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D. Skylar Rosenbloom
Senior Counsel
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October 14, 2020

RECEIVED

OCT 14 2020

VIA HAND DELIVERY

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

LA Public Service Commission

Re: Entergy Louisiana, LLC, Ex Parte. Application of Entergy Louisiana, LLC for Approval of Ratemaking Adjustment for Interim Hurricane Laura Financing, and Request for Expedited Treatment (LPSC Docket No. U-_____)

Dear Mr. Frey:

I have enclosed the original and three copies of the Application of Entergy Louisiana, LLC ("ELL"), for Approval of Ratemaking Adjustment for Interim Hurricane Laura Financing, and Request for Expedited Treatment (the "Application"). This filing includes the Direct Testimony and Exhibits of Phillip R. May and Sarah M. Marcus. In addition to the substantive relief requested in the Application, ELL is also requesting that the Commission move and vote to exercise its original and primary jurisdiction pursuant to and/or in accordance with Rule 57 of the Commission's Rules of Practice and Procedure and other authorities and take this matter up at the Commission's November 2020 Business and Executive Session. ELL further requests that the Commission establish a 10-day intervention period in this matter. Finally, ELL respectfully requests that notice of this filing be published in the Commission's Official Bulletin on October 16, 2020.

Please retain the original and two copies for your files and return a date-stamped copy to me in the enclosed stamped self-addressed envelope.

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)

ROUTE TO _____ ROUTE FROM _____
DEPT. Bull DATE 10/14 DEPT. _____
DEPT. _____ DATE _____ DEPT. _____
DEPT. _____ DATE _____ DEPT. _____
DEPT. _____ DATE _____ DEPT. _____

hand

BEFORE THE
LOUISIANA PUBLIC SERVICE COMMISSION

RECEIVED

OCT 14 2020

LA Public Service Commission

ENTERGY LOUISIANA, LLC, *EX*)
PARTE. APPLICATION OF ENTERGY)
LOUISIANA, LLC FOR APPROVAL OF)
RATEMAKING ADJUSTMENT FOR)
INTERIM HURRICANE LAURA)
FINANCING, AND REQUEST FOR)
EXPEDITED TREATMENT)

DOCKET NO. U-_____

**APPLICATION OF ENTERGY LOUISIANA, LLC
FOR APPROVAL OF RATEMAKING ADJUSTMENT FOR INTERIM
HURRICANE LAURA FINANCING, AND REQUEST FOR EXPEDITED TREATMENT**

Entergy Louisiana, LLC (“ELL” or the “Company”)¹ respectfully files this Application for Approval of Ratemaking Adjustment for Interim Hurricane Laura Financing, and Request for Expedited Treatment (the “Application”) with the Louisiana Public Service Commission (“LPSC” or the “Commission”) for approval of a ratemaking adjustment that will facilitate ELL’s efforts to finance, on an interim basis, the significant costs of restoring its electric utility system after the extreme damage caused by Hurricane Laura. Specifically, ELL has determined that issuing short-term bonds to provide temporary financing of Hurricane Laura restoration costs will serve the interests of the Company’s customers and other stakeholders, and it requests that the Commission approve and issue an order acknowledging that short-term debt up to \$700 million issued by ELL to fund Hurricane Laura restoration costs on an interim basis should be excluded from the

¹ On October 1, 2015, pursuant to Louisiana Public Service Commission Order No. U-33244-A, Energy Gulf States Louisiana, L.L.C. (“Legacy EGSL”) and Entergy Louisiana, LLC (“Legacy ELL”) combined substantially all of their respective assets and liabilities into a single operating company, Entergy Louisiana Power, LLC, which subsequently changed its name to Entergy Louisiana, LLC (*i.e.*, “ELL”) (“Business Combination”). Upon consummation of the Business Combination, ELL became the public utility that is subject to LPSC regulation and now stands in the shoes of Legacy EGSL and Legacy ELL.

Company's capital structure for ratemaking purposes.² The preliminary estimate of ELL's total restoration costs for the repair and/or replacement of the electrical facilities damaged by Hurricane Laura is \$1.25 billion to \$1.4 billion, and time is of the essence in securing interim financing. Accordingly, ELL respectfully requests that the Commission consider this Application under its original and primary jurisdiction, expedite this Docket, and provide the approvals requested herein at the Commission's November 18, 2020 Business and Executive Session. The Company's need for timely relief from the Commission has been underscored by additional damage caused by Hurricane Delta. As a result, ELL also is requesting that the Commission put in place a mechanism to increase, at ELL's request, the amount of short-term debt that can be excluded for ratemaking purposes if further issuances are used for interim financing of Hurricane Delta restoration costs.

Introduction

I.

Hurricane Laura was the most devastating weather event to ever strike ELL's utility system. It came ashore on August 27, 2020, as a strong Category 4 hurricane with sustained winds speeds of 150 mph. The nature and magnitude of the damage inflicted in Southwest Louisiana 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.

II.

The destructive force of Hurricane Laura was not limited to Southwest Louisiana. The storm continued across ELL's service area, arriving in Central and North Louisiana as a Category

² Throughout this Application, ELL uses the phrases "shorter-term debt" and "short-term debt" to refer to debt issuances having maturities between one and five years.

2 and Category 1 storm, respectively. The sustained power of the storm as it moved through Louisiana damaged utility infrastructure on a scale not experienced with prior hurricanes.

III.

Hurricane Laura caused nearly 455,000 total ELL customer interruptions. As of Friday, September 25, ELL had successfully restored all but approximately 3,000 customers who were impacted by the storm. As of Friday, October 2, ELL had restored all accessible customers who could safely take power. However, efforts to fully repair and restore the transmission system are expected to continue into the fourth quarter of 2020.

IV.

The nature and extent of Hurricane Laura's damage to the electric transmission and distribution systems made this storm restoration as difficult and challenging as Entergy has ever faced. To meet the challenges, the Entergy Operating Companies ("EOCs")³ deployed the largest restoration effort ever mobilized in company history, with more than 25,000 workers from 31 states. In addition to employees of ELL and its affiliates, the workers came from more than 230 companies, including 24 other electric utilities. These workers included scouts, field workers, vegetation workers, and support staff.

V.

The Hurricane Laura restoration was the first large-scale disaster response that required an EOC to implement COVID-19 safety protocols. Increased costs associated with those safety measures, including lodging and personal protection equipment, are included in ELL's preliminary estimate of total Hurricane Laura restoration costs.

³ The five EOCs are ELL, Entergy Arkansas, LLC; Entergy Mississippi, LLC; Entergy Texas, Inc.; and Entergy New Orleans, LLC.

VI.

Restoring service and rebuilding utility infrastructure damaged by Hurricane Laura will cost significantly more than the \$732 million in restoration costs that Legacy ELL and Legacy EGSL incurred (and the Commission approved for recovery) after Hurricanes Katrina and Rita in 2005. Accepting, however, that hurricanes are a “when” and not an “if” proposition for Louisiana, the Commission and ELL have worked collaboratively in the intervening years to prepare for major storms and to provide for recovery of prudently incurred restoration costs. Accordingly, ELL had approximately \$250 million in Commissioned-approved storm escrows when Hurricane Laura made landfall in Louisiana. ELL intends to draw down those reserves in order to provide temporary liquidity as it plans for permanent financing of storm restoration costs. For permanent financing, as it has in the past, ELL will consider securitization of the entire amount of Commission-approved storm restoration costs through the Louisiana Electric Investment Recovery Securitization Act (“Act 64”), La. R.S. 45:1251-1261, financing of the entire amount of Commission-approved system restoration costs through the Louisiana Restoration Corporation Act (“Act 55”), La. R.S. 45:1311-1328, or any other viable financing method that is cost effective for customers. The financing path chosen by ELL will be based on the method that is expected to result in the lowest cost for customers and will be subject to Commission review and approval.

VII.

Because the process for obtaining LPSC approval to recover and to permanently finance reasonable and necessary storm restoration costs has taken up to 18 months, and the Company’s storm reserves will not be sufficient to meet ELL’s liquidity needs in the interim, ELL intends to issue up to \$700 million in shorter-term first mortgage bonds to provide temporary financing until the Commission can conduct appropriate proceedings to review the restoration costs and issue

financing orders. This plan will reduce interim carrying costs to the benefit of ELL's customers. Considering the magnitude of the planned borrowing, however, ELL needs the Commission's assurance that this short-term, extraordinary, special purpose debt will be excluded from the derivation of the Company's capital structure and cost rate of debt for ratemaking purposes. The relief requested in this application is narrow, but it is very important to ELL's overall efforts to reduce Hurricane Laura restoration costs to customers while maintaining the Company's financial integrity.

VIII.

On the evening of Friday, October 9, 2020, Hurricane Delta made landfall in Cameron Parish as a Category 2 hurricane. Hurricane Delta had a wider footprint than Hurricane Laura, with sweeping outer bands that covered the entire State of Louisiana, and the storm hit hard parts of ELL's service area that are still recovering from the devastation of Hurricane Laura. The Hurricane Delta restoration is ongoing, and ELL is not seeking relief in this Application that is based on the expected costs of that restoration. Because those costs will add to the liquidity issues caused by Hurricane Laura, the Company is requesting that the Commission authorize its Executive Secretary to issue, upon ELL's written request, a supplemental order to increase the amount of short-term debt that can be excluded from ELL's capital structure for ratemaking purposes if ELL uses additional short-term debt issuances for interim financing of Hurricane Delta restoration costs.

Description of Applicant

IX.

