



RANDY YOUNG, PARTNER  
225.382.3451  
RANDY.YOUNG@KEANMILLER.COM

cc: MV/LE  
LA PUBLIC SERVICE COMM  
AUG 18 2025 AM 10:00

August 18, 2025

**VIA ELECTRONIC MAIL**

Commissioner Eric Skrmetta  
District 1 - Metairie  
433 Metairie Road, Suite 406  
Metairie, Louisiana 70005

Commissioner Mike Francis  
District 4 - Crowley  
222 N. Parkerson Avenue  
Crowley, Louisiana 70526

Commissioner Jean-Paul P. Coussan  
District 2 – Baton Rouge  
Post Office Box 83209  
Baton Rouge, Louisiana 70884

Commissioner Foster L. Campbell  
District 5 - Shreveport  
Post Office Drawer E  
Shreveport, Louisiana 71161

Commissioner Davante Lewis  
District 3 – New Orleans  
1450 Poydras Street, Suite 1402  
New Orleans, Louisiana 70112

Re: Exhibit 5; August 20, 2025 LPSC Business and Executive Session  
Entergy Louisiana, LLC Application for Approval of Generation and  
Transmission Resources Proposed in Connection with Service to a Significant  
Customer Project in North Louisiana, Including Proposed Rider, and Request  
for Timely Treatment  
LPSC Docket No. U-37425  
KM File No. 4388-383

Dear Commissioners:

The Louisiana Energy Users Group (“LEUG”) appreciates the opportunity to provide its recommendations on the Settlement Agreement between Entergy, LPSC Staff and certain other parties, regarding Entergy spending and cost recovery proposals for infrastructure and other needs to provide electric power supply to the Laidley Data Center.

LEUG welcomes Laidley and the new Data Center to Louisiana, and looks forward to having Laidley as part of the Louisiana business community and economy.

Hand

Regarding the Entergy proposal for power supply to the Data Center, LEUG attaches to this letter its recommendations for additional protections for existing Entergy ratepayers.

LEUG recommends that the Commission should reduce the financial risk of the Data Center power supply to Entergy's existing ratepayers, including in particular by requiring that Entergy shareholders share in that risk. As currently proposed, LEUG submits that the financial risk is too heavily weighted on the ratepayers and at least some of the risk should be shared by Entergy shareholders.

LEUG also urges that Entergy not be allowed to grant preferential allocations of renewable generation to the Data Center ahead of industrial customers that have already been waiting for multiple years to access renewable generation through Entergy programs.

The Data Center load will increase the Entergy electric needs in Louisiana by roughly 30%, it will far exceed the size of any other load existing today on the Entergy system, and the requested investment to serve the new load is highly unique and unprecedented in the magnitude of financial cost and risk that it presents to existing ratepayers.

LEUG evaluation of the proposed transaction finds that the Entergy ratepayers will shoulder the risks of the power supply, while the benefits to the ratepayers are highly dependent on the speculative residual value of three new Combined Cycle Combustion Turbine ("CCCT") Generation Units that would be constructed to serve the new load. Moreover, the CCCT Generation Units would be built without following the LPSC Market Based Mechanisms Order and Request for Procedure ("RFP") rules, and the estimated \$3.2 Billion cost submitted by Entergy is indicated as being subject to potential 50-100% cost overruns. In addition, the over \$500 Million cost estimate for the proposed system transmission upgrade submitted by Entergy is also indicated as being subject to a potential 100% cost overrun.

Meanwhile, Entergy will reap financial benefits from the proposed transaction with very limited risk. Entergy will earn \$48 Million per year in increased return-on-equity revenues for each and every Billion of new infrastructure investment added to its rate base - - resulting in \$178 Million or more per year of additional returns to Entergy. In addition, Entergy will also receive a \$7 million per year increase in its Formula Rate Plan ("FRP") earnings margin above its authorized return-on-equity.

The imposition of the risk to ratepayers, and the increase in Entergy returns, comes up-front, while the potential benefits to the ratepayers may materialize over the course of many years but are based on speculative assumptions and thus far from certain at this time. As expressed by the Commission's consultant, the benefits to ratepayers in the scenario where the Data Center does not continue to take service beyond the initial 15 year term *"all lie in the residual value of the Planned Generators, which is speculative."*

The certainty of benefits to Entergy shareholders with limited risk, as compared to the hope for future benefits for its ratepayers with very significant risks, are not symmetrical.

