affected three generating plant sites owned and operated by ELL. These plants, located near Lake Charles, are the Calcasieu Generation Facility ("Calcasieu"), Lake Charles Power Station ("LCPS"), and Nelson Station ("Nelson"). LCPS suffered moderate wind damage to its cooling tower, disc filters, gas turbine inlet filter house, boiler feed pump and

housing, and warehouse. Nelson suffered moderate wind damage to its boiler lagging and insulation, cooling tower fans and structures, electrical switchgear, battery banks, and to a number of building facilities. Calcasieu experienced relatively minor wind damage. Company witness Mr. Meredith further discusses this damage, and the necessary costs incurred, in his testimony.

XXII.

Despite the challenges presented by Hurricane Laura, ELL restored service to more than 75% of Louisiana customers within two weeks of it being safe to commence full restoration activities and more than 90% of Louisiana customers within three weeks. All customers were restored by October 1, 2020.

Hurricane Delta

XXIII.

Hurricane Delta struck Louisiana on the evening of October 9, 2020 as a high-end Category 2 storm with sustained winds approaching 100 mph, making landfall in Creole, Louisiana, just 6 weeks after Hurricane Laura and 12 miles to the east of where Hurricane Laura came ashore.

XXIV.

Hurricane Delta had a wider footprint than Hurricane Laura, with sweeping outer bands that covered the entire State of Louisiana, and the storm impacted parts of ELL's service area that were still recovering from the devastation of Hurricane Laura. Hurricane Delta knocked out power to more than 616,000 customers of ELL.

XXV.

In her testimony, Ms. Bourg describes the transmission damage from Hurricane Delta, which included 171 transmission structures destroyed or damaged; 142 substations damaged and/or impacted; and 116 transmission lines out of service. Ms. Bourg also discusses the necessary restoration costs incurred by the Company.

XXVI.

In his testimony, Mr. Hawkins describes the distribution damage from Hurricane Delta, which included 969 distribution poles damaged and/or destroyed, 356 transformers were damaged and/or destroyed, and 2,407 spans of distribution wire damaged and/or destroyed. Mr. Hawkins also discusses the necessary restoration costs incurred by the Company.

XXVII.

Hurricane Delta also affected six power generating plants sites owned and operated by ELL. These plants are located across southern Louisiana from near Lafayette to Lake Charles and include Acadia Power Block 2 (“Acadia”), Calcasieu, LCPS, and Nelson. Nelson and Acadia suffered minor wind damage. Mr. Meredith discusses the damage to the generating units, and the costs necessarily incurred by the Company, in his testimony.

XXVIII.

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

Hurricane Zeta

XXIX.

A few weeks later, Hurricane Zeta made landfall at Cocodrie, Louisiana, on the afternoon of October 28, 2020 as a strong Category 2 hurricane with 110 mph sustained winds, just 1 mph shy of a Category 3 storm. Hurricane Zeta’s center passed directly over Jefferson and Orleans Parishes, and its damaging winds brought down trees, limbs, poles, and lines throughout the metropolitan New Orleans area. Damage to infrastructure in the coastal parishes of Southeast Louisiana was also extensive. Hurricane Zeta knocked out power to more than 303,000 customers of ELL.

XXX.

Hurricane Zeta resulted in approximately 199 transmission structures destroyed or damaged, 24 substations damaged and/or impacted, and 32 transmission lines out of service. Ms. Bourg discusses the transmission damage and the Company's necessary restoration costs in her testimony, and she also notes that none of the transmission structures replaced as a part of the Hurricane Laura and Hurricane Delta restoration efforts were destroyed during Hurricane Zeta.

XXXI.

As discussed by Mr. Hawkins, ELL experienced significant damage to its distribution system from Hurricane Zeta, including 2,424 distribution poles damaged and/or destroyed, 481 transformers damaged and/or destroyed, and 1,593 spans of distribution wire damaged and/or destroyed. Mr. Hawkins also discusses the necessary restoration costs incurred by the Company.

XXXII.