ELL is a limited liability company duly authorized and qualified to do and is doing business in the State of Louisiana, created and organized for the purposes, among others, of manufacturing, generating, transmitting, distributing, and selling electricity for power, lighting, heating, and other

uses. As of December 31, 2019, ELL provided electric service to nearly 1.1 million customers across 58 of the 64 parishes in Louisiana. A significant portion of ELL's service area in Louisiana is comprised of communities that are regularly exposed to extreme weather and flooding. Roughly 939,000 of ELL's customers are residential customers, 132,000 are commercial, 10,800 are industrial, and 8,000 are governmental.

X.

ELL's transmission system is comprised of over 5,300 circuit miles of transmission lines. In addition to the lines, there are approximately 450 substations in the system. ELL's transmission system includes transmission lines and substations operating at voltages of 500 kiloVolts ("kV"), 345 kV, 230 kV, 138 kV, 115 kV, and 69 kV.

XI.

ELL's electric distribution system is the portion of the electric grid operating at voltage levels below 69 kV, which ultimately delivers electric power to most of ELL's customers. ELL's distribution system begins at the substations, where power is transformed from transmission-level voltage into distribution-level voltage, suitable for delivering power directly to residential, and certain commercial, governmental, and industrial customers. There are nearly 500 ELL substations that supply power to approximately 1,200 distribution circuits, consisting of over 32,000 distribution circuit miles, of which approximately 28,000 are overhead circuit miles, and approximately 4,000 are underground circuit miles.

Hurricane Laura

XII.

Hurricane Laura was the strongest storm to make landfall in Louisiana in 164 years and is tied for the fifth strongest to make landfall in the continental United States. Hurricane Laura's

historic intensity caused severe damage to ELL's distribution and transmission systems, including to the following infrastructure:

- nearly 12,500 distribution poles damaged and/or destroyed;
- more than 4,200 transformers damaged and/or destroyed;
- approximately 27,100 spans of distribution wire damaged and/or destroyed, roughly equivalent to over 770 miles;
- approximately 1,421 transmission structures destroyed;
- approximately 401 transmission structures damaged;
- approximately 188 substations damaged and/or impacted; and
- approximately 152 transmission lines out of service.

In addition, ELL sustained wind damage at the Calcasieu Station, Lake Charles Power Station, and Nelson 6 generation units.

XIII.

Over 95% of ELL's transmission structures that Hurricane Laura damaged or destroyed were in Southwest Louisiana. By way of comparison, Hurricane Laura destroyed more than double the number of transmission structures that Hurricane Rita destroyed in 2005. Hurricane Rita was a strong Category 3 hurricane that made landfall in Louisiana near its border with Texas and was the most destructive storm to ever strike Entergy Gulf States, Inc. As a result of Hurricane Laura's more extensive damage, large portions of the underlying transmission system in the Lake Charles area has required nearly a complete rebuild that is still ongoing.

XIV.

Of the total Hurricane Laura restoration workforce that the EOCs deployed, over 16,000 men and women worked in Louisiana to restore service to our communities. The initial distribution restoration efforts were aggressive, and ELL's crews set thousands of poles even before generation became available to serve load. As mentioned above, Hurricane Laura was the first major storm to require COVID-19 protocols for safety, travel, logistics, and lodging, and, considering those additional challenges, the care and dedication of the restoration crews were particularly noteworthy.

The Company's Requested Relief in This Proceeding

XV.

The preliminary estimate of ELL's total restoration costs for Hurricane Laura, \$1.25 billion to \$1.4 billion, far exceeds the Company's \$250 million in the storm escrow. Although ELL in the past has used a combination of debt and equity to finance storm costs in excess of storm reserves until permanent financing is in place, the brutal force of Hurricane Laura is resulting in restoration costs that exceed storm reserves by a margin that ELL has not experienced since the storm escrows were established after Hurricanes Katrina and Rita. If ELL were to use a combination of debt and equity for interim financing of Hurricane Laura restoration costs, carrying costs for 18 months at the Company's Weighted Average Cost of Capital ("WACC") could exceed \$140 million.⁴ Accordingly, ELL intends to issue up to \$700 million in short-term debt to provide interim financing of the majority of the Hurricane Laura restoration costs that exceed storm reserves until the Commission can conduct appropriate proceedings to review the restoration costs

⁴ Based on experience after Hurricanes Gustav/Ike and Isaac, the 18-month period is an estimate of the amount of time that could elapse between the storm and the Commission's approval of permanent financing of the Company's Hurricane Laura total restoration costs.

and issue permanent financing orders.⁵ Under ELL's plan for interim financing, the carrying costs for 18 months are estimated to be around \$40 million, which would result in savings to ELL's customers of \$100 million, but only if the short-term debt is excluded from the Company's WACC.

XVI.

ELL's plan takes advantage of the current interest rate environment and, as noted above, has the potential to reduce significantly the cost to customers of interim financing of Hurricane Laura restoration costs. To implement its plan and reduce carrying costs, however, ELL needs the Commission's assurance that the short-term debt will not be considered in the determination of ELL's WACC. The reasons for providing such assurance are straightforward. The singular purpose of the short-term debt is to provide low-cost, interim financing for a significant portion of the Hurricane Laura restoration costs, until permanent financing is ultimately in place. The short-term debt will not be used to finance other rate base items and, accordingly, this short-term debt should not be considered part of ELL's long-term capital structure that is used to determine the return-on-rate-base component of ELL's rates.⁶ Including Laura-related short-term debt in the derivation of the Company's capital structure and cost of debt for ratemaking purposes would unnecessarily increase the interim carrying costs that will eventually be paid by the Company's customers. Moreover, doing so would lower ELL's return on non-Laura rate base and impair its

⁵ As ELL witness Sarah M. Harcus discusses in her Direct Testimony, the Company also will be issuing long-term bonds by the end of 2020 that will provide additional liquidity, but ELL is not seeking in this Application any ratemaking adjustment for the long-term borrowing.

⁶ Currently, the Company's rates are set pursuant to a Formula Rate Plan ("FRP") rider that was approved by the Commission in Order No. U-34631, Rider Schedule FRP. Under that FRP, the Benchmark Rate of Return on Rate Base ("BRORB") is the composite weighted embedded cost of capital reflecting the Company's annualized costs of Short-Term Debt, Long-Term Debt, Preferred Stock, and Common Equity. Attachment D to the FRP, which sets forth the formula for determining BRORB, makes clear that amounts related to securitization financing are eliminated from the capital amounts used in the calculation. Thus, ELL's current FRP recognizes an appropriate exclusion from the BRORB calculation of debt-only capital amounts used to finance storm costs. The ratemaking adjustment that ELL requests in its Application is likewise an appropriate exclusion. Furthermore, as it has after past hurricanes, ELL is considering securitization to permanently finance Hurricane Laura system restoration costs.

financial integrity at a time when it is facing both the reality of a major component of its overall risk profile – vulnerability to hurricanes – and the extraordinary circumstances of the COVID-19 pandemic. Absent the relief requested herein, ELL will provide interim financing for Hurricane Laura restoration costs with funds generated by the Company’s full capital structure (*i.e.*, ELL will use a combination of storm escrows and additional debt and equity).

XVII.

For these reasons, ELL is requesting that the Commission approve the exclusion from ELL’s capital structure and cost of debt for ratemaking purposes the short-term debt issued by the Company to fund Hurricane Laura restoration costs on an interim basis. This request does not impair the Commission’s full review of ELL’s Hurricane Laura restoration costs, does not change ELL’s rates, and does not grant ELL interim cost recovery. ELL agrees to exclude Hurricane Laura restoration costs from any Formula Rate Plan or full base rate case until the Commission addresses those costs and permanent financing of same.

XVIII.

ELL is currently engaged in restoring service after Hurricane Delta, and, although the costs of that restoration are uncertain, they will add to the liquidity issues caused by Hurricane Laura. Because the Company and its customers may benefit from the issuance of short-term debt in excess of \$700 million for interim financing of the total restoration costs caused by Hurricanes Laura and Delta, the Company further requests that the Commission authorize its Executive Secretary to issue, upon ELL’s written request, a supplemental order to increase the amount of short-term debt that can be excluded from ELL’s capital structure for ratemaking purposes if ELL uses additional short-term debt issuances for interim financing of Hurricane Delta restoration costs.

Company Witnesses' Supporting Testimony

XIX.

The Company's Application and requests for relief are supported by the testimony of two witnesses:

1. Phillip R. May, ELL's President and Chief Executive Officer. Mr. May provides an overview of the impact of Hurricane Laura on ELL's electric generation, transmission, and distribution systems. Mr. May also introduces the Company's Application and discusses the importance to the Company and its customers of the expedited relief ELL is seeking.
2. Sarah M. Harcus, Finance Director for ELL. Ms. Harcus provides the preliminary estimate of ELL's Hurricane Laura restoration costs and discusses ELL's plan to issue short-term bonds to provide temporary financing of those costs.

Service of Notices and Pleadings

XX.

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

Mark D. Kleehammer
Entergy Services, LLC
4809 Jefferson Highway
Mail Unit L-JEF-357
Jefferson, Louisiana 70121
Telephone: (504) 840-2628
Facsimile: (504) 840-2681
mkleeha@entergy.com

Lawrence J. Hand, Jr.
D. Skylar Rosenbloom
Entergy Services, LLC
639 Loyola Avenue
Mail Unit L-ENT-26E
New Orleans, Louisiana 70113
Telephone: (504) 576-6825
Facsimile: (504) 576-5579
lhand@entergy.com
drosenb@entergy.com

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

Request for Expedited Treatment

XXI.

