BEFORE THE

LOUISIANA PUBLIC SERVICE COMMISSION

IN RE: **APPLICATION OF ENTERGY LOUISIANA, LLC FOR CERTIFICATION OF GENERATION AND TRANSMISSION RESOURCES AND FOR OTHER RELIEF PURSUANT TO THE COMMISSION'S *LIGHTNING INITIATIVE***	**)** **)** **)** **)** **)** **)**	**DOCKET NO. U-_____**

DIRECT TESTIMONY

OF

RYAN D. JONES

ON BEHALF OF

ENTERGY LOUISIANA, LLC

PUBLIC REDACTED VERSION

MARCH 2026

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EXHIBITS

I. INTRODUCTION AND BACKGROUND

Q1. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS?

A. My name is Ryan D. Jones. I am employed by Entergy Louisiana, LLC ("ELL" or the "Company") as Director, Regulatory Affairs. My business address is 4809 Jefferson Highway, Jefferson, Louisiana 70121. I am testifying before the Louisiana Public Service Commission (the "LPSC" or "Commission") on behalf of ELL.

Q2. BRIEFLY DESCRIBE YOUR EDUCATION?

A. I hold a Bachelor of Science in Management degree with a major in Finance from Tulane University's A.B. Freeman School of Business. I also hold a Master of Management in Energy from Tulane University's A.B. Freeman School of Business.

Q3. BRIEFLY DESCRIBE YOUR PROFESSIONAL EXPERIENCE?

A. I began working for Entergy Services, LLC ("ESL")[1] in 2015 as a Financial Analyst, a position in which I maintained the budget and components of the financial model and provided additional support for utility operations support groups within ESL. In 2018, I accepted a position in Louisiana Regulatory Affairs and have accepted roles of increasing responsibility within that group since that time. In my current capacity as Director, Regulatory Affairs, I am responsible for providing regulatory support services to ELL and for coordinating various dockets and filings before the LPSC. I am also

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

responsible for providing insight and guidance to various organizations across ELL and ESL on regulatory matters and compliance with Orders of the Commission.

Q4. DO YOU SPONSOR ANY EXHIBITS?

A. I am the witness sponsor for the exhibits listed in the Table of Contents. I am familiar with each exhibit, all of which were prepared by me or under my supervision.

Q5. HAVE YOU TESTIFIED BEFORE A REGULATORY COMMISSION PREVIOUSLY?

A. Yes. A complete list of prior testimony is attached as Exhibit RDJ-1.

II. PURPOSE AND SUMMARY OF TESTIMONY

Q6. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

A. Evest LLC ("Customer") has proposed to construct a new hyperscale data center in Richland Parish ("Project Evest") with a peak load of [redacted] megawatts ("MW"). Project Evest will support Meta's artificial intelligence (AI) business line and will be constructed on land adjacent to the site of the data center that was the subject of LPSC Docket No. U-37425 ("Project Laidley"). In my testimony, I address the following two high-level subjects: (1) the manner in which other ELL customers will benefit by an estimated $2 billion through rates as a result of the Company's service to the Customer, and how the Company's approach to establishing Billing Terms[2] with the Customer protects ELL's other customers from risk and preserves benefits, and (2) ELL's

[2] Billing Terms generally refer to the terms in Rider 1 Section 3 and Appendix B of the ESA including Average Demand, MMCs, and the terms of Rider-Schedule LLHLFPS, including rider applicability.

compliance with relevant Commission Orders and evidence in support of a requested finding that the proposed investments are in the public interest. Within those two areas I specifically address eight individual topics: (1) ELL's obligation to serve which compels ELL to develop a plan to serve the Customer's load under terms that reasonably protect its other customers from unnecessary risk and balance the interest of all stakeholders; (2) the analytical approach taken to establishing adequate Billing Terms with the Customer under an Electric Services Agreement ("ESA")[3]; (3) an overview of ELL's proposed ratemaking treatment for the cost of new baseload generation, transmission infrastructure[4], and battery storage capacity (collectively the "Newly Constructed Assets")[5] necessary to reliably serve Project Evest; (4) the Company's Deferral Proposal Framework outlining the ratemaking treatments that the Company is requesting and how they manage the timing of costs and revenues being reflected in the Formula Rate Plan ("FRP") to reasonably ensure that the FRP continues to produce just and reasonable rate changes and avoid unnecessary volatility for ELL's other customers; (5) rate treatment within the Fuel Adjustment Clause ("FAC") of the

[3] Company witness Thomas Kidd will address the payment structure for Customer's contributions to the cost of the Customer-Funded Transmission Project pursuant to the CIAC, and Company witness Elizabeth Ingram will address the Customer's requested Group 3 subscription to Rider GZ pursuant to the Sustainability Agreement.

[4] As explained in greater detail by Company witness Dan Kline, the transmission facilities for Project Evest can be divided into 4 groups (collectively, the Transmission Facilities"): (1) the Customer-Funded Transmission Interconnection Project; (2) the Customer-Funded New Smalling to El Dorado 500kV transmission line; (3) the New St. Landry Switching Station; and (4) West Fork Creek – St. Landry 500kV transmission line. In addition to these projects, Project Evest also will require transmission for construction and commissioning. I refer to Groups 1 and 2 together with the construction and commissioning power projects, as the "Customer-Funded Transmission Projects" and Groups 3 and 4 as the "ELL-Funded Transmission Project."

[5] Specifically, ELL is planning to construct seven 1x1 combined cycle combustion turbine generators ("CCCT") (sometimes referred to as the "Proposed Generators"), three battery storage resources (the "Battery Storage Facilities"), and the transmission facilities identified in Footnote 4.

cost of long term service agreements and certain Customer revenue for energy consumption during the Commissioning Period, (6) the Systems Resource Findings which ELL is requesting in connection with the Application; (7) ELL's compliance with applicable LPSC Orders, including the Transmission Siting Order, 1983 General Order, the Industrial Load Rule, the MBM General Order, and the Lightning Initiative; and (8) why the Commission should conclude that providing electric service to the Customer, including construction of the Newly Constructed Assets and the Billing Terms would be in the public interest.

Q7. PLEASE SUMMARIZE YOUR TESTIMONY AS IT RELATES TO THE BENEFITS TO OTHER CUSTOMER RATES ASSOCIATED WITH THE SERVICE TO PROJECT EVEST?

A. My testimony describes how the Company's approach to establishing Billing Terms with the Customer has protected other customers from incremental cost and unreasonable risk associated with the Newly Constructed Assets necessary to enable Service to the Customer. I explain that the Customer will be served pursuant to the Company's Large Load High Load Factor Power Service Rate Schedule ("Rate Schedule LLHLFPS-L") and subject to the FRP Rate Adjustment, the Fuel Adjustment Clause ("FAC") and an allocated share[6] of all other applicable riders including

[6] The allocated share to be paid by the Customer is determined by the allocation of these rider costs to the Rate Schedule LLHLFPS-L under which the Customer will take service, as is the case for all customers taking service under this rate schedule.

Financed Storm Cost Riders and Resilience Riders[7], and how Minimum Monthly Charges ("MMCs") were established to ensure the cost of the Newly Constructed Assets and other incremental costs would be paid by the Customer and not be shifted to other customers. I discuss my analysis of the Billing Terms and estimates of customer benefits that are expected to be realized over the 20-year original term of the ESA (the "Original Term"). As further discussed below, my analysis estimates approximately $2 billion in contributions from the Customer to system costs that would otherwise be borne solely by ELL's other customers in rates.

Notably, my analysis does not consider the additional benefits discussed by other Company witnesses. Company witness Laura Beauchamp describes how components of the supply plan for serving the Customer on a long-term basis are projects which ELL would have done even without the Customer and for which LPSC approval has already been sought.[8] Customers will therefore benefit incrementally in the near term from reductions in these costs for new capacity that they would otherwise bear in rates. Company witness Elizabeth Ingram discusses $200 million of additional contributions by the Customer to the Company's Energy Efficiency program and The Power to Care program specifically for the benefit of ELL's low-income customers. Mr. Datta also presents his economic assessment which supports an estimate of $1.413

[7] Financed Storm Cost Riders include Rider Schedules FSC IV, FSC V, SCO I, SCO II, SCO III, SCO IV, and SCO V. Resiliency Rider refers to Rider Schedule RPCR.

[8] *See* ELL's Application for LPSC certification of the Waterford 3 uprate project in LPSC Docket No. U-37677 and ELL's Application of LPSC certification of various purchase agreements in LPSC Docket No. U-37872, specifically the Bayou Cove CCPA. While not captured in my analysis, which supports the MMCs among other things, those benefits amount to an estimated $50 million per year.

billion in net present value benefits for ELL customers during the Original Term of the ESA.

Q8. PLEASE SUMMARIZE YOUR TESTIMONY WITH REGARD TO COMPLIANCE WITH RELEVANT COMMISSION ORDERS AND SUPPORT FOR THE REQUESTED PUBLIC INTEREST FINDING?

A. My testimony addresses ELL's compliance with the 1983 General Order, MBM Order, compliance with the Transmission Siting Order and to a lesser extent considers compliance with aspects of the Tariff Filings General Order and the Industrial Load Rule included in the General Order (Order No. R-34860 dated July 29, 2019, Rule 3).[9] As I explain in greater detail below, ELL's compliance with those relevant Orders, the effective balancing of risk between stakeholders, and the significant economic benefits for customers and the State all support a Commission finding that the proposed investments in the Newly Constructed Assets serve the public interest.

III. BILLING TERMS AND RATEPAYER IMPACT ANALYSIS

Q9. PLEASE DISCUSS ELL'S UNDERSTANDING OF ITS OBLIGATIONS WITH RESPECT TO SERVING NEW CUSTOMERS.

A. ELL understands that it is obligated to provide electric service to new customers when the point of delivery, as defined in ELL's Terms and Conditions approved by the Commission (the "Terms and Conditions"): (i) is located within an area that ELL exclusively serves and immediately adjacent to ELL facilities of suitable phase, voltage

[9] The Company's Application is also analyzed pursuant to the Commission's recent Non-Binding Guidelines for Large Load Additions as described by Ms. Beauchamp.

and capacity to deliver the requested service and (ii) ELL has sufficient power and energy available at the point of delivery to supply the prospective new customer.

Q10. WHAT IF THE CONDITIONS NOTED BY YOU ARE NOT MET?

A. Where the conditions above are not met and service is not readily available, and where the Company is eligible to serve the prospective customer pursuant to the Load-Serving General Order and the 300-foot rule, ELL's electric Tariff Book, including its Terms and Conditions and rate schedules, contemplates that additional rate and contractual arrangements may be justified. For example, the Company may require a contribution, higher minimum charges, facilities charge, or other compensation to make that service available. Section 22 of the Terms and Conditions provides guidance on circumstances in which additional investment is required to make service available to new customers and prescribes terms for such circumstances that appropriately balance the costs and benefits of serving new load and the interests of new and existing customers; I refer to this provision of the Terms and Conditions as the Extension of Facilities Policy ("Extension Policy").[10] If a potential new customer is unwilling to pay the costs required to make Service available or to make these investments, ELL is under no obligation to serve that customer.

[10] The Extension Policy is also, on occasion, referred to as the Line Extension Policy or the Revenue Justification policy because of the consideration given to the amount of prospective revenues when determining whether a customer contribution is necessary.

Q11. WHAT GUIDANCE DOES THE EXTENSION POLICY PROVIDE WITH RESPECT TO ALLOCATION OF COSTS TO SERVE NEW LOADS LIKE PROJECT EVEST?

A. While the Extension Policy is not necessarily compatible with a project like Project Evest, which requires multiple billions of dollars of investment in capacity and transmission that would nearly double ELL's rate base, the Extension Policy provides insight into what types and amounts of investments should be paid by the Customer or shared among all. The Extension Policy provides in pertinent part:

> The Company will normally extend its facilities to serve new, permanent Customers or, in some instances, existing customers that increase their usage and/or electric load and require utility investment to serve them when, in the Company's sole opinion, the anticipated new annual revenue/revenue from expanded load (excluding non-base rate Riders) is sufficient to produce a ratio of total upfront investment to revenue of 5 to 1, or less, without any contribution from the new Customer (or Customers) involved.[11]

In short, to avoid burdening existing customers with the costs to attract or interconnect new load, ELL must limit the capital costs existing customers must bear in their rates that arise from extending service to new customers, and this is addressed by requiring the annual revenue from the new customers to offset no less than 20% of those capital costs.