With respect to generation, Hurricane Zeta affected multiple fossil-fueled plants owned and operated by ELL. While none of the affected plants received damage as a result of the storm, there were expenses necessarily incurred in preparing for and responding to the storm, as discussed by Mr. Meredith in his testimony.

XXXIII.

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

Winter Storm Uri

XXXIV.

In February 2021, back-to-back winter storms brought freezing rain and ice to Louisiana. The first storm hit on February 15, 2021, and heavily impacted the Livingston Parish, Tangipahoa

Parish, and Greater Baton Rouge areas. On February 17, 2021, the second storm heavily impacted central and north Louisiana.

XXXV.

Ice accumulation sagged or downed trees, limbs and power lines, causing damage to the Company's transmission and distribution systems. The additional weight of ice caused trees and limbs to fall into power lines and other electric equipment. When the ice melted, it affected vegetation and electrical equipment, causing incremental outages. At the peak, Winter Storm Uri knocked out power to approximately 228,000 ELL customers.

XXXVI.

In their testimony, Ms. Bourg and Mr. Hawkins detail the distribution and transmission damage caused by Winter Storm Uri, and the necessary costs incurred by the Company to restore service for its customers. Transmission damage from Winter Storm Uri was fairly limited, but galloping wires, vegetation, and other damage did affect 14 transmission lines, 2 transmission structures, and 1 pole. The damage to ELL's distribution system included 260 poles, 158 transformers, and 1,863 spans of wire. Further, Mr. Meredith discusses how Winter Storm Uri affected twenty-two fossil-fueled generating plants owned and operated by ELL, and the costs related thereto.

XXXVII.

Restoration follows a different process in extremely cold conditions, as discussed by Ms. Bourg. Rather than simply energizing an entire power line all at once, the Company must bring customers back online one section at a time to avoid damage to ELL's system, which can slow efforts to restore power in some areas. A storm team of more than 4,000, including line workers, tree trimmers, and support personnel, worked quickly and safely to restore power to customers who sustained outages as a result of Winter Storm Uri.

XXXVIII.

The Company first focused on restoring power to critical infrastructure that was essential to the health and well-being of ELL's communities as well as getting the greatest number of customers back online at a time. The Company also made every effort to prioritize restoring power to customers who had been without service the longest due to Winter Storm Uri.

XXXIX.

Customers who were affected by the first storm, including those that lost power days after the storm had passed due to limbs falling after the fact and other scenarios, were restored by February 20, 2021. Most customers affected by the second storm were restored by February 22, 2021, with isolated cases in the hardest-hit areas restored on February 23, 2021.

SUMMARY OF STORM COSTS

XL.

As noted above, ELL's gross storm costs, including estimates of restoration work not completed as of February 28, 2021, but excluding carrying costs, are as follows: i) Hurricane Laura, \$1.596 billion. ii) Hurricane Delta, \$215.2 million. iii) Hurricane Zeta, \$176.7 million, and iv) Winter Storm Uri, \$60.0 million. After adding carrying costs through January 2022, ELL is requesting a Commission determination that a total of \$2.10 billion was prudently incurred and, therefore, is eligible for recovery from customers. Additionally, ELL is requesting Commission determination that re-establishment of a storm escrow account to the previously authorized amount of \$290 million is appropriate.

XLI.

At a summary level, and as further discussed by Ms. Harcus in her 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 three cost classes are Generation, Transmission, and Distribution. Within each of the three functional classes of costs, direct costs are further assigned to one of five major cost categories. The five cost categories are: 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 two costs categories are Mutual Assistance and Adjustments.

XLII.