The Commission has constitutional jurisdiction to grant the relief requested in ELL's Application pursuant to La. Const. art. IV, § 21(B). In accordance with Rule 57 of the Commission's Rules of Practice and Procedure and other authorities, ELL respectfully requests that the Commission move and vote to exercise its original and primary jurisdiction and take this matter up at the Commission's November 18, 2020 Business and Executive Session. ELL also requests a ten-day period of intervention.

XXII.

In support of these requests, ELL respectfully submits that time is of the essence. Considering the overall cost of the Hurricane Laura restoration and related liquidity concerns, ELL has an urgent need to obtain interim financing of storm restoration costs before the end of the year. Hurricane Delta and the ongoing restoration of service from that storm make it all the more critical for ELL to quickly address its near-term liquidity. If the Commission grants the straightforward relief requested in this Application at its November 18, 2020 Business and Executive Session, ELL will be able to pursue short-term debt to meet its interim financing needs and to place the debt on favorable terms that will reduce Hurricane Laura restoration costs to customers.

Prayer for Relief

XXIII.

WHEREFORE, for the foregoing reasons, Entergy Louisiana, LLC respectfully requests:

1. That this Commission move and vote to exercise its original and primary jurisdiction pursuant to and/or in accordance with Rule 57 of the Commission's Rules of Practice and Procedure and other authorities and take this matter up at the Commission's November 2020 Business and Executive Session.

2. That this Commission approve and issue an order acknowledging that short-term debt up to \$700 million issued by ELL to fund Hurricane Laura restoration costs on an interim basis should be excluded from the derivation of the Company's capital structure and cost rate of debt for ratemaking purposes.

3. That this Commission authorize its Executive Secretary to issue, upon ELL's written request, a supplemental order to increase the amount of short-term debt that can be excluded from the derivation of ELL's capital structure and cost rate of debt for ratemaking purposes if ELL uses additional short-term debt issuances for interim financing of Hurricane Delta restoration costs.

4. That this Commission establish a ten-day period for interventions in this proceeding.

5. That this Commission direct that notice of all matters in these proceedings be sent to Mark D. Kleehammer, Lawrence J. Hand, Jr., and D. Skylar Rosenbloom as representatives of Applicant Entergy Louisiana, LLC.

6. That this Commission provide for appropriate protection for any confidential information to be produced in this proceeding.

7. All other orders and decrees as may be necessary, and for all general and equitable relief that the law and the nature of the case may permit.

Respectfully submitted,

By: 

Lawrence J. Hand, Jr., Bar No. 23770
D. Skylar Rosenbloom, Bar No. 31309
639 Loyola Avenue
Mail Unit L-ENT-26E
New Orleans, Louisiana 70113
Telephone: (504) 576-6825
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-and-

W. Raley Alford, III, Bar No. 27354
STANLEY, REUTER, ROSS, THORNTON
& ALFORD, L.L.C.
909 Poydras Street, Suite 2500
New Orleans, Louisiana 70112
Telephone: (504) 523-1580
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**ATTORNEYS FOR
ENTERGY LOUISIANA, LLC**

**BEFORE THE
LOUISIANA PUBLIC SERVICE COMMISSION**

**ENTERGY LOUISIANA, LLC, *EX*
PORTE. APPLICATION OF ENTERGY
LOUISIANA, LLC FOR APPROVAL OF
RATEMAKING ADJUSTMENT FOR
INTERIM HURRICANE LAURA
FINANCING, AND REQUEST FOR
EXPEDITED TREATMENT**)
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DOCKET NO. U-_____

DIRECT TESTIMONY

OF

PHILLIP R. MAY

ON BEHALF OF

ENTERGY LOUISIANA, LLC

OCTOBER 2020

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EXHIBITS

Exhibit PRM-1	List of Prior Testimony
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I. INTRODUCTION AND BACKGROUND

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

A. My name is Phillip R. May. I am President and Chief Executive Officer (“CEO”) of Entergy Louisiana, LLC (“ELL” or the “Company”).¹ My business addresses are 4809 Jefferson Highway, Jefferson, Louisiana 70121 and 446 North Boulevard, Baton Rouge, Louisiana 70802.

Q2. ON WHOSE BEHALF ARE YOU TESTIFYING IN THIS PROCEEDING?

A. I am testifying on behalf of ELL in support of its application (the “Application”) before the Commission for approval of a ratemaking adjustment that will facilitate ELL’s efforts to finance, on an interim basis, the significant costs of restoring its electric utility system after the extreme damage caused by Hurricane Laura.

Q3. PLEASE DESCRIBE YOUR EDUCATIONAL BACKGROUND AND PROFESSIONAL EXPERIENCE.

A. I have a Bachelor of Science degree in Electrical Engineering from the University of Southwestern Louisiana, now called the University of Louisiana at Lafayette, and a Master of Business Administration from the University of New Orleans. I also completed the Wharton School’s Mergers and Acquisitions program.

¹ On October 1, 2015, pursuant to Louisiana Public Service Commission (“LPSC” or “Commission”) Order No. U-33244-A, Energy Gulf States Louisiana, L.L.C. (“Legacy EGSL”) and Entergy Louisiana, LLC (“Legacy ELL”) combined substantially all of their respective assets and liabilities into a single operating company, Entergy Louisiana Power, LLC, which subsequently changed its name to Entergy Louisiana, LLC (“ELL”) (“Business Combination”). Upon consummation of the Business Combination, ELL became the public utility that is subject to LPSC regulation and now stands in the shoes of Legacy EGSL and Legacy ELL.

1 I have worked for subsidiaries of Entergy Corporation for more than 33 years. I
2 joined Louisiana Power & Light Company (now known as ELL) in 1986 as an Engineer in
3 the Rates and Regulatory Affairs Department. I was responsible for developing cost of
4 service studies to support Legacy ELL's retail and wholesale rates. I also planned and
5 directed numerous engineering studies and special projects. In 1993, I joined the
6 Entergy/Gulf States Utilities Merger Team as a Senior Engineer. Following that
7 assignment, I joined Entergy Services, Inc.'s² Financial Planning Department and was
8 responsible for financial planning for Entergy Gulf States, Inc. (a predecessor-in-interest
9 to Entergy Texas, Inc., and Legacy EGSL) as well as for Legacy ELL. In 1994, I was
10 promoted to Senior Lead Analyst in Wholesale Transactions. In that role, I worked directly
11 with large customers to meet their wholesale power requirements. In 1995, I was promoted
12 to Manager of Strategic Planning. The members of my group served as internal consultants
13 to various business units. I was later promoted to the Director of Utility Transition and
14 Development. I was responsible for analytical and strategic analysis of the regulated
15 utilities' transition to competition efforts. In 2000, I assumed the role of Vice President,
16 Regulatory Services. In that position, I was responsible for providing technical and
17 analytical support to all of the EOCs to enable them to satisfy their regulatory obligations.
18 My department consisted of: System Regulatory Planning & Support, Regulatory Strategy,
19 Regulatory Projects, and Integrated Energy Management. In February 2013, I became the
20 President and CEO of Legacy ELL and Legacy EGSL. Legacy ELL and Legacy EGSL

² Entergy Services, LLC ("ESL"), formerly Entergy Services, Inc., is a service company to the five Entergy Operating Companies, which are ELL; Entergy Arkansas, LLC; Entergy Mississippi, LLC; Entergy Texas, Inc.; and Entergy New Orleans, LLC.

1 consummated their Business Combination in October 2015, and I continue to serve as
2 President and CEO of the combined entity, ELL.

3
4 Q4. HAVE YOU PREVIOUSLY TESTIFIED IN ANY REGULATORY PROCEEDING?

5 A. Yes. A listing of the cases in which I have previously testified is attached hereto as Exhibit
6 PRM-1.

7
8 Q5. WHAT ARE YOUR CURRENT DUTIES?

9 A. As President and CEO of ELL, I have executive responsibility for the Company, including
10 financial responsibility for the business and assets that are used to serve customers, which
11 include generation, transmission, and distribution assets. In addition, my responsibilities
12 include oversight of the field management of the Company's gas distribution system,
13 customer service, economic development, regulatory affairs, governmental affairs, and the
14 financial performance of ELL.

15
16 Q6. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

17 A. My testimony provides an overview of the impact of Hurricane Laura on ELL's electric
18 generation, transmission, and distribution systems. I also introduce the Company's
19 Application and discuss the importance to the Company and its customers of the expedited
20 relief ELL is seeking.

II. HURRICANE LAURA

Q7. PLEASE DESCRIBE HURRICANE LAURA.

A. Hurricane Laura was the strongest storm to make landfall in Louisiana in 164 years and is tied for the fifth strongest to make landfall in the continental United States. It came ashore on August 27, 2020, as a strong Category 4 hurricane with sustained winds speeds of 150 mph. The nature and magnitude of the damage inflicted in Southwest Louisiana 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.

The destructive force of Hurricane Laura was not limited to Southwest Louisiana. The storm continued across ELL's service area, arriving in Central and North Louisiana as a Category 2 and Category 1 storm, respectively. The sustained power of the storm as it moved through Louisiana damaged utility infrastructure on a scale not experienced with prior hurricanes.

Q8. PLEASE ELABORATE ON THE DAMAGE CAUSED BY HURRICANE LAURA TO ELL'S GENERATION, TRANSMISSION, AND DISTRIBUTION SYSTEMS.

