

LOUISIANA PUBLIC SERVICE COMMISSION

ORDER NUMBER U-35565

ENTERGY LOUISIANA, LLC,
EX PARTE

Docket No. U-35565, In re: Application for Extension and Modification of Formula Rate Plan.

(Decided at the May 19, 2021 Business and Executive Session.)

I. OVERVIEW AND PROCEDURAL HISTORY

On May 29, 2020, Entergy Louisiana, LLC (“ELL” or the “Company”) filed with the Louisiana Public Service Commission (“LPSC” or “Commission”) the Application of Entergy Louisiana, LLC for Authority to Extend Formula Rate Plan (“Application”) seeking extension and modification of its Formula Rate Plan (“FRP”). The last Test Year of the current FRP is Test Year 2019, which sets rates through August 2021. The Louisiana Public Service Commission (“LPSC” or “Commission”) published notice of the Application in its Official Bulletin dated June 12, 2020, and established a 25-day intervention period. ELL re-urged its Application on June 25, 2020, and notice was published in the June 26, 2020 Official Bulletin for an additional 15-day intervention period. Notice of ELL’s Application was also published in the official journals. The following parties intervened: Alliance for Affordable Energy, Louisiana Energy Users Group, Marathon Petroleum Company LP, and Walmart Inc. (collectively, “Intervenors”). At the Commission’s December 18, 2019 Business and Executive Session (“B&E”), the Commission retained United Professionals Company as outside consultants to assist Commission Staff with this proceeding, (collectively “Staff”).

At a July 28, 2020 Status Conference before Chief Administrative Law Judge Melanie Verzwyvelt, ELL proposed to defer establishing a procedural schedule in order to allow parties time for discovery and to work toward a consensual resolution of the issues in the Application. This procedural approach was affirmed and a deadline set for ELL to submit a status report advising the Judge Verzwyvelt regarding the status of settlement discussions. Staff and the Intervenors conducted extensive discovery regarding the Company’s Application over a period of several months. The parties participated in numerous conferences, meetings, and discussions, ultimately reaching a stipulation in this matter. Multiple monthly status reports were filed into the record in accordance with deadlines established by Judge Verzwyvelt.

On April 23, 2021, ELL and Staff filed the Unopposed Joint Motion for Consideration of Proposed Stipulation by the Commission Pursuant to Rule 57 (“Joint Motion”) requesting that the Commission assert its original and primary jurisdiction and consider, at its May 19, 2021 Business & Executive (“B&E”) Session, the proposed settlement of the outstanding issues in this docket as provided in the uncontested Stipulation Term Sheet (“Stipulation”) and issue an order approving the settlement. The Joint Motion was supported by the Stipulation (including its exhibits) attached

as Attachment “A” *in globo* resolving all of the issues in this docket. ELL, Staff and Intervenors all executed and supported the Stipulation. The Joint Motion was further supported by the Settlement Testimony and Exhibit of Ms. Elizabeth C. Ingram on behalf of ELL as Attachment “B”, and the Testimony in Support of Uncontested Proposed Stipulated Settlement and Exhibit of Mr. R. Lane Sisung on behalf of Staff as Attachment “C” (HSPM version Attachment “C-1” filed under seal). At the Commission’s May 19, 2021 B&E, the Commission voted to exercise its original and primary jurisdiction under Rule 57 of the Commission’s Rules of Practice and Procedure, grant the unopposed Joint Motion, and adopt the Stipulation by unanimous vote.

II. COMMISSION JURISDICTION

The jurisdiction of the Commission is set forth by constitutional and statutory provisions. The Louisiana Constitution, Article IV, Section 21, provides:

The Commission shall regulate all common carriers and public utilities and have such other regulatory authority as provided by law. It shall adopt and enforce reasonable rules, regulations, and procedures necessary for the discharge of its duties, and shall have other powers and perform other duties as provided by law.

III. COMPANY’S APPLICATION

ELL rates have been set through LPSC-approved FRPs since 1995 and former Entergy Gulf States Louisiana, L.L.C since 2005. ELL’s most recent FRP was approved in Order No. U-34361 and expired with the 2019 Evaluation Period. In its Application the Company sought among other things, to (i) extend the FRP through the 2022 Evaluation Period (an additional three years); (ii) maintain a 9.80% Evaluation Period Cost of Equity (“EPCOE”); (iii) apply a one-time reset of Base Rider FRP Revenue to the midpoint of the Bandwidth (9.80%) based on a 2020 Evaluation Period; (iv) change the methodology for calculating rate base from beginning/ending average to end of year; (v) deferral of certain outside of right of way vegetation maintenance expenses and (v) implement a distribution recovery mechanism (“DRM”). In support of its Application ELL filed the Direct Testimony and Exhibits of Phillip R. May, Joshua B. Thomas, and Anthony P. Arnould. ELL’s Application states that it is seeking the extension and modification so that the “FRP will result in just and reasonable rates that will permit the Company to continue making investments that will yield direct benefits to customers in the form of enhanced reliability and performance.”¹

IV. STIPULATION

After extensive discovery and settlement conferences involving all the parties, the parties were able to resolve all issues in the Company’s Application and executed the Stipulation with exhibits. Attached to the Stipulation as Exhibit A is the modified FRP tariff, Rider Schedule FRP in redline compared to the most recent Rider Schedule FRP approved in Order No. U-34631; attached as Exhibit B is an illustrative calculation of the DRM; and, attached as Exhibit C are the DRM Reporting Requirements. In support of the Stipulation, both Staff and ELL filed testimony.

¹ ELL Application at 1.

Ms. Ingram's testimony describes ELL's Application, provides an overview of the Stipulation, and sets forth the reasons ELL agrees the Stipulation. Mr. Sisung also summarizes the Application, discusses the Stipulation, and recommends that the Commission approve the Stipulation as just and reasonable and in the public interest. He further testifies that the Stipulation approves a modified FRP which provides a framework to set just and reasonable rates for ELL customers during the renewed term of the FRP. A summary of the key provisions included in the Stipulation is as follows:

- Extension of ELL's FRP for three years, through the 2022 Test Year.
- A one-time adjustment to rates of \$63 million for Test Year 2020 effective for bills issued in September 2021.
- FRP bandwidth for Test Years 2021 and 2022 of 9.00% – 10.00% (midpoint return on equity reduced from 9.80% to 9.50%).
- Caps on any potential cost of service rate increases for Test Years 2021 and 2022 – cannot exceed \$70M cumulatively.
- Implements Distribution Recovery Mechanism (providing for the recovery of distribution investment above \$200M for Test Year 2020 and \$150M for Test Years 2021-2022 with a cap of \$225M annually) designed to operate in manner similar to Transmission Recovery Mechanism.
 - Contains performance requirements for improvements in outage frequency and duration.
 - If performance requirements not met, ELL must make refunds to customers .
 - Provides enhanced transparency and accountability for ELL's distribution spending.
- A process to address any future federal tax rate changes within the ELL's already existing Tax Reform Adjustment Mechanism, which was created to address tax rate reductions associated with the Tax Cuts and Jobs Act.
- A continuation of the Transmission Recovery Mechanism, which allows for accelerated recovery of Transmission rate base investment placed in service above a \$100 million floor.
- A continuation of the Midcontinent Independent System Operator Recovery Mechanism ("MCRM"), which allows for the variable transmission revenues and MISO expenditures to be annually trued up in rates.
- An agreement that the Parties shall engage in a collaborative process to present and discuss proposals for an Arrearage Management Program ("AMP"), whereby if a joint agreement is not reached, any party may propose an AMP for the Commission to consider.

V. COMMISSION ACTION

This matter was placed on the May 19, 2021 B&E Agenda for the Commission's consideration. On the motion of Vice Chairman Skrmetta, seconded by Commissioner Francis, and unanimously adopted, the Commission voted to assert its original and primary jurisdiction and take the matter up pursuant to Rule 57 of the Commission's Rule of Practice and Procedure. On the motion of Vice Chairman Skrmetta, seconded by Commissioner Francis and unanimously

adopted, the Commission voted grant the unopposed Joint Motion filed April 23, 2021 and adopt the Stipulation with exhibits as executed and supported by all parties to this proceeding resolving all issues in this matter.

THEREFORE, IT IS ORDERED:

1. That the Commission adopts the Stipulation with exhibits attached to this Order as Attachment A, *in globo*.
2. This Order is effective immediately.

**BY ORDER OF THE COMMISSION
BATON ROUGE, LOUISIANA
June 4, 2021**



/S/ CRAIG GREENE

**DISTRICT II
CHAIRMAN CRAIG GREENE**

/S/ ERIC F. SKRMETTA

**DISTRICT I
VICE CHAIRMAN ERIC F. SKRMETTA**

/S/ FOSTER L. CAMPBELL

**DISTRICT V
COMMISSIONER FOSTER L. CAMPBELL**

/S/ LAMBERT C. BOISSIERE, III

**DISTRICT III
COMMISSIONER LAMBERT C. BOISSIERE, III**

/S/ MIKE FRANCIS

**DISTRICT IV
COMMISSIONER MIKE FRANCIS**

A handwritten signature in blue ink, appearing to read "Brandon M. Frey".

**BRANDON M. FREY
SECRETARY**

**BEFORE THE
LOUISIANA PUBLIC SERVICE COMMISSION**

DOCKET NO. U-35565

**ENERGY LOUISIANA, LLC,
EX PARTE**

In re: Application for Extension and Modification of Formula Rate Plan.

STIPULATION TERM SHEET

This Stipulation Term Sheet (“Stipulation”) is entered into by and among Entergy Louisiana, LLC (“ELL” or the “Company”); Louisiana Public Service Commission (“LPSC” or “Commission”) Staff (“Staff”); and Intervenors: the Louisiana Energy Users Group (“LEUG”); Marathon Petroleum Company, LP (“Marathon”); Alliance for Affordable Energy; and Walmart, Inc. (collectively the “Parties”). Accordingly, the Parties propose the following settlement terms to the Commission:

A. Conditions Precedent

1. This Stipulation reflects a compromise, settlement, and accommodation among the Parties and the terms and conditions herein are interdependent.
2. All actions by the Company contemplated or required by this Stipulation are conditioned upon the Commission’s issuance of a final order in this proceeding consistent with the terms of this Stipulation, which includes the exhibits hereto.

B. Application in LPSC Docket No. U-35565

1. This Stipulation resolves all issues associated with the Company's pending application in this proceeding for an extension and modification of its Formula Rate Plan ("FRP"), Rider Schedule FRP ("Application").
2. The Company agrees to (i) the specific relief described herein and (ii) the extension and modification of its prior FRP as provided for in Exhibit "A", which reflects a revised Formula Rate Plan Rider, Rider Schedule FRP. The Stipulation and its exhibits read together reflect the agreement between the Parties.

C. Extension, Modification, and Re-authorization of Formula Rate Plan

1. The Company's most recent FRP, Rider Schedule FRP-1, as modified herein and as reflected in Exhibit "A",¹ shall be extended through Test Year 2022. For each Test Year of the extended term (*i.e.*, 2020, 2021, and 2022) the Company shall submit an annual FRP Evaluation Report for the 12 months ending December 31 of 2020, 2021, and 2022 ("Extension Period"), respectively, with FRP Rider Revenue for these three Test Years to be re-determined pursuant to the terms of this Stipulation and Rider Schedule FRP as set forth in Exhibit "A".
2. Annual Evaluation Report Filings and Review Process During Extension Period:
 - a. Except for the Evaluation Report for Test Year 2020, ELL's annual Evaluation Reports during the Extension Period shall be due on or before May 31 of the respective filing years.

¹ All modifications of the Company's prior FRP agreed to by the Parties appear as redlined changes on Exhibit "A".

- b. For Test Year/Evaluation Period 2020, the Evaluation Report shall be due on or before June 30, 2021. All other scheduled due dates in the review process shall also be extended by 30 days. However, the date for implementation of rates resulting from the 2020 Test Year Evaluation Report shall be maintained as the first billing cycle of September 2021 (as provided for in subsection 2.c., immediately below), subject to refund pending completion of the Parties' review in accordance with the established FRP process.
- c. FRP Revenues shall be adjusted as provided for in Section 2.C. of Rider Schedule FRP and shall be effective for monthly bills rendered on and after the first billing cycle of September of each filing year (*i.e.*, September 2021, September 2022, and September 2023, respectively), unless a later rate effective date is agreed to by the Parties.
3. With the exception of application of the Bandwidth Provisions of the FRP (Sections 2.C.2.c.(3) through 2.C.2.c.(6)) for Test Year 2020 (September 2021), ELL's FRP shall reflect a 9.50% Evaluation Period Cost of Equity ("EPCOE") for the term of the FRP and corresponding rate effective periods. The Company's FRP shall also reflect a Common Equity Bandwidth ("Bandwidth") that spans from 50 basis points above the EPCOE to 50 basis points below (from 9.00%-10.00%).²
4. For the Evaluation Period ending December 31, 2020, the Bandwidth Provisions of the FRP (Sections 2.C.2.c.(3) through 2.C.2.c.(6)) will be temporarily suspended such that Base Rider FRP Revenue will be increased by \$63 million. The Bandwidth Provisions

² *I.e.*, the total 100 basis point common equity bandwidth consists of 50 basis points both above and below the target 9.50% common equity return, based on the Test Year as described above.

of the FRP will be reinstated for the remaining term of the FRP Extension Period (*i.e.*, through the 2022 Test Year). There will be no sharing above the Upper Band or below the Lower Band such that Base Rider FRP Revenue will be adjusted to the Upper Band or Lower Band if the Earned Return on Common Equity (“EROE”) falls above or below the Bandwidth, respectively and subject to the cumulative cap described herein.

5. Pursuant to Rider Schedule FRP, Base Rider FRP Revenue determinations will reflect the corporate federal income tax rate in effect at the time ELL’s annual Evaluation Reports are filed and subject to a regulatory asset/liability provided for in the Tax Reform Adjustment Mechanism (“TRAM”).
6. Except for the items otherwise specifically referenced and changed by approval of this Stipulation, the base revenue allocation methodology for rate design purposes reflected in Rider Schedule FRP shall continue to be used to set rates through the rate effective period for the Extension Period (*i.e.* through at least August 2024).
7. Any annual Base Rider FRP rate increase provided for under Section 2.C.2.c of Rider Schedule FRP shall not exceed \$70 million in the aggregate for the 2021 and 2022 Evaluation Periods (“Rate Cap Mechanism”). However, this Rate Cap Mechanism shall not be applicable to any rate changes provided for in Sections 3, 4, or 5 of Rider Schedule FRP (*i.e.*, relating to Provisions for Other Rate Changes such as, the Additional Capacity Mechanism, the MISO Cost Recovery Mechanism (“MCRM”), the Transmission Recovery Mechanism, the TRAM and the Distribution Recovery Mechanism (“DRM”) described herein, respectively.

D. Tax Reform Adjustment Mechanism (“TRAM”)

1. Rider Schedule FRP Section 5, Tax Reform Adjustment Mechanism, shall be modified to address any changes to the federal corporate income tax rate (currently 21%) that occur prior to the September 2023 billing cycle. The rate adjustments, if any, shall be included in the TRAM as provided for under Section 5 of Rider Schedule FRP outside of the Base Rider FRP Revenue Adjustment. (*i.e.*, dollar-for-dollar outside of the FRP bandwidth calculation and outside the Rate Cap Mechanism set forth in Section 2.C.2.d of Rider FRP).
2. Rider Schedule FRP Section 5 provides that, in the event of a change to the federal corporate income tax rate, ELL is permitted to create a regulatory asset or liability to account for the difference in the then-current tax rate relative to what is reflected in rates. The regulatory asset or liability will be created on the effective date of the tax rate change, and the regulatory asset or liability will accrue carrying charges at the Company’s weighted average cost of capital through the TRAM. In the event of a future tax rate change and creation of a regulatory asset or liability, ELL shall make a compliance filing pursuant to Section 501(C) of LPSC General Order dated July 1, 2019 to include such regulatory asset or liability as a component of the TRAM, and set forth a methodology to change its rates and recover from or credit customers for the value of that regulatory asset or liability after review and approval by the LPSC.
3. Any change in the federal corporate income tax rate may also require adjustment or re-valuation of accumulated deferred income tax (“ADIT”) that is reflected in the Company’s rate base. To the extent a change in the tax rate affects existing ADIT balances, a regulatory asset or liability will be created on the effective date of the tax

rate change, and the regulatory asset or liability will accrue carrying charges at the Company's weighted average cost of capital. In the event of a future tax rate change and creation of a regulatory asset or liability, ELL shall make a compliance filing pursuant to Section 501(C) of LPSC General Order dated July 1, 2019 to include such regulatory asset or liability as a component of the TRAM, and set forth a methodology to change its rates to recover from or credit customers for the value of that regulatory asset or liability after review and approval by the LPSC.

