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PUBLIC VERSION
AEO/HSPM INFORMATION HAS BEEN REMOVED

BEFORE THE

LOUISIANA PUBLIC SERVICE COMMISSION

DOCKET NUMBER U-37425

ENTERGY LOUISIANA, LLC, EX PARTE

In re: Application for Approval of Generation and Transmission Resources in Connection with Service to a Single Customer for a Project in North Louisiana

DIRECT TESTIMONY

OF

R. LANE SISUNG

ON BEHALF OF THE
STAFF OF THE
LOUISIANA PUBLIC SERVICE COMMISSION

PUBLIC VERSION

APRIL 11, 2025

CORRECTED*

*** Corrected to redact all AEO/HSPM information.**

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I. INTRODUCTION

Q1. PLEASE STATE YOUR NAME, PLACE OF EMPLOYMENT, TITLE, AND BUSINESS ADDRESS.

A. My name is R. Lane Sisung. I am President of United Professionals Company, LLC ("UPC"). My business address is 3850 North Causeway Boulevard, Suite 1930, Metairie, Louisiana 70002.

Q2. PLEASE DISCUSS YOUR EDUCATIONAL AND PROFESSIONAL BACKGROUND.

A. I hold a Bachelor of Science degree in Accounting from Louisiana State University in Baton Rouge, Louisiana, and I sat for and passed the Certified Public Accounting Examination. I attended Loyola School of Law, where I was a member of the Law Review and received my Juris Doctor degree. I then furthered my legal and accounting education at the University of Florida where I received an L.L.M. in Tax Law. I am a fully licensed General Securities Representative (Series 7), General Securities Principal (Series 24), Options Principal (Series 4), Financial and Operations Principal (Series 27), and Registered Investment Adviser (Series 65). I am a member of the Society of Utility Regulatory Financial Analysts, by which I have been qualified as a Certified Rate of Return Analyst ("CRRA"). I have over thirty years of experience in working on financial, regulatory, real estate, and investment transactions. My current primary endeavor is managing and providing regulatory consulting and expert witness services for UPC.

Q3. PLEASE BRIEFLY DESCRIBE YOUR PRIOR REGULATORY EXPERIENCE.

A. I have provided consulting and expert witness services in numerous regulatory matters for state regulators and at proceedings at the Federal Energy Regulatory Commission

("FERC"), including rate determinations, mergers and acquisitions, prudence determinations, generator certifications, transmission certifications, tax matters, sale-leaseback transactions, forensic investigations, revenue requirements, storm damage cost recovery, and other general rulemaking matters. Attached as Exhibit RLS-001 is an illustrative list of the utility regulatory dockets in which I have provided services. In addition to working on specific dockets, I am also currently advising the Louisiana Public Service Commission ("Commission" or "LPSC") in matters related to the participation by its regulated electric utilities in the Midcontinent Independent System Operator, Inc. ("MISO") and Southwest Power Pool, Inc. ("SPP") Regional Transmission Organizations ("RTOs").

Q4. ON WHOSE BEHALF ARE YOU APPEARING IN THIS DOCKET?

A. I am appearing on behalf of the Commission Staff ("Staff").

Q5. WHY ARE YOU SUBMITTING THIS DIRECT TESTIMONY?

UPC was retained by the Commission to review an application (the "Application") filed by Entergy Louisiana, LLC ("ELL" or the "Company") that seeks, among other things, certification of and approval for ELL's construction of new generation and transmission facilities necessary to serve the load associated with a new hyperscale data center to be developed by Meta Platforms, Inc. (through its subsidiary Laidley, LLC) (the "Customer"), in Richland Parish, Louisiana (the "Project"). My Direct Testimony addresses the Application and associated testimony and discovery and provides the LPSC Staff's recommendations to the Commission on the disposition of ELL's Application.

Q6. WHAT DID YOU RELY ON IN PREPARING YOUR TESTIMONY?

A. I reviewed and relied on the filed Application and supporting exhibits, including the direct testimony and exhibits of ELL's eleven witnesses. I also reviewed and analyzed the data provided by ELL in response to over approximately 500 data requests propounded by Staff and Intervenors[1] (collectively referred to as the "ELL Support Documents").

Q7. PLEASE GENERALLY DESCRIBE ELL'S APPLICATION.

A. In its Application, ELL presents what it describes as a "potential game changer for Northeast Louisiana."[2] This potential arises from the proposed new Customer in ELL's service area that will require over [redacted] of electricity, nearly [redacted] of the total electricity ELL provides to Louisiana customers today.[3] To serve this Customer, ELL seeks Commission approval to construct new generation and transmission resources. Specifically, ELL seeks approval to build three new Combined Cycle Combustion Turbine ("CCCT") generators to provide the additional baseload capacity required for the Customer's load (the "Planned Generators"). ELL also details its plans to construct several transmission projects, which are described in three categories, (i) Customer funded

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[1] Intervenors in this proceeding include the Louisiana Energy Users Group ("LEUG"), Southern Renewable Energy Association ("SREA"), Alliance for Affordable Energy ("AAE"), 1803 Electric Cooperative ("1803"), Sierra Club, Housing Louisiana, Walmart, Inc. ("Walmart"), Occidental Chemical Corporation ("OCC"), Northeast Electric Power Cooperative ("NELPCO"), Alliance for Affordable Energy ("AAE"), and the Union of Concerned Scientists ("UCS") (AAE and UCS are collectively referred to as the Non-Profit Organizations or "NPOs"). Of the intervenors, LEUG, SREA, Walmart, Sierra Club, and the NPOs served discovery requests upon ELL. Southwest Louisiana Electric Membership Corporation ("SLEMCO"), Cleco Power, LLC ("Cleco Power"), Pointe Coupee Electric Membership Corporation ("PC Electric"), Retail Energy Supply Association ("RESA"), Southwestern Electric Power Company ("SWEPCO"), Association of Louisiana Electric Cooperatives ("ALEC"), and EP2 Consulting ("EP2") additionally participated in this proceeding as Interested Parties.

[2] Direct Testimony of Phillip R. May at 6.

[3] *See id.* at 4 (AEO Version).

substations, (ii) Customer funded point of delivery transmission facilities, and (iii) transmission facilities that are system improvements ("System Improvement Projects") funded through ELL's formula rate plan ("FRP").[4]

The ELL Support Documents additionally provide and explain the negotiated contractual framework of the Electric Service Agreement ("ESA") between ELL and Customer that establishes the allocations of costs and risks as between the parties and ELL proposes mitigations and rate-making adjustments it believes ensure that the incremental investments will not unduly burden ELL's other ratepayers. The ESA incorporates a Rider 1 to the ESA which (i) includes its proposal for a sustainability rider to assist in offsetting the emissions of the Planned Generators and (ii) incorporates two CIACs for long-lead generation and transmission equipment, which have already been funded, and a third Continuing CIAC (defined hereafter) which provides for continuing customer funding for customer investment in needed electrical equipment [redacted]

Q8. SPECIFICALLY, WHAT IS ELL REQUESTING IN THE APPLICATION?

A. ELL's Application includes 22 prayers for relief, which I summarize and categorize as follows (defined terms in this summary are defined in the ELL Support documents and will be defined in more detail throughout this testimony when applicable):

A finding that the construction of the Planned Generators is in the public interest and recoverable in ELL's rates:

- Find that the Company's construction of two new CCCT generators at Franklin Farms in Richland Parish, Louisiana, serves the public convenience and necessity and is in the public interest, and is therefore prudent, in accordance with the Commission's 1983 General Order. **(Prayer for Relief 1)**

[4] Direct Testimony of Daniel Kline at 13-14.

- Find that the construction of one other CCCT in SELPA, including potentially the Amite South subregion, at a specific location that will be disclosed in a supplemental filing serves the public convenience and necessity and is in the public interest, and is therefore prudent, in accordance with the Commission's 1983 General Order. **(Prayer for Relief 2)**[5]

- Based on the facts and analyses presented herein demonstrating the benefits of the Planned Generators to all ELL customers, approve of the inclusion and treatment of the Planned Generators as system resources for the benefit of all ELL customers, and not as resources constructed and designated for the benefit and use of a specific Customer. **(Prayer for Relief 3)**

A finding that ELL has complied with the requirements of the Commission's Market Based Mechanisms Order, despite its failure to conduct a formal request for proposals process:

- Find that, under the specific facts and circumstances of this case including significant third-party funding, the need for expedited action to secure the Customer's investment in Louisiana, the substantial economic benefits to the citizens of the State of Louisiana afforded by the Project, and other circumstances described in the Company's Application and supporting Direct Testimony, good cause exists for the granting of, and for the Commission to grant, an exemption to the formal RFP process included in the MBM Order, the stated prohibition in the MBM Order against alternative market-based mechanisms being "limited to self-build or utility-owned resources," and any other requirements of the MBM Order (including the recent amendments to that order) that may not be met based on the facts presented herein. **(Prayer for Relief 5)**

A finding that, to the extent necessary, the Commission certify the construction of the proposed Transmission projects and authorize recovery as proposed by ELL:

- With respect to transmission, the Commission should find:

  - As to the Sterlington 500 kV Substation Equipment and the Customer-Paid Substations, that these transmission facilities do not require certification pursuant to the Transmission Siting Order as they do not fall within the definition of "Transmission Facilities"

[5] Subsequent to the filing of the Application the specific location was identified as the Company's Waterford site in Killona, Louisiana in the Supplemental Direct Testimony of Laura K. Beauchamp at 2-3.

and, further, that the exemption set forth in Section VIII(a) therein applies.

- As to the Interim Transmission Facilities and the Point-of-Delivery Transmission Facilities, that those facilities are exempt from certification pursuant to the Transmission Siting Order and the exemption in Section VIII(f) therein (exempting "[n]ew transmission point-of-delivery facilities . . . undertaken for the sole purpose of . . . accommodating a new or expanding load for specifically identified customers located in Louisiana that have executed interconnection agreements and/or electric services agreements");

- As to the Customer-Paid Substations, the Interim Transmission Facilities, and the Point-of-Delivery Transmission Facilities, the Commission should find in the alternative to the findings above, that such projects are exempt from the requirements of the Transmission Siting Order pursuant to the first sentence of Section VIII and the exemption in Section VIII(h) of the Transmission Siting Order, because (1) "the costs of the [referenced facilities], and the cost of any associated System Impacts, will never be reflected or recovered in the retail or wholesale rates to be assessed to customers of Louisiana electric utilities including cooperatives," or (2) in the further alternative, "good cause" exists to exempt the interconnection from certification, because there is no risk that the costs of the Customer-Paid Substations, the Interim Transmission Facilities, or the Point-of-Delivery Transmission Facilities will fall on retail customers;

- As to the Sarepta-to-Mount-Olive Transmission Facilities—and as to the Interim Transmission Facilities, Point-of-Delivery Transmission Facilities, 500 kV Sterlington Substation Equipment, and Customer-Paid Substations, if none of the above-referenced exemptions are found to apply—that (1) such facilities are in the public interest and the interests of affected customers, taking into account the costs, retail rates, service reliability, reduction of congestion, material economic benefits, the interstate or intrastate benefits expected to be achieved, and the fact that such facilities are consistent with public policy, including policy goals of the Commission; and that (2) the generalized siting of the facilities is appropriate and construction of the facilities (as opposed to construction of other transmission facilities or construction of generation, or non-transmission alternative) is a reasonable and cost-effective solution to the problems being addressed by such facilities. **(Prayer for Relief 6)**

Approval of ELL's proposed ratemaking treatment for the revenue received from the Customer and the revenue requirement of the Planned Generators and Transmission facilities:

- Approve the Company's establishment of an unearned revenue liability for accounting purposes, as described in the Application and supporting Direct Testimony, to, inter alia, stabilize the effects of unearned revenue on the rates charged in accordance with the FRP and resulting customer bill impacts. **(Prayer for Relief 10)**

- Approve of the requested accounting treatment of the Customer's other contributions made pursuant to the CIAC Agreement as described in the Application and supporting Direct Testimony. **(Prayer for Relief 11)**

- Find that the retail revenue requirements associated with the actual prudently incurred costs of, respectively, the Sterlington 500 kV Substation Equipment and the Mount Olive to Sarepta Transmission Facilities, estimates of which are provided by Mr. Jones in his Direct Testimony, are deemed eligible for recovery by the Company through the applicable mechanisms of the FRP to the extent the Company remains subject to an FRP at the time the referenced facilities are placed in service, or in the alternative, through the creation and authorization of a regulatory asset, with interest to be accrued thereon at the Company's weighted average cost of capital, until such time that the costs can be reflected in rates through a future base rate proceeding. **(Prayer for Relief 12)**

- Find that the retail revenue requirement associated with the Planned Generators (to be determined in a subsequent revenue requirement filing) is deemed eligible for recovery in the first billing cycle of the month following commercial operation of each of the Planned Generators in accordance with the terms of the Company's then-effective FRP, outside of the FRP sharing mechanism and outside of the cap set forth in Section 2.C.2.d of Rider FRP; in the alternative, if ELL does not have an FRP in place at the time the Planned Generators are placed in service, authorize (i) a deferral of the non-fuel revenue requirement (i.e., costs that are not eligible to be recovered through the FAC) associated with each of the Planned Generators until such time as the costs of each Planned Generator are reflected in the Company's retail rates; (ii) a deferral of the costs to hire and train each Planned Generators' plant staff in advance of each of the Planned Generators' in-service dates; and (iii) an accrual of carrying charges on the deferred balances at the Company's Commission-authorized rate of return, commencing on the dates of commercial operation for each of the Planned Generators and continuing until such time as such costs for

each of the Planned Generators are first reflected in the Company's retail rates. **(Prayer for Relief 13)**

- Authorize the recovery, over a two-year period, of any deferred balances referenced in the immediately preceding paragraph, beginning, as to each of the Planned Generators, contemporaneously with the time that the costs of such Planned Generators begin to be recovered from customers through rates. **(Prayer for Relief 14)**

- Approve recovery, through the FAC, of the variable expenses incurred under the Long-Term Service Agreements applicable to the Planned Generators. **(Prayer for Relief 15)**

Approval of a process for procuring renewable generation and allocating costs that is outside of traditional Commission rules and procedure:

- As to the CSR described in the Application and presented as HSPM Exhibit ECI-2 to the Direct Testimony of Ms. Ingram and an attachment to the ESA included as HSPM Exhibit LKB-2 to the Direct Testimony of Ms. Beauchamp, approve and authorize the implementation of the CSR, including the processes for procuring the solar and/or hybrid resources that will supply the Customer's portfolio under the CSR and securing Commission approval to add future resources to the CSR and the allocation of costs as between the Customer and the Company's other customers as described therein. **(Prayer for Relief 7)**

- Confirm and/or find that ELL may solicit and procure the 1,500 MW of solar and/or hybrid resources contemplated by the CSR through an alternative procurement process based upon the process approved in the 3 GW Order. **(Prayer for Relief 8)**

- Confirm the Customer referenced in the Application is a "New Customer" (as defined in Attachment 2 to the "Motion for Consideration of Uncontested Stipulated Settlement Term Sheet Pursuant to Rules 6, 51, and 57" filed by ELL in Docket No. U-36697 on May 15, 2024) and that ELL is accordingly permitted, pursuant to Paragraph 19 of the 3 GW Order, "to utilize the expedited certification process…outlined in Paragraph 14" of the 3 GW Order for purposes of securing approval of the 1,500 MW of solar and/or hybrid resources contemplated by the CSR and to designate those resources under the CSR pursuant to its terms. **(Prayer for Relief 9)**

Approval of a monitoring plan to track the Customer's and ELL's construction activity and financial transactions;

- Approve the Monitoring Plan in the form presented with the Company's Application as Exhibit LKB-5 to the Direct Testimony of Ms. Beauchamp under which the Company will report to Commission Staff on a quarterly basis the status of the Planned Generators and Mount Olive to Sarepta Transmission Facilities, including schedule, costs, and other critical associated activities. **(Prayer for Relief 16)**

Confirmation of compliance with other Commission Orders and procedural matters:

- Find that the Application complies with the requirements of General Order in Docket R-34860, and that the requirements for entering into the ESA have been satisfied, because ELL has submitted a filing pursuant to the 1983 General Order requiring Commission certifications for the acquisition of power supply. **(Prayer for Relief 4)**

- Rule that, with respect to the resources described in the Application, the Company has complied with, or is not in conflict with, the provisions of all applicable LPSC Orders. (Prayer for Relief 17)

- Find, as provided in the Commission's Special Order No. 7-2000, dated March 22, 2000, that the confidential Direct Testimony, Exhibits, and other materials referenced in the Application shall be exempt from public disclosure pursuant to the Commission's General Order dated August 31, 1992, and Rule 12.1 of the Rules of Practice and Procedure of the Louisiana Public Service Commission. **(Prayer for Relief 18)**

- Direct that the period for interventions and protests be shortened to 10 days. **(Prayer for Relief 19)**

- Direct the Administrative Hearings Division to adopt a procedural schedule necessary to facilitate a decision no later than the Commission's September 2025 Business & Executive Session. **(Prayer for Relief 20)**

- Direct that notice of all matters in these proceedings be sent to D. Skylar Rosenbloom, Matthew T. Brown, and Michael R. Dodson as counsel of record for the Company, and to Lawrence J. Hand, Jr., and Ryan Jones, as representatives of the Company. **(Prayer for Relief 21)**

- Order such other general and equitable relief as to which the Company may show itself so entitled. **(Prayer for Relief 22)**

Q9. HAS STAFF ADDRESSED EACH OF ELL'S REQUESTS?

A. Yes. The Table below provides a summary of ELL's requested relief, and where it is addressed in Staff's Testimony:

ELL Prayer for Relief Number	Location in Staff's Testimony
Prayer for Relief 1 Generator Certification	**Direct Testimony of R. Lane Sisung** Section V. Planned Generators and Purchased Power; and, Section VIII. The Public Interest Determination
Prayer for Relief 2 Generator Certification	**Direct Testimony of R. Lane Sisung** Section V. Planned Generators and Purchased Power; and, Section VIII. The Public Interest Determination
Prayer for Relief 3 Generator a System Resource	**Direct Testimony of R. Lane Sisung** Section V. Planned Generators and Purchased Power; and, Section VIII. The Public Interest Determination
Prayer for Relief 4 >5% Load Addition	**Direct Testimony of R. Lane Sisung** Section II. Applicable LPSC Orders
Prayer for Relief 5 MBM Exemption	**Direct Testimony of R. Lane Sisung** Section V.B. Requested Exemption from MBM
Prayer for Relief 6 Transmission Certification	**Direct Testimony of John A. Chapman** *And* **Direct Testimony of R. Lane Sisung** Section VI. Planned Transmission; and, Section VIII. The Public Interest Determination
Prayer for Relief 7 Sustainability Rider	**Direct Testimony of R. Lane Sisung** Section IV.D. CSR
Prayer for Relief 8 Sustainability Rider	**Direct Testimony of R. Lane Sisung** Section IV.D. CSR
Prayer for Relief 9 Sustainability Rider	**Direct Testimony of R. Lane Sisung** Section IV.D. CSR
Prayer for Relief 10 Accounting-Unearned Revenue	**Direct Testimony of R. Lane Sisung** Section VII. Ratemaking; and, Section VIII. The Public Interest Determination
Prayer for Relief 11 Accounting-CIAC	**Direct Testimony of R. Lane Sisung** Section IV.A. CIAC Agreements
Prayer for Relief 12 Ratemaking-Transmission	**Direct Testimony of R. Lane Sisung** Section VII. Ratemaking
Prayer for Relief 13 Ratemaking-Generation	**Direct Testimony of R. Lane Sisung** Section VII. Ratemaking
Prayer for Relief 14 Ratemaking-Generation	**Direct Testimony of R. Lane Sisung** Section VII. Ratemaking
Prayer for Relief 15 Ratemaking-LTSA	**Direct Testimony of R. Lane Sisung** Section VII. Ratemaking

Prayer for Relief 16 Monitoring Plan-Prudence	**Direct Testimony of John A. Chapman**
Prayers for Relief 17 through 22 are not addressed in Staff's Direct Testimony.	

Q10. HAS ELL SUBMITTED SUPPLEMENTAL DIRECT TESTIMONY?

A. Yes. On February 12, 2025, ELL submitted the Supplemental Direct Testimony of Laura K. Beauchamp. In her Supplemental Direct Testimony, Ms. Beauchamp disclosed that the location of the third generator would be at ELL's Waterford site. In addition, Ms. Beauchamp noted that in ongoing discussions with the Customer, Meta, has sought to increase the load of the Project to [redacted], from the originally contracted for [redacted].[6] No new approvals were sought by Ms. Beauchamp.

Q11. ARE YOU ADDRESSING THE SUPPLEMENTAL TESTIMONY HERE?

A. Not directly, however, I am considering it to the extent that the additional information provided by ELL informs my opinions and recommendations provided herein. I cannot, however, provide any recommendations regarding the potential increase in load discussed by Ms. Beauchamp in her testimony. That is because ELL cannot provide details on the arrangement necessary to accommodate the customer's potential increased load as "commercial negotiations and the specifics of the Customer's additional load are not finalized at this time."[7]

As such, my testimony and the recommendations I provide strictly pertain to the facilities necessary to serve the Customer's initially requested load of [redacted] MW and the

[6] Supplemental Direct Testimony of Laura K. Beauchamp at 4 (AEO Version).

[7] Exhibit RLS-002 (ELL Response to Staff 2-18).

revenues expected from that amount of load and the associated generation and transmission investment required.

II. APPLICABLE LPSC ORDERS

Q12. ARE THE ISSUES PRESENTED BY THIS APPLICATION REGARDING THE CITED COMMISSION ORDERS NOVEL?

A. No. ELL's Application asks for the Commission to make a public interest determination associated with the benefits that a new customer could provide against the costs and risks associated with serving that new customer. It requires the Commission to examine bedrock concepts of public utility regulation that are at the core of what the Commission does every day – the estimation of a revenue requirement, the allocation of that revenue requirement, and the weighing of benefits and risks to evaluate whether a course of action is in the public interest.

Q13. WHAT MAKES THE COMPANY'S APPLICATION UNIQUE?

A. ELL's Application is not unique because of the issues it presents. It is unique because of the size of the proposed benefits and costs that must be evaluated. ELL's Application presents a potential outcome of over [redacted] in incremental retail revenue over the course of 30 years, revenue that would serve to offset the cost of utility service for all customers. To achieve those potential benefits, the Application requests approval to construct over $5 billion of assets that would be included in ELL's retail rates.[8] With numbers of that magnitude, careful consideration must be given to all potential outcomes and risks.

[8] *See* Direct Testimony of Phillip R. May at 4.

Q14. WHAT COMMISSION ORDERS ARE IMPLICATED BY ELL'S APPLICATION?

A. As ELL is seeking to add capacity to its generation portfolio, it must comply with the General Order dated September 20, 1983 (the "Capacity Certification Order"), which requires utilities to demonstrate that capacity additions are in the public interest.[9] Similarly, as ELL is seeking to construct new transmission facilities, it must comply with the Commission's General Order dated September 10, 2024 (Docket No. R-36199), which requires certification of certain transmission facilities (the "Transmission Certification Order").[10] In addition, consideration must be given to the Company's request for exemption from General Order dated October 14, 2024 (Docket No. R-34247), the Commission's Market Base Mechanism Order (the "MBM Order"),[11] which requires utilities to implement a competitive bidding process when seeking new generating resources. Finally, ELL has sought (i) confirmation of its compliance with the Commission's General Order in dated July 29, 2019 (Docket No. R-34860) (The "Historical Footprint Rule") related to load increases greater than 5% and (ii) interpretations of rulings on Commission General Order No. U-36697, dated June 14, 2024,

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[9] LPSC General Order (Sept. 20, 1983) (*In re: In the Matter of the Expansion of Utility Power Plant; Proposed Certification of New Plant by the LPSC*), as amended by General Order (Corrected), Docket No. R-30517 (May 27, 2009) (*In re: Possible modifications to the September 20, 1983 General Order to allow (I) for more expeditious certifications of limited-term resource procurements and (2) an exception for annual and seasonal liquidated damages block energy purchases*).

[10] LPSC General Order, Docket No. R-36199 (Sept. 10, 2024) (*In re: Review and Possible Modification of the Commission's General Order dated October 10, 2013, Governing Transmission Certification and General Siting*).

[11] LPSC General Order, Docket No. R-26172, Subdocket A (Feb. 16, 2004) (*In re: Development of Market-Based Mechanisms to Evaluate Proposals to Construct or Acquire Generating Capacity to Meeting Native Load. Supplements the September 20, 1983 General Order*), as amended by General Order No. R-26172, Subdocket B (Nov. 3, 2006), further amended by the April 26, 2007 General Order, and further amended by General Order No. R-26172, Subdocket C (Oct. 29, 2008), and further amended by General Order 10-14-2024, Docket No. R-34247 (Oct. 14, 2024) ("*MBM Order*").

related to the alternative procurement process and expedited certification for up to 3 GW of certain renewable resources (the "3GW Order").[12]

Q15. IN YOUR OPINION, HAS ELL COMPLIED WITH THE PROCEDURAL REQUIREMENTS OF THE COMMISSION'S CAPACITY CERTIFICATION ORDER?

A. Yes. The Commission's Capacity Certification Order requires any Commission-jurisdictional electric public utility that proposes to construct or acquire capacity or to enter into a contract for the purchase of capacity or energy (other than emergency or economy energy) to apply to the Commission for certification that the public convenience and necessity would be served through the proposed construction, acquisition, or contract. The Capacity Certification Order also requires that applications submitted pursuant to that Order include the specific data used by the utility in the justification of the acquisition, construction, or power purchase agreement. In its Application, ELL has provided support for its assertion that the Planned Generators are in the public interest, and therefore, its filing complies with the requirements of the Capacity Certification Order. I will discuss whether the Commission should certify the addition of the Planned Generators as serving the public convenience and necessity in Section V, which discussed Planned Generators and Section VIII that discusses the Commission's' public interest determination.

[12] LPSC Order No. U-36697 (corrected) (June 14, 2024) (*In re: Application for Approval of an Alternative Market-Based Mechanism Process Seeking to Secure Up To 3,000 MW of Solar Resources, Including Certification of Those Resources, Expansion of the Geaux Green Option Rider, and Approval of a New Renewable Tariff*) ("3GW Order").

Q16. PLEASE DESCRIBE THE REQUIREMENTS OF THE MBM ORDER.

A. The MBM Order establishes various procedures and requirements for the market testing of all proposed capacity additions by jurisdictional utilities. It requires a utility proposing to add new generating capacity to "employ a market-based mechanism" consisting of a "Request for Proposal ('RFP') competitive solicitation process."[13] The MBM Order provides certain limited circumstances under which a formal RFP process is not required, and provides a utility the option to "propose an alternative market-based mechanism or procedure if it can demonstrate that a formal RFP would not be in the public interest."[14]

Q17. HAS ELL COMPLIED WITH THE MBM ORDER?

A. It has not complied with the requirements to conduct a formal market test for the Planned Generators. I discuss the Application's compliance with the MBM Order in Section V, which discusses Planned Generators and Section VIII, which discusses the Commission's' public interest determination.

Q18. HAS ELL COMPLIED WITH THE PROCEDURAL REQUIREMENTS FOR THE TRANSMISSION CERTIFICATION ORDER?

A. Jake Chapman addresses this in his Direct Testimony filed on behalf of the Staff contemporaneously with this testimony, and he concludes that ELL has complied with the procedural requirements of the transmission certification rules.

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[13] *MBM Order*, ¶¶ 1, 3.

[14] *Id.*, ¶ 3.

Q19. SHOULD THE COMMISSION CERTIFY THE TRANSMISSION AS SERVING THE PUBLIC CONVENIENCE AND NECESSITY AS REQUESTED BY ELL IN THIS APPLICATION?

A. I discuss ELL's request for the Commission to certify that the public convenience and necessity would be served through the completion and siting of the Mt. Olive to Sarepta Transmission line proposed by ELL in Section VI discussing Planned Transmission and Section VIII discussing the public interest determination.

Q20. HAS ELL COMPLIED WITH THE REQUIREMENTS OF RULE 3 OF THE HISTORICAL FOOTPRINT ORDER FOR LOAD ADDITIONS GREATER THAN 5%?

A. Yes. Rule 3 of the Historical Footprint Order requires:

> For utilities that participate in an IRP, prior to entering an electric service agreement with a customer which represents a projected increase in the peak load of that utility of an amount greater than 5% of the prior peak load, the utility must submit one of the following filings to the Commission, as warranted by the circumstances: (1) a filing which illustrates how the most recent IRP accommodates such load growth (e.g. the utility was long on generation and able to absorb the growth and still maintain an adequate margin), (2) a filing to update its IRP to illustrate how it plans to accommodate the new load growth, or (3) a filing pursuant to the MBM Order and/or the 1983 Order requiring Commission certifications for the acquisition of power supply. Entering into an electric service agreement subject to a condition precedent regarding compliance with this Rule shall not constitute a violation of this Rule.

ELL's submission of the request for certification of the Planned Generators meets the requirements of this rule. However, pursuant to the Supplemental Testimony filed in this Docket, I am now aware of the potential for additional load with potential needs of additional generation and transmission investments. Accordingly, any Commission Approval of the Application should be conditioned on a requirement that if the ESA is

amended to increase the load to be served, ELL shall return to the Commission with the amended ESA and an updated proposal demonstrating how ELL intends on serving that updated load in a manner that continues to serve the public interest.

Q21. PLEASE DESCRIBE ELL'S REQUESTS REGARDING THE 3GW ORDER.

A. ELL has requested that the Commission:

- Approve and authorize the implementation of the CSR, including processes for procuring the solar and/or hybrid resources that will supply the Customer's portfolio under the CSR and [to secure] Commission approval to add future resources to the CSR and the allocation of costs as between the Customer and the Company's other customers as described therein.

- Confirm and/or find that ELL may solicit and procure the 1,500 MW of solar and/or hybrid resources contemplated by the CSR through an alternative procurement process based upon the process approved in the 3 GW Order.

- Confirm [that] the Customer referenced in the Application is a "New Customer" (as defined in Attachment 2 to the "Motion for Consideration of Uncontested Stipulated Settlement Term Sheet Pursuant to Rules 6, 51, and 57" filed by ELL in Docket No. U-36697 on May 15, 2024) and that ELL is accordingly permitted, pursuant to Paragraph 19 of the 3 GW Order, "to utilize the expedited certification process . . . outlined in Paragraph 14" of the 3 GW Order for purposes of securing approval of the 1,500 MW of solar and/or hybrid resources contemplated by the CSR and to designate those resources under the CSR pursuant to its terms

Q22. SHOULD THE COMMISSION GRANT ELL'S REQUEST RELATED TO THE 3GW ORDER?

A. I will discuss ELL's requests related to the 3GW Order in Section IV related to the Related Agreements' Customer Sustainability Rider.

III. THE CUSTOMER

Q23. WHO IS THE CUSTOMER?

A. The customer is Laidley, LLC ("Laidley" or the "Customer"), a limited liability company formed under the laws of Delaware, that is a subsidiary of parent Meta Platforms, Inc.

("Meta").[15] Other subsidiaries of Meta include popular applications such as Instagram, Threads, WhatsApp, and Messenger.[16] Although Laidley is the named customer, Meta is guiding the development of the data center and its power needs. As Paul Kelly of Meta recently wrote in a letter that ELL provided to the Commission (the "Meta Letter"): "Meta is developing the project through its special purpose entity Laidley LLC."[17]

Q24. CAN YOU PROVIDE ANY FINANCIAL INFORMATION FOR THE CUSTOMER?

A. I have not been provided with any financial information for Laidley. However, I have reviewed public financial information for its corporate parent, Meta. Meta is a large publicly traded American technology company with multinational operations. Its public financial information demonstrates significant revenue growth and profitability, as well as strong credit ratings. In the fourth quarter ending December 31, 2024, Meta reported revenue of $48.39 billion, a 21% increase compared to the same period in the previous year. The company's net income for the same quarter rose by 49% to $20.83 billion. For the fiscal year 2024, Meta's total revenue reached $134.9 billion, with a net income of $39.1 billion.[18]

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[15] Exhibit RLS-003 (ELL Response to Data Request LEUG 2-1).

[16] *See About Meta Technologies*, https://about.meta.com/technologies/ (last visited April 7, 2025).

[17] Exhibit RLS-004 at 3 (Meta Letter to Entergy Louisiana, LLC dated April 2, 2025, and filed into LPSC Docket No. U-37425 on April 3, 2025).

[18] *See Meta Posts Sharply Higher Q4 Profit, Revenue, Topping Wall Street's Expectations*, APNEWS.COM, https://apnews.com/article/meta-earnings-profit-revenue-zuckerberg-ai-245e4ece58b1cc38e318eea0271a37c5 (last visited Apr. 7, 2025).

In 2024, Meta generated $71.1 billion in operating cash flow, a 40.89% increase from the previous year.[19] The company's free cash flow for the same period was $43.85 billion, providing substantial liquidity for investments.[20]

Q25. WHAT IS META'S CREDIT RATING AS ASSIGNED BY THE TWO MAJOR CREDIT RATING AGENCIES FOR SECURITIES AND ITS FINANCIAL STRENGTH AS DETERMINED BY OUTSIDE ANALYSTS?

A. S&P has assigned Meta an 'AA-' long-term issuer credit rating with a stable outlook.[21] Moody's has assigned Meta an 'A1' issuer rating with a stable outlook.[22] As of March 2025, Meta holds a consensus "Strong Buy" rating from analysts, with a price target indicating potential upside, reflecting confidence in its financial health and growth prospects.[23]

Q26. IS META CONSIDERED IN A CERTAIN CLASS OF COMPANIES?

A. Yes. Meta is widely considered part of the "Big Tech" class of companies, an informal but commonly used designation that includes a small group of dominant technology firms with significant global reach, massive user bases, and deep financial resources. Meta is also included in the Magnificent Seven referenced by financial media and investors, which

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[19] *See Meta Platforms, Inc.*, BARCHART.COM, https://www.barchart.com/stocks/quotes/META/financial-summary/annual (last visited Apr. 7, 2025).

[20] *See Meta Platforms, Inc.*, WALL STREET JOURNAL, https://www.wsj.com/market-data/quotes/US/XNAS/META/financials (last visited Apr. 7, 2025).

[21] *See* S&P GLOBAL, https://disclosure.spglobal.com/ratings/en/regulatory/org-details/sectorCode/CORP/entityId/570012 (last visited Apr. 7, 2025).

[22] *See Research: Rating Action: Moody's Assigns Meta Platform's New Bond Issuance A1 Senior Unsecured Debt Ratings; Outlook Stable*, SUPPLY CHAIN COUNCIL OF EUROPEAN UNION, https://scceu.org/research-rating-action-moodys-assigns-meta-platforms-new-bond-issuance-a1-senior-unsecured-debt-ratings-outlook-stable/ (last visited Apr. 7, 2025).

[23] *See Meta Platforms, Inc.*, STOCKANALYSIS.COM, https://stockanalysis.com/stocks/meta/ratings/ (last visited Apr. 7, 2025).

consists of Meta, Apple, Amazon, Alphabet (Google), Microsoft, NVIDIA, and Tesla. These companies share characteristics such as massive capitalization, with valuations at or near one trillion dollars; dominant market positions in their respective industries that allow the firms to influence the direction of innovation; and substantial political and regulatory attention due to their scale and influence.

Q27. GIVEN THAT THE CUSTOMER IS LAIDLEY AND NOT META, HOW IMPORTANT IS THE FINANCIAL STRENGTH OF META?

A. It is very important because Meta is supplying "Parent Guaranties" as collateral security for a significant portion of Laidley's obligations under its agreements with ELL. As ELL witness Phillip May testifies, "[u]nder the ESA, Laidley is required to furnish to ELL collateral security in the form of a Parent Guaranty in the amounts set forth in the ESA, which Parent Guaranty must remain in force and effect throughout the 15-year original term of the ESA[24]. A separate Parent Guaranty is required in the Continuing CIAC Agreement, which requirement covers the period of time prior to the December 1, 2026, effective date of the ESA. The purpose of requiring collateral security in this manner is to mitigate the risk of default by Laidley with the financial backing of parent Meta and to help ensure that the obligations assumed by Laidley in the ESA do not fall to the Company's other customers." ELL provided further explanation of the Parent Guaranties and other collateral security arrangements in response to discovery.[25] The form of those Parent

[24] Direct Testimony of Phillip R. May at 28-29.

[25] *See* AEO Exhibit RLS-017 (ELL Response to NPO Data Request 2-2).

Guaranties are attached to the testimony of Entergy witness Laura Beauchamp.[26] ELL supplied an executed Parent Guaranty for the Continuing CIAC agreement in response to discovery.[27]

Q28. PLEASE DESCRIBE THE PARENT GUARANTY THAT ACCOMPANIES THE ESA.

A. The form of Parent Guaranty that accompanies the ESA provides that the parent irrevocably and unconditionally agrees to pay amounts owed by Laidley under the ESA that are not timely paid by Laidley in accordance with the ESA, subject to a maximum cumulative liability amount.[28] I understand that Meta will execute this form of Parent Guaranty at certain intervals designated in Section 7.F. of Rider 1 to the ESA (hereinafter defined).[29] The maximum cumulative liability amount that is to be reflected in the Parent Guaranty executed at each such interval will be the corresponding amounts set forth therein.[30]

Q29. PLEASE DESCRIBE THE PARENT GUARANTY THAT ACCOMPANIES THE CIAC AGREEMENT?

A. The form of Parent Guaranty that accompanies the Continuing CIAC Agreement provides that the parent irrevocably and unconditionally agrees to pay amounts owed by Laidley

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[26] AEO Exhibit LKB-2 at 190-92 (Appendix B, Exhibit H to Rider 1 of the ESA), 213-15 (Appendix G to Rider 1 of the ESA).

[27] AEO Exhibit RLS-018 (ELL Response to LEUG 12-2).

[28] AEO Exhibit LKB-2 at 213 (Appendix G to Rider 1 of the ESA).

[29] Exhibit RLS-019 (ELL Response to LEUG 12-4); AEO Exhibit LKB-2 at 37 – 38.

[30] AEO Exhibit LKB-2 at 37 – 38.

under the Continuing CIAC Agreement that are not timely paid by Laidley in accordance with the Continuing CIAC Agreement, subject to a maximum cumulative liability amount.[31] I understand that Meta will execute this form of Parent Guaranty at certain intervals designated in Section 3(b) of the Continuing CIAC Agreement.[32] The guaranteed maximum cumulative liability amount that is to be reflected in the Parent Guaranty executed at each such interval will be the corresponding escalating amounts set forth in Section 3(b) of the Continuing CIAC Agreement.[33]

Q30. ARE THESE GUARANTY AGREEMENTS SUFFICIENT TO BIND META TO LAIDLEY'S OBLIGATIONS UNDER ITS CONTRACTS WITH ELL? PLEASE EXPLAIN.

A. The two forms of Parent Guaranty provide that they are governed by New York law. Whether such forms of Parent Guaranty are enforceable against Meta in accordance with their terms are therefore matters of New York law. If they are enforceable, as noted above, Meta will only be liable up to maximum cumulative liability amount provided in the applicable Parent Guaranty. The Parent Guaranties are further discussed in Section IV below.

Q31. WHAT IS THE CUSTOMER'S NEED FOR THE LARGE AMOUNT OF ELECTRIC DEMAND THAT IT IS SEEKING?

A. The Customer is developing a hyperscale data center near Holly Ridge, Louisiana. Hyperscale data centers are built to support large-scale cloud computing operations,

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[31] AEO Exhibit LKB-2 at 213 (Appendix B to Rider 1 of the ESA).

[32] Exhibit RLS-019 (ELL Response to LEUG 12-4); AEO Exhibit LKB-2 at 121.

[33] AEO Exhibit LKB-2 at 121.

artificial intelligence ("AI") processing, social media platforms, and real-time data services—all of which require enormous amounts of reliable electric supply (the "Project").