A. Hurricane Laura was the most devastating weather event to ever strike ELL's utility system. Damage to the Company's transmission and distribution systems included destroyed and damaged structures and associated facilities, downed trees on lines, vegetation and other debris that blocked the roads and rights-of-way, and wind damage to substations. In addition, ELL sustained wind damage at the Calcasieu Station, Lake

1 Charles Power Station, and Nelson 6 generation units. The following summary of damage
2 to ELL's infrastructure highlights Hurricane Laura's historic intensity:

- 3 • nearly 12,500 distribution poles damaged and/or destroyed;
- 4 • more than 4,200 transformers damaged and/or destroyed;
- 5 • approximately 27,100 spans of distribution wire damaged and/or destroyed,
6 roughly equivalent to over 770 miles;
- 7 • approximately 1,421 transmission structures destroyed;
- 8 • approximately 401 transmission structures damaged;
- 9 • approximately 188 substations damaged and/or impacted; and
- 10 • approximately 152 transmission lines out of service.

11 Over 95% of ELL's transmission structures that Hurricane Laura damaged or
12 destroyed were in Southwest Louisiana. There are nine transmission lines that serve the
13 Lake Charles area, and all of them were knocked out of service and severely damaged as
14 Hurricane Laura made her way through the area. By way of comparison, Hurricane Laura
15 destroyed more than double the number of transmission structures that Hurricane Rita
16 destroyed in 2005. Hurricane Rita was a strong Category 3 hurricane that made landfall in
17 Louisiana near its border with Texas and was the most destructive storm to ever strike
18 Entergy Gulf States, Inc. As a result of Hurricane Laura's more extensive damage, large
19 portions of the underlying transmission system in the Lake Charles area has required nearly
20 a complete rebuild that is still ongoing. "Rebuild" is also the best way to describe the work
21 required to restore large portions of ELL's distribution system in Calcasieu and Cameron
22 Parishes.

1 Q9. HOW DID THE COMPANY RESPOND TO HURRICANE LAURA?

2 A. The Entergy Operating Companies (“EOCs”) deployed the largest restoration effort ever
3 mobilized in company history, with more than 25,000 workers from 31 states. In addition
4 to employees of ELL and its affiliates, the workers came from more than 230 companies,
5 including 24 other electric utilities. These workers included scouts, field workers,
6 vegetation workers, and support staff.

7 Of the total Hurricane Laura restoration workforce that the EOCs deployed, over
8 16,000 men and women worked in Louisiana to restore service to our communities. The
9 size and dedication of this workforce allowed for aggressive distribution restoration efforts.
10 Even before generation became available to serve load, ELL’s crews worked days in which
11 they set more than 1,000 poles.
12

13 Q10. WERE THERE UNIQUE CHALLENGES FACED BY THE COMPANY IN
14 RESTORING SERVICE AFTER HURRICANE LAURA?

15 A. Yes. Although ELL has learned through experience that a restoration effort after any major
16 storm is challenging and involves its own unique set of circumstances, the nature and extent
17 of Hurricane Laura’s damage to the electric transmission and distribution systems made
18 this storm restoration as difficult and challenging as Entergy has ever faced. The Hurricane
19 Laura restoration was the first large-scale disaster response that required an EOC to
20 implement COVID-19 safety protocols for safety, travel, logistics, and lodging. Increased
21 costs associated with those safety measures, including alternative lodging, extended travel,
22 and personal protection equipment, are included in ELL’s preliminary estimate of total

1 Hurricane Laura restoration costs, which Company witness Sarah M. Marcus, ELL's
2 Finance Director, provides in her Direct Testimony.

3 The magnitude of the damage to the transmission system in Southwest Louisiana
4 also brought unique challenges. Special equipment was required to access damaged lines
5 in wetlands and coastal areas, and replacing destroyed transmission structures can be far
6 more challenging than replacing distribution poles. For example, three 18-wheelers are
7 needed to transport one 500kV transmission tower, whereas just one 18-wheeler can
8 transport 50 or more distribution poles.

9
10 Q11. WHAT IS THE STATUS OF THE COMPANY'S HURRICANE LAURA
11 RESTORATION EFFORTS?

12 A. Hurricane Laura caused nearly 455,000 total ELL customer interruptions. As of Friday,
13 September 25, thanks to the dedication of the restoration workforce, ELL had successfully
14 restored all but approximately 3,000 customers who were impacted by the storm. As of
15 Friday, October 2, ELL had restored all accessible customers who could safely take power.
16 However, efforts to fully repair and restore the transmission system are expected to
17 continue into the fourth quarter of 2020.

18
19 Q12. HAS THE COMPANY TAKEN STEPS BEYOND REPAIRING AND REBUILDING
20 ITS SYSTEM TO HELP CUSTOMERS AND COMMUNITIES AFFECTED BY
21 HURRICANE LAURA?

22 A. Yes. Before, during, and after Hurricane Laura, ELL has maintained communication with
23 our customers through multiple platforms. Our online platform includes a hub that

1 compiles information and helpful links about available local, state, and federal disaster-
2 recovery resources,³ as well as a page dedicated to account and billing assistance for
3 customers impacted by Hurricane Laura.⁴ The Company also opened two mobile Customer
4 Information Centers in Lake Charles so that customers could visit in person with an ELL
5 customer service representative.

6 ELL and Entergy Corporation also have provided financial support to assist our
7 communities that were devastated by Hurricane Laura. With support from Entergy and
8 other community partners, the American Red Cross deployed 1,800 employees and
9 volunteers to provide shelter, meals, counseling, and supplies to those in need. The
10 Company also has provided financial support to the United Way of Southwest Louisiana,
11 Southwest Health Services, and Care Health Services of Sulfur, and it is working with the
12 Community Foundation of Southwest Louisiana, a non-profit, public charity, to provide
13 grants to community organizations focused on referral assistance and safety net services
14 for individuals and families, including temporary lodging, food, and clothing for those
15 affected by the storm.

16
17 **III. ELL'S REQUEST FOR EXPEDITED RATEMAKING ADJUSTMENT**

18 Q13. WHAT IS THE PRELIMINARY ESTIMATE OF THE COMPANY'S HURRICANE
19 LAURA RESTORATION COSTS?

20 A. As Ms. Harcus advises in her Direct Testimony, the preliminary estimate of ELL's total
21 system restoration costs for the repair and/or replacement of the electrical facilities

³ See <https://www.entergy.com/hurricanelaura/disaster-resources/>.

⁴ See <https://www.entergy.com/hurricanelaura/paymentoptions/>.

1 damaged by Hurricane Laura is \$1.25 billion to \$1.4 billion. I emphasize that this is a
2 preliminary estimate, and, as I noted above, restoration work is still ongoing (and the
3 preliminary estimate includes ongoing work).

4
5 Q14. HOW IS THE COMPANY ADDRESSING THE FINANCIAL IMPACT OF
6 HURRICANE LAURA?

7 A. The cost of storm restoration places a serious financial burden on the Company because it
8 is required to spend large sums of money very quickly, which reduces ELL's liquidity and
9 can affect the financial metrics that support the Company's credit ratings.⁵ As the
10 Company's preliminary estimate indicates, restoring service and rebuilding utility
11 infrastructure damaged by Hurricane Laura will cost significantly more than the \$732
12 million in restoration costs that Legacy ELL and Legacy EGSL incurred (and the
13 Commission approved for recovery) after Hurricanes Katrina and Rita in 2005. Accepting,
14 however, that hurricanes are a "when" and not an "if" proposition for Louisiana, the
15 Commission and ELL have worked collaboratively in the intervening years to prepare for
16 major storms and to provide for recovery of prudently incurred restoration costs.
17 Accordingly, ELL had approximately \$250 million in Commissioned-approved storm
18 escrows when Hurricane Laura made landfall in Louisiana. ELL intends to draw down
19 those reserves in order to provide temporary liquidity as it plans for permanent financing
20 of Hurricane Laura restoration costs, and ELL's current Application addresses its plan for

⁵ Just before the 2020 Atlantic hurricane season began, I noted in my Direct Testimony supporting the Company's application to extend its Formula Rate Plan in LPSC Docket No. U-35565 that the challenge of maintaining reliable service in an area that has seen more than its fair share of devastation from severe weather is one of the most significant characteristics of ELL's risk profile.

1 additional interim financing. The need to implement ELL's plan for interim financing is
2 all the more critical now that ELL is in the process of restoring damage caused by Hurricane
3 Delta, which made landfall in Cameron Parish on the evening of October 9, 2020.

4 For permanent financing, as it has in the past, ELL will consider securitization of
5 the entire amount of Commission-approved storm restoration costs through the Louisiana
6 Electric Investment Recovery Securitization Act ("Act 64"), La. R.S. 45:1251-1261,
7 financing of the entire amount of Commission-approved system restoration costs through
8 the Louisiana Restoration Corporation Act ("Act 55"), La. R.S. 45:1311-1328, or any other
9 viable financing method that is cost effective for customers. The financing path chosen by
10 ELL will be based on the method that is expected to result in the lowest cost for customers
11 and will be subject to Commission review and approval.⁶
12

13 Q15. WHAT IS THE COMPANY'S PLAN FOR FINANCING SYSTEM RESTORATION
14 COSTS UNTIL PERMANENT FINANCING IS IN PLACE?

15 A. As I noted above, ELL intends to draw down its storm reserves, but the preliminary
16 estimate of ELL's total system restoration costs for Hurricane Laura far exceeds the
17 Company's \$250 million in the storm escrow. Because the process for obtaining LPSC
18 approval to recover and to permanently finance reasonable and necessary storm restoration
19 costs has taken up to 18 months after prior storms, and the Company's storm reserves will

⁶ In an October 2, 2020 Research Update, S&P Global Ratings ("S&P") affirmed its A- credit rating of ELL after reevaluating the Company's financial position after Hurricane Laura. Citing, among other things, the Commission's traditional, constructive approach to recovery of prudently incurred storm restoration costs, S&P advised that "[t]he stable outlook on ELL reflects our expectation that it will successfully securitize the restoration costs from Hurricane Laura and operations will remain stable." See Exhibit SMH-1, S&P Global Ratings (10/2/2020), at p. 1.

