BEFORE THE

LOUISIANA PUBLIC SERVICE COMMISSION

IN RE: APPLICATION OF ENTERGY LOUISIANA, LLC FOR RECOVERY IN RATES OF COSTS RELATED TO HURRICANE IDA AND FOR RELATED RELIEF	)))))	DOCKET NO. U-36350

DIRECT TESTIMONY

OF

SARAH M. HARCUS

ON BEHALF OF

ENTERGY LOUISIANA, LLC

APRIL 2022

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EXHIBIT LIST

I. INTRODUCTION AND QUALIFICATIONS

Q1. PLEASE STATE YOUR NAME, OCCUPATION, AND BUSINESS ADDRESS.

A. My name is Sarah M. Harcus. I am employed by Entergy Services, LLC ("ESL")[1] as the Finance Director for Entergy Louisiana, LLC ("ELL" or the "Company"). My business address is 4809 Jefferson Highway, Jefferson, Louisiana 70121.

Q2. WHAT ARE YOUR PRINCIPAL RESPONSIBILITIES FOR THE COMPANY AS JURISDICTIONAL FINANCE DIRECTOR?

A. As ELL's Finance Director, I am responsible for financial management, planning, monitoring, and reporting, as well as providing regulatory support to the Company.

Q3. ON WHOSE BEHALF ARE YOU TESTIFYING IN THIS PROCEEDING?

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

Q4. PLEASE DESCRIBE YOUR EDUCATIONAL BACKGROUND, PROFESSIONAL QUALIFICATIONS, AND EXPERIENCE.

A. In 2010, I earned a Bachelor of Science degree in Accounting and Spanish from Washington and Lee University in Lexington, Virginia. That same year, I began working for KMPG in its Audit Division as an external auditor of publicly-traded

[1] ESL is a service company to the five Entergy Operating Companies ("EOCs"), which are Entergy Arkansas, LLC; Entergy Louisiana, LLC; Entergy Mississippi, LLC; Entergy New Orleans, LLC; and Entergy Texas, Inc.

companies. In 2014, I left that position to join to ESL's Regulatory Services – Regulatory Filings organization. In 2016, I began working in ESL's Finance Business Partners – Utility Finance and Strategy group, where I provided regulatory support for various matters. In mid-2020, I accepted my current position as the Finance Director for ELL.

Q5. HAVE YOU EVER TESTIFIED BEFORE THE COMMISSION?

A. Yes. I have previously offered Direct Testimony in LPSC Docket No. U-35762, *In re: Application of Entergy Louisiana, LLC for Approval of Ratemaking Adjustment for Interim Hurricane Laura Financing, and Request for Expedited Treatment.* In addition, I have offered Direct Testimony and Supplemental Direct Testimony in LPSC Docket No. U-35991, *In 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.*

Q6. PLEASE SUMMARIZE THE RELIEF THAT ELL IS SEEKING IN ITS APPLICATION.

A. The primary purpose of this proceeding is to obtain timely recovery of the costs incurred in connection with ELL's efforts to rebuild its electric infrastructure and to restore power to customers resulting from the damage caused by Hurricane Ida. Through this application, ELL is requesting that the Commission issue an order: (1) determining that the total amount of storm costs incurred by the Company was reasonable and necessary and is eligible for recovery from customers; (2) authorizing

the Company to recover carrying costs on the approved storm costs; and, (3) determining the manner in which the storm costs will be allocated among customer rate classes.

Concurrent with this request, the Company is preparing supplemental applications in which the Company will request that the approved storm costs be financed pursuant through the financing mechanism authorized in Louisiana Restoration Corporation Act, Act No. 55 of the Louisiana Regular Session of 2007, La. R.S. §§ 45:1311-1328, as supplemented by Act No. 293 of the Louisiana Regular Session of 2021, La. R.S. §§ 45:1331-1343 (together, the "Restoration Law") or any other viable financing method that is cost effective for customers and approval of an ancillary order. ELL will file these applications in sufficient time to facilitate approval of an appropriate financing order and ancillary order for the Company no later than the Commission's September 2022 Business and Executive Session. If Commission approvals are obtained in September 2022, permanent financing would occur in December 2022 and rate recovery from customers would commence in early 2023.

Q7. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

A. My testimony supports ELL's request for approval and recovery of costs related to restoration efforts following Hurricane Ida and the financing of these amounts. My testimony addresses:

- The costs incurred by ELL in connection with Hurricane Ida and the current state of the Company's storm reserves;

- Additional costs incurred by ELL in connection with Hurricanes Laura, Delta, and Zeta and Winter Storm Uri;
- Carrying costs and use of funds to minimize the level of carrying costs;
- ELL's accounting and auditing procedures for costs related to Hurricane Ida;
- The Company's proposed procedure for financing storm costs, including the anticipated structure of the financings; and
- The request for a Commission determination of a reasonable and appropriate allocation of system restoration charges among the Company's customers.

II. STORM COSTS

A. Amount of Storm Costs

Q8. WHAT ARE THE TOTAL AMOUNTS OF STORM COSTS RELATED TO HURRICANE IDA THAT THE COMPANY IS ASKING THE COMMISSION TO APPROVE IN THIS DOCKET?

A. As shown below, ELL incurred $2.39 billion[2] of storm costs associated with Hurricane Ida through March 31, 2022. ELL estimates that it will incur additional storm costs of $150.8 million.[3] Thus, storm costs through March 31, 2022, plus estimated costs after March 31, 2022 ("Total Gross Storm Costs") for ELL total $2.543 billion.

[2] Numbers provided throughout this testimony may not tie exactly due to rounding.

[3] The Company is currently constructing new river crossing structures to replace a transmission tower that was destroyed in Avondale during Hurricane Ida. The estimated costs noted here and reflected in Exhibits SMH-1 and MPB-2 do not include the cost of that project, which is ongoing.

Q9. WHY HAS ELL INCLUDED ESTIMATED COSTS FROM HURRICANE IDA IN ITS TOTAL REQUESTED AMOUNTS?

A. Consistent with prior storm proceedings, ELL has included estimated costs in its total requested amounts primarily because there are specific projects that have not been completed as of March 31, 2022 that are necessary to repair or replace facilities damaged by Hurricane Ida. For additional details about certain ongoing Hurricane Ida related projects, see the Direct Testimony of Company witnesses John W. Hawkins and Michelle P. Bourg.

Q10. WHAT FUNCTIONAL CLASSES OF COSTS ARE INCLUDED IN THE TOTAL COST AMOUNTS?

A. ELL's storm costs are broken down into the following three major cost classes: (1) Generation, (2) Transmission, and (3) Distribution. In addition, the costs shown on Exhibit SMH-1 are also separated between those costs incurred as of March 31, 2022, and the costs that are estimated to be incurred after that date.

Q11. WHAT CATEGORIES OF COSTS ARE INCLUDED WITHIN THE THREE MAJOR FUNCTIONAL CLASSES OF COSTS?

A. Within each of the three functional classes of costs, direct costs are further assigned to one of five major cost categories, as shown in Exhibit SMH-1:

- The Contract Work cost category includes the cost of third-party contractors and workers supplied by other utility companies to assist in the restoration effort;

- The Employee Expenses cost category includes the cost of providing lodging, meals, and other logistical items necessary to the internal restoration work force. This category also includes travel expenses, such as mileage, and other reimbursable expenses incurred by the Company's employees;
- The Labor cost category includes the total labor costs (including employee payroll, benefits, and taxes) incurred on behalf of and charged to the Company by personnel from ELL;
- The Materials cost category includes the cost of parts and materials used in the restoration effort, including materials purchased from the EOCs; and
- Finally, the Other cost category includes additional costs not specifically categorized elsewhere, such as capital suspense, transportation, and telecommunications.

Affiliate costs, excluding materials, are assigned one of two major cost categories – ESL Billings or Loaned Resources. The Loaned Resources category includes the total labor costs incurred on behalf of and charged to the Company by personnel from other EOCs. The descriptions above are intended to be illustrative only and the listed examples within each category are not all-inclusive.

Q12. WHY HAS ELL INCLUDED UNINVOICED MUTUAL ASSISTANCE FROM HURRICANE IDA AS A SEPARATE CATEGORY IN ITS SUMMARY OF INCURRED HURRICANE IDA COSTS?

A. All ELL mutual assistance costs have been incurred as of March 31, 2022. Consistent with previous storm responses, the receipt of these invoices has lagged compared to

other costs. The Company determined that a meaningful review by Deloitte and Touche, LLP ("D&T" or "Deloitte") could not be completed covering mutual assistance costs for which no invoices have been received. For this reason, the Company is presenting these costs separately in the schedule. See Amy M. Parker's Direct Testimony for additional discussion on D&T's engagement. Mutual Assistance costs for which invoices have been received by March 31, 2022 have been included in the Contract Work category of costs.

Q13. HOW WILL ANY STORM COSTS THAT ARE NOT YET ACCRUED OR ESTIMATED BE ACCOUNTED FOR?

A. Those amounts will be properly recorded on ELL's books and records as capital or operation and maintenance ("O&M") expense when they are paid or accrued. This is consistent with how the Company has recorded storm costs for other restoration efforts that were not paid or accrued in advance of prior storm quantification filings. For example, as I discuss in more detail below, in this filing the Company seeks approval of approximately $31.9 million for costs related to storm costs associated with Hurricanes Laura, Delta, and Zeta as well as Winter Storm Uri that were not paid or accrued at the time the quantification filing was made for those storms in LPSC Docket No. U-35991.

Q14. DOES ELL ANTICIPATE THAT ITS RECOVERABLE STORM COSTS WILL BE APPROPRIATELY ADJUSTED FOR INCREASES OR DECREASES IN THOSE COSTS THAT ARISE OR BECOME KNOWN AFTER THIS FILING?