The Customer's need for such extreme electric demand stems from several factors. Meta, like the other tech companies throughout the country, is increasingly investing in AI infrastructure, which includes high-performance computing clusters that are significantly more power-intensive than traditional data processing equipment due to the significant power needed to both operate and cool the equipment. And, Meta, through Customer, is constructing the largest high-performance Meta computing cluster in Louisiana.[34] Based on the size of the request, coupled with public announcements, the hyperscale data center to be constructed will likely require over 2 GW of power with well over 1.3 million Graphics Processing units ("GPUs") in order to provide the infrastructure necessary for Meta to become the leading AI assistant serving more than 1 billion people.[35] Moreover, as reported by Statista, Meta's platforms of Facebook, Instagram, WhatsApp, and Messenger are used by billions of people across the world daily.[36] These services, and the integration of AI into these services, demand continuous uptime and real-time processing, which in turn requires a resilient and scalable power supply.

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[34] *See Meta Selects Northeast Louisiana as Site of $10 Billion Artificial Intelligence Optimized Data Center; Governor Jef Landry Calls Investment "A New Chapter" For State*, LOUISIANA ECONOMIC DEVELOPMENT, https://www.opportunitylouisiana.gov/news/meta-selects-northeast-louisiana-as-site-of-10-billion-artificial-intelligence-optimized-data-center-governor-jeff-landry-calls-investment-a-new-chapter-for-state (last visited Apr. 7, 2025).

[35] *See* Mark Zuckerberg's Post, FACEBOOK, https://www.facebook.com/share/p/1FgEhmgSiN/ (last visited Apr. 3, 2025).

[36] *See Cumulative Number of Daily Meta Product Users as of 4th Quarter 2024*, STATISTA.COM, https://www.statista.com/statistics/1092227/facebook-product-dau/ (last visited Apr. 4, 2025).

Q32. DOES THE CUSTOMER HAVE KNOWN SUSTAINABILITY GOALS?

A. Yes. Since 2020, Meta has maintained net zero emissions in its global operations and has a goal to reach net zero value chain emissions in 2030.[37] To meet both its energy and sustainability targets, Meta enters into complex service arrangements (like the CSR) requiring large volumes of power sourced from renewable energy, which adds another layer of complexity to its demand profile.

Q33. HOW DOES THE CUSTOMER PLAN TO IMPLEMENT THE PROJECT?

A. The Customer's Project is planned in phases, with load ramping up over multiple years and culminating [redacted].[38] Meta's site layout allows for further data hall expansion in the future, which would require long-lead infrastructure planning, including generation and transmission buildouts from ELL.

Q34. ARE OTHER COMPANIES LIKE META EMBARKING ON SIMILAR ENDEAVORS?

A. Yes. Several companies have initiated similar projects, involving the construction of large data centers accompanied by dedicated power generation facilities. These projects often require collaboration with utility companies and state regulators to ensure adequate energy supply. Notable examples include:

Homer City, Pennsylvania

The former Homer City Generating Station, once Pennsylvania's largest coal-fired power plant, is being transformed into a natural gas-powered data center campus.

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[37] Meta, 2024 Sustainability Report at 3, *available at* https://sustainability.atmeta.com/wp-content/uploads/2024/08/Meta-2024-Sustainability-Report.pdf (last visited Apr. 8, 2025).

[38] Direct Testimony of Laura K. Beauchamp at 6 (AEO Version).

The new facility will include seven gas-fired turbines capable of generating up to 4.5 gigawatts (GW) of electricity, doubling the output of the original coal plant. This $10 billion project aims to commence construction within the year, with power production expected by 2027.[39]

Milwaukee, Wisconsin

Microsoft is developing a data center hub near Milwaukee to accommodate growing AI and cloud computing demands. We Energies, a subsidiary of WEC Energy Group, plans to invest $2 billion in natural gas infrastructure to supply power to the new data center.[40]

Memphis, Tennessee

xAI, is constructing a supercomputer facility, referred to as the "gigafactory of compute," in Memphis. The facility plans to utilize 1 million GPUs, requiring substantial power. Due to limitations in the local grid's capacity, xAI intends to supplement its energy needs through on-site power generation, including the construction of a new substation and potential use of gas turbines.[41]

Berwick, Pennsylvania

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[39] *See* Marc Levy, *Coal-Fired Power Plant, Now Retired, to Become Massive Gas-Powered Campus for AI, Data Centers*, APNEWS.COM, https://apnews.com/article/technology-ai-natural-gas-electricity-pennsylvania-450534992fab8dd3527b64b92614259e (last visited Apr. 7, 2025).

[40] *See* Ellen Thomas, *Utilities Want to Power Big Tech's AI Ambitions With Natural Gas. These are the Data Centers They're Betting On*, BUSINESS INSIDER, https://www.businessinsider.com/utilities-ai-natural-gas-power-microsoft-meta-amazon-2025-2 (last visited Apr. 7, 2025).

[41] *See* Ellen Thomas & Grace Kay, *Elon Musk's xAI is Spending at Least $400 Million Building Its Supercomputer in Memphis. It's Short on Electricity*, Business Insider, https://www.businessinsider.com/elon-musk-xai-data-center-colossus-power-memphis-2025-4 (last visited Apr. 7, 2025).

Cumulus Data, a subsidiary of Talen Energy, developed a data center campus directly connected to the Susquehanna Steam Electric Station, a nuclear power plant. The data center benefits from direct access to carbon-free, 24/7 energy supplied by the adjacent nuclear facility.[42]

These examples illustrate a growing trend of integrating data centers with power generation resources to meet the substantial and continuous energy demands of modern computing facilities. These projects involve significant investments and close coordination with utility companies and state regulators to ensure reliable and sufficient power supply.

Q35. DOES THIS GROWTH OF ECONOMIC ACTIVITY IN DATA CENTERS PROVIDE SOME LEVEL OF RISK MITIGATION TO ELL AND ITS RATEPAYERS?

A. I believe it does. Hyperscale data centers, like the one Meta is constructing in Richland Parish, are in increasingly high demand. In this current environment, such a data center site supported by the generation and transmission proposed by this Application could be useful to other potential parties if, for unforeseen reasons, Meta decided to alter its business decisions. While this is admittedly a speculative consideration, it does offer a potential mitigation to risk in that at least a portion of the load at the facility might be served even if Meta were not the customer using it.

IV. THE CUSTOMER AGREEMENTS

[42] *See Cumulus Data Completes Key Milestones in construction of its Flagship Zero-Carbon Susquehanna Data Center Campus*, PR NEWSWIRE, https://www.prnewswire.com/news-releases/cumulus-data-completes-key-milestones-in-construction-of-its-flagship-zero-carbon-susquehanna-data-center-campus-301722751.html (last visited Apr. 7, 2025).

Q36. PLEASE DESCRIBE THE AGREEMENTS MADE BETWEEN ELL AND THE CUSTOMER.

A. ELL and the Customer have entered into the ESA, which provides the terms and conditions by which ELL will deliver electric service to the Customer. Additionally, the ESA incorporates by reference an agreement titled "Rider 1 to Electric Service Agreement" ("Rider 1 to the ESA"). Further, within Rider 1 to the ESA, the Customer and ELL have agreed to the CSR that is attached as Appendix E to Rider . Rider 1 to the ESA additionally has a provision that provides that the ESA, Rider 1 to the ESA, the CSR, the Continuing CIAC Agreement, the Long Lead-CIAC Transmission Agreement, and the Long Lead-CIAC Capacity Improvement Agreement (collectively, the "Related Agreements"). The Related Agreements, each of which is explained below, are each integral components of the transaction for the provision of service by the Company to the Customer.

A. CONTRIBUTION IN AID OF CONSTRUCTION AGREEMENTS ("CIAC AGREEMENTS")

Q37. WHAT IS A CIAC AGREEMENT?

A. A Contribution in Aid of Construction ("CIAC") agreement is an agreement where a utility customer agrees to pay a utility the amount necessary to cover the cost of infrastructure that is required to serve that specific customer. This contribution is meant to ensure that the costs of customer-specific projects are not borne by the utility's broader customer base, but instead by the customer that directly benefits from the investment.

Q38. WHAT TYPES OF COSTS HAVE THE CUSTOMER AGREED TO SUPPLY UNDER CIAC AGREEMENTS?

A. I have reviewed the three separate CIAC agreements provided by ELL in AEO Exhibit LKB-2 as well as the supporting testimony of Ms. Beauchamp and several responses to

data requests for my understanding of the CIAC arrangements between ELL and the Customer. Based on such review, I have confirmed that two of the CIAC agreements have already been fully funded by the Customer and the third CIAC agreement contains [redacted]

The first CIAC agreement that I reviewed is a Long Lead-CIAC Capacity Improvement Agreement dated June 5, 2024, for [redacted] (the "Long Lead-CIAC Capacity Improvement Agreement"). These funds were used to secure long lead items related to generation [redacted] The Customer has additionally funded a second Long Lead-CIAC Transmission Agreement dated June 7, 2024, for [redacted] for long lead transmission equipment related to the customer-funded substation and point of delivery installations (the "Long Lead-CIAC Transmission Agreement").

There is a third CIAC agreement provided in testimony dated September 30, 2024 (the "Continuing CIAC Agreement"), where the Customer has agreed to continue to fund [redacted] through a fixed payment schedule which concludes funding on [redacted]. The amount of funding for the Continuing CIAC Agreement was developed to cover the cost of (i) approximately [redacted] of the Customer funded substation and point of delivery projects[43] and (ii) approximately [redacted][44]

[43] Direct Testimony of Danial Kline at 16 (AEO Version).

[44] Direct Testimony of Laura K. Beauchamp at 14-15 (AEO Version).

Q39. WHAT HAS ELL REQUESTED IN ITS PRAYER FOR RELIEF RELATED TO THE CIAC AGREEMENTS?

A. ELL has requested that the Commission approve the requested accounting treatment of the Customer's other contributions made pursuant to the CIAC agreements. ELL submits that "[t]he accounting for the Transmission Capital Additions CIAC will be consistent with previous CIAC agreements and that the Company will record the CIAC in FERC Account 252 as a credit when received."[45] When costs are debited to FERC Account 107 (Construction While in Progress, "CWIP") during construction on a monthly basis, a credit in an amount equal to the costs incurred is reclassified from FERC Account 252 (Customer Advances for Construction) to FERC Account 107 (CWIP) to offset the charges.[46] "When the Project is complete, the Company will transfer the accumulated debits and credits, including the CIAC credits, to FERC Account 101 (Plant in Service)."[47] The Company's intent is that on closing, each Customer-Specific Transmission Project will have a zero balance in Account 101 (Plant in Service).[48] The Company further explains that the Customer will contribute CIAC at an amount equal to the net present value of the total cost. To account for that, ELL proposes to "recognize an expense and build up the liability in the CIAC accounts to the expected total costs to be incurred. To achieve this ratably throughout the period in which ELL is holding the Customer's CIAC, ELL will calculate a carrying cost using the rate agreed on with the Customer and debit Account 421" (Other

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[45] Direct Testimony of Ryan E. O'Malley at 5.

[46] *Id.*

[47] *Id.*

[48] *Id.*

Interest Expense), and credit the CIAC liability accounts to "ensure that at the end of the construction period the total amount of CIAC applied is equal to the total costs incurred."[49]

Q40. DO YOU ACCEPT THE COMPANY'S PROPOSED ACCOUNTING FOR THE CUSTOMER FUNDED CIAC?

A. Yes.

Q41. DO YOU HAVE ANY CONCERNS WITH THE CIAC AGREEMENTS?

A. I believe the CIAC agreements are appropriately structured to provide ELL with the funds necessary to achieve the purposes provided for in each CIAC agreement. However, there is a risk that ELL could allow work to progress ahead of the funding provided by the Continuing CIAC Agreement, which would introduce a default risk for the amounts expended by ELL that are greater than the funds that have been provided by the Customer. I recommend that any Commission approval of the Application be conditioned on ELL's acknowledgement that it will prudently manage the CIAC Agreements and that ratepayers will be held harmless and indemnified from any losses resulting from CIAC project expenditures that are greater than the amount of the CIAC payments received from Customer.

B. THE ESA, TARIFF SCHEDULE, AND TERMS AND CONDITIONS

Q42. PLEASE DESCRIBE THE PRIMARY TERMS OF THE ESA.

A. The ESA provides the basic obligation of ELL and the Customer for the delivery of electric power and energy of a maximum capacity of [redacted]. The Term of the ESA binds the Company and the Customer from December 1, 2026 to November 30, 2041, and shall renew thereafter for like terms of 5-years. Renewals are automatic except

[49] *Id.* at 7-8.

for a 12 month notice requirement of an intent to not renew by either party (ELL or the Customer); provided that the non-renewing party provide notice as soon as possibly known and shall make a best effort to provide 24-months notice. The Customer agrees to pay monthly for the service in accordance with the Company's standard Rate Schedule LLHLFPS-L (which stands for Large Load, High Load Factor Power Service) and any and all other applicable Rider Schedules and the ELL Standard Terms and Conditions. The Rate Rider Schedules include, but are not limited to the Formula Rate Plan ("FRP") Rider, the Storm Securitization Riders, the Fuel Adjustment Clause ("FAC"), and the Resilience Plan Cost Recovery Rider ("Resilience Rider").

Q43. DO YOU HAVE A CONCERN WITH ANY OF THE PROVISIONS RELATED TO THE TERM OF THE ESA?

A. I do. It takes several years for a generator to be taken from determination of need to delivering power. The projections in ELL witness Samrat Datta's testimony and model assume that ELL will be needing to add additional generation in the years 2041 through 2044. If ELL and the Commission were not to recieve notice until Nov 30, 2040 of a Customer non-renewal, much of that additional generation likely would not be needed. ELL should not be in a position of having to pursue new generation to serve Meta's load under such uncertainty. Accordingly, I recommend that a condition be placed on any Commission approval of this Application that ELL is required to ascertain and provide the Commission with Customer's renewal status prior to any filing pursuant to the MBM Order or the Capacity Certification Order seeking the addition of any resource, the need for which is dependent on the continuation of the Customer load. ELL shall not rely upon Customer's renewal or non-renewal as support for any future request for an exemption from an MBM.

Q44. PLEASE DESCRIBE THE RATE SCHEDULE LLHLFPS-L.

A. Rate Schedule LLHLFPS-L determines the net monthly bill by charging a demand charge for firm service using declining per kW rate for demand blocks ranging from 10.55 per kW to $3.37 per kW. The first demand block shall be the greater of 41,000 kW or 50% of the Average Demand (as defined in the rate schedule and provided below), but not less than 25% of the lesser of 400,000 kW or the Maximum Demand (as defined in the rate schedule and provided herein this answer below). The second demand block is 15,000 kW. The third demand block is the difference between (a) the lesser of the current monthly Maximum Demand or the Average Demand and (b) the first demand block plus the second demand block, but not less than zero. The fourth demand block shall be the difference between the Maximum Demand and the sum of the first three demand blocks but not less than zero. The Maximum Demand for a billing month is the average kW supplied during the three (15) minute periods of maximum metered use (each determined on a sperate day established during the billing month. The Average Demand is the greater of (a) 70 MW or (b) the average Maximum Demand during the 12 billing months preceding application of this schedule or, for customers who have not yet established a billing history, the amount established by contract.[50]

There is also a demand charge for reactive power of $0.41 per kVA of reactive demand in excess of 25% of the Maximum Demand and an energy charge of $0.00318 per kWh.[51]

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[50] Exhibit LKB-2 at 24-25.

[51] *Id.* at 23.

Finally, there is a Minimum Bill provision defined as the demand charge as applied to the demand billing determinants for the current month, plus any applicable adjustments, but not less than the sum of the first demand block and the second demand block. In addition, if the average of the Maximum Demands during the preceding twelve months falls below 70 MW, the Maximum Demand for the current month shall be adjusted by the amount required to raise that average to 70 MW.

Q45. WHY IS THE BILLING STRUCTURE OF THE RATE SCHEDULE RELEVANT TO THIS APPLICATION?

A. The Customer will be served under Rate Schedule LLHLFPS, as supplemented by the ESA, Rider 1 to the ESA , and the appendices to Rider 1 to the ESA. As discussed below, [redacted]

Q46. DO YOU SUPPORT THE USE OF THE RATE SCHEDULE LLHLFPS-L?

A. I do. Many of the complaints concerning data center electric service agreements have been that they based on special rate contracts that provide undisclosed discounts to the data center. To the contrary, the ESA associated with this Application has the Customer taking the standard rate schedule designed for its load, and then adding additional obligations pursuant to Rider 1 to the ESA immediately discussed below.

C. RIDER 1 TO THE ESA

Q47. PLEASE GENERALLY DESCRIBE RIDER 1 TO THE ESA AND ITS DESCRIPTIONS OF THE PROJECT AND AMENDMENTS TO THE EFFECTIVE DATE.

A. Due to the unique attributes of this Customer, Rider 1 to the ESA requires commitments from the Customer over and above those that are contained in the ESA and Rate Schedule LLHPFPS. Such additional conditions are authorized by ELL's Terms and Conditions, which state that certain situations may require written contracts; such contracts may contain special provisions that apply to a particular situation such as ratepayers whose load is of unusual size or characteristics. In such cases, additional rate and contractual agreements may be justified.[52]

Rider 1 to the ESA modifies the Effective Date of the ESA to the later of (i) the Company receiving LPSC approval for the construction of the System Generation Capacity Resources, (ii) the completion of the construction of the first phase and partial energization of the Smalling Facility, or (iii) December 1, 2026.[53] [redacted]

[52] *See* AEO Exhibit LKB-2 at 11-12.

[53] Direct Testimony of Laura K. Beauchamp at 13.

[54] *See* AEO Exhibit LKB-2 at 116.

[redacted][55]

Q48. PLEASE DESCRIBE THE ADDITIONAL OBLIGATION OF THE CUSTOMER RELATED TO THE MONTHLY MINIMUM CHARGE CONTAINED IN RIDER 1 TO THE ESA.

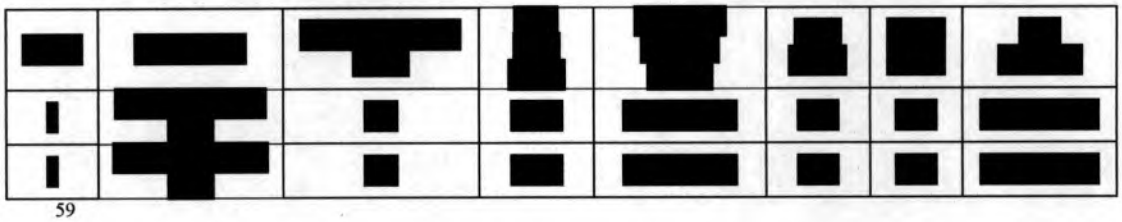
A. At the most basic level, the minimum bill charges offset the cost of the incremental system resources necessary to serve the Customer's load. The amount of the minimum bill charges can be found in the analysis provided by ELL witness Ryan Jones's analysis of the estimated revenue requirements for the infrastructure necessary to serve the Customer's load, which is provided in Exhibit RDJ-2 (as amended in ELL response to NPO 10-2).[56] The minimum bill charges are set in such a way that the Customer will pay the entirety of those incremental revenue requirements over the fifteen-year original term of the ESA.[57] In satisfaction of this monthly minimum bill obligation, [redacted]

[55] *Id.*

[56] Exhibit RLS-020 (ELL Response to NPO 10-2).

[57] Direct Testimony of Ryan D. Jones at 18.

[redacted]



[redacted][59]

Q49. PLEASE EXPLAIN THE MINIMUM BILL TRUE-UP PROVISIONS CONTAINED IN RIDER 1 TO THE ESA.

A. Rider 1 to the ESA also contains true-up provisions related to both the actual cost of transmission investment and the cost of system generation capacity. "For transmission interconnection costs that are being funded through CIAC, the contract provides for the CIAC amounts to be updated based on changes in the actual cost from the estimates specified in the contract."[60] With respect to system generation capacity costs, "the true-up provisions provide a schedule dictating how minimum bill charges and Average Demand will be updated based on the actual cost of the projects. Because the arms-length negotiation necessarily relies on assumptions as to the cost of the capacity necessary to serve the Customer's load, it is necessary that the true-up provisions provide for changes to the negotiated contract terms depending on the actual cost of capacity needed to serve the Customer's load."[61] The true-up methodology "ensures that whatever the actual cost

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[58] AEO Exhibit LKB-2 at 29 (Rider 1 to ESA page 3).

[59] *Id.* at 193 (Rider 1 to ESA Appendix C – Ramp Schedule for Original Term).

[60] Direct Testimony of Ryan D. Jones at 21-22.

[61] *Id.* at 22.

of both transmission and system generation capacity may be, the CIAC amounts (for the transmission) and the total minimum bill charges (for the system generation capacity) cover the full incremental cost to serve the Customer's load and maintain the estimated contribution to embedded cost as measured by the margin between the total projected base revenue and incremental revenue requirement."[62]

More specifically, Rider 1 to the ESA states that [redacted][63] [redacted][64] Exhibit RDJ-2 provides support for the initial calculations that establish [redacted] as the Monthly Minimum Charge and those calculations include: [redacted]

[62] *Id.*

[63] AEO Exhibit LKB-2 at 28 (Rider 1 to ESA at 2).

[64] *Id.* at 28-29 (Rider 1 to ESA at 2-3) (emphasis added).

[redacted]

Q50. DO YOU HAVE A CONCERN WITH INCREMENTAL COSTS CAUSED BY THE PROJECT THAT MAY NOT BE INCLUDED IN THE TRUE-UP CALCULATION?

A. The [redacted] used in RDJ-2 is not supported with any detail of what is included, therefore, and, as discussed later in Section VII, ELL has requested that its Long-Term Service Agreements (the "LTSAs") be recovered through the FAC. Accordingly, it is unclear whether the cost of the LTSAs are included in the [redacted] the revenue requirement utilized to establish the [redacted] Monthly Minimum Charge that will need to be trued up to actuals. ELL witness Matthew Bulpitt provides an estimate of non-fuel O&M for the first two Planned Generators of $16.6 million, which includes the costs of the LTSAs.[66] The cost of the LTSAs on all three Planned Generators should be included in the true-up calculation.

Q51. HOW WILL THE TRUE-UP BE IMPLEMENTED MECHANICALLY?

A. Pursuant to the agreement [redacted]

[redacted]

[65] AEO Exhibit RDJ-2, "Revenue Requirements" Tab, lines 53-68.

[66] Direct Testimony of Matthew Bulpitt at 36.

[redacted][70]

Q52. DO YOU AGREE THAT THE TRUE-UP PROVISION PROVIDES PROTECTION TO ELL AND ITS RATEPAYERS FOR COST OVERRUNS ON THE PLANNED

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67 AEO Exhibit LKB-2 at 30 (Rider 1 to the ESA at 4).

68 *Id.*

69 *Id.* at 194-196 (Rider 1 to the ESA Appendix D).

70 *Id.* at 30 (Rider 1 to the ESA at 4).

GENERATORS AND THE OTHER WORK FUNDED BY CUSTOMER THROUGH CIAC AGREEMENTS?

A. I do conceptually, assuming that there is not an early termination of the ESA, and I discuss the risks associated with an early termination later in this testimony. However, the proposed true-up is supposed to provide that the total minimum bill charges cover the full incremental cost to serve Customer's load "*and maintain the estimated contribution to embedded cost as measured by the margin between the total projected base revenue and incremental revenue requirement.*"[71] As proposed, this is an amount that must be determined in the future.

Q53. WHAT IS YOUR RECOMMENDATION REGARDING THE REQUIRED TRUE-UP TO THE MONTHLY MINIMUM CHARGES?

A. I recommend that any approval of the Company's Application be conditioned on a requirement that the true-up calculation contemplated by the ESA will include, at a minimum, all O&M associated with the Planned Generators (including the costs of the LTSAs), the planned capital additions for the Planned Generators, the transmission O&M on the customer transmission, and the premium payment for the Collateral Insurance Agreement

Further ELL should present the Commission with the proposed true-up for minimum bills to ensure such true-up calculation has been performed in accordance with the required provisions and that such calculation includes all non-fuel O&M including the cost of LTSAs.

[71] Direct Testimony of Ryan D. Jones at 22 (emphasis added).

Q54. PLEASE DESCRIBE THE PROVISIONS OF RIDER 1 TO THE ESA REGARDING TERMINATION OF THE ESA AND THE SECURITIZATION OF THE TERMINATION OBLIGATION.

A. In addition to standard remedies for default, Rider 1 to the ESA provides that, in the event this Agreement is terminated for an Event of Default by Customer, the Customer shall pay the Company the Early Termination Fee as set forth in Appendix F to Rider 1 to the ESA (the "Early Termination Fee"). [redacted].[72] Appendix F provides a chart of fixed Early Termination Fees [redacted].[73] In the event of an early termination, ELL would continue to recover the cost of the System Generation Capacity Upgrades through the then-applicable cost recovery mechanisms and utilize the lump-sum Early Termination Fee in a manner that appropriately offsets the impact to rates associated with the loss of new customer revenue.

Q55. IS THERE ANY PROVISION IN ANY OF THE RELATED AGREEMENTS TO ADJUST THE FIXED EARLY TERMINATION FEE TO REFLECT ANY AMENDED MONTHLY MINIMUM CHARGES PURSUANT TO THE TRUE-UP?

A. No.

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[72] AEO Exhibit LKB-2 at 37 (Rider 1 to the ESA at 11).

[73] AEO Exhibit RLS-005 (ELL Response to Staff Data Request 3-32); AEO Exhibit LKB-2 at 212.

Q56. DOES THE CUSTOMER HAVE A UNILATERAL RIGHT TO TERMINATE THE AGREEMENT?

A. Yes, provided that the Customer pays the Company the Early Termination Fees set forth in Appendix F to Rider 1 to the ESA.

Q57. DO YOU HAVE A CONCERN WITH THE EARLY TERMINATION FEE IN RELATION TO THE RISKS THAT EXISTING RATEPAYERS WILL BEAR?

A. I do. Although it is stated that the Early Termination Fees will pay ELL for [redacted]. This places a risk of cost overruns of the Planned Generators on ratepayers if the Related Agreements with Customer are terminated early.

Q58. ARE COST OVERRUNS ON THE PLANNED GENERATORS LIKELY?

A. I believe they are. The estimate used to establish the Early Termination Fees is based on a Class 4 level for two generators and Class 5 level for the third generator.[74] The range of accuracy for a Class 4 estimate is between -30% and +50%. The range of accuracy for a Class 5 estimate is -50% and +100%. These percentages allow for wide ranges of potential outcomes. That wide range of potential outcomes combined with the current Tariff environment in the U.S. and the widely acknowledged demand for electrical generation leads me to believe that the actual cost of the generation are much more likely to be higher than the cost that was projected in 2024 than what will be actually experienced.

[74] Exhibit RLS-006 (ELL Response to Staff Data Request 1-16).

Q59. IF THERE WERE TO BE COST OVERRUNS AND AN EARLY TERMINATION BY CUSTOMER, IS THERE POTENTIAL MITIGATION TO THE RISK OF THE OVERRUNS BEING ON RATEPAYERS?

A. Yes. Assuming a scenario where there has been an early termination and the Customer has paid the Early Termination Fee, ELL would possess three CCCTs that have had approximately 50% of their originally projected costs paid for by the Early Termination Fee free and clear to use for the benefit of ELL's remaining ratepayers. Those generators would have some value to be extracted utilizing a combination of strategies such as entering into PPAs with other parties for the capacity market value of, using the generators to defer capacity costs that ratepayers otherwise would have to pay for at full cost, and, at a minimum, receiving revenues for the excess generation from the MISO Planning Resource Auction ("PRA").

Q60. WHAT DO YOU PROPOSE IN RELATION TO THIS RISK OF COST OVERRUNS UPON A CUSTOMER EARLY TERMINATION?

A. Ideally, ELL and the Customer would amend their Related Agreements to address this risk and make the Early Termination Fee symmetrical with the Monthly Minimum Charges that would be paid after the true-up if the agreements were not terminated. Absent such an agreed amendment, I believe this is a risk that needs to be considered in making the determination of whether the Company's Application is in the public interest.

To provide further mitigation of that risk, I recommend that any Commission approval of the Application should be conditioned on a requirement that ELL prudently maximize the value of any excess capacity that results from an early termination of the ESA.

Q61. DO YOU HAVE ANOTHER CONCERN RELATED TO A POTENTIAL TERMINATION OF THE ESA?

A. ELL has proposed to utilize any lump-sum Early Termination Fee received in a manner that appropriately offsets the impact to rates associated with the loss of Customer revenue. I fully support the intent of this statement, however, how this intent would be practically implemented will not be known until if, and when, such an early termination occurs. Accordingly, I recommend that any Commission approval of ELL's Application be conditioned on a requirement that if, and when, there is an early termination of the Related Agreements and corresponding receipt of an Early Termination Fee that ELL must make a filing with the Commission for approval of the manner in which it proposes to utilize the termination fee to offset the impact to rates from the loss of Customer revenue.

Q62. ARE THE CUSTOMER'S MINIMUM MONTHLY CHARGES AND EARLY TERMINATION FEES SECURED IN any MANNER?

A. Yes. Rider 1 to the ESA provides for two forms of security: the use of a credit insurance product and the Parent Guaranty described in Section IV (the "Collateral Security"). [redacted]

[redacted]

Q63. DO YOU HAVE ANY CONCERNS WITH THE COLLATERAL SECURITY PROVISIONS?

A. I do not have a concern with the general concept of the Collateral Security plan provided in Rider 1 to the ESA. However, this Collateral Security is not without any risk, as the security is only as good as the credit quality of the entity providing the security and it does not cover every dollar of risk.

Q64. DO YOU HAVE ANY CONCERNS WITH THE PARENT GUARANTIES?

A. As discussed above in Sections III and IV, describing the Parent Guaranties, the sufficiency of the contractual obligations and the form of guaranty should be confirmed as providing the purported security by way of a legal opinion from New York counsel experienced in New York law concerning parent guaranty agreements, that confirms that the Parent Guaranties comply with and are enforceable under New York law. The opinion further should confirm under New York Law, that Meta, as the parent guarantor, is obligated for

[75] AEO Exhibit LKB-2 at 38-39 (Rider 1 to the ESA at 12-13).

[76] *Id.* at 39 (Rider 1 to the ESA at 13).

the contractual obligations to pay the Early Termination Fees contained in Section 7.F. of Rider 1 to the ESA.

Second, while the form of Parent Guaranty accompanying the Continuing CIAC Agreement purports that Meta guarantees all payment obligations of Laidley under the Continuing CIAC Agreement subject to the maximum cumulative liability amount, it is not clear under the Continuing CIAC Agreement if this guaranty extends to payment obligations concerning [redacted]. ELL should advise as to whether [redacted] are covered by the Parent Guaranty, and if not, how ELL is addressing the risks associated with those costs.

Lastly, ELL should confirm that it will act prudently with respect to the Parent Guaranty agreements and other collateral security, will enforce its rights under the Parent Guaranties and other collateral security, will ensure that it timely obtains the Parent Guaranties in the specified amounts in advance of incurring costs toward the generation and transmission projects that would exceed those specified amounts, and will hold ratepayers harmless for liability not recovered from Laidley or Meta that should have been secured pursuant to Rider 1, but was not due to ELL's failure to timely secure the Parent Guaranty or other collateral security, as required by Rider 1 to the ESA.

Q65. DO YOU HAVE ANY CONCERNS RELATED TO THE CREDIT INSURANCE PRODUCT PROPOSED AS PART OF THE COLLATERAL SECURITY?

A. In response to a discovery request related to the credit insurance policy, ELL provided a [redacted]

[redacted] [redacted][77] While I certainly agree that the credit insurance agreement provided in discovery provides benefits and protections, I still have some questions and concerns related to the document provided in discovery. My first concern is that, although the annual amounts provided in the [redacted] My second concern is that while I have reviewed the credit quality [redacted] and find them satisfactory, there are no contractual provisions provided for in Rider 1 to the ESA that require a stated level of credit quality for the "Base Insurance Coverage" beginning [redacted]

Q66. WHAT ARE YOUR RECOMMENDATIONS RELATED TO THE CREDIT INSURANCE AGREEMENT?

A. I recommend that any Commission approval of the Application be conditioned on (i) ELL providing confirmation and support that the proceeds that would be received from the combination of the credit insurance proceeds plus the corresponding Parent Guaranty cover 100% of the Early Termination Fee or present the Commission with [redacted]

[77] HSPM Exhibit RLS-007 at 2, 14 (ELL Response to Staff Data Request 3-34 (HSPM)).

[78] *Id.* at 14.

[redacted],

(ii) ELL and Customer agreement to a credit quality minimum on any future credit insurance policy entered into to cover the Early Termination Fees for the remainder of the term of the ESA not currently covered under a credit insurance agreement and that the Commission approve such agreement, (iii) confirmation that ELL will prudently seek and obtain credit insurance for periods beyond 2029 [redacted]

and (4) ELL shall prudently manage the collateral security requirements of Rider 1 to the ESA and ensure that it maintains all required and appropriate security and that it is maximally protected from those security instruments and will indemnify and hold harmless ratepayers for any losses resulting from an imprudent failure to maintain the requisite and appropriate security collateral.

Q67. DO YOU HAVE ANY OTHER ISSUES YOU WOULD LIKE TO ADDRESS REGARDING RIDER 1 TO THE ESA?

A. A. Yes, I do. Rider 1 to the ESA contains a dispute resolution provision that applies in the event that disputes between the Customer and ELL cannot be amicably resolved. Such disputes are required to be submitted first to senior management, then, if senior management is not able to resolve it, to binding arbitration except where the LPSC may have exclusive jurisdiction. Any disputes that require dispute resolution procedures would be of interest to the Commission, because of the large dollars at stake with the Project. The Commission should be made aware of these disputes so that it can analyze the impacts of disputed costs and any resolution on ELL's other ratepayers and take whatever steps it deems necessary to protect those ratepayers.

Q68. WHAT DO YOU RECOMMEND WITH RESPECT TO THE DISPUTE RESOLUTION PROCEDURE PROVISION?

A. I recommend that ELL be required to notify the LPSC of any disputes that trigger the dispute resolution procedures in Section 21 of Rider 1 to the ESA within 5 days of taking or responding to any of the actions required under Section 21.

D. THE CORPORATE SUSTAINABILITY RIDER (CSR)

Q69. PLEASE DESCRIBE THE CSR INCORPORATED INTO RIDER 1 TO THE ESA.

A. The CSR, Appendix E to Rider 1 of the ESA,[79] has been created specifically for the Customer and requires the Customer to accept a portion of renewable and clean energy resources subject to the conditions set forth in the CSR. The CSR obligates ELL to seek three separate alternative resource solutions to offset the carbon emissions associated with the three new generators and have them identified by 2030.[80] Those three options are defined in the CSR as (i) Designated Renewable Resources, (ii) Designated Wind Resources, and (iii) Designated Low Carbon Option Resources.

1. DESIGNATED RENEWABLE RESOURCES

Q70. WHAT ARE THE DESIGNATED RENEWABLE RESOURCES PROVIDED FOR IN THE CSR?

ELL proposes that, as permitted by the LPSC, it will solicit and procure up to 1,500 MW (the "Initial Renewable Subscription Amount") of new solar and storage resources ("Designated Renewable Resources") based on the alternative procurement process detailed in the 3GW Order. The resources will be procured through that process or as otherwise agreed to by the parties in

[79] AEO Exhibit LKB-2 at 197-211.

[80] Exhibit RLS-008 (ELL Response to Staff Data Request 3-24).

accordance with legal and regulatory requirements, and resource pricing will be based on the blended rate of the entirety of the portfolio for the Customer consistent with Option B in Rider GZ as approved in the 3GW Order. The 1,500 MW would be incremental to the 3,000 MW of new solar resources that was approved in the 3GW Order.[81]

Q71. GENERALLY, DESCRIBE THE ALTERNATIVE PROCUREMENT PROCESS PROPOSED BY ELL.

A. The proposed process is said to be "based on" the process provided for in the 3GW Order and accordingly will solicit new-build solar resources capable of providing cost-effective energy supply benefits through build-own-transfer ("BOT"), self-build, and Power Purchase Agreement ("PPA") contracts. Each resource bid into the RFP will be evaluated based on economics and viability. The CSR states:

[redacted][82]

Further, in the event that a resource is offered to the Company outside of the RFP process (an "Unsolicited Offer"), the Company will evaluate such Unsolicited Offer consistent with the Commission's General Order dated October 28, 2008 (R-30703)

[81] Direct Testimony of Elizabeth Ingram at 3.

[82] AEO Exhibit LKB-2 at 198.

("Unsolicited Offer Order")[83] [redacted][84]

Q72. WHAT HAPPENS IF ELL CANNOT IDENTIFY THE 1,500 MW OF SOLAR PROJECTS BY 2030?

A. In this instance, both the Customer and the Company will work in good faith to reach an acceptable solution to remedy the shortfall in renewable output and/or resources. However, if such a solution is not reached under the terms of Section B.7. of the CSR, the Customer may terminate its obligation with respect to Designated Renewable Resources with no termination penalty and may seek alternative renewable supply options as permitted by applicable laws and regulations.[85]

Q73. ARE THERE LIMITS ON THE TYPES OF SOLAR PROJECTS THAT CAN BE CONSIDERED FOR INCLUSION AS A DESIGNATED RENEWABLE RESOURCE?

A. Yes. Designated Renewable Resources must adhere to the following parameters: (a) Location: Must be directly interconnected to the MISO Load Zone 9; (b) Battery Energy Storage System Option: If option is included as part of proposal, it must be AC coupled, commercially proven lithium-ion technology, with a minimum 4-hour discharge; (c)

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[83] LPSC General Order, Docket No. R-30703 (Oct. 28, 2008) (*In re: Consideration of Procedures Whereby Jurisdictional Electric Utilities Must Provide the Commission Staff with Notice of Unsolicited Offers, as Well as Their Response to, and Analysis of, Unsolicited Offers*).

[84] AEO Exhibit LKB-2 at 199.

[85] Direct Testimony of Elizabeth C. Ingram at 8, 16-17.

Transmission Deliverability: Firm NRIS deliverability is preferred, but ERIS resources will be considered; (d) Capacity: Any individual resources must have a minimum capacity of 50 MW; and (e) MISO Interconnection Queue: Existing GIA, DPP-2020-Cycle 1, DPP-2021- Cycle 1, with other considerations given for resources in later DPP cycles.

Q74. IS THERE A PRICE SENSITIVITY FOR THE CUSTOMER BUILT INTO THE PROCESS?

[redacted]

Q75. ASSUMING RENEWABLE RESOURCES ARE IDENTIFIED BY THE ALTERNATIVE PROCUREMENT PROCESS, WHAT DOES ELL PROPOSE RELATED TO THE CERTIFICATION OF SUCH RESOURCES?

A. Subject to the condition that the economics of the resource falls within the "Breakeven Parameters" as established and defined in the 3GW Order, ELL seeks to use the expedited 3GW certification process for those resources.[87] That expedited process provides that once resources are selected within the Breakeven Parameters, ELL would make a confidential filing to the Commission seeking approval of the renewable transactions that illustrates how the viability and Breakeven Parameters were met and identifying customer

[86] AEO Exhibit LKB-2 at 199 (CSR at 2).

[87] *See* Direct Testimony of Elizabeth C. Ingram at 10-11.

subscriptions associated with such resources. Staff and Intervenors have periods of time to recommend or protest. Following these review periods, the resource certifications would be brought to the Commission for a vote at its next Business and Executive Session.

Q76. HOW DOES THE COMPANY JUSTIFY USING THE EXPEDITED CERTIFICATION PROCESS APPROVED IN THE 3 GW ORDER FOR ANY OF THE RESOURCES THAT WILL SUPPLY THE INITIAL RENEWABLE SUBSCRIPTION AMOUNT OF DESIGNATED RENEWABLE RESOURCES IN THE CSR?

A. The Company states that Section 19 of the 3 GW Order provides that, "[i]n keeping with the desire to support economic development and expansion efforts in Louisiana, the Company is authorized to utilize the expedited certification process, as outlined in Paragraph 14, to bring resources to New Customers and Expanding Customers (as defined in Attachment 2.) through the addition of resources to the Rider GZ resource portfolio, including resources that result in Rider GZ resource portfolio that exceeds 2,000 MW."[88] Based on this provision, the Company suggests that because the Customer is a "New Customer" pursuant to the 3GW Order, and because the 3GW Order allows the Rider GZ 2,000 MW resource portfolio to be exceeded, that the expedited certification process is available for the CSA rider. Further, the Company states that Attachment A to the Rider GZ states "In the event New Customer(s) or Expanding Customer(s) seek renewable subscriptions outside of an open season ("Group 3 Subscriptions"), the Company has the ability to utilize the expedited certification process approved in LPSC Order No. U-36697 as long as such additional resources have a long-term, binding commitment from

[88] *Id.* at 12.