Further, the Extension Policy specifically states that, "The estimated total investment will include all necessary equipment, materials, labor, supplies, right-of-way, applicable taxes and fees, etc. or any other Cost associated with providing Service to [c]ustomer (or [c]ustomers), less any investment included in the total investment

[11] *See* Section 22 of the Company's Terms and Conditions.

which should be charged to 'System Improvements." Thus, the Terms & Conditions provide some guidance as to specific types of costs that are reasonably and appropriately shared among all customers and not borne individually by the new customer. The Extension Policy also recognizes that ELL needs some flexibility with new large-load customers; accordingly, the Extension Policy states: "Larger commercial, industrial, and governmental Customers will be considered separately by the Company on a case-by-case basis taking into account the specifics of each application."

Q12. DO THE AGREED-UPON BILLING TERMS MEET THE REQUIREMENTS OF THE EXTENSION POLICY?

A. Yes, and more. As described below, and by other Company's witnesses, the Customer made significant financial and contractual commitments to make service available, including Customer commitments to minimum payments under the ESA to fully offset the revenue requirements with respect to all new assets required to provide service to the Customer during the term of the ESA.

Q13. WHAT IS THE SIGNIFICANCE OF THE CUSTOMER'S COMMITMENT TO OFFSET THE COST OF ALL SYSTEM ASSETS?

A. As described by Company witness Daniel Kline, several of the planned Transmission Facility investments are reasonably classified as "System Improvements" because they will bring system wide benefits to the ELL transmission system. Further, as I describe below, ELL has proposed that the Battery Storage Facilities and each of the Proposed

Generators be considered system assets because they will be utilized to serve all of ELL's load, that they be included in ELL's rate base, and that the cost thereof be deemed eligible for recovery in rates from all customers.

Historically, ELL has not required a customer to revenue justify or include in a minimum monthly charge the cost of those types of "System Improvements."[12] However, in this case, ELL sought and Customer agreed to protective Billing Terms that do cover those costs in order to shield other customers from any unreasonable cost shifting that could otherwise result during the term of the Customer's ESA or if those assets became stranded in the event of an Evest termination.

Q14. PLEASE PROVIDE AN OVERVIEW OF THE COMPANY'S APPROACH TO DEVELOPING THE ESA TERMS IN CONNECTION WITH PROJECT EVEST?

A. In negotiating Project Evest, ELL prioritized its commitment to serve all customers reliably and equitably and recognized immediately that significant additional facilities would be required. Company witness Phillip May directed me to examine the projected revenue requirements from the generation and transmission improvements and other investments necessary to serve Project Evest and the projected revenues expected over different scenarios and in a manner similar to Project Laidley. The examination I undertook included an analysis of potential customer impacts for each scenario. Attached as HSPM and AEO Exhibit RDJ-2 (the "Revenue Requirement Model") is the model I developed to reflect the final ESA terms agreed to by Customer. This model

[12] One notable exception to this historical treatment is Project Laidley which was addressed in LPSC Docket No. U-34725.

contains HSPM and AEO information regarding the ESA terms of a specific, identified customer, which if disclosed would cause irreparable competitive harm and, therefore, has been designated as Attorneys' Eyes Only. Our proposals to the Customer recognize that in order to support new loads of the size and nature of Evest's, particular care must be given to the type and cost of investments associated with rapid large load growth – particularly in the wake of Project Laidley – and that the benefits and burdens must be appropriately balanced to maintain system integrity, support economic development, and achieve the reliability, resiliency, sustainability, and speed to market requirements of the Project Evest while maintaining reliable and affordable service, and ensuring reasonable rates, for all customers. In negotiating the ESA terms, ELL also endeavored to address comprehensively the issues that were raised during the Project Laidley proceeding.

Q15. HOW DID THIS APPROACH COMPARE TO THE APPROACH TAKEN BY ELL IN CONNECTION WITH ITS NEGOTIATION OF PROJECT LAIDLEY?

A. ELL's approach in this case was fundamentally the same but on a much larger scale. As described by Ms. Beauchamp and Mr. Kline, special care needed to be given to planning for and understanding the impacts of such an exceptionally large and mostly flat load effectively located at a single point of interconnection. The amount of investment being proposed for Project Evest relative to Project Laidley is more than four times greater, and ELL's ability to absorb stranded costs in the event of an early termination was a significant consideration as it relates to the investments proposed in this proceeding. For that reason, ELL sought protective Billing Terms and ESA terms

that, in the context of an investment of the scope and scale of Project Evest, would protect the Company and other customers from unreasonable risk of harm.

A. Projected Revenue Requirements

Q16. WHAT PROJECTED REVENUE REQUIREMENTS DID YOU DEVELOP TO EVALUATE POTENTIAL CUSTOMER IMPACTS?

A. I projected revenue requirements for each of the proposed investments that ELL has determined are necessary to serve the Customer's load and other incremental costs associated with the Customer's Service. My analysis is based on high level estimates, including some Class 5 estimates for the ELL-Funded Transmission Project, of the cost of generation and transmission investments necessary to serve the Customer. As explained in greater detail by Ms. Beauchamp, ELL will develop and construct seven new 1x1 CCCT plants (*i.e.* the Proposed Generators). Four of the Proposed Generators will be located near the Customer's facility in Richland Parish ("Richland Units 1-4"), and three others are to be located near the existing Big Cajun Facility in Pointe Coupee Parish ("Pointe Coupee Units 1-3"). I also factored into the analysis the projected revenue requirements for Other System Resources which include costs of the Battery Storage Facilities (three new Battery Energy Storage System projects), Purchased Capacity, the Waterford Project[13], as well as estimated operation and maintenance costs for the Customer-Funded Transmission Project which is defined in Footnote 2 of my testimony and discussed by Mr. Kline. I should note that these estimated costs of generation and transmission used for my analysis will be updated, and the Customer's

[13] References to the Waterford Project and Nuclear Uprates refers to uprates to the Waterford Nuclear Generating Station that are not specifically being developed for the Customer.

Billing Terms will be trued up, prior to the start of the ESA and again after the projects are completed and the final prudently incurred costs are known. Lastly, I included reasonable estimates of other incremental costs associated with the Customer's Service, including the cost of Credit Default Security.[14]

Q17. PLEASE DESCRIBE THE INPUTS AND ASSUMPTIONS USED FOR DEVELOPING THE REVENUE REQUIREMENTS?

A. As an initial point, it is worth noting that this analysis was developed to support the Company's negotiations with the Customer to give each respective party a reasonable degree of comfort that the rates being discussed were sufficient to offset the incremental fixed costs to serve the Project Evest load and, conversely, not excessive. It is not the Company's intent, nor is it feasible or practical from a commercial perspective, for this analysis to be continually updated to exactly track actual costs and revenues for the Project at each moment during project development. Rather, ELL recognized the need to conduct an analysis to have a degree of certainty that the established Billing Terms would reasonably protect other customers from incremental cost and risk. ELL therefore has relied upon certain assumptions to develop such an analysis and created a mechanism within the framework of the analysis that provides for adjustments to future rates charged to the Customer to true up the estimates initially used to establish

[14] Credit Default Security is defined as credit insurance, non-payment insurance, service-level or similar risk-mitigation arrangements which may be provided directly or indirectly by one or more insurers, reinsurers, special purpose vehicles, capital markets or sovereign or quasi-sovereign entities (including sovereign wealth or pension funds), and may be structured through direct insurance, participations, reinsurance, securitization, insurance-linked securities or similar arrangements. Company witness Kenroy Hinkson discusses Credit Default Security in more detail in his Direct Testimony.

the rate to the actual cost and approximate revenue requirement impacts of Newly Constructed Assets. To that end, the cost inputs and assumptions, including both capital and operation maintenance expense ("O&M"), for the Generation Assets[15] and ELL-Funded Transmission Project (*i.e.* the ESA-Recovered Assets) are estimated based on early-stage planning-level estimates that are generally informed by ELL's experience with other recent additions to its generation fleet. These estimates and projections were developed by ELL subject matter experts who routinely engage with market participants through both informal channels and formal procurement processes to assess prevailing conditions for CCCT technology and related services.[16] Asset in-service date estimates were provided by the project management teams.

The model assumes a 9.06% weighted-average cost of capital over the term of the ESA, which is based on an adjusted calculation of ELL's most recently filed Evaluation Period Cost Rate for Common Equity ("EPCOE") for its Test Year 2024 Formula Rate Plan. ELL also had to make assumptions about future applicable income tax rates and property taxes among other things as shown in HSPM and AEO Exhibit RDJ-2.

[15] Generation Assets includes the Proposed Generators and Other System Resources.

[16] The cost estimates and assumptions have since been further refined and presented by Company witness Norman Grunden.

Q18. HOW DO YOU ACCOUNT FOR THE ALLOWANCE FOR FUNDS USED DURING CONSTRUCTION?

A. [redacted]

Q19. WHAT DEPRECIATION COSTS ARE REFLECTED IN THE REVENUE REQUIREMENT MODEL?

A. The Revenue Requirement Model reflects a depreciable life of 36 years on the ELL-Funded Transmission Project consistent with ELL's average depreciable life for transmission investments. With respect to Nuclear Uprates, depreciation is calculated

[17] Company witness Thomas Kidd discusses the relevant terms of the CIAC Agreement including a schedule for the Customer's [redacted].

based on the weighted average plant depreciation rates approved in LPSC Order No. U-36959. ELL is reflecting and for the first time proposing a 20-year depreciable life on utility-scale BESS. ELL is further proposing, and reflecting in the analysis, different depreciable lives for the Proposed Generators based upon their location. For the Pointe Coupee Units 1-3 located in the southern part of ELL's system, the Company is proposing to depreciate those assets over 32 years, consistent with other CCCTs approved by this Commission.[18] ELL is proposing a shorter depreciable life for Richland Units 1-4 of 20 years. The proposed depreciable lives of the Proposed Generators is such that Richland Units 1-4 will depreciate by approximately 90% on average over the 20-year Original Term of the ESA. Further, it is worth pointing out that, as discussed by Company witness Thomas Kidd, the ESA includes additional customer protections associated with the net book value of the Proposed Generators and certain other assets if the Customer terminates the ESA prior to the end of its 20-year Original Term.

Q20. WHAT OTHER ASSUMPTIONS ARE INCLUDED IN THE MODEL?

A. In addition to the costs associated with the Generation Assets, the model reflects the costs of purchase power agreements that ELL would rely upon to meet a portion of its

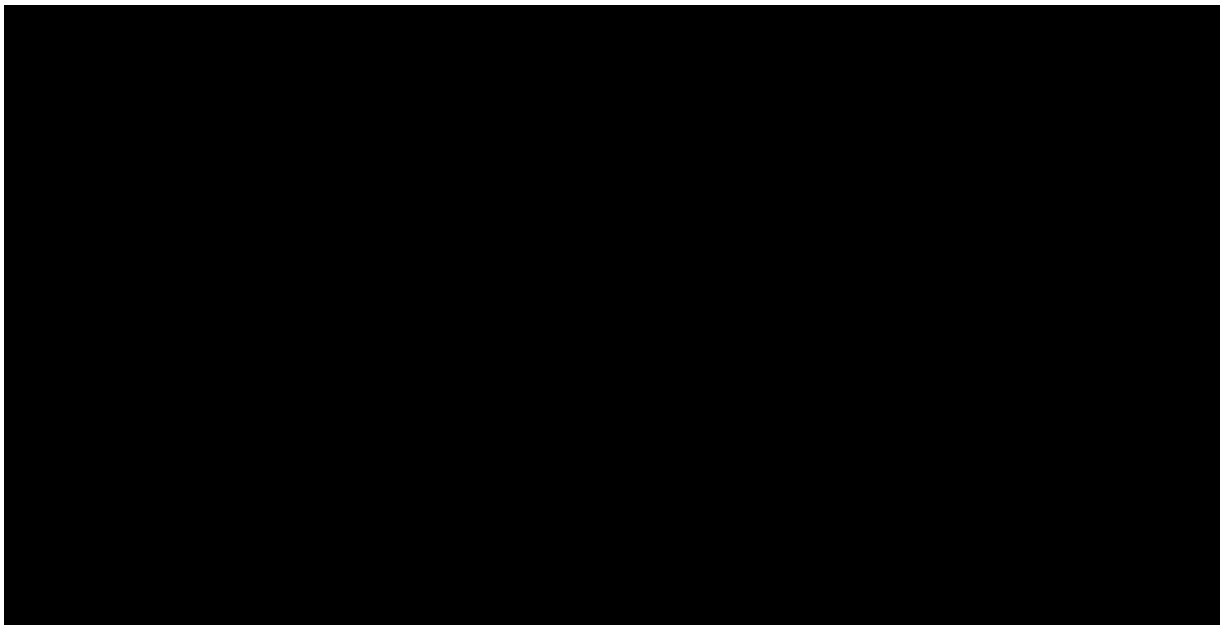
[18] *Ex Parte Joint Application of Entergy Louisiana, LLC, Entergy Gulf States Louisiana, L.L.C., and Entergy Louisiana Power, LLC for Approval to Construct St. Charles Power Station, and for Cost Recovery* (LPSC Docket No. U-33770); *Ex Parte Application of Entergy Louisiana, LLC for Approval to Construct Lake Charles Power Station, and for Cost Recovery* (LPSC Docket No. U-34283); *Application of Entergy Louisiana, LLC for Approval to Acquire Washington Parish Energy Center, and for Cost Recovery* (LPSC Docket No. U-34472); *Application of Entergy Louisiana, LLC for Approval of Generation and Transmission Resources Proposed in Connection with Service to a Single Customer in North Louisiana* (LPSC Docket No. U-37425)

resource needs over the term of the ESA. Finally, there are aspects of the Deferral Proposal Framework that are assumed to be in effect for purposes of the analysis which I will describe later in my testimony.