A. Yes. It is anticipated that recoverable storm costs will be adjusted (or trued-up) to reflect increases or decreases in storm costs arising after this initial filing, such as receipt of storm cost invoices after the filing that were not included in the Total Gross Storm Costs, differences between estimated costs and actual costs, and any storm-related invoice discounts or rebates received after the filing and prior to the issuance of an order.

Q15. HAS ELL REDUCED ITS REQUESTED RECOVERY TO ACCOUNT FOR ESTIMATED INSURANCE PROCEEDS OR FEDERAL OR STATE RELIEF GRANTS?

A. No. ELL has not received any insurance proceeds to date. As discussed in prior storm cost proceedings, insurance has not been reasonably available for damages to transmission and distribution lines, which as reflected on Exhibit SMH-1 represent the vast majority of damages from Hurricane Ida. With respect to insurance coverage for other property for which coverage was reasonably available, the claims process for damages to generation facilities and company buildings is ongoing at this time and it is uncertain whether the Company will ultimately receive insurance proceeds and in what amount. Additionally, ELL has not received any relief grants or funds from any federal or state governmental bodies nor do they expect to receive any. To the extent

the Company receives any insurance proceeds or governmental funding, ELL proposes that those amounts be provided to customers dollar for dollar outside of sharing.

Q16. HAS ELL REDUCED ITS REQUESTED RECOVERY TO ACCOUNT FOR ANTICIPATED DISBURSEMENTS FROM THE HURRICANE IDA ESCROW ACCOUNT IN CONNECTION WITH HURRICANE IDA?

A. Yes, the amounts the Company seeks to recover, as discussed below, have been reduced for the amounts the Company anticipates being able to withdraw from the Hurricane Ida storm escrow account that was authorized through LPSC Order No. U-35991-A.

Q17. HOW MUCH OF ELL'S TOTAL COMPANY GROSS STORM COSTS RELATING TO HURRICANE IDA HAVE BEEN OR WILL BE CAPITALIZED, AND HOW MUCH HAVE BEEN OR WILL BE CHARGED TO O&M EXPENSE AND DEFERRED TO ACCOUNT 228100?

A. Exhibit SMH-1 shows that of ELL's Total Gross Storm Costs of $2.543 billion, approximately $1.957 billion are or will be capital costs and $586.4 million are or will be costs charged to O&M expense and deferred to account 228100. The costs are detailed on Exhibit SMH-1.

Q18. PLEASE ELABORATE ON THE COSTS INCLUDED IN THE AMOUNTS THAT ARE CAPITALIZED.

A. Capitalized costs include both direct costs (*e.g.*, materials, internal labor, and contract labor) and certain allocated costs called capital suspense.

Capital suspense represents labor costs for support personnel who are not included in the direct labor costs associated with capital project work, but who provide support for multiple capital projects. Capital suspense is distributed across multiple capital projects using a rate that distributes these costs proportionally.

Q19. DOES ELL'S REQUEST IN THIS DOCKET INCLUDE RECOVERY OF "LOST REVENUES" DUE TO THE INTERRUPTION OF ELECTRICAL SERVICE CAUSED BY HURRICANE IDA?

A. No. Nothing in the amounts detailed above includes lost revenues due to the interruption of electrical service caused by Hurricane Ida.

Q20. IS THE COMPANY SEEKING TO RECOVER ADDITIONAL AMOUNTS ASSOCIATED WITH HURRICANES LAURA, DELTA, AND ZETA AND WINTER STORM URI?

A. Yes. As mentioned above, the Company is seeking to recover $31.9 million in storm costs associated with Hurricanes Laura, Delta, and Zeta and Winter Storm Uri. Subsequent to the Company's filing to get approval to recover costs associated with Hurricanes Laura, Delta, and Zeta and Winter Storm Uri, additional restoration work was completed and invoices for costs previously incurred were received. The amount being requested in this application are the total net costs in excess of the estimated costs included in Docket No. U-35991. The $31.9 million does include some credits or reductions for amounts that were estimated in Docket No. U-35991, but that came in less than estimated. Crediting the amounts in this way ensures that the unspent amounts

authorized in Order No. U-35991 are credited to customers dollar for dollar and in the same proportion as the charges will be imposed on customers under Rider FSCIV.

Q21. WERE ALL OF THESE AMOUNTS PREVIOUSLY INCLUDED IN THE COMPANY'S PRIOR STORM RECOVERY FILING IN DOCKET U-35991?

A. No, they were not. As discussed above, some of these costs were for restoration efforts completed but not yet accrued or paid so were not recorded on the Company's books at the time the Company filed its Supplemental Direct Testimony relating to the quantification of storm costs in Docket No. U-35991. The remaining amounts were originally included as estimates in Docket No. U-35991 for which actual costs are now available.

Q22. WHY IS THE COMPANY SEEKING TO INCLUDE THESE COSTS WITHIN THIS FILING?

A. While the exclusion of these costs from the prior filing was a product of timing, they are costs incurred as a result of Hurricanes Laura, Delta, and Zeta and Winter Storm Uri that are eligible for recovery from customers. The Company has included these amounts with this filing to capitalize on the significant savings for the Company's customers that can be realized through the anticipated securitization. It is estimated that by securitizing these amounts rather than recovering them through normal ratemaking processes, ELL's customers will realize savings of approximately $11.2 million on a nominal basis.

B. Accounting for Storm costs

1. Project Codes and Scope Statements

Q23. HOW DID ELL COMPILE AND RECORD THE STORM COSTS ADDRESSED IN THIS DOCKET?

A. Consistent with ELL's accounting practices, the storm costs for Hurricane Ida were compiled and recorded on ELL's books and records through the use of specific project codes that have been grouped into the three function-related classes of costs that I discussed previously: Generation, Transmission, and Distribution. The storm costs clearly identified with work on Generation, Transmission, or Distribution were recorded to those classes, as appropriate, using function-specific project codes. Costs that were not specifically identified with those three classes, such as overall organization, common facilities, and information technology costs, were classified as Distribution.

Q24. WHAT ARE PROJECT CODES?

A. A project code is an alphanumeric code used to capture related costs for a particular task or service. Project codes are used by each EOC to accumulate costs. In addition, project codes are used by ESL to accumulate costs to be billed directly or allocated to affiliated companies.

Q25. HOW IS A PROJECT CODE ESTABLISHED?

A. Project codes are established in the Company's accounting systems when management determines there is a need to be able to identify and aggregate costs for a specific

project, which may include an aggregation of expenses for a particular purpose or for the creation of a new capital asset. Setting up a project code requires a substantial amount of information. Additionally, the completion of the project code setup process requires multiple approvals, including those from accounting and management, to ensure that the project code attributes are appropriate.

Q26. WHAT INFORMATION IS REQUIRED IN ORDER FOR A NEW PROJECT CODE TO BE ESTABLISHED?

A. The answer depends on the circumstances under which the project code is established. When a project code that will be used by ESL employees is established, a "scope statement" is developed for that project code. The scope statement sets out, in narrative form, a description of the project and the type of work that will be performed under that project code. The project code scope statement typically describes the overall purpose, the primary activities to be performed, the products or deliverables expected, and a justification of the billing method selected.

When project codes that will be used by non-ESL employees are established, a project description is required. The project description may not be as detailed as a scope statement because, in a project that will be used by non-ESL employees, the work typically is performed for a single EOC and, as such, all of the work will be recorded on the books solely of that EOC, rather than being billed to another EOC or allocated among multiple EOCs.

Other key information required to establish a project code includes the physical location of the project and the department responsible for the project for which the costs

will be incurred. For a capital project, information regarding the following is also required: removal, salvage, additions, project manager, and estimated in-service date.

Q27. WHAT ARE THE PROJECT CODES THAT CAPTURE ELL'S STORM COSTS FOR HURRICANE IDA?

A. The list of project codes applicable to ELL's storm costs for Hurricane Ida and their brief descriptions can be found in Exhibit SMH-2.

Q28. HOW DID PERSONNEL KNOW TO WHICH PROJECT CODE THEY SHOULD BILL THEIR TIME AND EXPENSES RELATED TO THE HURRICANE IDA RESTORATION EFFORTS?

A. Immediately following each of Hurricane Ida, Entergy-wide communications were distributed to inform employees of the project codes to be used for system restoration efforts. Those communications included both hard copy and electronic distribution of guidelines and project codes to Entergy employees. The guidelines directed employees to consider whether they were performing non-storm-related tasks, were performing tasks and incurring expenses related to system restoration, or were unable to work due to the storm. The communications program also included a list of project codes for each function and business unit. Employee time and expense reports are required to be approved by supervisors or managers. This approval process serves as a key control to ensure that time and expenses are charged to appropriate project codes.

Q29. WERE ANY OF THE SYSTEM RESTORATION-RELATED PROJECT CODES USED TO RECORD COSTS RELATED TO ANY NON-STORM RESTORATION COSTS?

A. As a result of the Company's internal control processes, there should be no non-storm costs included. However, to verify this, the Company engaged Deloitte to perform an attestation examination of the costs included in the project codes for Hurricane Ida, as discussed later in my testimony.

2. Accounting Approvals

Q30. PLEASE DESCRIBE THE INTERNAL CONTROLS PROCESS USED BY THE COMPANY TO ENSURE PROPER ACCOUNTING FOR COSTS FOR HURRICANE IDA.

A. Entergy Corporation, ELL, and ESL maintain a strong system of internal controls, including the approvals for costs incurred before payments are made to suppliers or when employees record their time and expenses. The system of internal controls is in effect for all Entergy Corporation affiliates, including ELL and ESL. Because of the emergency nature and magnitude of the system restoration efforts and the number of employees and outside parties involved, additional review processes were implemented by the Audit of Contractor Expenses for Storm ("ACES") to supplement existing procedures to ensure the proper accounting of the hurricane storm costs. ACES teams were established, and they followed specific procedures to review and approve storm-related invoices from contractors and mutual assistance companies.