Customer(s) to subscribe to such resources under Rider GZ Option A or Option B at the time of the certification request."[89] According to the Company's interpretation, this would allow the use of the 3GW Order expedited certification process to new customers for Rider GZ Group 3 Subscriptions, however, ELL proposes these certifications for resources in Rider CSR not Rider GZ.

Q77. WHAT IS THE PROPOSED DISPOSITION OF THE RENEWABLE ENERGY CERTIFICATES ASSOCIATED WITH THE CUSTOMER'S SUBSCRIPTION TO DESIGNATED RENEWABLE RESOURCES?

A. ELL proposes that, pursuant to Sections B.8. and E.4. of Rider 1 to the ESA, that the Company would retire Renewable Energy Certificates ("RECs") associated with Customer's subscription to Designated Renewable Resources on the Customer's behalf as more specifically provided in the CSR.[90]

Q78. HOW WILL THE CUSTOMER BE BILLED FOR DESIGNATED RENEWABLE RESOURCES ASSIGNED TO ITS PORTFOLIO?

A. In addition to the monthly billing amount under applicable rate and rider schedules for electric service, the Customer's bill will include an additional amount "CSR Renewable Charge" to account for the Customer's subscription to the Designated Renewable Resources. The CSR Renewable Rider Charge will have three key components: the Renewable Energy Charge, the Renewable Energy Credit, and the Renewable Capacity Credit, all as fully defined and explained in the CSR. The Renewable Energy Credit and

[89] *Id.* at 13.

[90] *Id.* at 17.

the Renewable Capacity Credit serve as offsets to reduce the cost of the Renewable Energy Charge.[91]

Q79. HOW IS THE RENEWABLE ENERGY CHARGE DETERMINED?

A. The Renewable Energy Charge will be calculated based on the levelized cost of the Designated Renewable Resources over their expected life (or in the case of PPAs, the term of the contract).[92]

Q80. HAS THE COMMISSION APPROVED A LEVELIZED RENEWABLE ENERGY CHARGE BEFORE?

A. Yes, the Commission has approved levelized pricing for a renewable energy charge in both its Geaux Green and Geaux Zero Rate Riders. However, those riders were structured and negotiated to address the concerns of the intervenors in those dockets so as to incentivize participation.

Q81. WHAT IS THE RISK OF USING LEVELIZED PRICING FOR DETERMINATION OF THE RENEWABLE ENERGY CHARGE?

A. The primary impact of using levelized pricing is the creation of an intergenerational shift in cost. The Renewable Energy Charge's principal purpose is to charge participants for the cost of the renewable resource under the applicable renewable rider. For Company-owned renewable resources, the revenue requirements will be the highest in the early years of ownership of the resource and will reduce to zero over time as the renewable resource is depreciated. If the Renewable Energy Charge is levelized, the generation of ratepayers in the early years of resource ownership will not have a full revenue requirement offset in

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[91] Direct Testimony of Elizabeth C. Ingram at 17.

[92] *Id.* at 17-18.

their rates from the Renewable Energy Charge being paid by the participants, which will result in higher costs for that generation of ratepayers in the early years. Conversely, the generation of ratepayers paying rates at the end of the resource's useful life will be receiving a higher offset from the levelized Renewable Energy Charge than revenue requirements that are included in rates. From the perspective of the participating customer paying the Renewable Energy Charge, if they were to pay a levelized Renewable Energy Charge for the life of the resource, and that levelized Renewable Energy Charge was calculated using the appropriate cost of capital, then that participating customer should not be receiving any time value of money benefit at the expense of other ratepayers. Accordingly, the risk posed by the levelized Renewable Energy Charge proposed here, is the intergenerational shift discussed above. The Commission has accepted this intergenerational shift in its consideration of prior renewable rate riders as being in the public interest for the reasons presented in those dockets.

Q82. WHAT ARE YOUR OBSERVATIONS RELATED TO THE CSR'S PROPOSAL TO USE A LEVELIZED RENEWABLE ENERGY CHARGE FOR THE DESIGNATED RENEWABLE RESOURCES?

A. The CSR's proposed levelized Renewable Energy Charges for the Designated Renewable Resources is being submitted under different circumstances than the prior requests for renewable rate riders. First, this request is just one component of a much broader program seeking a broader public interest determination for a specific large load addition. Further, a key difference is that, unlike prior programs, where resource acquisition was to be determined based on participation interest, this proposed program requires ELL to seek 1,500 MW of certain renewable resources and, under certain circumstances requires, the

Customer to take and pay for those resources under the CSR for the remining term of the ESA. Under these circumstances, I believe it would be more appropriate for the determination of the Renewable Energy Charge related to ELL owned renewable resources to be set using the actual revenue requirements. This pricing structure would appropriately match the Customer's rights and obligations related to the Designated Renewable Resources with the cost of such resources and protect the remaining ratepayers from not being fully compensated if Customer were to terminate its agreement prior to the end of the life of the Designated Renewable Resources.

Q83. WHAT IS YOUR RECOMMENDATION RELATED TO THE PRICE DETERMINATION OF THE ENERGY CHARGE FOR DESIGNATED RENEWABLE RESOURCES?

A. I recommend that the full revenue requirement for any ELL owned Designated Renewable Resources be used for the annual determination of the Renewable Energy Charge. If ELL and Customer do not adopt such recommendation, the risk that the Renewable Energy Charge will not fully compensate ratepayers for the potential 1,500 MW of resources should be accounted for in the public interest determination.

Q84. WHAT HAS ELL SPECIFICALLY REQUESTED FROM THE COMMISSION REGARDING ITS CSR PROPOSAL FOR THE ACQUISITION OF DESIGNATED RENEWABLE RESOURCES FOR THE BENEFIT OF THE CUSTOMER?

A. Specifically, ELL has requested that the Commission:

- Approve and authorize the implementation of the CSR, including processes for procuring the solar and/or hybrid resources that will supply the Customer's portfolio under the CSR and securing Commission approval to add future resources

to the CSR and the allocation of costs as between the Customer and the Company's other customers as described therein.[93]

- Confirm and/or find that ELL may solicit and procure the 1,500 MW of solar and/or hybrid resources contemplated by the CSR through an alternative procurement process based upon the process approved in the 3 GW Order.[94]

- Confirm the Customer referenced in the Application is a "New Customer" (as defined in Attachment 2 to the "Motion for Consideration of Uncontested Stipulated Settlement Term Sheet Pursuant to Rules 6, 51, and 57" filed by ELL in Docket No. U-36697 on May 15, 2024) and that ELL is accordingly permitted, pursuant to Paragraph 19 of the 3 GW Order, "to utilize the expedited certification process . . . outlined in Paragraph 14" of the 3 GW Order for purposes of securing approval of the 1,500 MW of solar and/or hybrid resources contemplated by the CSR and to designate those resources under the CSR pursuant to its terms.[95]

Based on these requests, the testimony of Phillip May and Elizabeth Ingram, as well as additional information received in discovery,[96] I am not in agreement with ELL's interpretations of the applicability of the 3GW Order and I remain unclear on how ELL proposes to implement whatever might be approved by the Commission.

Q85. HOW DO YOU INTERPRET THE FIRST BULLETED REQUEST?

A. The first bullet asks for (i) the approval and authorization to implement the CSR, including processes for procuring solar and/or hybrid resources to supply Customer's portfolio under the CSR and (ii) the allocation of costs between the Customer and the Company's other ratepayers. This language requests some form of approval of the CSR[97] and generic approval and authorization for the use of some future undefined process for procuring solar

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93 ELL Application at 28 (Prayer for Relief 7).

94 *Id.* (Prayer for Relief 8).

95 *Id.* (Prayer for Relief 9).

96 *See* RLS-009 (ELL Responses to LEUG Data Requests 1-4, 3-1, 4-1, 5-1, and 8-1).

97 S*ee also* Direct Testimony of Phillip R. May at 33.

and/or hybrid resources. ELL is further requesting that the Commission allow an undefined cost allocation between the Customer and ELL's other ratepayers. I find no specificity in this request.

Q86. HOW DO YOU INTERPRET THE SECOND BULLETED REQUEST?

The second bullet then requests approval and authorization of a an undefined *alternative procurement process* based on the process approved in the 3GW Order.[98] ELL proposes the 1,500 MW is in addition to the 3GW provided for in the 3GW Order.[99] This bullet thus appears to be asking for the Commission to *confirm and/or find* that ELL may use an almost exact duplicate of the alternative procurement process provided for in the 3GW Order for an amount greater than 3GW approved in that Order.

Q87. WHAT DOES THE THIRD BULLET REQUEST?

A. The third bullet requests that the Commission *confirm* that the Customer is a "New Customer" per the 3GW Order, and that ELL is accordingly permitted, to utilize the *expedited certification process* of the 3GW Order to secure the approval of the 1,500 MW contemplated by the CSR.

Q88. DO YOU HAVE QUESTIONS RELATED TO THE TOTALITY OF ELL'S REQUESTS FOR COMMISSION ACTION RELATED TO THE DESIGNATED RENEWABLE RESOURCES OPTION?

A. I do not find ELL's proffered interpretations of the 3GW Order as clear as ELL presents them to be. I am not surprised that in the second bullet ELL requests that the Commission "confirm and/or find" and that in the third bullet it requests a Commission confirmation.

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[98] ELL Application at 28 (Prayer for Relief 8) (emphasis added).

[99] *See* Direct Testimony of Phillip R. May at 33.

The 3GW Order specifically states that ELL filed an application for approval of an alternative market-based mechanism process seeking to secure up to 3,000 MW of solar resources.[100] The 3GW Order then states that the Company's alternative market-based mechanism proposed in that Application, as modified by the term sheet, was in the public interest.[101] I have found no provision in the term sheet or Order that authorizes the use of the alternative procurement process to procure more than 3,000 MW. Accordingly, I do not think that Commission can properly be asked to *confirm* that ELL may use the alternative procurement process based on the 3GW Order. To the extent that ELL is requesting the Commission approve a process similar to the 3GW Order for use in the CSR, the Commission could make such a finding. However, I believe that is a separate request for a separate mechanism with no connection between projects resulting from that new process and the projects procured pursuant to the current 3GW Order, unless the Commission decides to expand the scope of the Order based on ELL's request.

Q89. WHAT ABOUT ELL'S INTERPRETATIONS RELATED TO THE EXPEDITED CERTIFICATION PROCESS?

Regarding the third bullet's request for a Commission finding that Customer is a New Customer as considered by the 3GW Order, the Commission can make such a finding; however, I do not agree that finding would then automatically trigger expedited certifications for Designated Renewable Resources to be placed in the CSR as ELL suggests. The 3GW Order states that the Company is authorized to utilize the expedited certification process to bring resources to New Customers "through the addition of

[100] 3GW Order at 1.

[101] *Id.* at 2.

resources *to the Rider GZ resource portfolio*, including resources that result in *a Rider GZ resource* portfolio that exceeds 2,000 MW."[102] My first observation is that the use of the expedited certification is limited to the addition of resources to the Rider GZ Resource portfolio and does not provide an allowance for the addition of resources to any alternative rider as requested by ELL. The other provision that ELL relies on to support its request is language from Rider GZ itself and that language requires customers to subscribe to Rider GZ Option A or Option B, which is not a part of the CSR.

Q90. WHAT IS YOUR CONCLUSON RELATED TO ELL'S REQUEST FOR CONFIRMATIONS AND FINDINGS RELATED TO AN ALTERNATIVE PROCUREMENT PROCESS AND EXPEDITED CERTIFICATION FOR DESIGNATED RENEWABLE RESOURCES?

Based on the foregoing, the Commission should not grant the prayers for relief related to the Designated Renewable Resources Option as presented. However, the Commission could approve an alternative procurement process and/or expedited certification process for the Designated Renewable Resources for the CSR if there was direct request for an alternative procurement and expedited certification process proposed by ELL for the CSR.

Q91. WHAT ARE YOUR CONCLUSIONS RELATED TO THE DESIGNATED RENEWABLE RESOURCE OPTION?

A. In addition to my concerns related to ELL's interpretations of the applicability of the 3GW Oder, I find there is ambiguity in how the requested CSR procurement process for obtaining solar and/or hybrid resources will be aligned with the process of the 3GW Order for procuring solar and/or hybrid resources. While it is clear that ELL's intention is for the

[102] 3GW Order, ¶ 19.

CSR to provide for Customer to have access to 1,500 MW that is in addition to the 3,000 MW in the 3GW Order, it is not clear how ELL would determine which process (i.e. the 3GW Order procurement process or the CSR procurement process) it will use when ELL seeks to acquire future solar and/or hybrid resources. In addition to the Customer's needs expressed in testimony here, there is a waiting list of multiple customers associated with the current 3GW Order process. It is unclear what criteria ELL will use to determine whether any or how much future renewable resource acquisitions will be sought for each of the procurement processes.

Q92. WHAT IS YOUR RECOMMENDATION?

I recommend that in Rebuttal Testimony, ELL make a clear request for an alternative procurement process and an expedited certification specifically applicable to the CSR as I do not believe the current 3GW Order provisions and Rider GZ allow for the alternative procurement process to expand above 3,000 MW and/or allow for certified projects to be placed into portfolios outside of Rider GZ. I further recommend that ELL make clear how it will determine which process (i.e., the 3GW Order Process or the CSR Process) it will use when ELL seeks to acquire future solar and/or hybrid resources so that the Commission can consider this fact in making its public interest determination.

2. DESIGNATED WIND RESOURCES

Q93. PLEASE DESCRIBE THE DESIGNATED WIND RESOURCES CONTAINED IN THE CSR.

A. The CSR provides that the Company agrees to continue faithfully pursuing [redacted]

[redacted]

Q94. WAS ELL ABLE TO PROVIDE THAT NOTICE BY NOVEMBER 1, 2024?

A. [redacted][104]

Q95. IS ELL MAKING A SPECIFIC REQUEST FOR A COMMISSION APPROVAL RELATED TO THE DESIGNATED WIND RESOURCE OPTION?

A. It does not appear that ELL intended to make any request of the Commission related to the Designated Wind Resource Option.

Q96. WHAT IS YOUR OPINION RELATED TO THE DESIGNATED WIND RESOURCE OPTION?

A. As ELL does not appear to be making a specific request for an approval related to the Designated Wind Resource Option, I do not believe there is a ripe question to be answered. However, I want to identify a potential concern I have. While the CSR proposes [redacted]

[103] AEO Exhibit LKB-2 at 206 (CSR at 9, § D.1.).

[104] Exhibit RLS-010 (ELL Response to Staff 3-28).

[redacted], there is no discussion of that wind being procured pursuant to a competitive process. I recommend that any Commission approval of the Application clearly state that its approval is not certifying or otherwise providing any approval for any procurement of wind resources to be included in the CSR.

3. DESIGNATED LOW CARBON OPTION (LCO) RESOURCES

Q97. PLEASE DESCRIBE THE DESIGNATED LCO RESOURCES PROVIDED FOR IN THE CSR.

A. ELL states that the Company has agreed to pursue carbon capture and storage ("CCS") technology at the Company-owned Lake Charles Power Station ("LCPS"). A component of that pursuit will be seeking future LPSC approval. If CCS is approved and implemented, then, at a high level, the Customer has agreed to pay for the incremental cost to install CCS technology at LCPS, which will represent Tranche 1 of the LCO. This commitment is subject to volume and price caps, which are specified in Section C of the CSR, and entitles the Customer to have the low-carbon alternative energy credits ("AECs") retired on the Customer's behalf. More granularly, [redacted]

[redacted][105]

Q98. WHAT HAPPENS IF LCPS CCS IS NOT APPROVED BY THE LPSC?

A. [redacted][106]

Q99. WAS THERE A SPECIFIC REQUEST MADE OF THE COMMISSION RELATED TO THE DESIGNATED LCO RESOURCES?

A. Although there does not appear to be a specific request related to the Designated LCO Resources in ELL's Prayer for Relief, there is a provision in the Prayer for Relief that requests the Commission to "approve and authorize the implementation of the CSR, including…"[107] As discussed earlier, this language appears to be requesting some approval of the CSR, but by using "including" it is not clear how expansive the request is. And, in Phillip May's testimony he states "ELL also is seeking approval generally of the CSR, including the Customer's agreement to pay for the incremental cost to install CCS technology at the Company's Lake Charles Power Station ("LCPS") as a means to offset, in part, the emissions impacts from the Planned Generators required to serve the Project."[108] Once again, by use of the word "generally" and "including" it is not clear on the exact approvals ELL is seeking regarding the CSR other than a specific request related to CCS at LCPS.

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[105] AEO Exhibit ECI-2 at 6.

[106] *Id.* at 7.

[107] ELL Application at 28 (Prayer for Relief 7).

[108] Direct Testimony of Phillip May at 33.

Q100. DO YOU HAVE ANY CONCERNS WITH THIS REQUEST RELATED TO THE DESIGNATED LCO RESOURCES?

A. I do. As will be discussed in Section V.A.3. in more detail, the Greenhouse Gas Standards and Guidelines for Fossil Fuel-Fired Power Plants[109] issued by the United States Environmental Protection Agency ("EPA") as it currently stands would require the installation of CCS on the three new Planned Generators. Those standards and guidelines do not require CCS to be installed on LCPS. There is considerable risk with the unproven CCS technology that can result in costs associated with installations of CCS on the Planned Generators for which ratepayers would be liable. Accordingly, while I am not necessarily opposed to there being a Designated LCO Resources Option in the CSR to allow for the Customer and ELL to meet carbon emission reduction goals through investments in CCS at generators where CCS may be otherwise required, I so not recommend that the Commission approve the Application's request for approval of the CSR provisions related to ELL and Customer's obligations related to CCS at LCPS.

4. POWER TO CARE

Q101. WHAT IS THE LAST OBLIGATION OF THE CSR?

A. For the term of the ESA, the Customer agrees to match the Entergy Corporation's contribution to the Company's "The Power to Care Program" by donating up to $1,000,000 per year for the term of the ESA. It is the intent of both parties that this donation provides financial assistance to older adult customers and customers with disabilities that live on

[109] *New Source Performance Standards for Greenhouse Gas Emissions From New, Modified, and Reconstructed Fossil Fuel-Fired Electric Generating Units; Emission Guidelines for Greenhouse Gas Emissions From Existing Fossil Fuel-Fired Electric Generating Units; and Repeal of the Affordable Clean Energy Rule*, 89 Fed. Reg. 39,798 (May 9, 2024).

low or fixed incomes in Louisiana. If either the Customer or the Company terminates the Related Agreements (as that term is defined in Section 8 of Rider 1 to the ESA, all of Customer's obligations as to The Power to Care Program will automatically terminate without penalty.[110]

Q102. DO YOU HAVE ANY CONCERNS WITH THIS POWER TO CARE OBLIGATION?

A. I do not.

Q103. DOES THIS END YOUR DISCUSSIONS RELATED TO THE CSR?

A. Yes.

E. RELATED AGREEMENTS APPROVAL

Q104. HAS ELL REQUESTED COMMISSION APPROVAL OF ANY OF THE RELATED AGREEMENTS?

A. As discussed above, the combination of the Prayer for Relief and the Direct Testimony of Mr. May appears to request some form of approval of the CSR. However, ELL has not otherwise made any request for approval of any of the other Related Agreements.

Q105. IS IT TYPICAL FOR A UTILITY NOT TO SEEK APPROVAL FROM THE COMMISSION OF ITS ELECTRIC SERVICE AGREEMENTS?

A. Yes. Unless it is a special rate contract, I am not aware of any utility requesting specific approval of an ESA. However, I have also never seen a utility make an application to the Commission for a request for certification of three Planned Generators and significant transmission investments in connection with service to a single ESA.

[110] AEO Exhibit LKB-2 at 208 (CSR at 11, § F.1.).

Q106. DO YOU BELIEVE THAT COMMISSION APPROVAL OF THE RELATED AGREEMENTS IS NECESSARY FOR THIS APPLICATION?

A. Not necessarily, if ELL is able to address adequately the concerns that I have raised in this section of my testimony regarding the Related Agreements. However, I am concerned that many of the risk mitigations and protections that the Commission will be relying on in making its public interest determination are derived from the contractual obligations contained in the Related Agreements which could be amended without Commission approval (e.g., Early Termination Fees and Collateral Security). Therefore, I recommend that any Commission approval of the Application condition such approval on a requirement that ELL seek and obtain Commission approval of any non-ministerial changes to the Related Agreements. In the alternative, the Commission should condition its approval on ELL's express assumption of liability and provision of indemnity for any losses caused by a modification to the Related Agreements without Commission approval.

V. PLANNED GENERATORS AND PURCHASE POWER

Q107. WHAT CAPACITY IS NEEDED TO SERVE THE CUSTOMER?

A. ELL is requesting certification of the three Planned Generators to serve the Customer's anticipated load. Each Planned Generator is expected to have a nameplate capacity of 754 MW, for a total of 2,262 MW of new baseload capacity.[111] Two of the three 1x1 CCCTs will be located adjacent to the Customer's Project site in Richland Parish, specifically at Franklin Farms in Holly Ridge, Louisiana. These two generators are referred to as Franklin Farms CCCT #1 and #2.[112] The third CCCT will be located on the grounds of the

[111] Direct Testimony of Laura K. Beauchamp at 18.

[112] ELL Application at 12.

Company's Waterford site in Killona, Louisiana.[113] The 2,262 MW of the Planned Generators alone is not sufficient to serve the requested [redacted] of Demand leaving a gap of [redacted].[114] "[redacted]."[115]

Q108. WHEN IS THE CAPACITY PROJECTED TO BE NEEDED TO SERVE THE CUSTOMER?

A. The anticipated ramp-up in megawatts for this Customer consists of [redacted].[116]

A. STATED NEED FOR PLANNED GENERATORS

Q109. DOES THE COMPANY STATE A GENERAL NEED FOR THE PLANNED GENERATORS?

A. It does. ELL states that the Customer's load is so large, and its load factor is so high, that, even if the Project were proposed to be built in an area of ELL's electric system with

[113] Supplemental Direct Testimony of Laura K. Beauchamp at 3.

[114] Direct Testimony of Laura K. Beauchamp at 46 (AEO Version).

[115] *Id.* at 19 (HSPM Version).

[116] *Id.* at 20-21 (AEO Version).

existing industrial load and strong transmission capability, ELL would still need to build all three CCCTs to cover the Customer's energy and capacity requirements.[117]

Q110. DO YOU ACCEPT ELL'S STATED REASONS FOR THE NEED FOR THE PLANNED GENERATORS?

A. Yes, and I believe such a need is to be expected with any proposed addition of such a significant unplanned load, especially considering that ELL has been actively engaged in its integrated resource planning, MBM processes, and acquiring capacity over the last 3 years to address its native load growth and planned generator retirements.

1. SUPPORT FOR LOCATION OF PLANNED GENERATORS

Q111. HAS ELL PROVIDED SUPPORT FOR THE PLANNED LOCATIONS OF THE PLANNED GENERATORS?

A. It has. Regarding locating two of the Planned Generators at or near the Customer site in ELL's Central Region, ELL explained that historically due to the low density of large load in the Central Planning Area, there has been less need for generation and transmission located in that area.[118] Therefore, ELL plans to add two new CCCTs next to the Customer's site, in large part because the Customer's new load reasonably has led ELL to revisit longstanding expectations with respect to generation and transmission needs in the Central Planning Area.[119]

Q112. DO YOU AGREE WITH THE COMPANY'S SUPPORT FOR PLACING CAPACITY AND ENERGY IN THE AMOUNT PROVIDED BY TWO OF THE

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[117] *Id.* at 40.

[118] *Id.*

[119] *Id.*

PLANNED GENERATORS IN THE CENTRAL REGION NEXT TO THE CUSTOMER'S SITE?

A. I do. Additionally, based on the load profile of the Customer, placing that amount of dispatchable generation that close to the load will reduce the strain on the transmission system that would otherwise be caused by remotely placing those two Planned Generators.

Q113. HAS ELL PROVIDED SUPPORT FOR ITS PLACEMENT OF THE THIRD PLANNED GENERATOR IN THE SOUTHEAST LOUISIANA PLANNING REGION ("SELPA")?

A. Yes. ELL stated that SELPA is a load pocket, meaning that it relies on imports to serve all the load in the area and its ability to import sufficient electricity is constrained by a variety of factors. In the past, electricity has tended to flow from the northern part of the State into SELPA. With the addition of the Customer's new load, however, those generally prevailing power flow patterns are expected to change, and less power will tend to flow north to south from the Central Planning Area into SELPA. The third generator is being located in SELPA both to garner the benefits from siting a generator in a load pocket, close to the areas in which ELL has significant load, and also to mitigate any adverse impacts of having less power flowing from the Central Planning Area into SELPA.[120]

Q114. DID ELL ALSO PROVIDE SUPPORT FOR ITS SPECIFIC SELECTION OF THE WATERFORD SITE FOR THE THIRD PLANNED GENERATOR?

A. Yes. The Waterford location offered significant benefits that other locations could not match. First, the Company already owns the land upon which the third CCCT will be

[120] Direct Testimony of Laura K. Beauchamp at 42.

located. This will result in lower costs for this Project, as there will be no land acquisition costs and no delay in obtaining site control for early development activities. Second, due to existing transmission facilities at Waterford and in the nearby area, interconnecting the third CCCT to the electrical system will be easier and less costly.[121]

Q115. DO YOU ACCEPT THE COMPANY'S RATIONALE FOR THE PROPOSED SITING OF THE THIRD PLANNED GENERATOR IN THE SELPA REGION, SPECIFICALLY AT THE WATERFORD SITE?

A. Yes.

2. SUPPORT FOR THE FUEL TYPE FOR GENERATION

Q116. HAS THE COMPANY PROVIDED PROPOSED SUPPORT FOR ITS SELECTION OF NATURAL GAS GENERATORS FOR THE PLANNED GENERATORS?

A. ELL identified several different alternatives to the Planned Generators as follows: (1) constructing all new CCCTs with minimal transmission facilities and no renewables; (2) serving the Customer's load with renewables only; (3) building a 2x1 CCCT in lieu of two 1x1 CCCTs at Franklin Farms; (4) serving the Customer through transmission alone; and (5) deciding not to serve the Customer's load. Each of these options was determined to be infeasible or inferior for one reason or another.[122]

Q117. WHY DID ELL NOT SELECT THE FIRST ALTERNATIVE OF ALL NEW CCCTS WITH MINIMAL TRANSMISSION FACILITIES?

A. ELL stated that this option did not consider any renewable resources, and did not align with either ELL's or the Customer's environmental-stewardship objectives. It was

[121] Supplemental Direct Testimony of Laura K. Beauchamp at 3.

[122] Direct Testimony of Laura Beauchamp at 43.

important for the Customer in selecting ELL and the State of Louisiana as the site of its Project that the CSR provided options for zero to near-zero carbon emission resources.[123]

Q118. DO YOU ACCEPT THE COMPANY'S EXPLANATION OF ITS REJECTION OF AN ALTERNATIVE OF ALL NEW CCCTS WITH MINIMAL TRANSMISSION FACILITIES?

A. Not necessarily. I do agree that the Planned Transmission will allow for enhanced opportunities for renewable generation interconnections. However, the lack of access to renewables as a reason to reject this alternative does not align with the more prevalent reason that this option of minimal transmission was not possible. In discovery, ELL discloses that subsequent to the filing of the Application, MISO designated the Mt. Olive to Sarepta Transmission line as a Baseline Reliability Plan ("BRP") once the load associated with the new Customer was included in ELL's submissions.[124] If Mt. Olive to Sarepta is a BRP, then a planned scenario without that transmission would not be feasible. I specifically address the proposed Mt. Olive to Sarepta line in Section VI when discussing Planned Transmission.

Q119. WHY DID ELL NOT SELECT THE SECOND ALTERNATIVE OF A RENEWABLES ONLY OPTION?

A. ELL stated the concept of a "renewables-only" option is a misnomer because renewable resources (solar, wind, and related storage options), due to their operating profile, cannot reliably support the Customer's operations. As is expected, the Project will have a very high load factor—twenty-four hours a day, every day of the year. For this "renewables-

[123] *Id.* at 44.

[124] Exhibit RLS-011 (ELL Response to Sierra Club Data Response 3-4).

only" option to be practical in light of the Customer's needs, ELL would have to construct a gas-fired generator, such as a simple-cycle combustion turbine, to provide generation when the sun is not shining, the wind is not blowing, and the batteries have discharged their stored energy. Moreover, the cost of such a renewable-heavy portfolio is prohibitive; based on the level of capacity accreditation associated with these types of resources, ELL would have to build two-to-three times the Customer's projected peak load to account for the resources' load-serving capability, meaning ELL would have to construct up to approximately [redacted]. The investment for this amount of solar resources, *without* taking into account the investment needed for transmission upgrades, was expected to amount to [redacted] billion. Given the tremendous financial resources required as well, the amount of land needed for this generation, and the fact that ELL would still have to construct gas generation to provide energy during times at which the renewables were unable to provide reliable service—this option was deemed by ELL to be financially and operationally infeasible and far inferior to the chosen solution.[125]

Q120. DO YOU ACCEPT ELL'S RATIONALE FOR NOT CHOOSING A RENEWABLES ONLY PORTFOLIO?

A. Based on my experience in consulting for the Commission on and participating in MISO and SPP, and further based on my experience in consulting for the Commission on numerous generator certifications including both dispatchable and non-dispatchable generation, ELL's response seems reasonable. However, I am aware of several Intervenors in this docket who have propounded a lot of discovery on issues related to fuel supply and

[125] Direct Testimony of Laura Beauchamp at 44-45.

I will reserve any final response on this issue until after I have had a chance to review their positions and provided support on this subject, if any are put forward.

Q121. WHY DID ELL NOT SELECT THE THIRD ALTERNATIVE OF CONSTRUCTING ONLY ONE 2X1 CCCT AT FRANKLIN FARMS?

A. ELL stated that the primary reason was that a larger generator resulted in reliability issues under certain contingencies that must be evaluated and planned for under the applicable NERC regulations, and those issues would have driven a need for more (and significantly costlier) transmission upgrades.[126]

Q122. DO YOU ACCEPT ELL'S RATIONALE FOR NOT CHOOSING THE CONSTRUCTION OF JUST ONE 2X1 CCCT AT FRANKLIN FARMS?

A. I have reviewed the testimony and supporting materials provided by ELL witness Daniel Kline on this issue and I find his conclusion reasonable.

Q123. DO YOU AGREE THAT ATTEMPTING TO SERVE THIS PROJECTED LARGE LOAD CUSTOMER WITH TRANSMISSION ONLY WOULD BE INFEASIBLE?

A. I do.

Q124. DO YOU AGREE THAT NOT SERVING THE CUSTOMER AT ALL WAS AN INFERIOR SOLUTION?

A. That is the central decision that the Commission has to make for this Application and fully examined in Section VIII, which discusses the public interest.

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[126] *Id.* at 45.

Q125. DO YOU AGREE WITH ELL'S POSITION THAT RELYING ON THE MISO PLANNING RESOURCE AUCTION ("PRA") TO SERVE THIS LOAD WOULD BE IMPRUDENT?

A. I do. The PRA does not necessarily supply capacity. It is a short-term imbalance market to allow market participants to address short-term surpluses and shortages of generation. It does not send price signals that would incentivize the construction of new generation that can be relied on for long-term planning. The PRA has a pricing mechanism that requires short load serving entities to pay the "Cost of New Entry" ("CONE") for generation when the market is short of available capacity, but that financial penalty does not provide actual needed capacity. I would not support any plan that relied on the PRA as a long-term solution to serve the load proposed by this Application.

Q126. CONSIDERING ELL'S CONTEMPLATION OF ALTERNATIVE SUPPLY PLANS TO MEET THE LOAD REQUIRED TO SERVE THE CUSTOMER, DO YOU AGREE WITH ELL'S DECISION TO SELECT THE THREE NATURAL GAS (WITH HYDROGEN CAPABILITY) CCCTS FOR ITS PROPOSAL OF HOW TO SERVE THE LOAD?

A. Subject to having the opportunity to review any alternative plans which may be presented by Intervenors, and further subject to my immediately following discussion on the risks associated with the Greenhouse Gas Standards and Guidelines for Fossil Fuel-Fired Power

Plants,[127] I believe ELL has engaged in a reasonable analysis and I do not oppose their selection of the three CCCTs for their proposal of how to serve the load.

3. CONCERNS WITH POTENTIAL CARBON CAPTURE REQUIREMENTS

Q127. WHAT IS YOUR CONCERN RELATED TO THE THREE NEW CCCTS AND POTENTIAL CARBON CAPTURE REQUIREMENTS?

A. In May of 2024, the EPA established the Greenhouse Gas Standards and Guidelines for Fossil Fuel-Fired Power Plants ("Clean Power Plan 2.0").[128] In summary, Clean Power Plan 2.0 requires that for any natural gas generator operated by utilities such as ELL for which construction commences after May 23, 2023, and which is to be dispatched at a greater than 40% capacity factor, beginning on or after January 2032, such generator will have to install CCS with a 90% capture rate. The cost of adding the CCS technology to these generators when first built is estimated to be over $1 billion[129] and the cost can be expected to be more if the implementation of CCS is a retrofit to an existing unit. Considering that these three additional units are being requested to supply the capacity necessary to serve the load directly associated with Customer and there is no provision in the Related Agreements requiring the Customer to bear the risks I identify below, this is a risk that all ratepayers will bear.

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[127] *See New Source Performance Standards for Greenhouse Gas Emissions From New, Modified, and Reconstructed Fossil Fuel-Fired Electric Generating Units; Emission Guidelines for Greenhouse Gas Emissions From Existing Fossil Fuel-Fired Electric Generating Units; and Repeal of the Affordable Clean Energy Rule*, 89 Fed. Reg. 39,798 (May 9, 2024).

[128] *Id.*

[129] *Capital Cost & Performance Characteristic Estimates for Utility Scale Electric Power Generating Technologies*, U.S. ENERGY INFORMATION ADMINISTRATION, https://www.eia.gov/analysis/studies/powerplants/capitalcost/pdf/capital_cost_aeo2020.pdf (last visited Apr. 5, 2025).

Q128. ARE THERE POTENTIAL MITIGATIONS TO THIS RISK?

A. Yes. The first potential mitigation is that the Clean Power Plan 2.0 was passed under the last U.S. Administration and the current U.S. Administration has asked for a stay in the appeal of the rule so it can make an evaluation of how it may proceed. Given the publicly known positions of the new U.S. Administration, it is likely that these requirements will not be maintained.[130] However, that does not mean a future U.S. Administration might not reinstate them. The second potential mitigation is that the installation of CCS technology provides access to tax credits that can produce offsetting monetary benefits, which I discuss below. A third possible mitigation strategy is that although there is a prohibition against dispatching new gas units at greater than 40% if they do not have CCS installed, that prohibition does not apply to dispatches made during Energy Emergency Alert ("EEA") Levels 2 and 3. This provides operators and their regulators with a possible strategy to avoid incurring the costs associated with installing CCS by running the units at 40% and then dispatching at higher levels when the system goes into distress.

Q129. PLEASE DESCRIBE THE MITIGATION THAT MAY BE PROVIDED BY TAX CREDITS.

A. A "carbon oxide sequestration" tax credit is available pursuant to Section 45Q of the Internal Revenue Code.[131] The 45Q tax credit is intended to incentivize the capture of carbon oxides from industrial and electric utility generating facilities.

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[130] *See Trump EPA Announces Reconsideration of Biden-Harris Rule, 'Clean Power Plan 2.0', That Prioritizes Shutting Down Power Plants While Raising Costs on American Families,* ENVIRONMENTAL PROTECTION AGENCY (Mar. 12, 2025), https://www.epa.gov/newsreleases/trump-epa-announces-reconsideration-biden-harris-rule-clean-power-plan-20-prioritized.

[131] 26 U.S.C. § 45Q.

Q130. WHAT ARE THE REQUIREMENTS FOR AN ELECTRIC UTILITY TO QUALIFY TO RECEIVE THE 45Q CREDITS?

A. The electric utility must install carbon capture and sequestration equipment at a qualifying generating facility. For natural gas generating facilities, such as those at issue in this proceeding, the utility must begin construction of the CCS equipment before January 1, 2033. The CCS equipment must have a "capture design capacity of not less than 75 percent of the baseline carbon oxide production of such unit" and the facility must "capture[] not less than 18,750 metric tons of qualified carbon oxide during the taxable year."[132]

Q131. IF THE FACILITY MEETS THE ELIGIBILITY REQUIREMENTS, HOW MANY DOLLARS IN CREDIT CAN THE UTILITY RECEIVE?

A. The value of the tax credit available to the utility depends on the amount of qualified carbon oxides that the utility successfully captures. The Environmental Protection Agency stated in Clean Power Plan 2.0 that "[t]he tax credit is available at $85/metric ton."[133]

Q132. HAVE YOU BEEN ABLE TO DETERMINE THE VALUE OF TAX CREDITS THAT MAY BE AVAILABLE TO ENTERGY IF CCS WERE INSTALLED AT ONE OF THE NEW CCCTS PROPOSED IN THIS PROCEEDING?

A. No. I currently do not have the information needed to perform that calculation. The EPA's Final Rule requires 90% of carbon oxides from baseload natural gas units be captured beginning in 2032, but I do not have information that details the tonnage of carbon oxides that would likely be captured at the new CCCTs if CCS were installed on those units.

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[132] 26 U.S.C. § 45Q(d).

[133] Clean Power Plan 2.0, 89 Fed. Reg. at 39,881; *see also* 26 U.S.C. § 45Q(b)(1), (h).

Q133. COULD THE TAX CREDITS BE SIGNIFICANT?

A. It is possible. Unfortunately, CCS technology is unproven. I am not aware of any utility that has successfully installed and captured carbon oxides at a rate of 90% at a generating unit the size of the CCCTs being proposed in this proceeding. Due to lack of information and the uncertainty regarding the ability of CCS to capture carbon oxides at the scale proposed by the EPA Final Rule, I am unable to confidently estimate the potential cost offsets that may result from 45Q tax credits, assuming CCS is required in 2032.

Q134. HOW LONG WOULD ELL BE ELIGIBLE TO RECEIVE THE 45Q TAX CREDITS?

A. For new baseload natural gas CCCTs such as those proposed in this proceeding, the Internal Revenue Code allows for a utility to receive 45Q tax credits for twelve years from the date operation is commenced.[134]

Q135. CAN ELL RECEIVE THE FULL 12 YEARS OF TAX CREDITS THAT ARE AVAILABLE IF IT DOES NOT INSTALL CCS BY 2032?

A. It appears so, but the construction of CCS would need to have begun by January 1, 2033.[135] To be clear, the current EPA Final Rule requires ELL to have 90% CCS installed by the year 2032, unless it intends to operate its new CCCTs at a 40% capacity factor. Assuming ELL completes installation of CCS after the 2032 deadline, it should still be able to take advantage of all 12 years of tax credits. Subsection (a)(3) of IRC Section 45Q provides the tax credit amount for "qualified carbon oxide which is captured by the taxpayer using carbon capture equipment which is originally placed in service at a qualified facility on or

[134] 89 Fed. Reg. at 39,934.

[135] *See* 26 U.S.C. § 45Q(d).

after the date of the enactment of the Bipartisan Budget Act of 2018, during the 12-year period beginning on the date the equipment was originally placed in service."[136] I am not providing a legal opinion, but my understanding of that statute allows for a utility to begin its 12-year period of tax credits "on the date the [carbon capture] equipment was originally placed in service."[137]

Q136. ARE THE 45Q CREDITS A GUARANTEED MITIGATION?

A. No. It is important to keep in mind that, although the Internal Revenue Code currently allows for utilities that install CCS to benefit from the 45Q tax credits, which may not always be true. The composition of the United States Congress and Executive Branch of the federal government changes relatively often. Any changes in Congress or the Presidency could alter the availability of the 45Q tax credits. Thus, although statutes providing for those credits exist today, that could change in the future.