Q21. WHAT ARE THE REVENUE REQUIREMENTS THAT YOU HAVE CALCULATED?

A. The total amount of the annual revenue requirements over the Original Term is [redacted]. In 2032, the first year after the last of the Newly Constructed Assets have been placed in service, the annual cost to be covered by the Customer is [redacted]. I have prepared a graphical representation of the projected annual revenue requirements shown in HSPM Figure 1 below.

Figure 1 (HSPM/AEO)



B. Projected Revenues

Q22. PLEASE DESCRIBE THE INPUTS AND ASSUMPTIONS YOU USED IN MODELING PROJECT EVEST REVENUES.

A. My analysis relies both on assumptions and inputs that were provided by the Customer as well as ones that were developed by the Company. In support of this and other analyses related to the Project, the Customer provided information about their anticipated usage profile to develop the expected revenues. Those inputs include an assumed ramp-up schedule, maximum demand, and load factor. For purposes of this analysis, I assume that the Customer's load will ramp up from a starting load of [redacted] beginning in [redacted] and reaching the maximum contracted load of [redacted] by [redacted] when all of the Proposed Generators have been completed and placed in service. The Customer is assumed to have an average load factor of [redacted] and consume more than [redacted] once full load is achieved.

Q23. WHAT OTHER ASSUMPTIONS WERE YOU REQUIRED TO MAKE IN YOUR DEVELOPMENT OF THE MODEL'S REVENUE PROJECTIONS?

A. I also was necessarily required to make assumptions about future rates that cannot be predicted with certainty, including assumptions about the rate paradigm that will be in effect during the ESA Term (*i.e.*, whether the Company will remain subject to an FRP and whether the provisions of Rate Schedule LLHLFPS-L will have changed), and about how rates might escalate over time under the assumed rate paradigm. For the purposes of this analysis, I assume that ELL will remain subject to an FRP for the entire term of the ESA and that FRP rates will escalate by two percentage points annually on

the same schedule as the currently effective FRP from a baseline estimated FRP factor of 92% at the start of the ESA. This escalation rate translates to a base rate increase of approximately 1% per year.

Q24. PLEASE DESCRIBE THE AGREED-TO BILLING FRAMEWORK UNDERLYING THE MODEL'S PROJECTED REVENUES.

A. The Customer will be taking service under Rate Schedule LLHLFPS-L, which is one of the Company's standard tariffs for large load, high load factor industrial customers, and is thus under the same fundamental billing framework as all of ELL's other customers. In the Customer's case, however, there are additional minimum charges and certain Billing Terms that subject less of the monthly invoice to variation based on usage. This is to mitigate, on behalf of ELL's other customers, the risk of stranded costs or rate instability. The billing framework for the analysis includes three major components which, in large part, affect the pricing under Rate Schedule LLHLFPS-L: (1) minimum billing provisions including minimum monthly charges (MMCs) and minimum energy quantities, (2) billings under Rate Schedule LLHLFPS-L and other riders including the FRP based on actual usage, and (3) the Average Demand specified in the Customer's contract.

Q25. WHAT IS THE AMOUNT OF THE MINIMUM MONTHLY CHARGES?

A. Based upon the current model the total amount of MMCs over the Original Term is [redacted]. The MMCs change over time as they ramp up during the construction period and taper down as the Newly Constructed Assets depreciate over time. As

discussed later in my testimony, the MMCs are subject to change pursuant to the true up mechanism at two points in time: (1) prior to the ESA effective date, and (2) after the final costs of each of the Proposed Generators, ELL-Funded Transmission Project, and Other System Resources is known. The MMC is the least amount of revenue that the Customer could contribute towards the incremental revenue requirements of the Newly Constructed Assets over the Term of the ESA if Customer takes service to the end of the Original Term. The MMC does not include Financed Storm Costs, Fuel Adjustment Charges, charges under other non-base rate riders other than the Formula Rate Plan and Resilience Plan Cost Recovery, and taxes.

Q26. WHAT IS THE PURPOSE OF THE MINIMUM MONTHLY CHARGES?

A. First and foremost, the MMCs are a necessary customer protection to shield other customers from unreasonable cost shifts or burdens associated with the investments proposed in connection with extending service to Project Evest. They are designed to ensure there is a minimum level of revenue from the Customer to offset the cost of the incremental system resources necessary to serve the Customer regardless of the Customer's actual demand and energy usage. As Mr. Kidd describes, the MMCs also serve to support the Company's financial health during the construction of the Generation Assets and ELL-Funded Transmission Project by providing operational cash flow. Thus, the MMCs protect other customers from bearing either the direct incremental cost to serve Customer or any indirect costs associated with potential adverse credit actions. Finally, the MMCs are also an important component of the Deferral Proposal Framework that I will describe later in my testimony.

Q27. HOW DID ELL DETERMINE THE MINIMUM MONTHLY CHARGES?

A. The amount of the MMCs was informed by my analysis of the estimated revenue requirements for the infrastructure necessary to serve Customer and was set at a level that ensures the Customer will pay the entirety of the incremental revenue requirements attributable to this infrastructure over the 20-year Original Term of the ESA, assuming Customer takes service to the end of that term.[19] MMCs also were determined in coordination with Mr. Kidd based on his analysis of ELL's future financial metrics during the term of the CIAC and ESA. MMCs are a feature of many of the Company's ESAs with customers that require extension of facilities to serve new load and where the cost of those facilities extensions is revenue justified under the Company's Terms and Conditions.

Q28. PLEASE DESCRIBE THE TERMS OF THE BILLING UNDER RATE SCHEDULE LLHLFPS-L AND OTHER RIDERS.

A. Rate Schedule LLHLFPS-L is one of the Company's filed, Commission-approved rates for electric service for eligible large customers with at least 70 MW of firm load under contract for a term of at least five years. Rate Schedule LLHLFPS-L was most recently modified by LSPC Order No. U-36959 issued September 13, 2024. Because Rate Schedule LLHLFPS-L is a standard rate for electric service, service under this rate is subject to the ELL's Terms and Conditions, and monthly bills will include charges

[19] The MMCs also include the cost of the Waterford 3 uprate project and the Bayou Cove PPA which capacity ELL would procure even without the Customer, as described by Ms. Beauchamp.

under all other applicable current and future rate riders including but not limited to the FRP, FAC, the Resilience Plan Cost Recovery Rider ("RPCRR" or "Resilience Rider") and securitized storm riders, including Rider Schedules FSCIV-ELL, FSCV-ELL, SCO-L, SCOII-L, SCOIII-L, SCOIV-ELL, and SCOV-ELL (the "Securitized Storm Riders"). In other words, for pricing purposes, the Customer will be treated in generally the same way as other retail customers in the industrial class and will share in the cost of operating the Company's electrical system through the appropriate recovery mechanisms.

Q29. PLEASE DESCRIBE THE SIGNIFICANCE OF AVERAGE DEMAND TO THE BILLING UNDER RATE SCHEDULE LLHLFPS-L?

A. Rate Schedule LLHLFPS-L has a declining block demand charge with the size of each block depending on the Average Demand specified in the contract or the Maximum Demand as the case may be. For customers without an established billing history, an amount of Average Demand is to be established in the customer's contract. In this instance, ELL and Customer have agreed to establish the Average Demand at a value sufficient to cover the estimated cost of the incremental capacity necessary to serve Project Evest plus a reasonable contribution to embedded FRP costs in excess of the estimated incremental revenue requirements. This value will be adjusted as needed pursuant to the true-up mechanism, once the actual cost of the capacity resources is known, to ensure that the revenue collected is sufficient to cover the actual costs.

Q30. WHAT IS THE AMOUNT OF PROJECTED BASE RATE REVENUE OVER THE TERM OF THE ESA?

A. My analysis projects that ELL will receive total base rate revenue, including minimum bill charges and charges billed pursuant to the Rate Schedule LLHLFPS-L plus the FRP, of approximately [redacted]. As mentioned earlier, this amount is greater than the required MMCs, and thus exceeds the estimated incremental revenue requirement of the resources being developed in connection with serving the Customer by more than $1.27 billion over the term of the ESA. That excess revenue above the revenue requirement of the incremental resources serves as a contribution to embedded costs, reducing the rates other ELL customers pay, all else equal. This amount does not include additional benefits of approximately $700 million that will be realized through the Securitized Storm Riders and the Resilience Rider discussed below or approximately $260 million of benefits arising from the Sustainability Agreement that are discussed by Ms. Ingram in her Direct Testimony.

Q31. WHAT OTHER CONTRIBUTIONS WILL THE CUSTOMER BE REQUIRED TO MAKE UNDER RATE SCHEDULE LLHLFPS-L AND OTHER RIDERS?

A. Because the Customer will be served under the Rate Schedule LLHLFPS-L, they will also be required to pay charges billed under the Securitized Storm Riders and the Resilience Rider. My analysis indicates that over the 20-year Original Term of the ESA, Customer will contribute approximately $511 million toward previously-securitized storm costs, which includes the costs to repay financed storm costs through the Finance Storm Costs ("FSC") Riders net of the shared tax benefits that are included

in the Storm Cost Offset ("SCO Riders"), and approximately $184 million toward the Company's current Resilience Program costs. On an aggregate basis, the financial contributions of the customer to the costs previously approved for recovery through those riders represents an additional savings of approximately $700 million that would otherwise be borne by ELL's other customers.

Importantly, the benefits realized through the Securitized Storm Riders is not highly variable or reliant on the Customer load or usage fully materializing. Even if the Customer only pays MMCs for the entire Original Term, other customers are still expected to realize more than $860 million in benefits. This significant amount also does not consider the Customer's contribution toward the storm restoration cost as to potential future storms or toward the costs of any additional resilience plan for ELL that the Commission may approve in the future.

Q32. HOW HAVE YOU ESTIMATED THE CUSTOMER'S CONTRIBUTIONS TO THE SECURITIZED STORM AND RESILIENCE RIDERS?

A. My analysis includes a projection of total monthly bills for each month of the Original Term taking into account all of the Billing Terms and estimated billing factors for currently applicable rates and riders. With respect to the Securitized Storm Riders and Resilience Program the estimated billing factors in my analysis consider the effect that the Customer's revenue is expected to have on the calculation of those rider rates so as not to overstate the benefits. To support the calculation of the Securitized Storm Riders and Resilience Program benefits, I have developed a rough calculation of the effects of the Customer revenue on the derivation of those rider rates that is presented in my

Exhibit RDJ-3. While the calculation presented in this exhibit is simplistic in that it only factors in the additional revenues from the Customer with all else being equal, it nonetheless provides meaningful information about the Customer's expected contributions to the costs recovered via these riders and the resulting benefits for other ELL customers.

Q33. WHAT DOES YOUR CALCULATION OF THE SECURITIZED STORM AND RESILIENCE RIDER RATES INCLUDING THE INCREMENTAL CUSTOMER REVENUES INDICATE?

A. My calculation shows an approximately 35% reduction in the billing factors applicable to all transmission and distribution customers – that is, a reduction in the portion of the overall storm restoration costs that is borne by all ELL customers. For context, in the ratemaking that the Commission has typically applied for securitized storm restoration costs after an extreme event, the Commission has allocated the costs based on function, with all customers bearing the transmission component of the restoration costs, but only the subset of customers served off the distribution system (mostly residential and small commercial customers) paying the distribution component of the restoration costs.[20] My calculation in Exhibit RDJ-3 shows that, with the Customer's revenues factored in, the transmission voltage billing factors, which are the component borne by all ELL customers, will be reduced from an aggregate total of 11.4697% to 7.4064%. This reduction represents a significant benefit arising from ELL's proposed extension of

[20] A portion of Distribution costs is shared and re-allocated back to all customers pursuant to the settlement allocator percent specified in the settlement agreements for each Rider.

service to Project Evest that flows to ELL customers in all classes – residential, commercial, and industrial -- despite the fact that the distribution-only portion of the rate is unaffected.