Q31. REGARDING INTERNAL CONTROLS, WAS IT POSSIBLE OR NECESSARY TO APPROVE EVERY EXPENSE AND HOUR WORKED AHEAD OF TIME?

A. No. Because of the need to restore infrastructure and resume power service as quickly as possible, there are instances in which time spent or costs incurred were not approved ahead of time. Given the health and safety issues involved with power system restoration, both for our own employees and contractors and for the public, it is important that we act quickly and with flexibility, while also working as safely as possible. This means that, in some instances, specific work and expenses may have proceeded on the spot based on decisions by field supervisory personnel without prior management authorization. As discussed below, no invoice was paid in full until it was reviewed by auditors in light of the applicable contract and supporting documentation, especially time sheets that were approved by Entergy operations personnel.

Q32. DESCRIBE THE PROCEDURES USED BY THE COMPANY TO ENSURE THAT COSTS BILLED BY CONTRACTORS WERE ACCURATE AND WERE RECORDED PROPERLY IN THE COMPANY'S FINANCIAL RECORDS.

A. The majority of the invoices that the Company received from a third-party contractor were audited under the supervision of the Entergy internal audit department or finance department prior to payment in full. Invoice processing teams were established to

process the following types of storm-related invoices: (1) transmission and distribution line and vegetation; (2) facilities; (3) fossil; (4) nuclear; and (5) logistics.[3]

Each of these teams accomplished the following tasks with respect to the invoices they processed: (1) obtained confirmation from operations personnel of receipt of the services being billed on the invoice, (2) traced the rates being billed on the invoice to the appropriate contract, if applicable, or confirming the reasonableness of rates with operations for the limited instances in which ELL utilized non-contract-based services, (3) recalculated the amount of the invoice, and, (4) addressed disputes prior to payment. The appropriate accounting codes were assigned to each invoice, based on the information supplied by operations as to the location and scope of the work performed. In particular, costs were either assigned to an expense project code or a capital project code for the appropriate EOC and the relevant storm. For costs associated with Hurricane Ida, the majority of invoices for transmission and distribution line and vegetation contract crew services were processed through ACES. These services represented a substantial majority of the contractor invoices processed for Hurricane Ida in terms of the number and dollar value of invoices processed.

[3] The Company refers to storm preparation and restoration support costs as "logistics" costs. Logistics costs include those costs necessary to support restoration crews as they prepare for and then work on system restoration following a weather event. Logistics activities include among other things: (1) setting up and manning staging sites; (2) feeding, housing, and providing hygiene facilities for restoration crews; and (3) providing incremental transportation-related support needed due to storm restoration conditions, such as access to fuel, tire repair, etc. For the storms covered in this filing, ELL had to adjust its logistics support plan to account for COVID-19 in order to keep the restoration force healthy and available to perform restoration work. To account for their use by class, logistics costs were functionalized to the Distribution and Transmission classes based on the number of personnel utilized to restore power at the peaks of the restoration effort for the two functions.

Q33. PLEASE EXPLAIN THE INTERNAL AUDIT CONTROLS FOR THIRD-PARTY CONTRACT LINE AND VEGETATION SERVICES IN MORE DETAIL.

A. The Company's procedures for processing invoices for Hurricane Ida were based upon the control procedures that were developed to process invoices for the restoration costs for all major storms impacting ELL's service territory from Hurricane Katrina through Hurricane Zeta. These procedures have been refined over time to facilitate improved efficiencies and timeliness of audit information, while maintaining a high degree of accuracy, to enable ESL to audit each invoice prior to its payment in full. Because this process was designed to identify billing discrepancies for a given invoice prior to the release of funds for payment in full of that invoice, ESL on behalf of ELL maintained maximum negotiating leverage to settle accounts with vendors when it was determined that charges were not in accord with the documentation of work performed and/or the applicable contract.

This traditional approach to auditing utilized a two-phase process that included an initial audit review and a second audit review, both of which were performed by professional auditors. In the first review, the auditors performed the following steps: (1) recalculated all of the basic arithmetic on the face of the invoice; (2) tested a minimum of 20% of the line items of each invoice by tracing the calculations back to the applicable contract and supporting documentation, especially the time sheets that were approved by Entergy operations personnel; and (3) assessed the overall reasonableness of the invoice in light of all of the available information. The second review included the following steps: (l) a sample of yet more invoice line items, at least an additional 20% of invoice charges, that were traced back to the contract and

supporting documentation, (2) an assessment of the accuracy of the first auditor's work, and (3) a second assessment of the overall reasonableness of the invoice. If a significant billing discrepancy was discovered in either the first or second audit review, all line items of the invoice were recalculated, traced back to supporting documentation, and compared to the applicable contract terms. All discrepancies were then itemized and quantified and, if material, brought to the vendor's attention for resolution. A material discrepancy is defined as all billing discrepancies that exceeded the lesser of $3,000 or 20% of the original amount of the invoice.

Due to the significant damage in ELL's service territory, ELL's third-party vendors have each submitted as many as hundreds of storm restoration-related invoices, including one vendor with more than 800 separate invoices. After Hurricane Laura and in order to strike the proper balance between accuracy and efficiency, ELL instituted a statistically-driven streamlined review process for select third-party vendors who have submitted more than fifty invoices.[4] This process remained in place for invoices related to Hurricane Ida. For each eligible contractor, the traditional review process outline above was followed until the number of reviewed invoices without a material finding reached the statistical basis that provided a 95% assurance rate, meaning that there is a 95% probability that all invoices from the contract would have the same characteristics (*i.e.*, no material findings) as those previously reviewed under the traditional process. Provided these parameters were met, the remaining invoices for a contractor would be

[4] Contractors who had not worked with Entergy prior to 2020 or those contractors who had not demonstrated consistently accurate invoice practices in prior years were also excluded from this streamlined approach.

reviewed pursuant to a streamlined process. Under this streamlined process, one in five, rather than all, of the contractor's remaining invoices would be reviewed utilizing the traditional approach. Should a material finding be discovered during the streamlined review, the contractor would no longer be eligible for the streamlined process and all remaining invoices would be subject to the traditional review process. Further, an evaluation of any material finding was performed to determine whether the finding was a one-time event, such as a transposition or typographical error, or a systematic error that may have occurred on other invoices, such as the application of incorrect rates to the invoice. If a material finding was determined to be a systematic error, all invoices from that contractor were subjected to the full traditional review process, not just the remaining invoices. Only 25 third-party contractors qualified for the streamlined review process. Of these 25 contractors, a material finding was identified for 14 contractors during the streamlined review process. None of these material findings were considered to be the result of a systemic error.

The implementation of this streamlined review process is estimated to have allowed invoice processing to occur two to three months faster than had the Company simply utilized the traditional approach for all invoices. Furthermore, it is estimated that the streamlined review process avoided approximately $0.6 million in incremental invoice processing costs. Both the time and costs savings expected from the streamlined audit approach are anticipated to result in lower costs and risk for the Company and its customers.

Because no invoices were paid in full until completion of the audit process and prior to dispute resolution for any given invoice, ELL was generally able to settle most

disputes in a reasonable and timely manner. Difficult cases were sent to a special dispute resolution team. When the audit revealed a material discrepancy in the vendor's favor, the auditors informed the vendor and adjusted the invoice accordingly. ELL believes that this is the proper approach and also lowers costs in the long run by developing goodwill with the vendors, which generally enables the Company to amicably settle other disputes that are in its favor without incurring legal fees. Additionally, ELL believes that it is important, whenever possible, to maintain good relations with vendors because sooner or later the Company will need to call upon most of them again to assist with emergency storm restoration or normal base-load work. ELL believes that the third-party contractor invoice payment process is a prudent and effective way of processing the Company's storm invoices to minimize the cost of storm restoration for customers for this storm and over the long run.

Q34. DID THE OTHER INVOICE PROCESSING TEAMS OBTAIN THE SAME LEVEL OF ASSURANCE AS DID THE TEAM PROCESSING THE INVOICES FOR TRANSMISSION AND DISTRIBUTION LINE AND VEGETATION CONTRACT CREW SERVICES?

A. Yes. Each of the other teams confirmed receipt of the services received, verified the reasonableness of rates charged, recalculated the amount of the invoice, and addressed disputes before the invoices were paid, in order to obtain a similar level of assurance as was achieved with respect to the transmission and distribution invoices. These teams, which were comprised of personnel from the operations, supply chain, finance, and internal audit departments, obtained assurance regarding storm-related invoices for

facilities, fossil generating facilities, nuclear generating facilities, and logistics using audit procedures that were tailored to the situation underlying the invoices to be processed.

Q35. IF A VENDOR DISAGREED WITH ESL'S CONCLUSION THAT THE VENDOR HAD OVERBILLED ELL, WHAT PROCEDURES WERE FOLLOWED TO RESOLVE THE DISPUTE?

A. When a material discrepancy was found by a member of one of the invoice processing teams, he or she made a good faith effort to resolve the dispute by obtaining from the vendor an explanation of the variance, additional documentation, and/or acceptance of a reduction in the amount of the invoice. If the auditor was unable to settle the matter with the vendor after an initial good faith effort, payment of the invoice was withheld, and the invoice file was typically forwarded to a special dispute resolution team that would continue to negotiate with the vendor until the dispute was resolved. In difficult cases, ESL's dispute resolution personnel consulted with the Supply Chain and Legal departments, and a small number of invoice files were transferred to the Supply Chain department for ultimate resolution. At the present time, less than 1% of transmission and distribution invoices related to Hurricane Ida are still in dispute, and we believe that the disputes for most of these unpaid invoices will be properly settled in an amicable manner in the near future. Any cost changes related to the settlement of outstanding billing disputes will be reflected in a subsequent phase of this proceeding, such as in filings related to securitization, or in subsequent base rate and/or true up proceedings.