E. Transmission Recovery Mechanism

1. Rider Schedule FRP, at Section 3.F, continues to reflect a Transmission Recovery Mechanism ("TRM"), which shall be in effect for Test Years 2020, 2021 and 2022, without any changes from what was approved in Order No. U-34361.

F. Distribution Recovery Mechanism

1. Rider Schedule FRP reflects the addition of a Distribution Recovery Mechanism ("DRM") in Section 3.G that will function in a manner similar to the TRM found in Section 3.F. of Rider Schedule FRP, except that recovery through this mechanism will be subject to a floor and ceiling and will be allocated based on a Distribution Plant in Service Allocation Factor as a percentage of total retail Distribution Plant in Service.
2. The Company shall be allowed the opportunity to recover fully through Rider FRP, Section 3.G, on a dollar-for-dollar basis outside the FRP bandwidth calculation and outside the Rate Cap Mechanism set forth in Section 2.C.2.d of Rider Schedule FRP, the pre-tax return on rate base and depreciation expense associated with (i) all distribution capital additions that are placed in service, or expected to be placed in service, between January 1 and August 31 of the Filing Year subject to a DRM Floor

and DRM Ceiling and true-up as described below (“Filing Year DRM Amount”); and (ii) distribution capital additions placed in service during the Evaluation Period subject to a DRM Floor and DRM Ceiling as described below (“Evaluation Period DRM Amount”), less the Filing Year DRM amount reflected in the prior year’s Evaluation Report, if any. The Company will include a Filing Year DRM Amount in its initial Evaluation Report using the best estimate then available. It will then update this amount in a compliance report submitted prior to the rate effective date, with explanations provided for changes in the amount. The end of period Distribution Plant in Service estimated (based on most recent actuals) through August 31 of the Filing Year shall be subject to an after-the-fact true-up in the next FRP Evaluation Period. This true-up adjustment will be designed to correct over- or under- collections that may have occurred due to the use of estimated Distribution Plant in Service through August 31 compared to actual Distribution Plant in Service through August 31. Beginning with the 2021 Evaluation Report, ELL shall include with the FRP Evaluation Report, a true-up report comparing the estimated Distribution Plant in Service through August 31 of the previous Filing Year and the actual Distribution Plant in Service through August 31 of the previous Filing Year and, if the difference exceeds \$2 million, a calculation of the proposed adjustment to correct any over- or under-collections due to the use of the estimated Distribution Plant in Service, with carrying costs at the Company’s weighted average cost of capital (“WACC”), along with any workpapers in native format with all formulae intact supporting that true-up calculation.

3. DRM Floor - For purposes of calculating the Evaluation Period DRM Amount, rate base included in the DRM shall include amounts for end of period Distribution Plant

in Service above a DRM Floor of \$200 million for 2020 and \$150 million per year for 2021 and 2022. For purposes of calculating the Filing Year DRM Amount, rate base shall include amounts of end of period Distribution Plant in Service estimated (based on most recent actuals) through August 31 of the Filing Year above an amount equal to two-thirds of the DRM Floor of \$150 million, which represents the DRM Floor prorated to eight of twelve months.

4. DRM Ceiling - For purposes of calculating the Evaluation Period DRM Amount, rate base included in the DRM shall include amounts for end of period Distribution Plant in Service above the applicable DRM Floor and up to the next \$225 million per year. For purposes of calculating the Filing Year DRM Amount, rate base shall include amounts of end of period Distribution Plant in Service estimated (based on most recent actuals) through August 31 of the Filing Year above an amount equal to two-thirds of the DRM Floor of \$150 million and up to the next \$150 million, which represents the DRM Ceiling of \$225 million prorated to eight of twelve months.
5. For the purpose of calculating a revenue requirement under the DRM only, Depreciation Expense recovered in the DRM shall be calculated using a three percent annual depreciation rate multiplied by the rate base included in the DRM, with the equivalent depreciation amount reflected as the Accumulated Reserve for Depreciation of the revenue requirement, which will serve as a reduction to Plant in Service with the net amount reflected as rate base in the DRM. Any difference between the three percent depreciation rate and the actual depreciation rates applicable to the assets recovered through the DRM is recoverable through the normal Base FRP recovery mechanism (*i.e.*, within the bandwidth mechanism). In other words, this assumed three percent

depreciation rate is for ease of calculating a revenue requirement in the DRM only; this is not meant to change the LPSC-approved distribution depreciation rates.

6. In each Evaluation Report, the FRP Revenue associated with the prior year's Evaluation Period DRM Amount shall be removed/reclassified from the DRM and included as Present Rate Revenue for the Evaluation Period. Moreover, in each Evaluation Report, the FRP Revenue associated with the prior year's Filing Year DRM Amount, if any, shall be removed from the DRM and included as Present Rate Revenue for the current Evaluation Period and the associated revenue requirement therefore will be annualized within the bandwidth calculation to appropriately compare to Present Rate Revenue. Finally, amounts of rate base and depreciation expense included in the revenue requirement for the Evaluation Period DRM Amount shall be excluded from the FRP bandwidth calculation to avoid double recovery. Exhibit "B" provides an example of the DRM calculation based on illustrative distribution plant additions for the relevant Filing Year and Evaluation Period.
7. The DRM shall expire at the end of the FRP Extension Period, and specific Commission approval will be required to extend it beyond that time period.
8. The Company shall engage in periodic reporting regarding the DRM as described on Exhibit "C".
9. The Company agrees to the following DRM Performance Accountability standards and requirements:
 - a. If ELL's 2021 SAIDI is not at least 1% below the lesser of the Commission's required SAIDI target or ELL's 2019 SAIDI, then it shall provide customers a one-time credit of 10% of the DRM Revenue Requirement allowed for Test

Year 2020 to be implemented through an annual FRP adjustment in the 2022 Filing Year, if an FRP is still in place. If there is no FRP in place, there shall be a one-time credit on the customer's bills implemented in the first billing cycle of September 2022 and spread over 12 months with carrying charges calculated using the Company's WACC; allocated to customers in the same manner as DRM is collected.

- b. If ELL's 2022 SAIDI is not at least 2% below the lesser of the Commission's required SAIDI target or ELL's 2019 SAIDI, then it shall provide customers a one-time credit of 10% of the DRM Revenue Requirement allowed for Test Year 2021 to be implemented through an annual FRP adjustment in the 2023 Filing Year, if an FRP is still in place. If there is no FRP in place, there shall be a one-time credit on the customer's bills implemented in the first billing cycle of September 2023 and spread over 12 months with carrying charges calculated using the Company's WACC; allocated to customers in the same manner as DRM is collected.
- c. If ELL's 2023 SAIDI is not at least 5% below the lesser of the Commission's required SAIDI target or ELL's 2019 SAIDI then it shall provide customers a one-time credit of 10% of the DRM Revenue Requirement allowed for Test Year 2022 to be implemented through an annual FRP adjustment in the 2024 Filing Year. If there is no FRP in place, there shall be a one-time credit on the customer's bills implemented in the first billing cycle of September 2024 and spread over 12 months with carrying charges calculated using the Company's WACC; allocated to customers in the same manner as DRM is collected.

- d. If ELL's 2021 SAIFI is not at least 1% below its 2019 SAIFI, then it shall provide customers a one-time credit of 8% of the DRM Revenue Requirement allowed for Test Year 2020 to be implemented through an annual FRP adjustment in the 2022 Filing Year. If there is no FRP in place, there shall be a one-time credit on the customer's bills implemented in the first billing cycle of September 2022 and spread over 12 months with carrying charges calculated using the Company's WACC; allocated to customers in the same manner as DRM is collected.
- e. If ELL's 2022 SAIFI is not at least 2% below its 2019 SAIFI, then it shall provide customers a one-time credit of 8% of the DRM Revenue Requirement allowed for Test Year 2021 to be implemented through an annual FRP adjustment in the 2023 Filing Year. If there is no FRP in place, there shall be a one-time credit on the customer's bills implemented in the first billing cycle of September 2023 and spread over 12 months with carrying charges calculated using the Company's WACC; allocated to customers in the same manner as DRM is collected.
- f. If ELL's 2023 SAIFI is not at least 7% below its 2019 SAIFI, then it shall provide customers a one-time credit of 8% of the DRM Revenue Requirement allowed for Test Year 2022 to be implemented through an annual FRP adjustment in the 2024 Filing Year, if an FRP is still in place. If there is no FRP in place, there shall be a one-time credit on the customer's bills implemented in the first billing cycle of September 2024 and spread over 12 months with

carrying charges calculated using the Company's WACC; allocated to customers in the same manner as DRM is collected.

- g. For years 2021, 2022 and 2023 (reports due February 2022, 2023, 2024), if ELL fails the Commission's then current requirements for the SAIFI Metric, it shall provide customers in the next year a one-time credit of \$1,500,000 to be implemented through the annual FRP adjustment of the following Filing Year and spread over 12 months. If there is no FRP in place, there shall be a one-time credit on the customer's bills implemented in the first billing cycle of September of the following Filing Year and spread over 12 months with carrying charges calculated using the Company's WACC; allocated to customers in the same manner as DRM is collected. This provision provides the exclusive remedy available to the Commission for any such failure by ELL in 2021, 2022 and 2023 to meet the requirements of the Commission's General Order dated April 30, 1998 in Docket No. U-22389 ("SAIFI/SAIDI General Order").
- h. For years 2021, 2022 and 2023 (reports due February 2022, 2023, 2024), if ELL fails the Commission's then current requirements for the SAIDI Metric, it shall provide customers in the next year a one-time credit of \$1,500,000 to be implemented through the annual FRP adjustment of the next Filing Year and spread over 12 months with carrying charges calculated using the Company's WACC. If there is no FRP in place, there shall be a one-time credit on the customer's bills implemented in the first billing cycle of September of the following Filing Year; allocated to customers in the same manner as DRM is

collected. This provision provides the exclusive remedy available to the Commission for any such failure by ELL in 2021, 2022 and 2023 to meet the requirements of the Commission's General Order dated April 30, 1998 in Docket No. U-22389 ("SAIFI/SAIDI General Order").

G. Midcontinent Independent System Operator, Inc. Cost Recovery Mechanism ("MCRM")

1. Rider Schedule FRP, continues to reflect a MCRM at Section 4, which shall be in effect for Test Years 2020, 2021 and 2022, without any changes from what was approved in Order No. U-34361.

H. Other Stipulation Terms

1. Except for items identified in immediately following paragraph H(2) below, and other than through the FRP's Annual Redetermination of Rate Adjustments and subject to the rate reset and Rate Cap Mechanism provided in paragraphs C(4) and C(7) above, this Stipulation resolves all revenue deficiency/lost revenue claims for Test Years 2020, 2021 and 2022, so ELL cannot pursue separate claims for those Test Years.
2. All Parties reserve all rights to seek recovery of and/or oppose claims by ELL for the following items:
 - a. COVID related write-offs for arrearages/bad debt if and when claims are pursued by ELL for recovery of write-offs after it works through payment plan efforts.
 - b. COVID related waivers of late fees/forfeited discounts if and when claims are pursued by ELL for recovery of such waived late fees.
 - c. Incremental expenses arising from ELL's COVID response or from implementation of the LPSC's orders pertaining to COVID.

- d. New events that occur in Test Years 2021 or 2022 and that, pursuant to Section 3.C of ELL's Rider FRP, would permit ELL to file as a Force Majeure claim for rate or other relief outside the bandwidth provisions of the FRP and caps provided herein, with such request to be considered by the Commission in accordance with its regulations and applicable law governing such filings; provided, however, that any claims for revenue deficiency/lost revenue claims for Test Years 2020, 2021 and 2022 directly resulting from or directly related to COVID shall not be a new event under this provision.
3. Separate from this Stipulation, if ELL seeks authorization from the Commission to recover any hurricane or COVID related costs, ELL shall request, and all Parties agree to take the position, that any authorized recovery of such costs from customers not commence any earlier than January 1, 2022. All Parties acknowledge, and may address in any such proceeding, the fact that delaying cost recovery until 2022 may increase the cost ultimately paid by customers.
4. The Company shall be permitted to defer up to \$7 million/year of expense in Test Year 2021 and 2022 for Outside of Right of Way Vegetation Management, with the deferred balance being recovered over a 10-year period with carrying costs at the applicable WACC. For this deferral mechanism, Outside of Right of Way Vegetation Management shall mean (i) trimming or removal of damaged, dying, diseased, decayed, leaning, or otherwise compromised trees located outside ELL's right of way that might endanger the Company's conductors and structures and (ii) where the owner or legal possessor has provided consent or provided ELL a contractual right to do so. ELL shall not be permitted to defer under this provision any expense associated with trimming or

removing trees from outside of the right of way where it did not have consent or a contractual right to do so. ELL shall file into the record of this proceeding a public report with the Commission every six months starting six months from the date of the order in this matter setting forth by zip code (i) the number of trees outside of its right of way it removed or trimmed with the consent of the property owner or pursuant to a contractual right and (ii) the number of trees it removed without consent or a contractual right to do so. ELL shall serve this report on all Parties. This reporting requirement is not intended to pre-empt or substitute for any approvals that may be required under local, state and/or federal law. In authorizing this deferral, the Commission is not asserting or attempting to assert review of, or take any position with regard to: property rights, property damage or other claims, zoning, right-of-way, land use, or any environmental concerns as those are not subject to the jurisdiction of the Commission.

5. The Parties shall engage in a collaborative process to present and discuss proposals for an Arrearage Management Plan (“AMP”), including an implementation plan and timeline. If the Parties do not reach agreement on an AMP proposal within 45 days after issuance of an LPSC order approving this Stipulation, then any of the Parties may within 60 days after issuance of an LPSC order approving this Stipulation file an individual AMP proposal for consideration by the LPSC.
6. ELL shall not request an extension of this FRP that includes any initial request for rate reset or change to base rates at the outset of such extension (*e.g.*, no requested rate reset or other Base FRP revenue adjustment) other than through application of the existing FRP’s Annual Redetermination of Rate Adjustments. If ELL seeks such a rate reset or

change to Base FRP revenue after the term of this FRP other than through application of the existing FRP's Annual Redetermination of Rate Adjustments, it must file for a full rate case, which may include a request for an extended and/or modified FRP. This provision does not preclude ELL from requesting an extension of this FRP with a continuation of its existing terms and which does not include any initial rate reset at the outset of such requested extension other than through application of the existing FRP's Annual Redetermination of Rate Adjustments, absent the Commission requiring a full rate case.

I. Miscellaneous Provisions

1. Exhibit "A", ELL's Formula Rate Plan Rider Schedule FRP indicates the changes agreed to or unopposed by the Parties, which include those described above, as well as certain ministerial changes that will be necessary to effectuate the FRP's extension and modification, including, among other things, deleting language that has expired and/or is no longer applicable.
2. Subject to the terms and conditions hereof and Exhibit "A", ELL's Formula Rate Plan Rider Schedule FRP, the Parties and ELL reserve all rights regarding the implementation of and ratemaking associated with the FRP.
3. Other than in a proceeding to approve, implement, administer or enforce this Stipulation, the Stipulation shall not be admissible in evidence against either the Staff, ELL, Intervenors, or any Entergy Operating Company, and the terms of this Stipulation may not be used either as an admission of any sort or as evidence in any proceeding whatsoever except to approve or enforce the terms of this Stipulation. All oral or


written statements made during the course of the settlement negotiations are governed
by Louisiana Code of Evidence Article 408.

Entergy Louisiana, LLC

By: 

Lawrence J. Hand, Jr.

Louisiana Public Service Commission Staff

By: 

Melissa W. Frey

Louisiana Energy Users Group

By: _____
Randy Young

Marathon Petroleum Company, LP

By: _____
John Chavanne

Alliance for Affordable Energy

By: _____
Susan Stevens Miller

Walmart Inc.