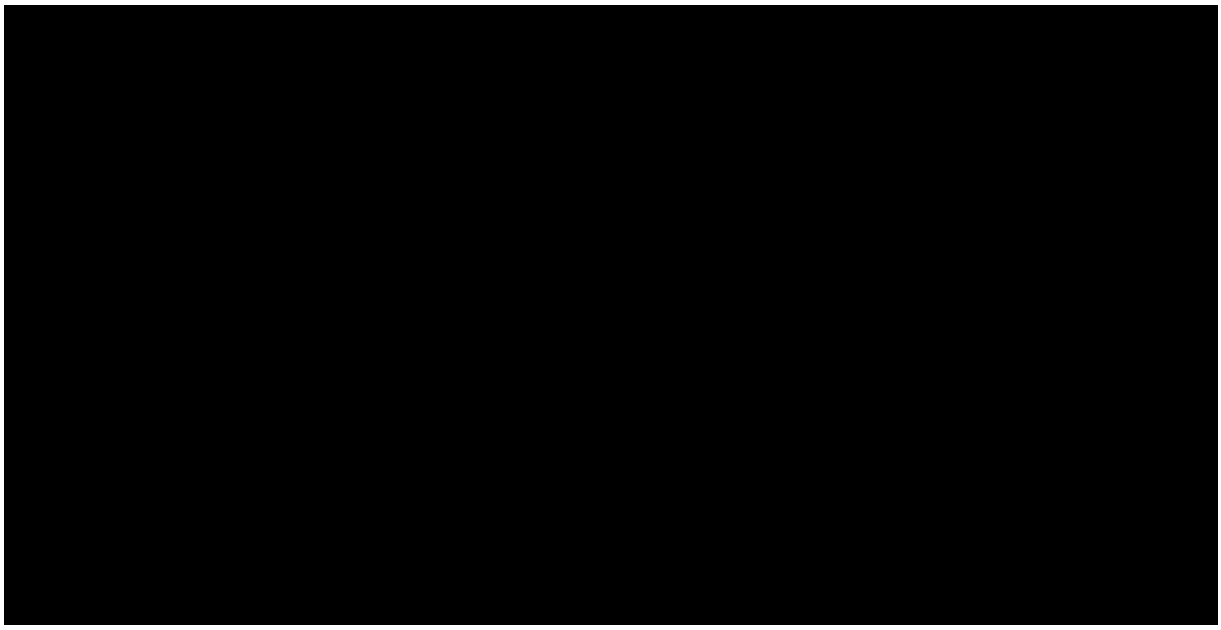
Q34. ARE THERE ANY OTHER CONSIDERATIONS THAT THE COMMISSION SHOULD BE AWARE OF AS IT RELATES TO THE IMPACT OF THE CUSTOMER'S CONTRIBUTIONS TO SECURITIZED STORM AND RESILIENCE RIDERS?

A. Yes. I would also like to note that the Securitized Storm Riders are calculated using forecasted revenues rather than historical revenues as are used for the FRP and resilience riders. The Securitized Storm Riders are also assessed on Contract Minimums like the Customer's MMCs whereas the FRP and Resilience Riders specifically do not apply to Contract Minimums. While they do not present a risk to the realization of the forecasted benefits to ELL's other customers that are identified in the Company's Application, these mechanics of the Securitized Storm Riders could present challenges in future rider update filings that the Commission may want to consider. That is, once ELL establishes service to Project Evest, it may be necessary to consider certain mechanical changes to the manner in which these rider rates are developed to avoid unintended swings in rates.

Q35. HAVE YOU PREPARED A GRAPHICAL REPRESENTATION OF THE CHANGING REVENUE LEVELS OVER THE TERM OF THE ESA?

A. Yes. The graph below shows the projected revenues over the ESA's term overlayed with the revenue requirements from Figure 1. As can be seen in the graph, the revenues exceed the Test Year Revenue Requirement in the first few years of the Term and then generally fall below the Test Year Revenue Requirement. Below I introduce ratemaking proposals to address the periodic differences between the annual revenue requirements that are necessary to avoid large and unnecessary swings in rates associated with these periodic differences.

Figure 2 (HSPM/AEO)



IV. DEFERRAL PROPOSAL FRAMEWORK

Q36. PLEASE DESCRIBE ELL'S REQUESTED DEFERRAL PROPOSAL FRAMEWORK.

A. As shown in Figures 1 and 2 above, the incremental revenue requirements for the resources to serve Project Evest and the projected incremental Customer revenues are not expected to materialize in overlapping periods. If those Customer revenues were recognized for ratemaking purposes in the periods when they are received without adjustment, ELL's rates would likely decrease precipitously immediately at the beginning of the Term and increase precipitously as each asset is placed in service, resulting in repeated rate shock for ELL's other customers. ELL's Deferral Proposal Framework, which is reflected within Exhibit RDJ-2 and presented as a standalone document in Exhibit RDJ-4, lays out the Company's proposed approach to managing the timing of revenue being included in the FRP Net Utility Operating Income calculation and thus to avoid those rate shocks. The Deferral Proposal Framework is similar to what the LPSC approved for Project Laidley. Company witness Ryan Dumas describes some of the accounting impacts of the Deferral Proposal Framework in his Direct Testimony.

Q37. PLEASE ELABORATE ON WHAT FACTORS ARE LIKELY TO CAUSE SWINGS IN ELL'S RATES AND WHY THE REQUESTED DEFERRALS AND RATEMAKING ADJUSTMENTS ARE NECESSARY.

A. When the ESA takes effect, which will occur prior to the time when all Proposed Generators or ELL-Funded Transmission Project will be placed in service, MMCs will

commence in an amount that is greater than the incremental costs being incurred by ELL at that time.[21] If, at that same time, those MMCs were to be recognized for ratemaking purposes, ELL would likely report over-earnings, and rates would be reduced accordingly, potentially sharply. As each of the Newly Constructed Assets is completed and placed in service, however, rates would be increased so that ELL could begin to recover the cost of those investments in rates – again, potentially sharply. As described earlier in my Direct Testimony, the Billing Terms provide assurance that the total incremental costs of the resources to serve Project Evest will be reasonably offset over the 20-year Original Term of the ESA and, in fact, it is expected that that total base and FRP revenues will exceed the revenue requirements of the necessary investments. ELL's Deferral Proposal Framework, however, is necessary to manage the timing of Customer revenues being reflected in rates and to ensure that those benefits are properly realized in a manner that mitigates rate shock. The impact of the Deferral Proposal Framework on the timing of the recognition of Customer revenues for ratemaking purposes is shown below in Figure 3.

[21] As described by Company witness Mr. Thomas Kidd, the timing and amount of MMCs during this period is critical for the Company to maintain its financial metrics – and thus its access to capital on reasonable terms – during the construction of the Newly Constructed Assets.

HSPM Figure 3 (HSPM/AEO)

Q38. HOW IS ELL PROPOSING TO MANAGE THE TIMING OF THE REALIZATION OF CUSTOMER REVENUES WITHIN THE FRP?

A. At a high level, as was the case for the resources to serve Project Laidley, ELL is proposing to defer a portion of Customer revenues during an established "ramp-up period" and amortize those deferred revenues to offset costs in ELL rates using a formulaic approach over course of the Original Term of the ESA. The Deferral Proposal Framework attached to my Direct Testimony as HSPM/AEO Exhibit RDJ-4 includes more detailed information about the proposed formulaic approach to revenue deferrals and amortizations and the specific adjustments that will be necessary within the FRP. The intended result is illustrated in Figure 3 depicting annual costs and revenues inclusive of the deferral and amortization of Customer revenues according to

the terms of the Deferral Proposal Framework. As can be seen in the graph, adjusted revenues from the Customer exceed the projected incremental costs for the resources to serve Project Evest in each period by some margin, and other ELL customers are effectively shielded from significant rate impacts associated with the Newly Constructed Assets; in fact, as can be seen from the graph, other ELL customers are expected to realize benefits associated with ELL's service to Project Evest on an annual basis.

Q39. HOW ARE DEFERRED CUSTOMER REVENUES TREATED FOR ACCOUNTING AND RATEMAKING PURPOSES UNDER THE DEFERRAL PROPOSAL FRAMEWORK?

A. For ratemaking purposes, the Company proposes that deferred Customer revenues be recorded to a regulatory liability that, for a period of time, is excluded from rate base until all of the Proposed Generators have been placed in service.[22] For the period of time where the regulatory liability is being excluded from rate base, ELL proposes that carrying charges be calculated using the Company's then-current weighted average cost of capital and that such carrying charges be accrued to the regulatory liability. Mr. Dumas describes the specific accounting for the Deferral Proposal Framework in more detail in his Direct Testimony.

[22] ELL further proposes that associated deferred tax assets be excluded or included in rate base in the same manner as the underlying regulatory liability.

Q40. IS ELL REQUESTING ANY RATEMAKING TREATMENTS WITH RESPECT TO THE REVENUE REQUIREMENTS FOR THE GENERATION ASSETS OR ELL-FUNDED TRANSMISSION AS PART OF THE DEFERRAL PROPOSAL FRAMEWORK?

A. Yes. The Deferral Proposal Framework contemplates that the proposed ratemaking adjustments would operate alongside ELL's traditional ratemaking for each of the proposed investments for Project Evest. ELL requests that the costs of the Proposed Generators be deemed eligible for recovery in rates in the same manner as the costs of ELL's other system generating and transmission resources. ELL further requests that the Battery Storage Facilities be deemed eligible for recovery in the same manner as the Proposed Generators. Assuming an FRP similar to ELL's currently effective FRP remains in effect, such recovery will occur through either the Additional Capacity Mechanism ("ACM") or the Transmission Recovery Mechanism ("TRM"). As described in the Deferral Proposal Framework, however, ELL would include within the first-year revenue requirement that is implemented in rates an offsetting entry for pro-forma Customer revenue such that the net effect within the FRP is $0. Alternatively, in the event that ELL is not subject to an FRP which includes an ACM, the Company requests that it be authorized to defer the non-fuel revenue requirement (*i.e.*, costs that are not eligible for recovery through the FAC) associated with each of the Proposed Generators, net of deferred customer revenues until such time as the costs of each of the Proposed Generators are reflected in the Company's retail rates.

Q41. HOW SHOULD THE REVENUE REQUIREMENTS FOR THE GENERATION ASSETS AND ELL-FUNDED TRANSMISSION BE TREATED IN FRP EVALUATION REPORTS AFTER THEY ARE INCLUDED IN PLANT IN SERVICE?

A. The revenue requirements for the Generation Assets and ELL-Funded Transmission would be reflected within the FRP in the same manner as that of ELL's other system generation and transmission. That is, that the revenue requirements would be realigned from the ACM and TRM to the Base FRP Revenue Requirement within the deadband of the FRP. The inside-the-bandwidth revenue requirements would continue to be offset with Customer revenues through the proposed pro-forma adjustments described in the Deferral Proposal Framework. The net result in all years would be no incremental cost to other customers, possibly with net benefits accruing to other customers, as ELL would amortize Customer revenues within the FRP to fully offset the cost of the Project Evest investments.

Q42. DOES THE COMPANY HAVE A PLAN TO ADDRESS THE PURCHASED CAPACITY COSTS THAT ARE CONTEMPLATED?

A. Yes. As discussed by Ms. Beauchamp in her Direct Testimony, ELL's long-term supply plan for Project Evest includes additional purchased capacity and specifically includes one purchase power agreement ("PPA"), the estimated cost of which is reflected in my analysis and therefore included in MMCs. Specifically, ELL has identified the CCPA for Bayou Cove, currently at issue in LPSC Docket No. U-37872 as a source of purchased capacity to enable Service to the Customer, and support the Customer's

ramp. Under the Deferral Proposal Framework, ELL is proposing that this CCPA be included in the revenue requirements for Project Evest to be determined under the Deferral Proposal Framework and that the Company amortize Customer revenue sufficient to fully offset those costs during the Term. Because the Bayou Cove CCPA term is expected to end in May 2042, the Deferral Proposal Framework also contemplates that a follow-on PPA for replacement capacity would be identified in the future and that those costs would also be fully offset by amortized Customer revenue.

Q43. HOW IS THE COST OF THE WATERFORD PROJECT TREATED UNDER THE FRAMEWORK?

A. Ms. Beauchamp has also identified additional nuclear capacity as a necessary component of the long-term supply plan for Project Evest and identifies additional uprate capacity at the Waterford 3 Nuclear Facility ("The Waterford Project") to serve that purpose. The Waterford Project is currently subject to Commission approval in LPSC Docket U-37677. Regardless of how the Commission decides the ratemaking treatment for any uprate project which may be approved in LPSC Docket U-37677, the cost of the project is included in the MMCs and is proposed to be included in the Deferral Proposal Framework. Under the Deferral Proposal Framework, ELL is proposing that the costs of the Waterford Project be included in the revenue requirements for Project Evest meaning that any costs annualized into base rates will be reconciled and offset within the deadband of the FRP preventing duplicative charges to other ELL customers.