Q36. DID ELL SEEK AN EXTERNAL REVIEW OF THEIR STORM COSTS FOR HURRICANE IDA?

A. Yes. ELL retained D&T to undertake an independent attestation examination of the Company's summary of the storm costs for Hurricane Ida to determine if the summary was a complete and accurate presentation of valid storm costs. The summary of storm costs provided to D&T included only the costs incurred and for which invoices or third-party support were available. Costs incurred but not yet invoiced, specifically Uninvoiced Mutual Assistance, as well as estimated costs were not included in D&T's scope. Ms. Parker's Direct Testimony addresses D&T's engagement and its findings from its review of the Company's summary.

Q37. IS ELL MAKING AVAILABLE DATA FOR THE PARTIES TO CONDUCT A REVIEW OF THE STORM COSTS FOR HURRICANE IDA IF THEY SO CHOOSE?

A. Yes. ELL will make available documentation supporting the costs for which it is seeking recovery. Because of the huge volume of this information, ELL is not attaching and filing this information as a workpaper. I am, however, attaching as Highly Sensitive Protected Materials Exhibit SMH-3 a detailed electronic database in Microsoft Excel® that contains all transactions relating to the system restorations for Hurricane Ida and those transactions relating to the storm restoration costs associated with Hurricanes Laura, Delta, and Zeta and Winter Storm Uri that I have discussed above. This database includes information regarding storm costs recorded on the Company's books as of March 31, 2022 as well as adjustments to the recorded storm

costs. It does not include information regarding the estimated portion of the Company's requests for recovery because the transactions underlying those estimated costs had not yet occurred or been accrued as of March 31, 2022 or the Company's mutual assistance accrual. However, some information regarding these costs can be found in Exhibit SMH-1. With this electronic database, a party can sort the data and determine which transactions to audit or review. Although D&T has conducted an independent attestation of the vast majority of the costs related to Hurricane Ida, the data production process that I am suggesting here should allow the parties to undertake their own review of those costs if they wish. This could work much like a financial audit in which the parties will determine a statistically relevant but discrete level of transactions out of the entire set of transactions that they wish to review and test for accuracy. From this database, the parties can submit their selected transactions list to ELL. To streamline the review process, ELL ask that the parties submit a single joint list for testing. Based on this list, ELL would then pull all documents underlying those selected transactions and make them available to the parties.

III. STORM ESCROW ACCOUNTS AND RESERVES

Q38. WHAT IS THE STATE OF THE COMPANY'S STORM ESCROW ACCOUNTS?

A. On August 29, 2021, the date that Hurricane Ida made landfall in Louisiana, ELL had no funds available in a storm escrow account. However, Order No. U-35991-A authorized the establishment of a general storm escrow account and authorized funding in the amount of $290 million and also authorized establishment of a restricted storm reserve account for Hurricane Ida storm restoration costs and authorized funding in the

amount of $1 billion. It is contemplated that the funding of these two escrow accounts will occur in May 2022 after the issuance of bonds authorized in Order No. U-35991-A.

Q39. IS ELL SEEKING TO INCREASE THE STORM ESCROW ACCOUNT THROUGH THIS PROCEEDING?

A. No.

IV. CARRYING COSTS

Q40. IS ELL REQUESTING THAT THE COMMISSION APPROVE RECOVERY OF CARRYING COSTS ASSOCIATED WITH ITS STORM COSTS FOR HURRICANE IDA FOR PURPOSES OF ESTABLISHING THE RECOVERABLE AMOUNT TO BE FINANCED?

A. Yes. ELL requests that the Commission approve the carrying costs that it may recover on the storm costs incurred in connection with Hurricane Ida through December 2022.

Q41. HOW HAVE YOU DETERMINED THE PROJECTED CARRYING COSTS THROUGH DECEMBER 2022 THAT ELL IS SEEKING TO RECOVER IN THIS PROCEEDING?

A. ELL seeks recovery of carrying costs on net storm costs at its weighted average pre-tax cost of capital from the date of incurrence through the date of recovery, with the exception of the carrying costs on the shorter-term debt addressed by the Commission which would be at the specific interest applicable to these issuances. My calculation of projected carrying charges through December 2022 is set forth in Exhibit SMH-4.

For purposes of this filing, I have calculated projected carrying costs through the end of December 2022, but ELL proposes that this amount be adjusted either upward or downward through the date the costs are recovered through the Company's ultimate financing plan approved by the Commission. As reflected in Exhibit SMH-4, ELL seeks the recovery of carrying costs through December 2022 in the amount of $61.6 million. Of this amount $58.7 million is carrying costs for Hurricane Ida storm restoration costs while $2.9 million associated with storm restoration costs incurred in response to Hurricanes Laura, Delta, and Zeta and Winter Storm Uri.

Q42. DID ELL TAKE ANY STEPS THAT HAD THE EFFECT OF REDUCING THE CARRYING COSTS IT IS SEEKING TO RECOVER?

A. Yes. First, with appropriate ratemaking relief provided by the Commission in the LPSC Order No. U-36154 (11/22/2021), ELL issued $1.0 billion in shorter-term, low-cost bonds to provide temporary financing of the storm costs. Second, ELL intends to draw on the Hurricane Ida restricted escrow funds when they become available. Third, ELL intends to use a portion of the funds received from transactions authorized in Docket No. U-35991 to pay down the most expensive storm-related financings to further reduce carrying costs for customers. The planned use of proceeds is set forth in Exhibit SMH-4. Collectively, these efforts will allow the vast majority of the Hurricane Ida costs to be financed through short-term, low-cost debt which significantly reduces the carrying costs on storm expenditures relative to traditional utility capital. The ultimate savings to customers will depend on when permanent financing is approved and in place, but assuming permanent financing is in place on December 31, 2022, ELL

estimates that the issuance of the shorter-term bonds, the altered use of the proceeds from the transactions approved in Docket No. U-35991, and the Hurricane Ida escrow funds will reduce carrying costs by approximately $163.1 million. The interest expense, including any cost of debt expense, on the $1.0 billion and the outstanding portion of $1.1 billion in shorter-term debt is included in my carrying cost calculation.

V. PROPOSED FINANCING PROCEDURES

Q43. PLEASE DESCRIBE ELL'S PROPOSED PROCEDURE FOR RECOVERING ITS STORM COSTS.

A. The Company proposes to recover the storm costs through a two-phase procedure. In this initial filing, ELL is requesting that the Commission approve the amount and recovery of the storm costs requested, including carrying costs.

In a supplemental application ELL plans to file in thirty to forty-five days, ELL expects to request that the Commission issue a Financing Order authorizing the issuance of system restoration bonds under the Restoration Law or other Commission approved financing method. ELL will propose to finance the following amounts: (1) $1.543 billion in net storm costs incurred by ELL in response to Hurricane Ida,[5] (2) $58.7 million in carrying costs for Hurricane Ida storm restoration costs, (3) $31.9 million in storm costs incurred by ELL in response to Hurricanes Laura, Delta, Zeta and Winter Storm Uri and (4) $2.9 million in carrying costs for storm restoration costs

[5] The $1.543 billion in net storm costs for Hurricane Ida represents the $2.543 billion in Gross Storm Costs presented above less the $1 billion in Hurricane Ida escrow funds authorized through LPSC Order No. U-35991-A.

associated with Hurricanes Laura, Delta, and Zeta, and Winter Storm Uri. In total, the Company is seeking to finance $1.637 billion in storm restoration and related costs. In connection with the proposed Financing Order, the Company will also request that the Commission (1) set a procedural schedule that would allow for consideration of the Company's requests, including approval of the Financing Order, at the Commission's September 2022 Business and Executive Session, and, (2) issue orders approving proposed tariffs to implement ancillary adjustments relating to the system restoration process.

Q44. HAS THE COMPANY CONSIDERED OTHER METHODS OF RECOVERING ITS STORM COSTS?

A. Yes. The Company has considered all three of the currently available methods of recovering its storm costs, which include: (1) traditional base rate recovery of capital expenditures and ten-year levelized recovery of O&M costs; (2) securitization of the entire amount of Commission-approved storm restoration costs through Louisiana Electric Utility Storm Recovery Securitization Act ("Act 64"), La. R.S. 45:1226-1236; and, (3) financing of the entire amount of Commission-approved storm costs under the Restoration Law.

Q45. PLEASE EXPLAIN THE BASE-RATE METHOD OF RECOVERY.

A. The base-rate method of recovery is based on traditional methods of utility cost recovery. Under traditional recovery, the Company would propose to recover Hurricane Ida capital expenditures through any formula rate plan ("FRP") that may be

in effect, but over the normal life of the assets, *i.e.*, currently approximately 30 years for ELL. Hurricane Ida O&M expenses would be recovered through a regulatory asset with ten-year fixed recovery through any FRP that may be in effect. The capital investment would require a return at the Company's weighted average cost of capital.

Q46. PLEASE EXPLAIN THE CONCEPT OF SECURITIZATION OF UTILITY STORM RESTORATION COSTS.

A. Securitization is a relatively low-cost means for utility customers to pay storm restoration costs because it permits those costs to be financed with generally lower-cost capital. This financing is accomplished by the sale or assignment of "tariff monetization" or securitization bonds that have special legal protections for the benefit of the bondholders, including rights to the collection of charges from the utility's customers. These rights are provided for in a financing order issued by the utility's retail regulator.

Q47. WHAT IS THE STATUTORY BASIS IN LOUISIANA FOR SECURITIZATION OF STORM RECOVERY COSTS OR FINANCING UTILITY SYSTEM RESTORATION COSTS?

A. Act 64 authorizes the securitization of utility storm recovery costs and the Restoration Law authorizes the financing of utility system restoration costs.