Further, there is significant State and local opposition to CCS, and there is no guarantee that any of the generator units would be able to obtain the necessary state and local approvals. These difficulties would limit the potential mitigation strategy to dispatching the Planned Generators at 40% and putting a reliability stress on the market.

Q137. WHAT IS YOUR CONCLUSION RELATED TO THE CCS RISKS ASSOCIATED WITH THE THREE CCCT PLANNED GENERATORS?

A. Although potential mitigation for the risks exists, the Clean Power Plan 2.0 requirement for CCS on the three Planned Generators could substantially increase the costs to ratepayers, costs that have not been accounted for in any of the agreements between ELL

[136] 26 U.S.C. § 45Q(a)(3).

[137] *Id.*

and the Customer. Alternatively, the CCS rule could lead to a practice that would stress the reliability of the system due to the artificial constraint forced by the rule on the dispatch of available fossil fuel generation. I note that ELL has made no request related to the installation of CCS on the three Planned Generators in the Application, and therefore, the Commission is not being asked to make a specific decision related thereto. However, this is a risk that needs to be accounted for in making the determination of the public interest and that risk is considered in Section VIII discussing the public interest determination. Further, I recommend that any Commission Approval of the Application be conditioned on ELL prudently maximizing the value of any 45Q Tax Credits related to CCS on the Planned Generators for the sole benefit of ratepayers.

B. REQUESTED EXEMPTION FROM THE MBM ORDER FOR PLANNED GENERATORS

Q138. DOES THE MBM ORDER'S REQUIREMENT THAT A UTILITY PERFORM AN RFP APPLY TO THE PLANNED GENERATORS?

a. Yes.

Q139. DID ELL PERFORM AN RFP IN ACCORDANCE WITH THE MBM ORDER?

A. No. ELL seeks an exemption from the MBM requirements to conduct a formal solicitation process.

Q140. DOES THE MBM ORDER ALLOW FOR EXEMPTIONS TO ITS REQUIREMENTS?

a. Implicitly, yes. While not specifying under what circumstances a capacity addition should be exempt from its requirements, the MBM Order states, that "[a]ny capacity investment exempt from the market-based mechanism must be supported with the appropriate justification at the time the utility seeks Commission approval or rate recovery for that

investment."[138] And, when a market-based mechanism has not been used, a utility would be unable to utilize the results and analysis from an RFP process as part of the "justification" required under the 1983 General Order.

Q141. HAS THE COMMISSION PREVIOUSLY SUPPORTED AN EXEMPTION TO THE MBM ORDER?

A. Yes. Recently in Order No. U-37193 dated January 16, 2025, the Commission granted ELL an exemption from the MBM Order for a PPA it secured by responding to a solicitation from an independent asset owner. I provided testimony in that docket recommending to the Commission that, if an exemption is requested, then there should be a heightened level of review in any certification. When a resource has not proven to be the lowest reasonable cost resource as the result of a formal Request For Proposal ("RFP") process, I believe careful and thorough analysis should be performed to determine the basis for the stated need and the available options and economics to the proposed solution. I have performed that analysis in this testimony to support my recommendations.

Q142. WHAT PRIMARY SUPPORT DOES ELL PROVIDE FOR ITS REQUEST FOR AN EXEMPTION TO THE MBM?

A. ELL states that it cannot conduct a Commission Staff-monitored RFP in the present circumstances because "[c]onducting a competitive solicitation process like an RFP pursuant to the MBM Order and meeting the Customer's electric service needs on the Customer's required timetable is impossible."[139] Therefore, the exemption is stated to be

[138] *MBM Order*, ¶ 6.

[139] Direct Testimony of Joshua B. Thomas at 21.

needed to secure the Customer's investment in Louisiana and for the substantial economic benefits to the citizens of the State of Louisiana afforded by the Project.

Q143. PLEASE DESCRIBE THE PROPOSED TIMETABLE OF THE CUSTOMER'S NEED.

A. The Customer requires that ELL serve an initial operating level of [redacted] increasing operating levels [redacted], and the Customer's maximum operating level of [redacted].[140] Additionally, the Customer's load will have a [redacted] load factor.[141]

Q144. DO YOU HAVE ANY SUPPORT FOR THE PURPORTED NEED FOR THE SPEED FOR DELIVERY OF THE PLANNED GENERATORS OUTSIDE OF ELL'S TESTIMONY THAT SUCH A NEED EXISTS?

A. On February 4, 2025, ELL filed in this docket the Meta Letter referenced in Q.23. One of the stated purposes for the Meta Letter is to emphasize how critical ELL's ability to meet the Project's energy timeline was in the selection Project's location in Richland Parish. The Meta Letter further confirmed ELL's representations regarding the Project's timeline, energy requirements, and economic development commitments. The letter specifically states that had ELL not been able to commit that the utility infrastructure would be available to serve the desired load ramp, Meta would have been forced to select another location outside Louisiana for the Project and that "speed to market" capability was and remains utterly crucial in their decision to select Richland Parish.[142]

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[140] *Id.* (AEO Version).

[141] *Id.* (AEO Version).

[142] Exhibit RLS-004.

Q145. DO YOU BELIEVE THE RECORD PROVIDES ADDITIONAL SUPPORT FOR THE ALLEGED NEED FOR SPEED TO MEET CUSTOMER'S RAMP REQUIREMENTS?

A. I find that Customer's funding in 2024 of approximately [redacted] to secure long-lead generation and transmission equipment via CIAC agreements even prior to Commission consideration of the Application, [redacted], provides a strong indication of the Customer's need for speed for the Project.[143]

Q146. WERE YOU ABLE TO FIND ANY INDEPENDENT SUPPORT FOR A NEED FOR SPEED IN THE DEVELOPMENT OF AI TECHNOLOGIES?

A. I independently searched for articles that would support the general need for speed in the AI data center development and found several. Some quotes from those articles are:

> In the context of data centers, which sit at the heart of the AI revolution, speed to market has become the top priority. Companies such as Microsoft, Google, Meta, and Amazon are seeking capacity quickly – ideally within three years. However, limited capacity and backlogged interconnection queues, among other challenges, currently hinder the ability to maximize growth rates.[144]

> The race is on to build sufficient data center capacity to support a massive acceleration in the use of AI. Data center demand has already soared in response to the role data plays in modern lives. But with the emergence of generative AI (gen AI), demand is set to rise even higher. And that is likely to presage a supply deficit.[145]

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[143] Direct Testimony of Laura K. Beauchamp at 14 (AEO Version).

[144] *Data Centers and US Energy Markets*, ASCEND ANALYTICS (Feb. 13, 2025), https://www.ascendanalytics.com/blog/data-centers-and-us-energy-markets-the-need-for-speed (last visited Apr. 6, 2025).

[145] *AI Power: Expanding Data Center Capacity to Meet Growing Demand*, MCKINSEY & COMPANY, https://www.mckinsey.com/industries/technology-media-and-telecommunications/our-insights/ai-power-expanding-data-center-capacity-to-meet-growing-demand (last visited Apr. 6, 2025).

> New data centers are being built at a faster rate than any other real estate asset class globally, data from JLL's Global Real Estate Outlook shows. Completions are set to reach a new peak globally in 2025, exceeding the previous four years. Yet with capacity on track to grow at a 15% CAGR over the next two years, demand for critical data center infrastructure continues to outstrip supply.[146]
>
> The rush to accommodate artificial intelligence is driving unprecedented demand for power-intensive infrastructures, CBRE says in a report.[147]

I believe there is ample publicly available support that there generally is a race for large hyperscale data centers to be completed amongst those competing to provide AI solutions.

Q147. DO YOU AGREE THAT CONDUCTING A MBM PROCESS FOR THE PLANNED GENERATORS WOULD PROHIBIT ELL'S ABILITY TO MEET THE CUSTOMER'S STATED RAMP SCHEDULE FOR DELIVERY OF POWER?

A. I certainly do for the first two Planned Generators. Having participated in many LPSC MBM and Certification proceedings, and understanding the need to commit to long-lead equipment in this tight supply constrained market, I do not believe that ELL could have delivered the first two Planned Generators to meet the requested November 2028 in service date had they been procured pursuant to a Commission Staff-monitored MBM proceeding and the timelines historically associated with such proceedings. Regarding the third Planned Generator to be located on the Company's Waterford site, I believe it is a closer call. If the Commission otherwise were to find the overall Application to be in the public interest, however, I believe the lack of conducting an MBM process for the third Planned

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[146] Shaun Lee, *Are Data Centers Being Built Fast Enough?*, JLL.COM, https://www.jll.com/en-us/insights/are-data-centers-being-built-fast-enough (last visited Apr. 6, 2025).

[147] Brian Martucci, *Data Center Supply, Construction Surged in 2024 Amid AI Boom*, FACILITIES DIVE (Mar. 5, 2025), https://www.facilitiesdive.com/news/data-center-supply-construction-surg-2024-ai-boom-cbre-vertiv-Tecogen/741654/ (last visited Apr. 6, 2025).

Generator can be found acceptable, conditioned on a heightened review of the plans for procurement of all three Planned Generators, a continuing obligation on ELL to manage the construction process prudently, and a thorough prudence review to be performed once all of the Planned Generators are in service.

Q148. DID ELL PROVIDE SUPPORT FOR PROCUREMENT PLANS FOR THE PLANNED GENERATORS THAT ALLOWED YOU TO CONDUCT A HEIGHTENED REVIEW OF THE PROCUREMENT PROCESSES FOR THE PLANNED GENERATORS?

A. They did, through a combination of testimony and discovery. I will provide a highlight of my findings from that review.

Q149. HOW DOES ELL PROPOSE TO HAVE THE PLANNED GENERATORS CONSTRUCTED?

A. For all three Planned Generators, ELL proposes to construct the CCCTs by procuring an Engineering, Procurement, and Construction Contract ("EPC"). Due to the time constraints for the delivery of the first two units, ELL did not perform an RFP for the procurement of an EPC contractor for the first two Planned Generators. For these two CCCTs, ELL leveraged Entergy Texas, Inc.'s ("ETI"") competitive solicitation for Power Island Equipment ("PIE") for a CCCT that was performed in 2023.[148] The solicitation for the PIE constituted the major components (*i.e.,* the current transformers, heat recovery steam generators, and steam turbine generators) comprising a significant portion of the cost of the CCCTs.[149] [redacted]

[148] Direct Testimony of Matthew Bulpitt at 19.

[149] *Id.*

[redacted]. Sargent & Lundy ("S&L"), a third party evaluator, provided a thorough and detailed description of the proposals received from [redacted], its analysis and evaluation of those bids, and an ultimate recommendation regarding which bid to accept in a Letter of Recommendation ("LOR") to Entergy Services, LLC ("ESL")[151] in November 2023.[152] That LOR recommended ETI award the supply of the PIE to Mitsubishi Power.[153]

Q150. HAVE YOU REVIEWED THE EPC CONTRACT FOR THE FIRST TWO PLANNED GENERATORS?

A. I have reviewed the contract and find that the testimony of Mr. Bulpitt, along with Exhibit MB-2, materially describes its key provisions. The EPC contract does have a fixed price with limited opportunities for adjustment, other than those associated with change orders that are customary and ordinary requirements of any construction contract. It also contains a substantial completion date in line with the need for Customer's ramp schedule.[154] I have also researched the counterparties of the consortium providers of the EPC and found them to be qualified.

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[150] *Id.* (HSPM Version).

[151] Entergy Services, LLC provides certain centralized administrative and operational support to the Entergy Operating Companies, such as ELL.

[152] Direct Testimony of Matthew Bulpitt at 19-20 (HSPM Version).

[153] *Id.* at 20.

[154] HSPM Exhibit MB-2 at 1.

Q151. DID YOU REVIEW ANY OF THE BENCHMARKING MATERIALS PROVIDED BY ELL RELATED TO THE PRICING FOR THE FIRST TWO PLANNED GENERATORS?

A. I did. The majority of the benchmarking results seemed generally reasonable although I have identified a concern with the benchmarking of [redacted]. ELL maintains an obligation to prudently manage the contract and will be subject to a prudence review at its completion and ELL should pay close attention to these costs to ensure they are prudently procured at reasonable prices.

Q152. HOW DID ELL PROCURE EPC SERVICES FOR THE THIRD PLANNED GENERATOR?

A. Based on the additional time available for delivery of the third Planned Generator, ELL conducted a competitive RFP for EPC services for this CCCT.[155]

Q153. HAVE YOU REVIEWED THE RESULTS OF THAT RFP?

A. I have not seen the results produced in the docket as of yet. However, I note from HSPM Table 5 in Mr. Bulpitt's testimony that [redacted]

Q154. BASED ON YOUR REVIEW OF THE ACTIVITIES COMPLETED TO DATE, DO YOU BELIEVE THAT ELL HAS ENGAGED IN A PRUDENT PROCESS TO

[155] Direct Testimony of Matthew Bulpitt at 39.

[156] *Id.* at 39, tbl.5 (HSPM Version).

ACHIEVE THE LOWEST REASONABLE COST FOR THE THREE PLANNED GENERATORS?

A. Solely for the purpose of the consideration of an exemption to the MBM Order and subject to my recommendation related to the third Planned Generator, I do believe that to date ELL has made reasonable and prudent efforts to manage the costs of the Planned Generators. However, ELL retains an obligation to prudently manage the construction of the Planned Generators and a determination of prudence on any aspect of the construction of the generators will not be made until a final prudence review is completed.

Q155. DO YOU BELIEVE THIS APPLICATION PRESENTS A SPECIAL MITIGATIING CIRCUMSTANCE RELATED TO ELL'S REQUEST FOR AN EXEMPTION TO THE MBM ORDER?

A. I do. The fact that Customer has agreed to (i) pre-funding long lead generation and transmission items for approximately [redacted] coupled with (ii) a minimum bill that, (without an early termination), will cover (after true-up) the full costs of the three Planned Generators is a unique mitigating circumstance that in places all the risk of the costs of the three Planned Generators on the Customer. And, even if there is an early termination, the Customer has agreed to cover the full estimated costs as of the date of the Application.

Q156. IS THERE ANY OTHER MITIGATION TO THE RISK OF EXCESSIVE COSTS THAT MAY BE CAUSED BY THE LACK OF AN RFP?

A. ELL has proposed a monitoring plan to allow Staff to actively monitor the progress of the construction of the three Planned Generators. My colleague, Jake Chapman, has filed contemporaneous testimony proposing adjustments to that plan. Such plan would offer transparency and additional potential mitigation to the risk of excessive costs.

C. PLANNED GENERATOR CONCLUSION

Q157. IS A CERTIFICATION OF THE PLANNED GENERATORS AND AN EXEMPTION TO THE MBM ORDER WARRANTED IN THIS CASE?

A. The request for the certification of the Planned Generators and for an exemption to the MBM Order are just some of the many Prayers for Relief made in ELL's Application that provides its holistic plan on how the Planned Generators may be able to economically and reliably serve the Customer's large load addition, consistent with the public interest. Therefore, I believe the answer to these requests is dependent on the Commission's overarching determination of whether the Application is in the public interest. However, subject to the conditions that I am proposing in this testimony, I believe the Commission can reasonably find that a certification of the Planned Generators and a waiver of the MBM Order is a justifiable part of a complete service plan that, in total, is in the public interest.

Q158. HAS ELL MADE ANY OTHER REQUESTS RELATED TO THE PLANNED GENERATION?

A. Yes. In its third Prayer for Relief, ELL requested that the Commission find that the Planed Generators would be treated as system resources for the benefit of all ELL ratepayers, and not a resources constructed and designated for the benefits and use of Customer.

Q159. WHAT IS YOUR RECOMMENDATION RELATED TO THIS REQUEST?

A. I believe that the Planned Generators as proposed will be system resources and not dedicated to the Customer. However, the additions of the Planned Generators and the Mt. Olive to Sarepta transmission line would not be required but for the Project, and therefore, the Commission must consider the costs and risks of that generation and transmission with

the proposed benefits of the Application in making its determination if the Application is in the public interest.

D. PURCHASED POWER

Q160. WILL ELL NEED MORE GENERATION THAN THE PLANNED GENERATORS TO MEET THE LOAD ADDITION THAT WOULD BE ADDED BY THE CUSTOMER?

A. Yes. Both ELL witnesses Laura Beauchamp and Ryan Jones have referred to purchased power being a part of the supply solution to meet the load needs of the customer.[157]

Q161. HAS ELL PROPOSED A PURCHASED POWER SOLUTION AS PART OF THIS APPLICATION?

A. They have not. However, ELL has included an assumption for the price of purchased power in their workpapers and analysis, which I discuss further below in Section VIII Further, ELL has stated that while the Customer has agreed that its revenues should be sufficient to offset the actual costs of the purchased capacity, and that their billing terms and minimum monthly charges should be trued-up based on the actual costs of purchased capacity that the Company procured, it is unclear if there is adequate information available today to develop a concrete ratemaking proposal.[158]

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[157] *See, e.g.*, Direct Testimony of Laura K. Beauchamp at 15; Direct Testimony of Ryan D. Jones at 33-34.

[158] Direct Testimony of Ryan D. Jones at 33-34.

Q162. WHAT ARE YOUR RECOMMENDATIONS RELATED TO THE PURCHASED POWER REFERRED TO ELL' APPLICATION AND SUPPORTING TESTIMONY?

A. I recommend that any Commission approval of the Application should expressly state that no certification or other approval is granted for any purchased power to be acquired to satisfy the deficit between the Customer load requirements and the Planned Generation. Further, in conjunction with my prior recommendation regarding a potential Commission approval of future amendments to the Related Documents, I recommend that any future true-ups of the Minimum Monthly Charges be approved by the Commission or alternatively ELL expressly assumes the risk for any harm experienced by ratepayers due to the use of an imprudent purchase power price or any other assumptions used in the true-up calculation.

VI. PLANNED TRANSMISSION

Q163. WHAT TRANSMISSION PROJECTS HAS THE COMPANY PROPOSED?

A. ELL has proposed several transmission-related construction projects as necessary to serve the Customer. For the purpose of discussing and analyzing these projects, I have separated them into two categories: (1) Customer Transmission Projects and (2) System Transmission Projects. To be clear, both the Customer Transmission Projects and System Transmission Projects are necessary to serve the Customer. The difference is in how the costs of the projects are proposed to be recovered.

The Customer Transmission Projects are those projects necessary for the Customers' interconnection to the grid that the customer has agreed to fund as CIAC. ELL's other ratepayers should not incur any of the costs of the Customer Transmission Projects.

Q164. WHAT ARE THE CUSTOMER TRANSMISSION PROJECTS?

A. The following projects are "Customer Transmission Projects" covered by one of the CIAC agreements:

- Smalling Substation – A new 500/230 kV substation adjacent to the Baxter-Wilson to Perryville 500 kV line. This substation will cut into the existing transmission line and step down the voltage to serve the Customer.

- Car Gas Road 500 kV Substation – Due to physical constraints at the nearby ELL Perryville substation, a new 500 kV switching station will be built approximately one mile away.

- Customer Substations 1-6 – Six substations planned on the Customer's property. Ownership and exact locations are under discussion.

- Car Gas Road to Smalling Substation 500 kV Lines 2 and 3 – Two new 30-mile 500 kV transmission lines from the Customer's site to the Car Gas Road substation.

- Smalling Substation to Customer Substations 1-6 – A network of 230 kV transmission lines to serve the Customer's substations.[159]

Q165. DO ANY OF THESE CUSTOMER FUNDED PROJECTS REQUIRE CERTIFICATION UNDER THE TRANSMISSION CERTIFICATION ORDER?

A. My colleague Jake Chapman provides testimony addressing the issue and, for the reasons provided in his testimony, he concludes that they are all exempt.

Q166. WHAT ARE THE SYSTEM TRANSMISSION PROJECTS?

A. At this time, the only "System Transmission Projects" identified in ELL's Application are (i) the Mt. Olive to Sarepta 500 kV transmission line and facilities and (ii) an upgrade to station equipment at the Sterlington 500 kV substation.[160]

[159] Direct Testimony of Daniel Kline at 13-14.

[160] *Id.* at 14.

Q167. ARE EITHER OF THE SYSTEM TRANSMISSION PROJECTS REQUIRED TO BE CERTIFIED PURSUANT TO THE TRANSMISSION SITING ORDER?

A. Jake Chapman addresses this in his testimony and concludes that the Mt. Olive to Sarepta 500 kV transmission line is required to receive certification under the Transmission Siting Order, however, the upgrades at the Sterlington 500 kV are not required to be certified. It is my understanding that if the Application were not deemed in the public interest and there were not a certification of the Mt. Olive to Sarepta line, then there would be no need for the upgrades at the Sterlington 500 kV substation.

Q168. REGARDING THE MT. OLIVE TO SAREPTA LINE, HAS ELL MET ALL OF THE PROCEDURAL REQUIREMENTS OF THE TRANSMISSION CERTIFICATION ORDER?

A. Mr. Chapman has concluded that ELL has met all of the procedural requirements of the order, leaving only the determination of whether the Commission should certify that the public convenience and necessity would be served through the completion and siting of the Mt. Olive to Sarepta line.

Q169. WHEN DOES ELL PROPOSE THAT THE MT. OLIVE TO SAREPTA LINE BE PLACED IN SERVICE?

A. Exhibit DK-4 indicates an estimated in-service date of July 30, 2029.

Q170. WHY HAS ELL PROPOSED THAT ITS TRANSMISSION SOLUTIONS, INCLUDING THE MT. OLIVE TO SAREPTA LINE, SHOULD BE CERTIFIED?

ELL claims that the proposed Transmission Facilities and proposed timeline (i) will meet the reliability, resiliency, sustainability, and speed to market requirements of the Project, (ii) are based on sound engineering principles, and (iii) find further support in prior ELL analyses.[161]

Q171. IS YOUR UNDERSTANDING THAT THE MT. OLIVE TO SAREPTA PROJECT WOULD BE NEEDED WITHOUT THE PROJECT?

A. It is my understanding that the Mt. Olive to Sarepta project is not needed without the Project. A compelling reason for my belief is that ELL has included the project in this Application, whereas they did not include the Bable to Webre 500 kV transmission line because ELL stated that it would be needed even if the Project does not move forward and, therefore, is not part of the Application.[162] Accordingly, since Mt. Olive to Sarepta has been included in the Application it stands to reason that it is the Project that necessitates the transmission project. Further, in Discovery ELL confirmed there is no immediate need for the Mt. Olive to Sarepta 500 kV line.[163]

Q172. DO YOU BELIEVE THAT THE PROJECT NECESSITATES THE MT. OLIVE TO SAREPTA LINE?

A. I do. When the Customer load was added into the MISO Transmission Expansion Plan ("MTEP") modeling, the Mt. Olive to Sarepta line was classified as a BRP, essentially meaning that system modeling detected NERC violations with the addition of the Customer

[161] Direct Testimony of Daniel Kline at 36.

[162] *Id.* at 18.

[163] Exhibit RLS-021 (ELL Response to NPO Data Request 13-8(c)(ii)).

load and generation associated with the Project and without the Mt. Olive to Sarepta transmission upgrade.

Q173. IF THE MT. OLIVE TO SAREPTA PROJECT WOULD NOT BE BUILT BUT FOR THE PROJECT, WHY IS IT BEING PROPOSED AS A SYSTEM TRANSMISSION PROJECT TO BE FUNDED BY ALL RATEPAYERS?

A. ELL proffers that the proposed Transmission Facility aligns with ELL's long-term strategic vision for the area, which includes Extra High Voltage ("EHV") expansion that would accommodate load growth in a timely manner while maintaining reliability for existing ratepayers, adding resiliency to the system, and facilitating the continued transition to a more sustainable generation portfolio.[164] In addition to strengthening the ties between the Customer site and the Monroe area (where existing generation resources can be found at Ouachita, Sterlington, and Perryville stations), the proposed Transmission Facilities would enable the North Louisiana system to reliably serve the Customer's demand.[165] Growth in area load will also reduce the reliance on an existing system operating guide that addresses excess generation in the region, and the proposed Transmission Facilities provide a foundation to serve the ancillary growth that will result from the development associated with the Customer's Project as well as additional development in the area.[166] The proposed Transmission Facilities, particularly the Mount Olive to Sarepta 500 kV line, strengthen north-south transmission ties by beginning the development of a third EHV path between generation and load centers in Arkansas and South Louisiana. As customer demand grows,

[164] Direct Testimony of Daniel Kline at 37.

[165] *Id.*

[166] *Id.* at 37-38.

existing generation resources retire, and renewable resources increase in penetration, the ability to move power north and south to respond to system needs will be even more critical.[167] The added capacity to the transmission system will make renewable energy more accessible, especially in the remote areas of North Louisiana where land availability and cost, transmission access, solarity, and other factors make it a likely location for solar farms.[168]

Q174. WHAT ARE YOUR CONCERNS WITH THE PROPOSED SYSTEM TRANSMISSION IMPROVEMENT OF THE MT. OLIVE TO SAREPTA LINE?

A. My first concern is the "but for" nature of the proposed line. However, I acknowledge that every customer makes an incremental contribution to the needs for the transmission system. While that is true, this is a unique instance in which an over $500 million dollar 500kv transmission line is necessitated by the addition of one customer.

Q175. ARE THERE MITIGATIONS TO YOUR CONCERN?

A. There may be. First, I agree with many of the benefits projected to be provided from the portfolio of transmission projects necessitated by the Project, but I do not see the need for those benefits at the projected costs of the transmission line without the Project. However, the benefits are mitigation to the costs. The largest potential mitigation, however, is the overall impact to all ELL ratepayers of the Project. If the benefits of the overall proposed Project can be projected to outweigh the ratepayers' costs and risks, including the costs of the System Transmission projects, then as part of the overall public interest determination

[167] *Id.* at 38.

[168] *Id.*

for the Application, it would be reasonable for the Commission to certify the Mt. Olive to Sarepta line as part of the overall determination.

Q176. DO YOU HAVE ANOTHER SPECIFIC CONCERN WITH THE PROPOSED MT. OLIVE TO SAREPTA LINE?

A. I am concerned that the Class 5 Estimate provided for the cost of the line is unreliable. In my experience, a Class 5 Estimate is often proven to be an inaccurate predictor of actual costs, and it could be significantly underestimating the actual cost of the project. With a Class 5 Estimate, the actual cost of the Mt. Olive to Sarepta line could be double the estimated cost. This must be accounted for as a substantial risk in the analysis to determine if the overall Project is in the public interest

VII. RATEMAKING

Q177. PLEASE SUMMARIZE ELL'S REQUESTED RATEMAKING TREATMENTS.

A. ELL makes the following requests with regard to ratemaking, which I will discuss in turn: (1) retail recovery of the costs of the Planned Generators, including costs associated with those generator's LTSAs; (2) retail recovery of the proposed transmission facilities that are not subject to the Continuing CIAC Agreement; (3) retail recovery of the incremental solar facilities that may be procured under the CSR; and (4) approval of a proposal to defer the Customer's revenue for ratemaking purposes.

Q178. WHAT IS ELL'S REQUEST WITH REGARD TO RECOVERY OF THE PROPOSED GENERATORS?

A. ELL requests that the Commission find that the retail revenue requirement associated with the Planned Generators (to be determined in a subsequent revenue requirement filing) is deemed eligible for recovery in the first billing cycle of the month following commercial

operation of each of the Planned Generators in accordance with the terms of the Company's then-effective FRP, outside of the FRP sharing mechanism, and outside of the cap set forth in Section 2.C.2.d of Rider FRP. In the alternative, if ELL does not have an FRP in place at the time the Planned Generators are placed in service, ELL requests the Commission authorize (i) a deferral of the non-fuel revenue requirement (i.e., costs that are not eligible to be recovered through the FAC) associated with each of the Planned Generators until such time as the costs of each Planned Generator are reflected in the Company's retail rates; (ii) a deferral of the costs to hire and train each Planned Generators' plant staff in advance of each of the Planned Generators' in-service dates; and (iii) an accrual of carrying charges on the deferred balances at the Company's Commission-authorized rate of return, commencing on the dates of commercial operation for each of the Planned Generators and continuing until such time as such costs for each of the Planned Generators are first reflected in the Company's retail rates.[169] ELL additionally requests that the deferred balances be recovered over a period of two years beginning as to the time each Planned Generator begins to be recovered in rates.[170]

Q179. IS THERE AN ADDITIONAL PROPOSAL FOR THE REVENUE REQUIREMENT OF THE PLANNED GENERATORS?

A. Yes, ELL proposes that if the ACM is used that for the proposed Planned Generators the Company would include within the first-year revenue requirement that is implemented in

[169] ELL Application at 29-30 (Prayer for Relief 13).

[170] *Id.* at 30 (Prayer for Relief 14).

rates an offsetting entry for pro-forma Customer revenue such that the net effect on FRP rates is $0.[171]

Q180. DOES ELL PRESENT A PROPOSED REVENUE REQUIREMENT EXAMPLE?

A. In Exhibit RDJ-3, Ryan Jones presents a revenue requirement for the projected costs of the System Improvement Projects.

Q181. DO YOU AGREE WITH THE METHODOLOGIES AND ASSUMPTIONS USED TO DETERMINE OF THE REVENUE REQUIREMENT IN EXHIBIT RDJ-3?

A. I do not. I specifically disagree with the proposed lack of any inclusion of ADIT.

Q182. IS ELL REQUESTING A DETERMINATION OF THE METHODOLOGY TO BE USED TO DETERMINE A REVENUE REQUIREMENT OF THE PLANNED GENERATORS OR THE SYSTEM IMPROVEMENT PROJECTS AT THIS TIME?

A. I cannot find a specific request for any such determination. However, because there was a presentation of a methodology for determining a revenue requirement in the supporting testimony and exhibits, I recommend that any Commission Approval of the Application be conditioned upon the revenue requirements for the Planned Generators and System Improvement Projects not being determined until they are proposed to be included in rates through an FRP ACM inclusion or otherwise.

[171] Direct Testimony of Ryan D. Jones at 32.

Q183. WHAT IS YOUR RECOMMENDATION RELATED TO THE PROPOSED USE OF THE FRP OR ALTERNATIVE USE OF A DEFERRAL IF NO FRP IS IN PLACE?

A. To the extent the then-effective FRP retains the current Additional Capacity Mechanism ("ACM"), I believe that the appropriately determined revenue requirement associated with the Planned Generators would qualify for inclusion in the current FRP. If there is no FRP in effect, I concur with ELL's proposed deferrals, however, I recommend that the period of deferral not be determined until the proposal is made for the revenue requirement to be incorporated into rates.

Q184. WHAT IS AN LTSA?

A. As ELL explains, an LTSA is a contract that covers major maintenance costs for generation facilities, particularly combustion turbine units.[172] These agreements are structured to align maintenance with actual generator usage, making many of the associated costs variable and generation dependent.

Q185. WHAT IS ELL'S PROPOSED RECOVERY FOR THE LTSAS?

A. ELL proposes to recover fuel costs and certain variable operation and maintenance expenses—particularly those incurred under LTSAs—through the FAC.[173]

Q186. DOES ELL MAKE ANY OTHER PROPOSAL REGARDING THE LTSA COSTS?

A. That is not clear. As I noted in Section IV.C. when discussing Rider 1 to the ESA, the true-up provisions will allow the Monthly Minimum Charge to be adjusted to reflect the first-

[172] *See* Direct Testimony of Matthew Bulpitt at 38.

[173] Direct Testimony of Joshua B. Thomas at 26-27.

year actual O&M of the Planned Generators. It is not clear, however, whether this true-up will include the LTSA costs that ELL has proposed be included in the FAC.

Q187. SHOULD ELL'S REQUEST TO RECOVER THE LTSAS THROUGH THE FAC ELIMINATE THE LTSA COSTS FROM BEING INCLUDED IN THE NON-FUEL O&M TO BE CONSIDERED FOR THE TRUE-UP?

A. It should not, and I have a proposed a condition in Question 51 to address this.

Q188. OTHERWISE, WHAT IS YOUR RECOMMENDATION RELATED TO ELL'S REQUEST FOR THE LTSA TO BE RECOVERED IN THE FAC?

A. ELL has consistently utilized LTSAs for natural gas generators it has constructed or built over the last 15 years, and the Commission has approved recovery of the costs of that expense through the FAC.[174] The Company's proposal aligns with that prior treatment, and I see no reason why the Commission would deviate from that treatment in this case, provided that the costs of the LTSA's is included in the O&M costs that are trued-up for the Minimum Monthly Charge as recommended in Question 51.

Q189. WHAT IS ELL'S PROPOSAL WITH REGARD TO RECOVERY OF THE TRANSMISSION FACILITIES?

A. ELL requests that the Commission deem that the retail revenue requirements associated with the actual prudently incurred costs of the Sterlington 500 kV Substation Equipment and the Mount Olive to Sarepta Transmission Facilities are eligible for recovery by the Company through the applicable mechanisms of the FRP to the extent the Company remains subject to an FRP at the time the referenced facilities are placed in service. In the

[174] *See id.*

alternative, that the costs are deemed eligible for recovery through the creation and authorization of a regulatory asset, with interest to be accrued thereon at the Company's weighed average cost of capital, until such time that the costs can be reflected in rates through a future base rate proceeding.[175]

Q190. DO YOU SUPPORT ELL'S RATEMAKING REQUEST RELATED TO THE RECOVERY OF THE TRANSMISSION FACILITIES?

A. To the extent the Commission certifies the Mt. Olive to Sarepta Transmission Facilities, and otherwise, approves this Application as being in the public interest, I support ELL's proposed ratemaking for the prudently incurred costs of the Transmission Facilities, subject to the proposed commitment in Question 182.

Q191. DID THE COMPANY INCLUDE IN ITS PRAYER FOR RELIEF A REQUEST FOR A COMMISSION FINDING RELATED TO THE RATEMAKING FOR THE DESIGNATED RENEWABLE RESOURCES TO BE PROCURED FOR THE CSR?

A. I do not find any such Prayer for Relief; however, ELL witness Elizabeth Ingram's Direct Testimony contains a proposal that revenues and bill credits to the Customer associated with the initial 1,500 MW of Designated Renewable Resources should be reflected for ratemaking purposes in the same manner as the ratemaking associated with Rider GZ.[176] Likewise, ELL also proposes that the energy-related bill credits from the Initial Renewable Subscription Amount, *i.e.,* the Renewable Energy Credits, be recorded through the FAC, consistent with the treatment of energy-related bill credits associated with Rider GZ as

[175] ELL Application at 29-30 (Prayer for Relief 12).

[176] Direct Testimony of Elizabeth C. Ingram at 29.

approved by the 3GW Order and associated with Rider GGO as approved by LPSC Order No. U-36190 dated October 14, 2022.[177]

Q192. SHOULD THE COMMISSION APPROVE ELL'S PROPOSED RATEMAKING TREATMENT FOR THE 1,500 MW OF SOLAR?

A. In Section IV.D., discussing the CSR, I stated that I do not agree with ELL's interpretations related to the current 3GW Order and Rider GZ authorizing its proposed implementation of the alternative procurement process and expedited certification related to the Designated Renewable Resources. Accordingly, I proposed that in Rebuttal, ELL make a specific proposal for an alternative procurement process and expedited certification for Designated Renewable Resources in the CSR. If the Commission approves ELL's proposal for the Designated Solar Resources proposed by ELL as part of the CSR, or if the Commission approves an alternative version thereof, to the extent such approved mechanism includes a Renewable Energy Charge, Renewable Energy Credit, and Renewable Capacity Credit in materially the same manner as such charges and credits operate in the Rider GZ, then I would recommend that such charges and credits receive the same ratemaking treatment, except for my recommendation provided in Question 83 that the Renewable Energy Charge not be levelized.

Q193. HAS ELL MADE ANY RATEMAKING REQUEST RELATED TO THE DESIGNATED WIND RESOURCES AND DESIGNATED LOW CARBON OPTION RESOURCES PROPOSED AS PART OF THE CSR?

A. I cannot find in the Prayer for Relief or in any testimony a request related to the ratemaking of the proposed Designated Wind Resources or Designated Low Carbon Resources. Based

[177] *Id.* at 29-30.

on my observations and recommendations in Sections IV.D.2. and IV.D.3, I recommend that any Commission approval of the ELL Application be conditioned on an express acknowledgement that no ratemaking treatment has been approved regarding either Designated Wind Resources or Designated Low Carbon Option Resources.

Q194. PLEASE DESCRIBE ELL'S REQUEST TO DEFER THE CUSTOMER'S REVENUE.

A. The Customer has proposed to defer the revenue it receives from the Customer during the early years of the contract on two bases. First, it asserts that GAAP mandates that it defer a certain portion of the Customer's revenue. I refer to this portion of the deferral as the Accounting Revenue Deferral. Separately but related, ELL seeks to defer an amount of revenue for ratemaking in an effort to smooth rate effects, a proposal I refer to as the Regulatory Revenue Deferral. [redacted]

Q195. PLEASE EXPLAIN THE ACCOUNTING REVENUE DEFERRAL.

A. [redacted]

[178] Direct Testimony of Ryan D. Jones 30-31.

[redacted]

[redacted]

Q196. DOES THIS ACCOUNTING DEFERRAL RESULT IN A REGULATORY LIABILITY?

A. Yes.

Q197. DOES THE COMPANY NEED A COMMISSION ORDER TO IMPLEMENT ITS ACCOUNTING REVENUE DEFERRAL?

A. No. As ELL has confirmed, no Commission action is required for ELL to take the actions it deems necessary to comply with GAAP.[180]

Q198. DO YOU HAVE AN OPINION REGARDING ELL'S PROPOSED ACCOUNTING REVENUE DEFERRAL?

A. No. As ELL has proposed [redacted] it is the Ratemaking Revenue Deferral that is important in terms of customer rate impact. As such, it is the only one of the proposed deferrals that the Commission should issue an order addressing.

Q199. WHY IS THE COMPANY SEEKING AN REGULATORY REVENUE DEFERRAL LIABILITY FOR RATEMAKING?

A. ELL is seeking to manage rate volatility for all its ratepayers. Without the Regulatory Revenue Deferral Liability, early over-collections from the Customer would cause rates to drop, only to rise later when costs increase.[181] Rate design is intended to be prospective.

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[179] Direct Testimony of Ryan E. O'Malley at 9 (HSPM Version).

[180] Exhibit RLS-012 at 1 (ELL Response to Staff 2-1).

[181] Direct Testimony of Ryan D. Jones at 27 (HSPM Version).

So, if rates are adjusted on a going forward basis as a result of large anomalous and non-recurring costs or revenues, customer rates may be slow to react to the later return to normal state. ELL's current ratemaking mechanism, for example, includes bandwidth provisions that could lead to the inadvertent "trapping" of revenue (or a loss of revenue) as a result of sudden and temporary changes in cost or revenue. The Regulatory Revenue Deferral would allow for a better matching of costs and revenues to prevent these effects.

Q200. DO YOU AGREE WITH THE CONCEPTS BEHIND ELL'S PROPOSED REGULATORY REVENUE DEFERRAL?

A. Yes. Because of the minimum monthly contract charge I discussed above, there is a large amount of revenue that ELL will begin receiving starting in December 2026 long before the revenue requirement of the Planned Generators – and any other facilities – would be reflected in ELL's revenue requirement. Without adjustment, this could lead to large rate reductions in the immediate years, followed by large rate increases soon thereafter. Given the size of the Customer's revenue, these swings could be large. [redacted]

Therefore, I agree conceptually with the creation of a Regulatory Revenue Deferral.

Q201. WHAT SPECIFICALLY IS THE COMPANY SEEKING FROM THE COMMISSION WITH REGARD TO THE REGULATORY REVENUE DEFERRAL?

A. When asked in discovery, ELL stated that it is seeking the following Order from the Commission:

> The Company is permitted to defer and amortize Unearned Revenues for ratemaking purposes in the same manner as such Unearned Revenues have been deferred and amortized for GAAP purposes. Further, the Company is permitted to defer and amortize customer revenues through a newly created regulatory liability, which regulatory liability shall be excluded from rate base, in such a manner as to offset the depreciated revenue requirements associated with Planned Generators included within the FRP and stabilize the effect of New Customer's expected contributions to FRP recovery over the initial term of the Customer's contract ending in 2041.[182]

Q202. DO YOU HAVE ISSUES WITH THE LANGUAGE OF THE REQUESTED COMMISSION ACTION FOR THE REGULATORY REVENUE DEFERRAL?