By: _____
Rick Chamberlain

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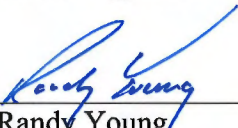
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[FORMULA RATE PLAN](#)
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1. GENERAL

Formula Rate Plan Rider Schedule ELL FRP ("Rider FRP") defines the procedure by which the rates contained in the Entergy Louisiana, LLC ("ELL" or "Company") rate schedules designated in Attachment A to this Rider FRP ("Rate Schedules") may be periodically adjusted. Rider FRP shall apply in accordance with the provisions of Section 2.A. below to all electric service billed under the Rate Schedules, whether metered or unmetered, and subject to the jurisdiction of the Louisiana Public Service Commission ("LPSC" or "Commission").

2. APPLICATION AND REDETERMINATION PROCEDURE

2.A. RATE ADJUSTMENTS

The adjustments to the Company's rates set forth in Attachment A to this Rider FRP shall be added to the rates set out in the Net Monthly Bill section in the Company's Rate Schedules. The Rate Adjustments shall be determined in accordance with the provisions of Sections 2.B. and 2.C. below.

2.B. ANNUAL FILING AND REVIEW

2.B.1. FILING DATE

Except for the [2020](#) Evaluation Period, ELL shall file, on or before May 31 of each year during the term of this FRP as set forth in Section 6 below, a report with the Commission containing an evaluation of the Company's earnings for the immediately preceding calendar year prepared in accordance with the provisions of Section 2.C. below ("Evaluation Report"). For the [2020](#) Evaluation Period, ELL shall file the Evaluation Report on or before June 30, [2021](#). A revised Attachment A shall be included in each such filing containing revised Rate Adjustments determined in accordance with the provisions of Section 2.C. below.

2.B.2. REVIEW PERIOD

The Commission Staff ("Staff") and all intervenors ("Intervenors") in [Docket No. U-35565](#) shall receive a copy of each Evaluation Report filing at the time it is filed with the Commission. While an Intervenor in prior Evaluation Report reviews shall not be precluded from participation in future reviews, Intervenor will be required to file a new intervention in the proceeding associated with each annual Evaluation Report filing. (The Staff, Intervenor and ELL shall be referred to hereinafter, collectively as the "Parties" and shall receive copies of all filings and pleadings in FRP-related proceedings.) At the time each such Evaluation Report is filed, ELL shall provide the other Parties with workpapers supporting the data and calculations reflected in the Evaluation Report. The other Parties may request clarification and additional supporting data.

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Except for the 2020 Evaluation Period, the Parties shall then have until August 20 of the filing year to review the Evaluation Report to ensure that it complies with the requirements of Section 2.C below. For the 2020 Evaluation Period, the Parties shall have until September 20, 2021 to review the Evaluation Period Report to ensure that it complies with the requirements of Section 2.C below. If any of the Parties should detect any error(s) in the application of the principles and procedures contained in Section 2.C below or identify issues upon which further information is required of ELL and/or to verify any of the data or issues contained in the annual filing, such error(s), data or issues requiring verification shall be formally communicated in writing to the other Parties by August 20 of the filing year ["Dispute" or "Disputes"], except for the 2020 Evaluation Period where the Dispute deadline will be September 20, 2021. Each such indicated Dispute shall include, if available, documentation of the proposed correction. The Company shall then have until September 30 of the filing year to review any proposed corrections, to work with the other Parties to resolve any Disputes and to file a revised Attachment A containing Rate Adjustments reflecting all corrections upon which the Parties agree. For the 2020 Evaluation Period, this deadline is extended to October 30, 2021. The Company shall provide the other Parties with appropriate workpapers supporting any revisions made to the Rate Adjustments initially filed.

Except where there are unresolved Disputes, which shall be addressed in accordance with the provisions of Section 2.B.3 below, the Rate Adjustments initially filed under the provisions of Section 2.B.1 above, or such corrected Rate Adjustments as may be determined pursuant to the terms of this Section 2.B.2, shall become effective for bills rendered on and after the first billing cycle for the month of September of the filing year. Those Rate Adjustments shall then remain in effect until changed pursuant to the provisions of this Rider.

To the extent that there are no issues raised during the annual review period of the FRP or any issues raised by the Parties are amicably resolved, *i.e.*, there are no unresolved issues to be addressed pursuant to Section 2.B.3 below, the Parties shall submit a joint report of the proceedings to the Commission for consideration as timely as practicable, including the terms under which any issues have been resolved and the resulting effect on rates.

2.B.3. RESOLUTION OF DISPUTES

In the event there are Disputes regarding any Evaluation Report, the Parties shall work together in good faith to resolve such Disputes. If the Parties are unable to resolve the Disputes or reasonably believe they will be unable to resolve the Disputes by the end of the period provided for in Section 2.B.2 above, revised Rate Adjustments reflecting all revisions to the initially filed Rate Adjustments on which the Parties agree shall become effective as provided for in Section 2.B.2 above. Any remaining Disputes shall be submitted to the Commission for resolution.

For the 2020 Evaluation Period, all rate adjustments that become effective for bills rendered on or after the first billing cycle for the month of September, 2021 shall be considered disputed and subject to refund with interest as described in this section 2.B.3, pending the formal raising of any disputed issues by the Parties by

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the September 20, 2021 deadline. Any disputes not formally raised by the September 20, 2018 deadline shall be considered withdrawn/resolved.

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If the Commission's final ruling on any Disputes requires changes in the Rate Adjustments initially implemented pursuant to the above provisions, the Company shall file a revised Attachment A containing such further modified Rate Adjustments within fifteen (15) days after receiving the Commission's order resolving the Disputes. The Company shall provide a copy of the filing to the other Parties together with appropriate supporting documentation. Such modified Rate Adjustments shall then be implemented with the next applicable monthly billing cycle after filing and shall remain in effect until superseded by Rate Adjustments established in accordance with the provisions of this Rider FRP.

Within 60 days after receipt of the Commission's final ruling on any Disputes, the Company shall determine the amount to be refunded or surcharged to customers, if any, together with interest at the legal rate of interest. Such refund/surcharge amount shall be effective as of September or, with the consent of the LPSC Staff, as of October of the filing year and shall be applied on a percentage basis pursuant to Section 2.C.4 of this Rider FRP and shall be based on the customer's applicable base revenue from the first billing cycle of September, or with the consent of the LPSC Staff, of October, of the filing year through the last date the Rate Adjustments were billed. Such refund/surcharge amount shall be applied to customers' bills in the manner prescribed by the Commission.

2.C. ANNUAL REDETERMINATION OF RATE ADJUSTMENTS

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2.C.1. DEFINITION OF TERMS

a. EVALUATION PERIOD

The Evaluation Period shall be the twelve-month period ended December 31 of the calendar year immediately preceding the filing of an Evaluation Report. All data utilized in each Evaluation Report shall be based on actual results and balances for the Evaluation Period, as recorded on the Company's books in accordance with the Uniform System of Accounts or such other documentation as may be appropriate, allocated to LPSC retail operations as set forth in Attachment B, except where either 13-month average balances or beginning/ending average balances will be used for determination of rate base items.

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b. EARNED RATE OF RETURN ON COMMON EQUITY

The Earned Rate of Return on Common Equity ("EROE") for any Evaluation Period shall be determined in accordance with the Earned Rate of Return on Common Equity Formula set out in Attachment B. The EROE determination shall reflect the Evaluation Period Adjustments set out in Attachment C.

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c. BENCHMARK RATE OF RETURN ON RATE BASE

The Benchmark Rate of Return on Rate Base ("BRORB") is the composite weighted embedded cost of capital reflecting the Company's annualized costs of Short-Term Debt, Long-Term Debt, Preferred Stock and Common Equity. The BRORB shall be determined in accordance with the Benchmark Rate of Return on Rate Base Formula set out in Attachment D.

d. EVALUATION PERIOD COST RATE FOR COMMON EQUITY

The Evaluation Period Cost Rate for Common Equity ("EPCOE") is the Company's cost rate for common equity applicable to the Evaluation Period. The EPCOE value applicable for each Evaluation Period shall be determined in accordance with the Evaluation Period Cost Rate for Common Equity Procedure set out in Attachment E.

e. RATE OF RETURN ON COMMON EQUITY BANDWIDTH

The Rate of Return on Common Equity Bandwidth ("Bandwidth") shall be the range of values with an upper limit ("Upper Band") equal to the EPCOE plus 0.50% and a lower limit ("Lower Band") equal to the EPCOE minus 0.50%.

f. ENVIRONMENTAL COST RELATED REVENUE REQUIREMENT

If during the term of this FRP, there is a change in the law or regulation related to environmental issues or environmental compliance that increases the costs to ELL, ELL shall have the right to request the recovery of the prudent level of such costs outside the FRP bandwidth mechanism and outside of the cap set forth in Section 2.C.2.d. herein. Nothing in this provision shall constitute pre-approval of the recovery of such increased costs.

g. ENERGY EFFICIENCY RELATED REVENUE REQUIREMENT

If during the term of this FRP, there is a change in law or regulation that adopts measures designed to increase the efficient use of electric energy and that results in increased costs to ELL, ELL shall have the right to request the recovery of the prudent level of such costs outside the FRP bandwidth mechanism and outside of the cap set forth in Section 2.C.2.d. herein. Nothing in this provision shall constitute the pre-approval of the recovery of such increased costs.

h. LEGACY FRP REVENUE REQUIREMENTS

Legacy FRP revenue requirements for the retail rate classes shall be maintained as a percentage of Evaluation Period Base Rate Revenue, including the revenue requirements associated with the Additional Capacity Mechanism ("ACM"), at the respective approved levels recognized by the Commission under Docket No. U-33244. Legacy FRP Revenue Requirements are applicable to the individual retail rate classes to which the historical rates were maintained under the Legacy companies, as shown on Attachment A page 2. Legacy FRP Revenue Requirements will consist of Legacy ELL ("ELL-L") FRP Revenues, to be reflected on Attachment F, Line 40 and Legacy EGSL ("EGSL-L") FRP revenues, to be reflected on Attachment F, Line 44. Legacy revenue requirements may also include ACM adjustments or true-ups provided for in Section 3.D. which will be reflected on Attachment F, Line 38 for Legacy ELL ACM contracts, and Attachment F, Line 42 for Legacy EGSL ACM contracts. Legacy FRP Revenues may be

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modified under the provisions of the Tariff, such adjustments will be reflected on Attachment F, Line 39 for Legacy ELL and Attachment F, Line 43 for Legacy EGSL. Legacy FRP rates shall be re-determined as provided in 2.C.5. herein.

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2.C.2. TOTAL RIDER FRP REVENUE LEVEL

In each Evaluation Report, the Total Rider FRP Revenue level comprised of (a) Legacy FRP Revenues and (b) Rider ELL FRP Revenues that are incremental to the Legacy FRP Revenues shall consist of the following components:

- a. The Extraordinary Cost, and/or Additional Capacity Cost, and/or Transmission Recovery Mechanism, and/or Distribution Recovery Mechanism, and/or the MISO Cost Recovery Mechanism, and/or Tax Reform Adjustment Mechanism components shall be as defined in Sections 3, 4, and 5;
- b. Recovery of Realigned Costs Related Revenue Requirement component shall be as defined in Section 3.E.

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c. For Test Year 2020, Base Rider FRP Rider Revenue shall be increased by \$63 million. For Test Year 2021 and 2022, the Base Rider FRP Revenue shall be determined using the Rider FRP Revenue Redetermination Formula set out in Attachment F, Lines 1-27, which reflects the following rules:

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¶
(6) In the event there are no new extraordinary cost changes and/or new capacity costs and/or new revenue requirements reflected in the Transmission Recovery Mechanism pursuant to Sections 3.A, 3.D, and 3.F, respectively, if

- (1) The Total Revenue Requirement for the Evaluation Period shall be reduced by the Evaluation Period amounts for the items reflected in Section 2.C.2.a through 2.C.2.b above.
- (2) The Total FRP Revenue level for the Evaluation Period shall be reduced by the annualized revenue associated with the recovery of the items reflected in Section 2.C.2.a through 2.C.2.b, above.
- (3) If the EROE is less than the Lower Band, the Base Rider FRP Revenue level for the Evaluation Period shall be increased by the amount necessary to increase the EROE for the Evaluation Period by 100% of the difference between the Lower Band and the EROE.
- (4) There shall be no change in Base Rider FRP Revenue level for the Evaluation Period if the EROE is less than or equal to the Upper Band and greater than or equal to the Lower Band.

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(5) If the EROE exceeds the Upper Band, the Base Rider FRP Revenue level for the Evaluation Period shall be reduced by the amount necessary to decrease the EROE for the Evaluation Period by 100% of the difference between the EROE and the Upper Band.

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(6) A change in the Base Rider FRP Revenue level shall not be made unless it changes the EROE for the Evaluation Period by more than 0.05% (5 basis points).

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- d. For the 2021 and 2022 Evaluation Periods, with the exception of the items listed in Sections 3, 4 and 5, herein and other matters as shall be determined by the Louisiana Public Service Commission, the amount of ELL Base Rider FRP Revenue rate increases pursuant to Section 2.C.2.c may not exceed \$70 million for the cumulative 2021 and 2022 Evaluation Periods.

Deleted: (8) The Section 2.C.2.c.(5) sharing mechanism provision shall not apply to the costs relating to the amounts for the items determined in Sections 2.C.2.a through 2.C.2.b. Rather, 100% of the referenced costs shall be reflected. ¶

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2.C.3. RIDER FRP REVENUE ALLOCATION

The Rider FRP Revenue as determined under the provisions of Section 2.C.2. above, shall consist of both Legacy FRP Revenues and Rider ELL FRP Revenues which are incremental to the Legacy FRP Revenues. Legacy FRP Revenues shall be allocated to each LPSC rate class based on the applicable Base Rate Revenue as a percentage of total applicable Base Rate Revenue for all retail rate classes pursuant to Attachment A, Page 2. Rider ELL FRP revenues, incremental to the sum of the combined Legacy FRP revenues ("Incremental ELL FRP Revenues"), shall be allocated to each LPSC rate class based on the applicable Base Rate Revenue as a percentage of total applicable Base Rate Revenue for all retail rate classes pursuant to Attachment A, Page 2, unless otherwise specified.

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DRM revenues, reflected on Attachment F, Line 35 shall be allocated to each LPSC rate class based on the applicable Distribution Plant in Service Allocation Factor as a percentage of total retail Distribution Plant in Service for all applicable retail rate schedules pursuant to Attachment A, Page 2 of this Rider FRP.

The applicable Base Rate Revenue for all other FRP Revenues shall be the Louisiana Retail Base Rate Revenue for the Evaluation Period as reflected in Attachment A, Page 2.

2.C.4. RIDER ELL FRP RATE ADJUSTMENT REDETERMINATION

All applicable retail rates and riders as noted on Attachment A on file with the Louisiana Public Service Commission will be adjusted for the ELL FRP Revenues by the appropriate percentage of the Evaluation Period Base Rate Revenue of all bills.

2.C.5. LEGACY FRP RATES REDETERMINATION

All applicable retail rates and riders as noted on Attachment A, on file with the Louisiana Public Service Commission, will be adjusted for the Legacy FRP Revenues by the appropriate percentage of applicable Base Rate Revenue of the respective bills, pursuant to notes 1 and 2 shown on Attachment F, Section 5. Adjustments to Legacy FRP revenues,

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specifically permitted under the terms of Rider ELL FRP, shall be made as a change to the applicable Legacy FRP revenue requirement total as shown on Attachment F, Section 5. Such annual adjustments shall be reflected on a cumulative basis and supporting workpapers shall be filed with each request to adjust Legacy FRP Rates within the FRP Evaluation Period Report.

3. PROVISIONS FOR OTHER RATE CHANGES

3.A. EXTRAORDINARY COST CHANGES

3.A.1. UNFORESEEN COST CHANGES

It is recognized that from time to time ELL may experience extraordinary increases or decreases in costs that occur as a result of actions, events, or circumstances beyond the control of the Company. Such costs may significantly increase or decrease the Company's revenue requirements, including beyond the cap set forth in Section 2.C.2.d. herein, and, thereby, require rate changes that this Rider FRP is not designed to address. Should ELL experience such an extraordinary cost increase or decrease having a net annual revenue requirement impact exceeding \$10 million on an LPSC jurisdictional basis, then either the Company or the Commission may initiate a proceeding to consider a pass-through of such extraordinary cost increase or decrease.

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3.A.2. SYSTEM AGREEMENT CASE EFFECTS

The effects, if any, resulting from Opinion Nos. 480 or 480-A issued by the Federal Energy Regulatory Commission ("FERC") in connection with Docket No. EL01-88-001, including the annual bandwidth calculations and retail decisions incident to FERC Section 205 and/or Section 206 filings that have clarified and/or modified Opinion Nos. 480 and 480-A, shall be considered separately outside of the FRP mechanism and outside of the cap set forth in Section 2.C.2.d. herein.