V. TRUE-UP PROVISIONS

Q44. PLEASE DESCRIBE THE TRUE-UP PROVISION OF THE CUSTOMER'S CONTRACT AND HOW IT MIGHT AFFECT THE BILLING TERMS.

A. As discussed earlier, the Appendix A of the Customer's contract contains true-up provisions related to both the actual cost of transmission investment and the cost of system generation capacity (the "True-up Appendix"). For the Customer-Funded Transmission Projects, the CIAC provides for the amounts to be updated based on changes in the actual cost from the estimated cost specified in the CIAC, as described in more detail by Mr. Kidd in his testimony. With respect to costs associated with the Generation Assets and the ELL-Funded Transmission Project: (1) the most recent estimate of costs, based upon the Class 3 Estimates, will serve as the basis for the initial MMCs under the ESA starting on the Service Commencement Date, and (2) the actual costs, once determined following the completion of construction of the Newly Constructed Assets, will serve as the basis for both the true-up of the MMCs and an update to Average Demand – both based on the actual, prudently incurred costs of the resources. Because the arms-length negotiation necessarily relies on assumptions as to the cost of new transmission and capacity necessary to serve Customer's load, the true-up provisions modify the Billing Terms by grossing up (or down) MMCs and ratcheting up (or down) Average Demands to account for variances between the estimated and actual costs. The agreed-upon true-up methodology ensures that the CIAC amounts (for the Customer-Funded Transmission Project) and the total MMCs (for the Generation Assets and ELL-Funded Transmission Project) continue to reasonably cover the incremental cost to serve Customer's Project Evest load during the term of

the ESA. The true-up provisions therefore serve to maintain a reasonable allocation of the cost of the investments necessary to serve the Customer and to ensure that the benefits afforded to other ELL customers through Customer's projected embedded cost contribution are realized.

Q45. HOW WILL THE ESTIMATED COSTS BE TRUED-UP TO THE ACTUAL COSTS THROUGH THE BILLING TERMS?

A. As I alluded to earlier, the estimated cost of each of the proposed investments used to develop the revenue requirements reflected in the above graph will be trued-up twice during the Original Term, and the Customer's Billing Terms will be updated on each occasion. The initial true up will occur immediately prior to the Service Commencement Date, at which point Class 3 Estimates for each of the Generation Assets and ELL-Funded Transmission Project will be available. Following construction of all newly constructed assets and the completion of all prudence reviews relating to Project Evest (projected for some time in 2035), ELL will again re-determine the Customer's Average Demand and MMCs through a final true-up based upon the final prudently-incurred capital expenditures on the resources for Project Evest, and those revised Billing Terms will remain in place through the end of the Term. The precise mechanics for the initial and final true-ups are detailed in Appendix A of Rider 1 to the ESA.

Q46. DOES THE FINAL TRUE-UP CONSIDER CIRCUMSTANCES BEYOND VARIATIONS IN THE COST OF THE GENERATION ASSETS AND ELL-FUNDED TRANSMISSION PROJECT?

A. Yes, it may. As an added layer of protection, the true-up also gives the Company and Customer the opportunity to consider whether the balance of deferred customer revenues remains adequate to sufficiently offset the incremental revenue requirements of the Newly Constructed Assets and deliver the expected benefits over the Original Term, and whether the true-up should be modified. The True-Up Appendix does not specify how those unknown future circumstances might be addressed but contemplates that the Company and Customer would work collaboratively, if necessary, to mutually agree to modifications based on future circumstances.

Q47. ARE THERE OTHER TRUE-UPS CONTEMPLATED IN THE CUSTOMER'S ESA?

A. Yes. The True-Up Appendix also provides for an FRP Rebalancing Mechanism that allows for a one-time, downward adjustment to Average Demand if the FRP billing factor ever exceeds, by a significant margin, the forecasted factors utilized for purposes of my rate analysis and benefits calculations. This provision provides partial protection for the Customer from increases in the FRP beyond what was assumed and relied on when establishing Customer's Billing Terms. While unique, this provision is, in my opinion, reasonable given the Customer's extraordinary commitments to system costs and benefits. The Customer's rate was established based on a set of assumptions about future costs and Customer revenues, including FRP revenues. Substantial increases in

the FRP beyond what was assumed in the development of the Customer's rate would result in a windfall to ELL's other customers at the Customer's expense. As I noted earlier, ELL's objective was to reasonably ensure that the Customer covers the incremental cost of the resources needed to extend service to the Customer and reasonably contributes to ELL's embedded costs. The FRP Rebalancing Mechanism aligns with those objectives.

VI. OTHER RATEMAKING PROPOSALS

C. Long-Term Service Agreements

Q48. HOW DOES ELL PROPOSE TO RECOVER THE LTSA EXPENSES?

A. The payments for major maintenance services included on the base scope of work of the LTSA are expected to be variable and depend on the number of unit starts and hours of run-time. Consistent with past Commission practice, the Company proposes that the LTSA payments ("LTSA Expenses") be recovered through the Fuel Adjustment Clause ("FAC"). Variable, generation-dependent expenses such as these are properly recovered through the FAC. The Commission has previously authorized FAC recovery for similar costs, including in LPSC Docket No. U-37425 as well as for ELL's Lake Charles Power Station, J. Wayne Leonard Power Station, Ninemile 6 unit, Perryville, Acadia Power Block 2, Ouachita Unit 3, Calcasieu, and Union Power Blocks 3 and 4.

Q49. IS FAC RECOVERY OF THE VARIABLE LTSA COSTS CONSISTENT WITH THE COMMISSION'S GENERAL ORDER DATED NOVEMBER 6, 1997 IN DOCKET NO. U-21497 ("FAC GENERAL ORDER")?

A. Yes. The FAC General Order provides that the "purpose of the Louisiana Fuel Adjustment Clause mechanism is to provide an opportunity for the timely recovery of actual fuel and generation-dependent costs incurred by electric utilities on a monthly basis."[23] The FAC mechanism was "established due to the materiality and historical or potential volatility of these costs."[24] The LTSA Expenses are similar to fuel costs in that they are correlated with production and will be incurred as the Proposed Generators operate. FAC recovery is appropriate as it will ensure that customers pay the actual LTSA Expenses when such costs are actually incurred. Recovering these expenses through base rates gives rise to the possibility that the Company would recover amounts greater or less than the actual expenses incurred, due to the potential volatility in these expenses from year-to-year.

D. [redacted]

Q50. [redacted]

A. [redacted]

[23] *See* General Order No. U-21497 (November 6, 1997) at pp. 5.

[24] *Id*.

[redacted]

Q51. [redacted]

A. [redacted]

[25] As Company witness Ms. Beauchamp explains further in her direct testimony, a DRR-I is a product type under the MISO Tariff that (pending FERC approval) allows a customer's curtailable or interruptible load to be offered as a demand response resource into the MISO energy and ancillary services markets, and into the MISO Planning Resource Auction.

Q52. [redacted]

A. [redacted]

VII. SYSTEM RESOURCES FINDING

Q53. WHAT IS THE SPECIFIC FINDING THAT ELL IS SEEKING FROM THE COMMISSION WITH RESPECT TO THE PROPOSED GENERATORS AND BATTERY STORAGE FACILITIES?

A. For ease of discussion in this Section, I will refer to the Battery Storage Facilities and the Proposed Generators collectively as the System Assets. Company witness Norman Grunden provides additional detail on the Proposed Generators, while Company witnesses Robert J. Fluth and Ms. Beauchamp provide additional information on certain aspects of the Battery Storage Facilities. ELL requests that the Commission expressly confirm that each of the System Assets is a system resource and (as to the Proposed Generators) that each such resource's fuel costs, including charging costs for the Battery Storage Facilities, should be included in the calculation of ELL's Fuel Adjustment Clause.

Q54. WHY SHOULD THESE ASSETS BE TREATED AS SYSTEM RESOURCES?

A. The System Assets will be interconnected with the ELL system and, once they are constructed, ELL will have adequate capacity and energy coverage to serve all of its customers, including to cover the load of the Customer, as discussed in greater detail by Ms. Beauchamp. Further, as explained by Ms. Beauchamp, each of the System Assets is a necessary addition to ELL's resource portfolio to maintain a secure, reliable, and resilient system. And, unlike projects where a customer owns and operates a generation asset for its sole benefit, the System Assets will be owned and operated by ELL for all customers and offered, as applicable, into the MISO capacity and energy markets as with any other ELL resource such that all ELL customers will receive benefit from the resulting capacity and energy credits/revenues. Ultimately though, the capacity and energy used to serve the Customer will come from the total system of the Company's resource portfolio, regardless of whether any individual resource is operating.

VIII. COMPLIANCE WITH LPSC ORDERS

E. Transmission Siting Order

Q55. PLEASE EXPLAIN THE RELIEF SOUGHT BY THE COMPANY SPECIFIC TO THE TRANSMISSION SITING ORDER?

A. In compliance with the Transmission Siting Order, ELL seeks a finding that the portfolio of projects required to interconnect the Customer's load to the bulk electric system and the Customer-Funded Transmission Project are exempt from LPSC certification. ELL also seeks a Commission finding that the ELL-Funded Transmission

Project serves the public convenience and necessity such that it can be certified by the Commission in compliance with the requirements of the Transmission Siting Order and that its costs are thus eligible for recovery in rates.

Q56. PLEASE DESCRIBE GENERALLY THE TRANSMISSION SITING ORDER?

A. The Transmission Siting Order was the result of the LPSC rulemaking initiated in LPSC Docket No. R-26018 and was recently modified in LPSC Docket No. R-36199. The purpose of the rulemakings was to consider whether the LPSC should exercise its jurisdiction over the certification and siting of transmission projects constructed in Louisiana. At the end of the rulemaking process, the Commission concluded that it should exercise its jurisdiction over the certification and general routing of certain specifically identified transmission projects, which the order defines as "transmission facilities."

Q57. HOW DOES THE TRANSMISSION SITING ORDER DEFINE TRANSMISSION FACILITIES?

A. The Transmission Siting Order defines a "transmission facility" as "a system of structures, wires, insulators and associated hardware, but not including switching or substations, that carry electric energy over distances and that are located in whole or in part within the State of Louisiana, regardless of whether the line provides electric service to customers within the state and that would be constructed and operated at or above a nominal 100kV, exceeds one mile in length, and the estimated cost to construct exceeds $20 million. A Transmission Facility shall include the construction of any

projects, or group/portfolio of projects, designed to resolve a common transmission-related concern."[26] The Transmission Siting Order generally provides that any utility seeking to construct a transmission project meeting the definition of Transmission Facility must first obtain LPSC certification that the project serves the public convenience and necessity unless it qualifies for certain enumerated exemptions. The Transmission Siting Order also includes a number of exemptions from its certification requirement. One exemption applies to projects that are undertaken for the sole purpose of "accommodating a new or expanding load for specifically identified customers located in Louisiana that have executed interconnection agreements and/or electric service agreements."[27] Another exemption applies to new switching or substations.[28] The Transmission Siting Order also has an exemption that applies "if the costs of the Transmission Facility, and the cost of any associated System Impacts, will never be reflected or recovered in the retail or wholesale rates to be assessed to customers of Louisiana electric utilities including cooperatives."[29]

[26] *See* Transmission Siting Order, Section II(a).

[27] *See* Transmission Siting Order, Section VIII(f).

[28] *Id.*, Section VIII(a).

[29] *Id.*, Section VIII(h).

Q58. DO THE CUSTOMER-FUNDED TRANSMISSION PROJECTS AND THE ELL-FUNDED TRANSMISSION PROJECT QUALIFY AS "TRANSMISSION FACILITIES" UNDER THE TRANSMISSION SITING ORDER?

A. Yes. As explained in greater detail by Mr. Kline, the Customer Interconnection Project will include 20-30 miles of 230kV transmission lines and nine new auxiliary 230kV switching stations to interconnect the Customer's load. ELL also will develop and construct a new ~90 mile 500kV transmission line from ELL's Smalling substation to Entergy Arkansas' El Dorado substation, strengthening the 500kV Transmission network between North Louisiana and South Arkansas. Finally, ELL will construct a new ~150 mile West Fork Creek – St. Landry 500kV transmission line to strengthen the 500kV network between North and South Louisiana. The transmission projects also will include new switching and/or substations; however, these do not qualify as "transmission facilities" under the Transmission Siting Order's definition.

Q59. HAS THE COMPANY COMPLIED WITH THE REQUIREMENTS OF THE TRANSMISSION SITING ORDER AS IT RELATES TO THE CUSTOMER-FUNDED TRANSMISSION PROJECTS?