The following Tables 1-4 show the Company’s storm costs, exclusive of carrying costs, by storm, class, and category:

Table 1: Hurricane Laura Storm Costs

Description	Distribution	Generation	Transmission	Total
Direct Costs				
Contract Work	\$873,522,165	\$10,935,810	\$372,462,742	\$1,256,920,717
Employee Expenses	33,085,320	62,159	387,368	33,534,847
Labor	15,834,058	2,078,967	2,377,206	20,290,231
Materials	67,391,535	3,509,870	50,533,800	121,435,206
Other	8,109,936	449,459	32,529,162	41,088,557
Affiliated Costs				
ESL Billings	13,670,148	774,269	4,094,776	18,539,192
Loaned Resources	5,656,098	238,358	662,479	6,556,935
Mutual Assistance	67,866,112	-	23,683,265	91,549,377
Adjustments	(1,674,774)	(3,288)	(11,069)	(1,689,130)
Total Costs Through 2/28/21	\$1,083,460,598	\$18,045,604	\$486,719,729	\$1,588,225,931
Estimated Cost to Complete	2,831,535	214,267	4,460,000	7,505,802
Total Gross Storm Costs	\$1,086,292,133	\$18,259,871	\$491,179,729	\$1,595,731,733

Table 2: Hurricane Delta Storm Costs

<u>Description</u>	<u>Distribution</u>	<u>Generation</u>	<u>Transmission</u>	<u>Total</u>
Direct Costs				
Contract Work	\$137,935,273	\$371,882	\$12,839,974	\$151,147,129
Employee Expenses	12,867,952	384	10,104	12,878,441
Labor	4,513,769	44,898	579,598	5,138,265
Materials	10,642,626	39,142	1,315,283	11,997,051
Other	1,305,098	(15,456)	1,393,573	2,683,215
Affiliated Costs				
ESL Billings	2,037,074	-	128,434	2,165,509
Loaned Resources	609,449	-	26,060	635,509
Mutual Assistance	26,561,210	-	458,575	27,019,785
Adjustments	(925,631)	(0)	(14,172)	(939,802)
Total Costs Through 2/28/21	\$195,546,821	\$440,850	\$16,737,429	\$212,725,100
Estimated Cost to Complete	2,508,887	-	-	2,508,887
Total Gross Storm Costs	\$198,055,708	\$440,850	\$16,737,429	\$215,233,987

Table 3: Hurricane Zeta Storm Costs

<u>Description</u>	<u>Distribution</u>	<u>Generation</u>	<u>Transmission</u>	<u>Total</u>
Direct Costs				
Contract Work	\$115,435,837	\$193,201	\$12,655,481	\$128,284,519
Employee Expenses	10,207,615	-	8,142	10,215,756
Labor	4,676,789	-	360,101	5,036,891
Materials	15,847,593	2,416	1,953,511	17,803,521
Other	873,197	1,036	1,734,742	2,608,975
Affiliated Costs				
ESL Billings	1,696,235	-	81,810	1,778,045
Loaned Resources	2,713,236	-	15,026	2,728,262
Mutual Assistance	6,851,514	-	-	6,851,514
Adjustments	(5,457)	-	(464)	(5,922)
Total Costs Through 2/28/21	\$158,296,558	\$196,653	\$16,808,349	\$175,301,561
Estimated Cost to Complete	1,357,996	-	-	1,357,996
Total Gross Storm Costs	\$159,654,554	\$196,653	\$16,808,349	\$176,659,557

Table 4: Winter Storm Uri Costs

Description	Distribution	Generation	Transmission	Total
Direct Costs				
Contract Work	\$12,580,079	\$174,221	\$1,252,820	\$14,007,121
Employee Expenses	53	1,198	180	1,430
Labor	2,387,617	233,668	251,768	2,873,053
Materials	1,439,830	(11,571)	74,172	1,502,431
Other	4,346,030	279	104,432	4,450,741
Affiliated Costs				
ESL Billings	453,271	5,919	3,299	462,489
Loaned Resources	-	-	-	-
Mutual Assistance	-	-	-	-
Adjustments	-	-	-	-
Total Costs Through 2/28/21	\$21,206,880	\$403,714	\$1,686,671	\$23,297,265
Estimated Cost to Complete	34,683,120	746,286	1,273,329	36,702,735
Total Gross Storm Costs	\$55,890,000	\$1,150,000	\$2,960,000	\$60,000,000

THE FINANCIAL EFFECT OF FOUR STORMS

XLIII.