3.A.3. DEPRECIATION/DECOMMISSIONING RATE EFFECTS

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The effects of changes in depreciation rates, and/or decommissioning accruals, increases or decreases, ordered by the LPSC, including as a result of changes in the requirement to fund the decommissioning trust that may be ordered by the Nuclear Regulatory Commission during the period that this FRP is in effect, shall be considered separately outside of the FRP mechanism and outside of the cap set forth in Section 2.C.2.d. herein. In addition, 100% of the incremental rate base (depreciation and ADIT) effects of the depreciation rate change shall be reflected in the derivation of the change in the revenue requirement resulting from a change in the depreciation rate.

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3.A.4. STORM DAMAGE ACCRUAL EFFECTS

The effects of changes in storm damage accruals, increases or decreases, ordered by the LPSC shall be considered separately outside of the FRP mechanism and outside of the cap set forth in Section 2.C.2.d. herein.

3.A.5. INTERRUPTIBLE LOAD CASE EFFECTS

Any retail effects associated with a decision in FERC Docket Nos. EL00-66-000, ER00-2854-000 and EL95-33-002 (Consolidated) shall be considered separately outside the FRP mechanism and outside of the cap set forth in Section 2.C.2.d. herein. When the FERC issues an order disposing of the Application for Clarification and Applications for Rehearing in this case, any retail effects resulting from such decision that are to be implemented at that time shall be flowed through within a reasonable time after, and in accordance with, LPSC approval of the manner in which that shall occur. However, this Rider FRP provision shall have no precedential or other effect with respect to whether a refund or surcharge is appropriate in connection with a decision in FERC Docket Nos. EL00-66-000, ER00-2854-000 and EL95-33-002 (Consolidated), or whether a stay or injunction is appropriate in the event of an appeal or rehearing of a decision in those consolidated dockets.

3.B. SPECIAL RATE FILINGS

The Company is experiencing a dynamic business environment, including integration into the regional transmission organization operated by Midcontinent Independent System Operating, Inc. ("MISO"), effects of energy efficiency and/or net metering, and increasing competition. Experimental, developmental, and alternative rate schedules may be appropriate tools for the Company to use to address these conditions. Therefore, nothing in this Rider shall be interpreted as preventing the Company from proposing to revise existing rate schedules or implement new rate schedules as may be appropriate. Any such rate changes shall be filed with the Commission and evaluated in accordance with the rules and procedures then in effect.

3.C. FORCE MAJEURE

In addition to the rights of ELL under this Rider, or as provided by law, to make a filing for the pass-through of costs outside the provisions of this Rider FRP, if any event or events beyond the reasonable control of ELL, including Natural Disaster, damage or unforeseeable loss of generating capacity, changes in regulation ordered by a regulatory body or other entity with appropriate jurisdiction, and orders or acts of civil or military authority, cause increased costs to ELL or result in a deficiency in revenues to ELL, ELL may file for rate or other relief outside the bandwidth provisions of this Rider FRP and outside of the cap set forth in Section 2.C.2.d. [herein, subject to the limitations imposed in the Stipulation approved in Order No. U-35565.](#) Such request shall be considered by the Commission in accordance with its regulations and applicable law governing such filings.

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The Term "Natural Disaster" in the above paragraph shall include weather events such as hurricanes and/or tropical storms, or other events such as earthquakes, for example. If the Commission determines that a Natural Disaster causes a loss of customers for ELL that would result in the loss of at least \$10 million in base rate revenues during the rate-effective period, ELL may seek recovery of those base revenues outside of the provisions of this Rider FRP. ELL shall bear the burden of proof to demonstrate to the Commission the level of base rate revenue loss during the rate effective period and that the loss was caused by the Natural Disaster.

The loss of base rate revenue during the rate effective period shall, at a minimum, take into consideration the following:

- 1) The net loss of customers caused by the Natural Disaster looking at the entire service area, adjusted for normal growth.
- 2) The usage patterns of the actual lost customers or some reasonable proxy.
- 3) Any offsets due to the decreased costs and/or due to costs that are still recovered from the remaining customers.

If this calculation produces a result less than \$10 million in the rate-effective period, no relief should be granted outside of the FRP. If the amount equals or exceeds \$10 million as approved by the Commission, ELL shall be entitled to recover outside of the FRP the lesser of (1) the Commission approved loss in revenues, or (2) the difference between the EROE adjusted to reflect the estimated loss in revenue and the EPCOE. In succeeding years, the revenue loss will be recalculated to recognize the effect of returning customers and load. Once that revenue requirement effect falls below \$10 million, the effect of the revenue reduction will be reflected in the FRP.

3.D. ADDITIONAL CAPACITY

3.D.1. APPROVED CAPACITY ADDITION

The Company shall be allowed to recover fully through this Rider FRP, outside the FRP bandwidth mechanism and outside of the cap set forth in Section 2.C.2.d. herein, and consistent with Section 2.C.2., the LPSC retail revenue requirement associated with purchased capacity costs in excess of the amount in base rates as approved by the Commission. Capacity contracts currently part of the Legacy FRP revenue requirements, as part of the Additional Capacity revenue requirement, shall remain within the revenue requirements of the Legacy FRP rates, until such time that the capacity contract expires (except with respect to intercompany purchased power agreements ("PPAs") between the Legacy ELL and Legacy EGSL companies, *i.e.* Perryville, Acadia Power Block 2, Ninemile 6 and River Bend 30), or is cancelled, or as otherwise agreed upon or directed by the

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Commission, wherein an adjustment shall be made as set forth in Section 2.C.5. herein, to remove such Legacy contract costs.

Although extinguished by operation of law, intercompany PPAs between Legacy ELL and Legacy EGSL shall be maintained within the components of the Legacy FRP at the levels outlined below until such time that base rates are reset:

- (a) Perryville – The level of EGSL capacity costs related to the Perryville intercompany PPA will be maintained in the EGSL Legacy ACM at the 2014 FRP Evaluation Period level. The associated Perryville MSS-4 revenues will be reflected in the ELL Legacy base rates as operating revenues at the same level as the compliance filing made in November 2014 (as opposed to 2014 Evaluation Period levels).
- (b) Acadia -- The level of EGSL capacity costs related to the Acadia intercompany PPA will be maintained in the EGSL Legacy ACM at the 2014 FRP Evaluation Period level. The corresponding level of ELL capacity revenues related to the Acadia intercompany PPA, which are currently reflected in the ELL Legacy ACM, will be maintained at the 2014 FRP Evaluation Period level and will be realigned to the Legacy ELL FRP at that level.
- (c) Ninemile 6 – The estimated revenue requirement for Ninemile 6 capacity costs that is currently being collected through the ELL Extraordinary Cost provision of the FRP (net of revenues from EGSL and the PPA with Entergy New Orleans, LLC) will be maintained at the 2014 Compliance FRP level for the 2014 Evaluation Period. In the 2015 Evaluation Period, the Ninemile 6 capacity costs collected through the ELL Extraordinary Cost provision of the FRP shall be adjusted for any prudence review and/or the Evaluation Period 2015 true-up outside of bandwidth provisions and realigned to the Legacy ELL FRP Revenue Requirement where it will be maintained at the adjusted level.

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The estimated revenue requirement for Ninemile 6 PPA capacity costs that is currently being collected through the EGSL Extraordinary Cost provision will be maintained at the 2014 Compliance FRP level for the 2014 Evaluation Period. In the 2015 Evaluation Period, the Ninemile 6 capacity costs collected through the EGSL Extraordinary Cost provision of the FRP shall be adjusted for any prudence review and/or the Evaluation Period 2015 true-up outside of bandwidth provisions and realigned to the Legacy EGSL ACM where it will be maintained at the adjusted level.

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- (d) The River Bend 30 intercompany PPA shall be re-calculated at then-current Evaluation Period levels and a true-up of the

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Additional Capacity costs shall be performed annually for the term of the FRP.

New capacity contract costs, consisting of ELL capacity contracts approved by the LPSC or contracts renewed by ELL, shall be reflected in the (combined incremental) Additional Capacity Revenue requirement of the Rider ELL FRP on Attachment F, Line 32. Such new capacity costs shall include:

- (a) approval of a new purchase capacity agreement, or
- (b) approval of the recovery of previously deferred capacity costs.

In the event the Company adds to its resources by means of a capacity and/or capacity and energy purchase and in the event that such new resource is used to provide capacity and/or energy to the Company on or before the first billing cycle for the month of September of a filing year and the Commission has approved the incurrence of such costs and their level pursuant to the applicable General Order(s) of the Commission, then the Company may include all capacity costs related to such resource under this Section 3.D.1 as a cost, so that, at the time that new rates take effect with the first billing cycle for the month of September, those new rates will reflect the capacity costs that are represented by such generating resource.

Provided that the LPSC has approved the new purchase capacity agreement, the Company shall be allowed to defer the capacity costs associated with the new capacity purchase agreement during the period from the incurrence of the cost until such time as the rates that reflect such capacity costs take effect. The Company shall be allowed to accrue interest on the net-of-tax balance of the deferred capacity costs at the rate set forth in LPSC General Order No. U-21497 during the period in which such costs are deferred.

3.D.2. CAPACITY COST ADJUSTMENTS

The Rider FRP shall be adjusted on an interim basis for:

- (1) the expiration of a purchase capacity agreement previously recovered through Rider FRP, or
- (2) the completion of the recovery of previously deferred capacity costs.

In the event that capacity cost adjustments are related to Legacy capacity contracts reflected in Legacy FRP rates, adjustments shall be made as set forth in Section 2.C.5. herein and reflected on Attachment F Lines 38 and 42, respectively.

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3.D.3. CAPACITY COST TRUE-UP ADJUSTMENTS

The LPSC retail revenue requirement associated with the purchased capacity costs that are billed to ELL pursuant to a cost of service agreement or tariff and recovered via this Rider pursuant to Section 3.D.1. shall be compared to the actual cost of such capacity. Any difference between the revenue requirement of the capacity costs used to determine the level of this Rider during the Evaluation Period and the revenue requirement associated with the actual capacity cost during the Evaluation Period shall be included in the Evaluation Report as part of the Additional Capacity Revenue Requirement in the next Rider FRP Revenue Requirement Redetermination Formula as set out in Attachment F.

The LPSC retail revenue requirement associated with the Legacy capacity contract costs that are billed to ELL pursuant to a cost of service agreement or tariff and recovered via this Rider pursuant to Section 3.D.1. shall be compared to the actual cost of such capacity, unless otherwise agreed upon or directed by the Commission. Any difference between the revenue requirement included in the Legacy FRP rates of the capacity costs used to determine the level of the Legacy FRP component of this Rider during the Evaluation Period and the revenue requirement associated with the actual capacity cost during the Evaluation Period shall be included in the Evaluation Report as set out in Attachment F.

3.D.4. ACQUISITION/SELF-BUILD CAPACITY COST ADJUSTMENTS

The Company shall be allowed to recover fully through this Rider FRP, outside the FRP bandwidth mechanism and outside of the cap set forth in Section 2.C.2.d. herein, and consistent with Section 2.C.2., the LPSC retail revenue requirement associated with:

- (1) the modification or replacement of an existing generating facility having an annual revenue requirement exceeding \$10 million;
- (2) the acquisition of new generating facilities; and/or,
- (3) the construction of a new generating facility, having an annual revenue requirement exceeding \$10 million.

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3.D.5. RENEWABLE CAPACITY

As established in LPSC General Order No. 12-9-10 (U-28271-1 Subdocket B) (Corrected), dated December 9, 2010 (the "Renewable Pilot Implementation Plan G.O."), the Company shall be allowed to recover fully through this Rider FRP outside of the FRP bandwidth mechanism and outside of the cap set forth in Section 2.C.2.d. herein, and consistent with Section 2.C.2, the capacity costs related to any renewable contract entered into, and approved by the LPSC pursuant to the provision of Paragraph 8.2 of the Renewable Pilot Implementation Plan G.O. Further,

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as established in the Renewable Pilot Implementation Plan G.O., any premium above market cost as well as any cost incurred to acquire unneeded capacity ordered by the Commission (regardless of whether priced at or above market) will be recovered dollar-for-dollar and will not be considered in any FRP provision or calculation that limits the full recovery of capacity costs when the utility's earnings exceed the upper end of the earnings bandwidth (*i.e.*, Section 2.C.2.c.(5) of the FRP). This section is intended to implement but not modify the provisions of General Order No. 12-9-10 (U-28271 – Subdocket B) (corrected).

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3.E. RECOVERY OF REALIGNED COSTS

To the extent that, during the term of this Rider ELL FRP, the Commission orders the Company to realign costs from recovery via the Fuel Adjustment Clause to base rates, or the reverse, it shall be done on a basis that, in the aggregate, is revenue-neutral to the customers, and that does not implicate the cap set forth in Section 2.C.2.d. herein.

3.F. TRANSMISSION RECOVERY MECHANISM (TRM)

The Company shall be allowed to recover fully through this Rider FRP, outside the FRP bandwidth mechanism and outside the cap set forth in Section 2.C.2.d. herein, the return on rate base and depreciation expense associated with (1) all transmission capital additions that are placed in service, or expected to be placed in service, between January 1 and August 31 of the Filing Year subject to a TRM floor as described below ("Filing Year TRM Amount") and true-up and, (2) transmission capital additions placed in service during the Evaluation Period subject to a TRM Floor as described below ("Evaluation Period TRM Amount"), less the Filing Year TRM Amount reflected in the prior year's Evaluation Report. The Company will include a Filing Year TRM Amount in its initial Evaluation Report using the best estimate then available. It will then update this amount in a compliance report submitted prior to the rate effective date, with explanations provided for changes in the amount. The end of period Transmission Plant in Service estimated (based on most recent actuals) through August 31 of the Filing Year shall be subject to an after-the-fact true-up in the next FRP Evaluation Period. This true-up adjustment will be designed to correct over- or under- collections that may have occurred due to the use of estimated Transmission Plant in Service through August 31 compared to actual Transmission Plant in Service through August 31.

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Beginning with the 2018 Evaluation Report, ELL shall include with the FRP Evaluation Report, a true-up report comparing the estimated Transmission Plant in Service through August 31 of the previous Filing Year and the actual Transmission Plant in Service through August 31 of the previous Filing Year and, if the difference exceeds \$2 million, a calculation of the proposed adjustment to correct any over- or under-collections due to the use of the estimated Transmission plant-in-service, with carrying costs at the Company's WACC, along with any workpapers supporting that true-up calculation.

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For purposes of calculating the Evaluation Period TRM Amount, rate base included in the TRM shall include amounts for Transmission Plant in Service above a TRM Floor of \$100 million per year. For purposes of calculating the Filing Year TRM Amount, rate base shall include amounts of Transmission Plant in Service above \$66.7 million, which represents the \$100 million TRM Floor prorated to eight of twelve months.

Depreciation Expense for the transmission projects shall be calculated using a two percent annual depreciation rate, with that amount included in the Accumulated Reserve for Depreciation, which will serve as a reduction to Plant in Service with the net amount reflected as rate base in the TRM. Any difference between the two percent depreciation rate used for the TRM and the actual depreciation rate applicable to the assets recovered through the TRM is recoverable through the normal recovery mechanism (i.e., within the bandwidth mechanism). In other words, this assumed two percent depreciation rate is for ease of calculating a revenue requirement for the TRM only; this is not meant to change the applicable LPSC-approved transmission depreciation rate.

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3.G. Distribution Recovery Mechanism (DRM)

The Company shall be allowed to recover fully through this Rider FRP, outside the FRP bandwidth mechanism and outside the cap set forth in Section 2.C.2.d. herein, the return on rate base and depreciation expense associated with distribution capital additions, excluding those associated with the Company's Advanced Metering System, through August 31 of the Filing Year, including those placed in service during the Evaluation Period, subject to a DRM Floor and Ceiling as well as true-up adjustment as described in Section 3.G.1. below.

3.G.1. Recovery of Distribution Capital Additions

The revenue requirement associated with distribution capital additions shall include the return on rate base and depreciation expense associated with (1) all distribution capital additions, excluding those associated with the Company's Advanced Metering System, that are placed in service, or expected to be placed in service, between January 1 and August 31 of the Filing Year subject to a DRM Floor and Ceiling as described below ("Filing Year DRM Amount"), and (2) distribution capital additions, excluding those associated with the Company's Advanced Metering System, placed in service during the Evaluation Period subject to a DRM Floor and Ceiling as described below ("Evaluation Period DRM Amount"), less the Filing Year DRM Amount reflected in the prior year's Evaluation Report.