Q48. WHAT IS THE DIFFERENCE BETWEEN SECURITIZATION UNDER ACT 64 AND FINANCINGS UNDER THE RESTORATION LAW?

A. The primary difference between the two financing methods is that, under Act 64, certain "storm recovery property" is first created in the utility and then transferred by the utility to an affiliated special purpose entity ("SPE") in exchange for the net proceeds of the storm recovery bonds that are issued by the SPE. Under the Restoration Law, the "system restoration property" is created in the Louisiana Utilities Restoration Corporation ("LURC"), which is then transferred or pledged to a conduit issuer in exchange for the proceeds of system restoration bonds issued by the conduit issuer. The LURC creates an express special public trust and contributes the net proceeds from the issuance of system restoration bonds to the trust in return for the utility's promise not to seek recovery of storm costs from its customers. The express special public trust, in turn, must use all of such contributed proceeds to acquire preferred membership interests in an indirect subsidiary and "utility affiliate" of the Company.

VI. ALLOCATION OF STORM COSTS

Q49. DOES ELL SPONSOR A PROPOSAL TO ALLOCATE STORM COSTS AMONG ITS CUSTOMERS?

A. Yes. Considering that in the last few storm recovery filings made by the Company, including Docket No. U-35991 which addressed allocation of the Hurricanes Laura, Delta, and Zeta and Winter Storm Uri and the Hurricane Ida escrow, the Commission approved the same methodology for allocating storm costs among ELL's customers, ELL recommends that the same allocation methodology be used here. While the

Commission alone has the authority to determine how to allocate costs among the Company's customers, continued use of the allocation methodology, as most recently approved in LPSC Order No. U-35591, appears to be a fair and reasonable approach to the allocation of costs. It is worth noting that Order U-35991 determined a specific allocation of Hurricane Ida storm costs between its distribution and transmission functions, with 82.12% being determined as distribution related and 17.88% as transmission related; however, that Order specifically contemplated this allocation determination would be "trued-up to actuals when the Company files its cost recovery application regarding Hurricane Ida."[6] The same type of true up should occur with respect to the allocation of the additional costs from Hurricanes Laura, Delta, and Zeta and Winter Storm Uri presented in my testimony.

VII. CONCLUSION

Q50. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?

A. Yes, at this time.

[6] LPSC Order No. U-35991 (Amended), Ordering Paragraph 5.

AFFIDAVIT

STATE OF LOUISIANA

PARISH OF JEFFERSON

NOW BEFORE ME, the undersigned authority, personally came and appeared, **Sarah M. Harcus**, who after being duly sworn by me, did depose and say:

That the above and foregoing is her sworn testimony in this proceeding and that she 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, she verily believes them to be true.

Sarah M. Harcus

SWORN TO AND SUBSCRIBED BEFORE ME

THIS 19 DAY OF APRIL, 2022

NOTARY PUBLIC # 38517

My commission expires: _____

JON A. MAJEWSKI
NOTARY PUBLIC, Jefferson Parish, LA
My commission is for life.

Summary of Total Company Costs by Class and Major Resource Category for Hurricane Ida

Description	Distribution	Generation	Transmission	Total
Direct				
Contract Work	$ 1,791,458,722	$ 46,267,385	$ 207,826,363	$ 2,045,552,470
Employee Expenses	88,515,044	240,852	130,293	88,886,188
Labor	20,920,630	978,023	1,777,775	23,676,427
Materials	117,896,594	5,816,394	12,335,736	136,048,723
Other	5,898,683	9,718,577	6,281,989	21,899,249
ESL Billings	23,757,972	4,619,278	2,109,589	30,486,840
Loaned Resources	6,819,934	388,379	1,445,362	8,653,674
	2,055,267,579	68,028,888	231,907,106	2,355,203,572
Uninvoiced Mutual Assistance	36,239,080	-	1,025,640	37,264,720
Total Costs incurred as of 3/31/2022	2,091,506,659	68,028,888	232,932,746	2,392,468,292
Estimated Costs	124,320,478	26,463,197	-	150,783,675
Total Storm Costs	$ 2,215,827,137	$ 94,492,085	$ 232,932,746	$ 2,543,251,967
Capital	1,735,351,666	47,399,371	174,113,887	1,956,864,924
O&M / Other	480,475,471	47,092,714	58,818,859	586,387,044
Total Costs	$ 2,215,827,137	$ 94,492,085	$ 232,932,746	$ 2,543,251,967

Listing of Project Codes and Description

GL Business Unit	Project	Project Desc	Major Storm Name
LA000	C6MD800958	FAILCBL - UG Cable Splice After Fai	Hurricane Ida
LA000	C6PPDB0326	ELL: 230kV GCB (Ida-Vacherie)	Hurricane Ida
LA000	C6PPELL727	St Rosalie Building Storm Repairs	Hurricane Ida
LA000	C6PPIDAGNR	Ida - Storm Generators	Hurricane Ida
LA000	C7PPFEMACW	FEMA - Contract Work	Hurricane Ida
LA000	C7PPSJ2775	STORM DMG LA DIST OPS ELL Hurr Ida	Hurricane Ida
LA000	C7PPSJ8674	STORM DMG LA EGSL Hurr Ida 8/27/21	Hurricane Ida
LA000	C8PPDB0334	ELL: Install GCB at Florida	Hurricane Ida
LA000	C8PPELL036	Port Allen SC Storage Storm Roof	Hurricane Ida
LA000	C8PPELL114	Jefferson Hwy WHS 2 Roll Up Doors	Hurricane Ida
LA000	C8PPELL115	Amite SC Awning - Storm	Hurricane Ida
LA000	C8PPELL116	Choctaw SC Elec Bldg LimestoneSTORM	Hurricane Ida
LA000	C8PPELL117	Hammond SC Carpet - STORM	Hurricane Ida
LA000	C8PPELL118	Hammond SC Limestone Yard STORM	Hurricane Ida
LA000	C8PPELL119	St Rosalie Gate & Operator STORM	Hurricane Ida
LA000	C8PPELL172	Destrehan Storm-Repairs	Hurricane Ida
LA000	C8PPELL174	Luling Storm Repairs	Hurricane Ida
LA000	C8PPELL334	Jefferson Warehouse Storm Ice Machi	Hurricane Ida
LA000	C8PPELL345	Hammond DC Storm Replacmenet Door	Hurricane Ida
LA000	C8PPELL346	Hammond DC Gate Replacement	Hurricane Ida
LA000	C8PPELL347	Luling Emergnecy Sofit Remediation	Hurricane Ida
LA000	C8PPELL348	Luling SC Storm Gate & Operator	Hurricane Ida
LA000	C8PPELL357	RLS New Lockport- Storm Recovery	Hurricane Ida
LA000	C8PPELL368	Denham Spring Equip Shed Storm Roof	Hurricane Ida
LA000	C8PPELL471	Hammond Distribution Center Storm	Hurricane Ida
LA000	C8PPELL777	HDC - Hammond DC - Hurricane Ida	Hurricane Ida
LA000	C8PPELL780	HDC Exterior Upgrade Storage Yard	Hurricane Ida
LA000	C8PPELL791	MT1 repairs for Hurricane Ida	Hurricane Ida
LA000	C8PPELL792	Houma Shed Ida Storm Repairs	Hurricane Ida
LA000	C8PPN60835	Replace Roofing on GSB	Hurricane Ida
LA000	C8PPN61089	MSB Hurricane Ida Restoration	Hurricane Ida
LA000	C8PPN61258	Siren Replacement - Hurricane Ida	Hurricane Ida
LA000	C8PPN61261	Replace Roofing on Polisher Bldg.	Hurricane Ida
LA000	C8PPN61265	West Side Access Storm Damage Repai	Hurricane Ida
LA000	C8PPN61266	Skills Training Ctr Restoration	Hurricane Ida
LA000	C8PPN61267	Svc. Bldg Hurricane Ida Restoration	Hurricane Ida
LA000	C8PPN61268	LLRW Bldg Hurricane Ida Restoration	Hurricane Ida
LA000	C8PPN61271	5B Warehouse Roof Replacement	Hurricane Ida
LA000	C8PPN61272	7B Warehouse Roof Replacement	Hurricane Ida
LA000	C8PPN61273	Utilities Building Storm Repl - Ida	Hurricane Ida
LA000	C8PPN61274	2B Warehouse Roof Replacement	Hurricane Ida
LA000	C8PPN61278	TAB Restoration - Hurricane Ida	Hurricane Ida
LA000	C8PPN61279	RP Instrumentation Rplc. - Ida	Hurricane Ida
LA000	C8PPN61282	Entergy Education Center Renovation	Hurricane Ida
LA000	C8PPSTL101	Valentine: Replace FIS 9590	Hurricane Ida
LA000	C8PPSTL117	Dutch Bayou: Replace VCB D5311	Hurricane Ida
LA000	C8PPSTL118	Destrehan:Rmt End Work & Rplc Fence	Hurricane Ida
LA000	C8PPSTL119	Mathews: Replace 13.8kV Sw X6293	Hurricane Ida