As discussed by Mr. May and Ms. Harcus, the cost of restoration for a single storm, let alone four separate storms, places a serious financial burden on the Company because it is required to expend large sums very quickly, which reduces ELL's liquidity and can affect the financial metrics supporting their current credit ratings, which are regularly examined by the investment community.

XLIV.

To provide the Company with liquidity until it could plan for the financing of Hurricane Laura, Delta, and Zeta costs, ELL withdrew all remaining sums from the storm escrow accounts established after Hurricane Isaac. In addition, due to the significant restoration costs associated with the Company's response to Hurricanes Laura, Delta and Zeta, the Company undertook the extraordinary step of issuing approximately \$1.1 billion in shorter-term debt to finance storm costs until permanent financing for the storm costs could occur.

XLV.

ELL is soon to be facing another storm season and will be entering this season without any escrow funds on hand that helped reassure the investment community that the Company possesses the resources necessary to fund a potentially massive storm restoration and avoid the extreme financial demands that occurred following previous hurricanes.

XLVI.

As discussed by Mr. May and Ms. Harcus, ELL is requesting that the Commission authorize storm escrow funding in the amount of \$290 million, which is the level established after Hurricane Isaac. These escrow funds provide an important source of cash to maintain the Company's financial health following major hurricanes. Indeed, it is essential that ELL be allowed to re-establish its storm escrow funds in order to ensure ready access to a secure source of cash to pay for the contractors, vendors, and materials that are necessary to complete a timely storm restoration.

XLVII.

It is also essential, as discussed in this Application, that the Commission, in as expeditious a manner as possible, determine the prudence of the Company's restoration costs and certify them as eligible for recovery. ELL is also seeking Commission approval of the functionalization of the restoration costs between Generation, Transmission, and Distribution and how these costs should be allocated among customer classes.

XLVIII.

As previously noted, the Company intends to file supplemental applications regarding the financing of and matters ancillary to its recoverable storm costs. Those supplemental applications will be filed in time to permit the Commission to issue orders simultaneously addressing both the amount of the storm costs that may be recovered and the method of recovery.

REGULATORY APPROVAL PLAN

XLIX.

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

L.

However, in this initial filing, ELL presents the costs for which it seeks recovery, and asks that the Commission review these costs and approve them as eligible for recovery, as well as approve the re-establishment of a storm escrow fund and related rate issues.

LI.

ELL intends to supplement this filing with a request regarding the financing and recovery of the recoverable storm restoration costs. The Commission previously has approved the use of tariff monetization bonds or securitization bonds as a means to recover storm costs, finding that it lowered costs to customers. ELL expects to request that the Commission approve the use of tariff monetization bonds in this instance as well. In the supplemental filing, which is expected to be made within approximately 90 days of this initial filing, ELL will address the financing of the costs associated with Hurricanes Laura, Delta, and Zeta and Winter Storm Uri.

LII.

The Company requests that the approvals requested herein and those to be requested in the supplemental applications be issued by the Commission no later than the December 2021 Business & Executive Session. Approval by this date would permit the Company to issue approved financing and commence recovery from customers in the first half of 2022, although the

Commission may wish to consider approvals prior to December 2021 which could have the effect of reducing carrying costs and accessing lower bonds rates.

COMPANY WITNESS TESTIMONY

LIII.

As previewed herein, the Company's Application is much more than simply cost figures. The Company's witnesses provide detailed explanations regarding:

- why Hurricanes Laura, Delta, and Zeta, as well as Winter Storm Uri, were so destructive and, thus, costly;
- the unique issues faced by the Company during the restorations; and
- the systems and practices in place or implemented in response to the storms and the COVID-19 pandemic to monitor, control, and reduce costs, while also expediting restoration in a safe and organized manner.

LIV.