1 not be sufficient to meet ELL's liquidity needs in the interim, ELL intends to issue up to
2 \$700 million in short-term debt to provide interim financing of the majority of the
3 Hurricane Laura restoration costs that exceed storm reserves until the Commission can
4 conduct appropriate proceedings to review the restoration costs and issue permanent
5 financing orders.

6 Although ELL in the past has used a combination of debt and equity to finance
7 storm costs until permanent financing is in place, the brutal force of Hurricane Laura is
8 resulting in restoration costs that exceed storm reserves by a margin that ELL has not
9 experienced since the storm escrows were established after Hurricanes Katrina and Rita.
10 Because the carrying costs of interim financing for 18 months at the Company's Weighted
11 Average Cost of Capital ("WACC") could exceed \$140 million, ELL's plan will reduce
12 interim carrying costs to the benefit of ELL's customers. The potential reduction is
13 significant. As Ms. Harcus discusses in her Direct Testimony, ELL's plan to issue bonds
14 until the Commission can conduct appropriate proceedings to review the restoration costs
15 and issue financing orders could result in savings to customers of \$100 million, but only if
16 the short-term debt is excluded from the Company's WACC.

17
18 Q16. WHAT RELIEF IS THE COMPANY SEEKING IN THIS APPLICATION BEFORE THE
19 COMMISSION?

20 A. In the current interest rate environment, ELL's interim-financing plan has the potential to
21 reduce significantly the cost to customers of temporary financing of Hurricane Laura
22 system restoration costs. To implement its plan and reduce carrying costs, however, ELL
23 needs the Commission's assurance that the short-term debt will not be considered part of

1 ELL's WACC. ELL is therefore requesting that the Commission approve the exclusion
2 from ELL's capital structure for ratemaking purposes of up to \$700 million in short-term
3 debt issued by the Company to fund Hurricane Laura restoration costs on an interim basis.

4 Importantly, the relief requested in ELL's Application is narrow. Granting the
5 requested ratemaking adjustment does not impair the Commission's full review of ELL's
6 Hurricane Laura system restoration costs, does not change ELL's rates, and does not allow
7 ELL interim cost recovery. ELL agrees to exclude Hurricane Laura restoration costs from
8 any Formula Rate Plan or full base rate case until the Commission addresses those costs
9 and permanent financing of same. Accordingly, if the Commission grants the relief ELL
10 is requesting, ELL's customers can expect lower carrying costs without sacrificing the
11 benefits of the Commission's full review of ELL's Hurricane Laura system restoration
12 costs.

13
14 Q17. PLEASE ELABORATE ON THE IMPORTANCE OF THE PROPOSED
15 RATEMAKING ADJUSTMENT TO THE COMPANY.

16 A. The singular purpose of the short-term debt that ELL is planning to issue is to provide low-
17 cost, interim financing for a significant portion of the Hurricane Laura restoration costs
18 until permanent financing is approved by the LPSC. The short-term debt will not be used
19 to finance other rate base items and, accordingly, this short-term debt should not be
20 considered part of ELL's long-term capital structure that is used to determine the return-
21 on-rate-base component of ELL's rates. Including Laura-related short-term debt in the
22 derivation of the Company's capital structure and cost rate of debt for ratemaking purposes
23 would unnecessarily increase the interim carrying costs that will eventually be paid by the

1 Company's customers. Moreover, doing so would lower ELL's return on non-Laura rate
2 base and impair the Company's financial integrity at a time when it is facing both the reality
3 of a major component of its overall risk profile – vulnerability to hurricanes – and the
4 extraordinary circumstances of the COVID-19 pandemic. Absent the relief requested
5 herein, ELL will provide interim financing for Hurricane Laura restoration costs with funds
6 generated by the Company's full capital structure (*i.e.*, ELL will use a combination of storm
7 escrows and additional debt and equity).

8
9 Q18. BEYOND THE RATEMAKING ADJUSTMENT, DOES ELL SEEK ANY OTHER
10 RELIEF IN ITS APPLICATION?

11 A. Yes. Because time is of the essence in placing short-term debt, ELL respectfully requests
12 that the Commission move and vote to exercise its original and primary jurisdiction and
13 take this matter up at the Commission's November 18, 2020 Business and Executive
14 Session. Considering the overall cost of the Hurricane Laura restoration, related liquidity
15 concerns, the ongoing Hurricane Delta restoration, and that the 2020 Atlantic hurricane
16 season runs through November 30, ELL has an urgent need to obtain interim financing of
17 storm restoration costs before the end of the year. If the Commission grants the
18 straightforward relief requested in this Application at its November 18, 2020 Business and
19 Executive Session, ELL will be able to pursue short-term debt to meet its interim financing
20 needs and to place the debt on favorable terms that will reduce Hurricane Laura restoration
21 costs to customers.

1 Q19. IS ELL REQUESTING ANY RELIEF RELATING TO HURRICANE DELTA?

2 A. Yes, but the request is limited. ELL is not seeking relief in its current Application that is
3 based on the expected costs of the ongoing restoration of damage to its electric system
4 caused by Hurricane Delta. The restoration costs for Hurricane Delta are uncertain at this
5 time, but it is reasonable to expect that those costs will add to the liquidity issues created
6 by Hurricane Laura. Recognizing that it may be beneficial to ELL and its customers for
7 the Company to issue in the coming months short-term debt in excess of \$700 million, the
8 Company is requesting that the Commission authorize its Executive Secretary to issue,
9 upon ELL's written request, a supplemental order to increase the amount of short-term debt
10 that can be excluded from ELL's capital structure for ratemaking purposes if ELL uses
11 additional short-term debt issuances for interim financing of Hurricane Delta restoration
12 costs. This limited request serves the interests of the Company and its customers for the
13 reasons that I discussed earlier in my testimony.

14
15 **IV. CONCLUSION**

16 Q20. PLEASE SUMMARIZE WHY ELL IS SEEKING EXPEDITED RELIEF FROM THE
17 COMMISSION CONCERNING INTERIM FINANCING OF HURRICANE LAURA
18 SYSTEM RESTORATION COSTS.

19 A. ELL provides service in an area that frequently experiences extreme weather conditions
20 and is vulnerable to catastrophic hurricanes. The Company is ever mindful of that risk and
21 prepares accordingly. We also know from experience that each major storm brings unique
22 challenges, and Hurricane Laura was no exception. Indeed, our employees and their fellow
23 restoration workers rose to the challenge of repairing and rebuilding ELL's system during

1 the COVID-19 pandemic. We are grateful for their outstanding efforts, and we remain
2 inspired by the resilience of our customers and the communities that we serve.

3 Also mindful of ELL's risk profile and the importance to ELL's customers that it
4 remains a financially healthy utility, the Commission has a long history of working
5 collaboratively with the Company to provide for recovery of prudently incurred storm
6 restoration costs. ELL is not yet seeking the Commission's review of its total Hurricane
7 Laura system restoration costs or an order approving permanent financing of those costs.
8 In its current Application, however, ELL does respectfully request that the Commission
9 continue its collaborative approach to storm recovery and confirm, on an expedited basis,
10 that any short-term debt (up to \$700 million) issued by ELL to fund Hurricane Laura
11 system restoration costs on an interim basis should be excluded from the Company's capital
12 structure for ratemaking purposes. This ratemaking adjustment will allow ELL to execute
13 an interim financing plan that will significantly reduce carrying costs to customers while
14 also maintaining the Company's financial integrity. And considering that ELL is currently
15 addressing the damage caused by Hurricane Delta, the Commission's authorizing its
16 Executive Secretary to extend the ratemaking adjustment to additional interim borrowing
17 will help the Company manage near-term liquidity issues. During a year that has brought
18 a global pandemic, a record ten hurricane strikes to the mainland United States, and the
19 most expensive storm to ever strike ELL's system, maintaining ELL's financial integrity
20 is all the more important to the Company, its customers, and its other stakeholders.

21
22 Q21. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?

23 A. Yes, at this time.

AFFIDAVIT

STATE OF LOUISIANA

PARISH OF JEFFERSON

NOW BEFORE ME, the undersigned authority, personally came and appeared,
Phillip R. May, who after being duly sworn by me, did depose and say:

That the above and foregoing is his sworn testimony in this proceeding and that he knows the contents thereof, that the same are true as stated, except as to matters and things, if any, stated on information and belief, and that as to those matters and things, he verily believes them to be true.



Phillip R. May

SWORN TO AND SUBSCRIBED BEFORE ME
THIS 6th DAY OF OCTOBER, 2020


NOTARY PUBLIC

My commission expires: at death

LAWRENCE J. HAND, JR., 23770
Notary Public in and for
the State of Louisiana.
My Commission is for Life.