The Company will include a Filing Year DRM Amount in its initial Evaluation Report using the best estimate then available. It will then update this amount in a compliance report submitted prior to the rate effective date, with explanations provided for changes in the amount. The end of period Distribution Plant in Service estimated (based on most recent actuals) through August 31 of the Filing Year shall be subject to an after-the-fact true-up in the next FRP Evaluation Period. This true-up adjustment will be designed to correct over- or under- collections that may

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have occurred due to the use of estimated Distribution Plant in Service through August 31 compared to actual Distribution Plant in Service through August 31.

Beginning with the 2021 Evaluation Report, ELL shall include with the FRP Evaluation Report, a true-up report comparing the estimated Distribution Plant in Service through August 31 of the previous Filing Year and the actual Distribution Plant in Service Page through August 31 of the previous Filing Year and, if the difference exceeds \$2 million, a calculation of the proposed adjustment to correct any over- or under-collections due to the use of the estimated Distribution plant-in-service, with carrying costs at the Company's WACC, along with any workpapers supporting that true-up calculation.

For purposes of calculating the Evaluation Period DRM Amount, capital additions included in the DRM shall include amounts for Distribution Plant in Service above an annual DRM Floor of \$200 million for 2020 and \$150 million for each subsequent year. For purposes of calculating the Filing Year DRM Amount, rate base shall include amounts of Distribution Plant in Service above \$100 million, which represents the \$150 million DRM Floor prorated to eight of twelve months.

Additionally, a DRM Ceiling will apply which limits the total amount of capital additions included in the DRM to not more than \$225 million for any Evaluation Period and \$150 million for any Filing Year, which represents the \$225 million amount prorated to eight of twelve months.

Depreciation Expense for the distribution projects shall be calculated using a three percent annual depreciation rate, with that amount included in the Accumulated Reserve for Depreciation, which will serve as a reduction to Plant in Service with the net amount reflected as rate base in the DRM. Any difference between the three percent depreciation rate used for the DRM and the actual depreciation rates applicable to the assets recovered through the DRM is recoverable through the normal recovery mechanism (i.e., within the bandwidth mechanism). In other words, this assumed three percent depreciation rate is for ease of calculating a revenue requirement for the DRM only; this is not meant to change the applicable LPSC-approved distribution depreciation rates.

3.G.2. Distribution Recovery Mechanism Revenue Requirement Allocation

The Distribution Recovery Mechanism revenue requirement as determined under the provisions of Section 3.G.1. above, shall be allocated to each of the applicable LPSC retail rate classes based on the applicable class Distribution Plant in Service Allocation Factor as a percentage of total retail Distribution Plant in Service for all applicable retail rate schedules pursuant to Attachment A, Page 2 of this Rider FRP.

4. MISO COST RECOVERY MECHANISM (MCRM)

The Company shall be allowed to recover fully through this Rider FRP, outside the FRP bandwidth mechanism and outside the cap set forth in Section 2.C.2.d. herein, the LPSC Retail costs described below.

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4.A. NET MISO CHARGES OR CREDITS

The estimated Net MISO Charges/(Credits) pursuant to the Federal Energy Regulatory Commission ("FERC")-approved MISO Open Access Transmission Energy and Operating Markets Tariffs that the Company expects to incur for the twelve (12) months ended December 31 of the filing year and that are not recovered via the Fuel Adjustment Clause as ordered by the LPSC in Commission Order No. U-32675 dated November 4, 2013.

4.B. RETAIL REGULATORY COMMISSION EXPENSE INCURRED FOR MISO OVERSIGHT

Retail regulatory commission expense actually incurred for the Evaluation Period in connection with ELL's participation in MISO.

4.C. TRUE-UP ADJUSTMENT

A True-up Adjustment for the difference between the Estimated MISO Cost Recovery Revenue Requirement and the Actual MISO Cost Recovery Revenue Requirement for the twelve (12) months ended December 31 of the immediately preceding calendar year as defined on Attachment G, Page 3. The True-up Adjustment shall include carrying charges based on the Company's before-tax weighted average cost of capital in this Rider FRP applied to the difference between the actual and estimated MISO Cost Recovery Revenue Requirement as shown on Attachment G, Page 3.

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The deferred incremental expense actually incurred subsequent to January 1, 2017 in connection with the litigation of ELL's MISO Renewal filing, Docket No. U-34447 ("MISO Renewal Deferral"), including carrying charges at the overall, before-tax weighted average cost of capital. The amortization period of the MISO Renewal Deferral shall be one year, which amortization will be reflected in the Evaluation Report that immediately follows a Commission decision in Docket No. U-34447. These per book amounts shall be removed from the Test Year 2017 midpoint reset and any future FRP filing. ¶

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ELL shall create a regulatory liability in the amount of \$9 million per month to reflect the change in revenue requirement produced by the change in the corporate federal income tax rate from 35% to 21% pursuant to the TCJA. The regulatory liability shall recognize the difference in revenue collected (for the amount of tax expense ELL collected at the 35% corporate federal tax rate versus the 21% corporate federal income tax rate) for the period from January 1, 2018 to the date that new rates are implemented pursuant to this Stipulation and carrying charges shall be accrued on that principal amount at the Weighted Average Cost of Capital of 7.35% annually. The Company shall amortize this regulatory liability and flow these amounts back to customers ratably over the Test Year 2017 rate-effective period by recognizing the regulatory liability in the TRAM.

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5. TAX REFORM ADJUSTMENT MECHANISM ("TRAM")

The rate adjustments provided for in this Section to flow through benefits of the Tax Cuts and Jobs Act of 2017 ("TCJA") shall operate outside of the Base Rider FRP Revenue Adjustment provisions contained in Section 2.C. of the FRP, including the bandwidth mechanism and the cap set forth in Section 2.C.2.d.

- A. Protected Excess Accumulated Deferred Income Taxes ("ADIT"): Protected Excess ADIT that is eligible to be returned through the FRP will be returned to customers through the TRAM using the average rate assumption method ("ARAM") to which the ADIT is related in order to avoid an IRC normalization violation.
1. In each Evaluation Report, ELL shall reflect in the TRAM the Louisiana-jurisdictional portion of the amount of the eligible Protected Excess ADIT that will be credited on the books of ELL in the Filing Year.
 2. As with the return to customers of other excess ADIT amounts, the amortization of the Protected Excess ADIT, shall be offset by the revenue requirement associated with the cumulative increase in rate base resulting from the amortization of the credited Protected Excess ADIT such that only the

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net of the two will be reflected in the TRAM. To avoid the potential for any double-recovery, an adjustment to the FRP rate base will be made to account for this TRAM netting.

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B. The excess ADIT that is not protected, *i.e.*, the "Unprotected Excess ADIT" that is eligible to be returned through the FRP will be returned to customers according to the following schedule:

1. One-half of the estimated amount of the eligible Unprotected Excess ADIT shall be returned to customers ratably over the period beginning one month after approval by the Commission of the Stipulation in Docket No. U-34631 and continuing over the remainder of the 2018 calendar year. This initially will be accomplished through a one-time adjustment reflected in the Extraordinary Cost Change Revenue Requirement of the then effective Rider Schedule FRP. It will then be reflected in the TRAM of Rider Schedule FRP, beginning with implementation of Rider Schedule FRP, in September 2018.

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2. The remaining half of the amount of the eligible Unprotected Excess ADIT shall be returned to customers through the TRAM ratably over the period from January 2019 through August 2022 (44 months).

3. As with the Protected Excess ADIT, the amortization (return to customers) of the Unprotected Excess ADIT shall be offset by the revenue requirement associated with the cumulative increase in rate base resulting from the amortization of the credited Unprotected Excess ADIT such that only the net of the two will be returned to customers. To avoid the potential for any double-recovery, an adjustment to the FRP rate base will be made to account for this TRAM netting. The TRAM will be updated annually, from 2019 – 2022, to reflect the revenue requirement associated with the increasing rate base. That adjustment will be accomplished as follows: 1) On January 1, 2019 adjustments were made to reflect the 2018 amortization of half of the Unprotected Excess ADIT along with the adjustment to reflect the resulting accumulative increase in rate base. 2). On September 1, 2019, September 1, 2020, and September 1, 2021 respectively, adjustments shall be made to reverse the prior amortization and to reflect a new 12-month amortization with appropriate rate base offsets.

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C. If prior to the September 2023 billing cycle rate change from this FRP, the federal corporate income tax rate changes from 21% to some other rate, ELL is authorized to create regulatory assets/liabilities and make the following rate making adjustments. The regulatory asset or liability will be created on the effective date of the tax rate change, and the regulatory asset or liability will accrue carrying charges at the Company's weighted average cost of capital through the TRAM:

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1. In the event of a future tax rate change and creation of a regulatory asset or liability, ELL shall make a compliance filing pursuant to Section 501(C) of LPSC General Order dated July 1, 2019 to include such regulatory asset or liability as a component of the TRAM, and set forth a methodology to change its rates and recover from or credit customers for the value of that regulatory asset or liability after review and approval by the LPSC.
2. Any change in the federal corporate income tax rate may also require adjustment or re-valuation of accumulated deferred income tax ("ADIT") that is reflected in the Company's rate base. To the extent a change in the tax rate affects existing ADIT balances, a regulatory asset or liability will be created on the effective date of the tax rate change, and the regulatory asset or liability will accrue carrying charges at the Company's weighted average cost of capital. In the event of a future tax rate change and creation of a regulatory asset or liability, ELL shall make a compliance filing pursuant to Section 501(C) of LPSC General Order dated July 1, 2019 to include such regulatory asset or liability as a component of the TRAM, and set forth a methodology to change its rates to recover from or credit customers for the value of that regulatory asset or liability after review and approval by the LPSC.

6. EFFECTIVE DATE AND TERM

Rider ELL FRP shall continue in effect for three years. Except for the 2021 Evaluation Report (2020 Test Year) which shall be filed on or before June 30 as provided for in Section 2.B.1 above, the annual Evaluation Report filings shall be made on or before May 31 of 2021, 2022, and 2023 for the Evaluation Periods ended December 31, 2020, 2021, and 2022, respectively. Unless Rider FRP is extended by mutual agreement of the Commission and the Company, the Rate Adjustments resulting from the May 31, 2023 Evaluation Report filing shall continue in effect until such time as they are superseded pursuant to a final Commission order. If this Rider FRP is terminated by a future order of the Commission, the then-existing Total Rate Adjustment shall continue to be in effect until new base rates reflecting the then-existing Total Rate Adjustment are duly approved and implemented. Nothing contained in this Rider FRP shall limit the right of any party to file an appeal as provided by law.

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RATE ADJUSTMENTS

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I. APPLICABILITY

This Rider is applicable under the regular terms and conditions of the Company to all Customers served under any retail electric Rate Schedule* and/or Rider schedule.* The FRP rate applicable to a specific Customer shall be determined by either the base rate schedule(s) applicable to the customer's geographic location (i.e., Legacy ELL Service Area or Legacy EGSL Service area) or, where applicable, the base rate schedule(s) elected by the Customer.

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II. NET MONTHLY RATE

The Net Monthly Bill or Monthly Bill calculated pursuant to each applicable retail rate schedule* and/or rider schedule* on file with the Louisiana Public Service Commission will be adjusted monthly by the appropriate percentage of applicable Base Rate Revenues, before application of the monthly fuel adjustment.

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*Excluded Schedules: AFC-L, AFC-G, AFC, [AMS00](#), ASPS-G, B-L, CM-G, [Contract Minimums](#), CS-L, CS-L Rider 1, DTK, EAC, EAPS-L, EAPS-G, [EECR-PE](#), EECR-QS-L, EECR-QS-G, ECS-L (Curtailable Load), EECS-L, EEIS-G, EER-L, EER-G, EEDBP, EIS-G, EIS-I-G, ERDRS-G, FCA (1,3,4,5), Facilities Charges, FIORE-L, FIORE-G, FA, FR-1-G, FSC-ELL, FSCII-ELL, FSCIII-ELL, FSC-EGSL, FSCII-EGSL, FSCIII-EGSL, [FSPP, FT](#), Incremental Load under LCOP, LIS-L Rider 2, LIPS-L Rider 2, LQF-PO-G, MS, [MVDR](#), MVER-L, MVER-G, NFRPCEA-L, NFRPCEA-G, OBP, PPS-1-L, QFSS-L, RCL, REP, RPCEA-L, RPCEA-G, RRD-V-G, RRD-VI-G, SCO-L, SCO-G, SCOII-L, SCOII-G, SCOIII-L, SCOIII-G, SLGO-L, SLGR-L, SMQ-G, SQF-L, SQF-G, SSTS-G, and [applicable](#) Special Contracted Rates.

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Rate
For the Test *

Ln No.	Rate Class (1)
1	ELL- Residential
2	ELL- Small General Service
3	ELL- Large General Service
4	ELL- Exper Curtailable Service
5	ELL- Large Industrial Power Service
6	ELL- Large Load, High Load Factor Power Service
7	ELL- Large Industrial Service
8	ELL- Lighting
9	EGSL- Residential
10	EGSL- Small General Service
11	EGSL- General Service
12	EGSL- Large Power Service
13	EGSL- High Load Factor Service
14	EGSL- Municipal Water Pumping Service
15	EGSL- Street & Area Lighting

- Notes:
- ✓ (1) Excludes schedules specifically identified in this Rider FRP.
 - ✓ (2) See Attachment A, Page 2 Column E.
 - ✓ (3) See Attachment A, Page 2 Column I
 - ✓ (4) See Attachment A, Page 2 Column M.
 - ✓ (5) See Attachment A, Page 2 Column Q.

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**Entergy Louisiana, LLC
 Formula Rate Plan (Rider FRP)
 Rate Development Formula
 For the Test Year Ended December 31, 20XX**

Ln No.	Rate Class (1)	Total ELL FRP Rate Adj. (2)
1	ELL- Residential	xxx%
2	ELL- Small General Service	xxx%
3	ELL- Large General Service	xxx%
4	ELL- Exper Curtailable Service	xxx%
5	ELL- Large Industrial Power Service	xxx%
6	ELL- Large Load, High Load Factor Power Service	xxx%
7	ELL- Large Industrial Service	xxx%
8	ELL- Lighting	xxx%
9	EGSL- Residential	xxx%
10	EGSL- Small General Service	xxx%
11	EGSL- General Service	xxx%
12	EGSL- Large Power Service	xxx%
13	EGSL- High Load Factor Service	xxx%
14	EGSL- Municipal Water Pumping Service	xxx%
15	EGSL- Street & Area Lighting	xxx%

Notes:

- (1) Excludes schedules specifically identified in this Rider FRP.
- (2) See Attachment A, Page 2, Total ELL FRP Rate Adj. column.

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Entergy Louisiana, LLC
Formula Rate Plan (Rider FRP)
Rate Development Formula
For the Test Year Ended December 31, 20XX

Ln No.	Rate Class (1)	Legacy FRP Rates (2)	Incremental ELL FRP Rate for FRP x MCRM x TRAM (3)	Rider FRP Rate for MCRM (4)	Rider FRP Rate for TRAM (5)	Rider FRP Rate for DRM (6)	Total ELL FRP Rate Adj. (7)
1	ELL- Residential	xxxx%	xxxx%	xxxx%	xxxx%	xxxx%	xxxx%
2	ELL- Small General Service	xxxx%	xxxx%	xxxx%	xxxx%	xxxx%	xxxx%
3	ELL- Large General Service	xxxx%	xxxx%	xxxx%	xxxx%	xxxx%	xxxx%
4	ELL- Expt Curtailable Service	xxxx%	xxxx%	xxxx%	xxxx%	xxxx%	xxxx%
5	ELL- Large Industrial Power Service	xxxx%	xxxx%	xxxx%	xxxx%	xxxx%	xxxx%
6	ELL- Large Load, High Load Factor Power Service	xxxx%	xxxx%	xxxx%	xxxx%	xxxx%	xxxx%
7	ELL- Large Industrial Service	xxxx%	xxxx%	xxxx%	xxxx%	xxxx%	xxxx%
8	ELL- Lighting	xxxx%	xxxx%	xxxx%	xxxx%	xxxx%	xxxx%
9	EGSL- Residential	xxxx%	xxxx%	xxxx%	xxxx%	xxxx%	xxxx%
10	EGSL- Small General Service	xxxx%	xxxx%	xxxx%	xxxx%	xxxx%	xxxx%
11	EGSL- General Service	xxxx%	xxxx%	xxxx%	xxxx%	xxxx%	xxxx%
12	EGSL- Large Power Service	xxxx%	xxxx%	xxxx%	xxxx%	xxxx%	xxxx%
13	EGSL- High Load Factor Service	xxxx%	xxxx%	xxxx%	xxxx%	xxxx%	xxxx%
14	EGSL- Municipal Water Pumping Service	xxxx%	xxxx%	xxxx%	xxxx%	xxxx%	xxxx%
15	EGSL- Street & Area Lighting	xxxx%	xxxx%	xxxx%	xxxx%	xxxx%	xxxx%

Notes:

- (1) Excludes schedules specifically identified in this Rider FRP.
- (2) See Attachment A, Page 3 Column E.
- (3) See Attachment A, Page 3 Column L.
- (4) See Attachment A, Page 3 Column M.
- (5) See Attachment A, Page 3 Column Q.
- (6) See Attachment A, Page 3 Column U.
- (7) Sum of column 2, 3, 4, and 5; % applied to customer applicable revenue.