Therefore, LEUG believes that it is vital that the Commission protect the interests of existing ratepayers as it considers the Entergy proposal to serve the Data Center load.

LEUG has been actively involved in discovery, testimony, and the Hearing process in this proceeding.

LEUG is not a party to the Settlement Agreement as currently presented. However, LEUG has provided additional proposals for the Commission to consider to better protect ratepayers from risks associated with Entergy's proposal to serve the Data Center - - risks that are not remedied by the current terms of the Settlement Agreement. LEUG urges the Commission to consider its proposals attached to this letter.

LEUG is an association of industrial companies currently existing and located in Louisiana which collectively provide more than 35,000 good, high-paying jobs, provide about \$2.48 Billion in annual payroll, and spend over \$5.5 Billion in Louisiana each year on electricity, goods and other services. LEUG has been a steadfast advocate for reliable, lowest reasonable cost power supply for many decades as fundamental to the well-being of all Louisiana consumers.

If you have any questions, please do not hesitate to contact us.

Very truly yours,

A handwritten signature in black ink, appearing to read "Randy Young", written over a horizontal line.

Randy Young  
Carrie Tournillon

JRY/mac

Enclosure

cc: Ms. Krys Abel, Records & Recording (by hand delivery for filing)  
Official Service List (via electronic mail)

## **Proposed Additions to Settlement Term Sheet** **Laidley Data Center Power Supply Proposal**

### **Require Comprehensive Review by LPSC Following Generation and Transmission Constructions:**

LPSC review of costs, implementation and management of construction projects, and any reviews of terms and implementation of agreements, shall include evaluation under all available regulatory standards to ensure “just and reasonable” rates for ratepayers including but not limited to conducting “prudence” reviews. *Note: Limiting reviews to “prudence” is less than the full scope of LPSC regulatory review authority.*

**Remedy Insufficient Notice for Termination of Electric Service Agreement:** Increase from 12 months to 36 months, the length of notice Laidley is required to give Entergy prior to end of initial contract term should Laidley decide to not renew; or Require that any “need” analysis for new generation proposals filed by Entergy with the LPSC within 36 months prior to the end of the Laidley initial contract term shall assume termination of service at 15 years unless written notice of renewal is received from Laidley prior to such filing by Entergy. *Note: The 12 month notice proposal is inadequate to protect existing ratepayers from having to pay for overbuild of generation resources to meet their needs if Laidley were to discontinue service.*

**Protect Against Preferential and Discriminatory Access to Renewable Generation:** Prohibit Entergy preference to Laidley for 1,500 MW of renewable generation ahead of any other existing Entergy customers that are already on any subscription list, waiting list or other interested eligible customer list for renewable generation. *Note: No preference should be allowed under Geaux Zero relative to Group 1 or 2, or within Group 3 or otherwise.*

**Cap Cost of Three New CCCTs Not Vetted Through RFP Process:** Cap Entergy cost recovery from existing ratepayers for the three new CCCT generation resources at \$3.2 Billion amount presented in Entergy testimony with exception of change in law impacts, as a condition of exempting Entergy from LPSC Rules which require a Request for Proposal (“RFP”) competitive solicitation for new generation resources to ensure other Entergy customers pay the lowest reasonable cost of electric service. *Note: The Entergy submission of a Class 4 cost estimate reflects potential for 50% cost overrun, and Class 5 estimate reflects potential for 100% cost overrun.*

**Protect Against Parent Guaranty Uncertainty and Risk:** Require that Entergy shareholders, rather than existing ratepayers bear the risk of whether the Parent Guaranty offered by Meta will ultimately be enforceable and collectable, considering Entergy shareholders will receive \$48 Million per year in Return-on-Equity profit for each Billion of rate base investment to serve Laidley. *Note: The Entergy proposed form of Parent Guaranty includes limitations, and ultimate collectability is unknowable at this time.*

**Increase Minimum Bill to Protect Existing Ratepayers Against Revenue Shortfall if Laidley Load Does Not Fully Materialize and Sustain Over 15 Years:** (1) \$546 Million Mt. Olive to Sarepta 60 mile 500 kV Transmission Line and Facilities, plus \$750,000 Sterlington 500 kV Substation Upgrades; (2) MISO planning reserves, and transmission losses, to serve Data Center load. *Note: The Entergy proposal for Minimum Bill protections does not include these costs that would be incurred to serve Laidley.*