Listing of Previous Testimony Filed by Phillip R. May

<u>DATE</u>	<u>TYPE</u>	<u>SUBJECT MATTER</u>	<u>REGULATORY BODY</u>	<u>DOCKET NO.</u>
05/31/2000	Direct	UCOS & ECOM	PUCT	22356
08/28/2000	Supplemental Direct	UCOS & ECOM	PUCT	22356
03/30/2001	Rebuttal	UCOS & ECOM	PUCT	22356
05/15/2001	Settlement	Stranded Costs	LPSC	U-22092
05/15/2001	Settlement	Stranded Costs	LPSC	U-20925
06/25/2001	Direct	Qualified Power Region	PUCT	24309
06/29/2001	Direct	Transition to Competition Costs	APSC	01-041-U
07/02/2001	Direct	Price to Beat	PUCT	24336
09/25/2001	Rebuttal	Price to Beat	PUCT	24336
05/08/2002	Supplemental	Price to Beat	PUCT	24336
07/12/2002	Supplemental Rebuttal	Price to Beat	PUCT	24336
03/01/2004	Supplemental	Business Separation Plan	LPSC	U-21453 (Sub. B)
08/25/2004	Direct	2004 Rate Case	PUCT	30123
05/17/2005	Direct	Formula Rate Plan & Generation Performance Based Resource Plan	Council of the City of N.O. ("Council")	UD-01-04 & UD-03-01
07/05/2005	Direct	Capacity Rider	PUCT	31315
08/15/2005	Direct	TTC	PUCT	31544
10/05/2005	Rebuttal	Capacity Rider	PUCT	31315
02/10/2006	Rebuttal	TTC	PUCT	31544
04/26/2006	Direct	Jurisdictional Separation Plan	LPSC	U-21453 (Sub. J)
05/14/2007	Rebuttal	TTC Plan	PUCT	33687
09/26/2007	Direct	2007 Rate Case	PUCT	34800
05/02/2008	Rebuttal	2007 Rate Case	PUCT	34800
12/12/2008	Answering	Spindletop	FERC	EL08-51-002
01/09/2009	Direct	Bandwidth	FERC	ER08-1056-002
02/03/2009	Cross Answering	Spindletop	FERC	ER08-51-002
09/18/2009	Direct	PCRF	PUCT	37482
10/09/2009	Direct	Bandwidth	FERC	ER09-1224-001
12/21/2009	Direct	2009 Rate Case	PUCT	37744
09/01/2010	Direct	ICT	LPSC	S-31509
09/20/2010	Direct	ICT	Council	undocketed
10/12/2010	Answering	Depreciation Complaint	FERC	EL10-55-001
10/25/2010	Cross Answering	Depreciation Complaint	FERC	EL10-55-001
02/23/2011	Rebuttal	Depreciation Complaint	FERC	EL10-55-001
7/22/2011	Direct	MSS-4 Repricing	Council	UD-11-02
11/28/2011	Direct	2011 Rate Case	PUCT	39896
1/26/2012	Supplemental Direct	CGS	PUCT	38951
4/13/2012	Rebuttal	2011 Rate Case	PUCT	39896
4/24/2012	Supplemental Rebuttal	CGS	PUCT	38951
4/30/2012	Direct	MISO Change of Control	PUCT	40346
9/5/2012	Direct	ITC Transaction	LPSC	U-32538
9/12/2012	Direct	ITC Transaction	Council	UD-12-01
2/15/2013	Direct	EGSL 2013 Rate Case	LPSC	U-32707
2/15/2013	Direct	ELL 2013 Rate Case	LPSC	U-32708
3/28/2013	Direct	ELL Algiers 2013 Rate Case	Council	UD-13-01
4/9/2013	Direct	ELL EGSL Hurricane Isaac Storm Recovery	LPSC	U-32674
5/21/2013	Rebuttal	ITC Transaction	LPSC	U-32538

<u>DATE</u>	<u>TYPE</u>	<u>SUBJECT MATTER</u>	<u>REGULATORY BODY</u>	<u>DOCKET NO.</u>
5/29/2013	Errata-Rebuttal	ITC Transaction	LPSC	U-32538
2/18/2014	Rebuttal	ELL Algiers 2013 Rate Case	Council	UD-13-01
4/04/2014	Rejoinder	ELL Algiers 2013 Rate Case	Council	UD-13-01
9/30/2014	Direct	ELL/EGSL Business Combination	LPSC	U-33244
11/06/2014	Direct	ELL/EGSL Business Combination	Council	UD-14-03
1/13/2015	Direct	EGSL Union Power Station	LPSC	U-33510
5/1/2015	Rebuttal	ELL/EGSL Business Combination	LPSC	U-33244
6/5/2015	Direct	Ninemile 6 Prudence Review	LPSC	U-33633
7/13/2015	Settlement	ELL/EGSL Business Combination	LPSC	U-33244
8/25/2015	Direct	St. Charles Power Station	LPSC	U-33770
3/11/2016	Rebuttal	St. Charles Power Station	LPSC	U-33770
11/2/2016	Direct	Lake Charles Power Station	LPSC	U-34283
11/15/2016	Direct	Oxy PPA Amendment	LPSC	U-34303
11/22/2016	Direct	Advanced Metering System	LPSC	U-34320
2/23/2017	Direct	Carville PPA	LPSC	U-34401
4/21/2017	Direct	MISO Renewal	LPSC	U-34447
4/24/2017	Rebuttal	Lake Charles Power Station	LPSC	U-34283
5/23/2017	Direct	Washington Parish Energy Center	LPSC	U-34472
8/21/2017	Direct	2016 FRP Extension	LPSC	U-34631
5/29/2020	Direct	ELL FRP Extension	LPSC	U-35565
6/24/2020	Direct	J. Wayne Leonard Power Station Prudence Review	LPSC	U-35584

**BEFORE THE
LOUISIANA PUBLIC SERVICE COMMISSION**

ENTERGY LOUISIANA, LLC, *EX*)
***PORTE.* APPLICATION OF ENTERGY**)
LOUISIANA, LLC FOR APPROVAL OF)
RATEMAKING ADJUSTMENT FOR)
INTERIM HURRICANE LAURA)
FINANCING, AND REQUEST FOR)
EXPEDITED TREATMENT)

DOCKET NO. U-_____

DIRECT TESTIMONY

OF

SARAH M. HARCUS

ON BEHALF OF

ENTERGY LOUISIANA, LLC

OCTOBER 2020

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II. TESTIMONY	2

EXHIBITS

Exhibit SMH-1	S&P Global Ratings Research Update on Entergy Louisiana, LLC (10/2/2020)
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I. **INTRODUCTION AND BACKGROUND**

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

A. My name is Sarah M. Marcus. I am employed by Entergy Services, LLC (“ESL”)¹ as the Finance Director for Entergy Louisiana, LLC (“ELL” or the “Company”).² My business address is 4809 Jefferson Highway, Jefferson, Louisiana 70121.

Q2. ON WHOSE BEHALF ARE YOU TESTIFYING?

A. I am testifying before the Commission on behalf of ELL in support of its application (the “Application”) for approval of a ratemaking adjustment that will facilitate ELL’s efforts to finance, on an interim basis, the significant costs of restoring its electric utility system after the extreme damage caused by Hurricane Laura.

Q3. PLEASE DESCRIBE YOUR EDUCATION AND PROFESSIONAL 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 companies. In 2014, I left that position to join to ESL’s Regulatory Services – Regulatory Filings

¹ ESL (formerly Entergy Services, Inc.) 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.

² On October 1, 2015, pursuant to Louisiana Public Service Commission (“LPSC” or “Commission”) Order No. U-33244-A, Entergy Gulf States Louisiana, L.L.C. (“Legacy EGSL”) and Entergy Louisiana, LLC (“Legacy ELL”) combined substantially all of their respective assets and liabilities into a single operating company, Entergy Louisiana Power, LLC, which subsequently changed its name to Entergy Louisiana, LLC (“ELL”). Upon consummation of the business combination, ELL became the public utility that was subject to LPSC regulation and now stands in the shoes of Legacy EGSL and Legacy ELL in pending LPSC dockets.

1 organization. In 2016, I began working in ESL's Finance Business Partners – Utility
2 Finance and Strategy ("FBP-UFS") group, where I provided regulatory support for various
3 matters. In mid-2020, I accepted my current position as the Finance Director for ELL.
4

5 Q4. HAVE YOU PREVIOUSLY TESTIFIED BEFORE ANY REGULATORY BODY?

6 A. No.
7

8 Q5. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

9 A. My testimony provides the preliminary estimate of ELL's Hurricane Laura restoration
10 costs and an overview of the Company's plan for interim financing of those costs until
11 permanent financing can be established.
12

13 II. TESTIMONY

14 Q6. CAN YOU DESCRIBE THE DAMAGE CAUSED BY HURRICANE LAURA TO THE
15 COMPANY'S GENERATION, TRANSMISSION, AND DISTRIBUTION SYSTEMS?

16 A. Yes, in general terms. Hurricane Laura was the most devastating weather event to ever
17 strike ELL's utility system, causing damage to ELL's infrastructure and equipment
18 throughout the storm's path. Damage to ELL's transmission and distribution systems in
19 Southwest Louisiana was so severe that it required nearly complete rebuilds in certain
20 areas. In addition, ELL sustained wind damage at the Calcasieu Station, Lake Charles
21 Power Station, and Nelson 6 generation units. In his Direct Testimony, Company witness
22 Phillip R. May, ELL's President and Chief Executive Officer, provides more specific
23 details regarding Hurricane Laura and the extensive damage it caused to ELL's facilities.