A. Yes. The Customer-Funded Transmission Projects qualify for an exemption under Section VIII(f) on the basis that these Transmission Facilities directly accommodate a new load in Louisiana that has executed an ESA. Certain individual components of the portfolio of Customer-Funded Transmission Projects also qualify for exemptions under Section VIII(a)'s exemption for new switching or substations. Finally, because the cost of the Customer-Funded Transmission Project is being fully covered by the Customer

through the CIAC and thus will not be included in ELL's rate base or recovered in retail or wholesale rates, these projects also qualify for an exemption, under Section VIII(h). In connection with Project Laidley, the Commission approved a settlement providing (consistent with the Transmission Siting Order, Section VIII(h)) that no certification was required for the transmission projects in that docket that were fully funded by the Customer.[30] The Commission should reach the same conclusion here.

Q60. HAS THE COMPANY COMPLIED WITH THE REQUIREMENTS OF THE TRANSMISSION SITING ORDER AS IT RELATES TO THE ELL-FUNDED SYSTEM PROJECTS?

A. Yes. Mr. Kline explains that while the new ~150 mile West Fork Creek – St. Landry 500kV transmission line and associated switching station is not required by North American Electric Reliability Corporation Transmission Planning ("NERC TPL") reliability standards, the project represents a System Improvement necessary to maintain reliability as the Customer's Project Evest load, the Project Laidley load, and other high-load factor loads are added to the transmission system – and it also strengthens the 500kV network between North and South Louisiana. The cost of these transmission projects exceeds the $75 million threshold under Section VIII(e), and thus the projects do not qualify for an exemption from the requirements of the Siting Order. Through my Direct Testimony and the Direct Testimonies of its other witnesses,

[30] *See* Final Stipulated Settlement Term Sheet, Sections I.B.1-.B.2, Exhibit A to Order No. U-37425 at pp. 5-6.

the Company has provided the information required by the Transmission Siting Order as follows:

- Requirement V(a): ELL is the Applicant in this proceeding and the only entity participating in the construction of the ELL-Funded Transmission Project.
- Requirement V(b): Mr. Kline provides a description of each component of the proposed ELL-Funded Transmission Project.
- Requirement V(c): Ms. Beauchamp and Mr. Kline provide detailed explanations of the justification for the ELL-Funded Transmission Project.
- Requirement V(d-f): Mr. Kline provides the general proposed location of each component of the ELL-Funded Transmission Project, including whether the proposed Transmission Facility is located within a NIETC and whether any federal proceeding or pre-filing process related to back-stop siting of the proposed Transmission Facility has occurred.
- Requirement V(g): Mr. Kline discusses the anticipated source of funding for the ELL-Funded Transmission Project.
- Requirement V(h): Mr. Kline provides the Company's current best estimate of the cost of each component of the ELL-Funded Transmission Project, which he explains is a Class 5 estimate and is subject to change as the project is more fully developed and refined.
- Requirement V(i): I discuss below that the ELL-Funded Transmission Project will have no effect on ELL customer rates, except in non-renewal and some early termination scenarios.

- Requirement V(j): As an exhibit to his Direct Testimony, Mr. Kline provides single-line drawings of the typical structures anticipated to be used in constructing the ELL-Funded Transmission Project.
- Requirement V(k): Mr. Kline discusses the current schedule and timeline for completing construction of each component of the ELL-Funded Transmission Project and placing them in service, and these are summarized in his Exhibit DK-4.
- Requirement V(l): Mr. Kline explains the Company's current plans for right-of-way acquisition.
- Requirement V(m): Mr. May, Ms. Beauchamp, and I provide other information that the Company considers relevant to support a public interest determination (*e.g.*, the benefits to the state associated with the proposed Project Evest).

All of this information details the significant analyses that have gone into developing the ELL-Funded Transmission Project and the Company's reasonable plan for completing the development and construction to bring the reliability and other benefits of the ELL-Funded Transmission Project to all of ELL's customers.

Q61. HAVE YOU PREPARED AN ANALYSIS OF THE ESTIMATED EFFECT ON CUSTOMER RATES FOR THE ELL-FUNDED TRANSMISSION PROJECT IN RESPONSE TO REQUIREMENT V(I)?

A. Yes, this analysis is a component of the analysis I presented in my HSPM/AEO Exhibit RDJ-2. Both the capital cost of construction based on the Class 5 estimates provided by Mr. Kline as well as the estimated annual operation and maintenance costs and

associated taxes are included in the analysis. As shown in that analysis, and as described earlier in my testimony, revenues paid by the Customer will fully offset the revenue requirements of the ELL-Funded Transmission Project in rates, an assurance provided by the MMCs, and these revenues are reasonably expected to exceed the incremental revenue requirements for the project and drive benefits for other ELL customers in the process.

Q62. ARE CUSTOMERS EXPOSED TO THE COST OF THE ELL-FUNDED TRANSMISSION PROJECT DURING THE PERIOD AFTER THE ORIGINAL TERM OF THE ESA EXPIRES OR IN THE EVENT OF A TERMINATION?

A. If the Customer decides to not renew the ESA, and in some termination scenarios, yes. However, if the Customer does not terminate or deliver a notice of non-renewal, they will continue to pay 100% of the estimated cost to own and operate the project through any renewal term beyond the Original Term. Upon early termination of the ESA under certain circumstances, [redacted] including the ELL-Funded Transmission Project. My analysis indicates that, at the end of the Original Term of the ESA, the ELL-Funded Transmission Project will be nearly 50% depreciated, approximately $595 million would be remaining in rate base associated with the project. While the project would only have depreciated for approximately 16 years of its estimated 36-year life, Customer will have paid approximately 70% of the incremental revenue requirement for the project's 36-year depreciable life.

Q63. IS THE ELL-FUNDED TRANSMISSION PROJECT IN THE PUBLIC INTEREST?

A. Yes. The same public interest considerations that are applicable to the other resources needed by the Company to support service to Project Evest as a whole, which I discuss later in my Direct Testimony, apply equally to the ELL-Funded Transmission Project. Admittedly, there is some quantifiable risk associated with this transmission project specifically, due to the undepreciated costs that would remain for other ELL customers in nonrenewal and certain termination scenarios as I discuss above. However, there are also associated benefits, outside of simply enabling the Service to the Customer, and these are discussed by Mr. Kline in his Direct Testimony. Those benefits, which, as Mr. Kline notes, reasonably can be expected to extend beyond the end of the Original Term, along with the risks, have been considered by ELL in its negotiations with the Customer and in arriving at the overall balance of risks and opportunities presented in the final negotiated ESA terms. In my view, the evidence the Company has presented shows that the overall balance of risks and benefits is reasonable and in the public interest.

F. 1983 General Order

Q64. DOES THE COMMISSION'S 1983 GENERAL ORDER APPLY TO THE PROPOSED GENERATORS, AND IF SO, HAS THE COMPANY COMPLIED WITH THE REQUIREMENTS OF THE ORDER?

A. Yes, the 1983 General Order applies to the Proposed Generators, and the Company has complied with its requirements.[31] The 1983 General Order provides, in pertinent part, that:

> No electric public utility subject to the jurisdiction of the Commission shall commence any on site construction activity or enter into any contract for construction or conversion of electric generating facilities or contract for the purchase of capacity or electric power, other than emergency or economy power purchases, without first having applied to the Commission for a certification that the public convenience and necessity would be served through completion of such project or confection of such contract. Feasibility and engineering studies, site acquisition and related activities preliminary to a determination of the desirability or need for plant construction or conversion on purchase power contracts are exempted from this requirement.

The Company's Application in this proceeding meets the terms of Paragraph 1 of the 1983 General Order. The costs incurred and analyses conducted to date have related to the "[f]easibility and engineering studies . . . preliminary to a determination of the desirability . . . for plant construction or conversion. . . ." Construction activity at the Proposed Generator sites will not commence until ELL authorizes the contractor to do so, as discussed in more detail by Mr. Grunden and Mr. Fluth. The 1983 General Order also provides in paragraph 2, that:

[31] It is unclear whether the 1983 General Order applies to all of the Battery Storage Facilities. ELL nevertheless believes that the Battery Storage Facilities satisfy the requirements of the 1983 General Order and are in the public interest.

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

The Company, through the testimony and exhibits supporting the Application, meets the requirements of this paragraph. Although it is broader in purpose, the proposed Monitoring Plan discussed by Mr. Heytens in his Direct Testimony would meet the requirements of Paragraph 3 to "notify the Commission immediately when it is determined that project or contract costs will exceed that stated in the application or the completion date for commercial operation is extended."

G. Industrial Load Rule

Q65. PLEASE DESCRIBE THE INDUSTRIAL LOAD RULE AND ITS RELEVANCE TO THE APPLICATION.

A. The Industrial Load Rule, adopted by LPSC General Order dated July 29, 2019 in Docket No. R-34860 requires that a utility participating in an Integrated Resource Plan ("IRP"), make one of three types of filings with the Commission prior to entering into an ESA with a customer that would result in a 5% increase in the utility's peak load. The three types of filings are: (1) a filing illustrating how the most recent IRP accommodates the load growth, (2) a filing illustrating how the IRP would be modified to accommodate the load growth, or (3) a filing pursuant to the 1983 Order or the MBM Order (or both) requiring a Commission certification. The Customer in this case meets the relevant threshold and the Company, through the testimony and exhibits supporting

the Application requesting certification under the 1983 Order, has met the requirements of Rule 3.

Q66. HAS THE COMMISSION ISSUED ANY OTHER GUIDELINES FOR UTILITIES SERVING NEW LOADS OF THIS SIZE?

A. Yes. At the February 2026 Business & Executive Session, the Commission adopted non-binding guidelines relating to new large load customers that would be applicable to utilities serving new loads of the same size as those applicable to the Industrial Load Rule. In her Direct Testimony, Ms. Beauchamp describes the various provisions of the Related Agreements with the Customer that address compliance with the non-binding guidelines.

H. Tariff Filings General Order

Q67. IS ELL ASKING THE COMMISSION TO APPROVE THE ESA WHICH HAS BEEN NEGOTIATED WITH THE CUSTOMER FOR PROJECT EVEST?

A. The Company is not asking the Commission to approve the terms of the ESA. The Commission historically has not approved contracts between a utility and an individual customer unless those contracts are Site Specific Contracts as described in LPSC General Order R-34738 ("Tariff Filings General Order"). The ESA between ELL and the Customer is not a Site Specific Contract. The Customer will be taking electric service pursuant to a filed base rate schedule (*i.e.*, Rate Schedule LLHLFPS-L) and applicable rate riders (*e.g.*, the FRP and FAC) which are part of ELL's LPSC-approved electric tariff book (the "Tariff Book"). To the extent that the ESA contains unique billing provisions specific to the Customer, those provisions generally provide for a

greater degree of protection for other customers and address distinct risks presented by the Customer's Service rather than provide discounts. The core terms of the ESA are consistent with the Tariff Book.

I. MBM General Order

Q68. PLEASE DESCRIBE THE MBM ORDER AND ITS RELEVANCE TO THE APPLICATION.

A. On October 14, 2024, the Commission adopted the current version of the MBM Order, establishing various procedures and requirements for the market testing of any proposed capacity acquisition. The MBM Order augments the procedures of the 1983 General Order and requires a utility proposing to acquire or build new generating capacity to "employ a market-based mechanism to support the addition of generating capacity intended to serve LPSC-jurisdictional retail customers."[32] The utility must present the results and analysis from this RFP to the Commission as part of the "justification" required by Paragraph (2) of the 1983 General Order. In this case, ELL has requested the Commission certify that the Proposed Generators serve the public convenience and necessity and are therefore in the public interest and thus must demonstrate that it has met or is not in conflict with the requirements of the MBM Order. More recently, however, the Commission issued its Lightning Initiative, which exempts a qualifying generator certification request from MBM Order compliance if certain enumerated criteria are met that are in the nature of protections for other utility customers from the cost of the resources presented in the certification request. As Ms.

[32] MBM Order, Rule 1.

Beauchamp explains in her Direct Testimony, the generator certification requests pursuant to the 1983 Order that are presented in the Company's Application meet the criteria of the Lightning Initiative, and those requests are therefore exempt from the requirements of the MBM Order.

Q69. CAN YOU DESCRIBE THE REQUIREMENTS OF THE LIGHTNING INITIATIVE IN GREATER DETAIL?