A. Yes. There are two aspects of ELL's requested order that concern me. [redacted] a position contrary to traditional ratemaking, as I will explain. I also believe that the parameters under which revenue would be deferred for regulatory purposes should be modified and more clearly defined.

Q203. WITH REGARD TO THE REGULATORY REVENUE DEFERRAL, CAN YOU EXPLAIN THE PRINCIPLES BEHIND ITS CREATION?

A. Yes. The approach utilized by ELL to create the deferrals is supported by the broader accounting literature and practitioner guidance from accounting advisory firms, which

[182] Exhibit RLS-012 at 1.

have consistently emphasized that when a customer makes a prepayment for services or plant capacity not yet available, the cash should not be immediately recognized as revenue. Rather, it should be recorded as a liability until the corresponding service or asset is delivered. This treatment is consistent with the core principle of ASC 606 regarding the timing of revenue recognition and is widely accepted within utility accounting practices.

Q204. WHY DO YOU BELIEVE THAT REGULATORY LIABILITIES GENERALLY SHOULD BE INCLUDED IN RATE BASE?

A. The revenue received by ELL from the Customer is similar to revenue ELL receives from ratepayers prior to the time it incurs other categories of expenses. The collection of taxes prior to the payment of those taxes is a notable example, and under the normalization rules it is well established that these prepayments of taxes should be included in rate base as offsetting Accumulated Deferred Income Taxes.

The principle behind including regulatory liabilities in rate base is based on the financing benefit provided by these funds. Since the cash is collected upfront, it effectively reduces the utility's need to incur external financing costs for the plant or related assets. Regulatory accounting literature and decisions in various jurisdictions have established that amounts received in advance – which are later used to finance plant construction or improvement – should be included in the rate base. The rationale is that these funds are available to the utility before the plant is operational, thereby lowering its cost of capital. State regulatory commissions and FERC have, in several cases, supported the inclusion of such liabilities in the rate base, provided that the underlying economic benefit is clearly demonstrated. Guidance from industry practitioners further supports that if the deferred

revenue (or contract liability) results in a lower financing cost, then ratepayers should share in that benefit, which justifies its inclusion in the rate base.

Q205. WHY DOES ELL ARGUE THAT [redacted]

A. [redacted]

Q206. HOW DO YOU RESPOND?

A. [redacted]

[183] Exhibit RLS-013 (ELL Response to Staff 1-32).

Q207. WITH REGARD TO THE PARAMETERS FOR THE REGULATORY REVENUE DEFERRAL, WHAT ARE YOU CONCERNS?

A. [redacted]

Q208. IS THERE A PARTICULAR EXAMPLE THAT HIGHLIGHTS YOUR CONCERN?

A. [redacted]

[184] Exhibit RLS-014 (ELL Response to Staff 1-33).

[185] Exhibit RLS-015 (ELL Response to SREA 1-19).

Q209. HOW WOULD YOU ADDRESS THOSE CONCERNS?

A. As I have noted throughout my testimony, the Commission's public interest determination here will rest on a balancing of interests. The Company's proposed deferral of revenue [redacted] as I discuss in Section VIII.B. [redacted]

Q210. IS THERE ACCUMULATED DEFERRED INCOME TAXES ("ADIT") ASSOCIATED WITH THE REGULATORY LIABILITY?

A. Yes. As ELL explains, there will be an accumulated deferred income tax asset recorded in FERC Account 190 (Accumulated Deferred Income taxes (asset)) for the tax effect of the deferred revenue recorded in FERC Account 253 (Other Deferred Credits) that will turn as the customer revenue is recognized on the income statement in accordance with GAAP.[186] [redacted]

Q211. DO YOU HAVE ANY OBSERVATIONS REGARDING THE ADIT ASSOCIATED WITH THE REGULATORY LIABILITY?

A. Yes. [redacted]

[186] *See* Direct Testimony of Ryan O'Malley at 9-11.

[187] Exhibit RLS-016 (ELL Response to Staff 2-3).

[redacted]

VIII. THE PUBLIC INTEREST DETERMINATION

Q212. HOW SHOULD THE COMMISSION APPROACH THE QUESTION OF WHETHER ELL'S REQUESTED RELIEF IS IN THE PUBLIC INTEREST?

A. As I have discussed, the Application presents several approvals that the Commission has been asked to provide in accordance with its rules and procedures, including the approval to construct each of the Planned Generators and to construct certain transmission facilities. ELL's Application, however, is best judged holistically with consideration given to all costs, risks, and benefits associated with the proposal to serve the Customer.

As ELL witness Joshua Thomas notes, while many have offered different descriptions, defining what is the "public interest" with specificity is difficult. All agree, however, that determining the public interest requires a balancing of the effects that a decision will have on the utility's ratepayers as well as the utility itself. And since public utilities are so critically integrated into the everyday life of the communities they serve, this balancing of interests must also account generally for the general population, *i.e.,* the state of Louisiana. To this end, my analysis has carefully examined the costs presented in the Application, scrutinized the revenues guaranteed, and attempted to identify significant risks of the Proposal. I have detailed those throughout this testimony and will summarize them in providing my recommendation to the Commission.

A. ANALYSIS

Q213. AN INITIAL PLACE TO START IN EVALUATING THE PUBLIC INTEREST IS THE ECONOMIC IMPACT THAT A DECISION WILL HAVE ON THE

UTILITY'S RATEPAYERS. HAS ELL PROVIDED AN ANALYSIS OF THAT IMPACT?

A. Yes. Company witness Samrat Datta presents an economic analyses and concludes that "based on the assumptions used in the economic assessment, it is reasonable to expect that ELL's other customer will realize substantial net benefits."[188] Mr. Datta's analyses, referred to as the Economic Assessment, is summarized in Figure 1 of his testimony, which I have duplicated here as [redacted]:[189]

[redacted]

Q214. HAVE YOU EXAMINED ELL'S ECONOMIC ASSESSMENT?

A. Yes, and a few things caused concerns. As a preliminary matter, ELL presents its Economic Assessment on a net present value to show that ratepayers would benefit from

[188] Direct Testimony of Samrat Datta at 4.

[189] *Id.* at 15 (HSPM Version).

the Project. In doing so, it utilized the as-billed revenue instead of the revenue that ratepayers would actually see on a delayed basis pursuant to its own revenue deferral proposals discussed above. Since the value in the NPV presented by ELL is the value to the customer, the revenue stream should be the revenue that will actually be reflected in customer rates. In addition, I believe that ELL's Economic Assessment understates the costs of its proposal with regard to the capacity purchases necessary to serve the Customer and the effect that the Customer will have on ELL's wholesale transmission revenue.

Q215. WHAT IS YOUR CONCERN REGARDING ELL'S PRICING OF THE CAPACITY PURCHASES NECESSARY TO SUPPLY THE CUSTOMER'S DEMAND?

A. ELL has included [redacted] to purchase additional capacity to serve the customer. This number inflates through the term of the 15-year ESA. It is not clear exactly how ELL determined this amount. In response to discovery, ELL stated that it is based on [redacted], but it is not clear why ELL thought it should fill the capacity needed to serve the customer with [redacted] or why [redacted] is the appropriate value.[190] The actual difference between the Customer's load and the output of the Planned Generators is [redacted].[191] And, when a reasonable reserve margin of 20% is added to the Customer's load, the total capacity deficiency between the Customer's needs and the output of the Planned Generators rises to approximately [redacted]. Moreover, the price that ELL used to price the capacity is not a value I have seen used by ELL for other analyses nor what I have seen in other utility agreements recently approved by the Commission. Using

[190] AEO Exhibit RLS-022 (ELL Response to Sierra Club 7-5).

[191] Direct Testimony of Laura K. Beauchamp at 46 (AEO Version).

pricing more consistent with pricing I have seen for recent capacity purchases and accounting for the [redacted] needed to serve the Customer, I believe the model should include $75 million for additional capacity to serve the Customer, with this amount increasing at the amount of inflation during the period of service.

Q216. WHAT IS YOUR CONCERN WITH REGARD TO ELL'S TREATMENT OF WHOLESALE TRANSMISSION REVENUE?

A. ELL's Economic Assessment recognizes certain effects of FERC OATT transmission rates without acknowledging others. Specifically, ELL recognizes in its analysis that as a result of the revenue it receives from transmission customers under the FERC-regulated MISO Tariff, its retail ratepayers will only pay [redacted] of the revenue requirement associated with the Mt. Olive to Sarepta transmission line.[192] I generally agree with this modelling assumption. The model, however, does not account for the other effect that the Company's proposal will have on transmission revenue received under the MISO OATT Tariff – the reduced transmission revenue as a result of the addition of the Customer's load.

The transmission rate under the FERC Tariff is based on a calculated transmission revenue requirement with a demand billing determinant. When Customer's load is reflected in the calculation of the transmission rate under the MISO Tariff, the billing determinant denominator will increase from approximately 11 GW to [redacted], decreasing the transmission rate charged to other wholesale transmission customers and therefore the decreasing the revenue collected by ELL to offset retail rates. I estimate that this effect will be approximately $21 million per year.

[192] Direct Testimony of Samrat Datta at 8 (HSPM Version).

Q217. HAVE YOU ADJUSTED ELL'S ECONOMIC ASSESSMENT TO ACCOUNT FOR YOUR CONCERNS?

A. Yes. With modifications made to Mr. Datta's Economic Analysis to adjust for all three of my concerns, I calculate that ratepayers would still be better off under the Company's proposal even if Meta were to terminate after the 15-year term of the contract. I have calculated a savings of $116 million on an NPV basis under the 15-year termination scenario.

Q218. DOES THIS CONCLUSION REST ON AN IMPORTANT ASSUMPTION?

A. Yes, a very important one. As I noted earlier, the Customer is contractually obligated to pay for the first fifteen-year revenue requirement of the Planned Generators. If they were to terminate after the initial 15-year contract, ELL will be left with three generators without the Customer's load. That generation will have some value; realized either by deferring the need for ELL to acquire other capacity or by selling such capacity in the market. ELL's Economic Analyses assumes that value is in ELL's avoidance of the construction of other generation that it has in its long-term plan to meet its load needs. The avoided cost of this future generation is a critical component of ELL's determination that ratepayers will be better off even if the Customer stops taking service from ELL after year 15. And, I agree with ELL's conclusion if it is effectively able to avoid construction of those generators that would have otherwise been built on the dates stated. However, timing of the Customer's decision to terminate the contract is important in the context of ELL's generation construction plan. For purposes of ELL's Economic Analysis, I have no reason to dispute the long-term planning assumptions for the dates that new additional capacity may be needed. However, it must be recognized that the residual value of the Planned Generators

is a significant risk in the results of any modeling outputs and changes to those dates can significantly change the results, posing a large risk to ELL ratepayers receiving a net benefit, depending on what other alternatives may be available to maximize the capacity value of the excess generation.

Q219. DO YOU BELIEVE THERE IS A COMPONENT MISSING FROM ELL'S ECONOMIC ASSESSMENT?

A. Yes. ELL's Economic Assessment does not include the effect that the Customer will have on ELL's FAC rates. This is a notable omission as the Customer's expected fuel revenue represents over 50% of its total expected revenue. Mr. Datta notes that this was an intentional and conservative exclusion by ELL as including the variable supply costs and variable revenues that the Customer will provide through the FAC would likely increase the benefits to ELL's other ratepayers.[193]

Q220. DO YOU AGREE WITH MR. DATTA THAT THIS EXCLUSION MAKES THE ECONOMIC ASSESSMENT CONSERVATIVE?

A. Generally, yes. I would first note that with the addition of a demand the size of the Customer's load and a supply the size of the Planned Generators, I would expect that the energy market will experience fluctuations during the ramp up period of the contract. These fluctuations, in either direction, would be hard to predict or model. But there could be times when the generation procured or constructed by ELL has not fully matched the pace of the customer's load, leading to energy exposure in the market and potential for increased costs to ratepayers. This would be true of all load fluctuations, including fluctuations caused by the addition of any new customer in the energy market.

[193] Direct Testimony of Samrat Datta at 16.

For purposes of the Economic Assessment, however, I have examined the effects on variable supply costs and FAC rates can be better viewed in a steady state when the Customer is at full operation and the Planned Generators are in service. At that time, the ELL's FAC will reflect all fuel-related costs of the Planned Generators as well as all FAC revenue received from the Customer. The variable supply cost effect of a new load addition then is similar to the effect in any market. If demand is added without low-cost supply, market prices will increase. However, if demand is added with supply that is below incremental costs, market prices should decline.

Q221. HOW CAN ONE THINK ABOUT THIS MARKET EFFECT IN THE CONTEXT OF ELL'S PROPOSAL AND ITS IMPACT ON CUSTOMER RATES?

A. Here, ELL's FAC rates can be utilized as a market price as they represent the variable fuel cost of the generation necessary to serve ELL's load. And, because of the nature of ELL's generation fleet and MISO South's, ELL's FAC rates generally correlate with the price of natural gas, those two values can be compared to derive an "implied FAC heat rate." This is similar to the "implied marginal heat rate" calculated by the MISO market monitor.[194] I can then compare the implied FAC heat rate to the heat rate of the Planned Generators. With that difference, and given any natural gas price assumption, I can calculate a relative savings that should be seen by introducing the Planned Generators into the market. At a natural gas price of $2.50 the cost of a MWh at an FACs rate based on historical values would be $5.56 higher than the cost to produce a MWh from the Planned Generators.

[194] 2023 State of the Market Report for the MISO Electricity Markets 5, Potomac Economics, June 2024, *available at* https://www.potomaceconomics.com/wp-content/uploads/2024/06/2023-MISO-SOM_Report_Body-Final.pdf ("To estimate the effects on prices of factors other than fuel prices, we calculate an 'implied marginal heat rate'. This is calculated by dividing the real-time energy price by the natural gas price. Figure 3 shows the monthly and annual average implied marginal heat rates.").

Annually, when just considering the fuel cost of the Planned Generators, a 95% capacity factor they can produce the energy needed for $110 million cheaper than the equivalent amount of energy would cost under the ELL historical FAC. At $3.00 average natural gas savings would increase to $132 million.

Q222. DOES THIS CALCULATED SAVINGS MEAN THAT THE PROPOSED GENERATORS WILL PRODUCE VARIABLE SUPPLY COST SAVINGS AT ALL TIMES?

A. Not necessarily. One key component of my projection that ratepayers would experience variable cost savings as a result of the Project is the assumption that the Planned Generators have lower variable costs than the marginal generation source in the market and therefore would displace higher cost generation. Stated differently, the assumption holds true as long as there are 2,262 MW of generation capacity needed in the energy market that has higher energy costs then the Planned Generators, as the Planned Generation would displace those higher cost resources. Considering the age of ELL's fleet and the makeup of the generation in portfolio in the region generally, this is likely a safe assumption for the majority of the life of the Planned Generators. For reference, in 2024 when natural gas prices averaged $2.19/Mmbtu, the average MISO Day Ahead LMP was $26.92. And the MISO independent market monitor has consistently reported an implied marginal heat rate between 8,000 and 10,000 Mmbtu/MWh.[195]

Q223. CONSIDERING THAT THE PROPOSED GENERATORS DO NOT COVER ALL OF THE CUSTOMER'S DEMAND AND THAT THERE IS A DEMAND

[195] *Id.*

WITHOUT AN IDENTIFIED LOW-COST SUPPLY, HOW DOES THIS IMPACT YOUR ANALYSES OF THE VARIABLE COST SAVINGS?

A. The Customer's expected load is [redacted] and the capacity of the Planned Generators is 2,262 MW, leaving [redacted] of capacity for ELL to purchase.[196] If that difference is covered by anything cheaper than the implied FAC heat rate from an energy perspective, it is even better. If covered by something with a higher heat rate, then the benefit could be smaller.

Q224. ARE THERE ANY OTHER IMPORTANT ASSUMPTIONS UNDERLYING ELL'S ECONOMIC ASSESSMENT?

A. Yes. The analysis includes the currently assumed cost to construct the Mt. Olive to Sarepta line. I discuss the significant risks of higher costs for this line in Section VI. Discussing Planned Transmission, and, if that project were to go over budget, this could cause ELL's Economic Analysis benefits to ratepayers to significantly decline.

Q225. ELL'S ECONOMIC ASSESSMENT EXAMINED THE SCENARIO IN WHICH META OPERATES NORMALLY FOR FIFTEEN YEARS AND THEN TERMINATES THE CONTRACT. ARE THERE OTHER POTENTIAL SCENARIOS?

A. Of course. There is an infinite possibility of other outcomes, but there are two scenarios on either end of the spectrum that are worth exploring for purposes of a public interest determination. The first scenario is one in which the Customer continues taking service from ELL after the initial 15-year term of the contract. The second scenario is that the

[196] Direct Testimony of Laura K. Beauchamp at 46 (AEO Version).

Customer terminates operation well before the 15-year term only paying the minimum bill or a termination fee.

Q226. DID YOU MODEL THESE SCENARIOS?

A. Yes. I used the same methodology and started with the same assumptions that ELL utilized for its Economic Assessment. I made changes to appropriately simulate the scenario I was modelling.

Q227. FOR THE FIRST ALTERNATIVE SCENARIO, WHAT DID YOU ASSUME?

A. I assumed that the Customer would only pay the minimum bill amount, or an equivalent Early Termination Fee, without taking any service from the Company. This, obviously, is the one extreme scenario.

Q228. WHAT WERE THE RESULTS OF YOUR ANALYSIS OF THIS SCENARIO?

A. Depending on the exact assumptions used, ratepayers are approximately net neutral in this scenario. I calculated a $14 million net benefit on an NPV basis. To be clear, this marginal net benefit does not result during the ESA itself. If the Customer only pays the minimum monthly charge without meaningful usage, its ESA revenue will not cover the total cost of the equipment built to serve the Customer, including the costs of the Mt. Olive to Sarepta line and the demand charges associated with the natural gas procurement contracts for the Planned Generators. The nominal benefit in this scenario lies solely in the ELL projected residual value of the Planned Generators which, as discussed above, has risk. And these nominal benefits also assume, of course, that none of the other risks discussed are realized. And, as in ELL's Economic Analysis, this also does not include the potential for a cost overrun for the Mt. Olive to Sarepta project which could reduce the benefit to a loss.

Q229. ARE THERE IMPORTANT ASSUMPTIONS INCLUDED IN THIS SCENARIO THAT YOU SHOULD CLARIFY?

A. Yes. Because in this scenario I assumed that the Customer would have no meaningful usage, I removed any effects that its load would have on the wholesale Transmission rate and removed the additional cost associated with purchased capacity to address the reserve margin that will attach to the Customer's load. But many other changes in the assumptions regarding Meta's actual usage could drastically impact the results of the modelling. For instance, the amount of the Customer's Monthly Minimum Charge is such that it is triggered even if the Customer has a load of [redacted]. In which case, the Customer would be driving impacts on FERC wholesale transmission rates while only paying the Monthly Minimum Charge.

Q230. WITH THESE MOVING PARTS, WHAT ARE YOUR OBSERVATIONS REGARDING THE MODELLING OF THE MONTHLY MINIMUM CHARGE SCENARIO?

A. I view the model of this scenario, as well as all economic analysis of this Project, as largely illustrative of potential outcomes. If the Customer pays only the Minimum Monthly Charge during the term of the Contract, ratepayers will incur additional costs as a result of the ESA. They will benefit from the residual value of the Planned Generators. The net effect is that ratepayers could wind up essentially neutral if they are effectively able to utilize the now-excess Planned Generators as ELL projects or for similar value to avoid other needed costs and keep the Mt. Olive to Sarepta project from experiencing significant cost overruns. ELL's ability to maintain customer impact neutrality in this scenario is burdened with these risks and the other risks I have discussed.

Q231. FOR THE SECOND ALTERNATIVE SCENARIO, WHAT DID YOU ASSUME?

A. I assumed that Customer would maintain service for the life of the Planned Generators (*i.e.*, an additional 15 years). I assumed that during that period the benefit provided to ELL ratepayers in terms of variable cost savings would exceed the demand charge costs estimated by ELL.

Q232. WHAT WAS THE RESULT OF YOUR ANALYSIS?

A. On an NPV basis, I project that ELL's ratepayers would benefit by $398 million over 30 years of Customer operation as compared to the projected $116 million if the Customer terminates the contract at the end of year 15. The benefits projected during the final years of operation in this scenario are substantial, increasing to over $200 million annually.

Q233. ARE THERE OTHER RATE BENEFITS THAT THE CUSTOMER WOULD PROVIDE IN ADDITION TO THIS QUANTIFIED IMPACT?

A. Yes. The projected NPV benefits from all scenarios assume certain capital additions and rate increases over the next three decades. Namely, the benefits include Meta's contributions to all of the Planned Generators and transmission that I have discussed in this testimony as well as an [redacted] driven by other costs and expenses needed to provide reliability service to all ratepayers. If rates increase beyond that projected growth for other reasons, or if ELL adds major capital items that it would have to add with or without Customer, beyond that mentioned in this Application, Customer will now contribute its retail revenue share to those costs. The same will hold true for any storm costs that ELL incurs moving forward, and as long as Customer is above the Minimum Monthly Charge, the costs spent on resilience. Given

the Customer's size, this means that approximately 10% of future rate increases will be offset by the increase born by Customer alone.

Again, I view the modeling of this second alternative scenario similar to that of the first two, largely illustrative. The benefit to ELL's ratepayers from the Customer at full operation for the life of the Planned Generators is substantial and I think can be in excess of the $404 NPV value predicted by the model. And, as in the other scenarios, this result is subject to all the risks aforementioned, except for the material risks of the residual value of the Planned Generators as their value would have been utilized over the full 30 years of this analysis.

Q234. ARE THERE OTHER BENEFITS FROM THE PROJECT THAT WOULD AFFECT ALL THE ECONOMIC ANALYSIS MODELING THAT YOU HAVE DISCUSSED?

A. Yes, and they could be significant. Meta projects the data center will support 500 or more direct new jobs in Richland Parish. The Louisiana Economic Development department estimates the project will result in the creation of more than 1,000 indirect jobs, for a total of more than 1,500 potential new jobs in the Northeast Region. Additionally, the company estimates 5,000 construction workers at peak of construction.[197] Other reports have stated that the Project is expected to bring around 500 full time jobs with average salaries of

[197] *See Meta Selects Northeast Louisiana as Site of $10 Billion Artificial Intelligence Optimized Data Center*; Governor Jef Landry Calls Investment "A New Chapter" For State, LOUISIANA ECONOMIC DEVELOPMENT, https://www.opportunitylouisiana.gov/news/meta-selects-northeast-louisiana-as-site-of-10-billion-artificial-intelligence-optimized-data-center-governor-jeff-landry-calls-investment-a-new-chapter-for-state (last visited Apr. 7, 2025).

$82,000 in one of the poorest areas of the country.[198] The Meta Letter states that the Richland Parish data center represents an investment of over $10 billion and will support 500 operational jobs, along with 5,000 skilled trade workers on site at peak construction, and Meta is making a concerted effort to hire locally. Meta is also investing over $200 million in local infrastructure improvements including roads and water infrastructure.[199] Other additional benefits not accounted for are the customer funded electric infrastructure in substations and transmission being completed 100% at the cost of the Customer. At the end of 15 years, or if there were to be an early termination, that infrastructure would make this site a viable economic opportunity for alternative potential users.

None of the scenarios for economic analysis discussed above have incorporated any of these potential economic development benefits, and these potential benefits should be considered by the Commission in making its public interest determination.

Q235. ARE THERE RISKS THAT COULD WORSEN THE OUTCOME FOR RATEPAYERS IN ANY OF THE SCENARIOS?

A. Yes, there are many risks that could exist in all of the scenarios, some of which I will now identify. First, there are several risks associated with the costs of the facilities necessary to serve the customer exceeding their currently estimated budgets without ratepayer protections. Those include the costs of the Mt. Olive to Sarepta Transmission project, the cost of carbon capture or other government-mandated requirements, the ultimate cost of the demand charges for the gas supply contracts of the Planned Generators, and the cost to

[198] Joe Gallinaro, *Facebook Parent Company Meta Planning to Build $5 Billion AI Data Center Near Monroe*, LOUISIANA RADIO NETWORK (Nov. 20, 2024), https://louisianaradionetwork.com /2024/11/20/39768/ (last visited Apr. 7, 2025).

[199] Exhibit RLS-004 at 3 (Meta Letter at 1).

purchase capacity to meet the customer's load, as well as the reserve margin created by that load. In addition, there appears to be risks around recovering the full cost of the Planned Generators based on contract provisions governing CIAC payments and termination.

Second, I have previously discussed the economic outcome for ratepayers being tied to the residual value of the Planned Generators in the event that the Customer discontinues service during the life of those generators. In that instance, ELL ratepayer benefits lie in the value of the Planned Generation. ELL's Economic Assessment assumes that the value lies in the avoidance of generation it would otherwise have to procure. That may be a reasonable value for those generators, as I have discussed. But there are risks that the value could be lower than that, which is an uncontrollable outcome of ELL's proposal.

Moreover, there are operational risks associated with the Customer that are prevalent because of the Customer's size. Previously, I discussed the variable supply cost savings that I would expect from the Planned Generators given their heat rate. Getting to the "steady state" I mentioned will take time, during which there will be periods when the load projected by ELL currently does not match the generation modelled, available, or constructed. In those instances, there will be variability in both the energy and capacity markets that could drive fluctuations in prices. This is again an uncontrollable risk resulting from ELL's proposal. It is worth noting that this risk exists for any changes in load or capacity, driven by customer additions or generation retirements, not just as a result of this project.

Finally, there is the CCS risk that I previously mentioned. Under current regulations, significant investment would be required for the Planned Generators to run in the manner

ELL has modelled. While this is a risk for all natural gas generation, the addition of three new natural gas generators to ELL's fleet compounds this risk. There are other unknown risks posed by the possibility of other future government requirements that may apply to the generating units or other aspects of the Project.

B. STAFF'S PROPOSED FINDINGS, CONDITIONS, AND RECOMMENDATIONS

Q236. WHAT IS YOUR RECOMMENDATION TO THE COMMISSION?

A. This Application presents the prospect for a utility to add roughly 25% to its electricity needs in one contract. As noted, the potential benefits that this opportunity presents are extraordinary. The risks, however, are extraordinary as well. Some of the risks I have noted can be addressed through conditions included in a Commission Order approving the Company's Proposal, which I describe here.

Q237. BEFORE YOU GET TO THOSE PROPOSED CONDITIONS, ARE THERE ANY PORTIONS OF ELL'S PROPOSAL THAT YOU RECOMMEND BE DENIED BY THE COMMISSION?

Yes. For the reasons I have explained, I recommend that the Commission deny the Application's request for approval of the CSR provisions related to ELL and Customer's obligations related to CCS at LCPS. I am not opposed to considering an alternative proposal for CCS but do not believe the Commission should make any decisions related to CCS at LCPS at this time. [*See* Question 100]

Additionally, I do not agree with the Commission Order interpretations on which ELL has based its request related to Designated Renewable Resources, and I recommend the Commission not approve ELL's prayers for relief as presented, rather ELL should instead make the specific proposal it desires related to an alternative procurement process and

expedited certification specific for Designated Renewable Resources to be included as part of its proposed CSR, as well as to explain to the Commission the manner in which it will select from the alternative procurement processes. [*See* Question 92]

Q238. AS TO THE REMAINDER OF ELL'S PROPOSAL, WHAT CONDITIONS DO YOU RECOMMEND?

A. The following list of conditions is intended to address or mitigate several of the risks I have identified:

1. If the ESA is amended to increase the load to be served, ELL shall return to the Commission with the amended ESA and an updated proposal demonstrating how ELL intends on serving that updated load in a manner that continues to serve the public interest. [*See* Question 20]

2. ELL shall prudently manage the CIAC Agreements and that ratepayers will be held harmless and indemnified from any losses resulting from CIAC projects expenditures that are greater than the amount of the CIAC payments received from Customer. [*See* Question 41]

3. ELL shall ascertain and provide the Commission with Customer's renewal status prior to any filing pursuant to the MBM Order or the Capacity Certification Order seeking the addition of any resource, the need for which is dependent on the continuation of the Customer load. ELL shall not rely upon the Customer's renewal or non-renewal as support for any future request for an exemption from the MBM Order. [*See* Question 43].

4. The true-up calculation contemplated by the ESA will include, at a minimum, all O&M associated with the Planned Generators (including the costs of the LTSAs), the planned capital additions for the Planned Generators, the transmission O&M on the customer transmission, and the premium payment for the Collateral Insurance Agreement. [*See* Question 53]

5. ELL shall present the Commission with the proposed true-up for minimum bills to ensure such true-up calculation has been performed in accordance with the required provisions and that such calculation includes all non-fuel O&M including the cost of LTSAs. [*See* Question 53]

6. Any future true-ups of the Minimum Monthly Charges should be approved by the Commission or alternatively ELL expressly assumes the risk for any harm experienced by ratepayers due to the use of an imprudent purchase power price or any other assumptions used in the true-up calculation. [*See* Question 162]

7. ELL is required to prudently maximize the value of any excess capacity that results from the termination of the ESA, early or otherwise. [*See* Question 60]

8. If there is an early termination of the Related Agreements and corresponding receipt of an Early Termination Fee, ELL must make a filing with the Commission for approval of the manner in which it proposes to utilize the termination fee to offset the impact to rates from the loss of Customer revenue. [*See* Question 61]

9. The sufficiency of the Parent Guaranty contractual obligations and the form of guaranty should be confirmed as providing the purported security by way of a legal opinion from New York counsel experienced in New York law concerning parent guaranty agreements, that confirms that the Parent Guaranties comply with and are enforceable under New York law. [*See* Question 64]

10. ELL should advise as to whether the [redacted] are covered by the Parent Guaranty, and if not, how ELL is addressing the risks associated with those costs. [*See* Question 64]

11. ELL will act prudently with respect to the Parent Guaranty agreements and other collateral security, will enforce its rights under the Parent Guaranties and other collateral security, will ensure that it timely obtains the Parent Guaranties in the specified amounts in advance of incurring costs toward the generation and transmission projects that would exceed those specified amounts, and will hold ratepayers harmless for liability not recovered from Laidley or Meta that should have been secured pursuant to Rider 1, but was not due to ELL's failure to timely secure the Parent Guaranty or other collateral security, as required by Rider 1 to the ESA. [See Question 64]

12. With regard to the Credit Insurance Agreement,

    a. ELL shall provide confirmation and support that the proceeds that would be received from the combination of the credit insurance proceeds plus the corresponding Parent Guaranty cover 100% of the Early Termination Fee or present the Commission with [redacted] [*See* Question 66]

    b. ELL and Customer should agree to a credit quality minimum on any future credit insurance policy entered into to cover the Early Termination Fees for the remainder of the term of the ESA not currently covered under a credit insurance agreement and that the Commission approve such agreement. [*See* Question 66]

    c. ELL will prudently seek and obtain credit insurance for periods beyond 2029 [redacted] [*See* Question 66]

d. ELL shall prudently manage the collateral security requirements of Rider 1 to the ESA and ensure that it maintains all required and appropriate security and that it is maximally protected from those security instruments and will indemnify and hold harmless ratepayers for any losses resulting from an imprudent failure to maintain the requisite and appropriate security collateral. . [*See* Question 66]

13. ELL shall notify the LPSC of any disputes that trigger the dispute resolution procedures in Section 21 of Rider 1 to the ESA within 5 days of taking or responding to any of the actions required under Section 21. [*See* Question 68]

14. The full revenue requirement for any ELL owned Designated Renewable Resources shall be used for the annual determination of the Renewable Energy Charge under the Company's proposed solar procurement plan for the Customer. [*See* Question 83]

15. Any non-ministerial changes to the Related Agreements are subject to Commission approval. Alternatively, in the event ELL does not seek or receive Commission approval of such changes, ELL will indemnify and hold-harmless ratepayers for any losses caused by a modification to the Related Agreements that has not been approved by the Commission. [*See* Question 106]

16. ELL shall prudently maximize the value of any 45Q Tax Credits related to CCS on the Planned Generators for the sole benefit of ratepayers. [*See* Question 137]

17. ELL shall present the [redacted] [*See* Question 153]

18. ELL expressly acknowledges that the Commission's order does not provide approval or certification for the procurement or construction of any generating capacity to satisfy the deficit between the Customer load other than the Planned Generation. [*See* Question 162]

19. The revenue requirements for the Planned Generators and System Improvement Projects shall not being determined until they are proposed to be included in rates through an FRP ACM inclusion or otherwise. [*See* Question 182]

20. The period of deferral for any revenue requirement not allowed into rates by the terms of a then current FRP shall be determined at the time of application for such revenue requirement to be included in rates. [*See* Question 183]

21. ELL shall expressly acknowledge that no ratemaking treatment has been approved regarding either Designated Wind Resources or Designated Low Carbon Option Resources. [*See* Question 193]

Q239. ARE THERE OTHER RECOMMENDATIONS YOU WOULD PROVIDE?

A. Yes. As I noted, I would expect that there will be operational issues that occur during the Customer's ramp up period. Moreover, given the extreme size of the Customer's demand and the on-site generation that will be operating to support that demand, there will be times when the centrality and size of this load and generation could cause operational issues. The unexpected loss of generation at the site could be one such example. Given these newly created and unique operational issues, I believe that the Customer and ELL should propose measures through which they could work together to support reliability of the region if needed during emergency conditions. In its rebuttal testimony, ELL should provide a specific explanation of how its emergency load-shed plans will incorporate this unique large load and/or any agreements that Customer and ELL may reach regarding demand reductions during times of emergency for the Commission to consider as part of its overall public interest determination.

In addition, I also recommend that ELL and the Customer amend their Related Agreements to address the risk of Planned Generator cost over-runs not being covered by the Early Termination Fee and that they make the Early Termination Fee symmetrical with the Monthly Minimum Charge that would be paid after the true-up if the agreements were not terminated. Absent such an agreed upon amendment, I believe this is a risk, along with its mitigation, which needs to be considered in making the public interest determination.

Q240. ARE THERE RISKS THAT YOUR PROPOSED CONDITIONS DO NOT MITIGATE?

A. Yes. First, nothing that I have proposed mitigates ELL's ratepayer exposure to the possibility that the Mt. Olive-Sarepta line will cost more than the Class 5 estimate ELL currently has provided. And, I believe that this risk is prevalent.

Second, the benefits to ratepayers in the scenario where the Customer does not continue to take service beyond the initial 15-year term of the ESA all lie in the residual value of the Planned Generators, which is speculative.

Third, I have proposed nothing to mitigate the possible costs of carbon capture technology or other potential future government-mandated requirements, which could be substantial. There is an operational mitigation that I have discussed, that is associated with the current carbon capture requirement. This is not sufficient to fully, or even mostly, mitigate the risk, however.

Fourth, there will be a loss of revenues from the FERC MSS-4 Replacement Tariff which governs sales between related Entergy operating companies because costs are allocated on a "plant allocator" and the addition of the Planned Generation will increase costs to be allocated to ELL for the purpose of those tariffs.

Finally, nothing I have proposed mitigates the risk to ratepayers of the cost they will incur should the Customer only pay the Minimum Monthly Charges under the contract. These costs include: (1) the cost of Mt. Olive to Sarepta, whether on budget or over; (2) the demand charges for the gas supply contracts of the Planned Generators, (3) the cost to purchase capacity to meet the Customer's load as well as the reserve margin created by that load to the extent not covered by the minimum bill or termination provisions, and

(4) any residual effects that the demand the customer does have on other matters such as the Transmission FERC rate.

Q241. HOW SHOULD THE COMMISSION ADDRESS THESE UNMITIGATED RISKS?

A. I think that there are two ways that the Commission can and should mitigate these risks. One can occur during the early term of the contract to avoid, where possible, rate fluctuation associated with the Customer. I refer to this as the Staff Revenue Deferral Proposal. The second is based on a longer-term view of ELL's proposal and would provide ratepayers with an assurance that, in exchange for the risks they would be bearing under ELL's proposal, they will have an opportunity to share in the potential benefits associated with Project beyond what ELL proposes to share with ratepayers. I refer to this as the Staff Revenue Sharing Proposal.

Q242. PLEASE EXPLAIN THE STAFF REVENUE DEFERRAL PROPOSAL?

A. [redacted]

[redacted]

[redacted]

Accordingly, I propose that the Company alter its proposal and instead use the deferred revenue to offset the revenue requirement of both the Planned Generators and the Mt. Olive-Sarepta Transmission line as each goes into service, to the extent possible. [redacted] but instead would mitigate and, to the extent possible, insulate ratepayers from rate impacts from the Planned Generators and the Mt. Olive to Sarepta project.

Q243. HOW WOULD THE STAFF DEFERRAL PROPOSAL WORK?

A. One of the advantages of the staff proposal is that it involves a calculation that can be agreed on and repeated, [redacted] Under Staff's proposal, a Net Customer Margin would be calculated annually by comparing the base revenue of the Customer to the revenue requirement of the Planned Generators and the Mt. Olive to Sarepta transmission line. During the very early term of the ESA, the Net Customer Margin will be positive while the Customer pays minimum bills and the facilities to serve are not in service. At this time, ELL will be deferring this Net Customer Margin for purposes of ratemaking. When the Net Customer Margin becomes negative (i.e., the revenue requirement of the Planned Generators and Mt. Olive to Sarepta Transmission line exceeds the Customer's revenue), the deferred revenue liability will be amortized for that period by that shortfall to cover the difference.

Q244. BASED ON THE COMPANY'S ECONOMIC ASSESSMENT, WHAT WOULD STAFF'S REVENUE DEFERRAL PROPOSAL LOOK LIKE?

A. Exhibit RLS-023 compares Staff's Deferral Proposal to the deferral proposal presented by ELL. As seen, instead of [redacted] under Staff's proposal, ELL would only include the portion of revenue necessary to cover the Planned Generators' revenue requirement. And then when, the Mt. Olive to Sarepta transmission line is placed in service, ELL would begin to amortize more of the regulatory liability in rates in order to additionally offset the rate impact of this project.

Q245. WILL THERE BE ENOUGH DEFERRED REVENUE ACCRUED TO COMPLETELY OFFSET THE RATE IMPACTS OF THE PLANNED GENERATORS AND THE MT OLIVE TO SAREPTA TRANSMISSION LINE?

A. No. As seen in Exhibit RLS-023, the modelling would indicate that there is insufficient revenue to offset the full revenue requirement of the Planned Generators and the Mt. Olive-Sarepta transmission line beginning in 2035. After this, Customer rates would fully reflect the difference between the Customer's revenue and the revenue requirement of the Planned Generators and the Mt. Olive-Sarepta transmission line. Such impacts should be mitigated by including a reasonable amount of carrying charges on the deferred revenue to increase the regulatory liability and further mitigate the rate impacts of both the Planned Generators and the Mt. Olive to Sarepta line. I believe that ELL should do so to provide ratepayers a further benefit in exchange for taking on the risks I have described while ELL is able to utilize the otherwise free cash provided by the deferred income to make investments in the system as it has proposed. It is not only the Louisiana economy and ratepayers that stand

to realize transformative economic opportunity form the Project. ELL likewise stands to receive significant benefits from this Project that they otherwise could not achieve. With such a significant opportunity for ELL, and the state, it is imperative that ELL mitigate ratepayers' risk in this manner.

Q246. WHAT WOULD HAPPEN WHEN THE DEFERRED REVENUE BALANCE IS INSUFFICIENT TO COVER A NEGATIVE NET CUSTOMER MARGIN?

A. At that point, when the revenue requirement of the Planned Generators and Mt. Olive to Sarepta exceed the base revenues received from the Customer – and there is no deferred revenue left to offset this impact – ELL's rates would need to be adjusted to reflect the shortfall in revenue. If, and when, such a shortfall occurs depends on many factors, including the Customer's operations and ELL's other rate changes. However, with the assumptions of ELL's Economic Assessment, this shortfall under Staff's Revenue Deferral Proposal would occur in approximately 2035.