LA000	C8PPSTL120	Cote Blanche: Replace Bus Jumper	Hurricane Ida
LA000	C8PPSTL121	Larose: Replace Bus Riser & PT	Hurricane Ida
LA000	C8PPSTL122	Alliance: Flooded 115/34.5kV Assets	Hurricane Ida
LA000	C8PPSTL123	Carlisle: Flooded 115/34.5 Assets	Hurricane Ida
LA000	C8PPSTL124	Avondale: Switches S0824 & S0918GR	Hurricane Ida
LA000	C8PPSTL125	Waggaman: Replace Substation Fence	Hurricane Ida
LA000	C8PPSTL126	Kenner: Replace LLS on Switch S1237	Hurricane Ida
LA000	C8PPSTL127	Springfield: Hammond Line Dead End	Hurricane Ida
LA000	C8PPSTL130	Vacherie: Replace GCB S6680	Hurricane Ida
LA000	C8PPSTL131	Bogalusa 500: AT2 B-Ø Bushings	Hurricane Ida
LA000	C8PPSTL132	Behrman Ida repairs	Hurricane Ida
LA000	C8PPSTL133	Waterford 500: Control House Wall	Hurricane Ida
LA000	C8PPSTL134	Hammond: Battery Set & Charger	Hurricane Ida
LA000	C8PPSTL135	Independence: Battery Set	Hurricane Ida
LA000	C8PPSTL136	Ward Creek:Repl VCB 245F 351S Relay	Hurricane Ida
LA000	C8PPSTL137	Thibodaux: Replace S4185 & S3727	Hurricane Ida
LA000	C8PPSTL138	Cut Off: Station Service Transforme	Hurricane Ida
LA000	C8PPSTL139	Waterford: Replace Hooker Ln Panel	Hurricane Ida
LA000	C8PPSTL140	Witco: Replace LV VCB X9734	Hurricane Ida
LA000	C8PPSTL141	Westwego: Fence, Bat. Set & Charger	Hurricane Ida
LA000	C8PPSTL142	Ninemile SVC Ida repairs	Hurricane Ida
LA000	C8PPSTL143	Port Nickel: Battery Set & Charger	Hurricane Ida
LA000	C8PPSTL145	Florida: Replace 69kV OCB 20040	Hurricane Ida
LA000	C8PPSTL146	Golden Meadow: Control House Roof	Hurricane Ida
LA000	C8PPSTL147	Donaldsonville: Repair Control Hse	Hurricane Ida
LA000	C8PPSTL148	Dow Brine: Repair Control House	Hurricane Ida
LA000	C8PPSTL149	Convent: Battery Set & Charger	Hurricane Ida
LA000	C8PPSTL150	Laplace: Battery Set & Charger	Hurricane Ida
LA000	C8PPSTL151	Leeville: 115kV Bus Dead End	Hurricane Ida
LA000	C8PPSTL152	Poydras: Replace 115kV MOS Sw S4875	Hurricane Ida
LA000	C8PPSTL153	Raceland: Battery Set & Charger	Hurricane Ida
LA000	C8PPSTL154	Lakeshore: SG#1/Battery Charger	Hurricane Ida
LA000	C8PPSTL155	Houma: Replace Battery Set	Hurricane Ida
LA000	C8PPSTL157	Geismar: Replace T1	Hurricane Ida
LA000	C8PPSTL159	Happy Jack: Battery Set & Charger	Hurricane Ida
LA000	C8PPSTL160	Buras: Battery Set & Charger	Hurricane Ida
LA000	C8PPSTL161	IronMan: Replace Batteries due to H	Hurricane Ida
LA000	C8PPSTL163	Wesco: Replace Battery Charger	Hurricane Ida
LA000	C8PPSTL164	Fourchon: Replace Battery Set	Hurricane Ida
LA000	C8PPSTL165	Coteau: Replace Battery Set	Hurricane Ida
LA000	C8PPSTL166	BP Alliance: Replace LS Breakers	Hurricane Ida
LA000	C8PPSTL167	Pecue: Replace failed MOS SW 21666	Hurricane Ida
LA000	C8PPSTL168	Bayside: Arrestors/Bushing Pad	Hurricane Ida
LA000	C8PPSTL169	Hercules: Battery Charger	Hurricane Ida
LA000	C8PPSTL170	Gretna: Replace 13.8kV VCB W0113	Hurricane Ida
LA000	C8PPSTL171	Clovelly: Battery Set, Rack & House	Hurricane Ida
LA000	C8PPSTL172	Harvey: Control House Roof	Hurricane Ida
LA000	C8PPSTL173	Harahan: Repair Switchgear No. 3	Hurricane Ida
LA000	C8PPSTL174	Chauvin: Ashland-Houma Line Bus	Hurricane Ida
LA000	C8PPSTL175	Caminada: Decommission Assets	Hurricane Ida

LA000	C8PPSTL176	Lockport: Replace 34.5kV Sw X6302	Hurricane Ida
LA000	C8PPSTL177	South Acadia: T1 LS Arrestors & Fen	Hurricane Ida
LA000	C8PPSTL178	Peters Road: Control House Roof	Hurricane Ida
LA000	C8PPSTL179	North Norco: Remove T1	Hurricane Ida
LA000	C8PPSTL180	Angelina: Replace Battery Set	Hurricane Ida
LA000	C8PPSTL181	National Phosphate: Battery Set	Hurricane Ida
LA000	C8PPSTL182	Paradis: Replace Battery Set	Hurricane Ida
LA000	C8PPSTL183	Montegut: Replace 13.8kV Bus Work	Hurricane Ida
LA000	C8PPSTL185	Camellia: T1 Strand Bus & Insulator	Hurricane Ida
LA000	C8PPSTL186	Grand Isle: Rebuild Substation	Hurricane Ida
LA000	C8PPSTL190	Luling: Control House Roof	Hurricane Ida
LA000	C8PPSTL191	Hooker: Replace Waterford Ln Panel	Hurricane Ida
LA000	C8PPSTL192	Snakefarm:RmtEnd Work & RplcFltRcdr	Hurricane Ida
LA000	C8PPSTL195	University City: T-Sub Ida Storm	Hurricane Ida
LA000	C8PPSTL196	Estelle Ida Repairs	Hurricane Ida
LA000	C8PPSTL198	Caminada: Rebuild New Substation	Hurricane Ida
LA000	C8PPSTL200	Union Carbide: T-Sub Ida Storm	Hurricane Ida
LA000	C8PPSTL201	Labarre: Add Terminal Line End	Hurricane Ida
LA000	C8PPTL115C	IDA21: L259-2 WATERFORD - TEZCUCO	Hurricane Ida
LA000	C8PPTL117C	Iron Man-Little Gypsy-L240_IDA Strm	Hurricane Ida
LA000	C8PPTL118C	IDA21: L340 GLORIA-HARELSON	Hurricane Ida
LA000	C8PPTL119C	Waterford-WlwGlnn500 kV_IDA Storm	Hurricane Ida
LA000	C8PPTL165C	WillowGlenn-Wtrfrd 500kV_IDA Storm	Hurricane Ida
LA000	C8PPTL166C	IDA21: L399 ESSEN TAP-NESSER (L-372	Hurricane Ida
LA000	C8PPTL167C	IDA21: L215 UNION CARBIDE-WATERFORD	Hurricane Ida
LA000	C8PPTL168C	Geigy-Stauffer L313_IDA Storm	Hurricane Ida
LA000	C8PPTL169C	Harelson-Jones Crk L-359_IDA Storm	Hurricane Ida
LA000	C8PPTL170C	IDA21: L317 ALCHEM-COSMAR	Hurricane Ida
LA000	C8PPTL172C	Addis-Tiger 230kV_IDA Storm	Hurricane Ida
LA000	C8PPTL173C	IDA21: L779 DRUSILLA-JEFFERSON	Hurricane Ida
LA000	C8PPTL174C	Coly-Jones Creek-L749_IDA Storm	Hurricane Ida
LA000	C8PPTL175C	Moler-Zoar -L712_IDA Storm	Hurricane Ida
LA000	C8PPTL176C	IDA21: L125 BOGALUSA-TALISHEEK	Hurricane Ida
LA000	C8PPTL177C	Baker-Dixie Baker L-332_IDA Storm	Hurricane Ida
LA000	C8PPTL178C	Belfair-Sears 69kV_IDA Storm	Hurricane Ida
LA000	C8PPTL233C	Addis-Willow Glenn-L702_IDA Storm	Hurricane Ida
LA000	C8PPTL234C	IDA21: 215 LITTLE GYPSY-LULING	Hurricane Ida
LA000	C8PPTL235C	American Cynmd-to-NinemileL137_IDA	Hurricane Ida
LA000	C8PPTL236C	Ninemile-Waggaman-L228_IDA Storm	Hurricane Ida
LA000	C8PPTL237C	IDA21: L221 LITTLE GYPSY-UNIVERSITY	Hurricane Ida
LA000	C8PPTL239C	Luling-Paradis - L126.1_IDA Storm	Hurricane Ida
LA000	C8PPTL245C	IDA21: L160 FAIRVIEW-LITTLE GYPSY	Hurricane Ida
LA000	C8PPTL246C	IDA21: L363 GREENWELL SPRINGS-MICKE	Hurricane Ida
LA000	C8PPTL247C	IDA21: L373 JEFFERSON-EAST	Hurricane Ida
LA000	C8PPTL248C	Harelson-Weiner L-795_IDA Storm	Hurricane Ida
LA000	C8PPTL249C	IDA21: L734 PLANT DANIEL-MCKNIGHT	Hurricane Ida
LA000	C8PPTL250C	IDA21: L229 GRETNA-HARVEY	Hurricane Ida
LA000	C8PPTL251C	IDA 21: L367 BLOUNT-BROWN	Hurricane Ida
LA000	C8PPTL252C	Willow Glenn-Geismer-L390_IDA Storm	Hurricane Ida
LA000	C8PPTL253C	Gloria-Denham SprgsL-759_IDA Storm	Hurricane Ida