A. Yes. The Lightning Initiative provides that the requirements of the MBM Order will be waived for a proposed capacity addition where certain factors are demonstrated and proven to the Commission in the certification proceeding for the proposed capacity addition.[33] First, there must be a signed ESA with a new or expanding load with a requested in-service date within five years of the certification application. Second, without the proposed capacity addition, the applicant is projected to be short of the energy or capacity needed to meet the customer's electric requirements on the requested in-service dates. Third, the Secretary of Louisiana Economic Development ("LED") must provide a letter confirming the customer's interest and the importance of power availability in less than five years. Fourth, the ESA must have a term of at least fifteen (15) years, with an option to renew. Fifth, the ESA must ensure a level of fixed revenue over the ESA term that covers at least one-half of the fixed revenue requirement associated with the requested capacity during the term of the customer's

[33] *See* Lightning Initiative, Minutes of the LPSC Business & Executive Open Session, Dec. 17, 2025, at Ex. 22 (adopting the Commission's "Lightning Initiative"); *see also* Transcript of LPSC Business & Executive Open Session, Dec. 17, 2025, pp. 59-60, 84.

ESA. A utility intending to utilize the Lightning Initiative pathway must notify Commission Executive Counsel of its intent at least sixty (60) days prior to any filing. If a certification proceeding is filed that satisfies the Lightning Initiative factors, Commission Staff are directed to timely review and process the application, including the retention and use of counsel and consultants, as well as handling interventions, to meet the objective of allowing the Commission to vote on the application within eight (8) months of the application's filing. Notwithstanding the procedure available to qualifying applicants, the Lightning Initiative does not otherwise relinquish Commission authority over proposed capacity additions, nor does the Lightning Initiative restrict or limit participation by interested parties in the certification proceeding.

Q70. DOES ELL QUALIFY TO UTILIZE THE LIGHTNING INITIATIVE PROCEDURE?

A. Yes. ELL meets the five Lightning Initiative criteria. ELL has a signed ESA as described in the Lightning Initiative factors. As Ms. Beauchamp discusses in her testimony, ELL is projected to be short of the capacity needed to meet the terms of the ESA without the proposed capacity. ELL has a letter from LED (attached hereto as Exhibit RDJ-5) confirming the Customer's interest and the importance of power availability within the initial in-service date. The signed ESA has a term of 20 years, with an option to renew. As described earlier in my testimony, the ESA will provide fixed revenue over its term that will cover at least one-half of the fixed revenue requirement associated with the requested capacity (far more, in fact). And ELL has

provided the Commission's Executive Counsel with more than sixty (60) days' notice of its intent to file under the Lightning Initiative.

IX. PUBLIC INTEREST DETERMINATION

Q71. IS THE CONSTRUCTION OF THE GENERATION ASSETS AND TRANSMISSION FACILITIES IN CONNECTION WITH EXTENDING SERVICE TO THE CUSTOMER IN THE PUBLIC INTEREST?

A. Yes, constructing these resources, for which ELL seeks certification, in connection with providing electric service to the Customer -- and all that such service entails, as set forth in the Application and supported by testimony -- is in the public interest. When I make this statement, I am considering all agreements between ELL and the Customer and all actions to implement those agreements, including but not limited to the construction of necessary generation and transmission infrastructure, pursuit of clean energy resources under the Sustainability Agreement, and the application and enforcement of the Billing Terms and the balance of other Customer protections included in the Related Agreements. As I understand ELL's request in the Application, ELL has put a single comprehensive, multi-part, interrelated transaction before the Commission that will allow the Customer's affiliated owner, Meta Platforms, Inc., to continue its transformational investments in Louisiana, including the significant job creation, increased economic activity, and enhanced tax revenues attendant to those investments, and the Commission must determine whether that transaction in its totality should proceed or not. I reiterate that approval of this suite of investments that enable Service to the Customer through a single comprehensive, multi-part, interrelated transaction would serve the public interest.

Q72. WHAT IS THE PUBLIC INTEREST?

A. I would like to start off by acknowledging that I am not a lawyer and I am not expressing a legal opinion. My understanding of what constitutes the public interest as that concept has been developed over the years in matters before the Commission is that which is thought to best serve everyone; it is the common good. If the net effect of a decision is believed to be positive or beneficial to society as a whole, it can be said that the decision serves the public interest.

Public utilities in general, and electric utilities in particular, have a pervasive effect on the public interest. Virtually all elements of society rely on the provision of reliable, economic electric service. Electric utilities have the ability to affect the standard of living of the population within the area they serve by influencing the cost of doing business for the businesses that they serve, affecting the cost of living and quality of life for residential customers, and affecting the interests of investors. In sum, public utilities affect the general level of economic activity and social well-being in the State of Louisiana.

I am not aware of any single simple standard or principle that can be immutably applied to determine whether a particular decision or policy is "in the public interest." Determining whether a decision is "in the public interest" requires a balancing of the various effects of a particular course of action measured subjectively over the longer run. Whether a course of action is "in the public interest" will depend upon factors that are potentially quantifiable on an estimated basis, such as likely changes in rates, as well as upon other factors that are not quantifiable, such as the effect of that course of

action on the robustness of a competitive market. The public interest, however, cannot simply be defined as lower prices, as the Louisiana Supreme Court has made clear in *City of Plaquemine v. Louisiana Public Service Commission*, 282 So. 2d 440, 442-43 (1973) when it found that:

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

The Commission has thus recognized that net benefits cannot simply be defined as lower prices. For example, if lower prices are achieved through a reduction in the reliability or quality of service, it may very well be perceived that the lower prices have not produced net benefits. Similarly, higher prices might not produce negative net benefits or detriments. For example, if an existing price is low due to a cross-subsidy, removing that subsidy would raise that price, but doing so would not necessarily be detrimental.

Objective measurement of how a decision affects the public interest is problematic at best. For the past eighty or more years, regulatory decision-making has been tested in the courts by a balancing-of-interests standard. In these cases, beginning with *Federal Power Commission v. Hope Natural Gas Company*, 320 U.S. 591, 603 (1944), it is my understanding that the courts have found that if the regulatory body's

decision reflected a reasonable balancing of customer and investor interests, the decision was to be affirmed as just and reasonable.

Finally, while witnesses can provide facts and opinions that bear on this issue, it is only the decision-maker, the Commission in this instance, who can reach a conclusion as to whether the construction of the Newly Constructed Assets is in the public interest.

Q73. DO THE BILLING TERMS SUPPORT A PUBLIC INTEREST DETERMINATION?

A. Yes. The Billing Terms agreed to by ELL and Customer are reasonable. Additionally, the Billing Terms balance the interests of stakeholders, including existing customers, so that existing customers are not unfairly burdened by the incremental generation and transmission costs that ELL must incur to serve Customer.

Q74. DO THE BILLING TERMS REASONABLY BALANCE THE INTERESTS OF THE CUSTOMER AND EXISTING CUSTOMERS?

A. Yes. The Billing Terms effectively balance the interest of customers and protect existing customers from cost burdens associated with the Customer's Service. First, the MMCs will cover all of the projected incremental fixed cost of serving Customer's load for the entirety of the ESA Original Term, as well as the cost of other resources that facilitate the Customer's ramp-up during the Commissioning Period. Notably this includes the cost of adequate capacity and energy to cover around-the-clock energy consumption, reserve margins, and line losses, as well as high voltage transmission projects that could all reasonably be classified as System Improvements. Second, my

analysis indicates that projected revenues from the Customer exceed the costs associated with the Customer's Service by approximately $1.27 billion. Additionally, because the Customer will be served under the Company's Rate Schedule LLHLFPS-L and be subject to all of the applicable rate riders assessed to other customers within the rate class, they will contribute an additional $695 million toward Securitized Storm Rider cost and Resilience Rider cost on current customer bills, as described earlier, and will share in all future storm and resilience program costs that are allocated to the rate class. This means that costs will be spread over a larger customer base, which will result in existing customers bearing less costs than they would have borne if the Customer had not elected to site its transformative project in Louisiana and to become a customer of ELL. Finally, Customer's Billing Terms will be re-calculated based upon actual costs, ensuring that the Customer's revenue contributions will cover whatever ELL's actual costs to serve Customer are once those costs are fully known.

Q75. DO THE BILLING TERMS REASONABLY MAINTAIN ELL'S FINANCIAL CONDITION SO THAT EXISTING CUSTOMERS ARE NOT UNDULY BURDENED BY COSTS RELATED TO CUSTOMER'S SERVICE?

A. Yes. As described by Mr. Kidd in his Direct Testimony, payments under the CIAC Agreement and the MMCs maintain ELL's operating cashflows during the construction period of the Newly Constructed Assets by (1) providing cash for construction expenditures, thus limiting the amount of new debt financing required to fund construction activities, and (2) generating operating revenues that support and maintain credit metrics. The Customer's willingness to support the Company's financial

integrity during such a large project is an important consideration so that other customers do not experience unforeseen costs due to adverse credit action or reduction in the Company's financial wherewithal to make other needed investments on behalf of its customers. In this case, ELL and Customer have agreed to Billing Terms that reasonably maintain ELL's financial condition so that existing customers are not unduly burdened by costs related to Customer's service.

Q76. WHAT OTHER TERMS IN THE ESA ARE DESIGNED TO PROTECT THE INTERESTS OF ELL'S OTHER CUSTOMERS AND ELL'S FINANCIAL CONDITION SO THAT EXISTING CUSTOMERS ARE NOT UNDULY BURDENED BY COSTS RELATED TO THE CUSTOMER'S SERVICE?

A. As I describe above, ESA has developed a rate framework and pricing commitments to protect ELL's other customers and ELL from undue risk. In addition to the rate framework and pricing commitments, ELL has negotiated an unprecedented suite of contractual commitments by the Customer. I have mentioned several of these contract terms in my testimony above. Ms. Beauchamp also provides further details on these contractual terms. Nonetheless, they are worth summarizing here in order to emphasize the extraordinary steps taken by ELL to make certain that existing customers will not be unduly burdened by Project Evest:

- **Contract Duration.** The Original Term of the ESA is 20 years. Over this time, Customer will have offset more than 92% of the incremental revenue requirements on new generation projects, which will be approximately 75% depreciated on average by the end of the Original Term, and more than 84% of the incremental

revenue requirement on the ELL-Funded Transmission Project. The ESA also provides for five-year automatic renewal of the ESA if not terminated by three years' advance notice of either party.

- **Notice of Non-Renewal**. The ESA for Project Evest provides for a 36-month notice of non-renewal from the Customer. This time period will provide ELL with additional time to adjust its supply plans in the event the Customer were to decide against renewal as compared to Project Laidley. This was an improvement that was recommended by several parties in the LPSC proceeding related to that project.
- **Early Termination Requirements.** The ESA or CIAC can terminate early for several reasons, including, but not limited to (1) by Customer upon ELL default, (2) by ELL upon Customer default, or (3) by Customer for convenience (together "Termination Events"). For each of the Termination Events, Customer has the obligation to pay the remaining costs owed to the Company for any assets that have not yet entered into service or, if the asset has entered service and is not selected by the Company for its own resource planning purposes, the remaining net book value of such asset, as described in more detail by Ms. Beauchamp, plus any unrecouped costs such as for LTSA or natural gas pipeline capacity or pre-payment penalties on debt incurred by ELL that are repaid with proceeds from the Customer. These particular provisions provide an exceptional degree of protection for ELL's other customers from the risk of stranded costs that would not otherwise be incurred but for the Customer. In addition, as discussed by Ms. Beauchamp and Mr. Kidd, if the termination is triggered after one or more generators are in service and is a termination (by way of example) for convenience or due to the Customer's default,

[redacted]

- **Credit Risk.** ELL has required: (i) a guaranty from Meta of all obligations of the Customer, subject to a cap (the Meta Guaranty), (ii) Credit Default Security whereby a third party is required to make payment in the event of a Customer default, (iii) that Meta post liquid collateral to support obligations under the Meta Guaranty in the event of a downgrade of Meta's credit rating below certain levels, and (iv) [redacted] Company witnesses Kenroy Hinkson and Thomas Kidd describe the significance of these credit protections to Customers and the Company in their respective Direct Testimony.
- **Power Quality Requirements.** As described by Mr. Kline in his Direct Testimony, the Customer has agreed to pay for all additional equipment required to correct various power quality issues caused by the Customer's load.
- **Curtailable Capacity.** As described by Mr. Datta in his Direct Testimony, and as I reference earlier, while Customer has agreed to fully offset the cost of firm system capacity over their ESA Term, [redacted] the ratemaking the Company has proposed, and related billing provisions all serve to reasonably

protect other ELL customers from additional costs associated with service to the uncovered portion of Customer's load during the Commissioning Period.

- **Sustainability Agreement.** As discussed by Ms. Ingram in her Direct Testimony, the Customer has made significant commitments to fund low-income and energy efficiency programs in Louisiana, to support the ongoing pursuit of nuclear expansion in Louisiana, and to contribute to expanded access to renewable resources in Louisiana. Each of these commitments will advance the interests of the State in a meaningful way.

Q77. WHAT OTHER BENEFITS DO YOU BELIEVE THE COMMISSION SHOULD CONSIDER AS PART OF ITS PUBLIC INTEREST DETERMINATION?