ENTERGY LOUISIANA, LLC EARNED RATE OF RETURN ON COMMON EQUITY FORMULA		
LINE NO	DESCRIPTION	ADJUSTED AMOUNT
TOTAL COMPANY		
1	RATE BASE (Attachment B, Page 2, L28)	
2	BENCHMARK RATE OF RETURN ON RATE BASE (Attachment D, L6, Column D)	
3	REQUIRED OPERATING INCOME (L1 * L2)	
4	NET UTILITY OPERATING INCOME (Attachment B, Page 3, L29)	
5	OPERATING INCOME DEFICIENCY/(EXCESS) (L3 - L4)	
6	REVENUE CONVERSION FACTOR (NOTE A)	
7	REVENUE DEFICIENCY/(EXCESS) (L5 * L6)	
PRESENT RATE REVENUES		
8	ULTIMATE CUSTOMERS (Attachment B, Page 3, L1)	
9	SALES FOR RESALE (Attachment B, Page 3, L2)	
10	TOTAL (L8 + L9)	
11	REVENUE REQUIREMENT (L7 + L10)	
LPSC RETAIL		
12	REVENUE REQUIREMENT ALLOCATION FACTOR (%) (NOTE B)	
13	REVENUE REQUIREMENT (L11 * L12)	
14	PRESENT RATE REVENUES (Attachment B, Page 3, L1)	
15	RIVER BEND DAP REVENUE REQUIREMENT (Attachment C, Page 2, 4(G))	
16	SGT REVENUE REQUIREMENT	
17	REVENUE DEFICIENCY/(EXCESS) (L13 - L14 + L15 + L16)	
18	REVENUE CONVERSION FACTOR (NOTE A)	
19	OPERATING INCOME DEFICIENCY/(EXCESS) (L17 / L18)	
20	RATE BASE ALLOCATION FACTOR (%) (NOTE B)	
21	RATE BASE (L1 * L20)	
22	COMMON EQUITY DEFICIENCY/(EXCESS) (%) (L19 / L21)	
23	WEIGHTED EVALUATION PERIOD COST RATE FOR COMMON EQUITY (%) (Attachment D, L5, Column D)	
24	WEIGHTED EARNED COMMON EQUITY RATE (%) (L23 - L22)	
25	COMMON EQUITY RATIO (%) (Attachment D, L5, Column B)	
26	EARNED RATE OF RETURN ON COMMON EQUITY (%) (L24 / L25)	

NOTES:

- (A) REVENUE CONVERSION FACTOR = 1 / [(1 - COMPOSITE TAX RATE) * (1 - BAD DEBT
- REGULATORY COMMISSION EXPENSE RATE - FRANCHISE TAX RATE)]
- (B) THE LPSC RETAIL RATIO AS CALCULATED IN MISCELLANEOUS SCHEDULE MD.

ENTERGY LOUISIANA, LLC RATE BASE (A)				
LINE NO	DESCRIPTION	PER BOOKS	ADJUST- MENTS (B)	ADJUSTED AMOUNT
1	GROSS PLANT IN SERVICE (C) (K)			
2	DEPRECIATION RESERVES (K)			
3	NET UTILITY PLANT (L1 + L2)			
4	PROPERTY UNDER FINANCIAL LEASE – NET			
5	PLANT HELD FOR FUTURE USE			
6	PLANT ACQUISITION ADJUSTMENT (K)			
7	AMORTIZATION ACQUISITION ADJUSTMENT (K)			
8	CONSTRUCTION WORK IN PROGRESS (D)			
9	MATERIALS & SUPPLIES (E)			
10	PREPAYMENTS (E)			
11	CASH WORKING CAPITAL (F)			
12	OTHER WORKING CAPITAL (E)(G)			
13	INVESTMENT IN SFI (E)			
14	ACCUM DEF W-3 MAINT/REFUEL (H)			
15	NUCLEAR FUEL IN REACTOR (E)			
16	NUCLEAR REFUELING OUTAGE			
17	FUEL INVENTORY (E)			
18	W-3 DESIGN BASIS/REGULATORY STUDY COST			
19	RIVER BEND AFUDC GROSS-UP			
20	COAL CAR MAINTENANCE RESERVE			
21	DOE DECOM. & DECONTAMINATION FEE			
22	CUSTOMER ADVANCES			
23	CUSTOMER DEPOSITS			
24	UNFUNDED PENSION			
25	ACCUM DEFERRED INCOME TAXES			
26	RATE CASE EXPENSES			
27	OTHER (I) (J)			
28	RATE BASE (L3 + Sum of L4 - L27)			

NOTES:

- (A) .BEGINNING/ENDING AVERAGE BALANCES ARE TO BE UTILIZED EXCEPT WHERE OTHERWISE NOTED.
- (B) ADJUSTMENTS AS SET OUT IN ATTACHMENT C TO THIS RIDER FRP
- (C) PLANT IN SERVICE EXCLUDING DISALLOWED PLANT INVESTMENT AND PLANT HELD UNDER FINANCING - SALE/LEASEBACK
- (D) AMOUNT NOT SUBJECT TO AFUDC ACCRUAL
- (E) 13-MONTH AVERAGE BALANCES
- (F) BASED ON CURRENT LEAD/LAG STUDY
- (G) INCLUDES RESERVES FOR THE FOLLOWING: UNCOLLECTIBLES, COLLECTION OF BANK MINIMUM BALANCES, WORKING FUNDS AND PROPERTY, INJURIES & DAMAGES, ENVIRONMENTAL, COMMERCIAL LITIGATION AND OTHER RESERVES
- (H) 50% REFUELING OUTAGE EXPENSE FOR THE EVALUATION PERIOD
- (I) OTHER ITEMS INCLUDED PURSUANT TO SECTION 9 OF ATTACHMENT C TO THIS RIDER FRP
- (J) BEGINNING, ENDING AVERAGE OR 13 MONTH AVERAGE AS APPROPRIATE
- (K) YEAR END BALANCES FOR PLANT ACQUISITIONS MADE DURING THE TEST YEAR

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ENTERGY LOUISIANA, LLC OPERATING INCOME				
LINE NO	DESCRIPTION	PER BOOKS	ADJUST- MENTS (A)	ADJUSTED AMOUNT
REVENUES				
1	SALES TO ULTIMATE CUSTOMERS LPSC RETAIL			
2	SALES FOR RESALE			
3	EPP & SYSTEM SALES			
4	OTHER ELECTRIC REVENUE			
5	TOTAL OPERATING REVENUES (Sum of L1 – L4)			
EXPENSES				
6	OPERATION & MAINTENANCE			
7	PRODUCTION			
7	REGIONAL MARKET			
8	TRANSMISSION			
9	DISTRIBUTION			
10	CUSTOMER ACCOUNTING			
11	CUSTOMER SERVICE & INFORMATION			
12	SALES			
13	ADMINISTRATIVE & GENERAL			
14	TOTAL O & M EXPENSE (Sum of L6 - L13)			
15	GAIN FROM DISPOSITION OF ALLOWANCES			
16	GAIN ON DISPOSITION OF UTILITY PLANT			
17	REGULATORY DEBITS AND CREDITS			
18	DEPRECIATION, AMORT, DECOM & ACCRETION EXP			
19	AMORTIZATION OF PLANT ACQUISITION ADJUSTMENT			
20	INTEREST ON CUSTOMER DEPOSITS			
21	TAXES OTHER THAN INCOME			
22	CURRENT STATE INCOME TAX			
23	CURRENT FEDERAL INCOME TAX			
24	PROV DEF INC TAX - STATE – NET			
25	PROV DEF INC TAX - FED – NET			
26	INVESTMENT TAX CREDIT – NET			
27	OTHER (NOTE B)			
28	TOTAL UTILITY OPERATING EXP (L14 + Sum of L15 - L27)			
29	NET UTILITY OPERATING INCOME (L5 – L28)			

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NOTES:
 (A)ADJUSTMENTS DEFINED IN ATTACHMENT C TO THIS RIDER FRP (SEE SECTION 4)
 (B)OTHER ITEMS INCLUDED PURSUANT TO SECTION 9 OF ATTACHMENT C TO THIS RIDER FRP

ENTERGY LOUISIANA, LLC INCOME TAX				
LINE NO	DESCRIPTION	PER BOOKS	ADJUST-MENTS (A)	ADJUSTED AMOUNT
1	TOTAL OPERATING REVENUES (Page 3, L5)			
2	TOTAL O&M EXPENSE (Page 3, L14)			
3	GAIN FROM DISPOSITION OF ALLOWANCES (Page 3, L15)			
4	GAIN ON DISPOSITION OF UTILITY PLANT (Page 3, L16)			
5	REGULATORY DEBITS AND CREDITS (Page 3, L17)			
6	DEPRECIATION, AMORT, DECOM & ACCRETION EXPENSE (Page 3, L18)			
7	AMORTIZATION OF PLANT ACQUISITION ADJUSTMENT (Page 3, L19)			
8	INTEREST ON CUSTOMER DEPOSITS (Page 3, L20)			
9	TAXES OTHER THAN INCOME (Page 3, L21)			
10	OTHER (Page 3, L27)			
11	NET INCOME BEFORE INCOME TAXES (L1 - Sum of L2 – L10)			
12	ADJUSTMENTS TO NET INCOME BEFORE TAXES			
13	TAXABLE INCOME BEFORE CURRENT STATE INCOME TAX (L11 + L12)			
COMPUTATION OF STATE INCOME TAX				
14	STATE ADJUSTMENT			
15	STATE TAXABLE INCOME (L13 + L14)			
16	CURRENT STATE INCOME TAX [L15 * Effective State Tax Rate (see Note B)]			
17	OTHER ITEMS IMPACTING CURRENT STATE INCOME TAX			
18	TOTAL CURRENT STATE INCOME TAX (L16 + L17)			
COMPUTATION OF FEDERAL INCOME TAX				
19	TAXABLE INCOME BEFORE CURRENT STATE INCOME TAX (L13)			
20	CURRENT STATE INCOME TAX [L16 (shown as deduction)]			
21	FEDERAL TAXABLE INCOME (Sum of L19 – L20)			
22	CURRENT FEDERAL INCOME TAX [L21 * Federal Tax Rate (see Note B)]			
23	OTHER ITEMS IMPACTING CURRENT FEDERAL INCOME TAX			
24	TOTAL CURRENT FEDERAL INCOME TAX (L22 + L23)			

NOTES:

- (A) ADJUSTMENTS DEFINED IN ATTACHMENT C TO THIS RIDER FRP (SEE SECTION 4)
- (B) THE TAX RATE IN EFFECT AT THE TIME THE EVALUATION REPORT IS FILED SHALL BE UTILIZED.

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**ENTERGY LOUISIANA, LLC
EVALUATION PERIOD ADJUSTMENTS**

The actual (per book) data for the Evaluation Period, as reflected in Attachment B, shall be adjusted to reflect the following:

1. Special Rates

- A) Present rate revenue shall be adjusted to reflect, on an annualized basis, the Rate Adjustments in effect at the end of the Evaluation Period under this Rider FRP.
- B) The rate base, revenue and expense effects associated with any riders, or other rate mechanisms, that ELL may have in effect during the Evaluation Period which recover specific costs including Section 2.C.2(a) of this Rider FRP are to be eliminated.

2. Interest Synchronization

All Evaluation Period interest expenses are to be eliminated and replaced with an imputed interest expense amount equal to the Evaluation Period rate base multiplied by the weighted embedded cost of debt for the Evaluation Period determined in accordance with Attachment D.

3. Income Taxes

All state and federal income tax effects including 1) adjustments to taxable income, 2) adjustments to current taxes, 3) provisions for deferred income tax (debit and credit), and 4) accumulated provision for deferred income tax (debit and credit) shall be adjusted or eliminated, as appropriate, to comport with the following principles:

- A) Effects associated with other adjustments set out in this Attachment C shall similarly and consistently be adjusted;
- B) All effects associated with the difference in the timing of transactions, where the underlying timing difference is eliminated, shall also be eliminated;
- C) The corporate state and federal income tax laws legally in effect on the date an Evaluation Report is filed under this Rider FRP shall be reflected in the calculation of all income tax amounts; and
- D) Tax effects normally excluded in prior Commission Orders regarding ELL for ratemaking purposes shall be eliminated.

4. Specific Ratemaking Adjustments

The following adjustments shall be made for each Evaluation Period to the extent they remain applicable:

- A. Fuel Adjustment revenues and purchased power expense shall be adjusted in accordance with LPSC Order No. U-16945 related to ELL's Grand Gulf allocation, LPSC Order U-32328-A and any future orders of the LPSC.
- B. Decommissioning expense will be based on the latest approved cost estimates, escalation rates, earnings rates and the depreciable life of Waterford 3 and River Bend.
- C. Depreciation expense shall be based on the latest approved Louisiana depreciation rates including a 60-year life for River Bend.

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- D. The State Corporate Franchise Tax shall be proformed to reflect the State Corporate Franchise Tax, consistent with the terms of LPSC Order No's. S-28919 and U-21453 (Subdocket J).
- E. Adjustments to remove the River Bend Deregulated Asset Plan ("DAP") cost effects from rate base and expenses.
- F. Adjustment to remove the 30% unregulated River Bend cost effects from rate base and expense.
- G. Adjustment to Louisiana retail revenue requirement for the DAP revenue requirement.
- H. Cash working capital shall be determined by the most recently approved lead/lag study.
- I. Nelson Rail Spur to be included in rate base and expense as if owned by ELL.
- J. The actual-prudently incurred external costs to achieve the Business Combination's customer benefits ("CTABs") that have been or will be incurred during the period January 1, 2014 through December 31, 2015 shall be deferred as a regulatory asset and amortized over a ten-year period beginning with the first billing cycle following the implementation of the ELL FRP for the 2014 Evaluation Period. The annual amortization of the CTABs shall be treated as an FRP revenue requirement subject to the bandwidth earnings test. The amount of CTABs to be amortized will not exceed \$25 million, and CTABs will only include actual, prudently-incurred, external ELL, EGSL or ELP costs. CTABs will not include any costs associated with review by the Council of the City of New Orleans of the Business Combination, the Algiers asset transfer, or any other costs incurred by or in connection with proceedings before the Council. Carrying charges on the CTABs shall not be accrued.
- K. To the extent that there are additional FERC-ordered refunds and/or changes in rates pertaining to amounts billed ELL applicable to Grand Gulf, ELL shall reflect a corresponding adjustment to annualize the associated retail revenue requirement effects. These adjustments, if made during the term of this FRP renewal, shall be dollar-for-dollar outside the bandwidth provisions of this Rider FRP, and will include any retroactive effects, including refunds or credits.

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5. Reclassifications

- A) Revenues associated with ELL's rates in the LPSC Retail or FERC (Sales for Resale) jurisdictions, but included in Other Electric Revenue on a per book basis (Attachment B, Page 3, Line 6), shall be reclassified to the appropriate jurisdictional rate schedule revenue category.
- B) Costs not allowable for ratemaking purposes shall be removed by adjustment from the Evaluation Period cost data. Likewise, costs that are allowed, but recorded below the utility operating income line, shall be included in the Evaluation Period cost data through appropriate reclassification adjustments. These adjustments shall include, but are not limited to: 1) the reclassification of below-the-line interest expense associated with customer deposits and 2) interest income related to ESI and EOI and, 3) Letter of Credit Fees related to MISO.