1 Q7. WHAT IS THE PRELIMINARY ESTIMATE OF THE COMPANY'S HURRICANE
2 LAURA RESTORATION COSTS?

3 A. The preliminary estimate of ELL's total system restoration costs for the repair and/or
4 replacement of the electrical facilities damaged by Hurricane Laura is \$1.25 billion to \$1.4
5 billion. I emphasize that this is a preliminary estimate. As Mr. May advises in his Direct
6 Testimony, restoration work is still ongoing, but the preliminary estimate does include
7 ongoing work.

8
9 Q8. WHAT IS THE COMPANY'S PLAN FOR FINANCING SYSTEM RESTORATION
10 COSTS UNTIL PERMANENT FINANCING IS IN PLACE?

11 A. ELL had approximately \$250 million in Commission-approved storm escrows when
12 Hurricane Laura made landfall in Louisiana. ELL intends to draw down on those reserves.
13 However, the preliminary estimate of the Company's total system restoration costs well
14 exceeds the funds available in ELL's storm escrow. As Mr. May notes in his Direct
15 Testimony, the process for obtaining LPSC approval to recover and permanently finance
16 the storm restoration costs has taken up to 18 months post landfall, which puts a significant
17 strain on the Company's liquidity. In order to meet ELL's near-term liquidity needs, ELL
18 intends to finance the majority of the remaining storm restoration costs with shorter-term
19 first mortgage bonds until the Commission can conduct appropriate proceedings to review
20 the restoration costs and issue financing orders.³ As of the date of its current Application,

³ My Direct Testimony and ELL's Application use the phrases "shorter-term debt" and "short-term debt" to refer to debt issuances having maturities between one and five years.

1 ELL expects this issuance to be \$700 million.⁴ ELL also will be issuing long-term bonds
2 by the end of 2020 that will provide additional liquidity, but ELL's current Application
3 does not seek any ratemaking adjustment for the long-term borrowing.
4

5 Q9. IS THIS APPROACH CONSISTENT WITH HOW ELL HAS PREVIOUSLY
6 FINANCED STORM COSTS UNTIL PERMANENT FINANCING IS IN PLACE?

7 A. Not entirely. In the past, ELL has used a combination of debt and equity to finance storm
8 costs in excess of the storm reserve until permanent financing is in place. For Hurricane
9 Laura restoration costs, however, ELL intends to finance the excess on an interim basis
10 through shorter-term debt issuances, which will supplement storm escrow funds and other
11 capital available to ELL.
12

13 Q10. WILL ELL'S CUSTOMERS BENEFIT FROM THE COMPANY'S INTERIM
14 FINANCING PLAN?

15 A. Yes. In the current interest rate environment, ELL's plan would significantly reduce the
16 interim financing costs that will eventually be borne by customers. If ELL were to utilize
17 a combination of debt and equity in the interim, carrying costs for 18 months at the

⁴ In light of the historically active 2020 Atlantic hurricane season, the Company may need to issue more than \$700 million in shorter-term debt to address ELL's liquidity as additional restoration costs for Hurricane Delta are incurred. As set forth in the Application and discussed in Mr. May's Direct Testimony, the Company has requested that the Commission authorize its Executive Secretary to issue, upon ELL's written request, a supplemental order to increase the amount of short-term debt that can be excluded from ELL's capital structure for ratemaking purposes if ELL uses additional short-term debt issuances for interim financing of Hurricane Delta restoration costs.

1 Company's Weighted Average Cost of Capital ("WACC") could exceed \$140 million.⁵
2 Under ELL's plan of utilizing debt in the interim, carrying costs for 18 months are
3 estimated to be \$40 million. In other words, ELL's plan to issue bonds until the
4 Commission can conduct appropriate proceedings to review the restoration costs and issue
5 financing orders could result in savings to customers of \$100 million, but only if that debt
6 is excluded from the Company's WACC.

7
8 Q11. WOULD THE ESTIMATED SAVINGS OF \$100 MILLION INURE TO THE DIRECT
9 BENEFIT OF THE COMPANY OR ITS SHAREHOLDERS?

10 A. No. Although ELL and its other stakeholders certainly benefit when the Company is able
11 to reduce costs to customers without sacrificing safety or reliability, all direct savings
12 recognized as a result of ELL's interim financing plan would inure on a dollar-for-dollar
13 basis to ELL's customers.

14
15 Q12. WHAT DOES ELL NEED IN ORDER TO PROCEED WITH THE PLANNED
16 FINANCING OF THE STORM RESTORATION COSTS IN THE INTERIM?

17 A. ELL needs the Commission's assurance, on an expedited basis, that the shorter-term debt
18 (up to \$700 million for Hurricane Laura restoration costs) will not be considered part of
19 ELL's WACC. Including Laura-related short-term debt in the derivation of the Company's
20 capital structure and cost rate of debt for ratemaking purposes would (a) increase the

⁵ Based on experience following Hurricanes Gustav/Ike and Isaac, the 18-month period is an estimate of the amount of time that could elapse between the storm and the Commission's approval of permanent financing of the Company's Hurricane Laura total restoration costs.

1 interim costs of financing storm restoration, (b) significantly alter the proportion of debt
2 and equity in the capital structure, (c) lower ELL's return on non-Laura rate base, and (d)
3 impair its financial integrity, all at a time when ELL is facing both the reality of a major
4 component of its overall risk profile – vulnerability to hurricanes – and the extraordinary
5 circumstances of the COVID-19 pandemic. Because the short-term debt will be called
6 after the Commission conducts appropriate proceedings to review the restoration costs and
7 issues financing orders, and the storm costs will not be included in the Company's rate
8 base, it is appropriate that the short-term debt be excluded from the regulatory capital
9 structure that is used to determine the return-on-rate-base component of ELL's rates until
10 permanent financing is in place and ELL has an opportunity to call its interim financing.⁶

11
12 Q13. WHY IS ELL SEEKING COMMISSION ACTION ON AN EXPEDITED BASIS?

13 A. ELL has begun receiving invoices for the costs associated with the Hurricane Laura
14 restoration effort. Because of the magnitude of the storm restoration costs, in addition to
15 drawing down on the Commission-approved storm reserves, ELL needs to issue debt
16 and/or equity to be able to pay the invoices without straining the Company's liquidity.
17 Furthermore, ELL currently is in the process of addressing the damage to its system caused

⁶ Currently, the Company's rates are set pursuant to a Formula Rate Plan ("FRP") rider that was approved by the Commission in Order No. U-34631, Rider Schedule FRP. Under that FRP, the Benchmark Rate of Return on Rate Base ("BRORB") is the composite weighted embedded cost of capital reflecting the Company's annualized costs of Short-Term Debt, Long-Term Debt, Preferred Stock, and Common Equity. Attachment D to the FRP, which sets forth the formula for determining BRORB, makes clear that amounts related to securitization financing are eliminated from the capital amounts used in the calculation. Thus, ELL's current FRP recognizes an appropriate exclusion from the BRORB calculation of debt-only capital amounts used to finance storm costs. The ratemaking adjustment that ELL requests in its Application is likewise an appropriate exclusion. Furthermore, as it has after past hurricanes, ELL is considering securitization or any other cost-effective financing method to permanently finance Hurricane Laura system restoration costs.

1 by Hurricane Delta, and the costs of that restoration make it all the more critical that the
2 Company address its near-term liquidity.

3
4 Q14. WOULD THE COMPANY PROCEED WITH THE DEBT FINANCING IN THE
5 INTERIM WITHOUT THE COMMISSION'S APPROVAL TO EXCLUDE THE
6 SHORT-TERM DEBT FROM ITS CAPITAL STRUCTURE?

7 A. Not at the level that could save customers up to \$100 million. ELL believes it is in the
8 customers' interest to utilize debt financing in the interim to take advantage of the current
9 interest rate environment and to reduce the carrying costs associated with the Hurricane
10 Laura storm restoration costs. This is the best option for both the Company and its
11 customers. However, if ELL cannot get timely assurance that the short-term debt will not
12 be considered in the determination of its WACC, the Company will have to use a
13 combination of debt and equity to finance storm costs in excess of the storm reserve until
14 permanent financing is in place. As noted above, including up to \$700 million in Laura-
15 related short-term debt in the Company's capital structure and cost of debt for ratemaking
16 purposes would impair ELL's financial integrity, and failing to ensure the Company's
17 financial integrity at this time could have wide-ranging and long-lasting implications for
18 all stakeholders.

1 Q15. PLEASE ELABORATE ON HOW THE RATEMAKING ADJUSTMENT PROPOSED
2 IN ELL'S APPLICATION AND MAINTAINING ELL'S FINANCIAL INTEGRITY
3 WILL BENEFIT CUSTOMERS AND THE COMPANY.

4 A. History has shown that the interests of the Company and its customers are best served when
5 the Commission is supportive of measures available to mitigate the financial impact of
6 destructive hurricanes. To explain, the immediate need to restore service following a major
7 storm event places a significant and immediate cash requirement on the Company. Storm
8 restoration is a massive effort that requires ELL to expend large sums of money very
9 quickly, which reduces the Company's liquidity and can affect the financial metrics
10 supporting its current credit ratings, which are regularly examined by the investment
11 community. Those credit ratings directly affect the cost of capital needed for utility
12 investments that benefit customers and drive overall customer rates.⁷

13 In an October 2, 2020 Research Update, which is attached hereto as Exhibit SMH-
14 1, S&P Global Ratings ("S&P") affirmed its A- credit rating of ELL after reevaluating the
15 Company's financial position after Hurricane Laura. Citing, among other things, the
16 Commission's traditional, constructive approach to recovery of prudently incurred storm
17 restoration costs, S&P advised that "[t]he stable outlook on ELL reflects our expectation
18 that it will successfully securitize the restoration costs from Hurricane Laura and operations
19 will remain stable."⁸ Approving the ratemaking adjustment requested in ELL's
20 Application will facilitate stable operations and send an important signal to the investment
21 community that, when it comes to financing storm restoration costs, Louisiana will

⁷ Phillips, Charles F., Jr., *The Regulation of Public Utilities* 250 (Public Utilities Reports, Inc., 3rd ed. 1993).