The Direct Testimony and associated exhibits for the following ELL 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 three hurricanes and ice storm, and the Company's responses to each of them, and he also introduces the other witnesses who support the Company's Application;

- John W. Hawkins, Jr., Vice President, Distribution for ESL. Mr. Hawkins discusses the reasonable and necessary distribution-related restoration costs for Hurricanes Laura, Delta, and Zeta, as well as Winter Storm Uri, that affected ELL's service area. He also discusses the Company's interaction with customers and stakeholders before, during, and after each storm.
- Michelle P. Bourg, Vice President, Asset Management for ESL. Ms. Bourg presents ELL's reasonable and necessary transmission-related restoration costs for Hurricanes Laura, Delta, and Zeta, and also describes the Company's preparation for and response to those storms and Winter Storm Uri that affected ELL's service area.
- Sarah M. Harcus, Director of Finance for ELL. Ms. Harcus presents the Company's storm costs for Hurricanes Laura, Delta, and Zeta and Winter Storm Uri, and describes ELL's procedures for approving and accounting for these costs. Ms. Harcus also calculates the carrying charges on those costs through January 2022. Ms. Harcus details ELL's intent to finance amounts incurred in connection with the storms, including replenishment of the storm reserves. Finally, Ms. Harcus discusses considerations for allocating these costs across ELL's various rate classes.
- Sean Meredith, Vice President, Power Plant Operations for ESL. Mr. Meredith summarizes the impact of Hurricanes Laura, Delta, and Zeta and Winter Storm Uri on ELL's generation fleet and quantifies the Generation class of storm costs.
- Dr. Barry Keim, Climatologist for the State of Louisiana and the Richard J. Russell Professor in the Department of Geography & Anthropology at Louisiana State

University. Dr. Keim introduces and summarizes his report on the wind intensities for Hurricanes Laura, Delta, and Zeta over southern Louisiana.

- Amy M. Parker, Certified Public Accountant and Partner at Deloitte & Touché LLP. Ms. Parker discusses the results of an independent attestation examination of the Company's summary of Hurricanes Laura, Delta, and Zeta restoration costs.

SERVICE OF NOTICE AND PLEADINGS

LV.

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

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Elizabeth Ingram
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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

LVI.

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

LVII.

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 ELL's restoration costs relating to Hurricanes Laura, Delta, and Zeta of \$1,976,252,592 in actual costs incurred through February 28, 2021 and \$11,372,685 in estimated costs relating to projects not yet complete, to be reasonable and necessary and, therefore, eligible for recovery from customers, with the manner of such recovery to be approved simultaneously with the approval of these costs;
2. find ELL's restoration costs relating to Winter Storm Uri of \$23,297,265 in actual costs incurred through February 28, 2020 and \$36,702,735 in estimated costs relating to projects not yet complete, to be reasonable and necessary and, therefore, eligible for recovery from customers, with the manner of such recovery to be approved simultaneously with the approval of these costs;
3. approve the Company's request for the re-establishment of storm escrows of \$290 million;
4. authorize the Company to recover the interest expense on the \$1.1 billion of shorter-term debt issued as interim storm financing until repaid;
5. authorize the Company to recover carrying costs on the approved storm costs, net of escrow amounts withdrawn in November 2020 and the \$1.1 billion in shorter-term debt issued as interim financing, at its weighted average cost of capital from the date on which the storm costs were incurred until the date that permanent financing as approved by the Commission is issued or until the storm costs are otherwise recovered, as discussed in the testimony of Ms. Marcus attached to this Application;

6. approve the functionalization of cost set forth in the Company's testimony and determine how those costs should be allocated among customer rate classes;
7. direct the procedural steps necessary to ensure that a decision may be made by the Commission simultaneously approving the Companies' requested orders, including their proposed Financing Orders, no later than the December 2021 Business and Executive Meeting;
8. establish a fifteen-day period for interventions in this proceeding;
9. provide for appropriate protection for any confidential information to be produced in this proceeding;
10. direct that notice of all matters in these proceedings be sent to Mark Kleehammer, Elizabeth Ingram, Stacy Castaing, and Patrick Sullivan, as well as to Lawrence J. Hand, Jr., D. Skylar Rosenbloom, W. Raley Alford, III, and Alison Palermo, as representatives of Entergy Louisiana, LLC; and
11. grant such other relief to which the Company shows itself to be entitled.

Respectfully submitted.

By: 

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