A. I believe the Commission should also consider the economic development benefits. Economic development and job creation in North Louisiana have been a longstanding, difficult challenge, and the parish where the Customer's Project will be located is classified by the federal government as a Disadvantaged Community.[34] The Customer's Project is expected to bring billions of dollars in additional investment to Richland Parish and Northeast Louisiana, creating even more economic activity for an area that has historically been deprived of such opportunity. Furthermore, these benefits will elevate the region's workforce capabilities, reinforce local economies, and improve the overall quality of life for residents, establishing a solid foundation for sustainable growth for generations to come. These types of public benefits are exactly the kind that

[34] White House Council on Environmental Quality, Climate and Economic Justice Screening Tool (found at https://screeningtool.geoplatform.gov/).

a utility regulator must consider when determining whether a utility's proposed decision or action is in the public interest.

Q78. ARE THERE ANY RISKS TO ELL OR ITS ELL'S CUSTOMERS FROM PROVIDING ELECTRIC SERVICE TO THE CUSTOMER?

A. Yes. As various other Company witnesses have discussed in their Direct Testimony, there are risks to the Company that are inherent to the transaction. While ELL has gone to great lengths to mitigate or eliminate these risks wherever possible through commercial terms with the Customer, it is not commercially or practically feasible, nor is it contemplated within the regulatory compact,[35] that all risk can be eliminated or closed off, and the Commission should consider not only those remaining, remote risks in its public interest evaluation, but also the opportunity for substantial reward in the form of economic benefits and customer savings that is afforded by taking those risks. In other words, the Commission should evaluate and balance the various risks and benefits inherent in extending service to the Customer and its transformative data center project when considering the public interest in this case -- and grant the relief requested in the Company's Application.

[35] ELL as a regulated utility with an overarching obligation to serve customers and cannot afford to take on all risk associated with providing service to the Customer and is not compensated to do so. ELL's allowed return on equity established most recently in LPSC Docket No. U-36959 is set, among other things, based upon an analysis of ELL's risk relative to its peers (other investor-owned utilities and other LPSC-jurisdictional utilities). To the extent ELL is exposed to risks that comparable peer utilities are not similarly bearing without a commensurate change in its allowed return on equity, investors would disfavor Entergy relative to other peer utilities when evaluating potential investments or terms.

Q79. IS SERVICE TO THE CUSTOMER EXPECTED TO RESULT IN NET ECONOMIC BENEFITS?

A. Yes. Mr. Datta's analysis, as well as my own analysis presented in Exhibit RDJ-2, shows this clearly. In the scenario that he has analyzed, ELL customers are expected to realize approximately $1.413 billion in net present value net economic benefit during the Original Term of the ESA. These net economic benefits, in conjunction with the significant customer protections that ELL was successful in negotiating on behalf of its customers, support a finding from the Commission that, among other things, constructing resources necessary to support providing Service to the Customer is in the public interest and therefore prudent.

Q80. PLEASE SUMMARIZE YOUR PUBLIC INTEREST RECOMMENDATION.

A. ELL's provision of service to the Customer and all that entails, including significant investment by the Company, significant benefits for ELL's existing customers, and significant economic opportunity for Louisiana, carefully balances the interests of all stakeholders; I recommend, therefore, that the Commission find that the resources presented for certification in the Company's Application are in the public interest. As explained above, the Commission's public interest determination should consider all factors – costs and benefits, both quantifiable and difficult-to-quantify – expected to result from ELL's proposed action and should determine whether those factors balance the interest of all stakeholders, that is, the public. ELL's proposed action affects some stakeholders indirectly, such as the residents of Northeast Louisiana and the domestic economy as a whole, and other stakeholders very directly, such as the Customer and

ELL's existing customers. The benefits of ELL's proposed action are remarkable and noteworthy. The Customer's Project brings additional transformative economic benefits to Northeast Louisiana, a disadvantaged area. There will be new jobs and new economic activity. The Customer has committed to funding additional renewable resources, evaluation of potential new nuclear resources, and continued study of the feasibility of CCS, all of which may pave the way for economically decarbonizing additional generation resources. There will be new transmission infrastructure to connect generation and load centers in Arkansas and North Louisiana to load centers in south Louisiana and further support integration of renewable resources. Further, although there are incremental costs from serving the Customer, ELL has balanced the interest of all stakeholders by requiring the Customer to offset all of these incremental costs and a portion of embedded costs through significant contributions and expected revenue levels resulting from the MMCs, filed rate schedule charges consistent with those paid by similar large energy users, the FRP Rate Adjustment, and rider charges. The Customer's other financial contributions and expected revenue levels result in a balanced allocation of the incremental costs and embedded costs so that existing customers are not unduly burdened. Considering all factors, ELL's proposed action balances the interests of all stakeholders and, therefore, is in the public interest, and the Commission should conclude similarly.

X. CONCLUSION

Q81. PLEASE SUMMARIZE YOUR CONCLUSIONS.

A. I conclude as set forth above that: (1) the ESA terms reasonably balance the allocation of costs between the Customer and ELL's other customers; (2) each of the Battery Storage Facilities and the Proposed Generators is a system resource and (as to the Proposed Generators) that each such resource's fuel costs including charging costs for the Battery Storage Facilities should be included in the calculation of ELL's Fuel Adjustment Clause; (3) the ELL-Funded Transmission Project is in compliance with the requirements of the Transmission Siting Order; (4) the Application for Project Evest complies with the 1983 General Order, the Industrial Load Rule, the MBM General Order, and the requirements of the Lightning Initiative; (5) ELL's customers stand to realize significant benefits from the ELL's proposed service to the Customer; and (6) constructing the Generation Assets and ELL-Funded Transmission Project for which ELL seeks certification is in the public interest.

Q82. WHAT FINDINGS ARE YOU REQUESTING FROM THE COMMISSION?

A. The specific findings we are requesting from the Commission are set forth in the Application. However, generally my testimony supports ELL's requests that the Commission: (1) ELL has met the requirements of the Transmission Siting Order, 1983 General Order, Industrial Load Rule, and the MBM General Order by satisfying the five Lightning Initiative criteria and qualifies under the Lightning Initiative; (2) construction of each of the Newly Constructed Assets including the ELL-Funded Transmission Project and each of the Proposed Generators, and Battery Storage

Facilities is in the public interest; (3) each of the Battery Storage Facilities and the Proposed Generators is a system resource and (as to the Proposed Generators) that each such resource's fuel costs or charging costs for the Battery Storage Facilities should be included in the calculation of ELL's Fuel Adjustment Clause; and (4) ELL is authorized to implement the Deferral Proposal Framework, including the requested cost recovery and rate mechanics, to manage the effect on customer rates associated with the Customer's Service.

Q83. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?

A. Yes, at this time.

AFFIDAVIT

STATE OF LOUISIANA

PARISH OF JEFFERSON

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

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

Ryan D. Jones

SWORN TO AND SUBSCRIBED BEFORE ME
THIS 23 DAY OF MARCH, 2026

NOTARY PUBLIC

My commission expires: at death

Lawrence J. Hand Jr.
Bar 23770 / Notary 52176
Notary Public in and for the
State of Louisiana.
My Commission is for Life.

Listing of Previous Testimony Filed by Ryan D. Jones

DATE	TYPE	JURISDICTION	DOCKET NO.
08/22/2019	Affidavit	LPSC	U-35370
06/17/2021	Settlement	LPSC	U-35584
12/08/2021	Direct	LPSC	U-36222
4/21/2022	Direct	LPSC	U-36338
11/14/2022	Settlement	LPSC	U-36222
11/15/2022	Rebuttal	LPSC	U-36338
12/29/2022	Settlement	LPSC	U-36338
10/31/2023	Affidavit	LPSC	U-34951, U-35205, U-35581, U-36092, U-36381
12/11/2023	Direct	LPSC	S-37079
1/31/2024	Affidavit	LPSC	S-37113
3/5/2024	Direct	LPSC	U-37131
3/22/2024	Direct	LPSC	U-37143
5/3/2024	Direct	LPSC	U-37193
5/28/2024	Direct	LPSC	U-37225
8/2/2024	Affidavit	LPSC	U-36959
9/25/2024	Rebuttal	LPSC	U-37193
10/30/2024	Direct	LPSC	U-37425
12/9/2024	Settlement	LPSC	U-37193
12/23/2024	Direct	LPSC	U-37467
2/11/2025	Settlement	LPSC	U-37143
2/26/2025	Direct	LPSC	U-37527
4/17/2025	Direct	LPSC	U-37563
5/30/2025	Rebuttal	LPSC	U-37425
6/27/2025	Rebuttal	LPSC	U-37467
12/18/2025	Direct	LPSC	U-37812

BEFORE THE

LOUISIANA PUBLIC SERVICE COMMISSION

IN RE: **APPLICATION OF ENTERGY LOUISIANA, LLC FOR CERTIFICATION OF GENERATION AND TRANSMISSION RESOURCES AND FOR OTHER RELIEF PURSUANT TO THE COMMISSION'S *LIGHTNING INITIATIVE***	**)** **)** **)** **)** **)** **)**	**DOCKET NO. U-_____**

EXHIBIT RDJ-2

HIGHLY SENSITIVE PROTECTED MATERIALS
AND ATTORNEYS' EYES ONLY
FILED UNDER SEAL

INTENTIONALLY OMITTED

MARCH 2026

BEFORE THE

LOUISIANA PUBLIC SERVICE COMMISSION

IN RE: **APPLICATION OF ENTERGY LOUISIANA, LLC FOR CERTIFICATION OF GENERATION AND TRANSMISSION RESOURCES AND FOR OTHER RELIEF PURSUANT TO THE COMMISSION'S *LIGHTNING INITIATIVE***	**)** **)** **)** **)** **)** **)**	**DOCKET NO. U-_____**

EXHIBIT RDJ-3

HIGHLY SENSITIVE PROTECTED MATERIALS
FILED UNDER SEAL

INTENTIONALLY OMITTED

MARCH 2026

BEFORE THE

LOUISIANA PUBLIC SERVICE COMMISSION

IN RE: **APPLICATION OF ENTERGY LOUISIANA, LLC FOR CERTIFICATION OF GENERATION AND TRANSMISSION RESOURCES AND FOR OTHER RELIEF PURSUANT TO THE COMMISSION'S *LIGHTNING INITIATIVE***	**)** **)** **)** **)** **)** **)**	**DOCKET NO. U-_____**

EXHIBIT RDJ-4

HIGHLY SENSITIVE PROTECTED MATERIALS
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INTENTIONALLY OMITTED

MARCH 2026

BEFORE THE

LOUISIANA PUBLIC SERVICE COMMISSION

IN RE: **APPLICATION OF ENTERGY LOUISIANA, LLC FOR CERTIFICATION OF GENERATION AND TRANSMISSION RESOURCES AND FOR OTHER RELIEF PURSUANT TO THE COMMISSION'S *LIGHTNING INITIATIVE***	**)** **)** **)** **)** **)** **)**	**DOCKET NO. U-_____**

EXHIBIT RDJ-4.1

HIGHLY SENSITIVE PROTECTED MATERIALS
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INTENTIONALLY OMITTED

MARCH 2026

Jeff Landry
Governor

LOUISIANA ECONOMIC DEVELOPMENT

Susan Bonnett Bourgeois
Secretary

March 23, 2026

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

Re: Planned Investment by Evest, LLC in Richland Parish, Louisiana

Dear Mr. Frey,

Pursuant to the requirements of the Lightning Amendment to the General Order (the "Lightning Amendment") that was issued by the Louisiana Public Service Commission ("LPSC" or "Commission") during its Business and Executive Session on December 17, 2025, Louisiana Economic Development ("LED") is pleased to confirm that Evest, LLC, a subsidiary of Meta Platforms, Inc., has expressed an interest in completing a significant data center investment in Richland Parish, Louisiana, provided that it can obtain, among other things, power availability within the next five years (including initial utility contract power by 2028).

As recognized by the Commission in issuing the Lightning Amendment, Louisiana is well-positioned to compete for economic opportunities and has been recognized in recent years for its efforts in ensuring the state is an attractive place in which to do business. Those efforts are achieving real results: as the Commission is aware, there has been a series of high-profile economic development announcements in Louisiana in recent years.

Provided the project's power availability and other needs are satisfied, Evest's planned investment will continue the transformative economic momentum that has taken hold of the northeastern portion of our state. LED looks forward to the continued success in Richland Parish and across all of Louisiana as developments like the one planned by Evest come to fruition and, in turn, spark additional economic activity and investments for the benefit of all of our citizens.

Sincerely,

Susan Bonnett Bourgeois
Secretary
Louisiana Economic Development

cc: Phillip R. May, Entergy Louisiana, LLC