6. Out-of-Period Items

Except with respect to expenses and revenues arising from a Federal Energy Regulatory Commission-jurisdictional tariff, expenses and revenues recorded in any Evaluation Period that are related to transactions occurring prior to 2005 under the Legacy Entergy Louisiana, LLC company and prior to 2004 under the Legacy Entergy Gulf States Louisiana, L.L.C. company shall be eliminated by adjustment from the Evaluation Period cost data. This shall include any associated tax adjustments.

7. Environmental Costs

To maintain neutrality in the recovery of the costs recovered via the Environmental Adjustment Clause ("EAC"), the Company shall make an adjustment to remove the Account 447 revenue associated with its affiliate-related billings of EAC costs.

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8. Ratemaking Treatment with Respect to Guaranteed and Contingent Credits Arising from the Business Combination in Docket U-33244

In connection with the stipulation approved in LPSC Order, U-33244-B, ratemaking treatments with respect to Guaranteed and Contingent Credits were approved and shall be reflected in the calculation included on Attachment F Line 31 via the Extraordinary Cost Provision.

9. Other

In addition to Adjustments 1-8 above, there may from time to time be special cost or rate effects that occur during an Evaluation Period that require adjustment of the Evaluation Period cost data. Nothing in this Rider FRP shall preclude any Party from proposing such adjustments. Such that Other adjustments required to be made to the evaluation period data are associated with costs embedded within Legacy FRP rates, and outside of any true-ups or adjustment provisions already provided for within this rider. Other adjustments shall be deemed to be made on a prospective basis through the ELL FRP, unless otherwise authorized by the LPSC.

**ENTERGY LOUISIANA, LLC
 BENCHMARK RATE OF RETURN ON RATE BASE**

	(A) CAPITAL AMOUNT (1) (\$)	(B) CAPITAL RATIO (2)	(C) COST RATE (3)	(D) BENCHMARK RATE OF RETURN ON RATE BASE (4)
1	SHORT-TERM DEBT			
2	LONG-TERM DEBT			
3	TOTAL DEBT			
4	PREFERRED EQUITY			
5	COMMON EQUITY		<u>EPCOE</u>	
6	TOTAL	100.00%		BRORB

NOTES:

- (1) Amounts at the end of the Evaluation Period, except Short-Term Debt which is the 13-month average, as adjusted for refinancing activities that occur prior to implementation of the Evaluation Report. All Long-Term Debt issues shall reflect the balance net of a) unamortized debt discount, premium, and expense; b) gain or loss on reacquired debt; and c) any adjustments required per Attachment C. All Preferred Stock issues shall reflect the balance net of discount, premium and capital stock expense. Common equity and preferred equity shall be adjusted for the net unamortized balance of gains and losses on reacquired preferred stock. Amounts related to Securitization financing [and interim storm financing that was the subject of Order No. U-35762](#) will be eliminated.
- (2) Each Capital Amount divided by the Total Capital Amount. However, if the Common Equity Ratio exceeds the weighted average common equity ratio of all five Entergy Operating Companies plus 2%, the Common Equity Capital Amount shall be reduced so that the Common Equity Ratio is equal to the weighted average common equity ratio of all five Entergy Operating Companies plus 2%. Any resulting reduction in the Common Equity Capital Ratios (%) shall then be allocated to Short-Term Debt, Long-Term Debt and Preferred Equity on a pro rata basis based on the corresponding Capital Amounts.
- (3) Annualized cost of Long-Term Debt and Preferred Equity at the end of the Evaluation Period, as adjusted for refinancing activities that occur prior to implementation of the Evaluation Report, divided by the corresponding Capital Amount. The Short-Term Debt Cost Rate is the 13-month average of the Short-Term Debt interest rates on the last day of each month of the Evaluation Period and the immediately preceding December 31. The Long-Term Debt Cost Rate shall include a) annualized amortization of debt discount premium, and expense; b) annualized gain or loss on reacquired debt; and c) any adjustments required per Attachment C. The Common Equity Cost Rate shall be the Evaluation Period Cost Rate for Common Equity (EPCOE) determined in accordance with Attachment E.
- (4) The components of the Benchmark Rate of Return on Rate Base (BRORB) column are the corresponding Cost Rates multiplied by the associated Capital Ratio. The BRORB is the sum of the components so determined and expressed as a percent to two decimal places (XX.XX%).

**ENTERGY LOUISIANA, LLC
EVALUATION PERIOD COST RATE FOR COMMON EQUITY PROCEDURE**

A. EVALUATION PERIOD COST RATE FOR COMMON EQUITY

The EPCOE applicable for any Evaluation Report pursuant to this Rider FRP shall be 9.50%. This EPCOE shall remain in effect until a new procedure for determining the EPCOE is established and implemented in connection with any extension of this Rider FRP, or until the EPCOE is superseded or new base rates are duly approved and implemented, as provided in Section 6 of this Rider FRP.

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Entergy Louisiana, LLC
Formula Rate Plan
Rider FRP Revenue Redetermination Formula
Electric
For the Test Year Ended December 31, 20XX

SECTION 1 **BANDWIDTH DEVELOPMENT**

Line No	DESCRIPTION	REFERENCE		
1	Earned Rate of Return on Common Equity	Attachment B, Page 1, L26		%
2	Evaluation Period Cost Rate for Common Equity	Developed per Attachment E		9.50%
3	If L2 + 0.50% < L1		TRUE	GO TO Section 2
4	If L2 - 0.50% > L1		FALSE	GO TO Section 3
5	Otherwise			No Rate Change

SECTION 2 **UPPER BAND RATE ADJUSTMENT**

Line No	DESCRIPTION	REFERENCE		
6	Earned Rate of Return on Common Equity	L1		%
7	Upper Band	L2 + 0.50%		%
8	Reduction to Upper Band	L6 - L7		%
9	Extraordinary Cost and/or Capacity Cost	See Note 2		\$
10	Common Equity Capital Ratio	Attachment D, L5, Column B		%
11	LPSC Retail Rate Base	Attachment B, Page 1, L21		\$
12	Revenue Conversion Factor	Attachment B, Page 1, L6		%
13a	Net Cost Impact on Common Equity	L9 / (L10 * L11 * L12)		%
13b	Reduction due to Extraordinary/Capacity Costs	Lesser of L8 or L13a		%
13c	Reduction in Earned Rate of Return on Common Equity	If L8 > L13b, then L8 - L13b; otherwise zero		%
14	Total ROE Reduction	L13b + L13c		%
15	If L14 ≤ 0.05%			No Rate Change
16	If L14 > 0.05%, then Reduction in Base Rider FRP Revenue	L10 * L11 * L12 * L14		\$

SECTION 3 **LOWER BAND RATE ADJUSTMENT**

Line No	DESCRIPTION	REFERENCE		
17	Lower Band	L2 - 0.50%		%
18	Earned Rate of Return on Common Equity	L1		%
19	Increase to Lower Band	L17 - L18		%
20	Increase in Earned Rate of Return on Common Equity	100% of L19		%
21	If L20 ≤ 0.05%			No Rate Change
22	If L20 > 0.05%, then			
23	Increase in Earned Rate of Return on Common Equity	L20		%
24	Common Equity Capital Ratio	Attachment D, L5, Column B		%
25	LPSC Retail Rate Base	Attachment B, Page 1, L21		\$
26	Revenue Conversion Factor	Attachment B, Page 1, L6		%
27	Increase in Base Rider FRP Revenue	L23 * L24 * L25 * L26		\$

SECTION 4 **RIDER FRP REVENUE EXCLUDING MCRM & TRAM**

Line No	DESCRIPTION	REFERENCE		
28	Legacy FRP Revenue Requirement Total	L 44		\$
29	Annualized Evaluation Period Incremental FRP Revenues	See Note 1		\$
30	(Reduction)/Increase in Base Rider FRP Revenue	- L16 or + L27		\$
31	Extraordinary Cost Change Revenue	See Note 2		\$
32	Additional Capacity Revenue Requirement (ELL)	Per Sec. 3.D of the Tariff		\$
33	Transmission Recovery Mechanism Revenues (ELL)	Per Sec. 3.F of the Tariff		\$
34	Incremental FRP Revenue excluding MCRM & TRAM (FRPXMCRMxTRAM)	Sum of L29 - L33		\$
35	Distribution Recovery Mechanism (DRM)	Per Sec. 3.G of the Tariff		\$
36	Rider FRP Revenue excluding MCRM & TRAM (FRPXMCRMxTRAM)	Sum of L28 + L34		\$

Notes:
(1) Rider ELL FRP Rate Adjustments in effect at the end of the applicable Evaluation Period multiplied by the applicable Evaluation Period billing determinants. See AJ01A.2, Column J
(2) Per Sections, 3.A, 3.D, 3.E, 3.F and 2.C.2.c.(5)

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SECTION 5			
LEGACY FRP REVENUE REQUIREMENT			
Line No	DESCRIPTION	REFERENCE	
37	Annualized Legacy ELL-L FRP Revenue	See Note 1	\$ -
38	Legacy ELL-L Additional Capacity Revenue Requirement	Per Sec. 3.D of the Tariff	\$ -
39	Legacy ELL-L Other Adjustments	Per Sec. 2.C.1.h of the Tariff	\$ -
40	Legacy ELL-L FRP Revenue Requirements Total	Sum of L35 - L37	<u>\$ -</u>
41	Annualized Legacy EGSL-L FRP Revenue	See Note 2	\$ -
42	Legacy EGSL-L Additional Capacity Revenue Requirement	Per Sec. 3.D of the Tariff	\$ -
43	Legacy EGSL-L Other Adjustments	Per Sec. 2.C.1.h of the Tariff	\$ -
44	Legacy EGSL-L FRP Revenue Requirements Total	Sum of L39 - L41	<u>\$ -</u>
45	Legacy FRP Revenue Requirement Total	Sum of L38 + L42	<u>\$ -</u>
SECTION 6			
MISO COST RECOVERY & TAX REFORM ADJUSTMENT MECHANISMS			
Line No	DESCRIPTION	REFERENCE	
46	MISO Rec. Rev. Requirement (MCRM)	Per Sec. 4 & Att. G Pg. 1 L 21	\$ -
47	Tax Reform Adjustment Mechanism (TRAM)	Per Sec. 5 & Att. H Pg. 1 L 10	-

Notes:

- (1) Legacy ELL-L FRP Rate Adjustments in effect at the end of the applicable Evaluation Period multiplied by the applicable Evaluation Period billing determinants. See AJ01A.2, Column H
- (2) Legacy EGSL-L FRP Rate Adjustments in effect at the end of the applicable Evaluation Period multiplied by the applicable Evaluation Period billing determinants. See AJ01A.2, Column H

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Entergy Louisiana, LLC			
Formula Rate Plan Rider Schedule FRP			
MISO Cost Recovery Mechanism Formula ELA (1)			
Projected for the Twelve Months Ended December 31, 20XX			
Ln No.	Description	Amount	Reference
Net MISO Charges/(Credits)			
1	Schedule 10 Invoice	-	Att G Page 2, L6
2	Non-TO Trust Invoice	-	Att G Page 2, L12
3	TO-Trust Invoice	-	Att G Page 2, L19
4	Sch. 31 - Reliability Coordination Service Cost Recovery Adder	-	Att G Page 2, L20
5	Administrative Costs	-	Att G Page 2, L21
6	Other MISO Settlements	-	Att G Page 2, L22
7	Net MISO Charges/(Credits)	-	Sum of Lines 1 - 6
Cost Associated with MISO Renewal Deferral (2)			
8	Carrying Cost on MISO Renewal Deferral		
9	Amortization of MISO Renewal Deferral		
10	Cost associated with MISO Renewal Deferral	-	Sum of Lines 8 - 9
11	Net MISO-related Costs	-	L7 + L10
12	Retail Allocation Factor (3)	-	
13	Revenue Related Expense Factor (4)	-	
14	Net Retail MISO Costs to be Recovered	-	L11 * L12 * L13
15	True-up of MISO Cost Recovery Revenue Requirement	-	Att G Page 3, L19
16	MISO Cost Recovery Mechanism (MCRM) Revenue Requirement	-	L14 + L15
Notes:			
(1)	Pursuant to Section 4 of this Formula Rate Plan (Rider FRP)		
(2)	Return of and on MISO Renewal Deferral per Section 4.C. of this Rider FRP.		
(3)	LA Retail Allocation Factor as calculated in Miscellaneous Schedule MD 1.		
(4)	Revenue Related Expense Factor = 1 / (1-Louisiana Retail Bad Debt Rate - Revenue-Related Tax Rate - Regulatory Commission Expense Rate).		

Entergy Louisiana, LLC				
Formula Rate Plan Rider Schedule FRP				
MISO Cost Recovery Mechanism Formula				
Projected for the Twelve Months Ended December 31, 20XX				
Ln No.	Description		Amount	Reference
Schedule 10 Invoice				
1	Schedule 10	ISO Cost Recovery Adder	-	
2	Sch. 10 - FERC	FERC Annual Charges Recovery	-	
3	Schedule 23	Recovery of Sch. 10 & Sch. 17 Costs from Certain GFAS	-	
4	Schedule 34	Allocation of Costs Associated With Penalty Assessments (1)	-	
5	Schedule 35	HVDC Agreement Cost Recovery Fee	-	
6	Total Schedule 10 Invoice		-	Sum of Lines 1 - 5
Non-TO Trust Invoice				
7	Schedule 1	Scheduling, System Control, and Dispatch Service	-	
8	Schedule 2	Reactive Power	-	
9	Schedule 11	Wholesale Distribution Services (2)	-	
10	Schedule 15	Power Factor Correction Service	-	
11	Schedule 20	Treatment of Station Power	-	
12	Total Non-TO Trust Invoice		-	Sum of Lines 7-11
TO-Trust Invoice				
13	Schedule 7	Long & Short-Term Firm Point-To-Point Trans. Service	-	
14	Schedule 8	Non-Firm Point-To-Point Transmission Service	-	
15	Schedule 9	Network Integration Transmission Service	-	
16	Schedule 26	Network Upgrade Charge From Trans. Expansion Plan	-	
17	Schedule 26-A	Multi-Value Project Usage Rate	-	
18	Schedule 33	Blackstart Service	-	
19	Total TO-Trust Invoice		-	Sum of Lines 13-18
20	Schedule 31 - Reliability Coordination Service Cost Recovery Adder		-	
21	Administrative Costs		-	
22	Other MISO Settlements		-	
Notes:				
(1)	Cost associated with potential future NERC penalties could show up under Schedule 10 Invoice or Market Settlements.			
(2)	Includes Wholesale Distribution Services, Prior Period Adjustments and Other.			