However, if the Customer continues to take service as projected, there will come a point where the revenue from the Customer (without considering any amortization of deferred revenue) exceeds the total revenue requirement of the Planned Generators and Mt. Olive to Sarepta, *i.e.,* the Net Customer Margin is positive. ELL's Economic Assessment assumes this will occur in the final year of the contract, 2041.

Q247. PLEASE EXPLAIN THE STAFF REVENUE SHARING PROPOSAL?

A. The calculation I discussed above for the Staff Revenue Deferral Proposal is estimated to show a Net Customer Margin of $13 million In 2041, and growing at over $14 million per year from there. At the same time, the size of ELL's bandwidth under its FRP could grow sizably. ELL's current rate base in the FRP is $16.4 billion and, if approved, this filing

will grow ELL's rate base to above $20 billion. With $20 billion in rate base, every basis point of earned ROE is worth approximately $1.4 million in revenue. Therefore, a 40 basis point upper bandwidth, as is present in ELL's current FRP, would allow ELL to earn $40 million above its midpoint ($55 million in revenue) without a rate change. Of course, the size of this bandwidth in terms of revenues can change for a number of factors, including ELL's further increase of rate base.

As I have discussed, I do not believe that it is reasonable for ELL to ask ratepayers to bear the risks of this Proposal while at the same time ELL is later able to capture the benefits of the Proposal within the bandwidth calculation of a formula rate plan. Therefore, I recommend that ELL maintain the deferral calculation I discussed above, on an annual basis, even after the full deferral has been returned to ratepayers. In every filing where the Company seeks to alter its base rates, through an FRP percent increase or otherwise, it shall present its deferral calculation for the relevant test period, along with the calculated Net Customer Margin. If that Net Customer Margin is positive, it shall be presumed that ELL credit ratepayers 50% of that Net Customer Margin. If the filing in which the Net Customer Margin is presented is a formula rate plan with a bandwidth provision that allows for no rate change, and if the Company's filing determines that it is above the midpoint, the 50% of the Net Customer Margin to be credited to ratepayers shall be done outside of that bandwidth calculation to ensure that ratepayers share in the success of the Project for the risks they have absorbed and to ensure ELL does not receive disproportionate benefits. If the proposed rate adjustment is any other filing, and there is a positive Net Customer Margin, ELL shall fully explain how ratepayers are experiencing at least 50% of the Net Customer Margin.

C. CONCLUSION

Q248. CAN THE COMMISSION FIND THE APPLICATION IN THE PUBLIC INTEREST?

A. Subject to the Commission's consideration of all of the potential benefits and risks of the Application, including the economic benefits for Louisiana, combined with my recommendations concerning (i) specific prayers for relief that should be denied; (ii) protective conditions that should be adopted; and (iii) the adoption of the customer rate mitigations proposed, I believe that the Commission can find the Application in the public interest.

Q249. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?

A. Yes, at this time.

AFFIDAVIT

Robert Lane Sisung, being first duly sworn, deposes and says that he is the same Robert Lane Sisung whose testimony accompanies this signed affidavit: that such testimony was prepared by him; that he is familiar with the contents thereof; that the facts set forth therein are true and correct to the best of his knowledge, information and belief; and that he does adopt the same as his sworn testimony in this proceeding.

Robert Lane Sisung

Subscribed and sworn before me on this 11th day of April, 2025.

Notary Public

My Commission Expires: At Death

JONATHAN R. BOURG
NOTARY PUBLIC
BAR NO. 31058 / ID NO. 87590
STATE OF LOUISIANA

BEFORE THE
LOUISIANA PUBLIC SERVICE COMMISSION

DOCKET NUMBER U-37425

ENTERGY LOUISIANA, LLC, EX PARTE

In re: Application for approval of generation and transmission resources in connection with service to a single customer for a project in North Louisiana.

EXHIBIT RLS-001

OF

R. LANE SISUNG

ON BEHALF OF THE

LOUISIANA PUBLIC SERVICE COMMISSION STAFF

Client	Docket Identifier/Number	Matter Description	UPC Deliverable
Georgia Public Service Commission	43453	Generic Proceeding to Implement House Bill 244	Filed Staff Report
Louisiana Public Service Commission	U-32538	Joint Application of Entergy Louisiana, LLC, Entergy Gulf States Louisiana, L.L.C., Mid-South TransCo LLC, Transmission Company 1, LLC, Transmission Company II, LLC, ITC Holdings Corp. and ITC Midsouth LLC for Approval of Change of Ownership of Electric Transmission Business, for Certain Recovery Adjustments, and for related Relief	R. Lane Sisung Testimony John Mayeaux Testimony Dr. J. Thomas McGuckin Testimony Mr. Stephen Hill Testimony Mr. Lawrence J. Sisung, III Testimony
Louisiana Public Service Commission	U-32707	Application of Entergy Gulf States, Louisiana, L.L.C. for authority to Change Rates, Approval of Formula Rate Plan and for Related Relief	R. Lane Sisung Testimony
Louisiana Public Service Commission	U-32708	Application of Entergy Louisiana, LLC for authority to Change Rates, Approval of Formula Rate Plan and for Related Relief	R. Lane Sisung Testimony
Louisiana Public Service Commission	U-33244	Potential Business Combination of Entergy Louisiana, LLC and Entergy Gulf States Louisiana L.L.C.	R. Lane Sisung Testimony John Mayeaux Testimony Dr. J. Thomas McGuckin Testimony Mr. Paul Chastant Testimony
Louisiana Public Service Commission	U-33434	Joint Application of Cleco Power, LLC and Cleco Partners L.P. for : (i) Authorization of the Change of Ownership and Control of Cleco Power LLC and (ii) Expedited Treatment	R. Lane Sisung Testimony John Mayeaux Testimony Dr. J. Thomas McGuckin Testimony Mr. Paul Chastant Testimony
Louisiana Public Service Commission	U-33510	Application for Entergy Gulf States Louisiana, L.L.C. For Approval To Purchase Power Blocks Three and Four of the Union Power Station and Request for Timely Treatment and Cost Recovery	R. Lane Sisung Testimony Dr. J. Thomas McGuckin Testimony
Louisiana Public Service Commission	U-33605	Joint Application of Entergy Gulf States Louisiana L.L.C. and Entergy Louisiana LLC for Certification of the Louisiana Economic Transmission Project in Accordance with Louisiana Public Service Commission General Order Dated October 10, 2013	Filed Staff Report
Louisiana Public Service Commission	U-33645	Application of Entergy Gulf States Louisiana L.L.C. for Certification of the Lake Charles Transmission Project in Accordance with Louisiana Public Service Commission General Order Dated October 10, 2013	Filed Staff Report

Louisiana Public Service Commission	U-33782	Entergy Louisiana, LLC and Entergy Gulf States Louisiana L.L.C. In Re: Test Year 2014 Formula Rate Plan Filing	Filed Staff Report
Louisiana Public Service Commission	U-33848	Cleco Power LLC Formula Rate Plan June 2015 Monitoring Report	Filed Staff Report
Louisiana Public Service Commission	U-33925	In re: Atmos Entergy Trans Louisiana Rate Stabilization Clause ("RSC") Cost of Service Schedules and Workpapers Test Year Ending September 30, 2015	Filed Staff Report
Louisiana Public Service Commission	U-33950	Compliance Submission Regarding Deactivation of Little Gypsy 1, Ninemile 3, and Willow Glen 2 and 4, as required by Order No. U-33510	Filed Staff Statement of Position
Louisiana Public Service Commission	U-33974	Entergy Gulf States Louisiana, L.L.C. Test Year 2015 Rate Stabilization Plan Filing	Filed Staff Report
Louisiana Public Service Commission	U-33983	In Re: Motion for Extension of Entergy Louisiana, LLC's Gas Rate Stabilization Plan	R. Lane Sisung Testimony
Louisiana Public Service Commission	U-34028	Atmos Energy Corporation 2015 Rate Stabilization Clause filing for Louisiana Gas Service Rate Division	Filed Staff Report
Louisiana Public Service Commission	U-34081	Entergy Louisiana, LLC Test Year 2015 Formula Rate Plan Filing	Filed Staff Report
Louisiana Public Service Commission	U-34289	Cleco Power LLC Formula Rate Plan – June 2016 Monitoring Report and pursuant to U-32507 Prudence Review of Cleco's Installation of MATS Emissions Control Equipment at Dolet hills Power Station, Rodemacher Power Station Unit No. 2, and Madison Unit No. 3	R. Lane Sisung Testimony

Louisiana Public Service Commission	U-34332	Commission Directive to Review Entergy's Load Shedding Agreement with Vinton Power Pubic Authority	Filed Staff Report
Louisiana Public Service Commission	U-34343	In re: Atmos Entergy Trans Louisiana Rate Stabilization Clause ("RSC") Cost of Service Schedules and Workpapers Test Year Ending September 30, 2016	Filed Staff Report
Louisiana Public Service Commission	U-34354	Southwestern Electric Power Company's Request for Certification of Long Term Natural Gas Contract	R. Lane Sisung Testimony
Louisiana Public Service Commission	U-34376	Entergy Louisiana, LLC ex parte. IN Re: 2016 Rate Stabilization Plan Filing	Filed Staff Report
Louisiana Public Service Commission	U-34424	Atmos Energy Corporation 2015 Rate Stabilization Clause filing for Louisiana Gas Service Rate Division	Filed Staff Report
Louisiana Public Service Commission	U-34445	Entergy Louisiana, LLC's Application for Authorization to Recover Gas Storm Deferred Operations and Maintenance Expense Resulting from the August 2016 Flood	R. Lane Sisung Testimony
Louisiana Public Service Commission	U-34475	Entergy Louisiana, LLC Test Year 2015 Formula Rate Plan Filing	Filed Staff Report
Louisiana Public Service Commission	U-34617	Application of Cleco Power LLC requesting Commission consideration of a Proposed Physical Bilateral Hedge Program, pursuant to General Order R-32975	NA-Application Abandoned
Louisiana Public Service Commission	U-34619	In re: Application of Southwestern Electric Power Company (SWEPCO) for Expedited Certification and Approval of the Acquisition of Certain Renewable Resources and the Construction of a Generation Tie Pursuant to the 1983 and/or I 994 General Orders	R. Lane Sisung Testimony Paul Chastant Testimony

Louisiana Public Service Commission	U-34687	Cleco Power LLC Formula Rate Plan- June 2017 Monitoring Report	Filed Staff Report
Louisiana Public Service Commission	U-34735	In Re: Application of Entergy Louisiana, LLC For Approval of Natural Gas Cost Stabilization Pilot Program, Transaction Parameters, and Other Relief.	Paul Chastant Testimony
Louisiana Public Service Commission	U-34742	Community Utilities of Louisiana Inc. and Utilities, Inc. of Louisiana - Request for Statewide Consolidation of Assets, Request for Uniform Rate Structure, Request for the Establishment of Formula Rate Plan, and Application for Adjustment in Retail Rates Pursuant to the Global Settlement Agreement Contained in LPSC Order Nos. U-34206 and U-34287, as well as Reservation of Rights to Request Interim Rates	R. Lane Sisung Testimony
Louisiana Public Service Commission	U-34744	In re: Annual Evaluation Report for Entergy Louisiana, LLC for the test year ended September 30, 2017.	Filed Staff Report
Louisiana Public Service Commission	U-34794	In Re: Application of Cleco Corporate Holdings LLC and Cleco Power LLC for (i) Authorizations, Waivers, and Regulatory Interpretations of Certain Provisions of LPSC Order No. U-33434-A; (i) Authorization for Cleco Corporate Holdings, LLC to Pledge its Ownership Interest in Cleco Power LLC; and (iii) Expedited Treatment.	R. Lane Sisung Testimony
Louisiana Public Service Commission	U-34951	Entergy Louisiana, LLC's Formula Rate Plan Annual Evaluation Reports for Test Years Ending December 31, 2017	Filed Staff Report
Louisiana Public Service Commission	U-35049	Cleco Power LLC, LPSC Docket U-35049, In Re: June 2018 Monitoring Report - Application of Cleco Power LLC for: (i) Authorization to Implement Rate Reductions resulting from the Tax Cuts and Jobs Act of 2017; (ii) Authorization to Modify Certain Tariffs in connection with such Rate Reductions; (iii) Authorization to Implement Residential Base Revenue Decoupling; and (iv) Expedited Treatment	Filed Staff Report
Louisiana Public Service Commission	U-35078	Application of Entergy Louisiana, LLC for Certification of the Waterford to Churchill Transmission Project in Accordance with Louisiana Public Service Commission General Order Dated October 10, 2013	Filed Staff Report Application Dismissed
Louisiana Public Service Commission	U-35106	Atmos Energy Services 2018 Rate Stabilization Clause Annual Filing for Trans Louisiana Gas Division	Filed Staff Report

Louisiana Public Service Commission	U-35118	Entergy Louisiana, LLC 2018 Test Year Gas Rate Stabilization Filing	Filed Staff Report
Louisiana Public Service Commission	U-35130	Entergy Louisiana, LLC Request to Terminate, or in the Alternative Modify, the Fuel Tracking Mechanism-A Request Initially Included in an April 2, 2018 Compliance Filing in Docket No. U-33244 Pursuant to Order U-33244-A (LPSC Docket No. U-35130)	R. Lane Sisung Testimony Paul Chastant Testimony
Louisiana Public Service Commission	U-35153	Atmos Energy Service 2018 Rate Stabilization Clause Filing for Louisiana Gas Service Rate Division	Filed Staff Report
Louisiana Public Service Commission	U-35200	Utilities Inc. of Louisiana 2018 Formula Rate Plan Annual Filing	Filed Staff Report
Louisiana Public Service Commission	U-35299	Application of Cleco Power LLC for (1) Implementation of Changes in Rates to be Effective July 1, 2020; and (2) Extension of Existing Formula Rate Plan	R. Lane Sisung Testimony (Settlement)
Louisiana Public Service Commission	U-35205	Entergy Louisiana, LLC's Formula Rate Plan Annual Evaluation Reports for Test Years Ending December 31, 2018	Filed Staff Report
Louisiana Public Service Commission	U-35324	Application of Southwestern Electric Power Company (SWEPCO) for Certification and Approval of the Acquisition of Certain Renewable Resources in Accordance with the MBM Order and the 1983 and 194 General Orders.	R. Lane Sisung Testimony Paul Chastant Testimony
Louisiana Public Service Commission	U-35350	Application of Entergy Louisiana, LLC for Approval of a Change in Funding for Decommissioning Trusts for River Bend and Waterford 3 Nuclear Facilities	R. Lane Sisung Testimony
Louisiana Public Service Commission	U-35370	Motion for Extension of Entergy Louisiana, LLC's Gas Rate Stabilization Plan	R. Lane Sisung Testimony (Settlement)

Louisiana Public Service Commission	U-35835	Application of Entergy Louisiana LC for Authorization to Implement an Experimental Interruptible Option Rider, Rider EIO, and Related Relief	R. Lane Sisung Testimony
Louisiana Public Service Commission	U-35407	Cleco Power LLC Formula Rate Plan- June 2019 Monitoring Report	Filed Staff Report
Louisiana Public Service Commission	U-35488	Entergy Louisiana, LLC 2019 Test Year Gas Rate Stabilization Filing	Filed Staff Report
Louisiana Public Service Commission	U-35558	Utilities Inc. of Louisiana 2019 Formula Rate Plan Annual Filing	Filed Staff Report
Louisiana Public Service Commission	U-35565	Application of Entergy Louisiana, LLC for Extension and Modification of Formula Rate Plan	R. Lane Sisung Testimony (Settlement)
Louisiana Public Service Commission	U-35581	Entergy Louisiana, LLC's Formula Rate Plan Annual Evaluation Reports for Test Years Ending December 31, 2019	Filed Staff Report
Louisiana Public Service Commission	U-35762	Application of Entergy Louisiana, LLC for Approval of Ratemaking Adjustment for Interim Hurricane Laura Financing	NA
Louisiana Public Service Commission	U-35753	Joint Application of Cleco Power LLC and SWEPCO for : (i) authorization to close the Oxbow Mine; (ii) authorization to include and defer certain accelerated mine closing costs in fuel and related rate making treatments; and (iii) expedited treatment	R. Lane Sisung Testimony J. Bourg Testimony
Louisiana Public Service Commission	U-35806	Request for recovery of lost revenues related to LPSC Special Order nos. 22-2020, 28-2020, and 43-2020 and request for accounting order	R. Lane Sisung Testimony

Louisiana Public Service Commission	U-35807	Application of Cleco Power LLC for (I) Recovery in Rates of Certain Strom Damage Costs Incurred as a Result of Hurricanes Laura Delta and Zeta	R. Lane Sisung Testimony
Louisiana Public Service Commission	U-35862	Entergy Louisiana, LLC 2020 Test Year Gas Rate Stabilization Filing	Filed Staff Report
Louisiana Public Service Commission	U-35936	Application of Southwestern Electric Power Company for the Certification of the Trinity Solar Project	R. Lane Sisung Testimony
Louisiana Public Service Commission	U-36002	Utilities Inc. of Louisiana 2020 Formula Rate Plan Annual Filing	Filed Staff Report
Louisiana Public Service Commission	U-36003	Utilities Inc. of Louisiana Request for Extension of Formula Rate Plan with Modifications Thereto	R. Lane Sisung Testimony Paul Chastant Testimony
Louisiana Public Service Commission	U-36092	Entergy Louisiana, LLC's Formula Rate Plan Annual Evaluation Reports for Test Years Ending December 31, 2020	Filed Staff Report
Louisiana Public Service Commission	U-36133	Dixie Electric Membership Corporation, NextEra Energy Marketing, LLC and Amite Solar, LLC's Joint Application for Approval of Power Supply	R. Lane Sisung Testimony
Louisiana Public Service Commission	U-36135	Jefferson Davis Electric Cooperative and NextEra Marketing, LLC Joint Application for Approval of Power Supply Agreement	R. Lane Sisung Testimony
Louisiana Public Service Commission	U-36259	SWEPCO certification of Rocking R Solar	R. Lane Sisung Testimony

Louisiana Public Service Commission	U-36165	SWEPCO Request for Certification of Kingston Reliability Transmission Project	Filed Staff Report
Louisiana Public Service Commission	U-36105	Entergy Louisiana, LLC Application for "Power Through" Program for customer sited generation.	R. Lane Sisung Testimony
Louisiana Public Service Commission	U-36301	Atmos Application for Infrastructure Expansion Program	R. Lane Sisung Testimony
Louisiana Public Service Commission	U-36381	Entergy Louisiana, LLC's Formula Rate Plan Annual Evaluation Reports for Test Years Ending December 31, 2021	Filed Staff Report
Louisiana Public Service Commission	U-36265	Entergy Louisiana, LLC's Gas Rate Stabilization Plan Annual Evaluation Reports for Test Years Ending December 31, 2021	Filed Staff Report
Louisiana Public Service Commission	U-36682	Entergy Louisiana, LLC's Gas Rate Stabilization Plan Annual Evaluation Reports for Test Years Ending December 31, 2022	Filed Staff Report
Louisiana Public Service Commission	U-36103	Entergy Louisiana, LLC's Application for change in Decommissioning Rates for River Bend and Waterford 3	R. Lane Sisung Testimony
Louisiana Public Service Commission	U-36625	Entergy Louisiana, LLC's Application for Approval of the Entergy Future Ready Resilience Plan	R. Lane Sisung Testimony
Louisiana Public Service Commission	U-36582	Cleco Power, LLC June 30, 2022 Formula Rate Plan Annual Filing	Filed Staff Report

Louisiana Public Service Commission	U-36502	Cleco Power LLC Application for Certification of Unsolicited Offer for Solar Facility at Dolet Hills.	Jonathan Bourg Testimony
Louisiana Public Service Commission	U-36174	Southwestern Power Company (SWEPCO) Application for recovery of Storm Costs.	R. Lane Sisung Testimony Jonathan Bourg Testimony
Louisiana Public Service Commission	U-36385	Southwestern Power Company (SWEPCO) Application for Certification of selected Renewable Facilities and approval of natural gas capacity purchase agreements	Jonathan Bourg Testimony
Louisiana Public Service Commission	U-36383	National Water Infrastructure, LLC Rate Case	R. Lane Sisung Testimony Paul Chastant Testimony
Louisiana Public Service Commission	U-36514	Concordia Electric Application for Certification of Power Supply	R. Lane Sisung Testimony
Louisiana Public Service Commission	U-36515	Point Coupee Application for Certification of Power Supply	R. Lane Sisung Testimony
Louisiana Public Service Commission	U-36516	SLEMCO Application for Certification of Power Supply	R. Lane Sisung Testimony
Louisiana Public Service Commission	U-36658	Atmos Renewal of Louisiana Rate Stabilization Plans (Cost of Capital Only)	Paul Chastant Testimony
Louisiana Public Service Commission	U-36697	ELL Application for Approval of Alternative Process to Secure up to 3,000MW of Solar Resources, Certification of the Resources, Expansion of the Geaux Green Option, Approval of a New Renewable Tariff, and Related Relief	R. Lane Sisung Testimony

Louisiana Public Service Commission	U-36923	Application of Cleco Power LLC for (1) Implementation of Changes in Rates to be Effective July 1, 2024; and (2) Extension of Existing Formula Rate Plan	R. Lane Sisung testimony John Mayeaux Testimony Jonathan Bourg Testimony (Settlement)
Louisiana Public Service Commission	U-36959	Application of Entergy Louisiana, LLC for Approval of Rate Case or Extension of Formula Rate Plan to be effective September 1, 2024	Settlement Affidavit in support of Negotiated Stipulated Settlement Agreement
Louisiana Public Service Commission	U-37062	Cleco Power 2023 Formula Rate Plan Annual Filing	Filed Staff Report
Louisiana Public Service Commission	U-37067	Evaluation of Southwestern Electric Power Company's decision to retire the Pirkey Power Plant pursuant to Commission Order No. U-36385-A	Active-Nothing Filed to Date
Louisiana Public Service Commission	U-37112	Entergy Louisiana, LLC 2023 Gas Rate Stabilization Plan Annual Filing	Filed Staff Report
Louisiana Public Service Commission	U-37122	1803 Electric Cooperative, Inc. – 2022 and 2023 Formula Rate Plan Annual Filings	Active-Nothing Filed to Date
Louisiana Public Service Commission	U-37131	Application of Entergy Louisiana, LLC for Approval to Construct Bayou Power Station, and for Cost Recovery	Active-Nothing Filed to Date
Louisiana Public Service Commission	U-37143	Application of Entergy Louisiana, LLC for Exemption and/or Certification of the West Bank 230kV Transmission Project	Active-Nothing Filed to Date
Louisiana Public Service Commission	U-37155	Southwestern Electric Power Company's 2023 and 2024 Formula Rate Plan Annual Filings	Active-Nothing Filed to Date

Louisiana Public Service Commission	U-37193	Application of Entergy Louisiana, LLC for approval of the Magnolia Capacity Credit Purchase Agreement, Cost Recovery, and Related Relief	R. Lane Sisung Testimony
Louisiana Public Service Commission	U-37225	Application of Entergy Louisiana, LLC for Approval of Natural Gas Cost Stabilization Program	Active-Nothing Filed to Date
Louisiana Public Service Commission	U-32631	Application of Cleco Power LLC for: (i) public interest finding in favor of the transfer of functional control of certain transmission assets to the Midwest Independent Transmission System Operator, Inc.	Post Integration Monitoring
Louisiana Public Service Commission	U-32675	Entergy Louisiana, LLC and Entergy Gulf States Louisiana, LLC., ex parte. Joint implementation filing and request for associated approvals addressing certain implementation, integration, and other issues regarding EGSL and ELL joining the Midwest Transmission System Operator, Inc. Regional Transmission Organization, as determined by the LPSC in Order No. U-32148 to be in the public interest subject to certain contingencies and the satisfaction of conditions	Post Integration Monitoring
Louisiana Public Service Commission	U-34317	Entergy Louisiana, LLC, ex parte Application for Authorization to Extend the Midcontinent Independent System Operator Cost Recovery Mechanism	R. Lane Sisung Testimony
Louisiana Public Service Commission	U-34447	Application of Entergy Louisiana, LLC Regarding Continued Participation in the Midcontinent Independent System Operator, Inc. Regional Transmission Organization	R. Lane Sisung Testimony Dr. J. Thomas McGuckin Testimony
Louisiana Public Service Commission	U-34501	Cleco Power LLC, ex parte. Application Regarding the Costs and Benefits of Continued Participation in the Midcontinent Independent Systems Operator, Inc. Regional Transmission Organization.	R. Lane Sisung Testimony
Louisiana Public Service Commission	U-34345	Investigation of the Meter Reading, Billing, Collection and Customer-Service practices of the Greater Ouachita Water Company and through its operating contractor Severn Trent Environmental Services, for the year 2016	Staff Report Filed
Louisiana Public Service Commission	U-34324	Audit of Purchased Gas Adjustment Filings for Trans Louisiana Gas Company and Louisiana Gas Service Company (Regulatory Divisions of Atmos Energy Corporation) for the period of April 2014 through March 2016	Staff Report Filed

Louisiana Public Service Commission	X-34341	Audit of Fuel Adjustment Clause Filing for Entergy Louisiana LLC for the Period of January 2014 through December 2015	Staff Report Filed
Louisiana Public Service Commission	X-35085	Southwestern Electric Power Company Request for Proposals for up to 1,200 MW of Wind Energy Resources	Staff Report Filed
Louisiana Public Service Commission	X-35071	In re: Investigation of Entergy Services, LLC	Nothing Filed
Louisiana Public Service Commission	X-35119	SWEPCO Notice of Intent to Conduct Request For Proposals for Solar Resources – In Accordance with General Order R-26172, Subdocket C, The Market Based Mechanism ("MBM") Order	Application Withdrawn
Louisiana Public Service Commission	X-35500	Notice of Intent of Jefferson Davis Electric Cooperative Inc. and Dixie Electric Membership Cooperative to Conduct 2020 Request for Proposals for Long Term Power Purchase Contracts and/or Generating Capacity Pursuant to the LPSC's Market Based Mechanism General Order	Nothing Filed in this Docket Certification Filings Followed
Louisiana Public Service Commission	U-35508	Audit of Federal Environmental Adjustment Clause filings of SWEPCO for the Period of January 2018 through December 2019	Staff Report Filed
Louisiana Public Service Commission	U-35511	Audit of Federal Environmental Adjustment Clause filings of Cleco Power, LLC for the Period of January 2018 through December 2019	Still Active
Louisiana Public Service Commission	X-35741	MBM Notice of Intent of Concordia Electric Cooperative, Point Coupee Electric Membership Corporation and Southwest Louisiana Electric Membership Corporation	Nothing Filed in this Docket Certification Filings Followed
Louisiana Public Service Commission	X-35981	Investigatory Audit of Total Environmental Solutions, Inc.'s compliance and management of all drinking water and wastewater systems, including compliance with a Modified Consent Decree	Staff Report Pending

Louisiana Public Service Commission	X-35983	SWEPCO RFP - In accordance with General Order R-26172, Subdocket C, the market Based Mechanism ("MBM") Order	Nothing Filed in this Docket Certification Filings Followed
Louisiana Public Service Commission	U-35987	Audit of Fuel Costs of Entergy Louisiana, LLC, for Provision of Electricity, Associated with February 2021 Winter Storm Event.	Staff Report Filed
Louisiana Public Service Commission	X-36125	SWEPCO Fuel Adjustment Clause Audit (Jan 2019-Dec 2020)	Staff Report Submitted
Louisiana Public Service Commission	X-36645	SWEPCO Fuel Adjustment Clause Audit (Jan 2021-Dec 2022)	Still Active
Louisiana Public Service Commission	X-36646	Entergy Louisiana, LLC Purchase Gas Adjustment Audit (Jan 2021-Dec 2022)	Still Active
Louisiana Public Service Commission	X-36647(48)	CenterPoint Purchase Gas Adjustment Audit (Jan 2021-Dec 2022)	Still Active
Louisiana Public Service Commission	X-36498	SWEPCO Market Based Mechanism for Renewable Generation.	NA
Louisiana Public Service Commission	X-36718	Cleco Environmental Adjustment Clause Audit (Jan 2020-Dec 2022)	Staff Report Filed
Louisiana Public Service Commission	X-36720	SWEPCO Environmental Adjustment Clause Audit (Jan 2021-Dec 2022)	Still Active

Louisiana Public Service Commission	X-37003	SWEPCO Requests for Proposal for the purchase of diverse generation and capacity resources in accordance with the Market Based Mechanism (MBM) Order.	NA
Louisiana Public Service Commission	X-37323	Investigative Audit into SWEPCO Service Quality	Still Active
Louisiana Public Service Commission	R-32975	Examination of Long-Term Natural Gas Hedging Proposals.	Staff Report Filed with Rule
Louisiana Public Service Commission	R-34026	Investigation of Double Leveraging Issues for all LPSC-Jurisdictional Utilities	Still Active
Louisiana Public Service Commission	R-34029	Investigation of Tax Structure Issues for all LPSC-Jurisdictional Utilities	Still Active
Louisiana Public Service Commission	R-34407	Rulemaking Docket to Consider Whether or Not the Commission Should Exercise Authority Over Future Utility Generation Deactivation and Retirement Decisions and the Rules and Procedures that Could Apply to Any Such Exercise of Authority	Staff Report Filed With Rule
Louisiana Public Service Commission	R-34738	Proceeding to Establish Rules Regarding Electric Utility Tariff Filings and Related Review, Including Site Specific Rate Filings	Staff Report Filed With Rule
Louisiana Public Service Commission	R-34754	Consideration of appropriate manner to flow through to ratepayers the benefits of the reduction in corporate income taxes as a result of the Tax Cuts and Jobs Act, treatment of the regulatory liability ordered by the Commission to be recorded by utilities pursuant to the Commission's Special Order No. 13-2018,	Staff Report Filed With Rule
Louisiana Public Service Commission	R-34758	Louisiana Public Service Commission, ex parte Timely Disclosure of Facts and Notices, Regarding Such Matters as MaxGen Alerts, to Commission and Commissioners, and Related Matters.	Staff Report Filed With Rule

Louisiana Public Service Commission	R-34860	Rules Applicable to Electric Service Provider's Provision of Service to Load Outside its Historical Footprint that may be Offered for Industrial Load	Staff Report Filed With Rule
Louisiana Public Service Commission	R-34948	Rulemaking to Study the Implications of Participation of Aggregators of Retail Customers to Determine Whether, and Under What Conditions, Such Activity Should be Allowed in the Louisiana Public Service Commission's Jurisdiction	Staff Report Filed With Rule
Louisiana Public Service Commission	R-35135	Rulemaking Pursuant to the General Order Dated March 7, 2019 in Docket to Develop Rules Under Which Third-Party Aggregators of Retail Customers Seeking Authority to Operated will be Allowed to do Business Within the LPSC's Jurisdiction.	Staff Report Filed With Proposed Rule
Louisiana Public Service Commission	R-35136	Rulemaking to Determine Need for Rate Schedules and Programs Offering Demand Response Products, Development of Such Rate Schedules and Programs, Determination of Customer Participation in such programs, Allocation and Recovery of Program Costs and Whether Such Programs Shall be Mandatory or Voluntary for Utilities as set Fort in Sec. 3 of the Rule Adopted in General Order Dated March 7. 2019 in Docket No. R-34948	Staff Report Filed With Rule
Louisiana Public Service Commission	R-36263	Rulemaking on Minimum Capacity Obligations for Regulated Electric Utilities	Staff Report Filed With Rule
Louisiana Public Service Commission	R-35462	Rulemaking to Research and Evaluate Customer Centered Options for all Electric Customer Classes as well as Other Regulatory Environments.	Staff Report Filed With Rule
Louisiana Public Service Commission	S-33825	Directive to Establish a Service Quality Program (SQP) for Cleco Power, LLC	Staff Report Filed
Louisiana Public Service Commission	S-34082	Entergy Louisiana, LLC Request to Close LMPS Rate Schedule to New Business	Joint Report of Staff and ELL Issued
Louisiana Public Service Commission	S-34426	Status of Electric Rates in Louisiana: Where Are We and Where Are We Going?	Staff Report Filed

Louisiana Public Service Commission	T-34959	Pecten Midstream LLC Request to (i) Increase Rates for Transportation Service of Petroleum on its Delta Pipeline System, (ii) Revise Tariff No. 2.2.0, (iii) Reserve Right for Interim Rate Relief, and (iv) Expedited Consideration	Paul Chastant Testimony
Louisiana Public Service Commission	S-37113	Entergy Louisiana, LLC's Notice of Exemption Regarding the Audubon Substation and Related Transmission Facilities Consistent with the LPSC General Order	Still Active
Louisiana Public Service Commission	I-33013	Integrated Resource Planning ("IRP") process for Southwestern Electric Power Company (SWEPCO), pursuant to General Order dated April 20, 2012	Staff Report Filed
Louisiana Public Service Commission	I-34693	Cleco Power, LLC, ex parte. In re: Request to Initiate 2017 Integrated Resource Planning ("IRP") Process Pursuant to General Order No. R-30021 (Corrected) dated April 20, 2012	Staff Report Filed
Louisiana Public Service Commission	I-34694	Entergy Louisiana, LLC, ex parte. In re: Request to Initiate 2017 Integrated Resource Planning ("IRP") Process Pursuant to General Order No. R-30021 (Corrected) dated April 20, 2012	Staff Report Filed
Louisiana Public Service Commission	I-34715	Integrated Resource Planning ("IRP") process for Southwestern Electric Power Company (SWEPCO), pursuant to General Order dated April 20, 2012	Staff Report Filed
Louisiana Public Service Commission	FERC ER17-2219	System Energy Resources, Inc. submits tariff filing (Depreciation and Decommissioning).	Nothing Filed. Depreciation Rates and Decommissioning Rates Negotiated
Louisiana Public Service Commission	FERC ER22-736	System Energy Resources, Inc. submits tariff filing (Change in Depreciation.	Nothing Filed. Depreciation Rates and Decommissioning Rates Negotiated
Louisiana Public Service Commission	FERC EL-18-142	Re: Arkansas Public Service Commission and Mississippi Public Service Commission v. System Energy Resources, Inc., Docket No. EL17-41-001 and Louisiana Public Service Commission v. System Energy Resources, Inc., et al., Docket No. EL18-142 - 000 (Consolidated) (ROE Complaints)	R. Lane Sisung Complaint Affidavit and Testimony

Louisiana Public Service Commission	FERC EL18-204	In the Matter of Louisiana Public Service Commission v. System Energy Resources, Inc. (Capital Structure Complaint)	R. Lane Sisung Complaint Affidavit and Testimony
Louisiana Public Service Commission	FERC EL18-152	In the Matter of Louisiana Public Service Commission v. System Energy Resources, Inc. and Entergy Services, Inc. (Sale Leaseback and FIN48 ADIT Complaint)	R. Lane Sisung Complaint Affidavit and Testimony
Louisiana Public Service Commission	FERC ER18-1182	System Energy Resources, Inc. submits tariff filing per 35.13(a)(2)(iii: UPSA Amendment to Reflect Tax Cuts and Jobs Act of 2017 to be effective 6/1/2018	R. Lane Sisung Testimony
Louisiana Public Service Commission	FERC ER21-24; ER21-46; ER21-117; ER21-129; ER21-748	SERI filings related to IRS Settlement and contested impacts on EL18-152 (SERI Sale/Leaseback and FIN48 ADIT) and ER18-1182 (SERI TCJA)	NA
Louisiana Public Service Commission	FERC EL20-72	LPSC, MPSC, APSC, CNO V. SERI for numerous alleged Tariff Formula violations	R. Lane Sisung Complaint Affidavit and Testimony
Louisiana Public Service Commission	FERC ER23-625	SERI Proposed change to AFUDC due to partial Settlement in EL20-72	Nothing Filed
Louisiana Public Service Commission	FERC EL21-56; EL24-5	LPSC, APSC, CNO V. SERI for Alleged Imprudent Operations and Imprudent 2012 Uprate	R. Lane Sisung Complaint Affidavit and Testimony
Louisiana Public Service Commission	FERC ER21-45; ER22-958; ER23-1022; ER24-1203;	SERI Formula Rate Protocols Annual Filings with challenges brought for 2020, 2021, and 2022; and a review of 2023	Annual Reviews of FERC Formular Rate Plan Protocols and Associated complaints
Louisiana Public Service Commission	FERC ER22-24	System Energy Resources, Inc. submits tariff filing (Inclusion of Prepaid Pension)	R. Lane Sisung Testimony

Louisiana Public Service Commission	FERC ER18-1247	Entergy Louisiana, LLC submits tariff filing per 35.13(a)(2)(iii): TCJA and MSS-4 Replacement Tariff	Nothing Filed in this Docket ER21-915 and EL22-6 Addressed issues
Louisiana Public Service Commission	FERC ER 21-915	Entergy filing to Include NOL ADIT into MSS-4 Replacement Tariff Effective Prospectively	R. Lane Sisung Testimony
Louisiana Public Service Commission	FERC EL 22-6	LPSC Complaint for Refund based on exclusion of NOL ADIT form MSS-4 Replacement Tariffs	R. Lane Sisung Complaint Affidavit and Testimony
Louisiana Public Service Commission	FERC ER21-1720	Entergy MSS-4 Replacement Tariff Storm Cost Related Filing	Monitored for Retail Impacts
Louisiana Public Service Commission	FERC ER21-1997	Entergy MSS-4 Replacement Tariff Waterford 3 Decommissioning Filing	Monitored for Retail Impacts
Louisiana Public Service Commission	FERC ER22-2332	Entergy MSS-4 Replacement Tariff Annual Protocols and 2022 and 2023 Annual Filings	Monitored for Retail Impacts
Louisiana Public Service Commission	FERC ER16-227; ER17-1777	MISO Entergy Attachment O-Depreciation Rates	Monitored for Retail Impacts
Louisiana Public Service Commission	FERC ER18-1260	Midcontinent Independent System Operator, Inc. submits tariff filing per 35.13(a)(2)(iii): 2018-03-30 Entergy Att O Revisions Re Tax Rate Change to be effective 6/1/2018	Monitored for Retail Impacts
Louisiana Public Service Commission	FERC ER18-1721	MISO-Entergy Attachment O - TCJA	Monitored for Retail Impacts

Louisiana Public Service Commission	FERC ER 19-1503	MISO-Entergy Attachment O - CIAC and ADIT issues	Monitored for Retail Impacts
Louisiana Public Service Commission	FERC ER20-1449	MISO-Entergy Attachment O - to implement a change in the functionalization of certain NOL ADIT Accounts from Plant related to Multi-functional related	Monitored for Retail Impacts
Louisiana Public Service Commission	FERC ER15-1436; ER15-1453; ER16-1528	Entergy Post Retirement Benefits Other than Pensions to be included in Operating Companies; annual formula rate updates	Monitored for Retail Impacts
Louisiana Public Service Commission	FERC ER18-1513	Entergy 2017 Post Retirement Benefits Other than Pensions	Monitored for Retail Impacts
Louisiana Public Service Commission	FERC ER20-1472; ER20-1726	MISO-Entergy Attachment O Inclusion of Prepaid and Accrued pension costs in Rate Base	Monitored for Retail Impacts
Louisiana Public Service Commission	FERC ER21-309	MISO-Entergy Attachment O Change in Depreciation Rates	Monitored for Retail Impacts
Louisiana Public Service Commission	FERC PL19-4	Return on Equity Notice of Inquiry	Monitored for Retail Impacts
Louisiana Public Service Commission	FERC RM07-19	FERC Rulemaking on Wholesale Competition in Regions with Organized Electric Markets (Order 719)	Monitored for Retail Impacts
Louisiana Public Service Commission	FERC RM16-23	Farc Rulemaking on Electric Storage Participation in Markets Operated by RTOs and ISO (Order 841)	Monitored for Retail Impacts