LA000	C8PPTL254C	IDA21: L231 CHURCHILL-WATERFORD	Hurricane Ida
LA000	C8PPTL255C	Alchem-Ellem L-397_IDA Storm	Hurricane Ida
LA000	C8PPTL261C	IDA21: L161 HOUMA-COTEAU	Hurricane Ida
LA000	C8PPTL262C	Chauvin-Valentine115kV_L211_IDA Str	Hurricane Ida
LA000	C8PPTL263C	IDA21: L162 LAKESHORE-SNAKEFARM	Hurricane Ida
LA000	C8PPTL264C	IDA 21: L713 AIR PRODUCTS-WILLOW GL	Hurricane Ida
LA000	C8PPTL267C	IDA21: L115 LUTCHER-SORRENTO	Hurricane Ida
LA000	C8PPTL268C	American Cynamid-Luling_IDA Storm	Hurricane Ida
LA000	C8PPTL269C	Conway-Ellem -L798_IDA Storm	Hurricane Ida
LA000	C8PPTL270C	IDA21: L747 MOLER-COLFEL	Hurricane Ida
LA000	C8PPTL271C	IDA21: L222 THIBODAUX-VACHERIE	Hurricane Ida
LA000	C8PPTL272C	IDA21: L115 LAPLACE TAP-LITTLE GYPS	Hurricane Ida
LA000	C8PPTL273C	IDA21: L192 ALLIANCE-BARATARIA	Hurricane Ida
LA000	C8PPTL275C	Julia-Broussard_IDA Storm	Hurricane Ida
LA000	C8PPTL276C	Poydras-Port Nickel L-158_IDA Strm	Hurricane Ida
LA000	C8PPTL277C	Raceland to Paradis_L126.2_IDA Strm	Hurricane Ida
LA000	C8PPTL279C	Golden Meadow-Leeville_L148_IDA Stm	Hurricane Ida
LA000	C8PPTL280C	Leeville-Fourchon-L239_IDA Str	Hurricane Ida
LA000	C8PPTL281C	Golden Meadow-Clovelly-L145_IDA Stm	Hurricane Ida
LA000	C8PPTL282C	IDA21: L187 CLAYTONIA-LITTLE GYPSY	Hurricane Ida
LA000	C8PPTL284C	Greenwood to Terrebonne 115kVLn_IDA	Hurricane Ida
LA000	C8PPTL285C	Raceland to Landry_IDA Storm	Hurricane Ida
LA000	C8PPTL286C	Schriever-Terrebonne_L284_IDA Strm	Hurricane Ida
LA000	C8PPTL288C	Amite - Gillsburg_IDA Storm	Hurricane Ida
LA000	C8PPTL289C	Amite-Hammond_IDA Storm	Hurricane Ida
LA000	C8PPTL290C	IDA21: L115 HAMMOND-SORRENTO	Hurricane Ida
LA000	C8PPTL291C	Harelson to Florida 69Kv Ln_IDA Str	Hurricane Ida
LA000	C8PPTL292C	Hammond-Ponchatoula_IDA Storm	Hurricane Ida
LA000	C8PPTL294C	IDA21: L131 COTEAU-RACELAND	Hurricane Ida
LA000	C8PPTL295C	Lively-Sharp L-369.1_IDA Storm	Hurricane Ida
LA000	C8PPTL296C	Raceland-Wtrfrd L208.1_IDA Strm	Hurricane Ida
LA000	C8PPTL297C	Raceland-Nplnvlle115kV_L128_IDA Str	Hurricane Ida
LA000	C8PPTL298C	Sorrento to Burnside_IDA Storm	Hurricane Ida
LA000	C8PPTL299C	IDA21: L360 COLY-LOBLOLLY	Hurricane Ida
LA000	C8PPTL300C	IDA21: L168 CARLISLE [LA]-PORT NICK	Hurricane Ida
LA000	C8PPTL301C	IDA21: L146 LITTLE GYPSY-PONTCHARTR	Hurricane Ida
LA000	C8PPTL302C	Snakefarm Labarre_IDA Storm	Hurricane Ida
LA000	C8PPTL303C	IDA21: L184 KENNER-DESTREHAN	Hurricane Ida
LA000	C8PPTL307C	IDA21: L183.1 BELLE POINT-LITTLE GY	Hurricane Ida
LA000	C8PPTL308C	IDA21: L146 LITTLE GYPSY-PONCHARTRA	Hurricane Ida
LA000	C8PPTL310C	IDA21: L254 WATERFORD-VALENTINE	Hurricane Ida
LA000	C8PPWLC040	Hurricane Ida Storm Recovery - JWL	Hurricane Ida
LA000	C8PPWLY765	LGC Gas Telemetry Building Rplcmnt	Hurricane Ida
LA000	C8PPWLY767	LG3 Computer Room Roof Replacement-	Hurricane Ida
LA000	C8PPWLY768	LGC Bunk House Roof Replacement-Hur	Hurricane Ida
LA000	C8PPWLY769	LG3 East BFP Actuator Motor Replace	Hurricane Ida
LA000	C8PPWLY771	LGC Training Building/Gym Roof Repl	Hurricane Ida
LA000	C8PPWLY777	LGC Rollup Door Replacements	Hurricane Ida
LA000	C8PPWLY778	LG2 Rollup Door Replacements Hurric	Hurricane Ida
LA000	C8PPWLY780	LG3 Rollup Door Replacements	Hurricane Ida

LA000	C8PPWLY783	LGC Maintenance Shop Roof Rplcmnt	Hurricane Ida
LA000	C8PPWLY799	LG3 blr Fd Pmp Crane Mtr Rplc	Hurricane Ida
LA000	E2PPIDAELA	Hurricane Ida - ELA	Hurricane Ida
LA000	E2PPIDAESL	Hurricane Ida - ESL	Hurricane Ida
LA000	E2PPN0992A	WG1-5 Turbine Building Repairs	Hurricane Ida
LA000	E2PPN0992B	WG2-15 Service Building Repairs	Hurricane Ida
LA000	E2PPN0992C	WG2-14 Maintenance Support Building	Hurricane Ida
LA000	E2PPN0992D	WG2-12 Primary Access Point Bldg	Hurricane Ida
LA000	E2PPN0992E	WG2-20 CSB Repairs	Hurricane Ida
LA000	E2PPN0992F	WG2-3 Skills Training Center Rprs	Hurricane Ida
LA000	E2PPN0992G	WG3-26 TAB Repairs	Hurricane Ida
LA000	E2PPN0992H	WG1-8 West Side Access Bldg Rprs	Hurricane Ida
LA000	E2PPN0992I	WG1-24 Low Level Rad Waste Bldg Rpr	Hurricane Ida
LA000	E2PPN0992K	WG1-6 Polisher Building	Hurricane Ida
LA000	E2PPN0992L	WG1-11 Solidification Building	Hurricane Ida
LA000	E2PPN0992M	WG1-18 Compactor Building	Hurricane Ida
LA000	E2PPN0992N	WG1-27 Warehouse	Hurricane Ida
LA000	E2PPN0992O	WG1-28 Warehouse Annex	Hurricane Ida
LA000	E2PPN0992P	WG1-29 7B Warehouse	Hurricane Ida
LA000	E2PPN0992Q	WG1-31 5B Warehouse	Hurricane Ida
LA000	E2PPN0992S	WG2-10 Dress-Out Building	Hurricane Ida
LA000	E2PPN0992T	WG2-13 Administration Building	Hurricane Ida
LA000	E2PPN0992V	WG2-32 In-Processing Building	Hurricane Ida
LA000	E2PPN0992W	WG2-43 Entergy Education Center	Hurricane Ida
LA000	E2PPN0992X	WG2-37 Badging/Access Authorization	Hurricane Ida
LA000	E2PPN0992Y	WG2-38 Generation Support Building	Hurricane Ida
LA000	E2PPN0992Z	WG3-39 IT Building	Hurricane Ida
LA000	E2PPN0993A	WG2-40 Old Credit Union Building	Hurricane Ida
LA000	E2PPN0993B	WG3-30 Fab Shop	Hurricane Ida
LA000	E2PPN0993C	WG3-33 Hazardous Waste Building	Hurricane Ida
LA000	E2PPN0993D	WG3-34 Paint Shop	Hurricane Ida
LA000	E2PPN0993E	WG3-42 Generation Support Building	Hurricane Ida
LA000	E2PPN0993F	WG3-44 Security Firing Range	Hurricane Ida
LA000	E2PPN0993G	WG3-45 Intake Structure	Hurricane Ida
LA000	E2PPN0993M	WG3-51 Utilities Building	Hurricane Ida
LA000	E2PPN0993O	WG1 - 52 Tool Room Building	Hurricane Ida
LA000	E2PPSJ8638	ELL HURRICANE IDA STORM T LINE GRID	Hurricane Ida
LA000	E2PPWJ0234	ELA Storm Costs Hurricane Ida	Hurricane Ida
LA000	F3PPITIDA0	Hurricane Ida IT O&M Storm costs	Hurricane Ida
LA000	F3PPN09925	WF3 Hurricane Ida	Hurricane Ida
LA000	C8PPN61277	Replacement of Building's 46, 48-51	Hurricane Ida
LA000	E2PPN0992R	WG1-35 FLEX Building	Hurricane Ida
LA000	C8PPELL175	Luling Fleet - Storm Repairs	Hurricane Ida
LA000	E2PPN0993I	WG3-47 Radiography Building	Hurricane Ida
LA000	C8PPN61262	Sim Instrument Rplc - Hurricane Ida	Hurricane Ida
LA000	C8PPELL728	St Rosalie Site Storm Repairs	Hurricane Ida
LA000	C8PPELL201	Chalmette-Storm Canopy	Hurricane Ida
LA000	C8PPN61275	Hazardous Waste Bldg Replacement	Hurricane Ida
LA000	C8PPN61276	Security Out Buildings Replacement	Hurricane Ida
LA000	C8PPELL120	Reserve SC Awning Replacement	Hurricane Ida
LA000	C8PPN61270	SOCA Upgrade - Hurricane Ida	Hurricane Ida