⁸ Exhibit SMH-1 at p. 1.

- 1 continue to have a constructive regulatory environment. That signal will help to maintain
2 ELL's credit ratings, which, in turn, will benefit the Company and customers alike.
3
4 Q16. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?
5 A. Yes, at this time.

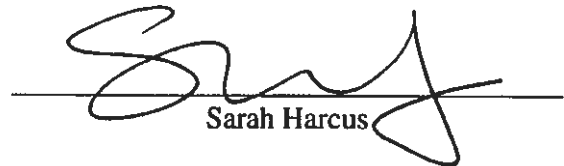
AFFIDAVIT

STATE OF LOUISIANA

PARISH OF JEFFERSON

NOW BEFORE ME, the undersigned authority, personally came and appeared,
Sarah Marcus, 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 Marcus

SWORN TO AND SUBSCRIBED BEFORE ME
THIS 6 DAY OF OCTOBER, 2020


NOTARY PUBLIC

My commission expires: at death

LAWRENCE J. HAND, JR., 23770
Notary Public in and for
the State of Louisiana.
My Commission is for Life.



Research Update:

Entergy Louisiana LLC 'A-' Rating Affirmed On Stable Operations Following Hurricane Laura; Outlook Stable

October 2, 2020

Rating Action Overview

- After Hurricane Laura hit Entergy Louisiana LLC's (ELL) service territory, we reevaluated the company's financial position. We expect with financial measures will weaken, including adjusted funds from operations to debt in the 15%-17% range through 2022.
- We are affirming our 'A-' rating on the company.
- At the same time, we are affirming the 'A' issue-level ratings on the senior secured first mortgage bonds. The recovery rating remains '1+'.
- The stable outlook on ELL reflects our expectation that it will successfully securitize the restoration costs from Hurricane Laura and operations will remain stable.

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Rating Action Rationale

After factoring in the financial impact of Hurricane Laura, financial measures are expected to remain largely credit supportive. In late August 2020, Hurricane Laura significantly affected ELL's transmission and distribution infrastructure. ELL successfully and quickly restored power outages for all customers. The restoration costs are expected to be in the \$1.3 billion-\$1.4 billion range, resulting in higher near-term capital spending. We expect ELL to raise proceeds from securitization bonds (no later than in 2022) which will be used to strengthen the utility's balance sheet and improve financial measures. With the assumed securitization, funds from operations (FFO) to debt is expected to be in the 15%-17% range through 2022.

The expected financial performance over the next several years continues to support the financial risk profile assessment, albeit toward the lower end. We used our medial volatility table, which reflects more relaxed benchmarks than those used for most corporate issuers. This reflects the company's steadier cash flows and rate-regulated utility operations, and effective regulatory risk management.

Research Update: Entergy Louisiana LLC 'A-' Rating Affirmed On Stable Operations Following Hurricane Laura; Outlook Stable

Outlook

The stable outlook on ELL over the next 24 months reflects our base-case scenario that the utility will generate sufficient cash flow to maintain financial measures that support adjusted FFO to debt in the 15%-17% range through 2022, just below the midpoint of our financial risk profile assessment.

Downside scenario

We could lower our rating on ELL over the next 24 months if:

- We lower our rating on parent Entergy; or
- The utility's stand-alone financial measures weaken such that its adjusted FFO to debt is consistently below 15%.

Upside scenario

We could raise our rating on ELL over the next 24 months if:

- We raise our ratings on parent Entergy; and
- ELL's stand-alone adjusted FFO to debt is consistently above 20%.

Company Description

ELL operates as an electric and gas utility in Louisiana. It serves about 1.2 million customers in Louisiana. ELL is a subsidiary of Entergy Corp.

Our Base-Case Scenario

- Expected EBITDA margin averaging about 38% per year.
- Annual capital spending of \$1.3 billion-\$1.5 billion through 2022 with a spike to about \$3 billion due to Hurricane Laura restoration costs;
- Negative discretionary cash flow indicating external funding needs;
- Generally constructive regulatory environments help provide prudent cost recovery;
- Securitization of Hurricane Laura restoration costs no later than 2022; and
- All debt maturities are refinanced.

Based on our assumptions we expect the following measures over the forecast period through 2022:

- Annual adjusted FFO to debt in the 15%-17% range;
- Annual adjusted debt to EBITDA in the 4.2x-5.2x range; and
- Annual adjusted FFO cash interest coverage in the 5.2x-5.6x range.

Research Update: Entergy Louisiana LLC 'A-' Rating Affirmed On Stable Operations Following Hurricane Laura; Outlook Stable

Liquidity

Our liquidity assessment of adequate reflects our expectation that ELL's liquidity sources will likely exceed uses by 1.1x over the next 12 months and meet cash outflows even if EBITDA declines 10%. The assessment further reflects ELL's generally prudent risk management, sound relationships with banks, and generally satisfactory standing in the credit markets.

Principal liquidity sources:

- Cash and liquid investments of about \$450 million;
- Total availability under the revolving credit facility of \$350 million; and
- Estimated cash FFO of about \$1.6 billion.

Principal liquidity uses:

- Debt maturities of about \$560 million;
- Capital spending of about \$1.4 billion; and
- Dividends of about \$200 million.

Group Influence

We rate ELL one notch higher than the 'bbb+' group credit profile because of the strength of its stand-alone credit profile, along with essential insulating measures that, in our view, separates the utility from the group in terms of financial performance, funding arrangements, and operational independence.

Under our group rating methodology, we assess ELL to be an insulated subsidiary of Entergy, reflecting our view that ELL is a stand-alone legal entity that functions independently, both financially and operationally, files its own rate cases, and is independently regulated by its state commission. ELL also has its own funding arrangements including issuing its own long-term debt and having separate committed credit facilities to cover short-term funding needs. We do not expect that a default by either Entergy or another entity within the group would lead to default of the utility.

Issue Ratings - Recovery Analysis

ELL's first-mortgage bonds benefit from a first-priority lien on substantially all of the utility's real property owned or subsequently acquired. Collateral coverage of more than 1.5x supports a recovery rating of '1+' and an issue rating of one notch above the issuer credit rating.

Ratings Score Snapshot

Issuer credit rating: A-/Stable/--

Business risk: Excellent

- Country risk: Very low
- Industry risk: Very low

Research Update: Entergy Louisiana LLC 'A-' Rating Affirmed On Stable Operations Following Hurricane Laura; Outlook Stable

- Competitive position: Strong

Financial risk: Significant

- Cash flow/leverage: Significant

Anchor: a-

Modifiers

- Diversification/portfolio effect: Neutral (no impact)
- Capital structure: Neutral (no impact)
- Financial policy: Neutral (no impact)
- Liquidity: Adequate (no impact)
- Management and governance: Satisfactory (no impact)
- Comparable rating analysis: Neutral (no impact)

Stand-alone credit profile: a-

- Group credit profile: bbb+
- Entity status within group: Insulated (+1 notch from GCP)

Related Criteria

- General Criteria: Group Rating Methodology, July 1, 2019
- General Criteria: Hybrid Capital: Methodology And Assumptions, July 1, 2019
- Criteria | Corporates | General: Corporate Methodology: Ratios And Adjustments, April 1, 2019
- Criteria | Corporates | General: Reflecting Subordination Risk In Corporate Issue Ratings, March 28, 2018
- General Criteria: Methodology For Linking Long-Term And Short-Term Ratings, April 7, 2017
- Criteria | Corporates | General: Methodology And Assumptions: Liquidity Descriptors For Global Corporate Issuers, Dec. 16, 2014
- Criteria | Corporates | Utilities: Key Credit Factors For The Regulated Utilities Industry, Nov. 19, 2013
- Criteria | Corporates | General: Corporate Methodology, Nov. 19, 2013
- General Criteria: Country Risk Assessment Methodology And Assumptions, Nov. 19, 2013
- General Criteria: Methodology: Industry Risk, Nov. 19, 2013
- Criteria | Corporates | Utilities: Collateral Coverage And Issue Notching Rules For '1+' And '1' Recovery Ratings On Senior Bonds Secured By Utility Real Property, Feb. 14, 2013
- General Criteria: Methodology: Management And Governance Credit Factors For Corporate Entities, Nov. 13, 2012
- General Criteria: Principles Of Credit Ratings, Feb. 16, 2011

Research Update: Entergy Louisiana LLC 'A-' Rating Affirmed On Stable Operations Following Hurricane Laura; Outlook Stable

Ratings List

Ratings Affirmed; Outlook

	To	From
Entergy Louisiana, LLC		
Issuer Credit Rating	A-/Stable/--	A-/Stable/--

Ratings Affirmed

Entergy Louisiana, LLC		
Senior Secured	A	A
Recovery Rating	1+	1+

Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please see Ratings Criteria at www.standardandpoors.com for further information. Complete ratings information is available to subscribers of RatingsDirect at www.capitaliq.com. All ratings affected by this rating action can be found on S&P Global Ratings' public website at www.standardandpoors.com. Use the Ratings search box located in the left column.

Research Update: Entergy Louisiana LLC 'A-' Rating Affirmed On Stable Operations Following Hurricane Laura; Outlook Stable

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