Louisiana Public Service Commission	FERC RM18-1	FERC Rulemaking on Grid "Resiliency"	Monitored for Retail Impacts
Louisiana Public Service Commission	FERC RM18-9	FERC Rulemaking of Distributed Energy Resource Aggregations in Markets Operated by RTOS and ISO (Order 2222)	Monitored for Retail Impacts
Louisiana Public Service Commission	FERC RM19-5	FERC Rulemaking on ADIT treatment due to Tax Cuts and Jobs Act	Monitored for Retail Impacts
Louisiana Public Service Commission	FERC RM20-10	Electric Transmission Incentives Policy Under Section 219 of the Federal Power Act	Monitored for Retail Impacts
Louisiana Public Service Commission	FERC RM21-14	FERC Rulemaking on Participation of Aggregators of Retail Demand Response Customers in Markets Operated by RTOs and ISOs	Monitored for Retail Impacts
Louisiana Public Service Commission	FERC RM21-17	Building for the Future Through Electric Regional Transmission Planning Allocation and Generator Interconnection	Monitored for Retail Impacts
Louisiana Public Service Commission	FERC RM 22-5	Industry Association Dues	Monitored for Retail Impacts
Louisiana Public Service Commission	FERC RM 22-7	Applications of Permits to Site Interstate Electric Transmission Rates	Monitored for Retail Impacts
Louisiana Public Service Commission	FERC RM 22-10	Extreme Weather Conditions	Monitored for Retail Impacts

Louisiana Public Service Commission	FERC RM 22-14	Interconnection Reforms	Monitored for Retail Impacts
Louisiana Public Service Commission	FERC AD21-10	Modernizing Electricity Market	Monitored for Retail Impacts
Louisiana Public Service Commission	FERC AD21-11	Reliability Technical Conference	Monitored for Retail Impacts
Louisiana Public Service Commission	FERC AD21-12	Electrification and the Grid of the Future	Monitored for Retail Impacts
Louisiana Public Service Commission	FERC AD21-13	Climate Change, Extreme Weather and Electric System Reliability	Monitored for Retail Impacts
Louisiana Public Service Commission	FERC AD 21-15	Joint Federal State Task Force on Electric Transmission	Monitored for Retail Impacts
Louisiana Public Service Commission	FERC AD 22-5	Dynamic Line Ratings	Monitored for Retail Impacts
Louisiana Public Service Commission	FERC AD 22-8	Transmission Planning and Oversight	Monitored for Retail Impacts
Louisiana Public Service Commission	FERC AD 23-3	Establishing Interregional Transfer Capability and Cost Allocation Requirements	Monitored for Retail Impacts

Louisiana Public Service Commission	FERC AD23-5	Environmental Justice and Equity inn Jurisdictional Infrastructure Permitting Processes	Monitored for Retail Impacts
Louisiana Public Service Commission	FERC AD24-6	NOPR Blanket Authorizations for Investment Companies	Monitored for Retail Impacts
Louisiana Public Service Commission	FERC ER14-1174; EL11-34L EL14-21; EL14-30	MISO dispute with SPP and Joint Parties on Available System Capacity	Monitored for Retail Impacts
Louisiana Public Service Commission	FERC EL16-112; ER17-892	MISO calculation of the Sub-Regional Export Constraint from MISO South to MISO Midwest	Monitored for Retail Impacts
Louisiana Public Service Commission	FERC EL13-88	NIPSCO Seam Protocols for Economic Projects	Monitored for Retail Impacts
Louisiana Public Service Commission	FERC ER17-387	MISO Interregional Cost Allocation Proposal	Monitored for Retail Impacts
Louisiana Public Service Commission	FERC EL15-72; EL15-70	Challenge to MISO PRA results	Monitored for Retail Impacts
Louisiana Public Service Commission	FERC EL14-12	MISO ROE Challenge (Opinion 569)	Monitored for Retail Impacts
Louisiana Public Service Commission	FERC ER14-1242	MISO Tariff Provisions related to System Support Resources (SSR)	Monitored for Retail Impacts

Louisiana Public Service Commission	FERC. EL15-77	Application of Attachment FF-6 changes	Monitored for Retail Impacts
Louisiana Public Service Commission	FERC ER15-1776	Modification of Emergency pricing	Monitored for Retail Impacts
Louisiana Public Service Commission	FERC ER17-2097	MISO introduction of Dynamic Narrow Constrained Areas (Dynamic NCA) for Market Monitor mitigation	Monitored for Retail Impacts
Louisiana Public Service Commission	FERC ER18-1260; ER18-783	MISO filing for Tax Cut and Jobs Act (TCJA)	Monitored for Retail Impacts
Louisiana Public Service Commission	FERC ER18-462	MISO Resource Adequacy Filing. Locational Historic Unit Considerations (HUC) utilized to allocate excess revenue from PRA.	Monitored for Retail Impacts
Louisiana Public Service Commission	FERC ER18-136	MISO-PJM Overlapping Congestion Charges	Monitored for Retail Impacts
Louisiana Public Service Commission	FERC ER18-1899	MISO-PJM Joint Operating Agreement Provisions with Pseudo-Ties	Monitored for Retail Impacts
Louisiana Public Service Commission	FERC ER18-2773	MISO waiver request for VLR Testing to include Fancy Point	Monitored for Retail Impacts
Louisiana Public Service Commission	FERC ER19-1124; ER19-1125	MISO Regional Cost Allocation	Monitored for Retail Impacts

Louisiana Public Service Commission	FERC ER19-1156	MISO Interregional Cost Allocation Filing	Monitored for Retail Impacts
Louisiana Public Service Commission	FERC ER19-34	MISO filing to address Pseudo -Tie issues	Monitored for Retail Impacts
Louisiana Public Service Commission	FERC ER19-465	MISO filing to address Order 841 Compliance regarding Electric Storage Resources.	Monitored for Retail Impacts
Louisiana Public Service Commission	FERC EL19-60	Overlapping Congestion Charges for pseudo tied load and generation between MISO and SPP	Monitored for Retail Impacts
Louisiana Public Service Commission	FERC ER19-79	MISO-LS Power Complaint	Monitored for Retail Impacts
Louisiana Public Service Commission	FERC ER20-1846	MISO Filing to Enhance Accreditation of Load Modifying Resources Participating in MISO Markets.	Monitored for Retail Impacts
Louisiana Public Service Commission	FERC ER20-2322	MISO Filing which resulted in an Order to allow transmission owners and affected system operators to unilaterally elect to provide initial funding for network upgrades, if they so choose	Monitored for Retail Impacts
Louisiana Public Service Commission	FERC ER21-2801	Tariff Provisions pricing during emergency conditions: applicability of VOLL during distinct emergency event types	Monitored for Retail Impacts
Louisiana Public Service Commission	FERC ER21-2793	Market Wide Operating Demand Reserve Curve (ORDC) when cleared reserve less than Operating Reserve Requirement.	Monitored for Retail Impacts

Louisiana Public Service Commission	FERC ER21-530	North/South Cost Allocation of MISO/SPP Settlement Charges for Regional Directional Transfer Limit	Monitored for Retail Impacts
Louisiana Public Service Commission	FERC ER21-2677	MISO and SPP Compliance Filing on Pseudo Ties	Monitored for Retail Impacts
Louisiana Public Service Commission	FERC ER22-74(75)	MISO Short Term Reserve Filing	Monitored for Retail Impacts
Louisiana Public Service Commission	FERC ER22-15	MISO Short Term Reserve Filing	Monitored for Retail Impacts
Louisiana Public Service Commission	FERC ER22-1640	MISO Order 2222 Compliance Filing	Monitored for Retail Impacts
Louisiana Public Service Commission	FERC ER22-495	MISO SAC Proposal for Seasonal Resource Accreditation for Planning Resource Auction	Monitored for Retail Impacts
Louisiana Public Service Commission	FERC ER22-496	MISO Minimum Capacity Obligation for Planning Resource Auction	Monitored for Retail Impacts
Louisiana Public Service Commission	FERC EL22-78	MISO Industrial Customers Complaint Challenging ROFRs	Monitored for Retail Impacts
Louisiana Public Service Commission	FERC EL22-60	Complaint of Coalition of MISO Transmission Customers	Monitored for Retail Impacts

Louisiana Public Service Commission	FERC ER23-413	MISO Generation stability Limits	Monitored for Retail Impacts
Louisiana Public Service Commission	FERC ER23-523	Schedule 2 MISO TO submission (MISO Reactive Power)	Monitored for Retail Impacts
Louisiana Public Service Commission	FERC ER22-2763	St Charles Reactive Power Filing	Monitored for Retail Impacts
Louisiana Public Service Commission	FERC ER23-630	MISO Attachment Y filing	Monitored for Retail Impacts
Louisiana Public Service Commission	FERC ER23-865	Hartburg Sabine Cancellation	Monitored for Retail Impacts
Louisiana Public Service Commission	FERC ER23-904	Seasonal Construct-LRZ Prices in Shortage Conditions	Monitored for Retail Impacts
Louisiana Public Service Commission	FERC EL23-28	Complaint against MISO's ban on Renewables providing Ancillary services.	Monitored for Retail Impacts
Louisiana Public Service Commission	FERC ER23-1140	Entergy Waiver for SAC Values	Monitored for Retail Impacts
Louisiana Public Service Commission	FERC ER23-1195	Dispatchable Intermittent Ramp	Monitored for Retail Impacts

Louisiana Public Service Commission	FERC ER23-1223	MISO changing UCAP/SAC ratio.	Monitored for Retail Impacts
Louisiana Public Service Commission	FERC EL23-46	FERC Rule to Show Cause due to MISO violating its tariff by not adjusting UCAP/ISAC Ratio after adjusting to correct for incorrect outage information	Monitored for Retail Impacts
Louisiana Public Service Commission	FERC ER23-1465	MISO Request for waiver to delay PRA	Monitored for Retail Impacts
Louisiana Public Service Commission	FERC ER23-1949	Cancelling of Teche 3 SSR Schedule	Monitored for Retail Impacts
Louisiana Public Service Commission	FERC ER23-2311	MISO Cost Recovery for MVPs	Monitored for Retail Impacts
Louisiana Public Service Commission	FERC ER23-2847	MISO ICAP Deferral Clean Up Filing	Monitored for Retail Impacts
Louisiana Public Service Commission	FERC ER23-2977	MISO Reliability Based Demand Curve (RBDC)	Monitored for Retail Impacts
Louisiana Public Service Commission	FERC ER24-37	MISO Annual Calculation of CONE for each LRZ	Monitored for Retail Impacts
Louisiana Public Service Commission	FERC ER24-1191	MISO Forced Off Asset Reforms	Monitored for Retail Impacts

Louisiana Public Service Commission	FERC ER24-1634	MISO Entergy Attachment O Clean Up	Monitored for Retail Impacts
Louisiana Public Service Commission	FERC ER24-1638	MISO Resource Adequacy Reform- Direct loss of load (DLOL)	Monitored for Retail Impacts
Louisiana Public Service Commission	FERC ER24-2046	MISO Compliance with Order 2023 and 2023-A Gen Interconnection improvements	Monitored for Retail Impacts
Louisiana Public Service Commission	FERC EL24-80	MISO Rule to Show Cause on Transmission Owner initial funding	Monitored for Retail Impacts
Louisiana Public Service Commission	FERC EL24-61	Montana Dakota Utilities V MISO and SPP (Charlie Creek M2M Congestion)	Monitored for Retail Impacts
Louisiana Public Service Commission	FERC ER18-2243	Southwest Power Pool, Inc. submits tariff filing per 35.13(a)(2)(iii: Morgan Transformer Project Cost Allocation (Part 1) to be effective 10/16/2018	Monitored for Retail Impacts
Louisiana Public Service Commission	FERC ER14-1736	Cost Recovery related to SPP tariff	Monitored for Retail Impacts
Louisiana Public Service Commission	FERC ER18-194	AEP Attachment O (Dolet Costs in Transmission Rates)	Monitored for Retail Impacts
Louisiana Public Service Commission	FERC ER21-1676	SPP Filing for By-Way Allocation Waiver for "Wind Rich Zones" (Rejected)	Monitored for Retail Impacts

Louisiana Public Service Commission	FERC EL19-60	City of Prescott v SPP and MISO on Pancaked Rates and Overlapping Congestion related to Pseudo-Tied load	Monitored for Retail Impacts
Louisiana Public Service Commission	FERC EL17-89	AEP V SPP and MISO on Pancaked Rates and Overlapping Congestion related to Pseudo-Tied load	Monitored for Retail Impacts
Louisiana Public Service Commission	FERC EL21-90	Basin Electric V. SPP: Winter Weather issue related to Multi-Day Reliability Assessment (MDRA) Commitments	Monitored for Retail Impacts
Louisiana Public Service Commission	FERC EL 21-77	Tenaska Clear Creek V SPP: Generator Connection Cost Allocation Issues associated with re-studies.	Monitored for Retail Impacts
Louisiana Public Service Commission	FERC ER22-331	Modifications to RCAR	Monitored for Retail Impacts
Louisiana Public Service Commission	FERC ER 22-914	SPP Revision to Add Uncertainty Reserve Product	Monitored for Retail Impacts
Louisiana Public Service Commission	FERC ER22-1846	SPP Revisions to add the waiver of Base Plan Allocation Methodology	Monitored for Retail Impacts
Louisiana Public Service Commission	FERC ER22-2814	SPP Revisions to Bylaws to clarify Membership on Regional State Committee	Monitored for Retail Impacts
Louisiana Public Service Commission	FERC ER23-636	SPP submits revisions to Tariff to add process by which LRE may qualify for exemption of Deficiency Payment	Monitored for Retail Impacts

Louisiana Public Service Commission	FERC EL23-40	Complaint against SPP Increase of PRM to 15%	Monitored for Retail Impacts
Louisiana Public Service Commission	FERC ER23-1216	SPP Deficiency Payment Recipient Limitations	Monitored for Retail Impacts
Louisiana Public Service Commission	FERC ER23-1218	SPP Deficiency Payment Changes	Monitored for Retail Impacts
Louisiana Public Service Commission	FERC ER23-2650	SPP Aggregator of Retail Customers (ARC) Definitions and Requirements	Monitored for Retail Impacts
Louisiana Public Service Commission	FERC ER23-2927	SPP Multi Day Reliability Assessment Design	Monitored for Retail Impacts
Louisiana Public Service Commission	FERC ER24-1221	SPP Revisions to Att AA LOLE use in PRM	Monitored for Retail Impacts
Louisiana Public Service Commission	FERC ER24-1317	SPP Revisions to ELCC and PBA Methodology	Monitored for Retail Impacts
Louisiana Public Service Commission	FERC ER24-1583	SPP Sunflower Revisions to Byway	Monitored for Retail Impacts
Louisiana Public Service Commission	FERC ER24-1658	SPP Markets +	Monitored for Retail Impacts

Louisiana Public Service Commission	FERC EL24-96	SPP Sierra/Sustainable FERC/Etc. Complaint on ELCC/PBA Accreditation	Monitored for Retail Impacts
Louisiana Public Service Commission	FERC ER24-1775	SPP Congestion Hedging Improvements	Monitored for Retail Impacts
Louisiana Public Service Commission	FERC ER24-2026	SPP Compliance Filing for Order 2023 and 2023-A for Generator Interconnection Improvements	Monitored for Retail Impacts
Louisiana Public Service Commission	FERC EL24-82	SPP Rule to show cause TO Initial Funding	Monitored for Retail Impacts
Louisiana Public Service Commission	FERC EC12-145; EL12-107, ER12-2681	FERC Approval of OATT Entergy-ITC Transaction	Monitored for Retail Impacts
Louisiana Public Service Commission	FERC ER12-2682	Module B-1 to MISO OATT for Entergy-ITC Transaction	Monitored for Retail Impacts
Louisiana Public Service Commission	FERC ER12-2683	Entergy Replacement Tariff-ITC Transaction	Monitored for Retail Impacts
Louisiana Public Service Commission	FERC ER12-2693	Cancellation of Entergy MSS-2 Agreement related to ITC Transaction	Monitored for Retail Impacts
Louisiana Public Service Commission	FERC ER 13-252	ESI Transmission-Industrial Load Related to ITC Transaction	Monitored for Retail Impacts

Louisiana Public Service Commission	FERC ER13-288	Entergy Transmission Monitoring Services related to ITC Transaction	Monitored for Retail Impacts
Louisiana Public Service Commission	FERC ER13-782	Entergy-ITC Transaction: Related ratemaking treatment for pension and OPEB	Monitored for Retail Impacts
Louisiana Public Service Commission	FERC ER13-948	Entergy-ITC Transaction: Related MISO OATT	Monitored for Retail Impacts
Louisiana Public Service Commission	FERC ES13-5	Entergy-ITC Transaction: Related Debt Authorizations	Monitored for Retail Impacts
Louisiana Public Service Commission	FERC ES13-6	Entergy-ITC Transaction: Related Debt Authorizations	Monitored for Retail Impacts
Louisiana Public Service Commission	FERC EC 15-98	Entergy Acquisition of Union Plants	Monitored for Retail Impacts
Louisiana Public Service Commission	FERC EC15-47	Entergy Business Combination FERC Dockets	Monitored for Retail Impacts
Louisiana Public Service Commission	FERC ER15-1922	Entergy Change of Responsibility Ratio-Entergy Business Comb (Entergy Louisiana Transfer of Algiers to Energy New Orleans)	Monitored for Retail Impacts
Louisiana Public Service Commission	FERC ER18-445	Revisions to Rate Schedule 435-A (ESI Service Agreement) to reflect current terminology and add a new Gross Utility Plant Assets allocation. (Entergy Asset Management Program)	Monitored for Retail Impacts

Louisiana Public Service Commission	FERC ER17-2030	Transmission Control Center Reimbursement Agreement Filing; Related FERC Dockets ER17-2029, ER17- 2031, ER17-2033, ER17-2034)	Monitored for Retail Impacts
Louisiana Public Service Commission	FERC EL 18-201	Transmission Control Center Depreciation	Monitored for Retail Impacts
Louisiana Public Service Commission	FERC EC19-18	Entergy Transmission Control Centers	Monitored for Retail Impacts
Louisiana Public Service Commission	FERC ER19-211	Entergy Transmission Control Centers	Monitored for Retail Impacts
Louisiana Public Service Commission	FERC EC18-63	Cleco: Joint Application for Order Authorizing Disposition of Jurisdictional Facilities Under Section 203 of the Federal Power Act of the Cleco and NRG Applicants	Monitored for Retail Impacts
Louisiana Public Service Commission	FERC ER17-1368	Cleco Power, LLC System Support Resource ("SSR") Payment for Teche Power Station Unit 3	Monitored for Retail Impacts
Mississippi Public Utilities Staff	2022-UN-137	2022 and 2023 Entergy Mississippi Formula Rate Plan	(i) Proposed Stipulation to the Commission (ii) Draft Memorandum/Report to the Commission on behalf of Staff (iii) Internal Memorandum/Report to Staff
Mississippi Public Utilities Staff	2018-UN-205	2022 and 2023 Entergy Mississippi Vegetation Management Rider	Memorandum/Report to Staff
Mississippi Public Utilities Staff	2019-UN-219	2022 and 2023 Mississippi Power Company Performance Evaluation Plan	Memorandum/Report to Staff

Mississippi Public Utilities Staff	1992-UN-059	2022 and 2023 Mississippi Power Company Environmental Compliance Rider	Memorandum/Report to Staff
Mississippi Public Utilities Staff	2005-UN-503	2022 and 2023 Atmos Stable Rate Adjustment Plan	(i) Proposed Stipulation to the Commission (ii) Draft Memorandum/Report to the Commission on behalf of Staff (iii) Internal Memorandum/Report to Staff
Mississippi Public Utilities Staff	2015-UN-049	2023 and 2024 Atmos System Integrity Rate Plan	Memorandum/Report to Staff
Mississippi Public Utilities Staff	2012-UN-139	2022 and 2023 CenterPoint Rate Regulation Adjustment	(i) Proposed Stipulation to the Commission (ii) Draft Memorandum/Report to the Commission on behalf of Staff (iii) Internal Memorandum/Report to Staff
Mississippi Public Utilities Staff	2015-UN109	2022 and 2023 SPIRE Rate Stabilization Adjustment	(i) Proposed Stipulation to the Commission (ii) Draft Memorandum/Report to the Commission on behalf of Staff (iii) Internal Memorandum/Report to Staff
Mississippi Public Utilities Staff	2017-UA-079	Transmission Certification Application for Southern Spirit	Submitted a Staff Report
Mississippi Public Utilities Staff	2020-UA-143 et. al.	Great Rivers Water and Sewer Rate Case and Annual FRP Filings	Submit Annual Reports to Staff
Mississippi Public Service Commission	2022-UN-086 & 087	Great River Rate Case	Report to the Commission
Louisiana Pilotage Fee Commission	P-20-001	Louisiana Pilotage Fee Commission Rate Case for Crescent River Ports Pilots Association	Filed Staff Report and R. Lane Sisung Testified in Court

Louisiana Pilotage Fee Commission	P-22-003	Louisiana Pilotage Fee Commission Rate Case for Bar Pilots Association	Filed Staff Report
Louisiana Pilotage Fee Commission	P-22-005	Louisiana Pilotage Fee Commission Bond Calculation for New Orleans Baton Rouge Steamship Pilots Association	N/A
Louisiana Pilotage Fee Commission	P-07-001	Louisiana Pilotage Fee Commission Review of True-Up Calculation for Crescent River Ports Pilots Association	N/A

BEFORE THE
LOUISIANA PUBLIC SERVICE COMMISSION

DOCKET NUMBER U-37425

ENTERGY LOUISIANA, LLC, EX PARTE

In re: Application for approval of generation and transmission resources in connection with service to a single customer for a project in North Louisiana.

EXHIBIT RLS-002

OF

R. LANE SISUNG

ON BEHALF OF THE

LOUISIANA PUBLIC SERVICE COMMISSION STAFF

ENTERGY LOUISIANA, LLC
LOUISIANA PUBLIC SERVICE COMMISSION
Docket No. U-37425

Response of: Entergy Louisiana, LLC
to the Second Set of Data Requests
of Requesting Party: Louisiana Public Service
Commission Staff

Question No.: STAFF 2-18 Part No.: Addendum:

Question:

Please identify each of the "Additional Facilities" referenced by Ms. Beauchamp at page 4 of her Supplemental Direct Testimony.

Response:

The "Additional Facilities" are the additional transmission facilities that will need to be constructed to serve the Customer's increased load. As noted in Ms. Beauchamp's Supplemental Testimony, commercial negotiations and the specifics of the Customer's additional load are not finalized at this time.

BEFORE THE
LOUISIANA PUBLIC SERVICE COMMISSION

DOCKET NUMBER U-37425

ENTERGY LOUISIANA, LLC, EX PARTE

In re: Application for approval of generation and transmission resources in connection with service to a single customer for a project in North Louisiana.

EXHIBIT RLS-003

OF

R. LANE SISUNG

ON BEHALF OF THE

LOUISIANA PUBLIC SERVICE COMMISSION STAFF

ENTERGY LOUISIANA, LLC
LOUISIANA PUBLIC SERVICE COMMISSION
Docket No. U-37425

Response of: Entergy Louisiana, LLC
to the Second Set of Data Requests
of Requesting Party: Louisiana Energy
Users Group

Question No.: LEUG 2-1 Part No.: Addendum:

Question:

Please identify the Customer by name and provide:

1) The state of incorporation of the Customer.

2) The names and titles of all officers and directors of the Customer.

3) The physical address of the Customer's headquarters.

4) All affiliate companies including the Parent company, all subsidiaries, at other subsidiaries of the Parent company.

Response:

The Company objects to this request to the extent it requests information that is equally available to the requestor or information or documentation that is not in the possession or control of the Company. Subject to and without waiving these objections the Company responds as follows:

As noted throughout the Company's Application and each piece of testimony, the Customer's name is Laidley LLC ("Customer"). The Customer is a Delaware limited liability corporation. The Customer's parent company is Meta Platforms, Inc, a publicly traded company and the requested information is or should be publicly available and equally accessible to the requestor. For example, see:
https://investor.fb.com/home/default.aspx

BEFORE THE
LOUISIANA PUBLIC SERVICE COMMISSION

DOCKET NUMBER U-37425

ENTERGY LOUISIANA, LLC, EX PARTE

In re: Application for approval of generation and transmission resources in connection with service to a single customer for a project in North Louisiana.

EXHIBIT RLS-004

OF

R. LANE SISUNG

ON BEHALF OF THE

LOUISIANA PUBLIC SERVICE COMMISSION STAFF

entergy

Phillip R. May
President and Chief Executive Officer
Entergy Louisiana, LLC
504-840-2535 | pmay@entergy.com
4809 Jefferson Highway, Jefferson, LA 70121

April 3, 2025

Commissioner Eric F. Skrmetta
Office of the Commissioner
District 1 – Metairie
433 Metairie Road, Suite 406
Metairie, LA 70005

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Commissioner Davante Lewis
Office of the Commissioner
District 3 – New Orleans
1450 Poydras Street, Suite 1402
New Orleans, LA 70112

Re: LPSC Docket No. U-37425

Dear Commissioners:

As you know, Meta Platforms, Inc. is developing a world-scale data center in Richland Parish. Developments like Meta and other recently announced projects in Louisiana are enabled by the affordable and stable electric rates that exist in Louisiana under the Commission's jurisdiction. Many economic development projects require transmission and generation investments to ensure Louisiana has adequate power to serve all customers, existing and new. Several proposed infrastructure investments are the subject of Entergy Louisiana's application in Docket No. U-37425. To demonstrate the need for these infrastructure improvements, ELL's application attached an electric service agreement regarding the Meta datacenter project, which sets forth, among other things, the power requirements for the Meta data center and required in-service dates.

In the course of Docket No. U-37425, certain parties have questioned why Meta is not a party to the LPSC proceeding and raised concern about ELL's inability to speak for Meta. First, ELL is not aware of a Commission rule or policy that requires new customers to submit to the jurisdiction of the Commission in order to become a customer of a Louisiana utility. In ELL's experience, such a requirement is unprecedented and would create a disincentive for new industry to select Louisiana as a place to make investment. Nonetheless, I have asked that Meta provide additional information regarding its datacenter project, such as the level of investment, expected jobs, and power requirements, that could be provided to you as well as all parties to

Docket No. U-37425. To that end, attached is an April 2, 2025 letter from Meta for your consideration.

Entergy Louisiana's application in Docket No. U-37425 is being carefully reviewed by Commission Staff and several intervenors. Based on the current schedule, after testimony is filed and all discovery is complete, an administrative law judge will conduct a hearing and make a recommendation to the Commission. This schedule provides an expectation that the Commission will be able to vote on Entergy's application at the October 2025 Business and Executive Session, which supports the schedule required to attract the Meta data center to Louisiana.

My staff and I are available to answer any questions you have about the Meta project. In the interim, I want to express my thanks for the important work the Commission has done and continues to do to make Louisiana a top-choice for world scale economic development projects. Louisiana is winning like never before and when Louisiana wins, our goals is to make sure all of our customers benefit from it.

Sincerely,

Phillip R. May

Phillip R. May

cc: Official Service List

Meta

April 2, 2025

Phillip May
Entergy Louisiana, LLC
639 Loyola Ave.
New Orleans, LA 70113

Dear Phillip,

Thank you for the opportunity to provide Entergy Louisiana, LLC ("ELL") with additional information regarding Meta Platforms, Inc.'s ("Meta") Richland Parish, Louisiana data center (the "Project"). Meta is developing the Project through its special purpose entity Laidley LLC ("Laidley"). Given recent intervenor activity against ELL's Application in Docket No. U-37425 seeking approval of generation and transmission resources that are required to enable retail electric service for the Project, Meta writes this letter for the following purposes: 1) to demonstrate our support for ELL's application ("Application") to the Louisiana Public Service Commission ("LPSC"), 2) to emphasize how critical ELL's ability to meet the Project's energy timelines was in the selection of the Richland Parish, Louisiana location, and 3) to further explain the benefits of Meta's investments and presence in Louisiana.

1. Support for ELL's Application in LPSC Docket No. U-37425

The LPSC's approval of the Application would represent an important next step for our Project and the state of Louisiana. The Richland Parish data center represents an investment of over $10 billion and will support 500 operational jobs, along with 5,000 skilled trade workers on site at peak construction, and Meta is making a concerted effort to hire locally. Meta is also investing over $200 million in local infrastructure improvements including roads and water infrastructure. Because we are working diligently to construct the Project for immediate use, it is important that ELL receives timely approval for the utility infrastructure necessary to power the data center. We could not be more appreciative with how members of the community and Louisiana's state and local leaders have welcomed us to Richland Parish and so we are growing more and more confident that ELL will ultimately receive the necessary approvals to keep our Project on track.

However, Meta received a copy of a "Peremptory Exception and Motion" that was filed on March 5, 2025 by Susan Stevens Miller, Esq. with Earthjustice's Washington, D.C. office as counsel in the proceeding for the Alliance for Affordable Energy and Union of Concerned Scientists (self-designated as the "NPOs"). The NPOs motion sought a declaratory order from the LPSC finding that Laidley and Meta are parties necessary for the just adjudication of ELL's Application in Docket No. U-37425 and should be required to intervene in the proceeding or else ELL's Application should be dismissed. Meta and its affiliates have not typically intervened and have not been required to intervene in regulatory proceedings supporting the establishment of

tariffed retail electric service to our data centers. While the level of investment required of Meta for the project related to this proceeding is substantial, there is nothing about the proceeding itself that suggests Meta or Laidley has any greater need to intervene than in other state regulatory proceedings related to the provision of tariffed electric service.

Regardless, Meta appreciates and confirms that ELL's representations in this proceeding regarding the Project's timeline, energy requirements, and economic development commitments are accurate, including Meta's commitment to continue matching 100% of our data centers' electricity use with clean and renewable energy. Meta strongly supports ELL's Application in LPSC Docket No. U-37425 and looks forward to the LPSC approving it given the substantial record evidence demonstrating that it is in the public interest.

2. The importance of ELL's ability to meet our Project's energy timeline

In order for Meta to locate our Project in Louisiana, it was critical that ELL be able to commit to providing the transmission interconnection and retail electric supply for our data center as quickly as possible. Meta sincerely appreciates how diligently ELL worked with Meta to complete the necessary contribution and service agreements and associated riders, all of which provided Meta with the energy resources needed to move forward with the Project in this Louisiana location. Had ELL not been able to commit that the utility infrastructure would be available to serve our desired load ramp, Meta would have been forced to select another location outside Louisiana for the Project. That "speed to market" capability was and remains utterly crucial in our decision to select Richland Parish.

3. Additional benefits to the local community

Finally, we want to take the opportunity to highlight our commitment to invest in the Richland Parish community. While Meta works globally, we live locally and want to harness our success to help strengthen our own communities. We are committed to playing a positive role and investing in the long-term vitality of the communities in which we operate, which now includes Richland Parish. We do this by hiring locally, volunteering, and supporting local schools, nonprofits and community projects. In the U.S. as of year-end 2024, we have donated more than $56 million in direct giving across 2,300 grants to nonprofits and schools in communities where we have data centers. Our grants support projects that address critical community needs by putting the power of technology to use for community benefit, giving people the power to build strong and sustainable communities, and improving local science, technology, engineering, arts and math (STEAM) education. More information on Meta's community impact can be found on our website.[1]

We are excited to spur even greater economic development in Louisiana, continue our growth in the state, and deepen our integration into our local community, and we greatly appreciate the support of ELL and the LPSC to achieve these goals. Please feel free to share this letter with the LPSC and the Parties within the current docket proceeding. Also, please note that I am reaching out to representatives of the NPOs to speak with them directly about their above-mentioned concerns.

---

[1] https://datacenters.atmeta.com/community-impact/

Sincerely,

Paul Kelly

Paul Kelly
Meta Platforms, Inc.

PUBLIC VERSION
AEO/HSPM INFORMATION HAS BEEN REMOVED

BEFORE THE
LOUISIANA PUBLIC SERVICE COMMISSION

DOCKET NUMBER U-37425

ENTERGY LOUISIANA, LLC, EX PARTE

In re: Application for approval of generation and transmission resources in connection with service to a single customer for a project in North Louisiana.

EXHIBIT RLS-005 PUB

OF

R. LANE SISUNG
PUBLIC VERSION

ON BEHALF OF THE

LOUISIANA PUBLIC SERVICE COMMISSION STAFF

ENTERGY LOUISIANA, LLC
LOUISIANA PUBLIC SERVICE COMMISSION
Docket No. U-37425

Response of: Entergy Louisiana, LLC
to the Third Set of Data Requests
of Requesting Party: Louisiana Public Service
Commission Staff

Question No.: STAFF 3-32 Part No.: Addendum:

Question:

Regarding Rider 1 [redacted]

Regarding this Section, [redacted]

Response:

Information responsive to this request has been designated as Highly Sensitive Protected Material ("HSPM") and will be produced only to the appropriate Reviewing Representatives in accordance with the Confidentiality Agreement in effect and executed in this docket. HSPM files will be served upon appropriate reviewing representatives through a OpenText™ Core Share link. Any downloads of such files shall be treated in accordance with the applicable provisions of the Confidentiality Agreement regarding duplication of HSPM files.

The Company objects on the basis that this request is vague and ambiguous and it seeks a legal conclusion. Subject to and without waiving these objections, the Company responds as follows:

Question No.: STAFF 3-32 Part No.: Addendum:

[redacted]

BEFORE THE
LOUISIANA PUBLIC SERVICE COMMISSION

DOCKET NUMBER U-37425

ENTERGY LOUISIANA, LLC, EX PARTE

In re: Application for approval of generation and transmission resources in connection with service to a single customer for a project in North Louisiana.

EXHIBIT RLS-006

OF

R. LANE SISUNG

ON BEHALF OF THE

LOUISIANA PUBLIC SERVICE COMMISSION STAFF

ENTERGY LOUISIANA, LLC
LOUISIANA PUBLIC SERVICE COMMISSION
Docket No. U-37425

Response of: Entergy Louisiana, LLC
to the First Set of Data Requests
of Requesting Party: Louisiana Public Service
Commission Staff

Question No.: STAFF 1-16 Part No.: Addendum:

Question:

At what estimate class level does ELL consider the costs estimated for the Planned Generators.

Response:

The "Planned Generators" consist of three new 1x1 Combined Cycle Combustion Turbine ("CCCT") generators. The cost of the two generators that will be located at Franklin Farms, near the site of the Customer's Project are estimated at a Class 4 level. The cost of the third generator is estimated at a Class 5 level.

PUBLIC VERSION
AEO/HSPM INFORMATION HAS BEEN REMOVED

BEFORE THE
LOUISIANA PUBLIC SERVICE COMMISSION

DOCKET NUMBER U-37425

ENTERGY LOUISIANA, LLC, EX PARTE

In re: Application for approval of generation and transmission resources in connection with service to a single customer for a project in North Louisiana.

EXHIBIT RLS-007 PUB

OF

R. LANE SISUNG
PUBLIC VERSION

ON BEHALF OF THE

LOUISIANA PUBLIC SERVICE COMMISSION STAFF

ENTERGY LOUISIANA, LLC
LOUISIANA PUBLIC SERVICE COMMISSION
Docket No. U-37425

Response of: Entergy Louisiana, LLC
to the Third Set of Data Requests
of Requesting Party: Louisiana Public Service
Commission Staff

Question No.: STAFF 3-34 Part No.: Addendum:

Question:

Regarding Rider 1, Section 7.F.b. refers to a defined term "[redacted] Mr. May on page 26 of his direct testimony likewise refers to "credit insurance products" and on page 28 states that the ESA contains provisions requiring additional collateral security in the form of surety bonds, irrevocable standby letters of credit , credit insurance, cash and an additional Parental Guarantee under certain circumstances. Please explain [redacted] and either provide supporting documentation or otherwise direct staff where in the Application, testimony or discovery such information can be found.

Response:

Information responsive to this request has been designated as Highly Sensitive Protected Material ("HSPM") and will be produced only to the appropriate Reviewing Representatives in accordance with the Confidentiality Agreement in effect and executed in this docket. HSPM files will be served upon appropriate reviewing representatives through a OpenText™ Core Share link. Any downloads of such files shall be treated in accordance with the applicable provisions of the Confidentiality Agreement regarding duplication of HSPM files.

[redacted]

HSPM

ATTACHMENT

REMOVED

BEFORE THE
LOUISIANA PUBLIC SERVICE COMMISSION

DOCKET NUMBER U-37425

ENTERGY LOUISIANA, LLC, EX PARTE

In re: Application for approval of generation and transmission resources in connection with service to a single customer for a project in North Louisiana.

EXHIBIT RLS-008

OF

R. LANE SISUNG

ON BEHALF OF THE

LOUISIANA PUBLIC SERVICE COMMISSION STAFF

ENTERGY LOUISIANA, LLC
LOUISIANA PUBLIC SERVICE COMMISSION
Docket No. U-37425

Response of: Entergy Louisiana, LLC
to the Third Set of Data Requests
of Requesting Party: Louisiana Public Service
Commission Staff

Question No.: STAFF 3-24 Part No.: Addendum:

Question:

Regarding Ms. Elizabeth Ingram's direct testimony, page 6, she states that the CSR requires the addition of incremental renewable resources that complement other, reliable, dispatchable sources of generation. Based on Section C.7. of the CSR, is it a more correct statement that the CSR requires ELL to seek to provide such incremental renewable resources pursuant to certain requirements and if such resources are identified and procured the Customer is required to contribute towards their costs based on specific terms and provisions?

Response:

The CSR does require the Company to seek to provide incremental renewable resources pursuant to certain requirements and does require the Customer to contribute towards the costs of such resources pursuant to the terms and conditions detailed in the CSR.

BEFORE THE
LOUISIANA PUBLIC SERVICE COMMISSION

DOCKET NUMBER U-37425

ENTERGY LOUISIANA, LLC, EX PARTE

In re: Application for approval of generation and transmission resources in connection with service to a single customer for a project in North Louisiana.

EXHIBIT RLS-009

OF

R. LANE SISUNG

ON BEHALF OF THE

LOUISIANA PUBLIC SERVICE COMMISSION STAFF

ENTERGY LOUISIANA, LLC
LOUISIANA PUBLIC SERVICE COMMISSION
Docket No. U-37425

Response of: Entergy Louisiana, LLC
to the First Set of Data Requests
of Requesting Party: Louisiana Energy
Users Group

Question No.: LEUG 1-4 Part No.: Addendum:

Question:

Entergy Direct Testimony of witness Phillip May references at page 33 1,500 MW of incremental solar and/or hybrid solar/storage resources to be procured for new Customer, in excess of the 3,000 MW approved by the LPSC for Entergy Geaux Zero / Geaux Green product offerings. Please identify, provide and explain: (a) Will the cost of the 1,500 MW solar/hybrid resources be paid for fully by new Customer, or will some portion be paid by existing customers; (b) If existing customers will pay some portion of the cost of the 1,500 MW, please identify and provide the percentage of cost that will be paid by the new Customer versus existing customers; (c) Will new Customer be placed on the Entergy waiting list behind existing customers for access to the solar/hybrid resources; (d) Will new Customer be given any priority or otherwise receive access to solar/hybrid resources in advance of existing customers seeking to participate in Entergy Geaux Zero / Geaux Green programs.

Response:

a) As noted in both Mr. May's testimony and that of Company witness Elizabeth C. Ingram, the pricing for the 1,500 MW of solar and/or hybrid resources will be consistent with Option B of ELL's existing Geaux Zero green tariff. Pages 17-18 of Ms. Ingram's testimony describes the calculation for the subscription fees (also known as the Renewable Energy Charge) as follows: "The Renewable Energy Charge will be calculated based on the levelized cost of Designated Renewable Resources over their expected life (or in the case of PPAs, the term of the contract)." In addition, see Q31 and Q53 of Ms. Ingram's testimony, which notes the majority of costs of these resources will be paid by the new Customer.

b) See the Company's response to subpart a. Consistent with Geaux Zero Option B and as noted in Table 2 on page 32 of Ms. Ingram's testimony: "the costs that remain for all customers are the Renewable Capacity Credits provided to participants for the Initial Renewable Subscription Amount. Those costs will be offset by the full avoided capacity costs and the load payment component of variable supply costs savings from the associated renewable resources, collectively resulting in overall net benefits to all customers."

Question No.: LEUG 1-4

c) The existing ELL waiting list is for the Geaux Green Option "GGO." The new Customer will not be participating in GGO and therefore will not be placed on the GGO waitlist. ELL will fulfill customer requests for GGO subscriptions in accordance with the terms of the Uncontested Stipulated Settlement Term Sheet approved by the Commission in LSPC Docket No. U-36697.

d) ELL will fulfill customer requests for GGO and Geaux Zero subscriptions in accordance with the terms of the Uncontested Stipulation Settlement Term Sheet approved by the Commission in LSPC Docket No. U-36697.