Entergy Louisiana, LLC
Formula Rate Plan Rider Schedule FRP
MISO Cost Recovery Mechanism Formula
True-up of MISO Cost Recovery Mechanism
For the Period ended December 31, 20XX

Ln No.	Description	Amount	Reference
Actual Net MISO Charges/(Credits)			
1	Schedule 10 Invoice	-	
2	Non-TO Trust Invoice	-	
3	TO-Trust Invoice	-	
4	Schedule 31 - Reliability Coordination Service Cost Recovery Adder	-	
5	Administrative Costs related to Market Settlements	-	
6	Other MISO Market Settlements	-	
7	Net MISO Charges/(Credits)	-	Sum of Lines 1 - 6
Actual Cost Associated with MISO Renewal Deferral (2)			
8	Carrying Cost on MISO Renewal Deferral	-	
9	Amortization of MISO Renewal Deferral	-	
10	Cost associated with MISO Renewal Deferral	-	Sum of Lines 8 - 9
11	Net MISO-related Costs	-	L7 + L10
12	Louisiana Retail Allocation Factor	-	
13	Revenue Related Expense Factor (2)	-	
14	Actual Net Retail MISO Costs to be Recovered	-	L11 * L12 * L13
15	Estimated Net Retail MISO Costs to be Recovered	-	Preceding Filing Att G Page 1, L14
16	Difference in Actual & Est. MISO Cost Recovery Revenue Requirement	-	L14 - L15
17	Before-Tax Weighted Average Cost of Capital	-	
18	Carrying Cost	-	L16 * (L17/2)
19	True-up of MISO Cost Recovery Revenue Requirement	-	L16 + L18
Notes:			
(1)	Pursuant to Section 4.A.3. of this Formula Rate Plan (Rider FRP)		
(2)	See Attachment G, Page 1 Note (4)		

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**Entergy Louisiana, LLC
 Formula Rate Plan Rider Schedule FRP
 Tax Reform Adjustment Mechanism Formula
 For the Test Year Ended December 31, 20XX**

Ln No.	Description	Amount	Reference
1	Protected Excess ADIT Give-Back	-	
2	Offsetting Revenue Requirement Increase	-	
3	Net Protected Give-Back ⁽¹⁾	-	Sum of Lines 1-2
4	Unprotected Excess ADIT Give-Back	-	
5	Offsetting Revenue Requirement Increase	-	
6	Net Unprotected Give-Back ⁽²⁾	-	Sum of Lines 4-5
7	Amortization of Income Tax Expense Liability	-	
8	MSS-4 Effects of Unprotected Give-Back ⁽³⁾	-	
9	Protected Excess True Up ⁽⁴⁾	-	
10	Net TRAM Amount ⁽⁵⁾	-	Sum of Lines 3, 6, 7, 8, and 9

Notes:

- ⁽¹⁾ Reference page 8.2
- ⁽²⁾ Reference page 8.3
- ⁽³⁾ Reference page 8.4
- ⁽⁴⁾ Reference page 8.5
- ⁽⁵⁾ Value includes gross-up for taxes and revenue related expenses as well as retail allocation factor

Ln No.	Description
TITLE	
1	Protected Excess ADIT Give-Back
2	Offsetting Revenue Requirement Increase
3	Net Protected Give-Back
4	Unprotected Excess ADIT Give-Back
5	Offsetting Revenue Requirement Increase
6	Net Unprotected Give-Back
7	Amortization of Income Tax Expense Liability
8	MSS-4 Effects of Unprotected Give-Back
9	Net TRAM Amount (1)
Notes:	
Deleted: (1) Value includes gross-up for taxes and revenue re	

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Line No.	Description	2020 TY (Evaluation Period)	2021 Filing Year	Total	2021 TY (Evaluation Period)	2022 Filing Year	Total	2022TY (Evaluation Period)	2023 Filing Year	Total
A Plant in Service										
1	Plant in Service - Distribution Closings	330,000,000	300,000,000	630,000,000	450,000,000	300,000,000	750,000,000	450,000,000	300,000,000	750,000,000
2	Less: Net Distribution Closings Reported on August previous DRM Update	-	N/A	-	(150,000,000)	N/A	(150,000,000)	(150,000,000)	N/A	(150,000,000)
3	Less: Floor ⁽²⁾	(200,000,000)	(100,000,000)	(300,000,000)	(150,000,000)	(100,000,000)	(250,000,000)	(150,000,000)	(100,000,000)	(250,000,000)
4	Subtotal (Ln1 + Ln2 + Ln3)	130,000,000	200,000,000	330,000,000	150,000,000	200,000,000	350,000,000	150,000,000	200,000,000	350,000,000
5	DRM Cap	225,000,000	150,000,000	225,000,000	75,000,000	150,000,000	225,000,000	75,000,000	150,000,000	225,000,000
6	DRM Basis (Lesser of Ln4 & Ln5)	130,000,000	150,000,000	280,000,000	75,000,000	150,000,000	225,000,000	75,000,000	150,000,000	225,000,000
B DRM Revenue Requirement										
7	Plant in Service	130,000,000	150,000,000	280,000,000	75,000,000	150,000,000	225,000,000	75,000,000	150,000,000	225,000,000
8	Accumulated Depreciation (3% Depreciation Rate) ⁽³⁾	(3,900,000)	(4,500,000)	(8,400,000)	(2,250,000)	(4,500,000)	(6,750,000)	(2,250,000)	(4,500,000)	(6,750,000)
9	Rate Base (Ln7 + Ln8)	126,100,000	145,500,000	271,600,000	72,750,000	145,500,000	218,250,000	72,750,000	145,500,000	218,250,000
10	Return On (BRORB)	8.44%	8.44%	8.44%	8.44%	8.44%	8.44%	8.44%	8.44%	8.44%
11	Return On RB	10,641,274	12,278,393	22,919,667	6,139,197	12,278,393	18,417,590	6,139,197	12,278,393	18,417,590
12	Return Of (Defined 3% DRM Depreciation Rate)	3,900,000	4,500,000	8,400,000	2,250,000	4,500,000	6,750,000	2,250,000	4,500,000	6,750,000
13	DRM Revenue Requirement	14,541,274	16,778,393	31,319,667	8,389,197	16,778,393	25,167,590	8,389,197	16,778,393	25,167,590
FRP Bandwidth Calculation										
A FRP Per Book Adjustments										
14	Net Distribution Plant in Service Closings in DRM	-	N/A	-	150,000,000	N/A	150,000,000	150,000,000	N/A	150,000,000
15	Adjustment to Remove TY Plant in DRM	(130,000,000)	N/A	(130,000,000)	(75,000,000)	N/A	(75,000,000)	(75,000,000)	N/A	(75,000,000)
16	DRM Basis (Ln14 + Ln15)	(130,000,000)	N/A	(130,000,000)	75,000,000	N/A	75,000,000	75,000,000	N/A	75,000,000
17	DRM Basis	(65,000,000)	N/A	(65,000,000)	37,500,000	N/A	37,500,000	37,500,000	N/A	37,500,000
18	Accumulated Depreciation	1,950,000	N/A	1,950,000	(1,125,000)	N/A	(1,125,000)	(1,125,000)	N/A	(1,125,000)
	Total Rate Base Added to Sharing	(63,050,000)		(63,050,000)	36,375,000		36,375,000	36,375,000		36,375,000
19	Per Book Depreciation Expense	9,900,000	N/A	9,900,000	13,500,000	N/A	13,500,000	13,500,000	N/A	13,500,000
20	Adjustment to Remove TY Depreciation in DRM	(3,900,000)	N/A	(3,900,000)	(2,250,000)	N/A	(2,250,000)	(2,250,000)	N/A	(2,250,000)
	Total Adjusted Depreciation Expense	6,000,000		6,000,000	11,250,000		11,250,000	11,250,000		11,250,000
21	Per Book Accumulated Depreciation	-	N/A	-	(3,000,000)	N/A	(3,000,000)	(3,000,000)	N/A	(3,000,000)
22	Adjustment to Remove TY Depreciation in DRM	3,900,000	N/A	3,900,000	2,250,000	N/A	2,250,000	2,250,000	N/A	2,250,000
23	Total Adjusted Accumulated Depreciation	3,900,000		3,900,000	(750,000)		(750,000)	(750,000)		(750,000)

DRM Reporting

(1) PROSPECTIVE REPORTING

a. FRP Annual Report – 1st filing (May)

- i. Beginning in May 2021, ELL shall provide for the calendar year following the FRP test year (the “filing year”) all Projected Distribution capital additions that are placed in service or expected to be placed in service for both the period prior to September 1 and after September 1.
- ii. Such projections shall be detailed and categorized by Internal Product Service (“IPS”) code, with such categories totaling to the projected amounts to be placed in service and at a minimum shall additionally provide with specificity the following detailed information from the categories of IPS codes:

1. **DISTRIBUTION RELIABILITY.** Regarding the category of “Distribution Reliability,” all specific projects anticipated to be placed in service during the filing year with an estimated cost of \$500,000 or more shall be provided. Further, with regards to more generalized blanket or programmatic spending associated with this category the following shall be provided:

- a. Regarding amounts to be placed in service associated with the “DIST PLANNED/IMPROVEMENT” blanket, ELL shall provide a list of all of the planned projects for the year. By May of the filing year it is assumed that there should be no more than 10% of this spending unallocated and left in blanket funding. If more than 10% is unallocated, ELL to provide an explanation of why.
- b. Regarding amounts to be placed in service associated with the “FOCUS” program, ELL shall provide a list of all of the planned projects for the year. By May of the filing year it is assumed that there should be no more than 10% of this spending unallocated and left in blanket funding. If more than 10% is unallocated, ELL to provide an explanation of why.
- c. Regarding amounts to be placed in service associated with budgeted “DIST. FEEDER ANALYSIS PROJECTS”, ELL is to provide a list of all planned feeder level investments planned for the filing year. By May of the filing year it is assumed that there should be

no more than 10% of this spending unallocated and left in blanket funding. If more than 10% is unallocated, ELL to provide an explanation of why.

- d. Regarding amounts funded from the “MAXIMO DIST REPLACE POLE” blanket, such projected amounts are to be further categorized into the categories of “Inspect/Treat/Adders/Repairs”, “Restoration”, “Priority”, “Non-Priority”, and “Pole-Network Identify Replace”. Additionally, ELL shall provide a detailed breakdown as between Priority and Non-Priority with explanations of the criteria of each. Further, ELL is to provide the amounts placed in service for this category and each of its sub-categories from the prior year and to the extent the projected spend represents an increase greater than 10%, ELL is to provide the basis for the increased projected amount.
- e. Regarding amounts to be funded from each of the following blankets or generalized programs, ELL shall provide for each separately the total projected amounts to be placed in service, and to the extent any specific projects are estimated to exceed \$500,000 in cost are expected to be included in that amount then it shall provide a list of such projects. Further, ELL is to provide the amounts placed in service from the prior year for each blanket funding category listed below and to the extent the projected spend represents an increase greater than 10% for any category, ELL is to provide the basis for the increased projected amount. The blankets and programs to be addressed with this requirement include the following:
 - i. CRITCL REPL/FAILUR
 - ii. EQUIPMENT MAINT
 - iii. IMPROVEMENT OTHER
 - iv. NETWORK IMPROVE
 - v. OUTAGE CAUSE ANALYSIS
 - vi. STRATEGIC RELIAB
 - vii. TRANSFORMERS
 - viii. UG CABLE SPLC-FAIL

ix. Any other program or blanket necessary to fully include projected detail for all of the Distribution Reliability category.

2. **LOAD ADDITIONS.** Regarding the category of Load Additions, all specific projects anticipated to be placed in service during the filing year with an estimated cost of \$500,000 or more shall be provided. Further, with regards to more generalized programmatic or blanket spending the following shall be provided:

a. Regarding amounts to be funded from each of the following blankets or generalized programs, ELL shall provide for each separately the total projected amounts to be placed in service, and to the extent any specific projects are estimated to exceed \$500,000 in cost are expected to be included in that amount then it shall provide a list of such projects. Further, ELL is to provide the actual spend from the prior year of each blanket funding category listed below and to the extent the projected spend represents an increase greater than 10% for any category, ELL is to provide the basis for the increased projected amount. The blankets and programs that are to be included, but not be limited to, are the following:

i. DIST REVENUE

ii. Any other program or blanket necessary to fully include projected detail for all of the Load Additions category.

3. **OTHER.** Regarding the category of Other, all specific projects anticipated to be placed in service during the filing year with an estimated cost of \$500,000 or more shall be provided. Further, with regards to more generalized spending the following shall be provided:

a. Regarding amounts to be funded from each of the following blankets or generalized programs, ELL shall provide for each separately the total projected amounts to be placed in service, and to the extent any specific projects estimated to exceed \$500,000 in cost are expected to be included in that amount then it shall

provide a list of such projects. Further, ELL is to provide the actual spend from the prior year of each blanket funding category listed below and to the extent the projected spend represents an increase greater than 10% for any category, ELL is to provide the basis for the increased projected amount. The blankets and programs that are to be included, but not be limited to, are the following:

- i. DIST STREETLIGHT MAINT
- ii. DIST AVIATION PROTECTION
- iii. DIST STREET LIGHT REVENUE
- iv. DIST PRIVATE LIGHT REVENUE
- v. DIST PRIVATE LIGHT MAINT
- vi. DIST JOINT USE
- vii. DIST GOVT MANDATD HWY
- viii. Distribution Ops – Budget Only
- ix. Any other program or blanket necessary to fully include projected detail for all of the Other category

4. **STORM.** Regarding the category of Storm, all specific projects anticipated to be placed in service during the filing year with an estimated cost of \$500,000 or more and not recovered through other ratemaking mechanisms shall be provided. Further, with regards to more generalized spending the following shall be provided:

- a. Regarding amounts to be funded from each of the following blankets or generalized programs, ELL shall provide for each separately the total projected amounts to be placed in service, and to the extent any specific projects estimated to exceed \$500,000 in cost are expected to be included in that amount then it shall provide a list of such projects. Further, ELL is to provide the actual spend from the prior year of each blanket funding category listed below. To the extent the projected spend represents an increase greater than 10% for any category, ELL is to provide the basis for the increased projected amount. The blankets and programs

that are to be included, but not be limited to, are the following:

- i. STORM DAMAGE CAPITAL ELA
- ii. Any other program or blanket necessary to fully include projected detail for all of the Storm category.

5. **SUBSTATION RELIABILITY.** Regarding the category Substation Reliability, all specific projects anticipated to be placed in service during the filing year with an estimated cost of \$500,000 or more shall be provided. Further, with regards to more generalized spending the following shall be provided:

- a. Regarding amounts to be funded from each of the following blankets or generalized programs, ELL shall provide for each separately the total projected amounts to be placed in service, and to the extent any specific projects estimated to exceed \$500,000 in cost are expected to be included in that amount then it shall provide a list of such projects. Further, ELL is to provide the actual spend from the prior year of each blanket funding category listed below and to the extent the projected spend represents an increase greater than 10% for any category, ELL is to provide the basis for the increased projected amount. The blankets and programs that are to be included, but not be limited to, are the following:

- i. D-Sub Pin & cap Replacements
- ii. D-Sub Animal Mitigation
- iii. D-Sub Arrester Replacements
- iv. D-Sub Circuit Switcher Replace
- v. D-Sub Transformer Life Extension
- vi. D-Sub RTU Retrofits
- vii. D-Sub Relay Improvements
- viii. D-Sub Breaker Replacements
- ix. D-Sub Substation Programs
- x. D-Substation Equipment Failures
- xi. Tools & Equipment Transmission
- xii. AM Safety Capital Upgrade
- xiii. D-Sub Reliability Failure

- xiv. Any other program or blanket necessary to fully include projected detail for all of the Substation Reliability category.
- iii. Regarding all specific projects disclosed pursuant to the above requirements each such project disclosure shall include the budgeted amount of the project and the projected in-service date for the project. For any project with an estimated cost of greater than \$500,000, a line-item description of the project shall also be provided, in addition to the budgeted amount and projected in service date.
- iv. Further, regarding any specific projects disclosed pursuant to the above requirements, or project portfolios, that are projected to result in any of the following improvements, the details of such projected improvements shall be disclosed. The improvements to be disclosed may include the following:
 - 1. Improvements to Customer Interruptions
 - a. There shall be a baseline and a proposed improvement to the baseline provided.
 - 2. Improvements to the Duration of Customer Interruptions
 - a. There shall be a baseline and a proposed improvement to the baseline provided.
 - 3. Improvements associated with storm hardening.
 - 4. Improvements associated with the provision of increased capacity for distributed energy resources or electric vehicles.
 - 5. Improvements related to a rural / end of line project being completed, that without increased funding of DRM otherwise would not be completed.
 - 6. Other improvements proposed by ELL.
- b. **FRP Annual Report – 2nd filing (August)**
 - i. The 1st filing shall be updated, along with a variance report identifying the changes from the first report with explanations of the changes.

(2) RETROSPECTIVE REPORTING

- a. **FRP Annual Report – 1st filing (May)**
 - i. **Variance Report.** In May 2022 and 2023, with its FRP annual filing and on May 31, 2024, ELL shall file a variance report comparing the actual amounts placed in service for the prior year to the information

contained in the August FRP updated filing from the prior year. The variance report shall at a minimum include:

1. A detailed explanation of any variances of more than 10% between projected amounts placed in service per funding project that was identified in the August report from the prior year.
2. Regarding any specific project that was identified with an estimated budget of \$500,000 or more, the following shall be disclosed:
 - a. Whether that project was put in service, delayed, canceled or the scope materially changed.
 - b. If the project was delayed or its scope materially changed, then a description of the contributing factors along with the cost implications, if any.
 - c. If a project was canceled, an explanation of why canceled.

ii. Performance Report. Beginning in May 2022 and for every year thereafter for which a report would be applicable based on paragraphs 1 and 2 below, ELL shall file a performance report which shall at a minimum include:

1. For every project or project portfolio that was projected to improve customer interruptions and/or duration of customer outages, for the five years following the in-service date of that project or project portfolio ELL shall provide a comparison of the baseline to each of those year's performance for the customer interruptions and duration of customer outage metrics.
2. For every project or project portfolio that was projected to increase capacity for distributed energy resources or electric vehicles, for the ten years following the in-service date of that project or project portfolio there shall be provided data related to the amount of distributed energy resources or increase in electric vehicle usage facilitated by that project.