LA000	C6MD203350	Avondale-W0324-OH Line Removal-Tran	Hurricane Ida
LA000	C7PPELLSTL	Hurricane Ida Streetlight Repair/In	Hurricane Ida
LA000	C8PPN61294	Compactor Building-Hurricane Ida	Hurricane Ida
LA000	C8PPN61295	Turbine Building-Hurricane Ida	Hurricane Ida
LA000	C8PPN61296	Fab Shop - Hurricane Ida	Hurricane Ida
LA000	C8PPN61297	IT Equipment-Hurricane Ida	Hurricane Ida
LA000	C8PPN61298	IT building-Hurricane Ida	Hurricane Ida

BEFORE THE

LOUISIANA PUBLIC SERVICE COMMISSION

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

EXHIBIT SMH-3

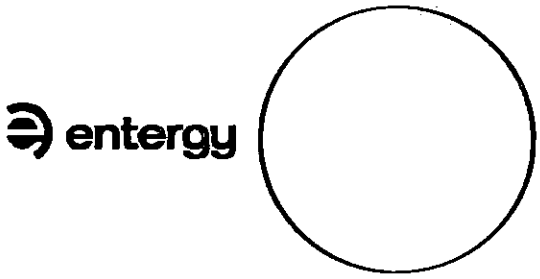
HIGHLY SENSITIVE
PROTECTED MATERIAL

INTENTIONALLY OMITTED

APRIL 2022

Before the LPSC

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



LPSC Docket No. U-_____

Exhibit SMH-3
Highly Sensitive Protected Materials
April 2022

Summary of Total Carrying Costs

Carrying Cost on Hurricane Ida at WACC[1]	36,439,790
Interest on $1.0B Shorter-Term Debt[2]	11,875,000
Debt Expense on $1.0B Shorter-Term Debt[2]	6,163,094
Interest on $1.1B Shorter-Term Debt[3]	4,262,500
Carrying Costs on Hurricane Ida	58,740,384
Carrying Costs on Previous Storms at WACC[4]	2,904,825
Total Carrying Costs	61,645,209

Notes:

1: See calculation on page 2 of SMH-4.

2: Interest and debt expenses on the $1.0B in shorter-term debt that the Commission provided appropriate ratemaking relief for in the Interim Financing Order associated with Hurricane Ida.

3: Interest on the $1.1B in shorter-term debt that the Commission provided appropriate ratemaking relief for the Interim Financing Order associated with Hurricanes Laura, Delta, Zeta and Winter Storm Uri. The Company is keeping $540M of this low-cost debt outstanding to partially finance Hurricane Ida to reduce overall costs to customers. See page 3 of SMH-4.

4: See calculation on page 4 of SMH-4.

WACC Carrying Cost Calculation - Hurricane Ida

Month	Ida Costs Incurred[1]	Estimate Adjustment[2]	Escrow Withdrawal[3]	Shorter-Tem Debt Issued[4]	Tax Benefits Realized	Adjusted Cost	Carrying Cost[5]	Balance for Carrying Costs
Jul-21	-					-	-	-
Aug-21	-					-	-	-
Sep-21	109,942,009				-	109,942,009	388,824	110,330,832
Oct-21	176,520,956			(1,000,000,000)	-	(823,479,044)	-	(713,148,212)
Nov-21	584,559,276				-	584,559,276	-	(128,588,936)
Dec-21	584,950,082				-	584,950,082	1,159,207	457,520,353
Jan-22	255,513,256				-	255,513,256	4,139,810	717,173,420
Feb-22	213,292,407				-	213,292,407	5,827,082	936,292,908
Mar-22	618,473,983	(150,783,675)			-	467,690,308	8,276,679	1,412,259,895
Apr-22		37,695,919			-	37,695,919	10,122,584	1,460,078,397
May-22		37,695,919	(1,000,000,000)	(540,000,000)	-	(1,502,304,081)	5,014,413	(37,211,270)
Jun-22		37,695,919			-	37,695,919	-	484,648
Jul-22		37,695,919			-	37,695,919	136,744	38,317,311
Aug-22					-	-	271,028	38,588,339
Sep-22					-	-	272,945	38,861,284
Oct-22					-	-	274,876	39,136,160
Nov-22					-	-	276,820	39,412,980
Dec-22					-	-	278,778	39,691,758
Sub-Totals	2,543,251,967	-	(1,000,000,000)	(1,540,000,000)	-	3,251,967	36,439,790	
Reference								
						Total Carrying Costs at WACC	36,439,790	

Notes:
1: ELL storm costs incurred exclude AFUDC.
2: Estimate Adjustment reflects costs accrued and estimated as of March 2022 and assumes those will be paid in full by July 2022
3: Funds withdrawn from $1B Ida escrow that was authorized by Docket No. U-35991-A. Escrow funding expected to occur in May 2022.
4: Cost of Shorter-Term debt, which includes interest and any debt expense and discount/premium, issued to finance storm is added to calculated carrying cost above. See page 3 of exhibit for additional information.
5: Carrying Cost = (Current Month Adjusted Cost * 1/2 Month + Prior Month Balance to Recover) * BTWACC/12

Before Tax Weighted Average Cost of Capital (BTWACC):		
	Feb 2021 - Aug 2021	8.65%
	Sept 2021 - Dec 2022	8.49%

Use of Proceeds from Securitization Approved in Docket U-35991

Total Hurricane Ida Costs from Exhibit SMH-1 2,543,251,967

Debt Instruments Approved for Rate-Making Relief by LPSC				
Name	Principal	Issue Date	Callable Date	Interest Rate
2020 Hurricanes Debt	1,100,000,000	Oct-20	Nov-21	0.62%
Hurricane Ida Debt	1,000,000,000	Sep-21	Oct-22	0.95%

Methods to finance Hurricane Ida Costs in the interim:

Debt Instrument	Amount	Interest Rate
Hurricane Ida Debt	1,000,000,000	0.95%
Normal Utility Capital	1,543,251,967	8.49%
Total Financed	2,543,251,967	

Alternative Use of Proceeds from Securitization Approved in Docket U-35991:

Ida escrow	1,000,000,000
Other Proceeds to pay down Storm-related Debt	1,100,000,000
Total Proceeds Available	2,100,000,000

The Company intends to use the $2.1B of proceeds, which includes the withdrawal of the Hurricane Ida-specific escrow, to pay down the most expensive storm-related financings to reduce carrying costs for customers. See outstanding debt/capital and alternative paydown below. In this alternative, the remaining Hurricane Ida costs of $1.5B are almost entirely financed on an interim basis by the low-cost bonds that were provided special ratemaking relief by the LPSC instead of the higher-cost normal utility capital. This method for financing is reflected in the carrying costs requested in this Application and provides the lowest level of carrying costs.

Outstanding Debt/Capital	Principal	Pay Down	Balance
2020 Hurricanes Debt	1,100,000,000	(560,000,000)	540,000,000
Hurricane Ida Debt	1,000,000,000		1,000,000,000
Normal Utility Capital	1,543,251,967	(1,540,000,000)	3,251,967
		(2,100,000,000)	1,543,251,967

WACC Carrying Cost Calculation - 2020 Hurricanes and Winter Storm Uri

Month	Laura, Delta, Zeta, & Uri Costs Incurred[1]	Adjusted Cost	Carrying Cost[2]	Balance for Carrying Costs
Jul-21	(14,618,889)	(14,618,889)	(52,690)	(14,671,579)
Aug-21	8,497,275	8,497,275	(75,133)	(6,249,438)
Sep-21	10,625,537	10,625,537	(6,625)	4,369,474
Oct-21	8,846,129	8,846,129	62,192	13,277,794
Nov-21	2,638,937	2,638,937	103,250	16,019,981
Dec-21	8,544,743	8,544,743	143,533	24,708,257
Jan-22	95,391	95,391	175,105	24,978,753
Feb-22	4,556,990	4,556,990	192,797	29,728,540
Mar-22	2,763,753	2,763,753	220,052	32,712,345
Apr-22		-	231,383	32,943,727
May-22		-	233,019	33,176,747
Jun-22		-	234,667	33,411,414
Jul-22		-	236,327	33,647,741
Aug-22		-	237,999	33,885,740
Sep-22		-	239,682	34,125,422
Oct-22		-	241,378	34,366,800
Nov-22		-	243,085	34,609,885
Dec-22		-	244,804	34,854,689
Sub-Totals	31,949,864	31,949,864	2,904,825	
Reference				
			2,904,825	

Notes:
1: ELL storm costs incurred exclude AFUDC.
2: Carrying Cost = (Current Month Adjusted Cost * 1/2 Month + Prior Month Balance to Recover) * BTWACC/12

BTWACC	Feb 2021 - Aug 2021	8.65%
	Sept 2021 - Dec 2021	8.49%

Summary of Remaining Costs by Class and Major Resource Category for Hurricanes Laura, Delta, Zeta and Winter Storm Uri

Description	Hurricane Laura	Hurricane Delta	Hurricane Zeta	Winter Storm Uri	Total
Direct					
Contract Work	$ 10,758,882	$ (731,989)	$ 3,342,287	$ 8,833,041	$ 22,202,222
Employee Expenses	166,811	1,137	2	280,819	448,769
Labor	149,084	15,898	25,592	181,828	372,402
Materials	(1,510,659)	242,523	1,174,280	275,761	181,906
Other	5,009,502	415,330	1,301,360	179,884	6,906,076
ESL Billings	1,256,592	104,592	171,969	193,878	1,727,031
Loaned Resources	102,332	-	9,127	-	111,459
Total Remaining Storm Costs	$ 15,932,545	$ 47,491	$ 6,024,617	$ 9,945,212	$ 31,949,864
Capital	$ 9,956,111	$ 132,282	$ 4,936,554	$ 7,123,466	$ 22,148,413
O&M / Other	5,976,433	(84,791)	1,088,063	2,821,746	9,801,451
Total Gross Cost	$ 15,932,545	$ 47,491	$ 6,024,617	$ 9,945,212	$ 31,949,864