ENTERGY LOUISIANA, LLC
LOUISIANA PUBLIC SERVICE COMMISSION
Docket No. U-37425

Response of: Entergy Louisiana, LLC
to the Third Set of Data Requests
of Requesting Party: Louisiana Energy
Users Group

Question No.: LEUG 3-1 Part No.: Addendum:

Question:

As follow-up to Entergy response to LEUG 1-4, please identify and explain:

a. Will the 1,500 MW of solar resources that Entergy will obtain for the new Customer be filled through Geaux Zero Group 2 subscriptions including the open season and pro-rata approach thereof if over-subscribed;

b. If the 1,500 MW of solar resources for the new Customer will not be filled through Geaux Zero Group 2 subscriptions, please identify and explain how the Entergy acquisition of the 1,500 MW of solar resources will be prioritized and allocated relative to the solar resources to be acquired for currently existing Geaux Zero, Geaux Green Option and Geaux Green Limited tariffs;

c. Please identify and explain whether and how the new Customer will receive allocations of solar resources in advance of any customer participating or seeking to participate in currently existing Entergy Geaux Zero, Geaux Green and Geaux Green Limited programs;

d. Please identify whether Entergy has made any date commitments or agreed to any timelines or procedures for when the new Customer will receive any or all of the 1,500 MW of solar resources and if so provide any such dates, timelines and/or procedures.

Response:

ELL objects to this Request and each of its sub-parts as seeking information that is neither relevant nor reasonably calculated to lead to the discovery of relevant admissible evidence in this proceeding and as premature to the extent it seeks information concerning resources for which certification is not yet being sought. Subject to and without waiving the foregoing, ELL responds as follows:

a. No. As referenced in Question 19 of Ms. Ingram's Direct Testimony, the 1,500 MW of solar resources are Group 3 Subscriptions, not Group 2 Subscriptions, to Geaux ZERO (i.e. Rider GZ).

b. ELL will fill the 1,500 MW of solar (and/or hybrid resources) for the new Customer in accordance with the process set forth in LPSC Order No. U-36697. As noted in the Direct Testimony of Ms. Ingram (see Questions 13 and 16), ELL may also use the LPSC Unsolicited Offer process/rules to fill a portion of the 1,500 MW customer commitment.

With respect to the LPSC Order No. U-36697 process, Paragraph 12(i) of the LPSC Order states:

> While the size and in-service date of resources offered into each Procurement Window will need to be considered, the Company will allocate approximately 50% of new solar resources procured in each Procurement Window to supply Rider GGO and Rider GGL (as set forth in Paragraph 12j) and the remaining 50% to Rider GZ, but once 1,000 MW of resources have been added to Rider GGO and/or Rider GGL in accordance with Paragraphs 4 and 5, the remaining resources from the 3 GW Solar Portfolio shall be allocated to Rider GZ, except as provided for in Paragraph 6."

In other words, the solar resources (which are considered GZ Group 3 Subscriptions) procured for the new Customer through the LPSC Order No. U-36697 process will not impact the order of subscriptions to either Rider GGO or Rider GGL. The process approved in LPSC Order No. U-36697 provides ELL discretion to allocate Rider GZ resources among the Group 1, Group 2, and Group 3 Subscription categories. ELL has issued the 3 GW Request for Proposals (RFP) contemplated in LPSC Order No. U-36697.[1] The first Procurement Window in that RFP is ongoing, and no subscription allocations have been made at this time. ELL expects to consider the expected resource operational dates along with customer timing needs and other factors when determining how to allocate Rider GZ resources to Group 1, Group 2, or Group 3 Subscription categories.

c. See the response to subpart (b) above.

d. As referenced in response to Q13 in the Direct Testimony of Ms. Ingram, ELL has committed to identifying the full portfolio of specific resources that will supply the 1,500 MW of solar (and/or hybrid) resources by 2030.

[1] See: https://spofossil.entergy.com/ENTRFP/SEND/ELL3GWSolarRFP/Index.htm.

ENTERGY LOUISIANA, LLC
LOUISIANA PUBLIC SERVICE COMMISSION
Docket No. U-37425

Response of: Entergy Louisiana, LLC
to the Fourth Set of Data Requests
of Requesting Party: Louisiana Energy
Users Group

Question No.: LEUG 4-1 Part No.: Addendum:

Question:

As follow-up to Entergy response to LEUG 1-4 and 3-1, please identify and explain as follows:

a. Will Entergy allocate any of the 1,000 MW Geaux Zero resources assigned to Group 1 to the new Customer?

b. Will Entergy allocate any of the 1,000 MW Geaux Zero resources assigned to Group 2 to the new Customer?

c. Will Entergy fully fill all Geaux Zero subscriptions up to 1,000 MW for Group 1 before allocating any resources to new Customer as part of Group 3?

d. Will Entergy fully fill all Geaux Zero subscriptions up to 1,000 MW for Group 2 before allocating any resources to new Customer as part of Group 3?

e. Please identify any and all provisions of Schedule Geaux Zero and/or Order U-36697 which Entergy contends grants it authority to allocate renewable resources to Group 3 before fully meeting all subscriptions requested in Group 1.

f. Please identify any and all provisions of Schedule Geaux Zero and/or Order U-36697 which Entergy contends grants it discretion to allocate renewable resources to Group 3 before fully meeting all subscriptions requested in Group 1.

g. Please identify any and all provisions of Schedule Geaux Zero and/or Order U-36697 which Entergy contends grants it authority to allocate renewable resources to Group 3 (outside of an open season) before fully meeting all subscriptions requested in Group 2 (in an open season).

h. Please identify any and all provisions of Schedule Geaux Zero and/or Order U-36697 which Entergy contends grants it discretion to allocate renewable

Question No.: LEUG 4-1

resources to Group 3 (outside of an open season) before fully meeting all subscriptions requested in Group 2 (in an open season).

Response:

ELL objects to this Request and each of its sub-parts as seeking information that is neither relevant nor reasonably calculated to lead to the discovery of relevant admissible evidence in this proceeding and as premature to the extent it seeks information concerning resources for which certification is not yet being sought. Subject to and without waiving the foregoing, ELL responds as follows:

a. No. Also, to clarify, the final amount of resources allocated to Geaux Zero Group 1 Subscriptions is 950 MW (not 1,000 MW).

b. No. Also, to clarify, the final amount of resources allocated to Geaux Zero Group 2 Subscriptions is 1,050 MW (not 1,000 MW).

c. See the Company's response to LEUG 3-1.

d. See the Company's response to LEUG 3-1.

e-h. See LPSC Order No. U-36697, Schedule Geaux Zero Attachment A, and the Company's response to LEUG 3-1. LPSC Order No. U-36697 specifies how and in what order new solar resources that will supply Riders GGO and GGL under the terms of that Order are to be allocated. LPSC Order No. U-36697 does not include any such requirements as to the allocation of Rider GZ resources among Group 1, Group 2, versus Group 3 Subscriptions. ELL continues to work with customers to identify solutions that meet their needs. As noted in the Company's response to LEUG 3-1, ELL expects to consider the expected resource operational dates along with customer timing needs and other factors when determining how to allocate Rider GZ resources to Group 1, Group 2, or Group 3 Subscription categories.

ENTERGY LOUISIANA, LLC
LOUISIANA PUBLIC SERVICE COMMISSION
Docket No. U-37425

Response of: Entergy Louisiana, LLC
to the Fifth Set of Data Requests
of Requesting Party: Louisiana Energy
Users Group

Question No.: LEUG 5-1 Part No.: Addendum:

Question:

As follow-up to Entergy responses to LEUG 1-4, 3-1 and 4-1, please identify and provide as follows:

a. Is Entergy proposing that the 1,500 MW of solar resources for the new Data Center customer will be provided in whole or part as a *"Group 3 Subscription"* under the Geaux Zero Rider?

b. Geaux Zero Rider Attachment A provides in the final paragraph, that in the event *"New Customer(s) or Expanding Customer(s) seek renewable subscriptions outside of an open season ("Group 3 Subscriptions"), the Company has the ability to utilize the expedited certification process approved in LPSC Order No. U-36697"* provided such additional resources have a long-term, binding commitment from Customer(s) under pricing Option A or Option B at the time of the certification request.

i. Please identify specifically any and all provisions of Schedule Geaux Zero and/or Order U-36697 which Entergy contends grants it authority to allocate renewable resources to Group 3 before fully meeting all subscriptions requested in Group 1.

ii. Please identify specifically any and all provisions of Schedule Geaux Zero and/or Order U-36697 which Entergy contends grants it discretion to allocate renewable resources to Group 3 before fully meeting all subscriptions requested in Group 1.

iii. Please identify specifically any and all provisions of Schedule Geaux Zero and/or Order U-36697 which Entergy contends grants it authority to allocate renewable resources to Group 3 (outside of an open season) before fully meeting all subscriptions requested in Group 2 (in an open season).

Question No.: LEUG 5-1

iv. Please specifically identify any and all provisions of Schedule Geaux Zero and/or Order U-36697 which Entergy contends grants it discretion to allocate renewable resources to Group 3 (outside of an open season) before fully meeting all subscriptions requested in Group 2 (in an open season).

c. Please identify and provide with respect to Geaux Zero Rider Group 1:

i. The amount of MW subscribed by the December 31, 2023 deadline applicable thereto, from the available 1,000 MW.

ii. The number of customers, and MW per customer, subscribed by the December 31, 2023 deadline applicable thereto, from the available 1,000 MW.

iii. Will Entergy provide renewable resources to each such subscribing Group 1 customer prior to allocating renewable resources to the new Data Center customer?

d. Please identify and provide with respect to Geaux Zero Rider Group 2:

i. Please identify the process initiated by Entergy to identify "*interested, eligible customers*" to provide the pricing for each open season tranche from the available 1,000 MW, following the effective date of the Rider on June 14, 2024.

ii. Please identify the number, and MW per customer, of all "*interested, eligible customers*" identified by Entergy to receive the pricing for each open season tranche from the available 1,000 MW, following the effective date of the Rider on June 14, 2024.

iii. Will Entergy provide renewable resources to each such subscribing Group 2 customer prior to allocating renewable resources to the new Data Center customer?

iv. What date will Entergy open an initial tranche of resources from the available 1,000 MW *to "interested, eligible customers"?*

e. Please identify and provide the status of Entergy filing customer subscription requests under Schedule Geaux Green Option, including the number of customers and MW per customer.

f. Please identify and provide the status of the Entergy waiting list for customer subscription requests under Schedule Geaux Green Option and

Question No.: LEUG 5-1

Schedule Geaux Green Limited, including the number of customers and MW per customer.

Response:

a. At this time, ELL expects the full 1,500 MW to be Group 3 GZ subscriptions once resources are identified to fulfill the customer's request. However, as discussed in Q13, Q16, Q20, and Q21 of the Direct Testimony of Elizabeth C. Ingram, resources that originate from Unsolicited Offers (rather than the 3 GW RFP process) may be used to fulfill a portion of the 1,500 MW subscription for the new Data Center customer.

b. While the 3 GW Order includes specific requirements as to the prioritization order of resource allocations as between Rider GGO and GGL, the 3 GW Order does not specify a prioritization order for the portion of resources allocated to Rider GZ. Further responding, Rider GZ is the best evidence of its contents.

c.

i. 950 MW; see also the Company's recent 2025 Annual Renewable Report filed on February 25, 2025 in LPSC Docket Nos. R-28271-B, U-35916, U-36190, and U-36697.

ii. One customer has entered in two separate Group 1 Subscriptions that collectively total 950 MW.

iii. While definitive agreements with resources from the 3 GW RFP Procurement Window 1 have not yet been reached, if such agreements are reached, the Company is currently planning to allocate the Rider GZ portion of resources from that Procurement Window 1 (estimated at 200 MW) to Rider GZ Group 1 Subscriptions. The Company expects to continue to work with the Group 1 subscriber and the Data Center Customer on their respective timing requirements, which will inform how resources from future 3 GW RFP Procurement Windows are allocated.

d.

i. This process for Group 2 open seasons has not been initiated yet. When initiated, the Company expects to contact customers on the GGO waitlist that have over 100 MW of "Additional GGO Interest, if Uncapped" (as noted within the Company's recent 2025 Annual Renewable Report filed on February 25, 2025 in LPSC Docket Nos. R-28271-B, U-35916, U-36190, and U-36697 or within future GGO requests submitted as of that time) to determine interest in participating in an upcoming Rider GZ Group 2 open season. The

Question No.: LEUG 5-1

Company also expects to contact other eligible industrial customers that have expressed interest in large renewable subscriptions.

ii. N/A.

iii. There are no subscribing Group 2 customers at this time.

iv. Timing of initiating a Group 2 open season will largely depend upon the number of qualifying proposals that meet the requirements in the 3 GW Order that are received in future 3 GW RFP Procurement Windows. See also the discussion on pages 14-15 of the Company's recent 2025 Annual Renewable Report filed on February 25, 2025 in LPSC Docket Nos. R-28271-B, U-35916, U-36190, and U-36697.

e. For the GGO waitlist, please see the Company's recent 2025 Annual Renewable Report filed on February 25, 2025 in LPSC Docket Nos. R-28271-B, U-35916, U-36190, and U-36697.

f. See the Company's response to subpart (e). There is no waiting list for Rider GGL at this time.

ENTERGY LOUISIANA, LLC
LOUISIANA PUBLIC SERVICE COMMISSION
Docket No. U-37425

Response of: Entergy Louisiana, LLC
to the Eighth Set of Data Requests
of Requesting Party: Louisiana Energy
Users Group

Question No.: LEUG 8-1 Part No.: Addendum:

Question:

Entergy's Annual Report on renewable generation activities filed with the LPSC on February 25, 2025 in various Dockets including R-28271-B, identifies at page 21 that the new Data Center Customer has subscribed to 1,500 MW of renewable generation under Rider Geaux Zero Group 3. Please identify and explain: (a) Is it Entergy's view that any New Customer or Expanding Customer as defined in Geaux Zero Rider with 30 MW or more of new load can choose to participate in Group 3 of the Rider; (b) In such event, is it Entergy's view that the New Customer or Expanding Customer can obtain a subscription at this time under Group 3 in advance of any subscriptions being made available to Group 2 through an Open Season process; (c) In such event, is it Entergy's view that the New Customer or Expanding Customer can obtain a subscription at this time under Group 3 in advance of any renewable resource agreements being completed by Entergy from its renewables RFP.

Response:

a. Yes, as long as such New Customer or Expanding Customer meets all of the requirements in Rider GZ.

b. This is premature because renewable resources have not been identified to supply Customers entering Group 3 commitments. See also the Company's response to LEUG 5-1.

c. See the response to subpart (a) above.

PUBLIC VERSION
AEO/HSPM INFORMATION HAS BEEN REMOVED

BEFORE THE
LOUISIANA PUBLIC SERVICE COMMISSION

DOCKET NUMBER U-37425

ENTERGY LOUISIANA, LLC, EX PARTE

In re: Application for approval of generation and transmission resources in connection with service to a single customer for a project in North Louisiana.

EXHIBIT RLS-010 PUB

OF

R. LANE SISUNG
PUBLIC VERSION

ON BEHALF OF THE

LOUISIANA PUBLIC SERVICE COMMISSION STAFF

ENTERGY LOUISIANA, LLC
LOUISIANA PUBLIC SERVICE COMMISSION
Docket No. U-37425

Response of: Entergy Louisiana, LLC
to the Third Set of Data Requests
of Requesting Party: Louisiana Public Service
Commission Staff

Question No.: STAFF 3-28 Part No.: Addendum:

Question:

Regarding Rider 1 Appendix E, [redacted]

Response:

Information responsive to this request has been designated as Highly Sensitive Protected Material ("HSPM") and will be produced only to the appropriate Reviewing Representatives in accordance with the Confidentiality Agreement in effect and executed in this docket. HSPM files will be served upon appropriate reviewing representatives through a OpenText™ Core Share link. Any downloads of such files shall be treated in accordance with the applicable provisions of the Confidentiality Agreement regarding duplication of HSPM files.

The Company objects to this request as vague and ambiguous. Subject to and without waiving these objections, the Company responds as follows:

As noted in the Corporate Sustainability Rider, [redacted]

BEFORE THE
LOUISIANA PUBLIC SERVICE COMMISSION

DOCKET NUMBER U-37425

ENTERGY LOUISIANA, LLC, EX PARTE

In re: Application for approval of generation and transmission resources in connection with service to a single customer for a project in North Louisiana.

EXHIBIT RLS-011

OF

R. LANE SISUNG

ON BEHALF OF THE

LOUISIANA PUBLIC SERVICE COMMISSION STAFF

ENTERGY LOUISIANA, LLC
LOUISIANA PUBLIC SERVICE COMMISSION
Docket No. U-37425

Response of: Entergy Louisiana, LLC
to the Set of Data Requests
of Requesting Party: Sierra Club

Question No.: SIERRA 3-4 Part No.: Addendum:

Question:

Refer to the Direct Testimony of Witness Datta at page 9 regarding the Mt. Olive to Sarepta transmission line that ELL is requesting to build as a System Improvement. Provide a break-down of all expected benefits and the associated expected revenues from the transmission line.

Response:

The Company objects to this request in that it is overly broad and burdensome and not reasonably calculated to lead to the discovery of relevant admissible evidence. Subject to and without waiving these objections, the Company responds as follows:

For details on how the Mt. Olive to Sarepta transmission line will benefit customers, see the Direct Testimony of Daniel Kline at page 51, Question 95, Section Titled, *VII. Benefits of Projects Seeking Certification*. The Mt. Olive to Sarepta transmission line was classified by MISO as a Baseline Reliability Project. Under the MISO Tariff, once in service, all transmission customers within the ELL Transmission Pricing Zone will pay their load ratio shares of the revenue requirements. For more detailed information, please see the Direct Testimony of Daniel Kline at page 52, Questions 97 and 98. See also the Direct Testimony of Ryan D. Jones, at page 42, Question 48.

BEFORE THE
LOUISIANA PUBLIC SERVICE COMMISSION

DOCKET NUMBER U-37425

ENTERGY LOUISIANA, LLC, EX PARTE

In re: Application for approval of generation and transmission resources in connection with service to a single customer for a project in North Louisiana.

EXHIBIT RLS-012

OF

R. LANE SISUNG

ON BEHALF OF THE

LOUISIANA PUBLIC SERVICE COMMISSION STAFF

ENTERGY LOUISIANA, LLC
LOUISIANA PUBLIC SERVICE COMMISSION
Docket No. U-37425

Response of: Entergy Louisiana, LLC
to the Second Set of Data Requests
of Requesting Party: Louisiana Public Service
Commission Staff

Question No.: STAFF 2-1 Part No.: Addendum:

Question:

Mr. O'Malley and Mr. Jones explain ELL's request for a Commission Order regarding revenue deferral. Regarding this request, please address the following:

a. Is any Commission action or Order required for ELL to defer revenue in accordance with GAAP?

b. Is the Company's request for Commission action solely tied to the treatment of Customer revenue for purposes of ELL ratemaking?

c. Please identify the specific language that the Company is seeking from a Commission Order allowing for a deferral of revenue received from the Customer.

Response:

a. No Commission action or Order is required for ELL to recognize deferred revenue in accordance with GAAP.

b. Yes.

c. ELL is seeking the following language in a Commission Order: The Company is permitted to defer and amortize Unearned Revenues for ratemaking purposes in the same manner as such Unearned Revenues have been deferred and amortized for GAAP purposes. Further, the Company is permitted to defer and amortize customer revenues through a newly created regulatory liability, which regulatory liability shall be excluded from rate base, in such a manner as to offset the depreciated revenue requirements associated with Planned Generators included within the FRP and stabilize the effect of New Customer's expected contributions to FRP recovery over the initial term of the Customer's contract ending in 2041.

BEFORE THE
LOUISIANA PUBLIC SERVICE COMMISSION

DOCKET NUMBER U-37425

ENTERGY LOUISIANA, LLC, EX PARTE

In re: Application for approval of generation and transmission resources in connection with service to a single customer for a project in North Louisiana.

EXHIBIT RLS-013

OF

R. LANE SISUNG

ON BEHALF OF THE

LOUISIANA PUBLIC SERVICE COMMISSION STAFF

ENTERGY LOUISIANA, LLC
LOUISIANA PUBLIC SERVICE COMMISSION
Docket No. U-37425

Response of: Entergy Louisiana, LLC
to the First Set of Data Requests
of Requesting Party: Louisiana Public Service
Commission Staff

Question No.: STAFF 1-32 Part No.: Addendum:

Question:

As part of the Company's deferred revenue proposal, would the Company include the resulting liability in rate base? If not, how does the Company propose to reflect the return on the deferred revenue before it is recognized in customer rates?

Response:

No, the Company does not intend to include a regulatory liability for the deferred revenue in rate base. ELL's other customers benefit from the Company's proposed in-service rate treatment and ratemaking adjustments to defer and amortize Customer revenue, as well as other features of this transaction. Further, ELL's other customers would not have contributed any capital such that a regulatory liability in rate base would be appropriate.

Finally, including a regulatory liability in rate base would decrease the Company's cash flow when the Company is expending large amounts of capital to construct the Planned Generators and thereby would penalize the Company for agreeing to a payment stream whereby the Customer supplies cash to the Company prior to when costs are traditionally recovered so that the Company's financial condition is maintained. In short, including a regulatory liability in rate base would be unwise regulatory policy. Among other things, it would make future transactions like the one proposed in this proceeding more costly to future customers as the Company would have to demand more cash to protect its financial condition which may jeopardize future projects.

BEFORE THE
LOUISIANA PUBLIC SERVICE COMMISSION

DOCKET NUMBER U-37425

ENTERGY LOUISIANA, LLC, EX PARTE

In re: Application for approval of generation and transmission resources in connection with service to a single customer for a project in North Louisiana.

EXHIBIT RLS-014

OF

R. LANE SISUNG

ON BEHALF OF THE

LOUISIANA PUBLIC SERVICE COMMISSION STAFF

ENTERGY LOUISIANA, LLC
LOUISIANA PUBLIC SERVICE COMMISSION
Docket No. U-37425

Response of: Entergy Louisiana, LLC
to the First Set of Data Requests
of Requesting Party: Louisiana Public Service
Commission Staff

Question No.: STAFF 1-33 Part No.: Addendum:

Question:

Mr. Jones states that the net result of the Company's revenue deferral proposal would be "no incremental cost to other customers."

a. Is the proposal that the annual amortization of deferred revenue would be in the exact amount of the difference between the actual revenue requirement of the Planned Generators less the non-deferred revenue from the Significant Customer?

b. What is the Company's plan for treating this deferral from a fiscal year accounting perspective as opposed to a rate effective period perspective?

Response:

The Company objects to subpart (b) of the request on the grounds that it is vague and ambiguous. Subject to and without waiving the objection, the Company responds as follows:

a. No. The amount of the annual amortization would also include an estimated levelized contribution to embedded FRP cost.

b. As stated in the testimony of Mr. Jones, the Company does not have a definitive plan for the ratemaking associated with deferred and amortized Customer revenue as flexibility is required to implement the desired ratemaking once more is known in the future. Company witness Ryan O'Malley further describes that some of the Customer revenue will be recorded as unearned revenue when it meets the definition of such under GAAP while other revenue will only be deferred from a ratemaking perspective. The Company will present a definitive proposal at such time in the future as sufficient information is available.

BEFORE THE
LOUISIANA PUBLIC SERVICE COMMISSION

DOCKET NUMBER U-37425

ENTERGY LOUISIANA, LLC, EX PARTE

In re: Application for approval of generation and transmission resources in connection with service to a single customer for a project in North Louisiana.

EXHIBIT RLS-015

OF

R. LANE SISUNG

ON BEHALF OF THE

LOUISIANA PUBLIC SERVICE COMMISSION STAFF

ENTERGY LOUISIANA, LLC
LOUISIANA PUBLIC SERVICE COMMISSION
Docket No. U-37425

Response of: Entergy Louisiana, LLC
to the First Set of Data Requests
of Requesting Party: Southern Renewable
Energy Association

Question No.: SREA 1-19 Part No.: Addendum:

Question:

Reference the Direct Testimony of Samrat Datta on page 8, Q10, AEO/HSPM Exhibit SD-2 on the Data Library tab, and AEO/HSPM Exhibit RDJ-2 on the Revenue Calculations tab. Please provide the ESA revenues and any additional revenues assumed for the analysis referenced in the testimony, including any economic analysis, memoranda, workpapers, and other documentation, and reconcile those with the values shown in Exhibits SD-2 and RDJ-2.

Response:

Information responsive to this request has been designated as Highly Sensitive Protected Material ("HSPM") and will be produced only to the appropriate Reviewing Representatives in accordance with the Confidentiality Agreement in effect and executed in this docket. HSPM files will be served upon appropriate reviewing representatives through a OpenText™ Core Share link. Any downloads of such files shall be treated in accordance with the applicable provisions of the Confidentiality Agreement regarding duplication of HSPM files.

Requested reconciliation is provided in native excel format with formulas intact in the attached Attorney's Eyes Only HSPM Exhibit RDJ-2 Addendum. The reconciliation provides the more detailed support which does not reconcile precisely to the numbers used in Attorney's Eyes Only HSPM Exhibit SD-2 but which is not materially different from an Net Present Value perspective. Among the differences is an illustration of the true-up mechanism provided for in the ESA Rider 1 which demonstrates how ESA Revenues would be affected based on the differences in the cost of the Planned Generators assumed for the purposes of the RDJ-2 and SD-2 analyses.

BEFORE THE
LOUISIANA PUBLIC SERVICE COMMISSION

DOCKET NUMBER U-37425

ENTERGY LOUISIANA, LLC, EX PARTE

In re: Application for approval of generation and transmission resources in connection with service to a single customer for a project in North Louisiana.

EXHIBIT RLS-016

OF

R. LANE SISUNG

ON BEHALF OF THE

LOUISIANA PUBLIC SERVICE COMMISSION STAFF

ENTERGY LOUISIANA, LLC
LOUISIANA PUBLIC SERVICE COMMISSION
Docket No. U-37425

Response of: Entergy Louisiana, LLC
to the Second Set of Data Requests
of Requesting Party: Louisiana Public Service
Commission Staff

Question No.: STAFF 2-3 Part No.: Addendum:

Question:

Please identify any tax implications associated with the Company's proposal to defer the Customer's revenue.

Response:

The response below is for the tax implications of the unearned revenue deferral as described in the Direct Testimony of Ryan Jones.

The receipt of the customer revenue is not deferred for income tax purposes and results in taxable income to the Company no later than the year following the year that the customer payment is received. There will be an accumulated deferred income tax asset recorded in account 190 for the tax effect of the deferred revenue recorded in account 253 that will turn as the customer revenue is recognized on the income statement in accordance with GAAP. See the Direct Testimony of Ryan O'Malley at pages 9 through 11. The Company does not intend to include the accumulated deferred income tax asset in rate base consistent with its proposed exclusion of the deferred revenue balance from rate base.

PUBLIC VERSION
AEO/HSPM INFORMATION HAS BEEN REMOVED

BEFORE THE
LOUISIANA PUBLIC SERVICE COMMISSION

DOCKET NUMBER U-37425

ENTERGY LOUISIANA, LLC, EX PARTE

In re: Application for approval of generation and transmission resources in connection with service to a single customer for a project in North Louisiana.

EXHIBIT RLS-017 PUB

OF

R. LANE SISUNG
PUBLIC VERSION

ON BEHALF OF THE

LOUISIANA PUBLIC SERVICE COMMISSION STAFF

Question No.: NPO 2-2

ENTERGY LOUISIANA, LLC
LOUISIANA PUBLIC SERVICE COMMISSION
Docket No. U-37425

Response of: Entergy Louisiana, LLC to the Second Set of Data Requests of Requesting Party: Non-Profit Organizations	Prepared By: Kenroy Hinkson, Ryan D. Jones Sponsoring Witness: Phillip R. May Beginning Sequence No. Ending Sequence No.

Question No.: NPO 2-2 Part No.: Addendum:

Question:

With regard to the Electric Service Agreement ("ESA") and Contribution in Aid of Construction ("CIAC") Agreement collateral security in the form of a Parent Guaranty, please provide the name of the Parent as well as how ELL determined that the collateral security in this manner would mitigate the risk of default by the Customer and how ELL determined the level of mitigation which would be appropriate. (See May Direct Testimony at 28: 14-22).

Response:

Information responsive to this request has been designated as Highly Sensitive Protected Material ("HSPM") and will be produced only to the appropriate Reviewing Representatives in accordance with the Confidentiality Agreement in effect and executed in this docket. HSPM files will be served upon appropriate reviewing representatives through a ShareFile link. Any downloads of such files shall be treated in accordance with the applicable provisions of the Confidentiality Agreement regarding duplication of HSPM files.

The Customer's parent company is Meta Platforms, Inc., a publicly traded company (the "Guarantor"). ELL determined that the collateral security in the form of a parent guaranty would contribute to mitigating credit risk based on the credit rating of the Guarantor. In general, parent guarantees can be relied upon to mitigate credit risk, particularly parent guarantees provided by guarantors with higher credit ratings than the contracting party. Further bolstering the risk mitigation, the ESA includes a provision that [redacted].

[redacted]

Question No.: NPO 2-2

[redacted]

PUBLIC VERSION
AEO/HSPM INFORMATION HAS BEEN REMOVED

BEFORE THE
LOUISIANA PUBLIC SERVICE COMMISSION

DOCKET NUMBER U-37425

ENTERGY LOUISIANA, LLC, EX PARTE

In re: Application for approval of generation and transmission resources in connection with service to a single customer for a project in North Louisiana.

EXHIBIT RLS-018 PUB

OF

R. LANE SISUNG
PUBLIC VERSION

ON BEHALF OF THE

LOUISIANA PUBLIC SERVICE COMMISSION STAFF

ENTERGY LOUISIANA, LLC
LOUISIANA PUBLIC SERVICE COMMISSION
Docket No. U-37425

Response of: Entergy Louisiana, LLC
to the Twelfth Set of Data Requests
of Requesting Party: Louisiana Energy
Users Group

Question No.: LEUG 12-2 Part No.: Addendum:

Question:

Please provide a complete copy of the executed Parent Guaranty provided by Meta Platforms, Inc., including all conditions, limitations, exclusions, and any termination or renewal provisions, and other key provisions.

Response:

Information responsive to this request has been designated as Highly Sensitive Protected Material ("HSPM") and will be produced only to the appropriate Reviewing Representatives in accordance with the Confidentiality Agreement in effect and executed in this docket. HSPM files will be served upon appropriate reviewing representatives through a OpenText™ Core Share link. Any downloads of such files shall be treated in accordance with the applicable provisions of the Confidentiality Agreement regarding duplication of HSPM files.

The Company objects to this request as vague and ambiguous. Subject to and without waiving these objection, the Company responds as follows:

See the attached attorney's eyes only HSPM attachment representing the parent guaranty required by Section 3(b) of the CIAC Agreement found on page 121 of Attorney's Eyes Only HSPM Exhibit LKB-2.

AEO

ATTACHMENT

REMOVED

BEFORE THE
LOUISIANA PUBLIC SERVICE COMMISSION

DOCKET NUMBER U-37425

ENTERGY LOUISIANA, LLC, EX PARTE

In re: Application for approval of generation and transmission resources in connection with service to a single customer for a project in North Louisiana.

EXHIBIT RLS-019

OF

R. LANE SISUNG

ON BEHALF OF THE

LOUISIANA PUBLIC SERVICE COMMISSION STAFF

ENTERGY LOUISIANA, LLC
LOUISIANA PUBLIC SERVICE COMMISSION
Docket No. U-37425

Response of: Entergy Louisiana, LLC
to the Twelfth Set of Data Requests
of Requesting Party: Louisiana Energy
Users Group

Question No.: LEUG 12-4 Part No.: Addendum:

Question:

Please provide all assessments or analyses conducted by ELL regarding the enforceability and durability of the Parental Guaranty provided by Meta Platforms, Inc., including consideration of corporate restructuring or potential divestiture scenarios involving Laidley LLC.

Response:

The Company objects to this Request as overbroad and as calling for speculation and to the extent it calls for a legal conclusion. The Company also objects to this request to the extent it seeks documents protected by attorney-client privilege or that are attorney work product. Subject to and without waiving for the foregoing objections and interpreting the question as not requesting privileged or protected works, the Company responds as follows:

Meta Platforms, Inc. is a party to the Parent Guaranty. See the Company's response to LEUG 12-2, the executed Parent Guaranty is the best evidence of its contents.

PUBLIC VERSION
AEO/HSPM INFORMATION HAS BEEN REMOVED

BEFORE THE
LOUISIANA PUBLIC SERVICE COMMISSION

DOCKET NUMBER U-37425

ENTERGY LOUISIANA, LLC, EX PARTE

In re: Application for approval of generation and transmission resources in connection with service to a single customer for a project in North Louisiana.

EXHIBIT RLS-020 PUB

OF

R. LANE SISUNG
PUBLIC VERSION

ON BEHALF OF THE

LOUISIANA PUBLIC SERVICE COMMISSION STAFF

ENTERGY LOUISIANA, LLC
LOUISIANA PUBLIC SERVICE COMMISSION
Docket No. U-37425

Response of: Entergy Louisiana, LLC
to the Tenth Set of Data Requests
of Requesting Party: Non-Profit Organizations

Question No.: NPO 10-2 Part No.: Addendum:

Question:

Refer to page 212 of HSPM Exhibit LKB-2. [redacted]

Response:

Information responsive to this request has been designated as Highly Sensitive Protected Material ("HSPM") and will be produced only to the appropriate Reviewing Representatives in accordance with the Confidentiality Agreement in effect and executed in this docket. HSPM files will be served upon appropriate reviewing representatives through a OpenText™ Core Share link. Any downloads of such files shall be treated in accordance with the applicable provisions of the Confidentiality Agreement regarding duplication of HSPM files.

See the attached Attorney's Eyes Only HSPM RDJ-2 Addendum 2, in particular tab "[redacted]"

PUBLIC VERSION
AEO/HSPM INFORMATION HAS BEEN REMOVED

BEFORE THE
LOUISIANA PUBLIC SERVICE COMMISSION

DOCKET NUMBER U-37425

ENTERGY LOUISIANA, LLC, EX PARTE

In re: Application for approval of generation and transmission resources in connection with service to a single customer for a project in North Louisiana.

EXHIBIT RLS-021 PUB

OF

R. LANE SISUNG
PUBLIC VERSION

ON BEHALF OF THE

LOUISIANA PUBLIC SERVICE COMMISSION STAFF

ENTERGY LOUISIANA, LLC
LOUISIANA PUBLIC SERVICE COMMISSION
Docket No. U-37425

Response of: Entergy Louisiana, LLC
to the Thirteenth Set of Data Requests
of Requesting Party: Non-Profit Organizations

Question No.: NPO 13-8 Part No.: Addendum:

Question:

Refer to page 51, lines 1-19 of the Kline direct testimony, which states, inter alia, that ELL expects the proposed Mt. Olive – Sarepta 500kV transmission line "will improve reliability throughout Louisiana" and "will also provide resilience benefits in this area," and that the line "aligns with the long-term strategic vision for the area."

a. Are the anticipated reliability and resilience benefits resulting from the Mt. Olive – Sarepta 500kV line discussed in a study?

   i. If so, please provide the study(ies), and explain if such studies include cases without the Customer, as suggested by the alignment with the "long-term strategic vision for the area."

   ii. If not, please identify the complete factual basis of ELL's claim that the Mt. Olive – Sarepta line will improve reliability and provide resilience benefits. Please also produce any documents supporting such claims.

b. Does the Company possess any data or analysis indicating that the Mt. Olive – Sarepta transmission line would reduce outages or shorten storm recovery times? If so, please produce such data or analysis, as well as any supporting documents.

c. [[[redacted]]]

Question No.: NPO 13-8

Response:

a. No.

i. N/A.

ii. See the Direct Testimony of Daniel Kline at page 51, Question 95 through page 52, line 3 that describes how the proposed new transmission lines will generally improve the reliability of the transmission system. The Mount Olive – Sarepta 500 kV transmission line will improve reliability and resilience benefits for customers throughout Louisiana and would strengthen north-south transmission ties by beginning the development of a third extra high voltage path between generation and load centers in Arkansas and South Louisiana. The Mt. Olive to Sarepta 500 kV line aligns with the long-term strategic vision for the area which includes EHV expansion that would accommodate the continued transition to a more sustainable generation portfolio, will make renewable energy more accessible, and is a "building block" for the future that can be paired with additional transmission upgrades or baseload generation facilities to increase load serving capability in the broader region of North Louisiana

b. No.

c. [redacted]

i. ELL objects to this subpart on the grounds that it is vague and ambiguous. ELL notes that, absent Project Titanium, this proceeding would not have been filed and Exhibit DK-6 would not exist. Subject to and without waiving that objection, the Company responds as follows: Yes, absent Project Titanium, the Mt. Olive to Sarepta 500kV line or a project like it would still be part of the Company's EHV vision because it serves as a "building block" to bring another 500kV line out of Arkansas to Louisiana, which will enhance grid reliability, improve power transfer capability from the north to south, support economic growth and enhance sustainability and resiliency. See also the response to subpart (a) above.

ii. Yes, but for the Customer Project, there is no immediate need for Mt. Olive to Sarepta 500 kV line. However, the line does align with the Company's EHV vision and affords various benefits to ELL customers, as explained in the Direct Testimony of Daniel Kline.

PUBLIC VERSION
AEO/HSPM INFORMATION HAS BEEN REMOVED

BEFORE THE
LOUISIANA PUBLIC SERVICE COMMISSION

DOCKET NUMBER U-37425

ENTERGY LOUISIANA, LLC, EX PARTE

In re: Application for approval of generation and transmission resources in connection with service to a single customer for a project in North Louisiana.

EXHIBIT RLS-022 PUB

OF

R. LANE SISUNG
PUBLIC VERSION

ON BEHALF OF THE

LOUISIANA PUBLIC SERVICE COMMISSION STAFF

ENTERGY LOUISIANA, LLC
LOUISIANA PUBLIC SERVICE COMMISSION
Docket No. U-37425

Response of: Entergy Louisiana, LLC
to the Seventh Set of Data Requests
of Requesting Party: Sierra Club

Question No.: SIERRA 7-5 Part No.: Addendum:

Question:

Refer to the direct testimony of Ryan Jones at 15 regarding the capacity costs.

a. Explain how the cost of $50.0 million was calculated and provide all associated workpapers.

b. Indicate how many MW of capacity this cost covers.

Response:

Information responsive to this request has been designated as Highly Sensitive Protected Material ("HSPM") and will be produced only to the appropriate Reviewing Representatives in accordance with the Confidentiality Agreement in effect and executed in this docket. HSPM files will be served upon appropriate reviewing representatives through a OpenText™ Core Share link. Any downloads of such files shall be treated in accordance with the applicable provisions of the Confidentiality Agreement regarding duplication of HSPM files.

a. The capacity costs estimate of $50 million was derived using an estimated PPA size of [redacted] and an estimated starting cost of [redacted]. Line 60 of the "Revenue Requirements" tab in Attorney's Eyes Only HSPM Exhibit RDJ-2 provides an estimate of the of the Purchased Capacity Revenue Requirement over the ESA term using a 2% per annum escalation rate.

b. Please see the response to subpart (a).

PUBLIC VERSION
AEO/HSPM INFORMATION HAS BEEN REMOVED

BEFORE THE
LOUISIANA PUBLIC SERVICE COMMISSION

DOCKET NUMBER U-37425

ENTERGY LOUISIANA, LLC, EX PARTE

In re: Application for approval of generation and transmission resources in connection with service to a single customer for a project in North Louisiana.

EXHIBIT RLS-023 PUB

OF

R. LANE SISUNG
PUBLIC VERSION

ON BEHALF OF THE

LOUISIANA PUBLIC SERVICE COMMISSION STAFF

CORRECTED*

*** Corrected to remove AEO exhibit.**

AEO

ATTACHMENT

REMOVED